

TURNING LIKES into

The Definitive Guide to Facebook Advertising for Nonprofits

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recently had lunch with a friend who is a VP of Development at a large national nonprofit. The conversation came around to social media, and he was really excited to announce that his Facebook page had surpassed *two million fans*. Immediately after telling me this, he surprised me with a question: "Is that good?"

Then, before I could answer, he hit me with the question that inspired this book:

"How do I get donations from my Facebook audience?"

This was a very telling turn of conversation. Right on the heels of touting his Facebook fan growth, he expressed a dissatisfaction that I hear many nonprofit executives echo: no matter how many fans they have, they don't feel like they are getting enough out of it.

Put simply: **more fans is not enough.** We've gotten caught up in this "Facebook fans arms race" with little to show for it besides some numbers.

Over the past two years, we've been experimenting with Facebook advertising at NextAfter, and have stumbled onto a model that has added <u>nearly 1 million email addresses to</u> <u>our clients email files</u>, generated <u>tens of thousands of new donors</u> and <u>hundreds of thousands of dollars in donations</u>.

We have become so obsessed with being 'liked' that we've forgotten what it's like to be LOVED.

This book will show you how Facebook *might* be into your biggest (and most cost-effective) way to identify those who might LOVE your nonprofit — and turn those relationships into new email addresses, donors and dollars.

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Jeff Giddens Senior Vice President, NextAfter





Why Facebook?

First, I want to answer a common question: why is Facebook the platform worth investing in to grow your donor file?

Here's a piece of anecdotal evidence:

As I'm writing this, I'm sitting on a plane in the aisle seat. The woman against the window is checking Facebook on her phone. The woman in the middle seat is watching *The Social Network*, the movie made about Facebook's origin. And I'm sitting here writing a book about it. It's pervasive in our society. I'm not sure if that's a good thing or a bad thing, but it's true.

And now the facts:

As of September 2015, 1.1 billion people use Facebook every day. The platform recently celebrated the first occurrence where one billion people were on Facebook at once. Read that last sentence again, slowly. That's 14% of the world's population, on one platform, at once. If you need more proof than this to vet Facebook, check out **this link**.

Advertisers have always gone to where the audience is. In the early part of the last century, that audience was on radio, so they sponsored serials and live shows like the Grand Ole Opry and Louisiana Hayride. When Eisenhower built the interstate system, it filled up with people, giving birth to the billboard business. Then television. Then cable TV. Then websites. And now Facebook. Advertisers will always need an audience.

Most nonprofits don't have big budgets to spend on broadcast media or billboards. They need to spend money where they know they are speaking to the right people. So they need the most data on their audience. Who has the most data on its users? *Facebook.* Why?

Because YOU put it in there when the platform asked you what kind of music you liked, or when your birthday was, or who your family members were.

As a nonprofit, you have access to all this data — which means you can target just the right people. That's a huge advantage for a small budget!

But how do you make that sort of targeting deliver value for your nonprofit? Well, lets define (or redefine) value.

DEFINING VALUE

I'm going to return to that question my friend asked me at the beginning of this book:

"How do I get donations from my Facebook audience?"

He had two million fans on the platform. But those fans weren't paying the bills. He needed to get some value out of those fans — in the form of money, through charitable donations. So how do you get money out of Facebook?

He (and many other organizations) tried directly asking their fans. But his team had been disappointed when a post that reached nearly 100,000 fans generated only one \$25 gift. Some organizations have had better success with this, but for most nonprofits, Facebook is not a direct response fundraising platform.

So if you can't ask directly for money, how do you get value out of Facebook — particularly value that can eventually turn into charitable support?

Three simple words answer this question: get email addresses.

Nonprofits measure return on investment in many ways: pure ROI, cost to raise a dollar, net cost per donor, and many more. But the truth is, any dollar you spend to invest in your donor base needs to produce a quantifiable return. Don't let anyone tell you that an ad getting "great engagement" is an end in itself.

So why emails? Because we've discovered one consistent fact about online fundraising:

The greatest indicator of an organization's long-term online fundraising success is the size of your email file.

