

Payment Strategies

Optimizing The Donation Experience



**Chapman Cubine
Allen + Hussey**

United by values.
Driven by innovation.



Agenda

- + A Little Bit About Me + CCAH
- + Why We Are Here
- + All The Payment (Donation) Options
- + Questions Throughout Please!



Brenna Holmes

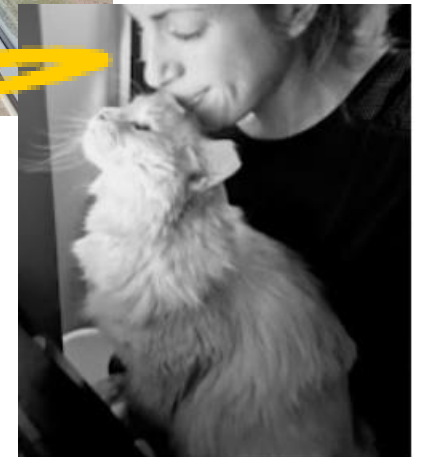
- + Principal & SVP at CCAH
- + CRO nerd (+ all things payments0
- + Behavioral Science Devotee
- + Animal & wine lover

bfholmes@ccah.com

Twitter: @bfholmes & @CCAHDirect

LI: <https://www.linkedin.com/in/bfholmes/>

IG: @parmcattreggiano





About CCAH

Our Services



Full service account team

*120+ team members
Across marketing channels*



Sophisticated Program Design

*35+ years of experience
with customized
recommendations*



On-staff Creative Team

*Cross-channel writers
+ designers*



In-house Production Teams

*Frontend Dev team &
Direct Mail
Production Experts*



Robust Reporting + Analysis

*Full suite of cashflow +
campaign reporting*



Conversion Rate Optimization (CRO) All Day. Every Day.


Nothing Launches Without a Test

- + **Learning agendas** designed to answer the toughest questions and reveal the biggest insights for long-term growth.
 - + Experiments
 - + Optimizations
 - + Pilots
 - + Investigative analysis
- + **Firm-wide testing tracker** that compiles key learnings across clients and offers opportunities for others to push further.
 - + Images
 - + Copy and calls to action
 - + Audience targeting
 - + User experience and upsells



Why We Are Here

Nonprofits must address these priorities to ensure sustainability and growth.



- 1 Expand digital giving options**
- 2 Optimize direct mail replies & processing**
- 3 Embrace multichannel donor experiences**



All the Donation Options

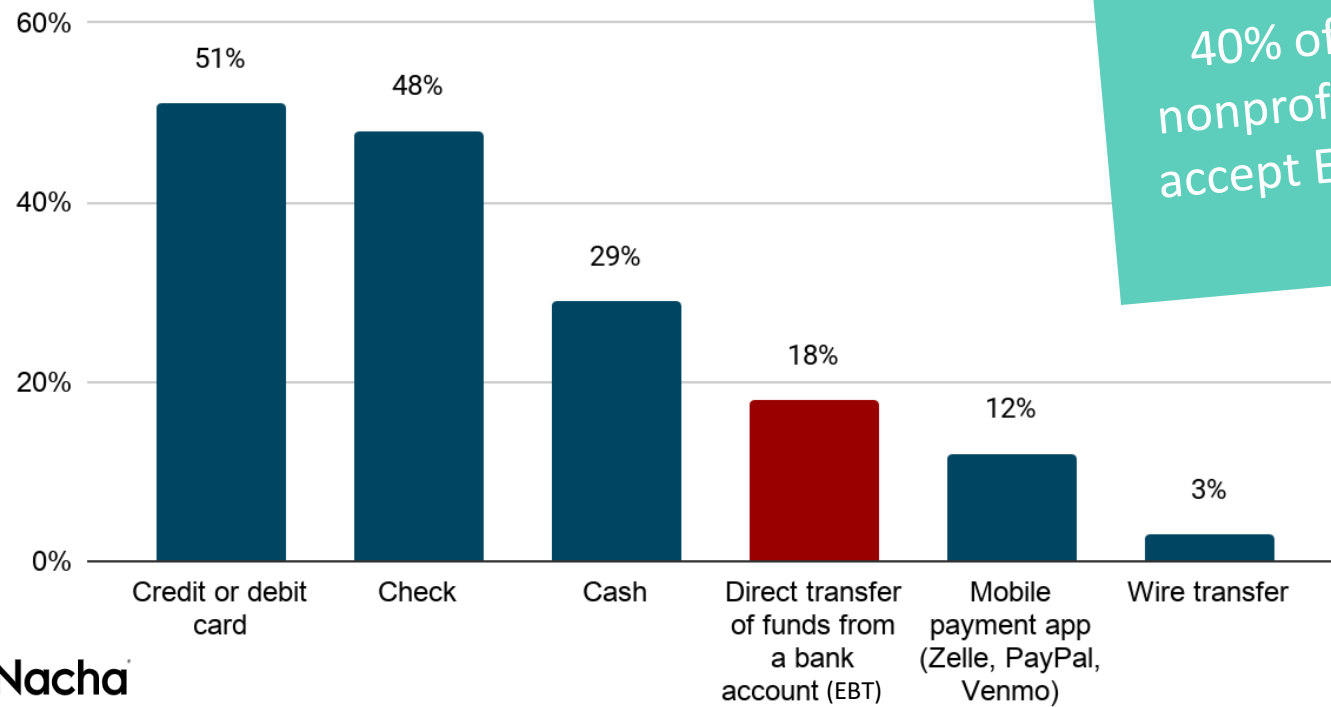
- + Cash/Checks
- + Credit/Debit Cards
- + Electronic Bank Transfers (EBT)
- + Mobile Wallets
 - + Apple
 - + Google
 - + Amazon
 - + PayPal
 - + Venmo
- + Crypto
- + Other?





