

Optimizing the Sustainer Relationship:

The impact of failed payments on involuntary donor churn

Today's speakers



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Consumer reaction to a failed payment for something trivial



- Always negative, often embarrassing
- The Brand is blamed and not the card-issuing bank
- Confusion because the card works everywhere else
- The customer can simply choose not to help solve the problem, thus their subscription will not renew

Sustainer reaction to a failed payment for something meaningful

- Donor loses trust in the organization
- Their satisfaction with giving is diminished
- Their connection to the cause is lost when their giving is interrupted by a poor payments experience
- May decide to donate elsewhere



Key sources of sustainer churn

The starting point of maximizing donor retention is to identify all drivers of churn. There are two main categories of churn.

52%

VOLUNTARY CHURN

- Caused by sustainer choosing to end their donations
- Drivers are known - customer service experience, lack of visibility on fund spending, personal finances
- Tools to solve drivers of voluntary churn: surveys, customer feedback, data gathering, and data analysis

48%

INVOLUNTARY CHURN

- Also called passive churn; the sustainer is not choosing to quit.
- The result of a decline decision by the sustainers' credit card issuing bank
- Tools to solve involuntary churn: failed payment recovery, preemptive outreach (staff/vendor/automations), conversion to ACH/EFT

Cost to nonprofit relationship

Typically,
10-25% of
recurring payments
fail*



When the donor is told
their payment has
failed, **27%** of account
holders** cancel their
subscription instead of
providing an updated
credit card



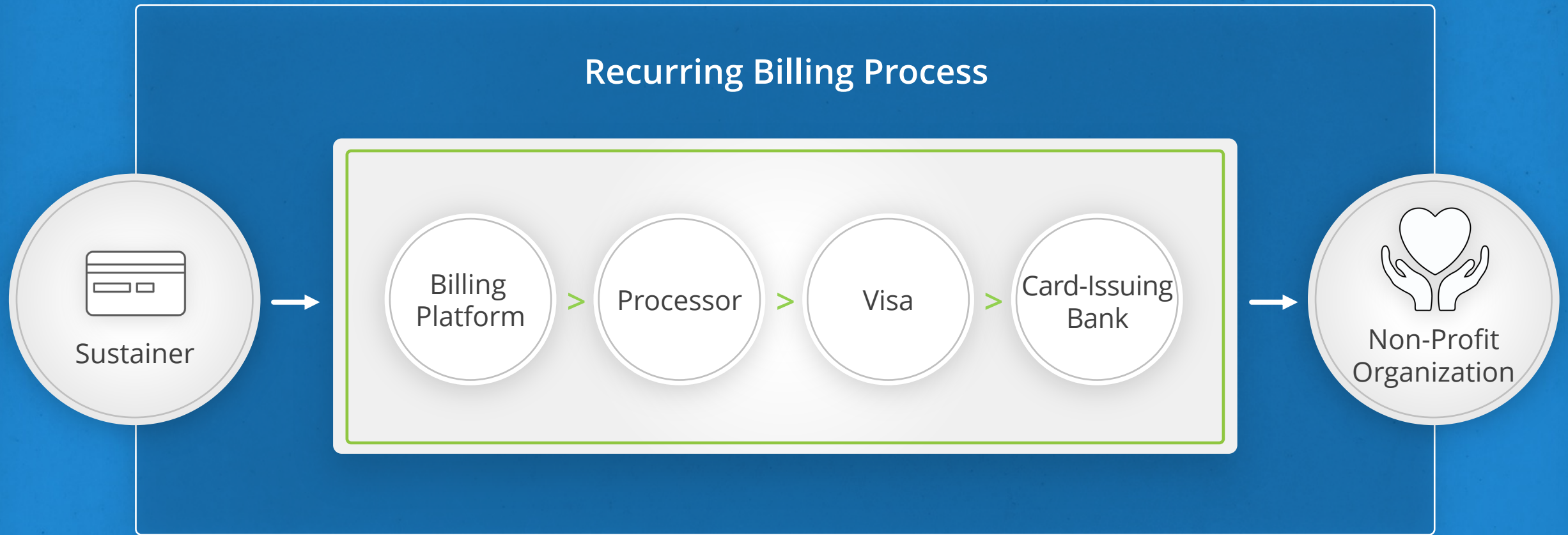
Of those that do
update their cards,
35% reported a
decrease in
satisfaction*, making it
more likely that cease
future donations

Costs to recurring giving programs when failed payment recovery is managed as an operational process rather than a donor centered solution

*PYMNTS subscription professional's study

**PYMNTS subscription consumer study

How the payment process works



Sustainer billing stages



Optimizing sustainer revenue is result of NPO diligence and best practices and strategies across these three billing stages.

Pre-billing

The first stage of maximizing donor retention involves actions to proactively prepare to maximize billing success.