Let me show you some real client data to illustrate this point. Here are analytics reports for four NextAfter clients (who will remain anonymous).

This first client has a lot of inbound sources to their site — organic search, pay-per-click advertising, banners, radio, even direct response television. But the source that drives the most traffic and revenue? Email.



Here's another client — here, you can see that their network of websites and Facebook page drive more traffic than email, but email significantly outperforms anything else in delivering revenue.



And here's one more: this client does a lot of broadcast media advertising on TV & radio, so they get lots of organic search traffic. But even with a fraction of the traffic, email provides the majority of their revenue.



And here's another client, where email is both the primary source of traffic and revenue.



So what's the fastest way to grow online revenue from Facebook? Turn it into your organization's highest-performing email acquisition channel. But this isn't just about building a large email file and long-term value – we've discovered a model that does this while delivering *instant* donations. **And best of all, it can become self-funding when done correctly.**



A New Model

So how do you get email addresses (and subsequent donations) from your Facebook audience? Over the past few years, we've been optimizing a model that not only gets lots of emails from Facebook fan pages, but can pay for itself — and, if the components align correctly, **can become profitable**.

There are four components to this strategy. Pay close attention to each — if any one of these components are executed poorly, it could compromise the success of the entire effort. I'll give an overview of the model and then we will deep dive into each component.



Four Components of a Successful Facebook Campaign

There are four components that each play an important role when creating a campaign to get email addresses, donations and revenue from your Facebook audience.

 The Offer is the key asset that you believe (or hypothesize) that your Facebook fans would be willing to trade their email address to get. <u>But</u> <u>an offer is worth nothing until someone accepts it</u>.

Therefore ...

2. The Ad is the medium through which you propose your offer to your targeted audience. The better you target your audience, the higher the likelihood that they will accept the offer. This is an entirely testable proposition. But the offer cannot be accepted within the ad itself — the ad only publicizes the offer.

Therefore ...

3. The Landing Page is where you give the prospect the ability to accept the offer. The landing page must clearly state the value of the offer and collect the prospect's email address in exchange. Many email acquisition campaigns end here. But if the prospect accepts the offer, why hold back the opportunity to support your mission?

Therefore ...

4. The Donation Page is where you convey your organization's value proposition and give the prospect the opportunity to engage at the highest level by supporting your organization.

These components must be ordered properly as well – if we ask in the wrong sequence before properly setting up value, our campaign will fail.



The Offer

To get emails and grow your prospect list using Facebook, you must have a compelling offer. Simply put:

An offer is something of value that your fans would be willing to trade their email for.

For example, Hillsdale College has developed an offer in the form of a free online course, called **Constitution 101**. This is a ten-week free course delivered via email that teaches the meaning and significance behind the US Constitution. All Hillsdale students are required to take the class. In 2012, the College put it online for everyone to enjoy, and nearly a million people have taken it.

Offers can take many forms: eBooks, petitions, exclusive access to resources, video content, or a newsletter. But people won't just give you their email in exchange for anything. In fact, most people are more protective of their inboxes than ever. So, here are two rules to follow for designing an offer:

RULE #1: The offer must deliver more value than it costs.

With an email acquisition offer, there might seem to be no cost to the recipient. But handing over their email address is of great cost to many people — and not just because they want to protect their inboxes. There's a small cost that we often miss: some people just don't want to take the time to fill out your form. At first, people might view your offer like this:



That's why it's so important to develop a strong value proposition that *sells* your offer — even though, like the course, it might be free. We often reference the following heuristic from our friends at MECLABS to create a framework to assess the value proposition of your offer. A strong value proposition makes the offer irresistible to the target user.

$$Nf = {}^{P}Vf - {}^{P}Cf {}^{\circ}$$

This heuristic says that the Net Force (Nf) of your value proposition is determined by the difference between the Perceived Value of your offer (^pVf) and the Perceived Cost of your offer (^pCf).

If your offer *even appears* to cost more than it's worth, your value proposition will be negative — and therefore, not compelling. By strengthening the force of your offer's value proposition, you'll make sure that your prospects see your offer like this:



When we effectively convince the visitor that the value of our offer is greater than the cost, we exponentially increase the likelihood of conversion.

