NONPROFIT

2025 CX IMPERATIVES

Industry Insights for the Experience Economy

MERKLE

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Successful brands recognize that it's no longer a matter of knowing everything about your customers – it's about knowing the right things, including their preferences and expectations for interacting with your company.

Last year, we reported on what consumers want and how brands rise to the occasion to deliver. Now, we've compiled those insights through an industry lens.

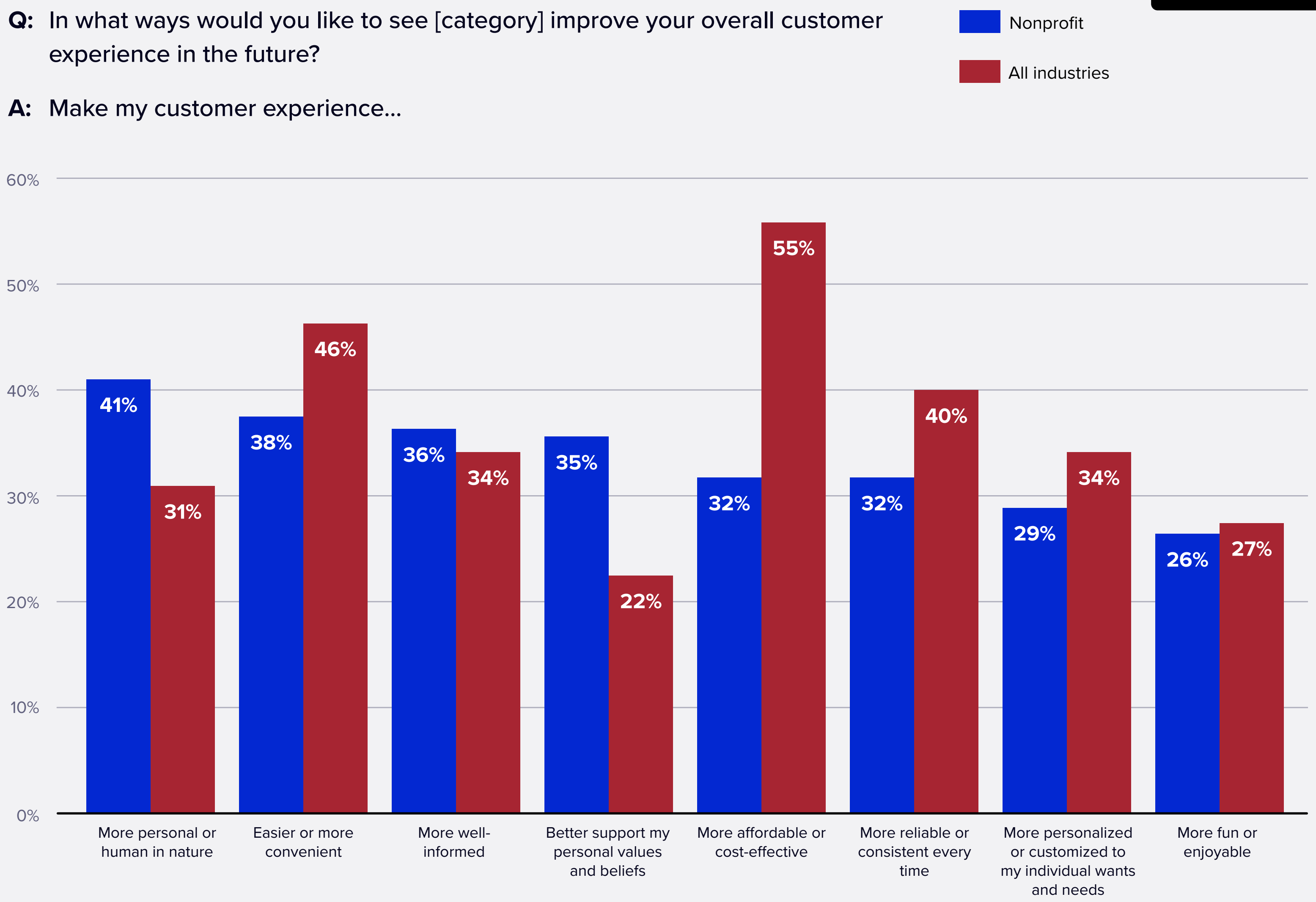
This report addresses the unique challenges and opportunities nonprofit companies face with data-driven strategies to enhance customer engagement, personalization, and loyalty. See how you stack up against your industry peers and learn how to stay ahead of evolving customer expectations for long-term business growth.

