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An Introduction to Using A/B Testing for Fundraising



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Is your website's donation page a headache for potential donors? Are your email campaigns as effective as they could be? And are you using the right incentives to acquire email addresses? This article tells you how to use A/B testing to optimize all three fundraising essentials.

Do you ever wonder how some nonprofits accomplish so much? How do they get so many wealthy donors to attend their events? How are they always getting shared on social media?

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Between funding cuts, the rising costs of doing business, and the ongoing race for donors, it's practically universal that nonprofits have to do more with less. This is a scramble familiar to many. And rather than working more effectively, we just end up working more.

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Start with What You *Don't* Know

How is it that some organizations accomplish so much and make it look so easy? There's no silver bullet, but the one thing that sets the highest-performing nonprofits apart from all the others is that they test and optimize their activities.

Rather than start with an assumption that they know what produces the best fundraising results, they actually begin from the supposition that they don't. And then they test their way towards that understanding.

A/B Testing

The process of assessing how well different options perform is known as A/B testing. This simply means that you test two options against each other — Option A versus Option B. You give similar but separate groups one or the other of the options and compare the results. The enormous benefit of A/B testing comes from the fact that you can apply it to innumerable areas.

Designing and running A/B tests can help you

- Save yourself and your employees time
- Produce better work more quickly
- Raise more money with less effort
- Focus your time on the most valuable activities

Some Examples of A/B Testing

A/B testing can be applied to donation pages, email subject lines, and signup incentives.

A/B Testing Donation Pages

If you do your online donation page poorly, you'll leave a tremendous amount of potential funding on the table. If you do it well, you can raise significantly more money. Sadly, nonprofits too often stick with

whichever donation page design their web team set up initially. And too often those teams don't have a deep enough understanding of donor behavior to design fully effective pages. **See our nonprofit COVID-19 resources**

A donor might be successfully sold on the social value of an organization's work and then have to face down a donation page that looks something like the one below. A page like this is a headache to complete and ruins the experience of giving.

The form is titled "Donor Information" and includes the following sections:

- Donor Information:** Fields for First Name, Last Name, Company, Address 1, Address 2, City, State (dropdown), Zip Code, Country (dropdown), Phone, Fax, and Email. A "Donation Amount" section with radio buttons for None, \$50, \$75, \$100, \$250, and Other. A "Recurring Donation" checkbox and fields for Monthly Credit Card amount and duration.
- Honorary and Memorial Donation Information:** Radio buttons for "To Honor" or "In Memory of", followed by Name, Address, City, State (dropdown), and Zip.
- Additional Information:** A checkbox for "I would like to make this donation" and a "Name" field. Three checkboxes for gift preferences: "I would like my gift to remain anonymous.", "My employer offers a matching gift program. I will mail the matching gift form.", and "Please save the cost of acknowledging this gift by not mailing a thank you letter." A "Comments" text area. "How may we contact you?" checkboxes for E-mail, Postal Mail, Telephone, and Fax. A checkbox for "I would like to receive newsletters and information about special events by:" with E-mail and Postal Mail options. A checkbox for "I would like information about volunteering with the".

At the bottom, there are "Reset" and "Continue" buttons, a security notice "Donate online with confidence. You are on a secure server.", and a support link "If you have any problems or questions, please contact support."

A poorly designed donation form

There are a large number of design considerations to take into account for your donation page. The nonprofit's responsibility is to make the most effective changes possible and to test their ultimate impact on giving over time.

If you haven't tested the impact of various changes yet, investing a small amount of resources to optimize your donation page is one of the wisest decisions your nonprofit can make. Just as there are guiding principles, there is also a lot to learn from the many bad nonprofit online donation examples.

A/B testing various design improvements allows you to maximize the value of each donation by ensuring that it happens, that it is completed with ease, and that it strengthens the donor's relationship with your nonprofit.

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A/B Testing Email

If you're emailing as part of a fundraising campaign (and why wouldn't you be?), open rates and click-through rates are key indicators of how well your campaign will do. If you can raise more money from each email, you will reduce the overall amount of effort required to raise an equal amount of money. In essence, you're directly driving down your organization's cost per dollar raised.

In today's competitive funding climate, this is more important than ever. Email providers like MailChimp (<http://mailchimp.com/>) allow you to A/B test different copy and images for email campaigns. You just set up the various options you'd like to test and they'll send them out to subsets of your email list, analyze the results, and then automatically send the most effective version to the remaining people on your list.

All you have to do is set up the best options you can think of and sit back knowing you're doing your best work automatically.

Regardless of the actual dollar amount you're raising, if you're able to raise 85 percent more money from your email campaigns through simple A/B tests (like the Obama campaign did), then you can stop spending precious time and resources running underperforming campaigns.

You really can raise more money in less time.

A/B Testing Signup Incentives

In the long term, there is nothing more powerful for your nonprofit's fundraising potential than a high-quality email list. This has been shown time and time again. But with everybody vying for supporters, it has grown increasingly difficult for nonprofits to capture prospects' email addresses. The days of posting a signup form and sitting back while people share their contact information are over. It is more important than ever for nonprofits to develop incentives that encourage signups and to test which ones convert best.

One option is to use Optimizely (<https://www.optimizely.com/>), a well-respected service that allows you to test which wording and design work most effectively for your purposes. (Even this year's presidential

candidates are using it.)

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The key to designing effective incentives is to ensure that they

- Align with your mission
- Reflect your prospects' interests
- Build a relationship with your supporters
- Provide a high-quality avenue for differentiating your organization

And before you feel like you need to rush out and develop a variety of e-book options or create exclusive videos, remember you can start A/B testing the resources your nonprofit already has.

For example, arts organizations can offer various levels of ticket discounts. Human services can give an inside look into their work by offering access to their strategic plan. Look around and see what you already have available to offer. Test what works best, but there's a good chance you're already sitting on something new supporters would love to share their email for.

Using A/B Tests at Your Nonprofit

Smart nonprofits are constantly running A/B tests to understand what copy, design, images, and interactions work best for raising money. Of course, some tests will work better than others.

The key is to keep testing, to find the small changes that unlock significant value.

The applications of A/B testing really are endless, and they should be. If you want to raise money or serve more people more effectively, A/B tests must be a part of your toolbox.

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