Giving Patterns

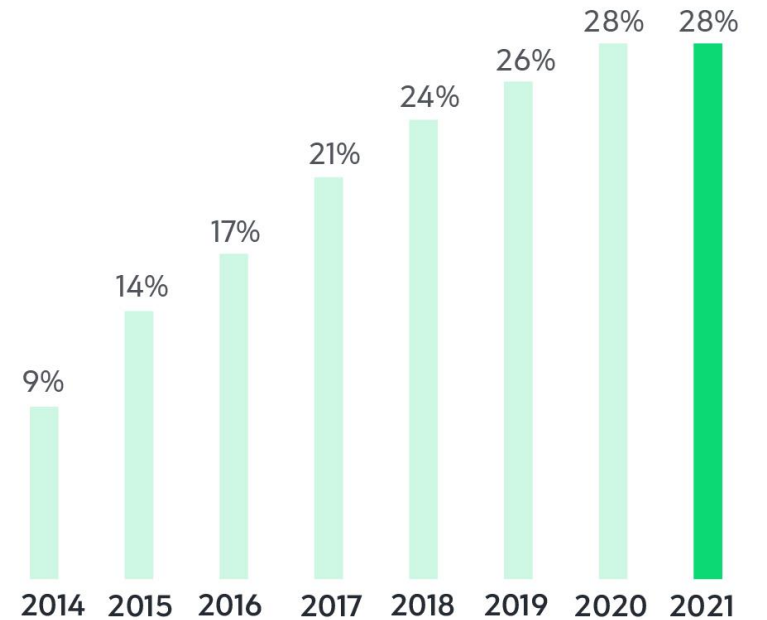
How do you donate to organizations?