But you don't need a free online course (like Hillsdale College) to get new names, donors, and dollars. Here are a few offers that we've seen work really well for email acquisition campaigns:

eBooks: Does your nonprofit have expertise in something? Is there a story you have to tell that might grab the hearts of new donor prospects? Put it in a PDF (make it look pretty), and offer it up to a targeted audience. Matt Daniels, leader of the human rights organization Good of All wrote a book called "A Higher Law" (<u>see it here</u>) that laid out the connection between Martin Luther King and human rights. Marketing this free eBook helped build his file with hundreds of email addresses of people who were interested in this subject.

Petitions: How can you identify people who share your belief, viewpoint, or mission? Make them sign their name to it. Petitions have been around forever, and to some, seem tired. But people who truly believe will sign them — and those are the people you have the greatest chance of converting to donors. We've seen these work really well when launched in response to newsworthy events. <u>Human Liberty</u>, a group

THE OFFER

fighting to recognize the rights of North Koreans, launched a petition that helped build their file from nothing to hundreds of email addresses.

Surveys: What if you could get email addresses *and* actionable data from your Facebook fans? This has proven to be a very effective method to acquire emails and orient the prospects' minds towards giving to make a difference – especially when the survey gathers data about the problem that your organization solves.

Access to Resources: Most organizations have tons of resources on a given subject. The Texas State Historical Association, for instance, had more than 66,000 articles on Texas history that were free to browse. But they weren't curated in a way that made them accessible. They began generating tens of thousands of new emails and members when they <u>launched their free resource</u> <u>center</u> by pulling these articles together through a cohesive offer.

But a high-value offer isn't enough. There's another rule in play that will ensure that your offer delivers high-value prospects.

RULE #2: The offer must be relevant to your organization's mission.

It is hard to call this a rule — it's common sense. If you expect the email addresses you acquire to be donor prospects, your offer needs to have something to do with your organization's work. You might get a lot of emails by giving away free copies of *Sports Illustrated* or getting people to sign a Save the Whales petition, but don't expect them to become donors to your local food bank anytime soon.

What does your organization have to offer? What expertise do you have that people might want? What action could someone take that would collect their email address and philosophically align them with your organization? These are all questions to ask as you develop an offer.

And one extra note on the offer — **your offer does not have to appeal to everyone.** In fact, offers rarely work when they are intended for everyone. Hillsdale College's offer appeals to people who love the Constitution and want to know more about it. Though the course is open to everyone, it is not targeted to everyone. There are tradeoffs with any offer – which means that you might have multiple offers that appeal to multiple segments.

Once you've identified your offer, then you can create the next component that will turn Facebook likes into emails — and new donors!



The Ad

The ad is the means through which your offer is presented to your target audience. Ads take many forms, and good offers should be advertised through multiple channels. But today, we are just going to discuss Facebook ads.

Although the concept of an "ad" seems simple, there are three essential elements of a Facebook ad that each have a factor in success. Each successive element is nested within the one before it.

AD CAMPAIGN LEVEL
AD SET LEVEL
ADLEVEL

The first layer of a successful acquisition effort is defined at the ad campaign level. It's important to understand how Facebook structures ad campaigns. There are three levels to each campaign:

1. CAMPAIGN LEVEL: This is where you declare your campaign objective. What are you trying to do?

There are three ways to optimize your ads at the campaign level:

- **Optimize for reach:** This will get your ad in front of as many people as possible and advertise to the largest audience. This can be a good thing...but you'll probably show it to a lot of people who aren't interested. This is ideal for large brands who want to reach the masses. Chances are, you aren't Coca-Cola, so this might not be for you.
- **Optimize for clicks:** This will get your ad in front of a medium-sized audience of people who are likely to click on your ad. Facebook will show your ad to people



who they have determined are most likely (based on past behavior) to click on your ads. With each click, Facebook refines its algorithm to show it to people who are likely to click. This is pretty good targeting, but remember: not all people who will click will convert.

