The Importance of Understanding Donor Preference and Relationship Cultivation Strategies

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Relationship cultivation has been identified as a critical component of fundraising success. Cultivation strategies derived from interpersonal communication theory were identified and evaluated by the donors and fundraising team members from three nonprofit hospitals. Using co-orientation methodology, statistical analysis reveals that donors and fundraisers agree that the six strategies are beneficial. However, their perceptions that they hold similar views as the other side were not accurate in terms of the magnitude of the ratings. These differences are discussed and suggestions are provided to bring both sides of the nonprofit organization-donor relationship closer to agreement.

KEYWORDS fundraising, relationship cultivation, nonprofit organizations, co-orientation methodology

INTRODUCTION

Fundraising is a vital component of the day-to-day activities of charitable nonprofit organizations. This function has been defined in many different ways by scholars and practitioners. Former president of the American Association of Fund Raising Counsel, John Schwartz (2001), defined fundraising by listing several key ingredients, including a charitable cause, potential donors (individuals, foundations, and corporations), a communications program, and the voluntary spirit. Schwartz’s perspective on
fundraising is rooted in the tactical approach to the profession. His focus on “face-to-face solicitation … direct mail, phone mail, telemarketing, planned giving, and the burgeoning Internet” (p. 3) portrays fundraising as methods to support a charitable organization’s programs and services. Even though this definition alludes to the relationship between a nonprofit organization and its donors, it fails to define fundraising in that context.

Countless practitioner books and workshops tout the value of relationships in fundraising (e.g., Prince & File, 1994; Matheny, 1999; Worth, 2002). Rather than simply focusing on the cultivation of major gift donors, practitioners have recognized these same principles can also be applied to annual giving donors. By dedicating more time to donor relations, Worth (2002) says that these principles can result in increased donor loyalty to the organization.

Though they often discuss the value of relationship cultivation, many fundraisers struggle with deciding the best methods for developing relationships with donors. Literature from the interpersonal communication literature has been adapted by organizational communication scholars to better understand how relationships between an organization and its stakeholders, or nonprofits and donors in this case, develop. The purpose of this study is to assess the value donors give to these strategies from interpersonal communication and compare their views with members of the fundraising team.

LITERATURE REVIEW

Marketing and Public Relations

Two academic disciplines—marketing and public relations—have begun applying theoretical concepts to extend our understanding of the science of fundraising. Both disciplines are deeply rooted in relationships. Morgan and Hunt (1994) stress that the central focus of relationship marketing is “whatever distinguishes productive, effective, relational exchanges from those that are unproductive and ineffective” (p. 22). Similarly, Hon and Grunig (1999) suggest that long-term organizational goals should be rooted in the development and cultivation of relationships with key stakeholders. These fields offer relationship management perspectives that provide significant insights for fundraisers as to how they can foster effective relationship growth with their donors. Kelly’s (1998) definition of fundraising reflects this management philosophy. She defined fundraising as “the management of relationships between a charitable organization and its donor publics” (p. 8).

The two fields’ relationship perspectives are rooted in psychology and interpersonal communication. The relationship approach for both fields
emphasizes the continued satisfaction that donors receive from their interactions with nonprofit organizations. Despite their similarities, marketing and public relations scholars often view their counterparts with skepticism. Public relations scholars often view marketing—even relationship marketing—as being solely focused on changing organizational products/services to gain competitive advantages in the marketplace to attract consumers (e.g., Grunig & Dozier, 1992). Conversely, marketers frequently view public relations a communications strategy designed to gain publicity for organizations through free media placements (e.g., Kotler & Mindak, 1978). Neither is an appropriate representation of the other field. Both disciplines are focused on building long-term relationships with stakeholder groups crucial to organizational success and offer insights that could benefit each profession.

In their seminal article on relationship marketing, Morgan and Hunt (1994) outline that the alliances nonprofit organizations create with their supporters are the foundations for successful relationships. Commitment and trust are two relationship characteristics that are central to the understanding of relationship marketing, and they are the foundation for the nonprofit organization-donor relationship. Donors make charitable contributions to organizations that address social issues to which they are personally committed. As the demand for increased transparency and accountability from nonprofit organizations grows, trust emerges as a key component to establishing long-term relationships with supporters. Hon and Grunig (1999) included these two characteristics but also added satisfaction and the balance of power in outlining the value of relationships in public relations.

