

Measuring satisfaction and loyalty: How do your donors feel?

Project 03. Satisfaction and commitment

Roger Lawson, February 2017

The original brief

Traditionally fundraisers measure success in money raised now. But as indicators of long-term commitment several factors are more important and more useful than the ubiquitous, historic RFV tool (recency, frequency and value). This project will create a practical guide to measuring these other main indices and will show where relevant research and examples of best practice can be found.

The moment that you begin to measure something, you change it – and it changes you!

Summary guidance

Principles

We believe that an obsession with short-term financial KPIs is the single biggest reason that donors are dissatisfied with the way charities fundraise. It forces us to follow ever more aggressive strategies in order to achieve the target amount of income or new donors.

It also means that we never understand the impact of our communications in terms of how we make donors feel about us, or how emotionally engaged they are with us.

Measuring lifetime value is a step forward. It's something many charities do, and it encourages all of us to think about how today's actions affect giving in the future. But it is still measuring transactions, not feelings.

If you are reading this, we assume that you want to improve the experience your donors have of giving to you. In the belief that if you don't measure it you won't do it, we strongly believe that you need to have KPIs in place for measuring the impact of that improvement in the donor experience.

In short, you need to be measuring how donors feel – their loyalty, commitment or satisfaction.

Here are the principles that sit behind our recommendations.

Principles

1. Improving the experience that give your donors will improve how those donors feel about you.
2. How they feel about you affects whether, and how much, they support you in the future.
3. Chasing short-term responses incentivises the fundraiser to create pressure, annoyance and dissatisfaction. Therefore, chasing short-term money risks damaging the way the donor feels about the charity and therefore jeopardises long-term income.
4. To break the cycle of prioritising short-term response over building long-term loyalty requires a commitment and investment of time and/or money.
5. If you want to achieve something, you have to measure it. Therefore, we have to find ways to measure how people feel.

Actions

We believe that it is essential to measure the emotional loyalty that donors feel if you are serious about improving the donor experience. We have outlined five steps to follow to achieve this goal.

1. Commit to growing donor loyalty by delivering a better donor experience.

- We haven't just said 'offer a better experience'; we've said that you should do this to 'grow donor loyalty' – that is the aim.
- Understand that making donors feel good about supporting you is good for them and good for you, as it will help you raise long term income.
- There is a growing body of evidence that making your donors feel good about giving to you leads to longer term, more valuable support.

2. Find out the emotional results that donors value and want from you

- Keep it simple, so discover what is most important to your donors and focus on that.
- There is no substitute for knowing why donors give and what they need or want from you.

3. Measure how they feel

- Once you know what your donors value, measure how well you deliver.
- This is not about stopping your existing measurement of response and income, but building on it to understand how your communications (especially fundraising) influence how donors feel about you.

4. Report it

- You should report your findings. By telling colleagues (as many people as possible), you will grow understanding of what donors need, share your commitment to giving them a better experience and increase colleagues' confidence to invest in actually delivering it.

5. Use this learning to change something. Test it and measure again. Keep improving.

- Once you have measured donor feeling, decide what you think you need to do better and test something different – anything! – and monitor changes in both how the donors feel and how they behave.

Approach

Tackling the biggest problem with fundraising today – our focus on short-term KPIs

We believe that an obsession with short-term financial KPIs is the single biggest reason that donors are dissatisfied with the way charities fundraise. Any attempt to grow long-term donor loyalty plays second fiddle behind maximising the response rate to the latest appeal or reaching the target for income and new donors by the 31st March.

We believe fundraising is not just about generating an immediate donation. Chasing responses and short-term income (and rewarding ourselves when we get them) incentivises us to follow ever more aggressive fundraising techniques, often making donors feel pressured, uncomfortable and dissatisfied, thereby putting their long-term loyalty and value at risk.

Emotional engagement

We've always known that we need to know how successful (or otherwise) each and every activity is in terms of response rate, average donation, net income or number of donors etc. Indeed, it is one of the strengths of our sector that we strive to calculate the cost-effectiveness of every pound we spend.

Some of the better charities also measure a donor's value over time – their 'life-time value'. This is a massive step in the right direction and can help charities move from:

- Measuring response rates today to retention rates over time
- Measuring today's donations to forecasting future value
- Measuring effectiveness of individual activities to measuring the value and performance of different donors or segments

Three things influence how long someone will give to us, and we can measure the first two through transactions.

1. The method of payment the donor uses has the biggest impact, which is why we have been chasing regular giving for so many years.
2. Related to this concept is the 'product' through which someone gives. For example, membership has the concept of renewal built into it – something that encourages repeat support even if the donor is not paying by direct debit.
3. **Fundraising is not just about transactions.** The third factor is how loyal the donor feels to you and how committed they are to your cause.

For too long, we have confused this last point with the first two, believing that a direct debit is a sign of emotional commitment, when in truth, it can leave some donors cold as we take these donors for granted or the donor feels less need to engage with the charity.

Fundraising is about the emotional connection a donor feels for the charity – the way they feel about giving to us. And if we obsess about their transactional engagement with us, then we overlook something far more important in the long run – their emotional engagement.

We want to introduce
the concept of
emotional engagement.

The donor experience is at the core of this emotional engagement. It is the experience that drives their satisfaction, their loyalty and their commitment.

There can be little doubt that giving donors a better experience and making them feel good about giving to us should be an integral part of our fundraising strategies. This isn't just a 'nice to have', or even just the 'right thing to do'. It is also good for business because, as a growing body of evidence shows, happy donors give more for longer and tell their friends and families.

As we develop our fundraising strategies and seek to grow emotional engagement, we must set this as a KPI that the organisation values.

Measure the money... and measure feelings

This report is not suggesting that we stop measuring income and cost-effectiveness. Quite the opposite! We are suggesting that this isn't enough – we have to learn how our donors feel about us and, importantly, how our communications make them feel. After all, the way we make our donors feel with our communications today will affect how our donors engage with us and give to us tomorrow.