Nonprofit donors want **personal, convenient**, and **informed** experiences.

Our consumer study found that in general, cost-effectiveness, convenience, and consistency were cited as top areas of improvement for future brand experiences. Nonprofit respondents were outliers, however, choosing “more personal or human in nature” and “more well-informed” as top areas of improvement in addition to “easier or more convenient.” This should come as no surprise, as nonprofit purchases are often very personal in nature.

Q: In what ways would you like to see [category] improve your overall customer experience in the future?

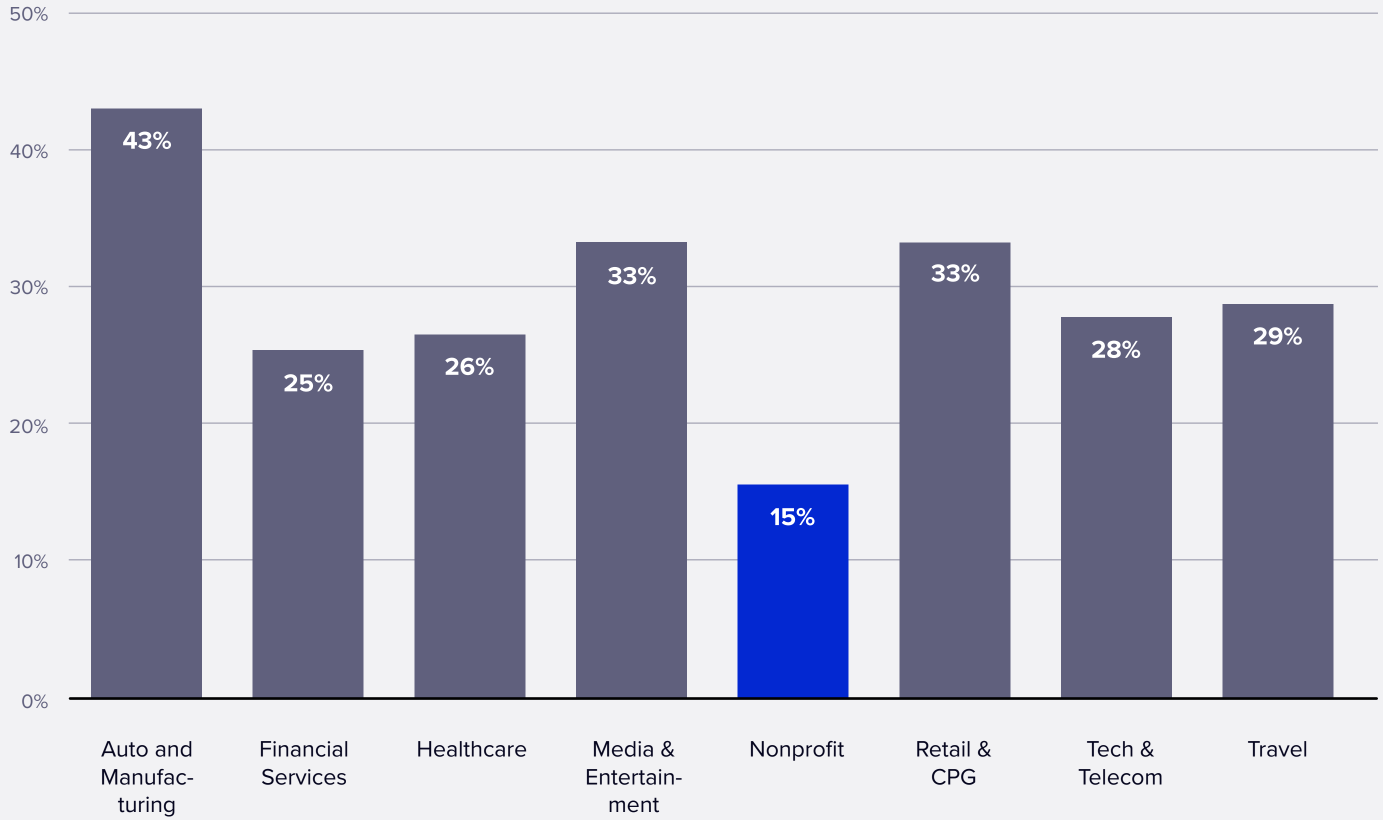
A: Make my customer experience...