• **Optimize for conversions:** This will get your ad in front of a small, highly targeted audience of people who are likely to accept your offer. You need to install a simple pixel on your donation page so that Facebook knows when someone has "converted". Then, their algorithm uses the data about that person to find more people like them. This can be your most qualified audience, but you might sacrifice broad reach and volume.

These three options are best viewed as a target: your largest audience is also your least qualified audience. Every time you increase your targeting, you decrease your total audience reach. This is not a bad thing! Generally, I start campaigns optimizing for conversions and then increase my audience as I start to saturate the market. However, you may want to consider other options based on your campaign objectives.

2. AD SET LEVEL: This is where you define your target audience and budget. Who are you trying to reach, and how much do you want to spend?

Defining your target audience is one of the greatest contributors to the success of your campaign. There are billions of people on Facebook. Who do you want to show your ad to? It's easy to think that you want to show your ad to as many people as possible, but for efficiency's sake, smaller audiences are better. Facebook gives you a few options to focus your targeting:



- Custom audiences: You can upload a list of emails and show ads only to those people. This might seem crazy — why would you advertise to people whose email you already have? It's a great way to "opt-in" purchased lists or reactivate inactive email addresses. You can also use Facebook's pixel to create a custom audience of people who visit your website. That means you can target those who have already shown some amount of interest in your organization.
- Lookalike audiences: Haven't you always wanted to have a list of people who share similar traits and interests with your donors? Now you can, and Facebook is remarkably good at finding those people. I've found these "lookalike" groups to be some of the most valuable (and high-converting) audiences.
- **Geographic location:** If your nonprofit is a locally-focused organization, you probably don't want to stray too far from home. This targeting is also helpful when promoting events.
- Age and demographic information: How old are your typical donors? Are they men or women? This helps you target people in the right lifestage. There's also a wealth of addition demographic data available: political affiliation, income, purchasing behavior, and much more. If this is your first campaign, I'd try to keep it as simple as possible.
- Interests: This is where you get to "fish in other organization's ponds", so to speak. What other organizations, brands, or affinities do your prospects share? Is there an nonprofit that does work similar to yours? Enter their name and advertise your offer to their fans. Plain and simple.

You can create highly targeted ads using these options. To be able to track results and optimize your campaigns, create one ad set per audience.

3. AD LEVEL: This is where your put your image, advertising copy, and URL. What do you want to show your prospects, and what language do you think will convert them?

There are four main elements to optimize in each Facebook ad:

- Ad copy: As the Facebook user scrolls down their feed, this is the first piece of the ad they see. Ideally, it should tease them about the offer, and incentivize them to pay attention to the other three elements. You have a limit of how many characters you can use here.
- **Image:** This is the eye-catching portion of the ad. We've found that including some copy in this image can help convey the value proposition to people who only see it for a brief second, but Facebook limits the amount of text you can include in the ad. To get an updated list of sizes for these ads from my friend Jon Loomer, click <u>here</u>.
- **Call-to-action:** This is the largest, boldest text on the ad. This should clearly convey the visitor intent. Sample calls-to-action can be phrases like "Learn more now", "Get the free eBook", or "Activate your free course now". It's important to remember which stage of the thought sequence your audience is at when they read this. If they haven't had enough information, it may be too early to try to "close the deal".
- Additional copy: Facebook gives you an area to add more copy for those who might need more convincing before they click. This should target those people and give them details that incentivize them to learn more and take further action.



In addition, the ad level is where you put the URL. Obviously, it should point to the landing page, but there is more information that must be included in the URL to be able to track results. These are called UTM codes, and they tell you essential information about each prospect.

UTM codes are essential to tracking where your prospects and donors come from. You'll want to be able to see which target audiences turn into donors, which is why you have to track from the ad. There are four UTM codes that Google recommends you use in each URL:

- 1. utm_source: Where does the prospect come from? In this case, it would be Facebook
- **2. utm_medium:** How did the prospect get here? I generally use "newsfeed", as that's where I run most ads.
- **3. utm_content:** What audience did the prospect come from? This is how you will know which audiences are most likely to turn into donors.
- **4. utm_campaign:** What campaign is this associated with? This helps all your revenue roll up under one campaign, so you can track overall return on investment.

