



# THE CHOICE TO DONATE

Develop a Thriving Nonprofit by  
Increasing Engagement



# The Challenge

To thrive and grow, many nonprofits depend on donations.

Take the Bishop's Annual Appeal for Catholic dioceses as an example. Donations are used to provide services such as financial guidance, technology support, training, professional development, and youth initiatives – ultimately supporting the Catholic Church in living their mission to help those in need. It provides a critical portion of the funding needed for these services administered by the Bishop's staff at the diocesan offices.

When parishioners make a donation to the Annual Appeal, they are making a choice. Therefore, diocesan leaders need to understand how their donors make these decisions.

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*What is most important to their choice, and why do they donate to one organization over another?*

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The model outlined in this guide provides a way to visualize your competitive landscape from the viewpoint of donors. From here, nonprofits can create strategies based on these insights to grow donations.



# Winning the Donor's Choice

Donors make choices that impact the success of a nonprofit. Leaders need to understand what factors impact those choices before they can strategize to influence them.

The trouble is that leaders often have to act quickly. In the haste to make strategic decisions, they fall back on seasoned judgment and personal perspective.

We start with the words "I think..."

- *I think* this is what matters to our parishioners.
- *I think* this is why people aren't donating.
- *I think* this is where we should invest for the future.

But winning the donor's choice is too important to develop strategies based on assumptions. Our perception likely differs quite a bit from theirs. And when we have the wrong data going into our strategy, we develop solutions for the wrong problems, wasting our limited time and resources.

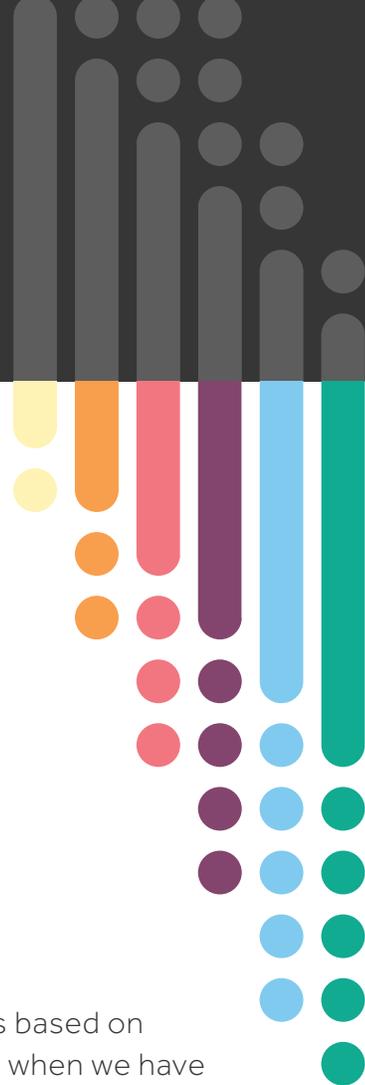
How do we get from, "I think" to "I know?" A great place to start is to ask donors. This can feel overwhelming, but one simple question brings clarity: What decision is the donor making?

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*By focusing on a choice that impacts the growth of your nonprofit, everything else becomes clear.*

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After all, if donors don't choose to donate to your organization, you can't grow.



# Winning the Donor's Choice

Let's consider the example of the Diocesan or Bishop's Annual Appeal. A study on US Catholic Online Giving found that only 17% of respondents donated regularly. The most likely to donate were those that attended mass on a weekly basis. Those who attended only a few times a year and those not registered with a parish were much less likely to donate.

*During the last 12 months, did you or your household contribute to an annual financial appeal of your diocese, for example, a bishop's or cardinal's appeal?*

|   | <b>Yes</b> | <b>No</b> | <b>Not aware of annual appeal in diocese</b> |
|---|------------|-----------|--|
| All respondents                         | 17%        | 58%       | 25%  |
| Age 16 to 34                            | 15         | 54        | 31   |
| Age 35 to 64                            | 18         | 60        | 22   |
| Attends Mass weekly                     | 43         | 40        | 17   |
| Attends Mass monthly                    | 26         | 50        | 24   |
| Attends Mass a few times a year or less | 6          | 66        | 28   |
| Registered with parish                  | 26         | 55        | 19   |
| Not registered with parish              | 4          | 63        | 33   |
| Prefers English                         | 17         | 59        | 24   |
| Prefers Spanish                         | 11         | 54        | 35   |

*US Catholic Online Giving, 2013*

That's probably not surprising. Those who frequently attend church are obviously more likely to be engaged. But what can we do to increase the engagement of other segments of parishioners? How can we increase the likelihood that younger, Spanish-speaking, or unregistered parishioners will donate? Understanding these nuances is vital to knowing how to increase donations overall.