PROFESSIONAL SURVEY

Q: Which of the following technologies and approaches is currently used by your organization to support your customer experience?

A: % chose “Personalized customer experiences”



Nonprofit is the **least likely** of all surveyed industries **to employ personalized CX.**

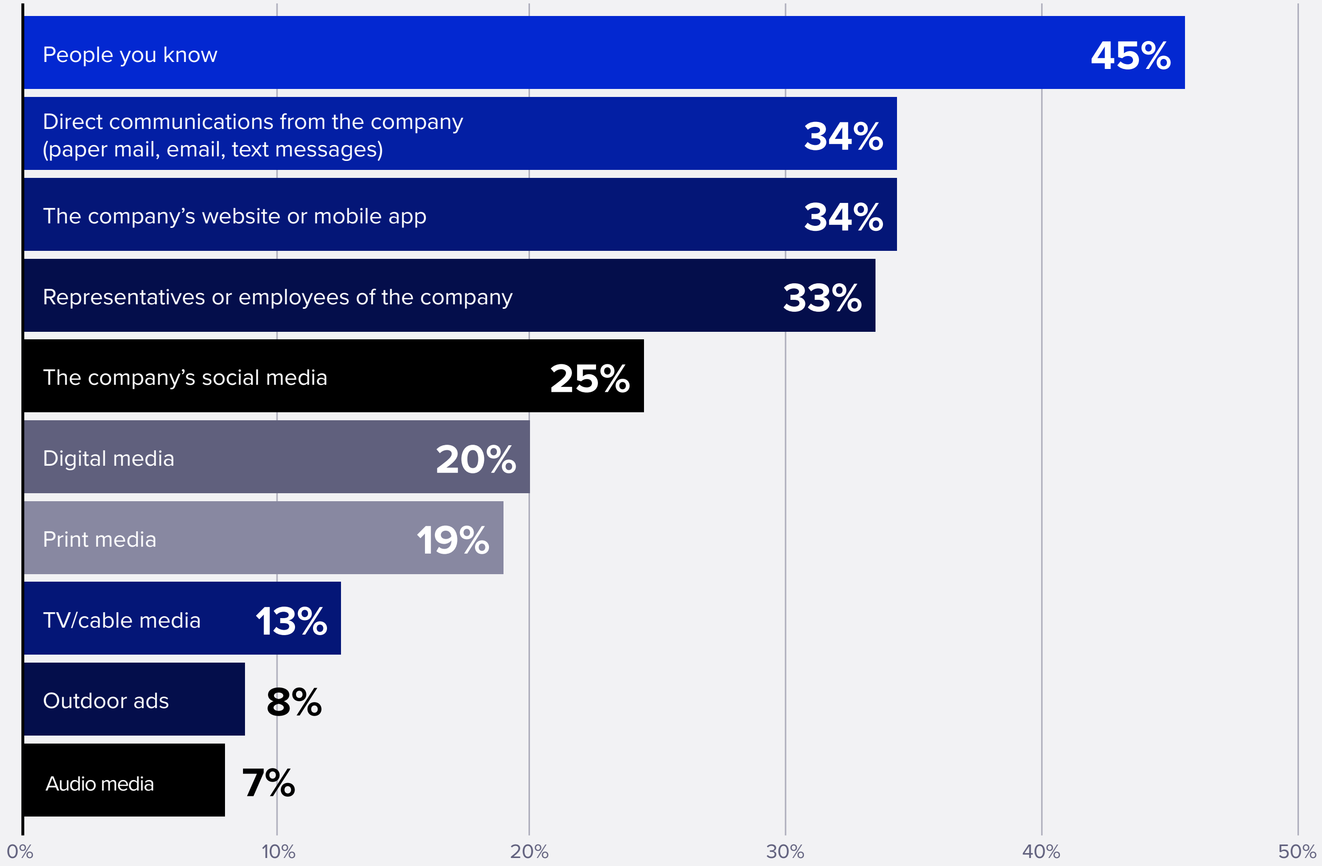
Only 15% of nonprofit organizations surveyed are personalizing the experiences they deliver to donors – the lowest among all industries.