Why is this important? John Wanamaker famously said "Half the money I spend on advertising is wasted; the trouble is, I don't know which half." Proper tracking lets you know exactly where your money is most wisely spent. As a nonprofit with limited resources, this is incredibly important.

This link will help you set up URLs with proper tracking.

Your URL might look something like this:

http://yoursite.com/your-offer?utm_source=facebook&utm_medium=newsfeed&utm_ content=audience1&utm_campaign=ebookacquistion

When you log into Google Analytics and drill down into a campaign with proper tracking	,
you'll see something like this:	

		Source / Medium 📀	Ad Content 🕐 🛇	Acquisition			Behavior			Conversions eCommerce 🔻		
	S			Sessions 📀 🗸	% New Sessions	New Users	Bounce Rate	Pages / Session	Avg. Session Duration	Ecommerce Conversion Rate	Transactions	Revenue
				55,204 % of Total: 20.01% (275,893)	75.96% Avg for View: 52.84% (43.76%)	41,933 % of Total: 28.77% (145,776)	61.24% Avg for View: 67.22% (-8.90%)	1.70 Avg for View: 2.02 (-15.87%)	00:01:37 Avg for View: 00:02:10 (-25.32%)	0.64% Avg for View: 0.39% (65.81%)	356 % of Total: 33.18% (1,073)	\$23,718.00 % of Total: 5.57% (\$425,805.58)
	1.	facebook / newsfeed	Audience 1	6,123 (11.09%)	79.85%	4,889 (11.66%)	62.04%	1.66	00:01:40	0.75%	46 (12.92%)	\$3,547.00 (14.95%)
	2.	facebook / newsfeed	Audience 2	5,109 (9.25%)	54.90%	2,805 (6.69%)	60.50%	1.88	00:01:44	0.74%	38 (10.67%)	\$2,291.00 (9.66%)
	3.	facebook / newsfeed	Audience 3	4,299 (7.79%)	80.60%	3,465 (8.26%)	61.32%	1.68	00:01:32	0.56%	24 (6.74%)	\$1,182.00 (4.98%)
	4.	facebook / newsfeed	Audience 4	3,273 (5.93%)	79.32%	2,596 (6.19%)	59.76%	1.68	00:01:36	0.76%	25 (7.02%)	\$1,272.00 (5.36%)
	5.	facebook / newsfeed	Audience 5	3,200 (5.80%)	79.00%	2,528 (6.03%)	62.38%	1.66	00:01:36	0.84%	27 (7.58%)	\$1,925.00 (8.12%)
	6.	facebook / newsfeed	Audience 6	2,792 (5.06%)	74.64%	2,084 (4.97%)	60.60%	1.77	00:01:52	0.82%	23 (6.46%)	\$1,760.00 (7.42%)
	7.	facebook / newsfeed	Audience 7	2,742 (4.97%)	82.97%	2,275 (5.43%)	57.99%	1.79	00:01:52	0.44%	12 (3.37%)	\$1,337.00 (5.64%)
	8.	facebook / newsfeed	Audience 8	2,415 (4.37%)	77.14%	1,863 (4.44%)	58.51%	1.80	00:01:53	0.62%	15 (4.21%)	\$1,280.00 (5.40%)
	9.	facebook / newsfeed	Audience 9	2,348 (4.25%)	79.73%	1,872 (4.46%)	64.69%	1.59	00:01:28	0.55%	13 (3.65%)	\$493.00 (2.08%)
	10.	facebook / newsfeed	Audience 10	2,196 (3.98%)	83.20%	1,827 (4.36%)	58.74%	1.72	00:01:40	0.59%	13 (3.65%)	\$570.00 (2.40%)

You can clearly see how much traffic you are getting from each Facebook audience, how many of them are converting, and how much revenue you are generating. This is crucial to optimizing your ad spend, and it's nearly real-time. If only John Wanamaker had Google Analytics!

Now that you know how to set up a Facebook ad campaign (or "the ad"), we can talk about the next essential component: the landing page.



The Landing Page

The email acquisition landing page is the place where your prospects may accept your offer in exchange for their name and email address.

It's helpful when discussing landing pages to use the analogy of the marketing funnel — which in this case, is a donor funnel.