40% of nonprofits accept EBT



Percentage of Online Transactions Made Using a Mobile Device

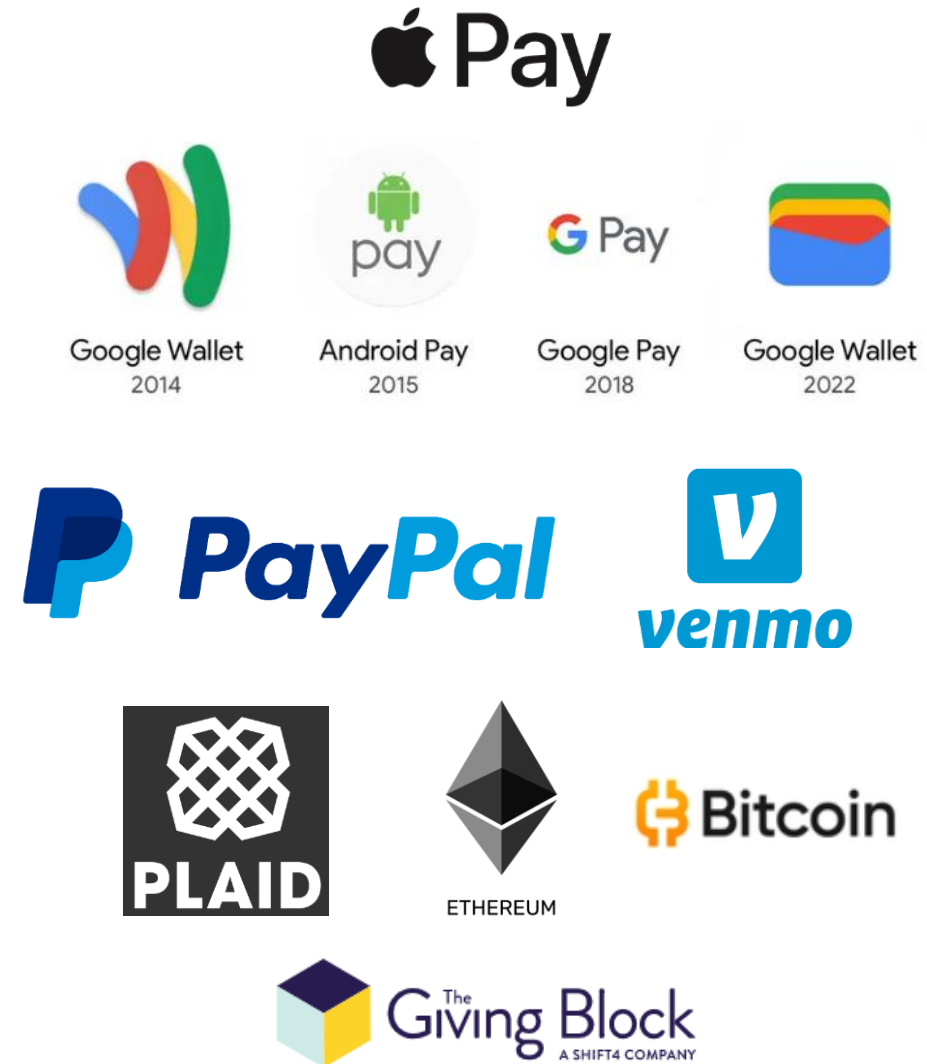


Source: Blackbaud Institute 2021 Charitable Giving Report



1. Expand Digital Giving Options

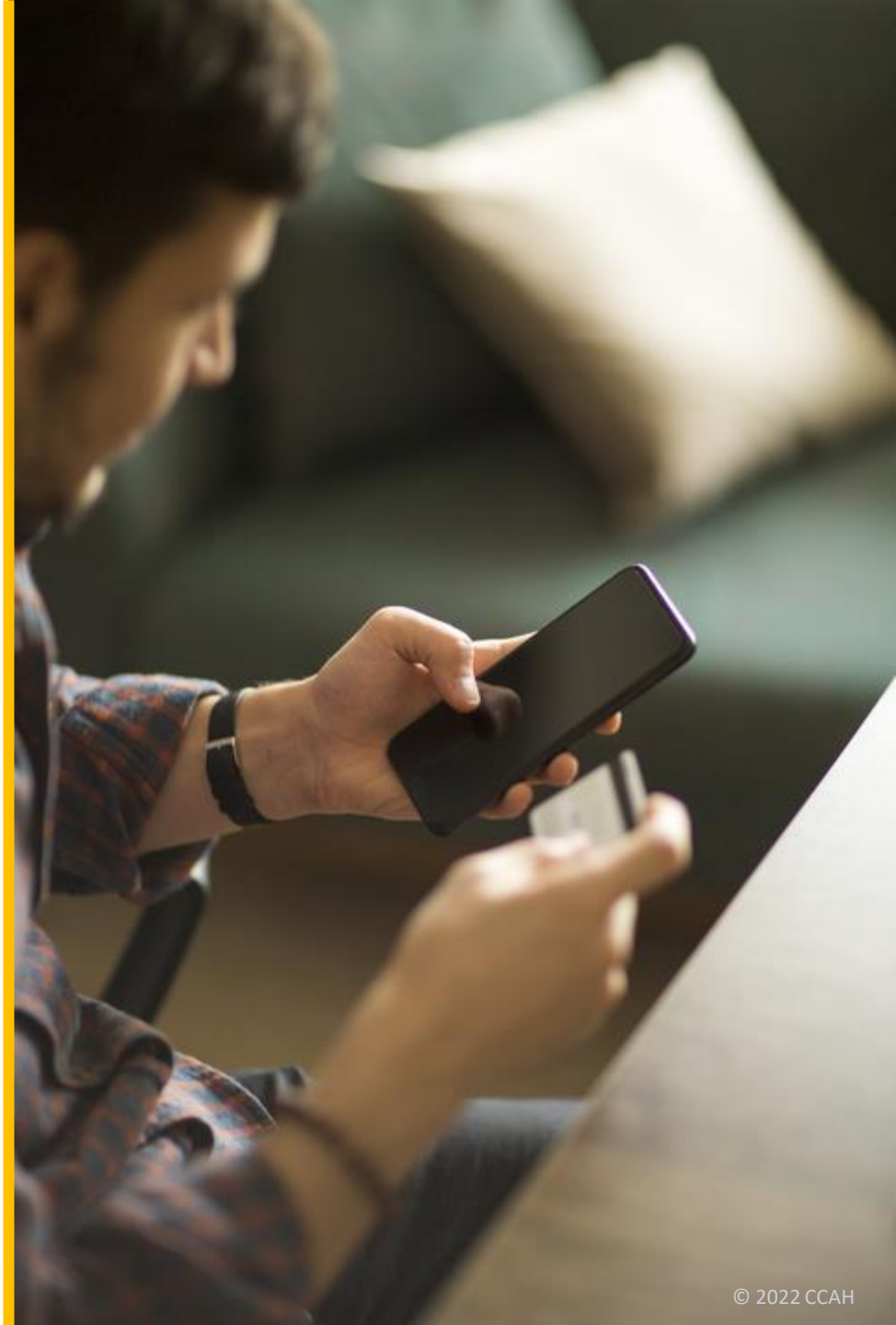
- + **Debit/Credit cards still dominate the US market**
- + **Digital (or Mobile) wallets** store credit card or bank information
 - + Use security features like a PIN, facial recognition or fingerprint to authorize the payment
 - + Up to 14% higher mobile conversion rates when enabled!
- + **EBT**
 - + Connect bank account directly (account & routing #'s) or through a 3rd party app like Plaid
 - + 55% larger recurring gifts vs credit/debit cards
- + **Crypto**
 - + Owners of cryptocurrency such as Bitcoin or Ethereum are a disproportionately more charitable group
 - + 45% of cryptocurrency investors donated \$1,000 or more in 2020, compared to 33% of the full investor population