While both relationship marketing and public relations frameworks are helpful for understanding fundraising, the latter offers additional insights by the addition of satisfaction and the balance of power. Nonprofit organizations are growing faster than the for profit and government sectors (Internal Revenue Service, 2006), and multiple organizations exist to address social problems. If donors are not satisfied with the performance of one organization, they can easily find another to support thanks to charity watchdog groups, such as CharityNavigator or GuideStar. Additionally, the public relations framework highlights the need for balanced power in the relationship. Donors have varied motives for giving. Some donors need to make charitable gifts for tax deductions while others give to be recognized by their peers. Nonprofit organizations have the power to refuse gifts they deem are being made for inappropriate reasons, and donors have the power to send donations to other organizations.

Theory has provided insights into the fundraising process. From the marketing perspective, Brennan and Brady (1999) discuss the application of relationship marketing tenets to the fundraising process while Sargeant and Lee (2004) use path analysis to explore the impact trust and commitment have on an individual’s giving behavior. Applying relationship management
scales from public relations, O’Neil (2007) found significant differences in how donors and non-donors evaluate their relationships with nonprofits, and Waters (2008) found that these characteristics had predictive abilities to determine who was more likely to give to an organization based on their evaluation of their relationships with a nonprofit hospital.

The emergence of the relationship management paradigm in public relations has generated significant scholarly inquiry into the development of scales to measure both the well-being of the relationship as well as specific cultivation strategies to manage relationships with stakeholders. Much like Morgan and Hunt’s (1994) examination of multiple types of relationships, Hon and Grunig’s (1999) scales have been used in settings ranging from consumers (Jo, 2006) to government relations (DellaVedova, 2005) and nonprofit organizations (Waters, 2008) to utility companies (Hall, 2006). Given the diversity of these studies and their strength in measuring diverse relationships, this study utilizes the public relations perspective to examine the nonprofit organization-donor relationship.

Relationship Cultivation Strategies

Organizational research has indicated that an organization’s behavior, whether intentional or accidental, can damage the relationship with stakeholders (e.g., Hung, 2002). Therefore, nonprofit organizations cannot simply maintain relationships with their donors, but they should also work to restore relationships that may have been damaged based on past organizational behavior. Hon and Grunig (1999) proposed that the well-being of the organization-public relationship could be examined by measuring the levels of four characteristics of the relationship—trust, satisfaction, commitment, and the balance of power. For the goal of improved relationships with donors, fundraisers have a variety of cultivation strategies to incorporate into their daily activities to increase the status of the relationship with donors. These strategies outline how nonprofits can properly cultivate relationships with their donors over time.

ACCESS

This strategy involves making individuals available to both sides of the relationship. Hon and Grunig (1999) contend that organization-public relationships that use access as a strategy involve the willingness of both entities to go to the other party directly when they have complaints or questions about issues instead of taking it to a third party. By making individuals available to members of the other party, the organization and its stakeholders are able to engage one another. Access has been identified by fundraising consultants as being an important strategy to connect with
Donors. The Minnesota Council of Nonprofits (2004) offers a list of suggested responsibilities for members of a nonprofit organizations' board of directors. This list includes many items, but specifically it details the importance of being available to meet with major gift donors to discuss their concerns and the programs and services of the organization. Although the Council specifically mentions major gift donors, providing access to all donors can result in increased awareness of the concerns and viewpoints of both sides of the nonprofit-donor relationship.

**Positivity**

Positivity refers to the actions by either side of the organization-public relationship that makes the other side feel more content in the relationship. Hon and Grunig (1999) discuss that this strategy can be helpful in conflict resolution and all aspects of public relations. Sargeant and Lee (2004) found that donors in the United Kingdom valued positive interactions with nonprofit organizations and that these exchanges had a positive impact on donor behavior. Additionally, Pete Mountanos of Charitable Way, an Internet watchdog group for the nonprofit sector, believes that charitable nonprofits that create positive experiences for their donors are more likely to see renewal gifts from previous donors (Gilbert, 1999).

**Openness**

Openness concerns the willingness of both sides of the organization-public relationship to engage actively and honestly in direct discussions about the nature of relationships. Hon and Grunig (1999) point out that for parties to be open, they should reveal both their thoughts and their feelings. Openness is increasingly important for charitable nonprofits that seek to demonstrate their transparency. The top goal of the European Fundraising Association, Europe’s equivalent to the America’s Association for Fundraising Professionals, is “to increase transparency and openness in fundraising, in order to build donor confidence” (Zachrison, 2005, para. 25). Ragsdale (1995) says that open communication is necessary if an organization seeks to create a climate conducive to long-lasting relationships with donors.