The typical marketing funnel assumes that many people will see our initial offer, so the "top" of our funnel is the widest point. As the prospects progress towards the conversion (at the bottom of the funnel), many will fall off, which explains the shrinking size of the funnel. But there's one thing wrong with the analogy of the funnel.

The funnel is upside down!



Prospects aren't falling into our funnel — they are falling out! I don't know many marketers who would describe their job as "easy." It takes a lot work to get (and keep) a prospect's attention and convince them to become a donor to your organization. Natural market forces (gravity, in this situation) work against us, not for us. That's why the inverted funnel, or "donor mountain" (as we call it) is a much more accurate analogy for what is actually happening.

So what is it that propels our prospects UP the "donor mountain"? It's the value proposition. Remember — your offer must convey more perceived value than it costs. The landing page is where you must clearly state the value proposition of your offer.



So what makes a good landing page? Here's a hint — it's not necessarily the visual design.

It's easy (and common) to look at a landing page and judge it based on design. Here's a statement that designers hate to hear:

The best-designed landing pages are the ones that convert the most visitors.

Data proves that function matters more than appearance. The good news is that testing and optimization can significantly affect the conversion rate of your landing page.

You must look at your landing pages as a series of "micro-yeses". Every element on the landing page either turns away the visitor or inspires them to keep reading.

We've identified 7 elements of an effective name acquisition page (download the free chart <u>here</u>) that provide a helpful framework for making sure that each element doesn't try to do too much.



Conversion is most likely when your landing page is a series of properly sequenced microyeses. When you break the sequence of micro-yeses, you risk asking for too much too soon — like proposing marriage on the first date.

Here are the seven elements you must focus on:

- 1. Headline: This is the first interaction people have with your page. Make sure it inspires them to read the rest of it.
- 2. First two inches of copy: while all your copy is important (and every word must count), you have to grab their attention in the first "two inches" (to borrow a newspaper term) in order for them to keep reading.



- **3. Bulleted copy:** Attention is in limited supply on the internet. Therefore, bulleted copy that calls out features or summarizes the copy is often the most read copy on a landing page. Additionally, it lets people scan your copy who aren't interested or don't have the time to read it.
- **4. Third-party credibility:** Why should your prospects believe you or trust you? It's important to tell them, but it can't come from you. Find a few supporting quotes or reviews and include them on the page.
- **5. Call-to-action:** After your copy has set them up, your call to action must deliver the knockout punch and clearly tell the prospect the action you wish them to take.
- 6. Email Acquisition form: How much information are you asking for? How much do you need? Too many fields or a disconnected form might present too much friction to the prospect and cause them to abandon the process.
- **7. Button copy:** Beware the dreaded "submit"...unless that's actually what you want your prospects to do.

Each one of these elements must be tested and optimized. Merely including them all on the page is not enough!

THE LANDING PAGE

Let's look at the Hillsdale College Constitution 101 signup page. You'll see an attention-getting headline, initial copy designed to grab the reader, third-party credibility, a clear call-to-action, a simple form (this is a two-step form), and button copy with action language. The only thing missing is bulleted copy, which was tested and actually decreased conversion rate.



Your email acquisition form must perform two specific functions:

- 1. Capture the name, email address, and relevant tracking information
- 2. Send the user to the donation page after completion of the form

Make sure the form on your name acquisition page has fields to capture the first name, last name, email address, and UTM codes from your ad URL. UTM codes should be captured in "hidden fields" — that is, fields that you can see in the database, but are invisible to the visitor.

Unpaid plug: I've found Unbounce to be a great tool to quickly create and optimize name acquisition pages. They have tons of templates that come ready-made for you to use — no design or code experience needed! Their forms make it easy to capture email addresses, send them straight to your email system, and then redirect them to your donation page.

Many email acquisition campaigns end right here. You've gotten the user to click the ad, and you've gotten them to sign the petition, download the eBook, or enroll in the course. You're done, right?

Well, you could be done. But why waste all that momentum?

If you've properly targeted your prospects, they might be motivated to make a donation right away.