There's also a competitive element to be considered when developing a strategy to increase donations. Catholics have other options to consider when making the choice to donate to the Annual Appeal. Instead, they might decide to donate money to national or local nonprofits, their local parish, or just not donate at all.

Therefore, in addition to knowing what value the Bishop's Annual Appeal provides to parishioners, we also need to understand the value these other competing options bring to donors.

Obtaining insights from Catholics about their decision-making allows the diocese to visualize their opportunities through the eyes of their donors. Donor perceptions (which drive their behavior) determine whether or not a diocese will be successful in their goal to increase donations.

# Research

Vennli conducted a study to dig into the drivers behind the choice to donate to the Bishop's Annual Appeal (or Diocesan Annual Appeal) that occurs in most dioceses. A total of 235 Catholics responded from around the country, and the differences between certain segments provide very actionable insights into strategies needed to increase donations.

We studied three types of Catholics and how they make the choice to donate their money to the Bishop's Annual Appeal as opposed to donating to their local parish, a local nonprofit, or a national nonprofit. Respondents self-identified with one of the following statements:

## LEVEL OF ENGAGEMENT

**Actively Engaged:**

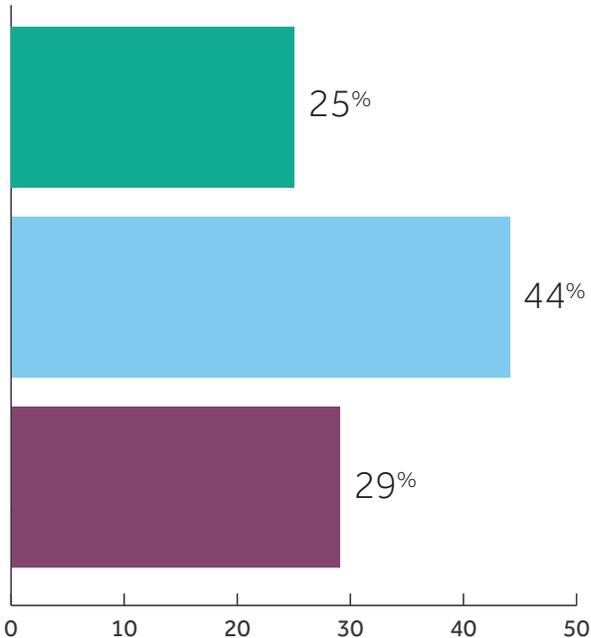
I self-identify as Catholic and attend mass weekly. I am an active member of my parish volunteering my time, participating in mass collection, and attending parish events. I pray daily and seek out answers to questions about my faith.

**Passively Engaged:**

I self-identify as Catholic. I make it a priority to attend mass and attend most weeks. I tend not to involved myself much with my parish outside of mass but I donate money and/or time occasionally. I want my (future) children raised Catholic.