CONSUMER SURVEY

Peers are nonprofit donors' most influential sources of information.

Donors also want to hear directly from nonprofit brands via direct mail, email, and text messages, or from company representatives.

Q: Thinking about the most recent time(s) you have engaged with your winning nonprofit brand over the past 3 months, which sources of information, if any, were important in your decision to engage with this brand?



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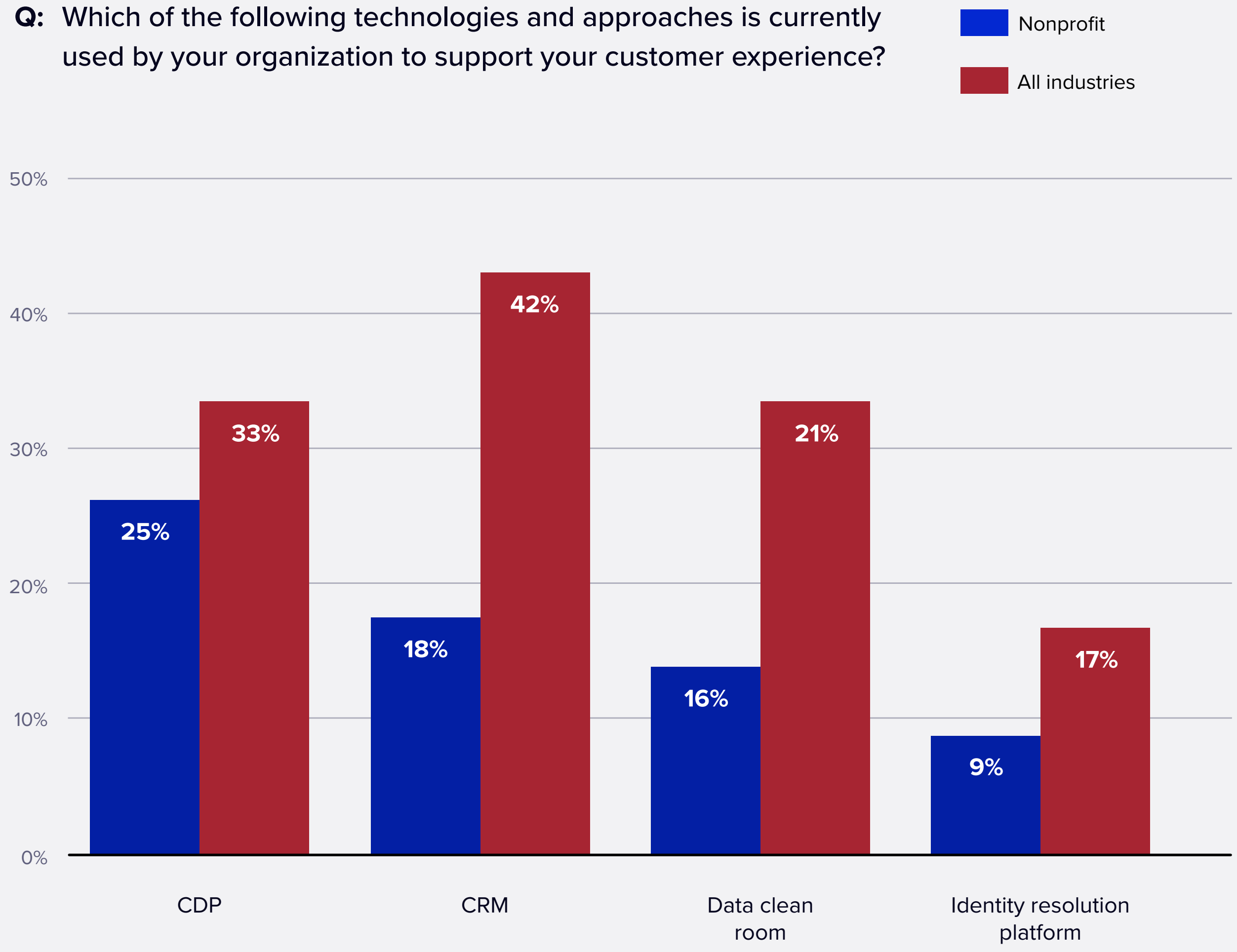