And Facebook ads are so cost-effective, that if a few people donate, you could cover your advertising cost. That means break-even (or even profitable) email acquisition. Which leads us to our fourth component, the donation page.





The Donation Page

The final (and most crucial) component of this campaign is the donation page. Why is it so crucial? Because an effective donation page can turn your email acquisition campaign from a loss-leader to a profit-generator. If email acquisition is the engine that's going to significantly grow your online fundraising program, why not have donors cover the cost along the way? I'm not talking about a lot of donors either — converting 1-2% of prospects to make a donation can make your campaign break even — or even profitable.

Many of the same elements that make an effective email acquisition page also apply to the donation page.

You'll need a strong headline, compelling copy, and a form with as little friction as possible, third party quotes. But it's most important to answer the question that your donor is asking themselves as they read the page:

Why should I give to you, right now, instead of any other organization or not at all?

This question forms the crux of the value proposition, and this question must be answered on the page if you expect to receive donations. Remember — the funnel is inverted, and people aren't falling into it — they are falling out of it. What is the force that propels them upwards through the funnel? It's the value proposition.

Four Factors of an Effective Value Proposition

There are four factors that directly affect the force of your offer's value proposition and answer that question in the mind of your prospect:

- 1. Appeal: Do I want this?
- 2. Exclusivity: Can I get this anywhere else?
- 3. Clarity: Do I understand what this is actually offering?
- 4. Credibility: Do I trust that you know what you're saying?

Your copy and donation page elements must address each of these four factors, crafting a strong value proposition that compels your prospects to instantly become donors.

One key note: your donation ask must relate to the offer in some way. A random donation ask might get a few random gifts, but it won't create a sustainable email acquisition program.

So if your offer is a petition, show them how you can make the intention of that petition a reality (if you really can). If your offer is an eBook, show them how your organization embodies the spirit of that eBook, and consider offering them a real book as an upsell.

Hillsdale College's donation page has been tested repeatedly and it does many of these things right. How do we know? Not by looking at it, but by it's steadily climbing conversion rate. You'll see a clear headline, compelling copy (with bullets), a relevant premium offer, and an optimized, embedded donation form. Why embed your donation form on the page? Research has shown that making the donor click to get to the form can reduce conversions by as much as 50%!

Remember — each of the components of your email acquisition campaign must be relevant to each other and each one has an important job to do.

No ad can save a terrible offer, and the best offer needs great targeting and a compelling ad. But even the best ad can't convince someone to complete a terrible landing page — and if any of the components before it are weak, the donation page won't stand a chance.



Measuring Success

So if you follow these steps and set up an incredible campaign. How do you know if it is successful?

There are a few key metrics to monitor to make sure your campaign is successful.

• Gross cost per email: media spend divided by emails acquired

This is an indicator of the strength of the offer and the effectiveness of the ad. If the offer is weak or the ad is improperly targeted, this number will be high. My benchmark for this is \$2 per email. If I get anything higher than that, the campaign needs some serious retooling.

• Instant conversion rate: Number of donors divided by number of emails acquired This tells you if the donation page is relevant to the offer. You don't need a big percentage here to make your campaign break even — often 1-2% will cover the cost of the Facebook ads. This is also a broad indicator of whether your campaign is attracting the kind of prospects who will eventually become donors.

Instant _ <u>Number of Donors</u> Conversion = <u>Number of Emails</u> Acquired Rate

• Net cost per donor: media spend minus revenue, divided by donors acquired. This allows you to compare your Facebook acquisition efforts with other channels. Most of our clients are looking for this number to be in the \$25-50 range or less, so that provides helpful guidance.

Media Spend - Revenue Net Cost Per Donor Donors Acquired

See the chart below with some real client data.

