

PENTERA

Modern Planned Giving Marketing

Donor Stories in Marketing— To Use or Not to Use?

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A Pentera Whitepaper
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Introduction

The Planned Giving Profession Has Been Assuming That All Donor Stories Are Effective

“So what’s the story?” asks Jennifer Aniston over a video ad of her in a series of attractive poses. “I’ve got a new relationship!”

And already we are involved in her story, imaginations running wild. Then quickly comes her testimonial that reveals Jennifer’s mysterious new relationship. She coos, “A new shampoo has taken a shine to me.” Cut to a closeup of a shampoo bottle as a voiceover starts reciting all the benefits of this particular product.

Aniston’s testimonial demonstrates the marketing principle of social proof: We assume that we should be doing what the people around us are doing, whether they are experts, celebrities, friends, users, “the crowd,” etc. Jennifer’s hair is shining—and so is she. We want to shine too.

Planned giving is no different, using donor stories—as we call testimonials—in newsletters and eNewsletters to elicit the social proof response: “That couple made a gift to this organization that we care about, so maybe we should make a gift as well. And look at all the benefits they got from the gift strategy they used; we can get those benefits too!”

The reader, who has already been identified as a prospective donor by virtue of being on the marketing mailing list, is inspired to read the rest of the newsletter about the gift type used in the donor story—and maybe even responds by ordering the follow-up booklet for more information (a measurable action known as “response,” which was the goal of the marketing all along).

That's how it works when donor stories are written strategically, following marketing principles. But donor stories are often not written strategically; instead, many of them suffer from one of two major flaws:

- They are written as lengthy biographies of the donor, with little focus on the gift—which sometimes isn't even mentioned until near the end of the story.
- They are about a donor who made a gift different from the gift strategy described in the newsletter and follow-up booklet.

We all understand the power of testimonials, but to have a donor story that does not support the gift strategy discussed in the rest of the newsletter does not seem smart or strategic—because it actually defies marketing principles such as using social proof and testimonials.

This research was inspired by a longstanding concern that donor stories are less effective when they don't support the newsletter content. Many in the planned giving profession have been assuming that any and all donor stories are an effective way to educate and inspire other donors. But there hasn't been any data to support or counter those assumptions. *Until now.*

II. Methodology

Click-Through Rate, Response Rate, and A/B Testing Show Actual Behavior of Donor Prospects

Pentera's aggregate analysis looked at thousands of client eNewsletters that went to millions of prospective donors over several years. We looked at two key metrics—the click-through rate and the response rate—comparing eNewsletters with donor stories vs. eNewsletters without donor stories. We also looked at the metrics by newsletter topic, analyzing whether the donor story was “**supportive**” of the particular newsletter topic by highlighting the same type of planned gift or if it was “**unsupportive**” of the newsletter topic by discussing a different type of planned gift.

We also conducted A/B testing with a number of clients who sent their eNewsletters with and without donor stories; other clients sent half of their eNewsletters with donor stories at or near the top of the newsletter index and the other half of their eNewsletters with donor stories at or near the bottom of the index.

Testing Actual Behavior Is Better Than Conducting Surveys

It is important to note that this analysis is not a survey asking a sample of the general population to predict what they might do in the future (like make a planned gift). That research technique is susceptible to social desirability bias, in which survey participants give the answer that they think the surveyors want to hear. For example, people filling out surveys for research studies are more apt to say they volunteer when they don't, go to church more often than they do, and exercise more often than they do. Data from planned giving surveys could by extension be replete with statistics that over- or under-inflate the likelihood of what someone is currently doing or might do in the future.

The findings in this research project, however, measure the actual behavior of real donor prospects. The eNewsletters studied are not going to the general public; the mailing lists compiled by the nonprofits we work with are made up of their best prospects for planned gifts.

The Click-Through Rate Analyzes **Interaction**, or **Engagement**, with Marketing Materials

The **click-through rate** (CTR) identifies how many people and what percentage of your e-mail list are clicking on a particular article in a planned giving eNewsletter—in this case, donor stories. The click-through rate is a key metric because it shows how many people are interacting with, or engaging with, the marketing materials by clicking to read more when reading a certain headline.

The Response Rate Shows Actual Contact with Your Organization

The response rate (RR) measures how many people request the follow-up guide that is offered in newsletters and eNewsletters. These are people who want to know more about planned giving strategies beyond what is being presented in the eNewsletter, and they are considered prime planned giving prospects. These individuals will most likely be added to a list of prospects to be cultivated.