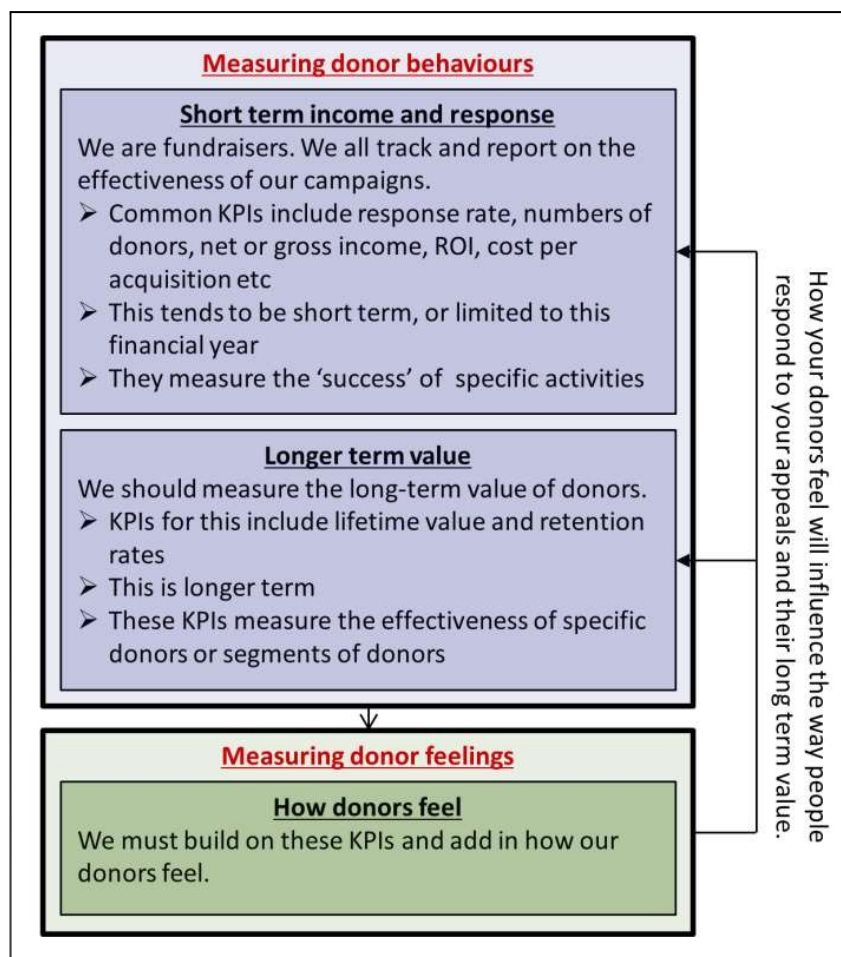


Chart 1: Moving from short term financial measures to loyalty

This is not just a paper about KPIs

This section may be called Measurement, but it's actually about culture, strategy and people. What you set as your targets will reflect and drive your culture. They will lead your strategy and your decisions about where you invest in donors, as well as how your people think and behave.

The moment that you begin to measure something, you change it – and it changes you.

By setting KPIs around satisfaction and loyalty, you will start to change your charity's culture, strategy and behaviours.

Setting measures for how you want donors to feel about giving to you will define a new way of working in every area. The outcomes should inform your decisions, your strategy and your behaviours in many of the areas picked up in the other Commission on the Donor Experience projects:

Having KPIs around donor loyalty and satisfaction...

... will encourage you to develop a culture of supporter service (Project 16)

... will dictate how you plan your supporter journeys (5), especially thinking about the extent to which the donor will become an advocate for you (18) or leave you a legacy (10)

... will affect the briefs for your campaigns across every channel (11), how you use language of persuasion or pressure (1) and the way you brief and use suppliers (21)

... will help you build a business case to invest in long-term donor development (20), including how you thank donors (4) and provide evidence of impact and effectiveness (19)

... will affect the skills and attitudes you look for in fundraisers (14) and how your Trustees should be involved (15).

In fact, everything!

Putting the principles and actions into practice

We have identified five steps that you should take to measure how donors feel and to use this to change the donor experience that you offer:



Chart 2: Steps to measuring loyalty and satisfaction

Step 1: Make a commitment to growing donor satisfaction and loyalty

How donors feel is vital

It's always important to start by knowing why you are undertaking a particular approach, and this understanding should be shared with your colleagues.

There is a growing body of evidence that shows that how donors feel about us has a direct relationship with our ability to raise money from them in the long term.

Professor Adrian Sargeant (Professor of Fundraising at Plymouth University and the Director of the Centre for Sustainable

Donors who feel good about supporting you will give longer, they'll give more and they'll recommend you to more people.

Philanthropy, Plymouth University) has shown the impact on income of improving donor loyalty¹ and that loyalty and commitment to a cause are vital in developing long-term profitable donor relationships.

About Loyalty has shown that those donors with the highest levels of emotional loyalty to you give longer than those with lower levels².

Donor Voice has shown that donors in the top 25% for commitment will have given 131% more than those in the bottom 25%³.

There is also plenty of anecdotal evidence that donors who have a very good experience go on to provide support in other ways and become valuable advocates.

¹ Various Professor Adrian Sargeant including Donor Retention: What Do We Know and What Can We Do About It? (2008)

² About Loyalty: Charity Loyalty Benchmarking(2015)

³ Various Donor Voice surveys

Why is the commercial sector so far ahead of us?

The charity sector has led the commercial sector in our understanding of how emotions drive decision making and generate behaviours and responses, so it is ironic and disappointing that the commercial sector is so far ahead of us in understanding how our communications can make a donor feel about us and how those feelings then influence the future relationship they have with us.

Companies have long measured levels of customer loyalty and satisfaction, along with affinity for the brand. They discovered that increasing emotional loyalty through offering a better experience can differentiate a company from its competitors and grow customer loyalty and profits. They have done this for one reason only – because they know that in the long run they can make more money by keeping their customers happy.

Now it's our turn to learn from them.

Measure performance

If you are ready to make this commitment to improving your donors' loyalty, then you need to measure your effectiveness. Only by having KPIs in place and measuring progress against them can you will give sufficient priority to making this change happen.

You won't change it unless you measure it.

Commit to implementing a strategy aimed at offering a better donor experience in order to change how your donors feel about you, and commit to measuring the impact of this strategy on your donors.

“You can't manage what you don't measure”.

Peter Drucker

Step 2: What do your donors want and need?

To decide what to measure, it is important to understand what your donors need and what makes them feel good about supporting you. In short, what creates emotional engagement between you and your donor?

You have to answer the question: ‘What is most important to your donors?’

