Understanding donor behaviour in a digital age
Digital Giving in the UK

• While 50% of people in the UK shop on-line, only 2% donate on-line

• According to CAF, digital giving is increasing, but still less significant than cash or direct debits

• Between 2008/09 and 2009/10, the proportion of donors giving on-line almost doubled from 4% - 7%

• But this remained at 7% the following year (2010/11) although 58% gave to charity (£11bn given in total)

• Much more could be done to make use of mobile phone technology – an area where there appears to be significant untapped potential

Source CAF / NCVO UK Giving Survey 2011
Young people and digital giving

Although younger people are least likely to give overall, they are most likely to use digital methods:

- 54% of 18-24 year olds said that being able to use text / online donations had encouraged them to give
- 30% said this option was crucial in deciding whether to give or which charity to give to
- 34% said they would not give if this option was not available to them
- 35% use Facebook and Twitter to follow and interact with causes they care about

Source: Accenture / Action for Children, 2011
IOF / MyDonate Survey - participant profile

• An on-line survey of 258 Fundraising Directors & the Institute’s wider membership

• 50% from charities based in London and the South East

• 58% have a fundraising income of more than £1m

• 44% spend more than £100k pa on fundraising

• Most work in the areas of
  – health (30%);
  – social care (26%);
  – education & training (16%);
  – overseas development (12%)
Donations & Fundraising outweigh Foundations & Trusts as the highest source of fundraising income
How are charities using digital giving?

- 89% of charities have invested in digital giving
- Of these, 81% spent less than £10,000 on this in the last year
- Most used their own website (83%) or Facebook page (55%)
- 50% used on-line peer-to-peer websites such as BT MyDonate
- 48% used email marketing
- A relatively high number used new techniques such as text giving (45%) and on-line shopping sites such as Give as You Live or Ebay (43%)
Most of those not currently involved in digital fundraising are thinking about doing so, but a small number are not for the following reasons:

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannot afford the development fees</td>
<td>47%</td>
</tr>
<tr>
<td>Organisation’s donors do not use social me...</td>
<td>32%</td>
</tr>
<tr>
<td>Most of fundraising income is from trusts and foundations</td>
<td>21%</td>
</tr>
<tr>
<td>Other forms of fundraising more cost effective</td>
<td>11%</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>37%</td>
</tr>
</tbody>
</table>
Over the last year, 52% of respondents experienced an increase in fundraising income; 29% experienced a decrease.
56% of respondents saw an increase in digital donations; only 4% saw a decrease
Is digital giving holding up?

• The UK Giving Survey 2011 found no change in digital giving in 2010/11,

• These respondents appear to be bucking this trend

• Almost a fifth (19%) say that it has increased by more than 10%, a further 37% said it had increased slightly (by less than 10%)

• Digital income seems to be holding up well – fewer respondents saw a decrease in digital donations compared to those that saw a decline in overall income
37% of respondents target donors by age, of these almost half (49%) target older people and tend to spend more on this age group.

Proportion of fundraising expenditure by age group:
Over the last year there was little difference in the level of donations by age group (where recorded) - both increased by about 30%
However, older people tend to give more (where recorded)
Boosting digital giving by age group

• Economic upturn will have some effect on both age groups, but only 30% think it will boost giving a lot

• Increasing awareness of the organisation’s work is most likely to boost giving from both older and younger donors

• Greater security of on-line fundraising sites may boost digital giving by older donors but is less important to younger people

• A tailored Facebook page is seen as appealing to younger rather than older donors

• Other digital techniques may boost giving amongst both age groups, but are likely to have more impact on younger donors
Thinking about the future what do you think will boost digital giving amongst the over 55s? Tick one box for each category.

- Will boost digital giving a little amongst the over 55s
- Will boost digital giving a lot amongst the over 55s
- Will have no effect on levels of digital giving amongst the over 55s
- Don't know

<table>
<thead>
<tr>
<th>Category</th>
<th>Least</th>
<th>Little</th>
<th>A lot</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvements in the economy</td>
<td>118</td>
<td>82</td>
<td>16</td>
<td>33</td>
</tr>
<tr>
<td>Increased awareness of the organisation’s work</td>
<td>132</td>
<td>93</td>
<td>63</td>
<td>33</td>
</tr>
<tr>
<td>A tailored website for online giving</td>
<td>104</td>
<td>40</td>
<td>65</td>
<td>35</td>
</tr>
<tr>
<td>A tailored Facebook Page</td>
<td>123</td>
<td>18</td>
<td>91</td>
<td>119</td>
</tr>
<tr>
<td>Greater confidence in the security of bank details given out on online fundraising sites</td>
<td>1820</td>
<td>82</td>
<td>49</td>
<td>1112</td>
</tr>
<tr>
<td>More SMS/Text giving apps</td>
<td>101</td>
<td>84</td>
<td>48</td>
<td>82</td>
</tr>
<tr>
<td>New mobile phone apps</td>
<td>98</td>
<td>95</td>
<td>9</td>
<td>94</td>
</tr>
</tbody>
</table>
Thinking about the future, what do you think will boost digital giving amongst 18-35 year olds? Tick one box for each category.
Raising awareness or raising funds?

• Other comments highlighted a need for more targeted campaigns, engaging supporters not just asking for money, promoting more personal involvement with the charity

• This is in line with other research on digital giving in the UK which suggests that it used by charities to:
  – Raise awareness of their work
  – Maintain their brands
  – Engage with supporters / donors
  – And raise funds

• In this way digital giving can transform relationships with donors and supporters
In conclusion...

- Most respondents are investing in digital giving, but spending relatively modest amounts.
- Digital donations appear to be holding up well compared to other sources of income.
- A wide range of technologies are used, from email marketing to SMS messaging.
- Although still in its infancy, there has been relatively high take-up of text giving by this sample over the last year.
- Respondents recognise the potential of digital techniques to increase supporter engagement and raise awareness of their cause as well as to raise money.

“It is obvious there is great potential for growth, in particular the ability for charities to tap into online donations however, more investment is needed to realise this.”

Simon Morrison – Director of Policy and Communications, IOF
July 2012
MyDonate

• Online fundraising and donations service for UK charities

• Free for charities, fundraisers and donors

• No commission or admin fees so every penny * (including full Gift Aid) goes to your charity = an extra £5 for every £100 raised compared to other services

• Provided for free as part of BT’s contribution to society, using BT’s secure, easy-to-use payment platform

• 3,600 charities signed-up, over £33m raised in first year across fundraising and telethons

• Find out more at    www.bt.com/mydonate

* except transaction charges from by donors credit/debit card company

Websites such as BT MyDonate are ‘without doubt the biggest success story in on-line fundraising.’

MissionFish, 2011