**Assurances**

Looking at the relationship between organizations and stakeholders, assurances occur when “each party in the relationship attempts to assure the other that it and its concerns are legitimate and to demonstrate that it is committed to maintaining the relationship” (L. Grunig, J. Grunig, & Dozier, 2002). An organization can demonstrate how much it values its stakeholders
by incorporating this strategy into its communication plan. Benefits from providing assurances to key publics are more satisfaction and commitment from both sides (Hung, 2000). Likewise, nonprofits can assure donors that their concerns are important by simply taking time to discuss these matters. Sargeant (2001) encourages nonprofit organizations to listen to their donors and reiterate the importance of the donors' concerns to enhance their commitment to the nonprofit-donor relationship. Some donors question their decisions to give to charitable organizations, but answering questions and assuring donors that their input is appreciated will help nonprofit organizations overcome reluctant donors (Hibbert & Home, 1996).

**NETWORKING**

Hon and Grunig (1999) refer to networking as the opportunity for organizations to build coalitions with different stakeholders. Hung (2000) showed that networking serves as a catalyst in relationship building. Indeed, scholars suggest that networking should be proactive because it nurtures symmetrical cultivation strategies and constructive relationship building. Smith (2002) felt that networking was beneficial for more reasons than simply establishing collaborations. By demonstrating that an organization is open to new approaches to problems and willing to work with outside agencies, nonprofit organizations are able to show that they are using their financial resources wisely—a key component of demonstrating fiscal accountability to its donors. Indeed, others have expressed similar ideas over the years that networking and collaborations have direct financial benefits for charitable nonprofits—not only in terms of saving resources, but also gaining new resources from their donors (Abzug & Webb, 1999; Austin, 2000).

**SHARING OF TASKS**

Hon and Grunig (1999) conceptualized sharing of tasks as “organizations’ and publics’ sharing in solving joint or separate problems” (p. 15) by providing several examples of the strategy, such as resolving community issues, providing employment for community residents and staying in business. Sharing of tasks is a relationship cultivation strategy that fundraisers frequently employ with major gift and planned giving donors. Kelly (1998) highlights several ways that fundraisers and donors work together to create giving vehicles that benefit both sides of the nonprofit-donor relationship. Nonprofit organizations also are increasingly seeing that some donors are not satisfied with simply offering a charitable gift to the organization. Instead, they want to be involved with the delivery of programs and services to address the concerns that matter the most to them.
Given the many strategies that fundraisers have available, they face difficult choices by deciding which to incorporate into their campaigns. Though the fundraisers can make choices based on previous experiences or their intuition about donor preferences, choosing the wrong strategies could result in the loss of funds for the organization. Organizations, however, can conduct research to determine what their donors prefer. They can also conduct internal research to determine how well the fundraising team understands their donors.

Reflecting the interconnectivity between public relations and marketing, these six strategies represent several of the dimensions of the SERVQUAL scale from marketing literature (Parasuraman, Zeithaml, & Berry, 1988). Both scales measure the assurances given to stakeholders' concerns and measure the willingness to assist the external stakeholder. However, the SERVQUAL scales contained other items that were not as pertinent to the nonprofit organization-donor relationship. For example, the scale on tangibles measures the importance of the organizations' physical facilities and equipment, which are not as important to the donor relationship as some of the cooperative aspects of the public relations scales. The scales from public relations add to the SERVQUAL items by focusing on the cooperation required to carry out the partnership between donors and nonprofit organizations. By measuring their desire to work together and communicate openly, insights into the fundraising process can be gained more directly through these existing scales.

Co-orientation Model

In their textbook *Using Research in Public Relations: Applications to Program Management*, Broom and Dozier (1990) suggest that the use of co-orientation measurement would be an important way for organization to compare an organization's perspective on an issue with its stakeholders. Using the co-orientation model, which is shown in Figure 1, allows the organization to determine if the two sides agree on an issue, if either side perceives agreement with the other side, and if the two sides are accurate in their perceptions.

As shown in Figure 1, agreement is the extent to which the organization and the public hold similar views on the issue, in this case, the extent to which the fundraising team at a nonprofit organization and donors to that charitable organization agree on the evaluation of the relationship. Perceived agreement is the extent to which one side perceives agreement or disagreement with the other side on the issue, which earlier models termed congruency. Accuracy is the extent to which one side’s estimate of the other side’s views concurs with the actual views of the other side. In other words, measuring the views of both the fundraising leaders and charitable donors on the evaluation of the relationship allows this study to
determine the extent to which the two sides are in agreement or disagreement on the issue, the extent to which they perceive agreement and disagreement, and their degree of accuracy in predicting the other side’s views.