What determines how your donors feel about you? The first thing to note is that this is, by definition, about emotions and about your donors.

To deliver the donor experience that will grow their loyalty, you need to listen to your donors' needs, understand their motivations and learn how you can feed their emotions.

We could write an entire thesis on how to gather donor insight and what to look for, but there are some important points to note when thinking about these issues.

Emotional needs

There are as many reasons for giving to charity as there are donors. The experience we give them (through our fundraising, our communications and our supporter care and through all other touch-points with us that they may have) influences everything they feel about us. It is through these interactions that they form their opinions – almost entirely at a sub-conscious level.

We know from research that Loyalty (the feeling of support or allegiance that a donor has) is driven mostly by Commitment, Satisfaction and Trust. Professor Adrian Sargeant has found this in different research pieces that he has published⁴, and recent About Loyalty research (with BHF, Cats Protection, RSPCA, Sightsavers and WWF donors) showed that these same three factors were the most significant drivers of a donor's intention to continue giving to the charity they support⁵.

In fact, the About Loyalty research found that these three factors, on their own, accounted for a massive 38% of the difference in a donor's intention to continue giving. (Generally, anything that explains 10-15% of a person's intention to behave differently is considered a significant factor.)

Loyalty (or Commitment, Satisfaction and Trust) is a good place for all charities to start.

We also know that emotion lies at the core of why people give to charity. Alan Clayton, who is an expert in this field, identified Need Emotions (anger, helplessness, compassion) and Reward Emotions (gratitude, pride and togetherness), which can be used to develop a donor's emotional connection to the charity.

We haven't even scratched the surface of the role emotion plays in giving with this introduction. Suffice to say here, meeting a donor's emotional needs will have the biggest impact on changing the way they feel about you.

Rational needs

Professor Adrian Sargeant and Dr Lucy Woodliffe⁶ identified the top factor that drives commitment to a charity as being service quality, which, again, the commercial sector has also discovered. This comes above other aspects such as shared beliefs, perceived risk (in stopping giving), a personal link or trust.

Service quality can be thought of as the way in which you interact with the donor at the moments of truth (see right).

Donors want to know that you are listening to them and responding to their needs. They want efficient, friendly service when they contact you. They want fundraising communications that have borne in mind their expressed preferences and needs. They want consistency across all channels or touchpoints.

Within this area, you may want to think about how you deliver the donor service – are you offering any element of choice to the donor, is your tone-of-voice correct, is it easy to reach you and do what the donor wants, do you resolve complaints quickly and well?

Service quality is vital, and the extent to which you exceed or otherwise their expectations will determine the donor's satisfaction. Although we have termed these rational needs, meeting and exceeding them (or not!) affects how the donor feels about you – their emotional engagement.

We like the concept of 'Moments of Truth'.

Every time you interact with a donor is an opportunity to show gratitude and inspire a donor or to pressure and demotivate them.

⁴ Professor Adrian Sargeant: Relationship Fundraising volume 1 – where do we go from here? (2016)

⁵ About Loyalty: Charity Loyalty Benchmarking (2015)

⁶ Sargeant and Woodliffe: Building Donor Loyalty: The Antecedents and Role of Commitment in the Context of Charity Giving (2008)

Step 3: Decide on what you will measure

This is, perhaps, the hardest part. There are so many things that you can measure and so many emotions that might be critical to how the donor feels.

At the core is the need to learn about your donors – especially why they give to you and what they need and want from you. Really good insight will tell you what the most important needs are for your donors – and measuring whether you are meeting those needs is a great place to start.

What you measure should be what's most important to your donors.

There are lots of ways that you can find this out. You can conduct formal

research, but the chances are you'll get pretty close by just trying to put yourselves into their shoes. Monitoring what they are commenting on or complaining about to your supporter care team or on social media will also give you a good indication.

Before we outline the tools available, we have listed some considerations that you might want to bear in mind when deciding which to use.

Considerations: Use publicly available tools or make your own?

There are lots of tools available that you can use, or it is perfectly valid (and sometimes preferable) to create your own measures.

Most of the publicly available tools have been developed in the commercial sector – hence, they use different language (the most obvious one being the reference to 'customers' rather than 'donors') and often make different assumptions about the motivations for purchase compared to the motivations for giving or supporting. They have, however, been proven to work in growing customer loyalty and retention, have the advantage of being standardised in their approach and provide a simple way to start.

Some of the most successful organisations have learnt from these tools, merged this knowledge with insight about their customers and donors and created their own measures.

The important thing to remember is that there is no one right answer. You should decide what you feel is right for you. Measuring any of these metrics will mean you're taking a big step forward towards being able to deliver an improved donor experience and measure its impact.

Considerations: Measure overall loyalty or satisfaction with a specific activity

Some of these tools are designed to give you a measure of how your donors feel about you. How do they feel about you as a charity worth supporting? How loyal do they feel about your cause? How committed are they to supporting you? Are they satisfied with the relationship? Do they trust you?

Emotions are important on two levels – how your donors feel about you generally, and how you make them feel each time you communicate with them.

These are all questions that show how the donor feels about you as a charity. There is no one thing that drives the answers to these – the donor's feelings will arise based on the breadth of their experience of you, on what they read about you in the media and what people they trust say about you.

The way someone feels about you as a charity will influence how they respond to your appeals, how long and how much they give and what they say about you to their friends and family.

Measuring the impact of individual communications

How does every Moment of Truth (or touchpoint – see page 9) make your donor feel? Do they feel inspired and valued? Do they feel pressured and annoyed? Is it easy for them to do what they want to do?

Every time you have any contact with the donor you create an impression: the way you ask for money, the magazine you send them, the way you interrupt them in the street, the way you answer the phone, the content and ease of use of your website and so much more.

Each touchpoint is a point where the relationship can go bad, or good. These are our Moments of Truth. These are the points where you will change the way the donor feels about you.

We believe that the aim is for the donor to feel a little bit better about you after every Moment of Truth than they did before it.

Considerations: Research methodology

Most of the tools rely on quantitative research, proactively asking donors about their experience or feelings towards you. By doing this, you will have the ability to create a benchmark against which you can track performance, as well as monitor performance against different segments, events or communications.

Qualitative research is valid, but its real strength is less about quantifying and measuring success and more about understanding why donors feel and react as they do.