Credit & Debit Card Facts

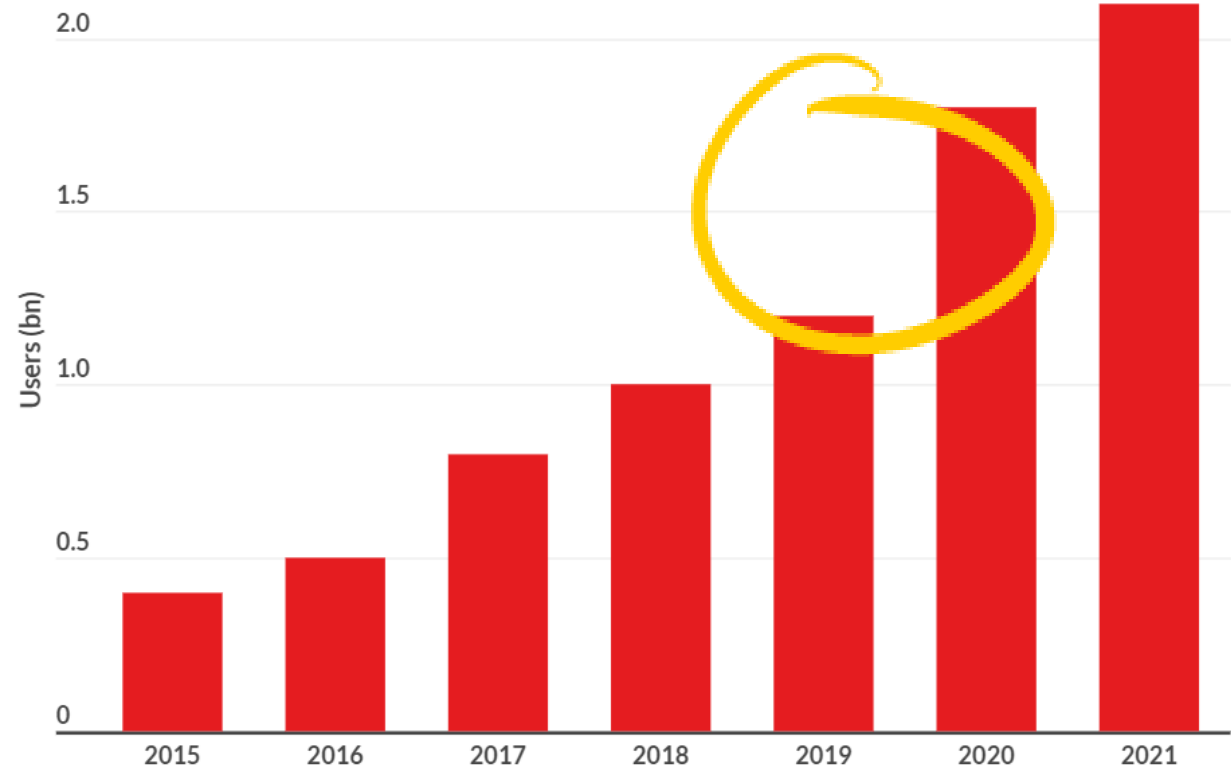
- + **Mobile Wallets are very card-based**
- + Browsers (like Chrome) offer **auto-fill** options to increase usage & **decrease cart abandonment**
- + The average credit card processing fees range from 1.5% - 3.5% **(or even 5%!)** of each transaction
- + **Donors are *not* very aware of processing fees** that deducted from their gifts
- + Card accounts are **stopped, lost, or changed** more frequently than other payment types
- + Card-based donations have a **higher risk of fraud**