The co-orientation model is a powerful but underutilized approach to public relations research. Few practitioners apply it to problems in the field. Yet organizations’ communication and action, such as these cultivation strategies, may be completely inappropriate and ineffective if inaccurate perceptions exist on either side. As Dozier and Ehling (1992) warned, “Misperceptions can lead to catastrophic actions whenever the dominant coalition sees agreement or disagreement when none actually exists” (p. 181). For this reason, this study uses the co-orientation methodology to compare donors’ and fundraisers’ views of the cultivation strategies. Because no prior research has been published using this methodology, this study proposes three research questions to explore this relationship:

**RQ1:** To what extent does the fundraising team and charitable donors agree/disagree on the importance of the cultivation strategies in the nonprofit organization-donor relationship?
RQ2: To what extent does the fundraising team and charitable donors perceive agreement/dissagreement between themselves and the other side on the importance of the cultivation strategies in the nonprofit organization-donor relationship?

RQ3: To what extent are the fundraising team and charitable donors accurate/inaccurate in predicting the other side’s views on the importance of the cultivation strategies in the nonprofit organization-donor relationship?

METHODOLOGY

Surveys and follow-up postcards were mailed to a random sample of donors to three nonprofit hospitals in the Western United States. Of the 4,290 surveys that were mailed, 117 were returned to the organizations as undeliverable due to wrong addresses. Of the 4,173 surveys that did reach the donors of the three hospitals, 1,706 were returned completed, resulting in a donor response rate of 41%. Across the three hospitals, there were 130 individuals identified as members of the fundraising team. The fundraising team consisted of members of the fundraising management team as well as key members of the board of directors and hospital administration who are often involved in relationship cultivation with donors. Of the 130 who were asked to participate, 124 fundraising team members did complete the survey. Therefore, the fundraising team response rate was 95%.

The strength of the relationships these fundraisers had with donors varied from casual relationships with annual giving donors developed through direct mail marketing to strong, tight-knit relationships developed through face-to-face cultivation of major gift donors. Even though the strength of the relationships varied, emerging practitioner literature stresses that fundraisers should apply the same cultivation strategies for all donor relationships to ensure organizational longevity (Worth, 2002). For this reason, this survey incorporated Ki and Hon’s (2007) scales that were created to measure the six strategies derived from interpersonal communication literature.

Presented in the Appendix, the scales used the measurements recommended by Hon and Grunig’s (1999) monograph, a 9-point scale ranging from strongly disagree (1) to strongly agree (9). Participants were asked to first evaluate the nonprofit-donor relationship from their perspective; then, they were asked to estimate how the other party would evaluate the same relationship. Additionally, the survey asked participants to provide demographic information, such as gender, age, and socioeconomic status, anonymously.
The indices for four of the relationship strategies were found to be reliable with the following Cronbach alpha values: access ($\alpha = .90$), positivity ($\alpha = .84$), openness ($\alpha = .92$) and sharing of tasks ($\alpha = .81$). Although the alpha values for networking ($\alpha = .72$) and assurances ($\alpha = .77$) are less than ideal, Carmines and Zeller (1979) note that this is not uncommon with new scales, which often need multiple revisions to generate reliability.

To analyze the data, independent sample t-tests were used to determine statistically significant differences in agreement/disagreement and accuracy so that the results from donors were matched directly with the fundraising team members from the nonprofit hospitals where they donated. Similarly, paired sample t-tests were used for perceived agreement/disagreement so that the data could be analyzed for each participant.

RESULTS

Demographics

Of the 1,830 participants in the study, the majority was female (52.5%). When looking at the two groups, females represented a slight majority of the fundraising team (51%) and 53% of the donors. Reflecting the diversity of the area, Caucasians were the largest group in the sample (45%); however, there were a significant number of participants who identified themselves as being Asian/Pacific Islander (17%), Hispanic/Latino (12%), Middle Eastern (12%), and African American/Black (9%). Most of this diversity, however, is attributed to the diversity of the donors. The fundraising teams were largely Caucasian (60%), although there were several fundraisers from different cultural backgrounds, including Asian/Pacific Islanders (19%), Hispanic/Latino (9%), and African American/Black (8%).