Our recommendation is, if possible, to consider using quantitative and qualitative research together. The quantitative research will allow you to measure, benchmark, track and report. It will also allow you to identify where you have problems. The qualitative research will then allow you to understand why actions are successful or not and to develop plans to improve your scores.

You also need to consider how formal (or robust) the research will be. As a rule of thumb, the larger the organisation, the number of donors or the size of the financial decisions that you will make based on the research, the more robust it should be.

Tools

Through the rest of this section, we will describe some of the most common tools used to measure how donors feel them in more detail.

	Net Promoter Score (NPS)	Customer Satisfaction (C-SAT)	Customer Effort Score (CES)	Loyalty	Other
	A single measure of how your donors feel	Benchmarking your donors' emotional loyalty	Measure your donors' commitment	Understand how happy your donors are with each communication	Measure and benchmark donor satisfaction
Reason it works	One question can identify all of a donor's feelings about you into one action	This measures how donors feel at every Moment of Truth	Your role is to make it as easy as possible for a donor to do what they want to do.	Loyalty brings together many factors to understand feelings that a donor has into a measure of with feeling of support or allegiance	Measure and benchmark donor satisfaction
Question(s)	Using a 0-10 scale: How likely is it that you would recommend [charity] to a friend or colleague?	Various aimed at understanding different aspects of your communications	How much effort did you personally have to put forth to handle your request?	Various, aimed at understanding the key drivers of Commitment, Satisfaction and Trust	Various, depending on what your donors feel is most important.
Methodology	NPS = proportion of Advocates (score 9 or 10) less proportion of Detractors (score 0-6)	Depends on the questions. Multiple questions should be looked at together.	On a 5- or 7-point scale from very low effort (1) to very high effort (5 or 7)	Create an overall score based on these drivers or measure one of the drivers (usually Commitment) if that is most relevant.	Various, but usually quantitative
Uses – overall feelings	Good for measuring how donors feel about you or about specific products or events	Good for measuring how donors feel overall.	Good for measuring the ease donors experience at different Moments of Truth		Good for measuring how specific communications make your donors feel
Uses – specific communications		And good for measuring the impact of specific communications		Good for understanding the overall impact of your communications on how donors feel.	And for measuring their overall feelings of loyalty
Advantages	Simple tool to use, measure and track Able to quantify and benchmark	Diagnostic: you can understand why donors feel the way they do Flexible: you can ask questions tailored to your needs and donors	Simple tool to use Able to quantify and benchmark	Looks at all aspects of how a donor feels Ability to focus on the most important elements or drivers	Tailorable: specifically for your donors and your charity Effective at educating and inspiring colleagues to get behind it
Disadvantages	May not be relevant for traditional donors who believe charity giving is a private decision. Simplistic: doesn't explain why people feel like they do	Less simple for the donor: Donors may not want to complete a longer questionnaire	Is this as relevant for a charity where ease of accessing a service is less important to a donor?	Risk of over-complication	Possibly complex and/or expensive Less tried and tested No ability to benchmark against other organisations

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Table 1: Quick comparison of different Loyalty and Satisfaction measurement tools

Net Promoter Score

Net Promoter Score (commonly NPS) is probably the most commonly used tool in the commercial sector, and increasingly so in the fundraising sector.

The power of NPS is that insight is gained through asking one simple question:

“Using a 0-10 scale: How likely is it that you would recommend [company / product / charity] to a friend or colleague?”

Respondents are then classified as follows:

- Detractors: Anyone who scores 0-6
- Passives: Anyone who scores 7 or 8
- Promoters: Anyone who scores 9 or 10

By subtracting the % of people who are Detractors from the % who are Promoters, you will get a score (between -100 and +100).

Pros:

- This is a very simple tool for measuring the extent to which donors will advocate for you. Behind this decision to become an advocate or not lies a grouping of all the emotions they feel for you.
- By using a standard tool, you will be able to share results with other colleagues and charities, thus understanding how you are performing.
- As a quantitative tool, you are able to set a benchmark and monitor performance over time.

Cons:

- The most common criticism of NPS is that it is too simplistic. While it gives an overall score for how happy donors are, it doesn't give any indication of why they feel this way. It is therefore impossible to develop an action plan to address a low score without further analysis.
- The concept of recommending a charity is not natural for many people, perhaps more traditional donors in particular. Many traditional donors will be very happy with their charity relationships, but believe that giving to charity is a private activity and therefore wouldn't dream of talking about it to other people. Because this question asks about a behaviour rather than an attitude, a low score may indicate differences in preferred donor behaviours rather than satisfaction levels.

From the conversations we have had in putting together this document, NPS is most commonly used in our sector to measure the views of event participants following fundraising events. The MS Society case study (see Appendix 1) shows both an example of its use and how the organization is beginning to plan for its use in other areas of the fundraising mix.

Customer Satisfaction

Before we start looking at how to measure Satisfaction, we should note that even satisfied donors stop giving. Professor Adrian Sargeant⁷ has shown that Satisfaction on its own is not sufficient to retain donors – Commitment is also needed. It is only when a donor becomes very satisfied that they change their behaviours and retention rates increase. This is what you should strive for.

Customer Satisfaction (or C-SAT) can be used in two ways.

Firstly, it can measure of how satisfied the donor is generally with the way you communicate with them.

Asking the right questions is important to understanding whether they are happy with the considerations that are most important to them. Common themes that you should consider include:

- Feeling valued (and being thanked) by you
- Communication and tone of voice

You can also use C-SAT to measure satisfaction after each Moment of Truth.

There are common questions which you should ask for all Moments of Truth, which include:

- Was the tone of voice appropriate for you? (Does it recognise the donor's motivations, interests, preferences and capabilities to support?)
- Have we inspired you about what your donation achieves? (Will it leave them feeling really good?)
- Did you feel unduly pressured into giving?
- Did this communication surprise you? (Satisfaction is defined as exceeding expectations, so it is helpful to think of what donors expect and then exceeding it.)

Every Moment of Truth is different. Donors have different needs at each one, so you need to measure different factors at each one.

This can get extremely complex. Your job is to keep it simple, so we recommend deciding what the most important Moments of Truth are for your donors (those with the biggest reach or those that have the biggest impact on an individual donor) and finding out how they make the donor feel.