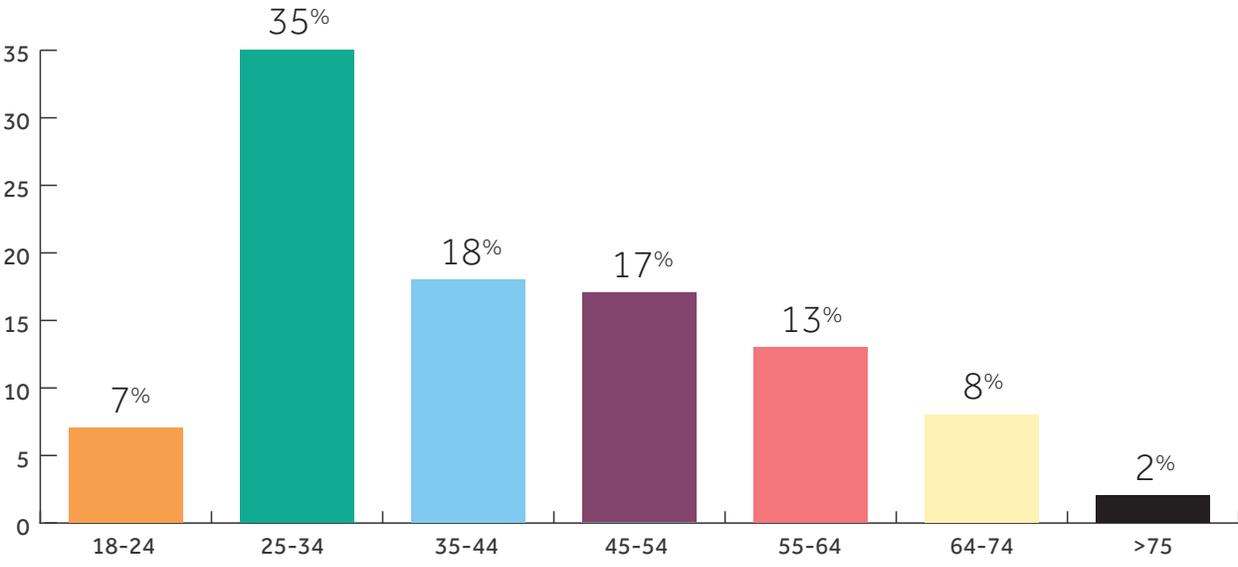
**Passively Disengaged:**

I self-identify as Catholic, but I infrequently attend mass. I don't have a personal disagreement with the Church but I tend to opt for other priorities in my life.