A/B Testing Helps Confirm Findings of the Aggregate Analysis

A/B testing is ideal because it narrows the analysis to just one factor—in this case the presence or absence of a donor story in eNewsletters sent by a nonprofit. The difficulty with A/B testing is getting enough results for the findings to be statistically significant.

Our A/B testing so far has either confirmed our other findings or has not provided enough data for a statistically significant result. In no case has the A/B testing been in conflict with our other research. We are continuing to conduct more A/B tests on the impact of donor stories.

Having “Supportive” Donor Stories Is an Important Issue

In analyzing the CTR and RR metrics, we differentiated donor stories that were “supportive” or “unsupportive” of the main topic of the eNewsletter. Supportive donor stories discuss the type of planned gift highlighted in the eNewsletter; unsupportive donor stories discuss a type of planned gift that is different from what is being featured in the eNewsletter. The distinction turned out to be quite significant in the findings.

Note: Pentera always recommends to clients that their donor stories be about a gift type highlighted in the newsletter (a “supportive” donor story). But that does not always happen because some nonprofits have difficulty finding donors willing to share their stories—and a willing donor may have made a gift of a different type than what is featured in the newsletter.

III. Engagement

Donor Stories Have High Click-Through Rates, Boosting Engagement

In our analysis of several years of data, donor stories had the highest click-through rates of any type of article in eNewsletters. Their high click-through rate shows that donor stories definitely attract the eye of prospective donors—who click on and presumably read the donor stories, thus engaging with the marketing materials.

Click-through rates are a key measure and metric of engagement, which is considered the best way to evaluate planned giving marketing materials.

Click-Through Rates Follow a Hierarchy

To fully understand click-through rates, we must first understand what makes people click on one link versus another. One important phenomenon at play is simply the order in which the articles in an eNewsletter appear. It's well known that Internet searchers are most likely to click on the top (or first) link that appears on a Google search page—with the likelihood of clicking decreasing in a hierarchal order to the bottom of the page. One Google analysis found that more than half of all clicks are on the top link, and by the fifth link the drop-off is all the way down to 4%.

In our analysis of several years of Pentera eNewsletters, we found a pattern of click-through rates that followed the typical hierarchy:



The drop-off after the top link in the Pentera eNewsletter hierarchy, while not as dramatic as on Google, was still quite evident: the CTR goes from 23.2% for the top headline to 7% for the fifth headline.

Donor Stories Get the Highest Click-Through Rates

Donor stories most often appear in the top position in eNewsletters. Position 1 has an average click-through rate of 23.2%, but donor stories do much better than that. Donor stories in Position 1 analyzed over several years had a click-through rate of 34.3%; the remaining articles in Position 1 had a CTR of 18.7%.

Position	ALL Headlines	Only Donor Stories	No Donor Stories
1	23.2%	34.3%	18.7%

A/B Testing Confirms the High Click-Through Rate for Donor Stories

To further confirm that donor stories draw a high click-through rate, we asked a number of clients to conduct A/B testing in which they sent half of their eNewsletters with the donor story at or near the top of the eNewsletter and the other half with the donor story at or near the bottom of the eNewsletter.

The results were striking. The findings show that donor stories make a dramatic difference in CTR regardless of their placement. The donor stories at the bottom of the eNewsletter had an average CTR of 26.6%, far higher than typical for the lower positions. Donor stories actually improved CTR at the bottom of the eNewsletter even more than they did at the top.

This shows that donor stories function much like a magnet that overcomes the hierarchy of links: They pull the readers' attention to wherever they are located, regardless of the hierarchy.

So far, so good. Donor stories have an incredibly high click-through rate, enhancing the engagement of prospective donors with the nonprofit.

But engagement is not the ultimate goal. Planned gifts are the ultimate goal. Planned giving officers solicit planned gifts by establishing relationships with the best donor prospects. And one way they identify those prospects is through planned giving marketing—the donors who actually make contact with the nonprofit after receiving marketing materials. That is known as “response.” So a key question is whether donor stories that definitely increase engagement also increase response and help planned giving offices identify more prime prospects.

IV. Response

Donor Stories Do Not Affect Response Rates Overall in Aggregate Testing—Decreasing Response Rates in Some Instances and Increasing Them in Others

We have established that donor stories get very high click-through rates, increasing engagement with the reader. But does that translate to an increased response? We theorized that donor stories may not be increasing response rates because many nonprofits we work with get high response without donor stories. Organizations leave donor stories out of newsletters for various reasons (sometimes for space—they want to include more of the Pentera-produced copy—or because they can't secure a story in time, or because they are not convinced of the efficacy of donor stories), and they still get good response.

