

Donor Voice

The Experience and Relationship Company



How to get people to opt-in

Using behavioral science
to create your permission marketing program

Why get people to opt in?

If you make a donation to a charity and it isn't your first, you expect to get a number of communications – often a large number of them, from a variety of means. This isn't something you as a donor asked for or likely desired; it's something that the charity decided for you.

You can call to ask them to stop mailing or calling and click the 'unsubscribe' button in the emails, but this 'opting-out' on your part is only after you lived through the communication choices made for you.

From the charity's perspective, this approach is easy to implement, which lowers complexity and cost. And over time, based on your behavior (giving, not giving, opting-out) the nonprofit guess at your preferences.

This is how it has always been, at least in US. In other markets such as Europe and the UK, the regulatory environment is much more onerous on donor privacy and permissions. And, more may be on the way.

Regulatory pressure

Olive Cooke was one of Britain's longest-serving poppy sellers for the Royal British Legion and was generous to a fault. Unfortunately, suffering from a deep depression, she took her own life at the age of 92. As her family says at right, she was a strong believer in the power of charities and community groups to do good in the world. But she also had trouble helping all of the charities who asked for her support and felt deluged by communications.

The UK's Fundraising Standards Board looked into Olive Cooke's case. Ninety-nine charities had Mrs. Cooke's details on file and she gave to 88 of them, 48 of them regularly. What an amazing person we lost.

Each charity sent her an average of six mailings per year. As a result, she received 466 mailings from various nonprofits in 2014. Only 14 of the nonprofits allowed Mrs. Cooke to opt-out in each mailing.¹

Mrs. Cooke's story has spurred the UK and EU to further tighten their practices on data protection. While the implementation details are murky, one thing seems clear: major change is coming either via the EU reforms on data protection (General Data Protection Regulations, GDPR), the Etherington Review or both. The stated goal of the former is "...to give citizens back control over their personal data..." and the Etherington Review goes a step further:

"We are equally clear that this right to ask is not unbounded. For the public, the right to be left alone, or approached with respect and humility, is equally strong. This is not simply a matter of public interest, but is also key to the long-term sustainability of charities."

And yet many members of the British Parliament believe even this did not go far enough.² It appears that nonprofits will be required to get explicit permission to share names and possibly to ask these donors at all. And with organizations like Charity Navigator asking for similar changes in the United States, there is a trend toward explicit permission for asking.

"We want Olive to be remembered for her incredibly kind, generous and charitable nature. Far from being a victim, she was a strong believer in the importance of charities in UK society and local communities.

At the same time, she was concerned about the amount of letters and contact she was receiving from charities and we are sure she would have been very upset to know her details were being shared or sold by some charities she had agreed to support."

-- Statement of Olive Cooke's family

¹ <http://www.frsb.org.uk/wp-content/uploads/2016/01/FRSB-Investigation-Report-Into-Charity-Fundraising-Practices-Instigated-by-the-Mrs-Cooke-Case.pdf>

² <http://www.thirdsector.co.uk/etherington-review-did-not-go-far-enough-mps-conclude/policy-and-politics/article/1380627>

Wherever you operate, the question to ask is whether more permission-based marketing should be sought rather than avoided. There are several advantages of a permission marketing approach.

The efficiencies of permission

The challenge with the current opt-out model isn't that people are opting out by calling us to opt out. It's that they are opting out by not donating.

"Selling to people who actually want to hear from you is more effective than interrupting strangers who don't.

-- Seth Godin, [Permission Marketing](#)

You can see this in retention rates, which are now back "up to" where they were a decade ago at 46%.³ Despite increasing communications in our existing channels and adding channels like mobile, social, and more aggressive use of email, we have only managed to get back to the point where more than half of our donors from this year will not donate next year. Response rates are going down correspondingly for both new and active donors.

Contrast that with a mailing we did for a major national nonprofit in the United States. The charity asked recipients to be members of a select club that pledged four gifts per year with updates on impact, but not solicitations. The nonprofit also gave their donors control over how and when they received communications (more on that later). The results were a response rate of seven percent and cost to raise a dollar of \$.23 – both significantly better than traditional one-time gift asks that didn't include donor control.

In addition to permission being more efficient in retaining donors, permission is also more efficient on costs. If someone opts out of a type or quantity of communications, the chances are very good they would not have been responsive to it. Not only would continuing to contact them in ways they don't want increase their irritation⁴, but it also has significant costs in time and treasure.