Client #1 Facebook Ad Analysis - Email Acquisition Offer February 2, 2016												
Audience	Spend	Names	Donors	Revenue	Instant Conversion Rate	Gross Cost per Email	Gross Cost per Donor	Net Cost per Email	Net Cost per Donor			
Audience 1	\$1,449.08	3066	17	435	0.55%	\$0.47	\$85.24	\$0.33	\$59.65			
Audience 2	\$579.18	1176	5	95	0.43%	\$0.49	\$115.84	\$0.41	\$96.84			
Audience 3	\$579.44	546	9	300	1.65%	\$1.06	\$64.38	\$0.51	\$31.05			
Audience 4	\$3,479.02	5455	15	315	0.27%	\$0.64	\$231.93	\$0.58	\$210.93			
TOTAL	\$6,086.72	\$10,243.00	\$46.00	\$1,145.00		\$0.59	\$132.32	\$0.48	\$107.43			

This chart tells you how to analyze each audience's performance. Here are some insights I might draw from this chart.

- 1. Audiences 3 has a high gross cost per email. This may indicate that the offer is not resonating with this audiences, or that some element of the targeting is ineffective. However, Audience 3 has a high instant conversion rate, which means that though they cost more to acquire, these prospects are much more likely to convert right away.
- 2. Audience 4 has a low gross cost per email. However, looking at instant conversion rate, they are not very likely to instantly convert. This doesn't mean that they aren't worthy prospects, just that they might take more time to convert.

I've put together a template worksheet to record your results that you can download <u>here</u>. It has formulas built in to automatically calculate the five success metrics on the right hand side. I hope this is helpful to you as you launch your first Facebook email acquisition campaign!



Delivering Value from Facebook

In closing, I'll return to the original question I was asked:

"How do I get donations from my Facebook audience?"

This book has laid out a model that you can put into action today to leverage Facebook to grow your email file and increase online fundraising revenue. It's not difficult, but it does take effort. Here are two key principles to remember as you begin to put this into place:

• Getting started is more important than getting it perfect.

It's better to get something up and running and optimize it than take weeks or months to attempt to get everything perfect. Data will tell you if the model is working, and which elements need to be optimized. Google is famous for launching products that weren't perfected, but were optimized along the way. Put up some ads, a landing page, and a donation page and spend \$50. This will give you more than enough data to get better results out of your next \$50.

• No page is ever fully optimized.

As Peter Drucker says, "adequacy is the enemy of excellence". Don't be satisfied with mediocre results! Unless your page achieves the mythical 100% conversion rate, it can be optimized. For more resources on optimizing landing pages and ads, check out hundreds of experiments in our free Digital Fundraising Research Library.

I hope what you've read in this eBook is helpful. As our clients continue to see direct mail and other channels decrease in effectiveness, this model has helped them invest in the future and create valuable multichannel relationships with their donors and prospects. I hope it does the same for you.

Got questions? Here's my personal email address to follow up: jeff@nextafter.com.

Onward!

· D

Jeff Giddens Senior Vice President, NextAfter





HELPFUL LINKS & RESOURCES

Here are some links to resources that will help you learn more as you set up and optimize your Facebook email acquisition campaigns.

Research Library

Need optimization ideas? Get instant access to hundreds of nonprofit experiments on everything from Facebook ads to email acquisition pages to donation pages.

TOOLS

FCORM Report

Why sit around and wonder where to get started? This free report requires only three pieces of data to show you exactly where to start optimizing your website and donation pages.

Friction Self-Assessment Survey

Are there elements of your email acquisition pages or donation pages that are literally turning potential donors away? Take this quick assessment to identify and eliminate them now.

Experiment Validator

How do you know when your experiment is done – and which treatment won? Use this free experiment validator

NEWSLETTERS

Optimization Edge (monthly)

Get the latest research from the NextAfter team, as well as invitations to exclusive broadcasts, events, and sneak previews of new tools and resources.

This vs. That (weekly)

Sharpen your optimization instincts with this weekly email: which experiment won?

VIDEOS

Identifying and eliminating friction on your landing pages

On this broadcast, we discuss how friction might be turning your online donors away. Then, we optimize some landing pages in real time to illustrate how you can reduce friction and increase conversion.

A systematic approach to optimizing landing pages

We hosted a live broadcast to highlight two key areas to optimize your landing pages. Then, we tried something new — Live Optimization. A few brave partners also submitted their landing pages to be optimized by our team in front of a live audience.

Exploring the power of the value proposition

In a recent a live broadcast, we spent time unpacking the findings from six recent case studies centered around the power of the value proposition.