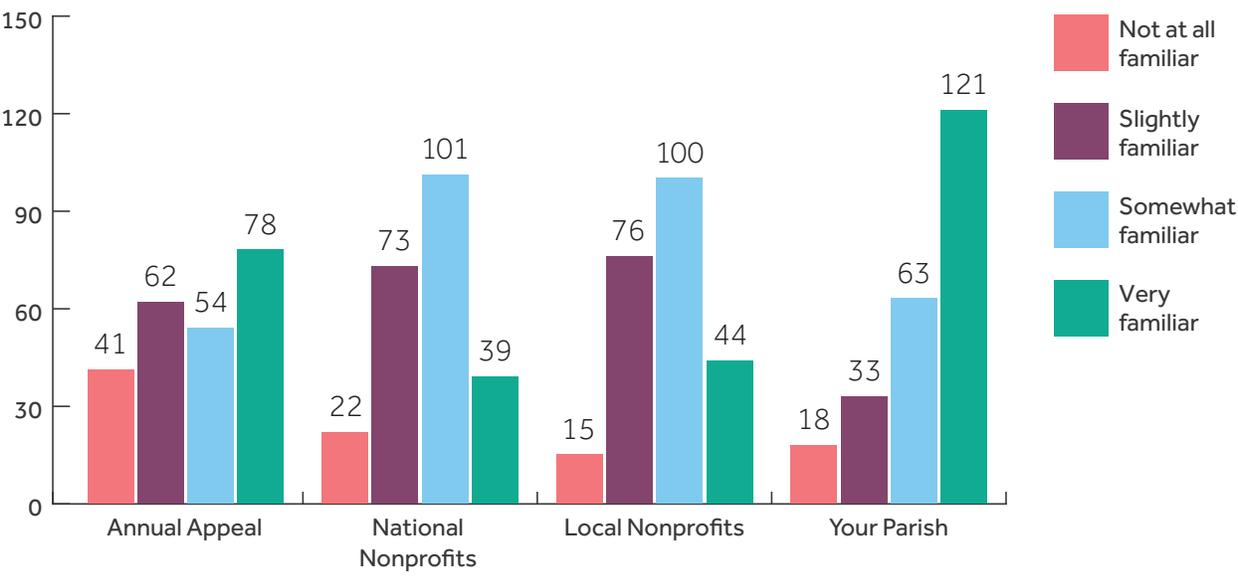


# Demographic Highlights

## AGE

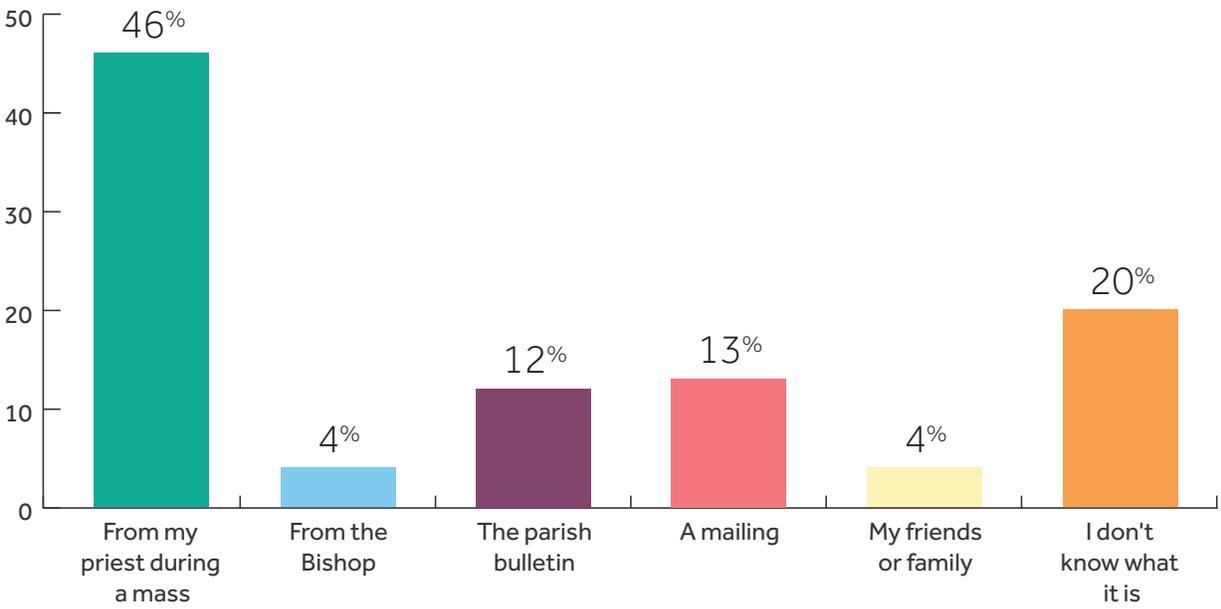


## HOW FAMILIAR ARE YOU WITH THESE ORGANIZATIONS?

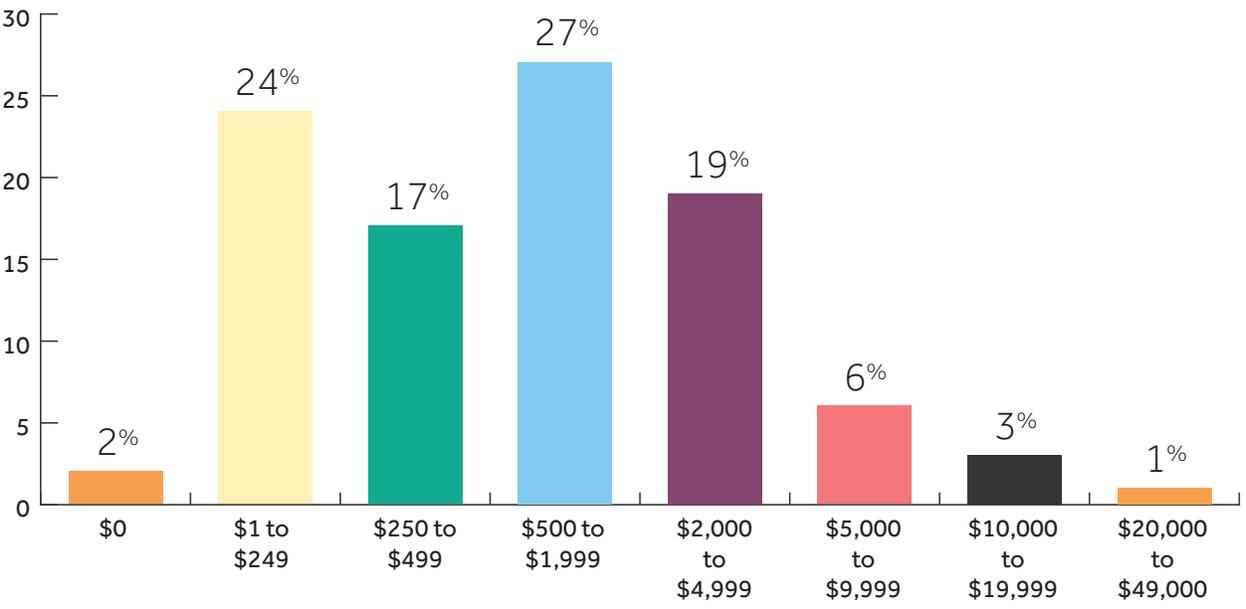


# Demographic Highlights

## HOW DO YOU LEARN ABOUT THE BISHOP'S ANNUAL APPEAL?

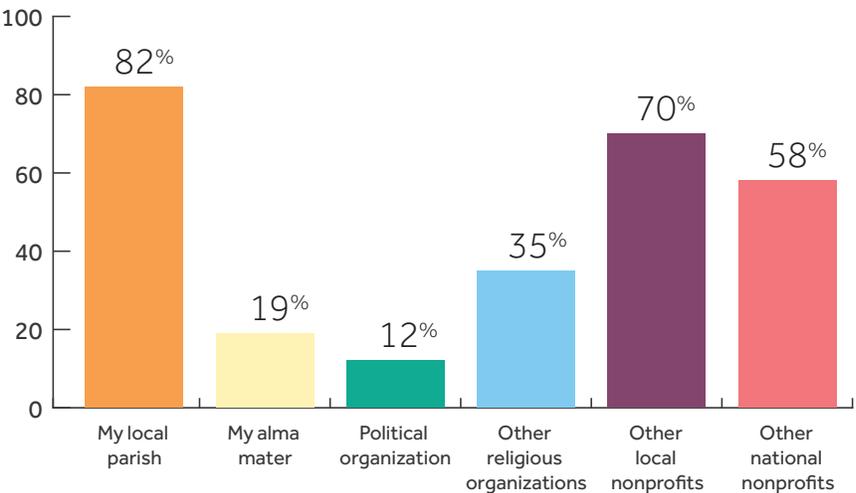


## HOW MUCH DO YOU DONATE TO NONPROFITS?

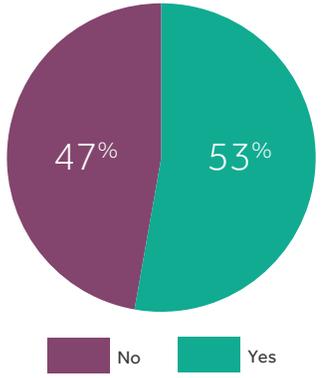


# Demographic Highlights

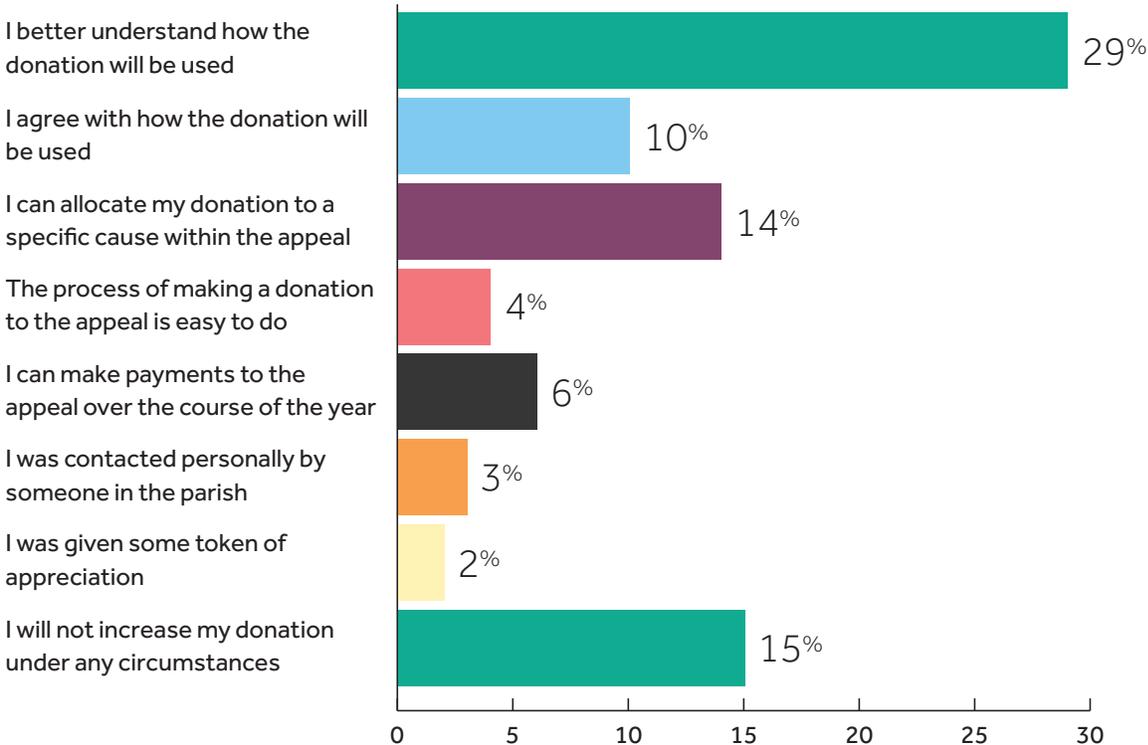
## WHERE DO YOU DONATE?



## HAVE YOU DONATED TO THE ANNUAL APPEAL IN THE PAST?



## I WOULD START TO DONATE OR DONATE MORE IF...



# Drivers of Choice

First, we asked respondents about the importance of various factors impacting the decision to donate. The choice factors can be divided into 4 categories: alignment with the organization's mission, feeling a personal connection with the organization, donation process and how donations are used, and demonstrated effectiveness of organization.

Overall, respondents reported that some factors were more important than others when making the choice to donate.