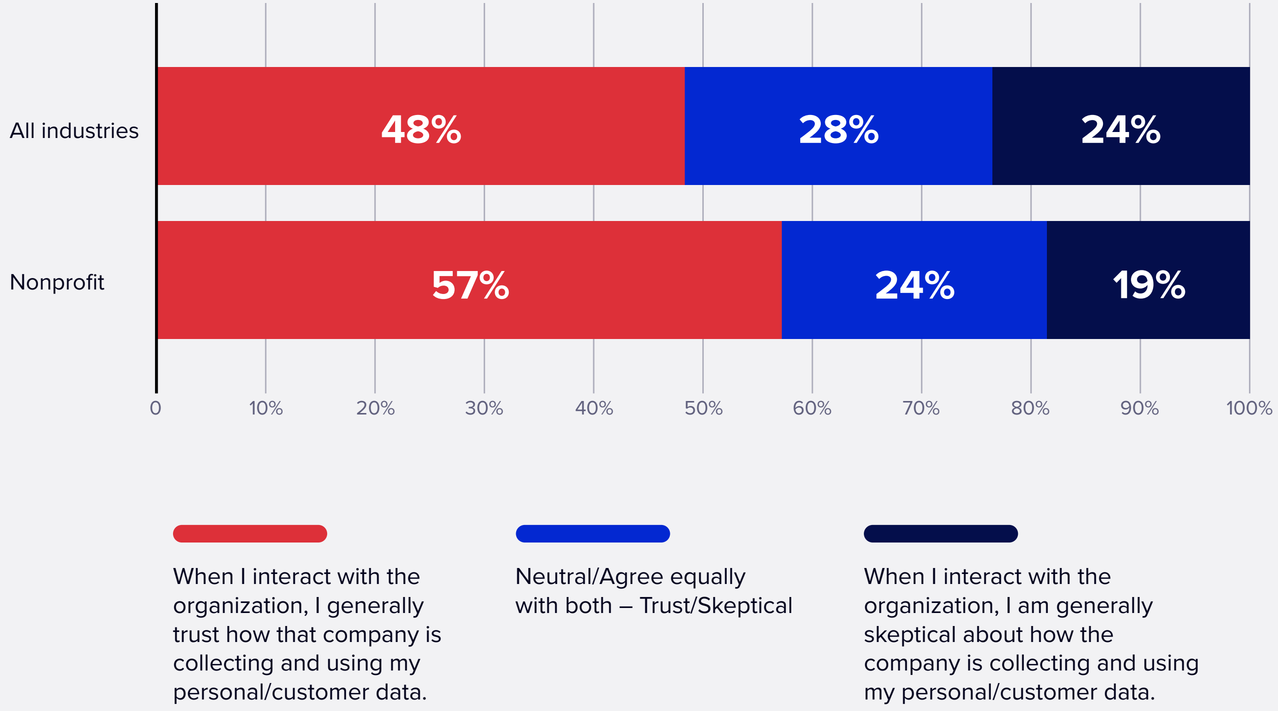
But nonprofits aren't set up to deliver.

Nonprofit companies fall behind other industries in their adoption of CX technology. Only 18% of surveyed nonprofit companies use CRM platforms – technology that's integral to direct brand-to-donor communications. This is a 24% drop from the average adoption rate across all industries surveyed.

Companies can struggle to deliver personalization in an environment of data deprecation and heightened consumer protection. It requires organizations to centralize their consumer data in cloud-based environments. Two fundamental pieces of technology to a modern data strategy – data clean room software and identity resolution platforms – are only used by 16% and 9% of nonprofit respondents, respectively.

CONSUMER SURVEY

Q: Thinking about all the times you've engaged with, purchased from and/or donated to [brand], which one of the following pairs of statements do you agree with more?



Nonprofit donors are more trusting than other industries' consumers of brands' use of their personal data.

When you consider this level of comfort with the data shown in the previous graph, a glaring disconnect arises. Why would nonprofits' adoption of data management and activation tools be so low when their audience is receptive to data-driven personalization? Not only does their audience crave more personalization, but a large percentage trusts how personalization is achieved.