- After an event, you should ask about their satisfaction with different elements of it, including registration, on-the-day experience, follow-up communications etc.
- After a call to your Supporter Care team, you should find out if the call was handled professionally and courteously and led to a satisfactory conclusion.
- Online. you should ask if the donor has found what they were looking for and were able to undertake any action they wanted to easily (see Customer Effort Score below)
- When you thank someone for a donation, you should find out if they feel valued by you and inspired by what they have done.

⁷ Sargeant and Woodliffe: Building Donor Loyalty: The Antecedents and Role of Commitment in the Context of Charity Giving (2008)

Customer Effort Score

The Customer Effort Score (CES) was created by the Corporate Executive Board's Customer Contact Council. Based on the premise that companies become profitable by giving customers solutions to their problems, they found⁸ that the best way to retain customers is to solve their problems quickly and easily.

Like NPS, Customer Effort Score is an attempt to measure customer satisfaction with a single question.

“How much effort did you personally have to put forth to handle your request?”

On a 5- or 7-point scale from very low effort (1) to very high effort (5 or 7)

Applying this in the charity sector is, perhaps, not going to have the impact that it has in the services sector because donors don't perceive charities as being there to meet their needs in the same way, but there is evidence that it works in some areas:

- We have all seen results of tests where making it easy for the donor to give (particularly through direct mail or on-line) increases response or conversion.
- There are many statistics that show that making it easy for a donor to complain if they are unhappy about something (and then resolving the complaint) leads to a more committed and loyal donor in the future.
- The easier it is for people to sign up for an event or to send in sponsorship money afterwards, the more people will take part and contribute.

⁸ See: <https://www.cebglobal.com/blogs/unveiling-the-new-and-improved-customer-effort-score/>

Loyalty

It is important that we draw a distinction between Behavioural Loyalty (whether a donor gives again) and Emotional Loyalty (how they feel about wanting to continue to support you). In this section, we are talking about Emotional Loyalty, which About Loyalty defines as being the feeling of support or allegiance to a charity or cause.

Of course, we seek to increase a donor's Emotional Loyalty in the hope and expectation that we will increase their Behavioural Loyalty!

Loyalty is a generic term and is impossible to measure with a simple 'How loyal do you feel?' question. We need to understand the drivers of Loyalty and measure how you perform against them.

Considerable research exists, including that by Professor Adrian Sargeant and About Loyalty to which we have already referred, that shows that Emotional Loyalty is created when you grow the following feelings in your donors (see section 3.2):

- Commitment: Inspiring the donor to feel passionate about the cause and the organisation to want to continue supporting them.
- Satisfaction: Feeling valued and recognised, not pressures, by the charity's communications, especially fundraising.
- Trust: Believing that the charity is effective at spending the donor's money and that it behaves in the right way.

Therefore, to measure Loyalty you should measure these three factors. Then you can create an overall Loyalty Score for each donor / segment by combining them.

Of course, if one of these factors is more important for your donors and charity, then you can focus in on that one.

In Appendix 3, we have included example questions to help measure these drivers.

Create your own scores

The above measures are all simply suggestions based on what charities generally find useful. They are a good place to start, but may not meet your specific needs.

If you discover or believe that there is another factor that is important to your donors, then we strongly encourage you to be brave and choose to measure that. You will lose the ability to benchmark your performance against other charities, but that is a small price to pay to measure the aspect that is actually important to your donors.

As we mentioned before, some of the most successful charities and companies have created their own measures and use them to measure how they make their donors and customers feel.

The NSPCC has created a 'Happiness Index' and James Walker, an industrial manufacturing company, have also created their own measures, both of which you can read about in Appendix 1.

Indicators

All of the above measures involve asking donors about their attitudes or perceptions. This is not always possible, in which case you can also identify and measure indicators of Loyalty, Satisfaction (or Dissatisfaction) and Commitment.

Some of these indicators include:

- Social media engagement
- Complaints
- Email open rates, click-through rates, unsubscribe rates
- Proactively informing you of changes of address
- Other digital engagement – use of website, registrations etc.
- Response to non-financial asks
- Response to surveys etc.
- Volunteering

The most extensive use of this methodology we discovered is Make-A-Wish Australia, which we have outlined in Appendix 1.

Step 4: Report what you find

It is really important to tell people:

- Why you are measuring how donors feel
- What specifically you are measuring
- The findings

Measuring Loyalty and Satisfaction is important, but change will really happen when you start to tell everyone.

In fact, the more people you tell, the more you will change your charity's culture to one that truly understands donors' needs, values them as individuals and encourages them support you as you seek to offer an ever-improving donor experience as well as raise money.

The critical thing isn't just to tell people that you are doing it or even what you are doing. The critical thing is to tell them why you are targeting and measuring donor loyalty and satisfaction – that way, they will buy in to what you are doing.

Tell your fundraising team

In most charities, your fundraising team will be responsible for most of the communications that donors will see and receive. If they love their donors, they will support you and want to be involved. They should share ownership of the target and buy into the reasons for conducting this research. What they do will influence donors more than any other team.

Tell your communications team

If you have a separate Communications team, they should care just as much about how your donors feel as you do. Tell them about the excellent donor experience that you want to offer and the loyalty you want to create, and share the way you will measure success. That way, you will be far more likely to work together to create communications strategies that have the donor experience and donor loyalty at their heart.

Tell your CEO

Your CEO is the single most important person for developing your charity's vision and culture. If you are to create a culture that truly values donors, then they will need to commit to it and understand how you are measuring improvements. They will need to lead the change that will make this happen.

Tell your Finance Director

Success is when your Finance Director comes to you and says that you should invest more in offering great donor experiences, because they have seen that this pays back in the long-term!

Tell your Trustees

Your Trustees are likely to move closer to your fundraising plans and techniques over the coming months. By sharing with them your plans for creating better donor experiences and the way you are measuring the resulting impact on donor satisfaction and loyalty, you will be helping them, and in turn they will help you.

Tell everyone!

In fact, donor satisfaction and loyalty is everyone's job. Everyone should feel ownership of the target and responsibility to help achieve it.

Step 5: Change something

Change something in your fundraising. Measure the impact of this change and share the results of this test. Then learn from it and change something else.

Quick wins: Use what you have learnt to change something. Fast! Do you have a low score in your on-line giving process, the impact of your thank-you letters, the way you pick up the phone or perceptions of your newsletter? If so, test a different approach.