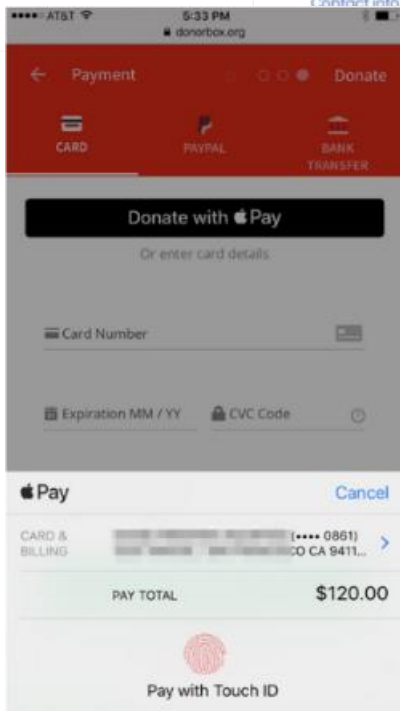
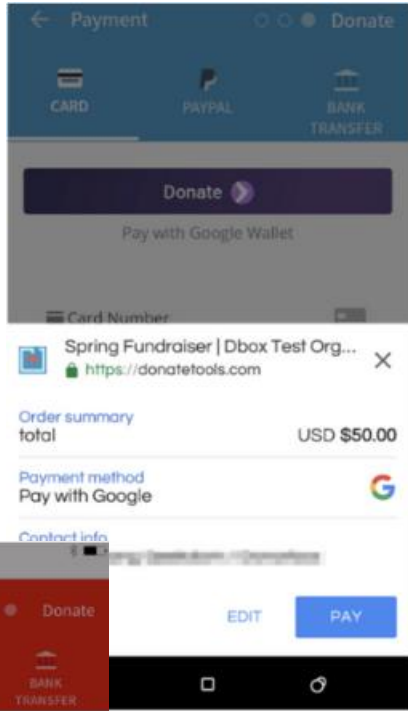
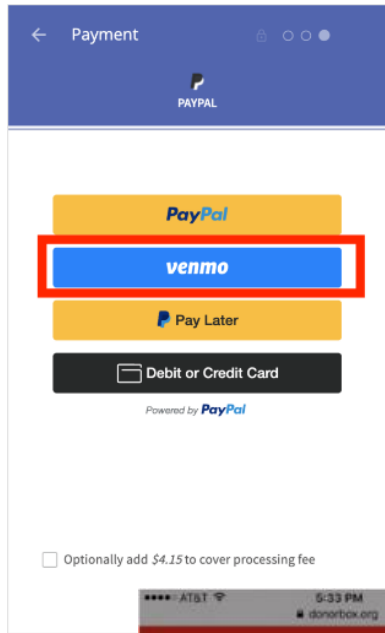


Mobile Payments & Wallets

- + 2020 added 600 million new mobile payment users **worldwide!**
- + By end of 2025, there'll be **over 275 million** digital wallet users in the US
- + **Apple Pay** is the most popular service in the US, with **43.9 million people** having used it at least once
 - + Starbucks is surprisingly 2nd with 31.2 million people using it in the US, more than  Google Wallet (25 million people)
- + The **majority of Gen X, Millennials, and Gen Z**—so *everyone making purchases who was born after 1965*— have used a digital wallet in the past year



Sources: Ant Group, Bloomberg, Mordor Intelligence, Worldpay



Digital Payment Usage

- + 89% of Americans used PayPal in the last 12 months
- + 30% of Americans used Venmo in the past year
- + 21% of Americans used Apple Pay for their transactions
- + 20% of Americans purchased items via Amazon Pay
- + 16% of Americans pay for goods using Visa Checkout

(Statista Digital Shopping Behavior Survey, 2021)

American consumers spent 234 minutes on their mobile devices in 2021



PayPal

PayPal has grown significantly since 2015, almost doubling revenue and monthly active users

- + In 2021, it launched a new “Super-app” which combines payments, savings, bills, crypto, shopping, and other financial items into one single experience
- + Oct. 3, 2022, it launched [Charity Profiles in Venmo](#) & will be launching **charity hub in the Venmo app**, offering Venmo customers new ways to discover causes
 - + Venmo charity profiles have a transaction fee of 1.9% +\$0.10
 - + Must have **Confirmed Charity Status** with PayPal

PayPal key subsidiaries

Subsidiary	Description
Braintree	Provides merchants with an account and gateway to process transactions online
Venmo	One of the most popular mobile peer-to-peer payment services in the United States
Xoom	Online facilitator of money and mobile transfers across the globe
iZettle	Supplier of chip card readers, also provides payments solutions for small businesses
Honey	A browser extension that aggregates e-commerce coupons and discounts

Venmo's
85 million+ users
at your
fingertips!



✓ — 2 — 3

DONATE

Your **MONTHLY** donation of **\$36 USD** will be processed securely. Every gift counts, thank you!

VISA MasterCard AMERICAN EXPRESS DISCOVER

BANK ACCOUNT

Account type *
Checking

Routing number *

Account number *

I want to help the IRC's mission even more by covering the processing fees and other costs associated with my donation.