The upsides of permission

Lower retention rates mean that we are bleeding donors – not just as nonprofits individually, but as an industry. US nonprofits have 14% fewer donors than we did a decade ago and that trend is not reversing.⁵

This is a function of the way we operate, our "tools of the trade". In order to build our lists – or at least to make them shrink more slowly – we use list rentals and exchanges. We use list cooperatives. And we intentionally select people with built-in philanthropic and channel preferences.

This makes sense. A person who donates to nonprofits is far more likely to donate to nonprofits than someone who doesn't donate to nonprofits. A person who engages in transactions online is far more likely to engage in a nonprofit transaction online than one who doesn't. It's harder to train someone to do a new behavior than to get them to engage in a behavior they already do but with a new organization.

However, this means we are all fishing in the same pond. Your donors look more and more like Olive Cooke and less like people who are bought uniquely into the mission of a particular organization.

Opting in can change this. Through petitions, newsletter sign-ups, surveys, photo submissions, blogging, event conversions, and other content marketing, we can find people who are engaged in our missions and engage them further. They can opt in to communications, learn about the organization, get more involved and become a donor.

This is actually the more natural way to do this. Instead of sending out hundreds of thousands of communications proposing marriage, commitment is built gradually over time, making it more likely to get a "yes."

³ Aggregation of Fundraising Effectiveness Survey Reports at <http://afpfep.org/reports/>.

⁴ <http://repub.eur.nl/pub/12704/ERS-2008-036-MKT.pdf>

⁵ Aggregation of Fundraising Effectiveness Survey Reports at <http://afpfep.org/reports/>.

The trick here is that there are ways to make people more likely to opt in. By using the right words and setting up the right systems, you can make it more likely that people will want to receive your communications and be more receptive to them.

How much can you change people's behavior?

Why would a current or prospective supporter choose to receive communication from your charity?

On the flip-side, why would they choose to “opt-out”?

These are not idle nor theoretical questions of course. In fact, knowing the answer or at least knowing where to look for the answer may be the difference between your charity surviving or not. Does that claim seem draconian? Surely this too will pass?

Consider this fact: Save the Children UK had a 60% opt-out rate when they sent a communication to donors alerting them to the existence of the ‘opt-out’ option. They publicly advertised this rate as evidence opt-out “works” because they firmly believe opt-in results would be even worse; worse than losing 6 out of 10.

Make no mistake, doing opt-in the best way possible may very well mean the difference between the vast majority of your current supporters leaving or not.

And this is not something you get many second chances to do well. After all, how many times will you be allowed to send a communication asking supporters to opt-in before that very communication becomes prohibited by the same rules it is intended to work within?

What is the best way possible? What does it look like? Well, let's start with what it doesn't look like.

This is an opt-in communication from RNLI, a large, well respected UK charity that is publicly and pro-actively taking the next year to opt-in their supporters. The red-box commentary notes where this is off the mark based on what is known in the social sciences about how people make choices. Like your homework assignment markup from the teacher, a lot of red ink means a lot of room for improvement.

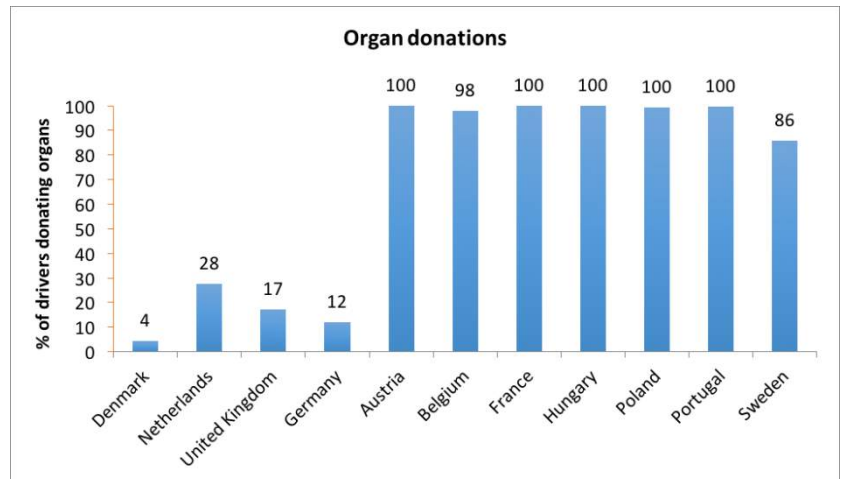
If the biggest, most sophisticated charities among us are getting it this wrong what is the alternative?