The bigger picture: Look at your overall donor experience (your asks, your engagement activities, your service and your feedback) to understand how you can grow emotional loyalty over time. Make changes to your supporter journey and measure the impact on the donors' emotional loyalty as well as income.

Be a learning charity that strives for continual improvement.

Making it happen

In Appendix 2, we have answered some of the most frequently asked questions, but our top tips are as follows:

Keep it simple

If we have one piece of advice that we feel is more important than any other, it is keep it simple.

We have seen that there are lots of things that you can measure, but you don't have to measure them all. Just choose one! Choose what you think will be most important for you (that might be just one thing or it could be more) and focus on that. Create simple reports that allow you to focus on the most important learning and make simple changes to your programme to test what effect it has.

Our single most important piece of advice...

Keep it simple!

Just choose one thing to measure, and focus relentlessly on that.

Remember, it's not about perfection

Perfection is the enemy of progress. It might appear daunting, but the most important step you can take is the first.

It doesn't have to be perfect. As you test and learn, you'll improve what you measure and understand better how to improve it.

It's not about finding perfection – it's about making a commitment to constantly improve.

Storing what you've learnt

In an ideal world you'll record what your donors are saying about you on the database (against their individual record) and you'll use this to target, segment and personalise communications by how donors feel.

But this isn't a perfect world. You'll create much of the change by simply knowing what motivates your donors across the board and measuring how well you deliver.

Proving it works

There is a huge amount of evidence from the commercial world that shows that customer loyalty and satisfaction lead to future income, and there is a growing body of similar evidence in the charity world (see Appendices 1 and 6).

If you need to make your own business case, then you will need to set up tests that can track:

- How your donors feel
- How changing the way you communicate can change this
- Whether that leads to greater income in the long run.

A structured, long-term test would be needed. It's possible to carry one out, but potentially complex. It would be incredibly valuable. If you do it, please share your results with the rest of the sector!

Appendix 1: Measurement of Satisfaction and Loyalty in action

There are several companies and a few charities who measure how their customers and supporters feel, using some of the tools we have outlined in this document or their own methodologies.

The MS Society – using Net Promoter Score to drive satisfaction

MS Society measures NPS of all events. An NPS question is included in the post-event survey emailed to participants via SurveyMonkey for all events that the MS Society attends. They also plan to expand this practice to ask all community and events fundraisers as part of their stewardship journeys.

The survey is emailed immediately after an event and followed up in subsequent emails. Currently they achieve a 10-20% response rate, but they are also aiming to improve this by offering incentives to complete the survey and by using printed evaluations given out on the day.

The MS Society has found that:

- NPS is a strong measure of non-financial success of an event and the supporter experience.
- Bespoke events have higher NPS than third-party events – their own sponsored walk had a higher NPS score than all other third-party organised events.
- If the charity has a big presence at the events (e.g. cheer stations, post-race receptions), then this leads to higher NPS scores.

The NPS score is reported in the evaluation for each event. After 2 years, a benchmark score will be created for each event and groups of events by activity. They are testing to quantify how the NPS score relates to repeat participation (short-term impact) and lifetime value (long-term impact).

Because of the success they have had in using measurement of NPS in this area to help them to improve the experience of the participants, the MS Society has recently committed to measuring the NPS of all donors, and fundraising teams and supporter care requests.

Their advice is that the question has to be asked within two weeks of the activity (or experience) that you want to measure to ensure the donor has good recall of it.

NSPCC – measuring Happiness

The NSPCC have long measured satisfaction, but around five years ago they felt that they wanted to measure the elements that make people excited.

They moved to measuring engagement and a year ago created their Happiness Index.

Happiness is measured through a quarterly survey, in order to iron out the influences of any external spikes (e.g. media coverage) and to understand how it varies over the year due to different communications. The survey measures key metrics including:

- Overall satisfaction with the NSPCC and also satisfaction with how they are treated
- Trust
- Commitment
- Planned future giving
- Whether NSPCC is one of their favourite charities
- Whether they've encouraged others to support NSPCC (NPS is accepted as a strong indicator of future giving)

The survey also measures the factors that drive happiness, asking how important these are and how the NSPCC is performing in these areas:

- Satisfaction drivers (e.g. service delivery)
- Emotional drivers (e.g. being thanked, feeling valued, NSPCC cares about my needs)
- Engagement drivers (e.g. receiving relevant and interesting comms, being given opportunity to support NSPCC in other ways, feeling they have a good knowledge of NSPCC)

By comparing importance versus performance, the key areas that need to be improved can be identified. The survey also captures likes and dislikes to help provide insight to improve happiness.

They also undertake quarterly brand tracking with the general public, which allows for the two trackers to be compared.

The survey is then followed up with in-depth interviews, which gather more insight, as well as helping to immerse staff into the survey lessons and outcomes.

The key metrics are reported widely, including to the board. Insight Activations Sessions are held to identify practical actions to increase engagement following the survey.

By measuring Happiness, NSPCC has learnt:

- That supporters like sincere emails about current topics, NSPCC's TV adverts, NSPCC's behaviour change campaigns (PANTS / Underwear rule).
- That some donors dislike upgrade calls – the survey provided insight on how these could be improved, leading to an increase in satisfaction with calls.
- Awareness of press stories about staff salaries was not too high, but was highly impactful for those aware of them. Awareness of stories about fundraising was higher, but the negative impact was not as great for those aware of them.
- That demonstrating local impact is growing more important to donors and that the NSPCC can improve in this area.
- That the NSPCC's donors wanted alternative ways to support the NSPCC.
- That there was a potential issue with the authenticity of the NSPCC's communications.

The survey has informed changes at NSPCC including:

- Creation of a set of supporter principles to govern communications
- Creation of local case for supports to help tell the local story better
- Careful management of contact frequency – the supporters' happiness with the frequency of contact has increased
- Investigation into new ways to make supporters feel valued
- Striving to find original and interesting ways to communicate the impact of donations
- A focus on how the NSPCC uses phone calls leading to improved satisfaction
- An ongoing, audience-led innovation programme to develop new ways to provide support

Haven's Hospices – you don't need big research budgets

Haven's Hospices (an adult and children's hospice based in Southend, Essex) employed a Community Engagement Officer three years ago. His role was to look at the entire region they fundraise in and create opportunities for people to engage with the hospices. This went beyond fundraising into creating meaningful experiences, none of which involved the measurement of short-term financial ROI.

