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Poor Year-End Giving and Email Volume

January 16, 2019 Nick Ellinger, VP of Marketing Strategy, DonorVoice

Year-end giving was down (<http://agitator.thedonorvoice.com/poor-year-end-giving-reasons-or-excuses/>) (on average and especially online). M+R has said it (<https://www.mrss.com/lab/what-the-heck-just-happened-riding-the-december-digital-fundraising-rollercoaster-exciting-scary-a-little-nausea-inducing/>); PMX has said it (<https://www.nonprofitpro.com/post/dec-31-2018-the-day-fundraising-as-we-know-it-died/>); you may have seen it yourself.

The 2018 year-end giving macroenvironment cocktail was something like:

- Government shutdown +
- Tax bill shifting donations from 2019 to 2018 +
- Democratic House balancing out some policies +
- Continued mail deliverability challenges +
- Undifferentiated messaging catching up with us +
- Economic insecurity +
- Donors giving at GivingTuesday who were previously year-end givers +
- Sector-wide failure to bring new people into giving

Take all of that, mix in a cocktail shaker, and serve over ice with a sprig of mint. We'll know more when we can dig into significant cross-sector data, but it's likely some ratio of these.

One thing that *no one* is hypothesizing (that I have seen, at least) is that we didn't email enough. As I've mentioned (<http://agitator.thedonorvoice.com/research-update-making-your-match-less-bad/>), I signed up for the top 100 US nonprofit email lists under the pseudonym of Anita Sue Donim. In 2018, I received 71 emails on December 31. I received 57 emails from those same organizations on December 31, 2017. That's a 25 percent increase.

(Why did I look organization to organization? Because I look at this account maybe twice a year and click-through on nothing. Every indication to these organizations is that this email account no longer cares about them – sending to this email address probably is hurting deliverability. So the smart organizations no longer send to it.)

Of the 34 organizations on the list, *15 of them increased* the numbers of emails they sent on December 31st, largely of the Mad Libs variety described Monday (<http://agitator.thedonorvoice.com/email-deliverability-part-2-the-impact-of-mad-libs-fundraising/>). *Only four decreased email* to this chronic non-responder (which is what you can do if you don't want to totally release these folks, but know that most aren't engaged.)



So, revenues declined as the number of emails per person increased. Not what some would have predicted. In fact, we had a bit of the debate here (<https://agitator.thedonorvoice.com/say-whos-the-barber-here/>), pushing back against the argument that “We can increase retention just by asking more and more and more.” Year-end data tends to indicate that more doesn't lead inevitably to better.

But, you might say, these were extraordinary circumstances because of the year-end cocktail described above.

Unfortunately, that is not the case. First, it wasn't just end of year – this year had consistently low retention (<http://agitator.thedonorvoice.com/a-sober-reflection-on-latest-retention-data/>).

More than that, researchers find that reminder communications can decrease response rate (<https://www.sciencedirect.com/science/article/pii/S0047272717301895>). To be clear, they find that a reminder email gets about two-thirds more revenue. *But they also find that the annoyance factor that leads to fewer future donations cuts the value of these additional emails by 90%. They also find that the additional unsubscribes that come from annoyance plus additional opportunities to unsubscribe take the return into negative territory.*

To summarize:

The long-term impact of a reminder email is negative.

Time and research will tell if we are facing something temporary or systemic; my money is on a little of both. But volume isn't the answer to what may ail us. Quality – depth, customization, technique, and basis in a deep understanding of why donors give – will be the way out, not quantity.

Nick

Feedback