YOUR INFORMATION >

Classy Pay uses **Plaid** to connect your account

Connect effortlessly
Plaid lets you securely connect your financial accounts in seconds

Your data belongs to you
Plaid doesn't sell personal info, and will only use it with your permission

By selecting "Continue" you agree to the [Plaid End User Privacy Policy](#)

Continue

Electronic Bank Transfers (EBT)

Make Every Donation Count More

- + **More Money Per Donation.** Monthly gifts from donors using electronic bank transfers are on average 55% higher than with other payment types
- + **Save Money.** EBTs are less expensive to process than credit/debit transactions, meaning more of each donation will go to the programs that donors care about and the overall mission
- + **Make Donating Easier.** Donations made by EBT go directly into the organization's bank
- + **A Safe and Secure Option.** EBTs use bank-level encryption, protecting donors' information



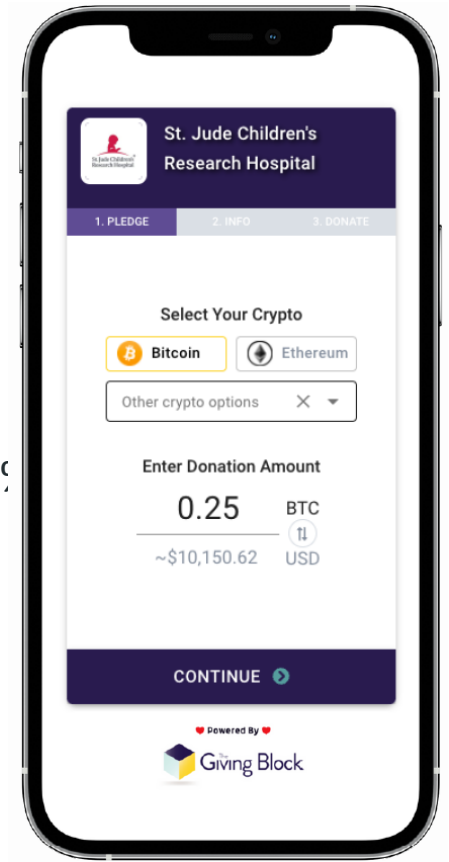
EBT Usage

Nonprofit Vertical	Donate with EBT	Do not donate with EBT
Religious	68%	53%
Poverty Alleviation	47%	38%
Disaster Relief	45%	34%
Health & Disability	41%	39%
Child Wellbeing	40%	31%
Animal Welfare	32%	30%
Education & Research	30%	23%
Environmental	28%	21%
Human Rights	20%	12%
Veterans' Groups	19%	23%
Community Affairs	17%	13%
Museums & Culture	14%	10%
Political	10%	7%
Other	12%	8%

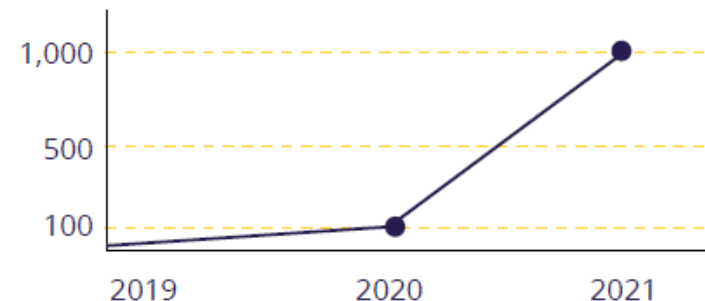


Crypto

- + 83% of millennial millionaires have crypto
 - + 48% say they are knowledgeable about cryptocurrency, compared to 18% of all investors
- + Nearly half of Millennials believe cryptocurrency is a smart investment, compared to only 6% of Baby Boomers
- + But more than half (55%) are not sure that digital assets can be donated to charity
- + 46% of those who made crypto donations say it was difficult to find charities that accept cryptocurrency donations
 - + Total number of nonprofits accepting crypto grew by 900% from 2020 to 2021
- + 50% say the charity required a larger amount than they wanted to give
- + 44% say it was a cumbersome process



Growth in Nonprofit Crypto Adoption
Nonprofits and Charities Accepting Crypto
Donations via The Giving Block