Nonprofit companies **deliver digital lower-funnel experiences** while donors prefer ones that are more human.

Donors overwhelmingly prefer human-led support in their nonprofit journeys. Our data shows that nonprofits are missing the mark here.

What's fueling this preference for human-led lower-funnel interactions? A weak data foundation may be leading to subpar digital interactions. Automated support without complete information about a donor's history with the company will invariably lead to frustrating experiences.

Consumer respondents

Q: When interacting with nonprofit brands, what kind of experience would you most prefer?

Researching	Evaluating/Selecting	Purchasing	Requesting Support
Equal split (+/- 5%)	Equal split (+/- 5%)	More human (+13%)	**More human (+42%)**

Professional respondents

Q: What kind of experience does your organization typically deliver to donors right now?

Researching	Evaluating/Selecting	Purchasing	Requesting Support
More digital (+24%)	More digital (+12%)	More digital (+15%)	More digital (+15%)

Digital experiences strongly preferred (+20% or more net)

Human experiences strongly preferred (+20% or more net)

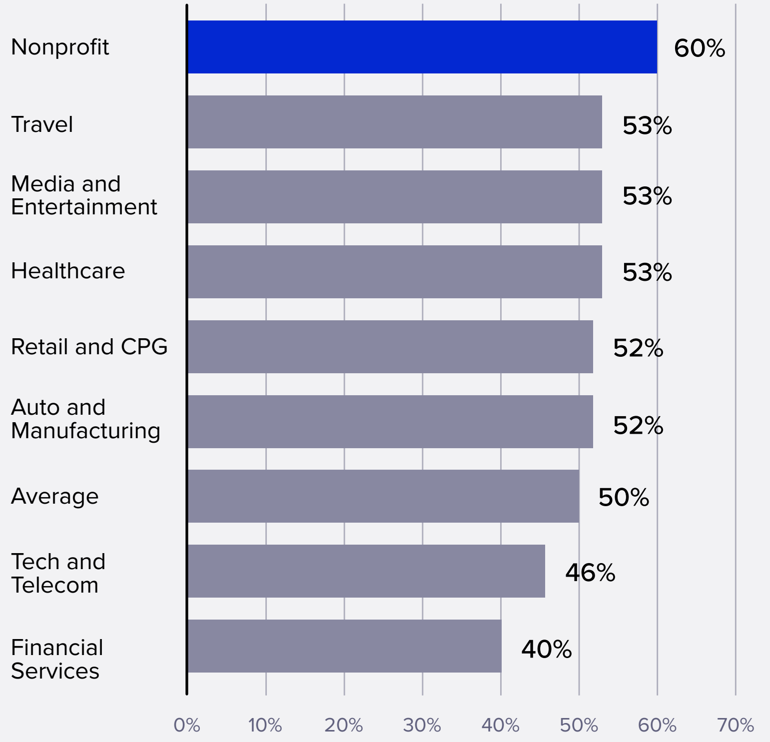
Nonprofit companies are the **most likely to claim customer-first cultures**, but the least likely to have codified CX strategies.

This is a good thing. It means that the commitment to the customer is there, it's just the strategy that needs to catch up. Company-wide customer centricity allows for easier shared goal setting, which translates to shared data, integrated technology, and other practices that lay the groundwork for great CX.

PROFESSIONAL SURVEY

Q: How well do you think the following statement describes your organization?