**High Importance:**

- I believe in the organization's cause
- I trust the organization will use my donation wisely
- I value the role the organization plays in the community
- The organization provides an easy donation process
- I understand why the organization needs my help
- I am proud to be associated with this organization
- I have flexibility in the way I can donate (i.e. timing, amount)
- The organization has a history of success in achieving its mission
- I want to advance the cause of the organization
- Their cause aligns with my top priorities
- I understand how my donation will be used

**Medium Importance:**

- The organization provides evidence of the impact of my donation (e.g., reports, statistics)
- My donation is used to support the cause and not to cover the overhead of the organization

**Low Importance:**

- I have the ability to designate how my money will be used
- The organization values my input
- My friends and family donate to this organization
- A third party has recognized the organization as a leader in its field
- I feel obligated to donate
- I receive acknowledgment for my donation (e.g., plaques, invitation to special events, advertising)
- I was personally invited to donate by a member of the organization

This is valuable information, but we also need to know how donating to the Annual Appeal compares to other options donors may consider. The second part of the survey asked how each of the competing offerings performs on these choice factors. It's only when we bring the competitive element into the picture that true opportunities to increase donations are revealed.

# Visualization of the Competitive Landscape from the Viewpoint of Your Donors

The vLens (right) visualizes the data in a way that quickly conveys what donors want, who they perceive to be delivering, and where their needs are unmet.

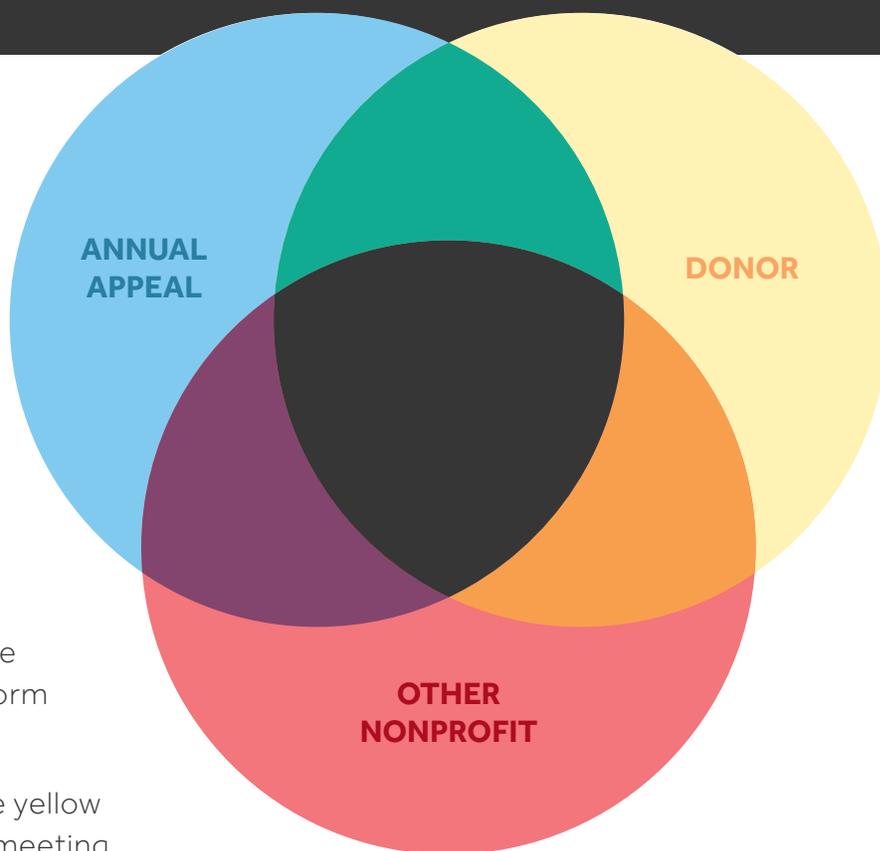
It starts with what is most important to donors (yellow circle). We can see how the Annual Appeal meets those needs (blue circle), and how the other competing options perform (red circle)..

The areas of overlap within the yellow circle are where offerings are meeting factors highly valued by donors. The Green Zone represents the Annual Appeal's competitive advantage. In other words, why donors choose to donate to the Annual Appeal. The goal is to grow this area to increase donations.

The Orange Zone is why donors choose to donate to other competing options instead. It's important to understand this if we are to increase the competitive advantage of the Annual Appeal.

The Yellow Zone shows unmet needs. These are opportunities to innovate by meeting parishioners' needs in new ways that will drive increased donations.