We began testing the connection between donor stories and response rates in 2016 and have continued to the present; we analyzed eNewsletters with and without donor stories and looked at the response through the number of follow-up guides ordered. We also conducted A/B testing.

Our key findings include:

1. Overall, there is no significant difference in eNewsletter response rates with and without donor stories.
2. Unsupportive donor stories decrease the response rate.
3. Supportive donor stories increase the response rate.

Here is information on each of the above findings:

1. Overall, there is no significant difference in eNewsletter response rates with and without donor stories

In an analysis of several million delivered eNewsletters, plus A/B testing, Pentera found that eNewsletters with donor stories do not have a higher response rate than eNewsletters without donor stories. This was the case both in aggregate analysis and in A/B testing.

Even though there are many more clicks on donor stories than on other articles, those clicks are not inspiring more prospective donors to respond by requesting a follow-up guide. The **planned giving department** is not getting more response, and therefore not getting more leads.

2. Unsupportive donor stories decrease the response rate

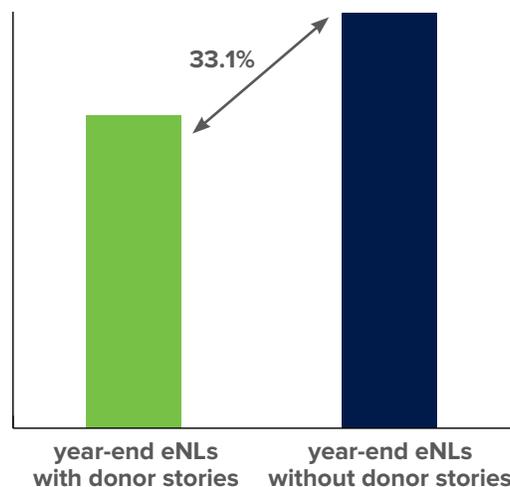
We began our further analysis by looking at year-end materials. We knew that response rates for year-end planned giving marketing materials are typically higher than the response rates during the rest of the year—even though most clients do not include donor stories in year-end materials.

Typically, the best response is to the year-end newsletter. This shows that donors want help with and more information about planned giving strategies—what is sometimes criticized as ‘technical material. This ‘technical’ content for year-end is actually so good and so relevant to donors that clients usually don’t want to give up space to a donor story in the newsletter.

Year-end planned giving marketing materials tend to focus on year-end tax planning and financial planning, presenting strategies that may utilize a number of different types of gifts. So the typical story of a donor making a particular type of gift often appears to the reader to be disconnected from and unsupportive of the rest of the newsletter.

We found that year-end eNewsletters with a donor story had a response rate that was one-third lower than year-end eNewsletters without donor stories. We conclude that planned giving departments should consider not using donor stories in year-end marketing materials.

Year-End eNLs Get Lower Response with Donor Stories



Understanding “Supportive” Donor Stories vs. “Unsupportive” Donor Stories

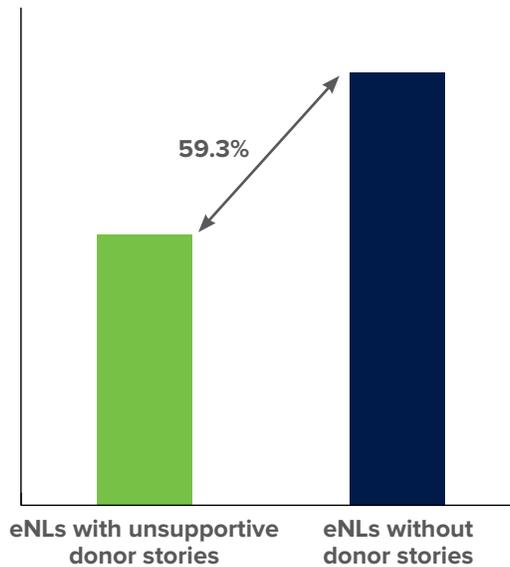
The confirmation that year-end eNewsletters definitely did better without donor stories—and the observation that the donor stories did not support the year-end topics by serving as gift illustrations—led to an analysis of how donor stories support the topics of other eNewsletters. Were response rates better when the donor story was clearly supportive of the main newsletter topic by matching the gift type?