Not surprisingly, the vast majority of the respondents were annual gift donors to the three hospitals. Of the 1,706 donors, 1,348 or 79% of the sample were annual giving donors compared to the 358 (21%) major gift contributors. The mean age of the donors was 44.8 years of age ($SD = 13.91$). Major gift donors were slightly older ($M = 52.15$, $SD = 12.61$) than the annual giving donors ($M = 42.95$, $SD = 13.6$).

Research Question 1

The first research question sought to determine how donors and the fundraising team viewed the six relationship cultivation strategies. Analysis revealed that there was agreement on all variables. However, as Table 1 shows, donors did not evaluate the strategies as favorably as the fundraisers. Of the six strategies, donors felt that openness was most important, but even
their strongest evaluation was significantly less than how the practitioners’ felt about the organization’s relationship with its donors. Broom and Dozier (1990) suggest the calculation of D-scores to better compare the views of the two groups. The lower the D-score is the higher the level of agreement or perceived agreement on the issue. Even though the group means were all statistically different at the \( p < .001 \)-level, D-scores indicate that the greatest difference in the strategies existed for networking. Networking was the least valued strategy of donors yet the fundraising team rated it as the second highest strategy. Meanwhile, the two groups were closest in their levels of agreement for openness, which both donors and fundraisers evaluated as being the most important strategy.

Independent \( t \)-test results demonstrate that the answer to the third research question is that donors and fundraising team members are in agreement that the relationship dimensions and strategies are positive; however, statistically significant differences exist between the two groups on all of the variables.

### Research Question 2

The second research question sought to determine whether either side of the nonprofit organization-donor relationship perceived agreement with the other in how the cultivation strategies were evaluated. Table 2 presents the comparison between the donors’ views and their estimates of how the fundraisers would answer the same questions. The donors perceived a significant difference between themselves and the organization’s fundraisers on all of the strategy scales. For five of the six strategies, the D-scores reveal that the donors perceive agreement with the fundraisers; however, the largest D-score for networking reveals that the donors perceive that the fundraisers value this strategy far more than they do.

Turning to perceived agreement from the organization’s viewpoint, members of the fundraising team perceived agreement with their donors across all six strategies. Paired \( t \)-tests reveal that there were no statistically

### TABLE 1 Agreement between Donors and the Fundraising Team on the Evaluation of the Nonprofit-Donor Relationship

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean of donors’ views (( n = 1,706 ))</th>
<th>SD</th>
<th>Mean of fundraising team’s views (( n = 124 ))</th>
<th>SD</th>
<th>D-score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access</td>
<td>6.01</td>
<td>1.33</td>
<td>7.03</td>
<td>1.03</td>
<td>1.02***</td>
</tr>
<tr>
<td>Assurances</td>
<td>6.16</td>
<td>1.23</td>
<td>6.95</td>
<td>1.05</td>
<td>0.79***</td>
</tr>
<tr>
<td>Networking</td>
<td>5.89</td>
<td>1.40</td>
<td>7.11</td>
<td>1.02</td>
<td>1.22***</td>
</tr>
<tr>
<td>Openness</td>
<td>6.62</td>
<td>1.32</td>
<td>7.33</td>
<td>1.03</td>
<td>0.71***</td>
</tr>
<tr>
<td>Positivity</td>
<td>6.02</td>
<td>1.28</td>
<td>6.90</td>
<td>1.00</td>
<td>0.88***</td>
</tr>
<tr>
<td>Sharing of tasks</td>
<td>6.17</td>
<td>1.23</td>
<td>7.09</td>
<td>1.07</td>
<td>0.92***</td>
</tr>
</tbody>
</table>

***\( p < .001 \).
significant differences in the fundraising team members' views on the strategies and their estimates of the donors' views. Table 3 presents the results of these tests, and it demonstrates a strong level of perceived agreement by having D-score values that range from 0.00 to 0.06.

In summary, the answer to the second research question is that both the fundraising team members and donors to the nonprofit organizations perceive agreement with each other on the positivity of the relationship cultivation strategies. Even though donors perceived agreement, they believed the fundraising team members would evaluate the variables more positively than the donors did. The fundraising team members, on the other hand, perceived very close agreement on all strategies. Though the D-scores indicate the two sides felt the strategy evaluation was similar, the third research question examines their accuracy.