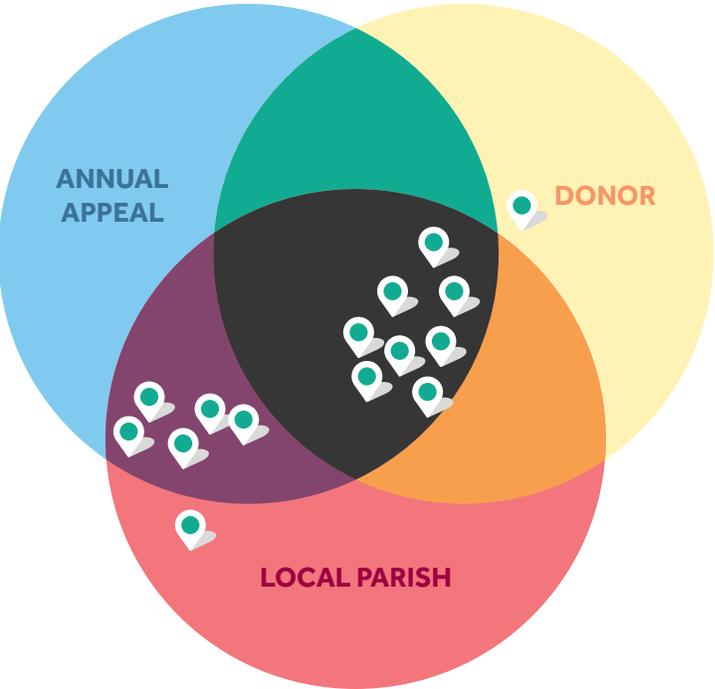
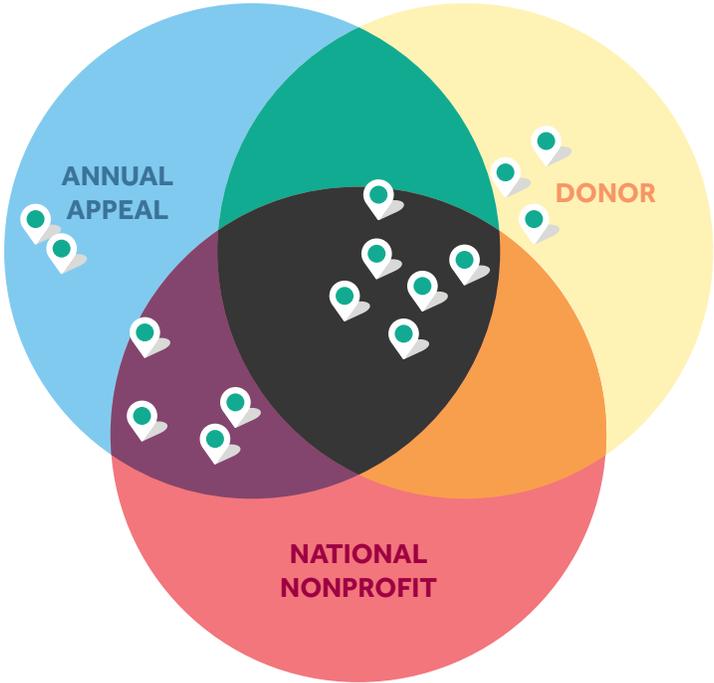
Areas outside the yellow circle represent things less important to the donor decision. These are areas that can potentially be divested to free up resources to focus on more important drivers of choice.



# Results

When compared to donating to a national nonprofit, the Bishop's Annual Appeal did not hold any competitive advantage. However, the opposite was also true. In general, donors did not perceive any significant value of one over the other. The same finding held true when looking at local nonprofits.

Unmet needs in the yellow zone show that respondents want to understand how their donation will be used, how it will support the cause (vs. just overhead), and the impact it will make. Neither offering is doing this well in donors' opinions.



The greatest competition to donating to the Bishop's Annual Appeal is actually the local parish. While still fairly undifferentiated, highly important choice factors move closer to the Orange Zone, showing that the local parish is perceived as doing a better job.

# It's All in the Details

Overall, donating to the Annual Appeal held no obvious advantage over other options. In fact, the competing options were fairly undifferentiated from each other. This represents a huge opportunity for the Bishop's Annual Appeal to be different from these other options in ways that matter to their donors, resulting in increased donations.