We defined a “supportive” donor story as being one about a donor using a gift type that is featured in the newsletter—for instance, a newsletter about life-income gifts that includes a story about a donor who established a gift annuity or a charitable remainder trust. A story about a donor who made a bequest or a life insurance gift or the IRA charitable rollover (or any other gift type) would be considered “unsupportive” of the life-income gift newsletter.

Findings:

- The analysis clearly showed that eNewsletters with unsupportive donor stories hurt response—even though the stories maintained a high click-through rate.
- eNewsletters without donor stories had a response rate that was almost 60% higher than eNewsletters with unsupportive donor stories.

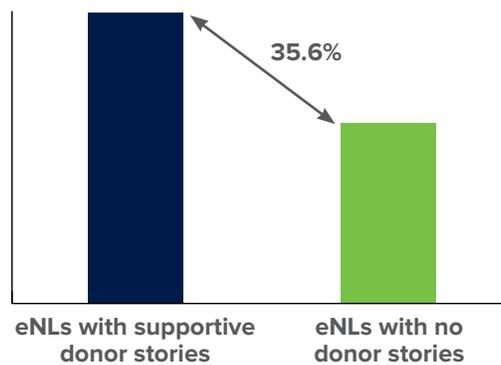
Unsupportive Donor Stories Decrease the Response Rate in Comparison with No Donor Stories



3. Supportive donor stories increase the response rate

When the donor story was clearly supportive of the main topic of the eNewsletter, the response rate was significantly better than eNewsletters without any donor stories—by a margin of 35.6%.

Supportive Donor Stories Increase the Response Rate in Comparison with No Donor Stories

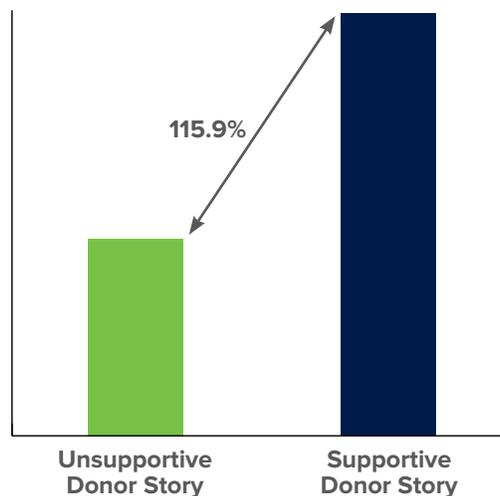


We were finally seeing the result that the planned giving profession has been assuming about all donor stories! But note that this positive impact occurs only in limited circumstances (supportive donor stories and avoiding year-end).

eNewsletters with Supportive Donor Stories Have Much Higher Response Rates Than eNewsletters with Unsupportive Donor Stories

When comparing eNewsletters with supportive donor stories to eNewsletters with unsupportive donor stories, the difference was truly dramatic: eNewsletters with supportive donor stories had response rates that were more than double eNewsletters with unsupportive donor stories.

eNLs with Supportive Donor Stories Have a Much Higher Response Rate than eNLs with Unsupportive Donor Stories



The conclusions are clear:

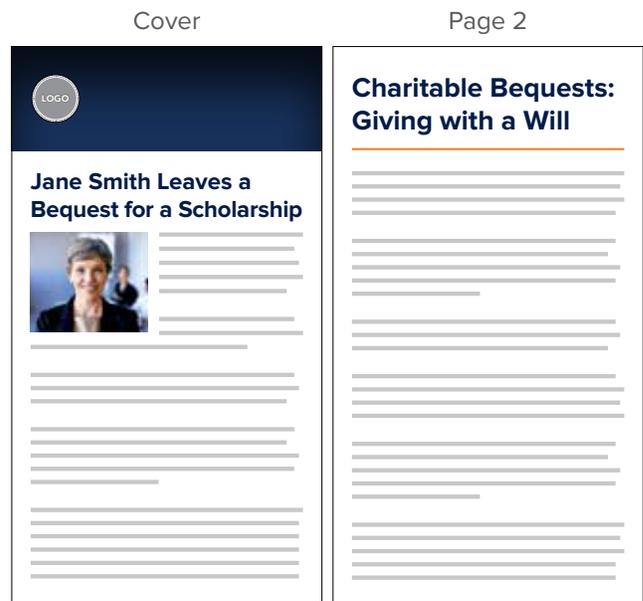
1. Supportive donor stories boost response in eNewsletters that feature the same gift type.
2. Unsupportive donor stories are worse than no donor story at all and should not be used when increased response is the goal.