### Research Question 3

The third research question examined how accurate the two sides were with their estimates by comparing the estimates of one group with the actual evaluations by the other group. As shown in Table 4, donors underestimated...
the views of the fundraising practitioners on every variable. All of the
estimates were statistically significant. The D-scores indicate that the donors'
estimates were closest on the networking strategy; however, it was even
underestimated.

Examining the fundraising team’s estimations of donors’ views with
donors’ actual views reveals opposite findings from that of the donors'
estimates. Whereas the donors’ underestimated the fundraisers’ evaluations,
the fundraisers overestimated the donors’ views. As shown in Table 5,
statistically significant differences existed for all six cultivation strategies.
For four of the strategies, the D-scores were nearly one point or greater. The
estimates were most different for networking, but even the smallest
difference on openness was considerably large.

To answer the third research question, both sides generally are accurate
in that both groups evaluated the strategies positively. However, donors
underestimate the fundraising team members’ views, and the fundraising
team members greatly overestimated the views donors have regarding the
relationship cultivation strategies.

### TABLE 4 Donors’ Accuracy on Estimates of the Evaluation of the Nonprofit-Donor Relationship

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean of donors’ estimate of fundraising team’s views (n = 1,706)</th>
<th>SD</th>
<th>Mean of fundraising team’s views (n = 124)</th>
<th>SD</th>
<th>D-score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access</td>
<td>6.21</td>
<td>1.29</td>
<td>7.03</td>
<td>1.03</td>
<td>0.82***</td>
</tr>
<tr>
<td>Assurances</td>
<td>6.40</td>
<td>1.12</td>
<td>6.95</td>
<td>1.05</td>
<td>0.55***</td>
</tr>
<tr>
<td>Networking</td>
<td>6.95</td>
<td>1.07</td>
<td>7.11</td>
<td>1.02</td>
<td>0.16***</td>
</tr>
<tr>
<td>Openness</td>
<td>6.81</td>
<td>1.14</td>
<td>7.33</td>
<td>1.03</td>
<td>0.52***</td>
</tr>
<tr>
<td>Positivity</td>
<td>6.25</td>
<td>1.15</td>
<td>6.90</td>
<td>1.00</td>
<td>0.65***</td>
</tr>
<tr>
<td>Sharing of tasks</td>
<td>6.30</td>
<td>1.31</td>
<td>7.09</td>
<td>1.07</td>
<td>0.79***</td>
</tr>
</tbody>
</table>

*** p < .001.

### TABLE 5 The Fundraising Team’s Accuracy on Estimates of the Evaluation of the Nonprofit-Donor Relationship

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean of fundraising team’s estimates of donors’ views (n = 124)</th>
<th>SD</th>
<th>Mean of donors’ views (n = 1,706)</th>
<th>SD</th>
<th>D-score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access</td>
<td>7.00</td>
<td>0.93</td>
<td>6.01</td>
<td>1.33</td>
<td>0.99***</td>
</tr>
<tr>
<td>Assurances</td>
<td>6.93</td>
<td>1.02</td>
<td>6.16</td>
<td>1.23</td>
<td>0.77***</td>
</tr>
<tr>
<td>Networking</td>
<td>7.17</td>
<td>1.12</td>
<td>5.89</td>
<td>1.40</td>
<td>1.28***</td>
</tr>
<tr>
<td>Openness</td>
<td>7.33</td>
<td>0.82</td>
<td>6.62</td>
<td>1.32</td>
<td>0.71***</td>
</tr>
<tr>
<td>Positivity</td>
<td>6.94</td>
<td>1.05</td>
<td>6.02</td>
<td>1.28</td>
<td>0.92***</td>
</tr>
<tr>
<td>Sharing of tasks</td>
<td>7.12</td>
<td>1.06</td>
<td>6.17</td>
<td>1.23</td>
<td>0.95***</td>
</tr>
</tbody>
</table>

*** p < .001.
DISCUSSION

This study found that both sides of the nonprofit-donor relationship viewed all six cultivation strategies positively. By surveying the donors, fundraisers are able to evaluate the donors’ preferences and adjust their donor relations and stewardship activities appropriately. In this study, the differences in the donors’ mean scores indicate a clear preference for openness while expressing only casual support for networking. While these findings can shape future fundraising programs, perhaps the most important findings came from comparing the donors’ views to those of the fundraising team. Despite the overall positive evaluation of the relationship from both groups, fundraisers overestimated the donors’ preferences. Going unchecked, this viewpoint could damage the longevity of these donors’ relationships with the organization.

