



Digital Fundraising Playbook Series:

Top Six Metrics That Matter
in Digital Fundraising

Introduction

“Measure what matters.” Venture capitalist John Doerr’s advice is the mantra by which any organization commits to priorities, aligns for teamwork, tracks for accountability and stretches to achieve what was once thought impossible.

How are we doing? It’s the question all nonprofit and municipal animal welfare professionals must lift their heads and answer periodically, despite the daily challenges and the urgent need to move to the next action item. If you want to know how your program is doing, then measuring what matters is critical: You need to measure how you’re doing, and then compare those results to how everybody else is doing.

Program Composition

How everybody else is doing

This is the easy part. Every year, a nonprofit consulting firm called M+R does a benchmarks [report](#). M+R collects data from hundreds of nonprofits across the U.S. and reports on how everybody is doing in specific categories, such as email messaging, social media and website engagement. The M+R benchmarks report is a standard tool used by many organizations to set the bar for digital fundraising metrics.

How you are doing

There are thousands of metrics you can use to evaluate a program. Here are six basic ones that you can use to begin measuring your digital fundraising success.

Response rate: the number of people who responded divided by the number of people exposed to the offer.

For everything that Best Friends does (direct mail, email, SMS, handwritten paper invitations, etc.), we look at whether people responded or not. The percentage of people who responded helps us understand whether people liked the content we sent them, but it also helps us understand the long-term popularity of our organization.

If you change audiences or channels, be careful about comparing response rates. The response rate from your top 10 supporters, for example, is going to be different than the rate from a group of people who have never heard of your organization. The response rate for email is going to be completely different from the response rate for direct mail. Compare apples to apples — for example, compare response rates for different emails sent to your full list.

Conversion rate: the number of people who completed the transaction divided by the number of people who began the transaction.

The conversion rate can tell you whether a particular donation form is working well, or whether your online adoption process is successful. For a donation form, the conversion rate is how many people completed the form divided by how many people saw the form. For adoption pages, the conversion rate is the number of people who completed the adoption application divided by the number of people who viewed animals available for adoption.

There are many types of online conversion opportunities, including donate money, complete an adoption application, sign up for email, sign up to volunteer or foster. Before you change anything (e.g., words, pictures, making people sign a waiver) on any type of conversion opportunity, calculate your conversion rate. Then make the change and calculate the conversion rate again.

You only want to make changes that give you a higher conversion rate. If you change something and the conversion rate declines, roll back the change and try something else.

Cost per acquisition: the total cost of marketing expenditures for an acquisition effort divided by the number of supporters acquired.

It's unlikely that you can get supporters (donors, adoption applicants, volunteers) without spending any money at all. Even if you're not paying a fee for each effort, the effort still requires an investment of staff or volunteer time, and there can be costs for the platform (e.g., your email provider or the booth fee at a conference).

To decide which efforts you want to increase and which ones you want to decrease, you need to understand the cost per acquisition. What was the total cost of your effort divided by the number of donors (or adopters or volunteers) that you acquired as a result? Once you've done the math, do more of whatever efforts had the lowest cost per acquisition, and do less of the rest.

Average gift: the total amount of money raised divided by the total number of transactions.

This metric is the average amount received per donation transaction. On a micro level, it gives you an understanding of whether a specific campaign is working. On a macro

level, you get an indication of which part of the donor pool you're pulling from (high capacity vs. low capacity).

If you are getting sustaining gifts (i.e., a small amount of money is taken directly from a supporter's credit card or bank account), they can skew your average gift metric. Either report separately on one-time and sustaining donations or annotate your financial reports to acknowledge the impact of sustaining gifts on your average.

Bounce rate: the number of people who leave the site immediately after arriving divided by the total number of people who visit the site.

The bounce rate is a metric that is unique to website traffic. You can define "immediately" in two ways: those who leave a site after less than five seconds, or those who leave a site after viewing only one page.

This metric helps you understand the health of your website and the effectiveness of your site's content in keeping people engaged and interested. Examining pages with a high bounce rate can help you decide which pages to update first, adding more context or more ways for your supporters to get involved.

Click-to-open rate: the total number of (unique) people who clicked on a link in an email divided by the total number of (unique) people who opened the email.

Email metrics can be tricky. People often think an open rate (the percentage of people who open your email) reflects how good the email is. But your email open rate is largely a reflection of the following:

- The quality of your subject line: Was the topic interesting? Was the subject line well written?
- The quality of your email list: Do you clean your list regularly, removing people who haven't opened your emails in 12 months or more?

Similarly, the click rate (the percentage of people who click on a link in your email) will rise and fall based on the quality of your email list, as well as the quality of the text you have [hyperlinked](#).

If you want a measure of the quality of the email content itself, measure the click-to-open rate. The beauty of this metric is that it effectively ignores any concerns about the quality of your list and the quality of your subject line, and simply tells you how well the copy is doing. This metric should be the basis of any effort to understand how your emails are performing.

Conclusion

Measurement is the key to knowing what is working and why — and what merits change. By tracking your results in the six areas described above and comparing those with results documented in the annual M+R benchmarks study, you can begin to set your digital fundraising programs on solid ground.

Fundraising is often more art than science, but digital fundraising is one area in which the science of measuring what matters can provide you with the confidence you need to invest. Measure what matters. Invest in what works.

Resources

- M+R Benchmarks offers you a glossary and the opportunity download the 2022 benchmark study [here](#).
- Nonprofit Tech for Good offers [these observations](#) on digital marketing metrics.
- CRM provider Classy's blog provides additional content on nonprofit marketing and fundraising metrics and offers a downloadable [guide](#).

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