For example, he would bring in a volunteer to events to offer free hand massages while they talked about the role of massage and wellness in therapy. Children were encouraged to make butterflies while the volunteer talked to parents about the hospices' aim to make every day count.

They don't have formal structured surveying to measure the effectiveness of these efforts, but Vanessa Longley, Haven's Hospices' Director of Fundraising, still has to justify this role to her fellow Directors and to Trustees. She uses two measures:

- Positivity – hearing more positive things about the hospices and monitoring attendance at events. Before the role was created between 30-100 people attended events – this year over 700 people have come, with many people asking for the Community Engagement Officer by name.
- Awareness – tracking prompted and unprompted awareness and the growth in giving consideration.

Vanessa is open about the fact that they haven't managed to prove the link between this role and increased income, but she is confident that this is one of the reasons behind their growth and so is keen to continue investing in the role and measuring the impact it has on the way people in her area feel.

James Walker – creating their own measures

James Walker is a manufacturing company, with both internal (other companies within the same group) and external customers.

They have initiated a number of ways of tracking how their customers feel.

They run a customer satisfaction survey once a year. Customers are called and asked about their experience of the company and about the relative importance of and satisfaction with various factors. Their golden question is: “Knowing what you know now, if you were to start again from a clean sheet, how likely or unlikely would you be to buy from us?”

They have also created their own version of NPS. They use 20 emotional words [1] that have been shown to be important factors in measuring customer satisfaction. These are grouped into three groups: Promoter words, Passive words and Detractor words. By monitoring the frequency with which each of these words is used, they are able to calculate their own NPS score.

They have a full-time Customer Experience specialist to run this project, working alongside colleagues in the business who are passionate about Customer Experience and making a difference. He estimates that he spends at least 75% of his time representing customers internally.

Ecotricity – focussing on the most important thing.

Ecotricity are the UK's largest green energy supplier. Their vision and values differentiate them from other energy suppliers because they are driven first and foremost by a passion to change the way the UK generates and consumes energy. A desire for profit follows.

This passion and commitment drives everything in the business, from the offices they use, to the sponsorship of the local football club, to the vegan-only canteen.

But it is not this vision that drives customer satisfaction and retention. Ecotricity closely monitor customer conversations on social media and know that customer service is the number-one issue for their customers.

They measure satisfaction with their service as well as service levels. They report on it throughout the business and obsess about every single detail with the aim of constantly improving their score.

Make-A-Wish Australia – Calculating Commitment based on engagements

Make-A-Wish Australia calculate a 'Commitment Score' for each of their donors by allocating a specific score (2, 6, 10 etc.) to selected interactions that the donors has with Make-A-Wish, including:

- Communicating with Make-A-Wish Australia (e.g. changing details, leaving feedback etc.)
- Learning about their emotional experience (e.g. connection to the cause, beliefs and values, positive feelings etc.)
- Giving behaviour (e.g. unprompted upgrades, enquiries)
- Donor satisfaction
- Learning their attitude to the organisation (e.g. mission effectiveness, impact and need, like or dislike)

In addition, they run a donor survey, which is also a key source of information to build this score.

Each donor can achieve a maximum Commitment Score of 100. They have found that donors with a higher score who were selected for more personalised communications (e.g. hand-signing) responded better to subsequent upgrade and reactivation asks, but this wasn't conducted as a firm, statistically valid test.

They intend to use this score as an additional segmentation tool for all communications and to target those who have demonstrated some level of commitment to the charity.

They also intend to develop a trigger-based stewardship programme, through which they can send targeted, automated communications based on changes to scores or in specific measures.

Appendix 2: Frequently asked questions

In our research (see Appendix 4), several people mentioned barriers to measuring how their donors feel. This section lists the most common of these and gives our advice.

“We don’t have the time or budget to do it.”

This is simply a case of prioritisation, and is possibly an indicator that your charity believes that achieving a short-term response is more important than growing long-term loyalty.

This should be an organisational priority. If you don’t get this support, remember that many of these ideas don’t need a lot of time or any budget. Start with something you can do quickly.

“I don’t know what a good score is.”

What’s important isn’t the score, per se. It’s the improvement. Whatever you measure today will become your benchmark, and your goal should be continuous improvement. While some tools allow for comparisons to other charities (and commercial organisations), this isn’t as important as knowing whether you are making the experience of giving better for your donors.

“I wouldn’t know how to use it.”

There are so many ways to use it – the difficulty should be not knowing where to start.

- Tell colleagues what you are doing and what you have found. Just knowing that you are looking at this will start to change how they think and behave, and when they see what you have found, they will want to be part of the improvement.
- Look for quick wins: Can you change your creative brief? Or the way you brief your third- party fundraisers? Change your messages? Redesign your giving forms (on- and off-line)?
- Then look for more fundamental changes: Redesign your processes and systems. Create new donor products. Segment to identify and target your most satisfied donors – or your most dissatisfied. Create new communications in your supporter journey to grow loyalty.

“My senior managers don’t think it’s important.”

Your senior managers are short-sighted, and it is your job to open their eyes.

Remember that you don’t need lots of time and budget to make this happen. If no-one will listen, start small and just do it. Gather your own results and use them to showcase your thinking. Gather advocates and champions to work with you to persuade others.

“I don’t think my donors will like being asked.”

They will! It’s human nature that people like to be asked and to share their experiences. (This is especially true if the experience is bad – dissatisfied donors are the most important people to hear from.)

“I am/ My boss is worried about what we’ll hear.”

This is the best reason to actually do it! If you have concerns, you are probably right. You will only learn what the problems are and be able to do anything about them by listening and asking.

If you don’t understand how your donors feel, then you want be able to change that. If they aren’t happy, you’ll lose them to someone else.

“I’m worried that by asking, we will raise supporter expectations that we can’t deliver.”

You are right to be concerned about raising expectations beyond what you can deliver, but explain what you’re doing.

Remember, donors don’t expect you to be perfect, but they’ll want you to try.

Appendix 3: Sample questions

A quick Google search will bring up many sample questionnaires, but for ease we have included a couple here.

About Loyalty survey

The About Loyalty benchmarking survey measures Commitment, Satisfaction and Trust, which have been shown to be the most significant drivers of Loyalty.