Though the differences between the two sides on many variables are small, the organization can include proactive symmetrical programming to engage its donors in conversations so they can resolve differences in understanding the dynamics of the relationship. Hall (2002) encouraged nonprofits to engage their donors in conversations regularly. These conversations will allow the two sides to move closer to being in exact agreement on the impact and importance of the strategies to the relationship.

Donors said that openness ($M = 6.62$, $SD = 1.32$) was the most important factor in the relationship. Given recent scandals in the sector, donors are expecting increased performance from fundraisers in regards to transparency and accountability. The fundraisers in this study recognize this demand and favored the strategy as well ($M = 7.33$, $SD = 1.03$). A recent Brookings Institution report found that the public’s confidence in the nation’s charitable sector fell to an all-time low: Only 13% expressed “a great deal” of confidence in nonprofit organization while 37% reported that they had “not too much” or no confidence in the sector (Light, 2003).

The other top preferences from donors indicate that they do have concerns about the relationship. Sharing of tasks was the second highest rated strategy by donors ($M = 6.17$, $SD = 1.23$). Donors want to know what an organization is doing with their gifts. This strategy seeks to bring donors and fundraisers together to work on problems—whether that is working together on a fundraising negotiation or working with the nonprofit to help with their programs and services. By having a close relationship with fundraisers, donors have better knowledge about the organization, its operations, and its needs. This knowledge also helps repair the trust that was lost for the sector in wake of scandals from the American Red Cross, the Nature Conservancy, and the United Way. Fundraisers respected the donors for wanting to become more involved. Sharing of tasks was one of their top three strategies as well ($M = 7.09$, $SD = 1.07$).
Because donors have lingering doubts about nonprofit accountability, fundraisers should seek to assure donors that their concerns are being addressed. Donors preferred this strategy ($M = 6.16$, $SD = 1.23$) because it gives them the confidence that their questions will be answered by the organizations they support. Fundraisers also indicated that it was important ($M = 6.95$, $SD = 1.05$). In fact, their evaluation indicated that they favored the strategy even more than the donors did even if they evaluated it lower than the others. Dee and Henkin (1997) stress that organizations should make every effort to communicate to donors that their questions and concerns are being examined and addressed promptly.

Access ($M = 6.01$, $SD = 1.33$) is another strategy that donors can use to receive answers to questions about organizational accountability, and fundraisers favored the strategy more than simply reassuring donors that their concerns were important ($M = 7.03$, $SD = 1.03$). Many scholars have suggested that donors, particularly major gift donors and prospects, have access to key organizational decision makers (e.g., Wagner, 2002; Kelly, 1998).

All of these strategies work to bring donors and fundraisers together to improve the organization through conversation. Kelly (1995) found that nonprofit organizations recognized the value of interpersonal communication, but they also valued one-way message dissemination. These findings indicate that organizations may need to implement more non-fundraising directed communications. Though positivity was not one of the highest evaluated strategies by the donors ($M = 6.02$, $SD = 1.28$), it is important that fundraisers and the nonprofit organization contact donors through publications, such as newsletters or e-mail updates of successful program and service delivery, that simply inform them about the organization and do not ask for money. These positive interactions can demonstrate that the organization wants to build relationships over a period of time rather than simply always asking for donations.

These one-way communication strategies can also be used to educate donors about other organizational behavior, such as networking. Though it received an evaluation that was slightly above the neutral point on the scale, networking was the least favored strategy of the donors ($M = 5.89$, $SD = 1.40$). Networking, however, was the second most preferred strategy by fundraisers. Fundraisers need to make a concerted effort to educate donors as to why coalition-building is an important facet of the organization. Donors, though they have not rejected the idea, appear not to understand why the organizations are working with other community and government agencies in their day-to-day work.

Without referencing interpersonal communication theories and concepts, Hager, Rooney, and Pollak (2002) stressed that the fundraising process must include elements that demonstrate an organization’s accountability. Because previous research has shown that the best predictor of future charitable giving is an individual’s previous history of giving to an
organization (Steinberg & Wilhelm, 2003; Metrick, 2005), organizations need to make sure their fundraising departments are not simply solicitation machines. These departments need to invest in donor relations to ensure longevity for their organizations.