Proactive Considerations

- Probe first attempt payment optimization tools with your payment processor and billing partner
 - Network tokens, debit routing, MCC, etc.
- Account Updater should be deployed 7-10 days prior to the initial billing attempt
 - batch vs real-time
- Send pre-billing notices- SMS/Email
- Consider timing elements: day of week/month, time of day
- Determine channels/payment methods that have higher decline rates- is unique communication helpful?

HRC pre-billing campaign



Your HRC annual renewal contribution is about to be charged.

Help HRC meet the critical challenges ahead.

Increase your gift

Elaine,

Last year, you took a bold stand against discrimination and made it known that you were someone we could rely on in the fight for LGBTQ+ equality. You did this by choosing to set your HRC membership to renew annually, and we are extremely grateful!

Your continued membership provides the grassroots power it will take to defend LGBTQ+ rights and elect pro-equality candidates throughout the country. I hope being part of this community fills you with pride — and I'm glad you'll be with us for another year.

We have a tougher road to victory ahead of us this year — so I'm reaching out to ask you to increase your annual \$21.00 gift, which is scheduled to renew automatically on the first of next month.

By making even a modest increase, you'll have a major impact on equality. You will help build on our progress for the LGBTQ+ community and:

- Mobilize equality voters to take the fight to the polls. There are over 10 million eligible LGBTQ+ voters and millions more allies who have the power to elect pro-equality leaders who will move our country in the right direction.
- Fight for LGBTQ+ people of color who continue to face racial inequality in all aspects of their lives, by confronting issues of voter suppression, health and economic disparities and violence.
- End the epidemic of violence against the transgender community through our new Transgender Justice Initiative that addresses this national crisis head-on and protects against discrimination and hate.

Decline retries

When the initial billing attempt fails, maximizing recovery behind the scenes creates minimal disruption while ensuring greater revenues.

Automated Credit Card Recovery Suggestions

- Rules-based, one-for-all tactics are limited, hitting a low recovery ceiling
- Targeting days of the month or week can help, but don't help for the majority of decline reason codes
- Advanced solutions involving AI/Machine Learning will drive acceptance rates higher, resulting in improved CX and LTV
- Coordination with billing system and NPO operations important factors for any/all strategies deployed.
- The bottom line: maximizing declines capture means greater revenue AND decreased fail payment messaging with sustainers

Sustainer outreach

When communications with sustainers becomes necessary to capture unrecovered monthly donation payments, clear strategies and nuanced messaging are critical.

Managing Failed Payment Messaging

- Strategic, empathetic communications are critical, as the failed payment message will harm your brand via a proven lower NPS of 20-25 points
- Collaborate with your donor, don't blame them: putting them in a defensive position is very harmful and reduces their willingness to help cure
- Empathy, self-agency and urgency can be communicated to increase recovery and maintain a positive donor experience.
- A smooth, effective and easily-actionable cure process will speed and maximize recovery

Automated decline emails



Thank you for taking a bold stance against discrimination and making it known that you were someone we could rely on in the fight for LGBTQ equality. You did this by generously setting your membership to renew annually as we fight for our civil rights from coast to coast.

We just tried to process your annual renewal gift, but your credit or debit card was unable to be processed! I know how important LGBTQ equality is to you, so I wanted to let you know right away.

Right now, we're facing some pretty difficult challenges— but we will face them together once you update your information.

We've made it easy.

- Enter your name,
- Enter your new payment information,
- Click 'next' to review and submit. Easy!

Please don't leave equality behind – there is still a long road to equality and each day we face a new fight for our community and our democracy that could have truly devastating consequences for our hard earned progress. Your support matters.

[I hope you will update your information today](#) and continue your HRC membership. Thank you for your continued support of the Human Rights Campaign.

Thank you,

, update your information for your HRC membership!

[Update Now](#)



Hi,

We just tried to process your monthly gift, but your credit or debit card just declined! I know how important LGBTQ equality is to you, so I wanted to let you know right away.

Right now, we're facing some pretty difficult challenges— but we will face them together once you update your information.

We've made it easy- just fill out the three step form online. Click below to get started.

[Update Now](#)

Your ongoing monthly gifts will go a long way in fighting discrimination and advancing LGBTQ rights. And together, we will create a future where every lesbian, gay, bisexual, transgender and queer (LGBTQ+) person can live openly and freely, without fear of facing discrimination for who they are or whom they love! Your support matters.

[I hope you will update your information today and continue your Partners membership.](#) Thank you for your continued support of the Human Rights Campaign.

[Update Now](#)

Thank you,

Automated hustle/SMS



Hi Ashlee! This is Caitlin from HRC Partners. Would you be willing to reinstate your monthly gift to help fight for full LGBTQ+ equality? You'll receive our brand new membership tote as a thank you! 🌈

Hi Jody! This is Caitlin with HRC Monthly Giving. We're reaching out because your Partners membership has lapsed, and for a limited time we're offering a special mug or tote bag to anyone who renews with a monthly gift of \$3, or an emergency one-time donation of \$25. Would you like to renew your membership?

Hi Linnie! This is Caitlin with the Human Rights Campaign. I'm reaching out because your monthly Partners membership has lapsed. Would you like to renew your membership today?