2. Optimize DM Reply Devices

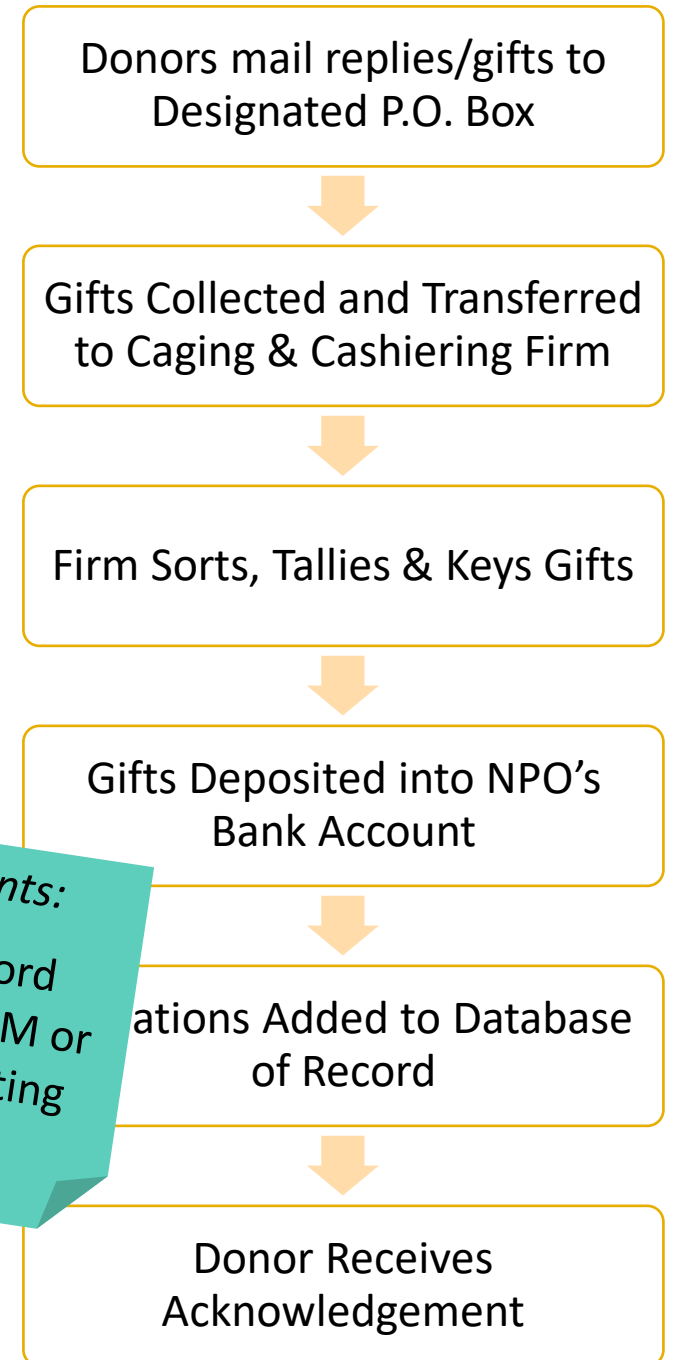
- + Direct mail *still* makes up a majority of most nonprofits' individual giving revenue
- + Direct mail *still* has a 37% higher response rate than email
- + What percent of ***your*** offline donations come in via check vs. credit card?
- + Are you offering ***trackable*** ways to give online in every mailing?



2. Optimize DM Processing

Do you know?

- + Does your process follow these steps?
 - + If not, are there more steps, fewer?
- + How long it takes to complete these steps?
- + What friction points exist?
- + What could be done to improve efficiency?
- + What can be done to improve the donor experience?



Bonus Points:
Donor Record
Sync'd to eCRM or
Email Marketing
Tool



3. Embrace Multichannel Donor Experiences



DIRECT MAIL

35% of donors say they prefer to respond to direct mail by giving online or via mobile devices

50% more donors respond to direct mail when receiving the same call-to-action across multiple channels

- MobileCause



Donors are three times more likely to give online in response to a direct mail appeal than an e-appeal.

- + Vanity URLs — short easy to read and type URLs, also referred to as DM URLs
 - + Package or Audience specific URLs that redirect to customized donation forms or specialized landing pages that align with the messaging in the package
- + QR codes — they're back!
 - + COVID-19's contactless payments have made QR codes much more universal, so test them!

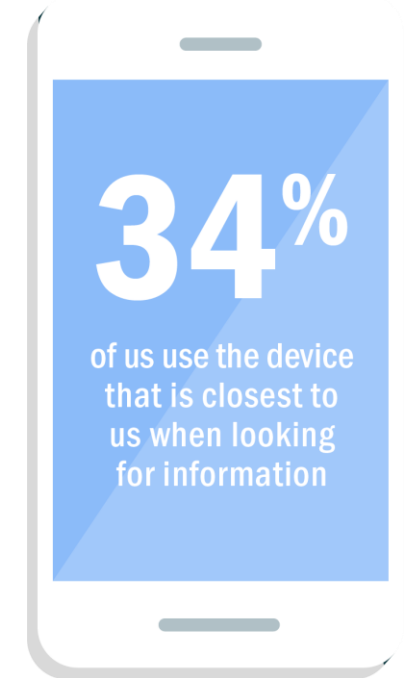




The Power of Multichannel

- + There's no such thing as a single channel person!
- + Americans consume approximately 15.5 hours of media per day
- + 90% of media touches are screen-based
- + And we love to multi-screen!
 - + While we all have screen preferences for certain activities, **we are creatures of convenience**

Make landing pages mobile-responsive so donors can make **frictionless donations with minimal taps/clicks** from a tablet or smart phone



- Think With Google



"If I'm watching TV, I won't go upstairs to grab my laptop to follow up on a product I see. I'd just pull out my phone." - Sophie