**CONCLUSION**

The donor-nonprofit organization relationship is vital to the maintenance and longevity of the nonprofit sector. For nonprofit organizations to continue the provision of programs and services to the community, it is vital that they dedicate resources to relationship cultivation with all of its donors. The results of this study show that this organization needs to spend more time developing relationships with its donors. The strategies adapted from interpersonal communication were valued by both fundraising team members and donors, and they illustrate steps that nonprofit organizations can take to ensure appropriate donor cultivation.

However, organizations should be aware of this study’s limitations before examining their own donor relations activities. First, this study relied solely on nonprofit hospitals to measure the fundraising process. Although Kelly (1998) says that healthcare organizations are among the most sophisticated fundraising programs and are often imitated by other nonprofit subsectors, examining the strategies in other sectors would allow greater insights into how they are fully executed. Additionally, these results did not classify the donors into annual giving and major gift categories. The organizations, quite possibly, implement the strategies differently for the two groups; therefore, the evaluation of the strategies may vary significantly since practitioner handbooks advocate for increased personalized attention as major gift donors.

Future research should examine the differences between donor types as well as examine how smaller nonprofits foster relationship growth with their donors. The three nonprofit hospitals participating in this study had sizeable endowments, so smaller, growing organizations may face unique challenges and opportunities in how they develop relationships with donors and prospects. Further analysis of the relationship between fundraisers and donors should incorporate relationship marketing theories to complement this public relations-focused study. This research will provide fundraising scholars with a greater understanding of how relationships truly fit into the fundraising process.

**REFERENCES**


Internal Revenue Service. (2006). Tax-exempt organization and other entities listed on the exempt organization business master file, by type of organization and


**APPENDIX**

Index Items for the Six Relationship Cultivation Strategies

<table>
<thead>
<tr>
<th>Variable</th>
<th>Operationalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access</td>
<td>The organization does not provide donors with adequate contact information.</td>
</tr>
<tr>
<td></td>
<td>The organization provides donors with opportunities to meet its staff.</td>
</tr>
<tr>
<td></td>
<td>When donors have questions or concerns, the organization is willing to answer their inquiries.</td>
</tr>
<tr>
<td></td>
<td>The organization provides donors with adequate contact information for specific staff on specific issues.</td>
</tr>
<tr>
<td>Positivity</td>
<td>Receiving regular communications from the organization is beneficial to donors.</td>
</tr>
<tr>
<td></td>
<td>The organization’s communication with donors is courteous.</td>
</tr>
<tr>
<td></td>
<td>The organization attempts to make its interactions with donors enjoyable.</td>
</tr>
<tr>
<td></td>
<td>The information the organization provides donors with is of little use to them.</td>
</tr>
<tr>
<td>Openness</td>
<td>The organization’s annual report is a valuable source of information for donors.</td>
</tr>
<tr>
<td></td>
<td>The organization does not provide donors with enough information about what it does with donations. (Reverse)</td>
</tr>
<tr>
<td></td>
<td>The organization provides donors with enough information to understand the issues it faces.</td>
</tr>
<tr>
<td></td>
<td>The organization shares enough information with donors about the organization’s governance.</td>
</tr>
<tr>
<td>Sharing of tasks</td>
<td>The organization and donors do not work well together at solving problems. (Reverse)</td>
</tr>
<tr>
<td></td>
<td>The organization is involved in managing issues that donors care about.</td>
</tr>
<tr>
<td></td>
<td>The organization works with donors to develop solutions that benefit donors.</td>
</tr>
<tr>
<td></td>
<td>The organization is flexible when working with donors to come to mutually beneficial solutions to shared concerns.</td>
</tr>
<tr>
<td>Networking</td>
<td>The organization effectively builds coalitions with groups that address that address issues that donors care about.</td>
</tr>
<tr>
<td></td>
<td>The organization’s alliances with other like-minded groups are useless to donors. (Reverse)</td>
</tr>
<tr>
<td></td>
<td>The organization’s alliances with government agencies are useful for its donors.</td>
</tr>
<tr>
<td></td>
<td>The organization’s alliances with other community groups are useful to its donors.</td>
</tr>
<tr>
<td>Variable</td>
<td>Operationalization</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Assurances</td>
<td>The organization makes a genuine effort to provide personal responses to donors’ concerns.</td>
</tr>
<tr>
<td></td>
<td>The organization communicates the importance of its donors.</td>
</tr>
<tr>
<td></td>
<td>When donors raise concerns, the organization takes these concerns seriously.</td>
</tr>
<tr>
<td></td>
<td>Donors do not believe that the organization really cares about their concerns. (Reverse)</td>
</tr>
</tbody>
</table>