Hi Mary! This is Caitlin with HRC Partners Monthly Giving. I noticed your current credit card on file is no longer valid and your monthly support is not able to proceed. Would you like to update your card now?

Decline mailing

Dear <Name>,

Partners like you mean so much to us at HRC. Your dedication is unparalleled — and your monthly contributions enable us to fight for equality at the federal, state and local level.

Unfortunately, HRC is no longer able to process your monthly donation on your credit card. If you have recently received a new credit card please update your information at hrc.org/update or call us at 1-800-727-4723 so you can continue to be an active supporter of LGBTQ+ equality as an HRC Partner!

Your monthly contribution to HRC says a lot about you and your values — and it's vitally important to the future of HRC, especially as we continue to see a devastating amount of anti-LGBTQ+ state legislation.

Please connect with us as soon as you can. Thank you in advance for your continued support!

Caitlin

Caitlin Toynbee
Associate Director, Member Relations and
Monthly Giving



P.O. Box 98098
Washington, DC 20077-7081
www.hrc.org

5" x 7" Cultivation Postcard
Chris Q. Sample
Company Name
123 Main Street Apt. A
Anytown, US 12345-6789



Conversion to EFT/ACH

- Switch your donors to EFT
- Dramatically increased retention



Dear <First Name>,

When you joined the Human Rights Campaign, you placed yourself firmly on the right side of history. As a dedicated monthly supporter, you have helped accomplish so much for our movement.

But while the LGBTQ+ community has made important progress, we are facing escalating threats from people in power who are trying to destroy our rights and our lives.

<First Name>, that's why I'm writing today — switching your monthly payment method from a credit card to an Electronic Funds Transfer (EFT) payment plan gives you the opportunity to maximize your current donations to HRC.

With an EFT payment plan, you can donate directly from your checking account on the same monthly schedule as your current pledge. This reduces our credit card processing fees and ensures that more of your monthly donation goes directly to HRC. And we need your support now more than ever.

[Will you please take a moment to convert your payment method to an EFT plan?](#)

A Simple Way to Give 5% More

Did you know there's a way to put 100% of your monthly donation to work for equality?

By switching to EFT, you help HRC avoid credit card processing fees — which means that ALL of your donation goes directly to our work. It's an easy way to help even more!

[Will you please take a moment to convert your payment method to an EFT plan?](#)

You are critical to our work. Your monthly gifts enable us to fight back against threats to equality in every corner of the country. The resources you provide help us give every LGBTQ+ person a voice — and the representation they need on the local, state and federal levels.

Thank you for your support!

In Solidarity,

A handwritten signature in red ink that reads "Dane Grams".

Dane Grams
Vice President, Membership
he/him/his

P.S. Please note that your monthly donations are still being processed, and you can still continue to donate via credit card if you prefer. You can also use the form on the back of this page to add new credit card information if you wish to update the card that we have on file.

1640 Rhode Island Ave., N.W. Washington, DC 20036 • Phone: (800) 498-0382 • Email: partners@hrc.org • Online: www.hrc.org/pledge

- YES, I would like more of my monthly donation to go directly to HRC!** Please switch my monthly contribution from my credit card to my bank account via electronic funds transfer (EFT). I have enclosed a voided check from the account I would like to use, and have signed below to authorize this change.
- I would like to update my credit card or debit card information.** My new card information is filled out on the back.

Chris Q. Sample
Company Name
1730 Rhode Island Ave., NW
Suite 301
Washington, DC 20036

Bank Account

- Enclosed is my voided check.
 - Bank account information is provided below.
- Account Type: Checking Savings

Routing Number _____

Account Number _____

⑆01234567890⑆ | 12345678 | 0123
ROUTING NUMBER | ACCOUNT NUMBER | CHECK NUMBER

Terms of Agreement: My authorization to transfer my monthly pledge amount from my bank shall remain in effect until I notify Human Rights Campaign that I wish to end this agreement by visiting www.hrc.org/partners and completing the online form. A record of each payment will be included in my bank statement and will serve as my receipt.

Signature _____

Other things to consider

- Telemarketing
- Personal outreach
- Donor services
- Payment methods — should you accept them all?
- Once a donor is inactive — what is your strategy?

Key takeaways / questions / calls to action

Causes and Outcomes

- Is the relationship between failed payments and sustainer churn understood?
- Is involuntary churn measured separately from voluntary churn?

Role of Technology

- Is the purpose of the payments tech stack to minimize the cost of operations or to optimize billing success and minimize involuntary churn?

Roles and Responsibility

- Who owns overall responsibility for donor retention, and is their scope of responsibility wide enough to solve involuntary churn?
- Are all sources of churn being identified by the owner of donor retention?

Reporting and Accountability

- Where are sustainer retention and churn metrics reports created, and which teams have access to them?
- Are sustainer retention/sources of churn shared broadly across the NPO?

Conclusion

Relationships



Retention



Revenue



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