The alternative is a recognition that donor, indeed human, preferences are not stable. The opt-in choice is not likely to be a fully thought out, mentally firm judgment about your charity or your communications. Rather, preference and choice – to opt-in or not – is highly influenced by the way the question is framed.

The image shows a form titled "To save lives at sea, we need to keep in touch with you" from RNLI. The form includes a header, a main body of text, a signature, and a section titled "PLEASE GIVE US YOUR PERMISSION TO STAY IN TOUCH" with three checkboxes for different communication channels. Red boxes with white text provide commentary on various parts of the form:

- Top right:** "The text is flattering but it does nothing to motivate the supporter to opt-in."
- Middle right:** "There is too much hassle and/or cost for a supporter to opt-in via the phone or the web."
- Bottom right (top):** "RNLI's desire to keep supporters informed isn't really a motive for the supporters."
- Bottom right (middle):** "Promising data protection highlights the danger and it might backfire."
- Bottom right (bottom):** "Giving channel control is great but is this the best way to present the options? Also, have you considered any context effects that might be at play?"

Let's look at this example around organ donation. This graph shows the percentage of people who said they would donate their organs. You see two types of countries – countries on the right that donate a lot, and countries on the left that donate much less. Why is that?



Most people think it has to do with culture or maybe religion. But countries we think of as very similar are actually very different in terms of organ donation – like Sweden (86%) on the right and Denmark (4%) on the left.

Interestingly of the countries on the left, the Netherlands is quite a lot higher at 28%. This is because they mailed every household pleading with them to donate their organs.

But clearly the countries on the right are doing something much better than pleading – what are they doing? A winning message? Some great persuasion effort? Maybe just repeated pleading? That is how direct marketing works, right? Just keep asking, over and over and over...

It turns out the difference between having opt-in organ donation rates in the teens versus nearly 100% arises from a very subtle change to the opt-in form.

The countries on the left have what we call a default opt-out, the top presentation in the illustration.

People don't check the box and they don't join.

The countries on the right have a default opt-in form. People don't check the box **and they join.**

Default Opt-out

Tick the box if you want to participate in the organ donor program

Opt-in rate in teens

Default Opt-in

Tick the box if you do not want to participate in the organ donor program

Opt-in rate near 100%

We think we are rational actors, waking up in the morning and making deliberate, purposeful decisions along the way. What this example shows are many decisions we make don't "reside" within us – in this case they reside in the person that designs the form.

Consider another example to further prove the point.

The Economist offered the two subscriptions below:

- Economist.com subscription – US \$59.00**
One-year subscription. Includes online access to all articles from The Economist since 1997.
- Print and web subscription – US \$125.00**
One-year subscription to the print edition of *The Economist* and online access to all articles from The Economist since 1997.

The majority (68%) preferred the first option – online access only – to the more expensive print and web option. Done. We have data and customer preference and we can build out a revenue model based on this test.

Not quite. Consider this alternative framing of the choices.

- Economist.com subscription – US \$59.00**
One-year subscription. Includes online access to all articles from The Economist since 1997
- Print subscription – US \$125.00**
One-year subscription to the print edition of *The Economist*
- Print and web subscription – US \$125.00**
One-year subscription to the print edition of *The Economist* and online access to all articles from The Economist since 1997

In this case, 84% chose the more expensive print and web option (\$125) and only 16% chose the previously preferred online only access at \$59. Quite a different financial model and product line-up with this new ‘reality’.

The implication is clear:

Opting in or out of receiving further communications may not reflect a stable, pre-existing preference, but rather, a choice based on situational factors that are under your control.

Said differently, the person designing your opt-in form has a lot of influence on the financial health of your charity. If they are expert in understanding why people behave as they do and what influences their choices because, for example, they’ve got a PhD in behavioral science, then you are in great shape.

If not, read on.

How to get people to opt in

What situational factors may be at play in the donor’s decision to opt-in? What levers are under our control to influence this decision?

There is a significant body of knowledge on this topic and live, in-market testing to support it. We did a review of this knowledge base in partnership with the Decision Making and Behavioural Economics Research Group at City University London. This effort was led by Kiki Koutmeridou, the chief behavioral scientist at DonorVoice who, as luck would have it, has a PhD in the field.

What follows is a summary of the different situational and contextual factors that likely determine why someone will opt-in (or not). In short, these are the missing ingredients from whatever internal ideas your charity (and ‘form-maker’) is or will be coming up with to ask your donors to actively chose to receive your communications.

