



Annual fundraising as integral to your patron lifecycle

- We will discuss when, and how often fundraising fits in to the patron lifecycle with the goal of broadening and deepening patron and donor relationships
- Presented by Paul Larson & Kyle Steigerwald

The Impact of Fundraising

- Fundraising has a material positive impact on a patron's lifecycle and engagement with performing arts groups
- Personal communication comes early and often
- Member benefits further set the stage to motivate patrons to attend physical performances
- This engagement greatly improves outcomes surrounding ticket/subscription purchases, event attendance, donations, and patron loyalty

Data Segmentation

- Organizing and mining data: data segmentation needs to come before the plan
- Identifying leadership prospects each year

Quantifying the Positive Influence of Fundraising Specifically

- Positive influence on patron lifecycle
 - Organization with best Practices vs. Organization without
 - Year 1 - Avg Acq Gift Size of \$160 vs. \$93
 - Year 1 also saw a 10% increase in gift size between 1st appeal and 2nd appeal gifts for Acquisition group (in best practices organization)
 - Year 2 - Renewal 1 Increase Rate of 201% vs. 174%
 - Year 2 - Renewal 1 Response Rate of 55% vs. 24%
 - Year 3 - Renewal 2 Response Rate of 52% vs. 30%
- Positive influence of fundraising on the marketing piece of the patron lifecycle
 - Rate of conversion of a single ticket buyer into a subscription buyer is 3-4 times higher when a gift comes before subscription purchase
 - Fundraising increases engagement before and during the patron purchase cycle when it comes to subscription and additional ticket purchases



Fostering more loyalty to the organization through psychological & emotional impact of regular communication, increased commitments, and engagement over time

- *“People rarely make decisions in a vacuum; in other words, our choices are almost always influenced by context.”*
- *“The researchers thought that recipients of precise offers are much more likely to believe that the person making that offer has invested time and effort preparing for the negotiation and therefore has very good reasons to support the precise offer they are making.”*
- *“In short, it is not information per se that leads people to make decisions, but the context in which that information is presented.”*
 - Martin, S., Goldstein, N. & Cialdini, R. (2014). *The Small Big: Small Changes That Spark Big Influence*. Grand Central Publishing.

Case and Point Example

- Josh Salazar - STB Buyer
- First FY :
 - February - Tickets Purchased and Performance Attended
 - June - Fundraising Calls - Donated \$150
- Second FY:
 - July - Fundraising Thank you Call
 - September - Marketing phone call - Declined Subscription purchase
 - November - Redeems 2 ticket voucher from fundraising benefit
 - December - Fundraising Mailer - no response
 - January - Purchased 2 Single tickets for performance - \$200
 - February - Fundraising phone call - Donated \$250 - increase from LY \$150
 - May - End of Year Fundraising Mailer - no response
 - May - Marketing mailer w/ next season Brochure - No Response
 - June - Phone Fundraising 2nd Appeal - declined
- Third FY:
 - August - Marketing call - Purchased Subscription
 - November - Fundraising call - Donated \$500
 - May - 2nd Appeal letter solicitation - no response
 - May - 2nd Appeal - Donated additional \$500 (\$1000 FY)



- Note that this is not every possible interaction, just an example that does not include activities such as special mailers, special offers, raffles, surveys, special events, etc.

Applicability of the Methodology

- No two patrons will have the same lifecycle, but this is a realistic illustration of a preferred outcome
- Regardless of the specific lifecycle, efforts to incorporate consistent fundraising appeals from the very beginning of a patron's relationship with an organization will yield stronger outcomes related to engagement and commitment
- The psychological impact and outcome of small and increased commitments over time
- This is scalable and can be applied to large volume patron pools

Q & A – Some Questions to Consider

- What is the largest gift you've received from a new patron within the last year (someone who purchased tickets for the first time in the last ~2 years)?
- Can you relate any real word examples of positive or negative reactions to first time gift solicitations at the early stage of a patron's relationship with your organization?

Outro Slide

- To talk with us more about your annual fundraising goals, please reach out to Paul Larson at:
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