The Power of Multichannel

SEO & Homepage Tie-Ins

- + People do research. People Google.
 - + What shows up on your brand (don't forget acronyms!) and top issue terms?
 - + Do ads show up first? If so, are they your ads?
 - + Do your DM packages use these top issues?
- + On Page SEO factors are those that are visible to your audience at the page level
 - + Keyword optimization
 - + Mobile optimization
 - + Anchor text links

Pro Tip:

Bold at least one of your keywords within the body of your content



Me again

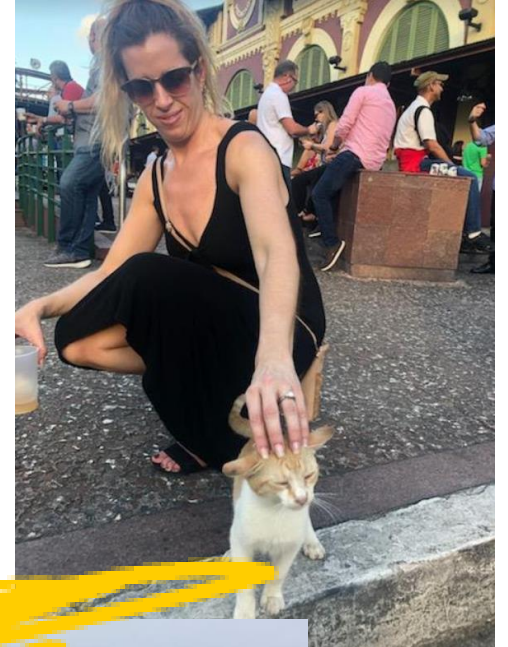
+ I'd love to Connect!

bfholmes@cchah.com

Twitter: @bfholmes & @CCAHDirect

LI: <https://www.linkedin.com/in/bfholmes/>

IG: @parmcattreggiano





More Fun Stats!

- + **54% of nonprofit emails are opened on mobile devices**
- + Mobile users made up **33% of online donations** last year
- + 61% of donors are most likely to **hear about causes through word of mouth** from their friends and family
- + Only **10% of donors** create their own peer-to-peer fundraising campaigns on behalf of nonprofits
- + Half of visits to nonprofit websites come from mobile users

EMAIL FUNDRAISING STATISTICS



Email has the highest ROI of any kind of marketing channel.



Email open rates for nonprofits is **25.2%**



of nonprofits send fundraising appeals via email.



Email communications sent on a regular basis are most likely to encourage repeat donations from donors.

<https://360matchpro.com/fundraising-statistics/>

SOCIAL MEDIA FUNDRAISING STATISTICS



of nonprofits use social media on a regular basis to engage their supporters.



of donors who give online say social media is the channel that most inspires them to give.



Of the donors who are inspired to give by social media outreach, 56% say Facebook has the biggest impact on them.



of donors who donate for the first time from a social referral source will make their second donation from a social referral source.



Millennials in 2022

- + are 25.9% of US population
- + 40% of Millennial donors are enrolled in a monthly giving program
- + 26% gave tribute gifts
- + 46% donate to crowdfunding campaigns
- + 16% give through Facebook fundraising tools
- + 64% volunteer locally, 9% internationally
- + 55% attend fundraising events
- + **11% of total US giving comes from Millennials**
- + **84% of Millennials give to charity**, donating an annual average of \$481 across 3.3 organizations
- + are active on their phones and respond best to text message and social media, but **rarely check personal email or respond to voice calls**
- + 98% of Millennials own a smartphone and 37% of them have used it to donate
- + 47% of Millennials gave through an organization's website





Gen Xers in 2022

- + are 20.4% of US population
- + 49% of Gen X donors are enrolled in a monthly giving program
- + 31% give tribute gifts
- + 45% donate to crowdfunding campaigns
- + 19% give through Facebook fundraising tools
- + 64% volunteer locally, 8% internationally
- + 56% attend fundraising events
- + are most likely to fundraise on behalf of a cause, make a pledge, and volunteer their time to an organization
- + prefers text messages or voice calls. These donors regularly check email and stay up to date on social media feeds
- + Email prompted 31% of online donations made by Gen Xers
- + 59% of Gen Xers are inspired to donate to charity by a message/image they saw on social media



Baby Boomers in 2022

- + represent 23.6% of the US population
- + **49% are enrolled in a monthly giving program**
- + 41% give tribute gifts
- + 35% donate to crowdfunding campaigns
- + 21% give through Facebook fundraising tools
- + 71% volunteer locally, 9% internationally
- + 58% attend fundraising events
- + 24% of Boomers say they were promoted to give an online donation because of direct mail they received
- + **72% of Boomers give to charity**, donating an annual average of \$1,212 across 4.5 organizations
- + Boomers answer voice calls, check email regularly, and also use text messaging and social media. **Though initially slow to adopt new technology, they take to it quickly once they do.**