But, this library of possible influencers or factors is only the start. There are nearly limitless ways to execute on these factors and as importantly, they can’t all matter equally to the opt-in decision psyche.

Therefore, we took the next step of drafting specific marketing language or contexts (i.e. test executions) for each factor and conducted preliminary testing using our [Pre-Test Tool](#), which is the equivalent of multivariate testing on steroids.

We effectively ran 4,356 A/B tests with UK donors to identify which factors really matter and how best to implement or apply those factors for opt-in marketing.

In the world of nearly infinite possibilities for designing effective opt-in marketing the chances of you guessing correctly is nearly zero. And ‘correctly’ in this case is likely the difference between keeping most of your donors or losing most of them.

Taking these ideas, handing them to your person (or worse, committee) in charge of finalizing the opt-in marketing and associated forms and running an A/B test or two to declare a ‘winner’ is one next step option. Of course so is the “hope strategy”, which is precisely what RNLI is adopting as this quote from their Head of Marketing, Jayne Clarke, makes clear:

“...it (RNLI) has a trusted brand and cash reserves that mean it can take the hit in the short term with the hope of raising more money in the long term.”

Anybody feeling good about that option versus a consultation with the architects on how best to refine this important but still preliminary work to your specific cause and charity probably deserves what they get by way of opt-out. After all, there are way too many charities doing the same thing, chasing the same donors in the same giving pool. This opt-in effort may be a way to thin the herd with those electing to take the “do-it-yourself” approach being the first to fall.

Summary of possible situational factors influencing the opt-in decision.

Commitment & Consistency

Humans want to behave in a way that is consistent with their past actions e.g. I have been a supporter in the past and want to keep donating to be consistent with this past behavior.

Hypothesis: Reminding supporters that they have donated to or taken action for your charity in the past may increase their likelihood to opt-in in order to behave consistently in the future.

Online Test Executions:

- Thank you for **supporting** this cause in the past
- Thank you for **caring** about this cause in the past
- Thank you for **being interested** in this cause in the past
- Thank you for **helping** this cause in the past

Results: All four of the commitment and consistency treatments substantially beat the control. The best treatment in this test was “Thank you for **helping** this cause in the past.”

Garbage in, garbage out

The full methodology used to test these opt-in executions, which gets as close to real-world as possible, is beyond the scope of this paper (you can find out more [here](#)).

However, suffice to say the way the research is done matters. As a cautionary note, if a vendor is proposing ‘opt-in’ research that includes asking donors for a bunch of individual ratings (e.g. like it, appealing, relevant, motivating) on a random set of opt-in messages then run for the hills.

This is a case of garbage in, garbage out. You can find an example of what to avoid [here](#).

Social Proof

We are sensitive to how other people behave and especially people that are similar to us. Information about how others act in similar situations gives us guidance on how to behave ourselves.

Hypothesis: Knowing that other people ‘like you’ are opting in might increase the chance to opt-in.

Online Test Executions:

- **Other people like you** receive more information about us
- **Thousands of people like you** receive more information about us
- **70% of people like you** receive more information about us
- **Other people like you in your region** receive more information about us

Results: The winner was “Thousands of people like you,” followed by “Other people like you.” Interestingly, “70% of people like you” performed worse than having no social proof at all.

Social Labelling

We act consistently with who we believe we are (e.g. I’m a good person so I will choose to donate) and labels can prime beliefs about our identities. For example, calling people charitable causes them to behave more generously than not labelling them like this.

Hypothesis: Donors labelled as pro-social or informed may agree to opt in to receive further communications to serve this primed identity.

Online Test Executions:

- Please tick this box so we may continue sending you information about our work.
- **As a supporter of this cause**, please tick this box...
- **As a life changer**, please tick this box ...
- **As a knowledgeable person**, please tick this box ...

Results: The winner was by far “As a supporter of this cause,...”. “As a life changer,...” was slightly better than not having any label (control) while the other two performed worse than the control.

Foot-in-the-door

Foot-in-the-door (FITD) starts with a small request, or question, designed to be something to which everyone agrees. Agreement with the first question paves the way for agreement with the target request that follows.

Hypothesis: An initial question might act as FITD and increase agreement to the subsequent opt in ask.

