



Ultimate Guide To Donation Funnels

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In the nonprofit world, attracting and retaining donors is essential to building an impactful brand. And if that's your main goal, a donation funnel can help.

In our latest ultimate guide, we give you everything you need to know about donation funnels and how to build one. This includes what exactly a donation funnel is, why it's important, and targeted advice for building one that drives donations.

- What Is A Donation Funnel?
- Why Your Nonprofit Needs A Donation Funnel
- The Five Stages Of A Donation Funnel
- 10 Tips To Improve Each Stage Of Your Donation Funnel
- Useful Tools And Resources
- Conclusion

Let's go over everything you need to know about donation funnels.

WHAT IS A DONATION FUNNEL?

Let's first start with a general definition of what a donation funnel actually is:

The detailed framework that represents the typical journey a potential donor takes before deciding to donate to your nonprofit or organization.

This is similar to the sales funnel that you have likely seen in for-profit sales or marketing. And just like that funnel, a donation funnel consists of several stages. This includes everything from the moment someone becomes aware of your organization to what happens after they donate. By understanding this entire process, you are able to better engage with your prospects and run more successful fundraisers as a result.

Let's briefly go over the different stages of a donation funnel (similar to the "stages of awareness" marketing teams usually work with). We will dive deeper into each one of these stages further down. For now, this overview helps to put things into context.

- **Awareness:** Your audience first learns about your nonprofit.
- **Engagement:** They interact with any content you might have and learn more about your organizational mission.
- **Consideration:** They start to consider donating and likely look into your impact and credibility.
- **Conversion / Donation:** They actually donate to your cause, regardless of the amount.
- **Retention:** After donating, you work to keep them engaged and primed to potentially donate again in the future.

Keep these stages in mind as you read the rest of this ultimate guide.

WHY YOUR NONPROFIT NEEDS A DONATION FUNNEL

Before we get into the details, you might want to know why you need a donation funnel. The first thing we want to say is that a donation funnel is much more than just asking for money. Rather, it's an entire process that makes the act of giving a more natural action. It includes building relationships, **establishing trust**, and providing value to your supporters. This results in fundraising that's **focused on guiding donors rather than pressuring them**.

With that out of the way, let's cover more specific reasons a donation funnel is worth your time as a nonprofit:

STRUCTURED DONOR JOURNEY

A successful donation machine isn't built on a vague hope that people give. Instead, it's a series of logical steps. By creating a thoughtful donation funnel, you are able to create a donor journey that is more structured. This **improves the overall experience** for a potential donor.

INCREASES CONVERSION RATES

A donation funnel is all about giving donors **what they need, when they need it**. This often looks like the right content at the right time. By nurturing visitors in this way, you improve the likelihood that they'll choose to support you. This leads to more donations with the website traffic that you already have.

IMPROVES DONOR RETENTION

Your funnel doesn't end once somebody has donated. You want to keep them engaged and turn them into a repeat donor down the line. By incorporating different kinds of follow-up (a personal thank you or detailed impact updates), you encourage donors to stay connected to your organization. This increases the likelihood that they become **long-term supporters**.

PROVIDES VALUABLE INSIGHTS

A donation funnel gives you multiple data points to analyze. By looking at these pieces of information, you can see what resonates with your audience. For example, maybe your audience responds best to volunteer success stories, or maybe you are more likely to get repeat donors if you **send a newsletter** each week. Identifying these patterns gives you insight, which helps you continually improve.

ALIGNS WITH ORGANIZATIONAL GOALS

For long term success as a nonprofit, you need a strategic process that makes logical sense. This is where a donation funnel comes in. Build one with a little bit of strategic thought involved, and you ensure that your marketing, communication, and fundraising efforts align with objectives. This keeps your team focused on what matters.

THE FIVE STAGES OF A DONATION FUNNEL

Let's now cover the stages of a donation funnel in more detail. Below you will find each of the five stages. We include information regarding your goal at each step and examples of the stage in action.

1. The Awareness Stage

What Happens Here: Prospective supporters learn about your organization for the first time. This can happen in a number of ways: encountering your brand through **social media content**, a Google search, or even a referral from a friend.

Your Main Goals:

- Capture and keep attention.
- Communicate your mission clearly.
- Encourage further interaction.

Example: A nonprofit focused on literacy publishes infographics on LinkedIn or appears in an educational podcast to raise awareness of their cause.

2. The Engagement Stage

What Happens Here: Potential donors start consuming your content. Depending on what you create, this might include **blog posts**, informative videos, or personal newsletters. This is when they start getting to know your cause.

Your Main Goals:

- Produce and distribute quality content.
- Create trust and credibility with your audience.
- Encourage further action or involvement.

Example: An environmental nonprofit shares success stories of the conservation projects they've been involved in or hosts a webinar about climate change solutions.

3. The Consideration Stage

What Happens Here: People are now aware of your mission and have engaged with your content. At this point they are considering whether to make a donation. They are likely comparing your nonprofit to other organizations or looking for evidence of impact and transparency.

Your Main Goals:

- Demonstrate the impact your organization has made with success stories.
- Offer **social proof** if you have it (for example, testimonials or charity ratings).
- Provide clear information on how to donate.

Example: A healthcare-focused nonprofit creates case studies of patients they have helped along with a testimonial from a doctor.

4. The Conversion (Donation) Stage

What Happens Here: The individual or group decides to donate. They go looking for information on how to give if they don't already have it, or make the donation if they do. This is the stage where they potentially drop off if the donation process is overly complicated.

Your Main Goals:

- Simplify the donation process wherever possible (**fewer form fields, multiple payment options, clear instructions**).
- Emphasize the security of a potential donation.
- Offer suggested donation amounts + **highlight the impact of each**.