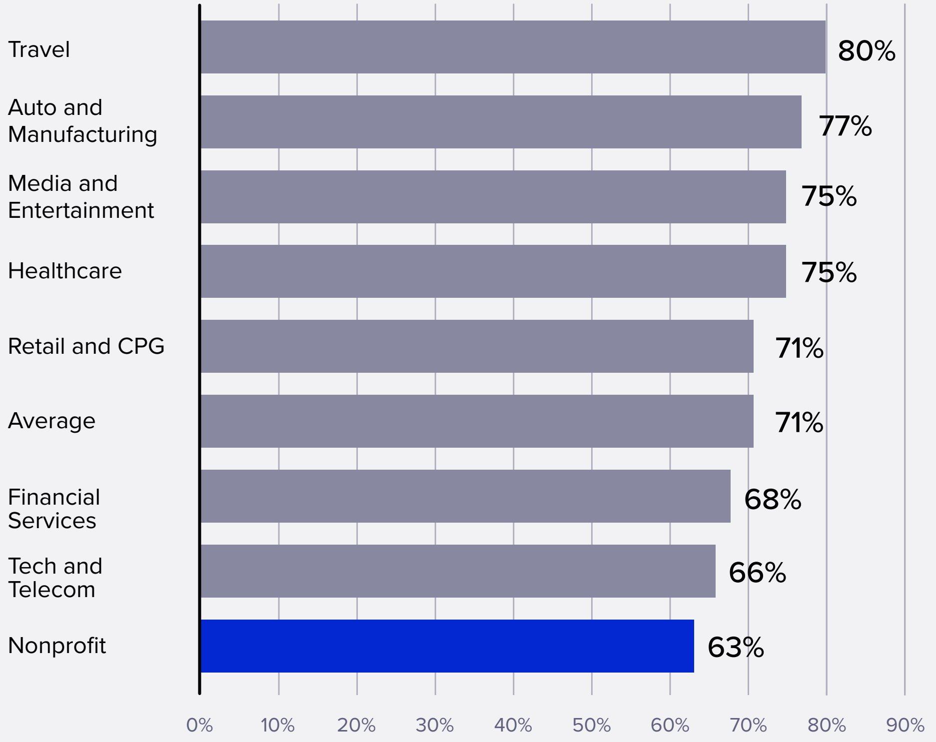
A: % strongly agree with "Our organization has a customer-first culture in which all functions and departments are committed to delivering a great customer experience"



PROFESSIONAL SURVEY

Q: How well do you think the following statement describes your organization?

A: % chose "We have had a formal, codified customer experience strategy in place for several years"



Key considerations

Donors want more personalized experiences with a human-led element, especially in later stages of their journeys.

Past donors can be segmented based on their giving history, engagement levels, or specific interests to encourage repeat donations and build trust. This information needs to be shared with fundraisers in addition to informing digital communication channels.

A proper data management strategy is imperative to personalization.

Without the basic data management tools – a CRM platform, for instance – personalization is nearly impossible. Centralized data management and data clean rooms make adherence to privacy and compliance regulations more efficient and show donors that you're protecting their personal data.

Donors are comfortable with the use of their personal data.

Use data to inform messaging. You can marry your mission with what you know about your donors' behaviors and preferences to create content that engages and informs.

Get to the root of why donors prefer human support in their experiences.

If you are only offering digital support post-purchase, it may be worth interrogating this strategy.

Capitalize on a customer-centric culture to build customer experience strategy.

The most important element to great CX is already there – a commitment to the customer. It is easier to build out CX strategy, such as implementing a CRM solution, or centralizing your company's data in the cloud, if your entire organization strives to make donors' lives better. Competing interests across an organization beget competing goals, which spell death for CX technology implementation.

Slowly implement new technology and channels as your CX strategies mature.

And ensure each produces a new or better avenue to engage your donors. For example, an AI-driven tool such as a chatbot could be a valuable solution for your organization if it doesn't compromise personalization, access to information, and convenience.

For further reading

Methodology

Primary research comprised online surveys of N=820 CX professionals with decision-making influence on customer experience at their organizations and N=2,100 consumers who had a qualifying consumer interaction with one or more brand categories in the past 3 months. Surveys were administered in six languages to professionals and consumers based in 18 countries across North America, Europe, and the Asia Pacific region. Survey fieldwork conducted October-November 2023.

Representation of categories by CX professionals: 18% retail & CPG; 17% tech & telecom; 16% financial services & insurance; 15% automotive and manufacturing; 12% healthcare; 9% media and entertainment; 9% nonprofit; and 9% travel.

Representation of categories by consumers: 73% retailer; 64% restaurant or food service; 60% healthcare provider; 55% financial services; 48% packaged goods; 44% clothing or textile; 44% technology or telecoms; 43% travel or transportation; 43% hospitality; 34% insurance provider; 33% entertainment; 33% electronics or technology; 31% household goods; 31% media brand; 26% nonprofit organization; 21% vehicle manufacturer; 21% software company; 15% outdoor equipment.

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