Each question uses a 7-point Likert-type scale with options from Agree Strongly to Disagree Strongly.

About Loyalty ask five questions in the Donor Satisfaction section of their survey, which they then combine to create an overall Satisfaction score:

- I am always thanked appropriately for any gift to [Charity].
- I feel [Charity] understands why I offer my support.
- Overall I am very satisfied with how [Charity] treats me as a donor.
- [Charity]'s communications always meet my needs for information.
- [Charity]'s fundraising communications are always appropriate in style and tone.

About Loyalty ask three questions in the Donor Commitment section of their survey, which they then combine to create an overall Commitment score:

- I care passionately about the work of [Charity].
- The relationship I have with this charity is something I am very committed to.
- [Charity] is working to achieve a goal that I care passionately about.

About Loyalty ask four questions in the donor Trust section of their survey which they then combine to create an overall Trust score:

- I trust [Charity] to deliver the outcomes it promises for its beneficiaries.
- [Charity] can always be counted on to do what is right.
- [Charity] can always be trusted.
- [Charity] can be counted on to use donated funds appropriately.

The three scores are then combined to give an overall Loyalty Score for each donor.

Sample questions for C-SAT

There is no one survey to give a C-SAT score, but these questions have been developed for charities based on a commercial sector survey.

After a call to your Supporter Care team, you should find out:

- How well did [Charity X] staff listen to you?
- Was your query answered well?
- And quickly?
- Was the phone answered in an acceptable amount of time?

Online, you should look at:

- Was the information you were looking for easy to find?
- Did you feel inspired after using the website?
- How easy was it for you to...? (See Customer Effort)

When you ask someone to donate:

- Do you feel pressured into giving?
- Are you made to feel guilty if you don't give?

When you thank them:

- Do you feel like you have made a difference to something important by making this donation?
- Do we make you feel valued?
- And recognised?

Appendix 4: Survey findings

In developing the recommendations in this document, we hosted a survey for fundraisers to complete on SurveyMonkey. The survey asked about the extent to which the fundraiser measured how their donors feel, how they used the findings (if they did) and what barriers they have come across.

85 people completed the survey.

- 35 charities (41%) said they don't measure anything about how their donors feel
- Of the 58% that do, the most common things to measure are indicators (level of engagement) rather than emotions.
- Very few people mentioned that they run bespoke surveys. The majority either include questions in other communications or analyse data around event attendance, social media or email click-throughs.
- Most common reason for measuring feelings = 'It's the right thing to do', i.e. not because they have seen evidence that it's beneficial. Just 7 people said that they had evidence that making donors feel good leads to greater support from them.
- Over 1/3 of people who do it don't report / share findings. Of those that do tell people, the most common people to tell are the Fundraising Director (16 people) and heads of fundraising, fundraising staff and the CEO (all 13). Just 4 tell Trustees and 6 tell the Finance Director.
- Only 2 people said they significantly segment based on findings, and only 1 person said it significantly changes the communications sent.
- When it comes to barriers, there were a large variety of challenges mentioned, the most common being not knowing how (15 people), not having time (9), not knowing what a good score would be (8) and not knowing how to use any learnings (5).

We can see that few people are measuring the way their donors feel and even fewer are then using this to deliver an improved donor experience.

Given how important we have seen growing donor loyalty to be, this is a significant opportunity for any charity that can grasp it.

Appendix 5: Glossary

Lifetime Value

The predicted value of a donor over the entire length of their giving. This should include legacy income.

Loyalty

In this document, when we use this term we refer to emotional loyalty: ‘the feeling of support or allegiance to a cause or charity’.

Behavioural loyalty is different and refers to a donor’s actual giving behaviour, and specifically whether they keep giving to you.

Commitment

We use Professor Adrian Sargeant’s definition of active commitment: ‘a genuine passion for the future of the organization and the work it is trying to achieve’.

Satisfaction

Again, we look to Professor Adrian Sargeant, who defines Satisfaction as the extent to which the charity exceeds donor expectations.

Trust

The donor’s belief that a charity will spend their donations effectively and behave in the right ways.

Emotional Engagement

The way in which a donor feels connected to or engaged with a charity. This is distinct from Behavioural Engagement, which is the way a donor interacts with or supports the charity.

Appendix 6: Sources of further information

Emotions are important

Decision making is emotional, and no-where is that more true than in fundraising.

We know that people give to people, and that ideally they want to connect with a single beneficiary. Famous research showed that people will give more than double in response to a story about a single identifiable victim than the amount they would in response to statistics. Adding statistics to the story of the identifiable victim, rather than increasing giving, actually suppressed it by 40%.⁹ I'm not sure Stalin is the best role model for us to base our recommendations on, but he was right when he said that "A single death is a tragedy; a million deaths is a statistic."

Decision-making is emotional. Daniel Kahneman, winner of the 2002 Nobel Prize in Economics, showed that the sub-conscious auto-pilot works 275,000 times faster than the conscious pilot.¹⁰

Alan Clayton is one of the sector's leading voices in how emotions drive donor behaviours and how the different Need Emotions (anger, helplessness, compassion) and Reward Emotions (gratitude, pride and togetherness) can be used to develop a donor's emotional connection to the charity. Ken Burnett¹¹ illustrates how story-telling is a powerful tool that we all have at our disposal for reaching into our donors' hearts.

There are countless other papers and books which we'd recommend reading that talk about how emotions can be used to drive behaviour and value. Drew Weston¹² and Colin Shaw¹³ wrote two of my other favourites.

We have seen already that there is a growing collection of evidence that shows that the way donors feel about the charities they support is a key driver in the length of time they will provide support, the amount they will give and the level to which they will be an advocate for you with their friends, families and colleagues.

In addition to all this, we recommend you read as much as you can that has been published by Professor Adrian Sargeant and Beth Breeze of Kent University.

⁹ Small, Loewenstein and Slovic: Sympathy and callousness: The impact of deliberative thought on donations to identifiable and statistical victims (2005)

¹⁰ Daniel Kahneman: Thinking Fast and Slow (2011)

¹¹ Ken Burnett: Storytelling can change the world (2014)

¹² Drew Weston: The Political Brain (2007)

¹³ Colin Shaw: The DNA of the Customer Experience – how emotions drive value (2007)