Example: A nonprofit that works with a **conversion rate optimization** team offers a simple and clear donation process. This will include clear buttons to click on throughout their website, a simple donation form, and complete transparency about the security of the process.

5. The Retention Stage

What Happens Here: After a donation, it's crucial to keep the donor engaged. Now is the time to show them the impact they had and encourage further donations. Consistent effort here can lead to repeat donations, monthly giving, and higher volunteer participation.

Your Main Goals:

- Send personalized "thank-you" messages to people that have donated.
- Provide regular updates on the impact that donors have had.
- Invite past donors to special events or encourage them to **further get involved**.

Example: An organization that helps low-income families put food on the table updates their audience on what their donations have achieved. They also encourage further participation in ongoing fundraisers.

10 TIPS TO IMPROVE EACH STAGE OF YOUR DONATION FUNNEL

Now that you have a good idea of what the typical donation funnel looks like, let's check out how to improve it. While each nonprofit will differ, the tips below are applicable to just about any organization.

1. Define Your Target Audience

This is the first (and perhaps **most important**) step in creating an effective donation funnel. By knowing who exactly you want to reach, you are able to tailor your messaging and visuals with this audience in mind. This makes your funnel more specific and effective as a result.

2. Craft Great Content

Great content marketing can be the difference between somebody that stops and considers you, and somebody that moves on with their day never to return. Of course, the kind of content you create matters. It will vary from stage to stage. At the awareness stage, for example, create blog posts or videos that highlight your cause. As people move deeper in the funnel, it's time for content like impact results and case studies.

3. Invest in SEO + Social Media

Quality **search engine optimization** (SEO) and **social media marketing** are essential if you want donors to find you. While just two ways you can be discovered, they are two of the most important. For SEO, be sure you are following **best practices**. As for your social media presence? Share content specifically on the platforms where your audience is actually active for your biggest ROI.

4. Use Video Content

Video content is **the future**. More and more people are consuming this highly engaging content type, and it's not going away anytime soon. There are a number of ways to take advantage of this long term trend in your donation funnel: a short documentary, a donor thank-you video, or a video testimonial from beneficiaries (to give you just a few ideas). Include these at various stages of your funnel for the best effect.

5. Leverage Email Marketing

Quality email marketing is a fantastic channel for your donation funnel. That's because it gives you a direct line of communication with your audience and can quickly build quality relations with them. There are a number of ways to optimize your email game: donation-focused automations, consistent newsletters, and broadcasts personalized to subscribers' interests.

6. Optimize Your Donation Page

None of your efforts at building a donation funnel matter much if it's too difficult to become a donor. This is why a quality donation page is so essential. At the conversion stage, ensure your donation form is simple, secure, and (importantly) mobile-friendly. You should make it convenient by offering multiple payment options. This can include credit cards, PayPal, or Apple Pay.

7. Include Social Proof

Your donation funnel is guaranteeing to be more effective if you feature social proof heavily. People will believe what you say, and your fundraising efforts will be more effective because of it. So- what kind of social proof should you include? While anything helps, donor testimonials and **in-depth case studies** tend to work the best. Feature these wherever you can throughout your funnel.

8. Create Urgency

Just like selling a product, asking for donations works best when you feature a little bit of urgency. With that in mind, consider using deadlines. This is often very effective at getting people that are "on the fence" to actually donate. If your budget allows for it, you can also implement **matching gift opportunities**. This is one of the most effective methods for creating urgency that you can use at a nonprofit.

9. Follow Up With Donors

As we point out in our section on the five stages, the **post-donation phase** is just as important as everything that comes before it. That's because it's much easier to get somebody to donate if they have already given once before. Your follow-up is where you have the best chance of making this happen. Be sure to send immediate thank-you emails. You should also include them in any messaging about overall contributions.

10. Analyze And Refine The Funnel

Always be getting better. Your donation funnel is never going to be perfect right at the beginning. That's why it's important to continually track your results and refine from there. One of the ways to do that is to listen to your audience's feedback as they reach the various stages of your funnel. In addition, you should also consider using tools. Continue to our next section for advice on the best ones...

USEFUL TOOLS AND RESOURCES

FUNDRAISEUP

Our preferred tool for nonprofits looking to increase donations. If you are looking for an easy-to-use tool that can double your donation revenue with a ton of features, check it out.

BLOOMERANG

This is an all-in-one fundraising and donor management tool designed to deliver a better fundraising experience. Trusted by thousands of organizations, Bloomerang is worth consideration for any nonprofit looking for an effective CRM.

MAILCHIMP

If you want to take email marketing seriously (and you should), **you need a solid ESM**. MailChimp is one of them. As the email tool that we use at Lúgh, we know how effective MailChimp. Looking for a convenient way to stay in contact with your audience via email? Look no further.

GOOGLE ANALYTICS

While there are plenty of analytical tools out there, GA is one of the better ones. Easy to connect with any site, this is a great tool for getting insight on the performance of your pages and overall user behavior.

UNBOUNCE

High quality and **conversion-focused landing pages** are essential to any donation funnel. To build these kinds of pages, we recommend Unbounce. The tool makes page design quick and easy, which means you can improve your results at every stage of your funnel.

CONCLUSION

A well-structured donation funnel is essential to any nonprofit that wants to drive more donations. Because a quality funnel builds relationships with your audience over time, the natural result is higher (and more repeatable) donations.

We hope you enjoyed this ultimate guide and take action on everything you learned. Let us know if you have any questions or if you ever need help with your own donation funnels!

Are you an enterprise, nonprofit or small business looking for help on your website? Give us a shout! We provide a free consultation. Email us at info@lughstudio.com or call us at (718) 855-1919!