Online Test Executions:

- Would you also like to know **how your money is used?**
- Would you also like to know **the impact of your donation?**
- Would you also **be interested in news/updates, ways to support, impact of donation, or beneficiary stories?**
- Would you also like **us to keep you updated about our work and how you can help?**

Results: Only one of these executions substantially beat no nudge, which is the statement “Would you also like to know **how your money is used?**”.

Conformity

The presence of a pair of eyes, or even design elements that appear similar to eyes, can be sufficient to invoke increased honesty and pro-social behavior. The direction of the gaze also plays an influencing role; attention is drawn in the direction in which the eyes are looking.

Hypothesis: An image of a person looking at you or towards the opt-in box may increase conformity with the request to opt-in.

Online Test Executions:

- Close up face **looking away**
- Close up face **looking at camera**
- Close up face **looking at opt-in box**
- **3 dots** aligned like a face

Results: Having a face in the piece was better in every case than having no face. The best results, however, came from having a face **looking at the camera**.

Perceived Control

Advice or defaults can sometimes result in ignoring or even willfully contradicting them. Increasing perceived autonomy and control over a decision may reduce reactance and minimize the desire to move away from the original request.

Hypothesis: Giving the donor a strong feeling of control over the frequency or the way they will be contacted may increase the likelihood of opting in.

Online Test Executions:
Tell us how often you'd like to hear from us:

Once a week (weekly),	Once a week (weekly),	Email	Email
Twice a month (fortnightly)	Twice a month (fortnightly)	Text	Text
Once a month (monthly)	Once a month (monthly),	Post	Post
Four times a year (quarterly)	Four times a year (quarterly)	Phone	
Once a year (annually).			

You can change your preferences any time by visiting our website.

Results: This was by far the most impacting test. Every test execution did substantially better than no control with about twice the response in each case. Of the tests, the executions that asked about channel preferences (e.g., email, text, post, and phone) did better than the executions that asked about frequency preferences (e.g., weekly, fortnightly, monthly, quarterly, and annually).

Summary

All of these behavioral science triggers can be used to increase opt ins. The principles in order of effectiveness was:

1. Perceived control
2. Conformity
3. Foot in the door
4. Social labelling
5. Commitment and consistency
6. Social proof

Here's how an opt-in structure could look with several of these factors at work online:

Email Preferences

We'd like to stay in touch with you but only in ways you find helpful. Please update your preferences to only receive emails on topics that are important to you or to unsubscribe completely.

1. Please tell us **what you'd like** to hear about:

How your money is used	
<input type="checkbox"/> Subscribe <input type="checkbox"/> Unsubscribed	
Beneficiary stories	
<input type="checkbox"/> Subscribe <input type="checkbox"/> Unsubscribed	
Emergency situations	
<input checked="" type="checkbox"/> Subscribed <input type="checkbox"/> Unsubscribe	
The progress you help us make	
<input checked="" type="checkbox"/> Subscribed <input type="checkbox"/> Unsubscribe	

2. Please tell us **how you'd like** to hear from us:

- Email
- Text
- Post
- Phone

[Update my Email Preferences](#)



Thank you for being such a generous supporter!

OR [Click here to Unsubscribe from all Communications](#)

As you can see, there are other ways you can deliver on perceived control. The original test looked at control over communications, but as in this example, it could just as easily ask a person's preferences for types of communications (e.g., advocacy versus emergency versus stories versus newsletters).

There is a temptation simply to take these results and run with them. However, the devil is in the details. These findings we just shared are based on an online test that measured preference. More testing is needed to see how actual opt-in rates are affected by the use of these principles.

Also, different principles may be relevant to achieve different goals. Nudging opt-in for events will require different thinking than nudging opt-in for fundraising appeals. Careful consideration of the end goal and the literature is needed before deciding which principles to test.

Additionally, as you've seen, the execution of the behavioral principles is as important as their presence or not. We've seen how some executions had a negative result – it would have been better if it weren't present. Considered thought is required when creating the executions and it may also be the case that these will be also differ for each of you also due to your specific brand guidelines, needs or goals.

Finally, you also need to consider the audience. For example, we know social proof works. However, when it works, it works both ways. An American energy company wanted to nudge their customers to spend less energy. So on the bill they showed how much energy you consumed compared to your neighbors. People that were consuming more energy indeed reduced their consumption. But people that were consuming less than their neighbors started consuming more.

So it's not as simple as learning that a behavioral principle has been effective in a different setting and applying it. The way you will execute it and to which audience you're going to use it will make all the difference.

Hopefully, this has given you some ideas for your own testing and to help create a permission marketing program for your donors.

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