Unsupportive Donor Story



In the **unsupportive example**, the donor story about a bequest is completely unrelated to the lead article about the benefits of gift annuities. That disconnect reduces response rates dramatically.

Supportive Donor Story

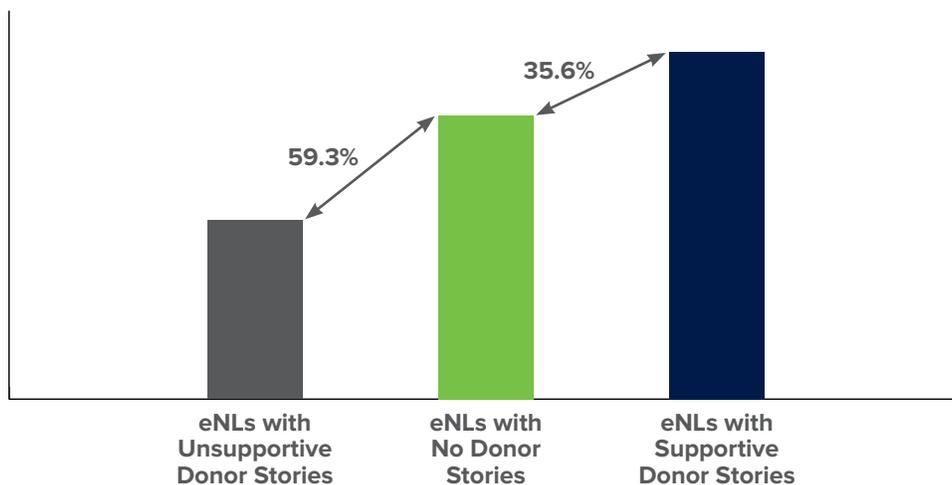


In the **supportive example**, the donor story about a bequest supports the lead article about charitable bequests made by will. That connection increases response rates dramatically.

The difference in the potential impact of supportive and unsupportive donor stories is obvious when looking at graphics of the stories juxtaposed with the lead eNewsletter article.

Here is a chart that compares all eNewsletter categories together (unsupportive donor stories, no donor stories, supportive donor stories):

The Increase in Response Rates from Unsupportive Donor Stories to No Donor Stories to Supportive Door Stories



High Click-Through Rates and Low Response: The Paradox Explained

As the planned giving profession has been emphasizing for several years now, people interested in an organization like to read stories about donors to that organization. This analysis has shown that donor stories will consistently get high click-through rates.

But high click-through rates do not always achieve the marketing goal—as the response rates in this analysis demonstrate. We surmise that response is lower with unsupportive donor stories because they distract readers from the content that drives response—which is the planned giving content.

Conversely, a donor story about the gift type featured in other articles draws readers toward those articles—and increases the likelihood of more information being requested (response).

A/B Testing Continues

We continue to conduct A/B testing of eNewsletters with and without donor stories as we seek to build a larger database of these tests. To date, the A/B testing either has confirmed the findings of the aggregate analysis or has been inconclusive. In no instance has the A/B testing conflicted with the aggregate analysis to a statistically significant extent.

6 Guidelines for Writing a Supportive Donor Story

1. Avoid Donor Bios

- Explain the donor's connection to your organization and motivation to make a gift; other biographical information can usually be in a paragraph or two.
- Tell donors ahead of time that there will be different versions for different marketing pieces.

2. Supportive

- Make sure your donor story is about the same gift type as featured in the newsletter.

3. Obvious

- Make the connection to the other articles obvious by mentioning the gift type in the headline, the photo caption, and the first paragraph of the donor story.

4. Benefits

- Focus the story on why the donor chose that gift type, emphasizing the benefits that the donor received.
- Explain how your donor structured a gift to meet charitable, personal, and financial goals.

5. Impact

- Feature the impact of the gift.

6. Avoid donor stories in year-end topics

- They get poor response.

Note on Donor Stories of Living or Deceased Donors

Other research by Russell James of Texas Tech University has found that readers prefer donor stories of living donors based on survey respondents preferring headlines of stories about living donor stories rather than those of deceased donors. In this research study, we found no evidence that donor stories about deceased donors negatively or positively affected click-through rates, engagement, or response in print or e-mail marketing materials, and we believe that more research should be done to explore this interesting question further.

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