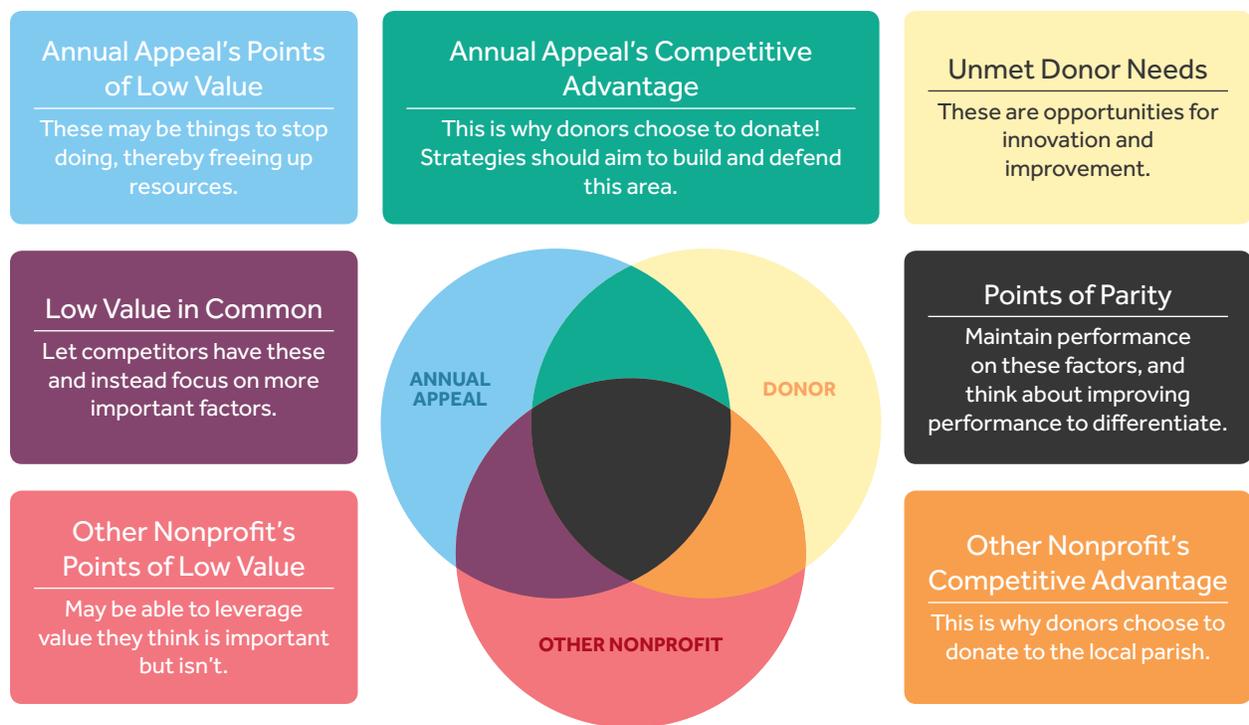
More strategic opportunities reveal themselves when digging further into the data. Here are some highlights:

- In general, respondents wanted all of the nonprofits to do a better job of explaining how donations are used and how their donation will support the cause directly (vs. pay for overhead).
- Donors want flexibility when it comes to how they donate, and they want the donation process to be easy.
- Donors care less about being able to designate how their donation is used or if they receive recognition for their donation. However, they want to know that the organization is using the donation wisely and want to see evidence of the donation's impact.



# Strategy

Each of the zones within the three circles has implications for your strategy. Strategic initiatives to increase donations should all aim to grow and strengthen the Green Zone while weakening the Orange Zone.



# Strategy

Many insights can be pulled from this research to build a growth strategy. Here are three highlights that represent immediate opportunities to increase donations:

1. **Why the Annual Appeal needs donations and how they are used.**

Donors want better communication regarding why the Bishop's Annual Appeal needs and uses donations. The less engaged a Catholic is, the less they know. In fact, less engaged groups know more about national or local nonprofits compared to the Bishop's Annual Appeal, which explains why they are more likely to donate to those causes. Improved marketing communication and other tactics can be used to improve knowledge and perceptions of potential donors, resulting in increased donations.

2. **Increase awareness among the "Passively Engaged."**

These potential donors represent a sweet spot for increasing donations. They have a history of donating and may just need better communication and access to encourage them to donate again or donate more. Communication should focus on the important drivers of choice for this segment: why the organization needs their help, how their donation will be used, and how their donation makes an impact.

3. **Make it easier to donate.**

Donors want to have a flexible, easy donation process. In fact, the less engaged a Catholic is, the more an easy and flexible donation experience became an unmet need. Both the Passively Engaged and Passively Disengaged segments believe that they have greater flexibility in donating to their parish than the Annual Appeal, thus partially explaining why they are more likely to do so.

It's also worth noting that the less engaged groups are more likely to be younger, and it's well-known that millennials have come to expect flexible customer experiences that take advantage of technology. There are likely opportunities to utilize technology in new ways to allow for a faster, easier donation process to the Annual Appeal.



# About Vennli

Traditionally, market research and strategy development have been considered separate activities. Vennli is something new. We're cloud-based strategy software that bridges the gap to drive growth for your organization.

Vennli helps you focus on targeted growth opportunities. Using our built-in electronic survey platform, you can easily obtain real-time insights needed to grow. Intuitive data visualization allows your team to quickly grasp the dynamic competitive landscape and customer needs to confidently make strategic decisions. Ongoing measurement allows you to track your effectiveness and changes in your market over time to maintain your advantage.

Growth happens when the customer's voice drives decision-making.

Learn more at [Vennli.com](https://www.vennli.com) or call **574-344-2022**.