Why Donor Churn Persists Despite Three Decades of Retention Research: An Empirical Study of the Theory-Practice Gap in Donor Retention

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Why Donor Churn Persists Despite Three Decades of Retention Research: An Empirical Study of the Theory-Practice Gap in Donor Retention

Despite three decades of donor-retention research, high churn remains a persistent challenge for charities. While donor retention literature recommends prioritizing long-term relational, over short-term promotional, communication, it is unclear whether fundraisers follow this guidance in practice. Analyzing 730 retention messages from 44 charities across 88 donor journeys, we find that the challenge is not implementing relational recommendations but balancing them with the competing goal of securing additional donations. Within one month of the donor relationship, relational content declines sharply as promotional appeals rise. A survey shows that fundraisers prefer a more relational approach than their behavior suggests. Donor churn may therefore persist not because fundraisers disregard research, but because relational ideals erode under pressure to deliver immediate results. We call for research on how charities can better navigate between relational and promotional objectives.

Keywords: Donor retention, marketing research-practice gap, direct marketing.

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1. Introduction

Donor retention has been a central topic in nonprofit marketing since the 1990s (e.g., Burnett 1992; Sinha et al. 2025), yet charitable organizations continue to report low retention rates (Fundraising Effectiveness Project 2024). Can this gap be explained by fundraisers' failure to implement research recommendations in practice? To answer this question, we provide a comprehensive empirical assessment of whether fundraisers' direct donor communication aligns with three decades of academic recommendations. In doing so, we contribute to existing research in three ways. First, although for-profit research has long examined the alignment between marketing theory and managerial practice (Foltean 2019; Lehmann et al. 2011), similar evidence is largely absent in the nonprofit domain. The few existing nonprofit studies addressing research–practice gaps rely on fundraisers' stated preferences and offer only static snapshots of retention practice (Wiggill 2014).

In contrast, we provide behavioural evidence by observing fundraisers' actual direct-marketing communication as it unfolds over the donor journey. Second, donor-retention research has almost exclusively focused on how fundraising messages influence donor behavior (Bekkers and Wiepking 2011). We invert this perspective and examine how changes in donor behavior shape fundraisers' messages, thereby providing rare insight into the fundraiser, an actor that nonprofit scholars highlight as overlooked (Chapman 2022). Finally, prior research has implicitly assumed that fundraisers can build strong relationships (long-term aims) without simultaneously having to request additional support (short-term aims). In practice, however, fundraisers must continually balance relational goals with promotional targets (Thomas et al. 2015), which may challenge the adaptation of research guidance.

Using a novel method for studying direct-marketing messages, we find that fundraisers do follow research recommendations to a large extent. However, only one month into a new donor relationship, fundraisers become significantly less likely to thank donors, request feedback, or demonstrate impact, all recurring recommendations in the donor-retention literature, while becoming more likely to request additional monetary and non-monetary support. The early emphasis on relational communication aligns with fundraisers' self-reported preferences in a post-study survey, but the later shift toward promotional appeals does not. We interpret this pattern as evidence that fundraisers understand relational retention principles but struggle to sustain them under financial pressure. We argue that a research-practice gap cannot explain high retention rates. Instead, the challenge lies in offering guidance on how charities can design retention strategies that both maintain relationships and encourage additional support.

2. Literature Review

2.1. Seven recurring research recommendations for fundraisers' retention messages

We identify seven recommended direct-retention practices that appear in at least five independent donor-retention papers over the past three decades, each summarized in Table 1. Building on relationship-marketing theory (Dwyer et al. 1987), donor-retention research holds that fundraisers should use direct-marketing communications, *retention messages*, to increase existing donors' likelihood of re-donation (e.g., Sargeant and Jay 2004; Mínguez and Sese 2022). Most recommended practices are relational, aiming to strengthen donors' psychological ties without issuing a direct call to action (Thomas et al. 2022). These include thanking donors, inviting feedback, demonstrating impact, providing financial transparency, and affirming shared values or donor identity. Such practices are argued to enhance satisfaction, trust, or commitment and thereby donor retention.

Alongside relational content, the literature recognizes promotional retention messages, which seek immediate action such as additional donations, volunteering, or petition signing (Bennett 2009) and may include tangible incentives like gifts or perks (Ryzhov, Han, and Bradić 2016). While relational messages are widely viewed as beneficial for retention, evidence on the effectiveness of promotional appeals remains mixed (Chapman and Thai 2025).

Table 1
Seven research recommendations for donor retention messages

Recommended retention message	Mechanism	Marketing objective	Illustrative studies
Show **appreciation** for the donor's support. E.g., "Thank you for your donation"	Satisfaction: Appreciation and affirmation	Relational: Retain donations	Nathan and Hallam 2009; Merchant et al. 2010; O'Reilly, et al. 2012; Bennet 2009
Invite donors to dialogue or provide **feedback**. E.g., Satisfaction surveys or asking about communication preferences	Satisfaction: Expectation-experience alignment	Relational: Retain donations	Sargeant 2013, Bennett 2009; Boenigk and Helmig 2016; Sargeant and Jay 2003; Fleming and Tappin 2009
Mention the **impact** of donating. E.g., "Because of your donation, we can now provide clean water"	Trust: Believe in organizational competence	Relational: Retain donations	Sargeant and Jay 2003; Sargeant 2013; Althoff and Leskovec 2015; Faulkner et al. 2016; McGrath 1997
Being financially **transparent** by showing the allocation of past donations. E.g., "Only 10% of our budget is spent on administration".	Trust: Honesty and integrity	Relational: Retain donations	Sargeant and Hudson 2008; Barra et al.2018; Waters 2008; Sargeant 2013; Minguez and Sese 2022

Speaking to the donor **identity** by highlighting shared beliefs between the donor and the charity. E.g., "We need people like you who share our values".	Commitment: Enhanced self-image	Relational: Retain donations	Sargeant and Woodliffe 2007; Sargeant 2013; Kessler and Milkman 2018; Ryzhov, Han, and Bradić 2016
Engage donors by asking to increase monetary or non-monetary **support** to the charity without offering something tangible in return. E.g., "Sign this petition/increase your donation"	Feelings of investment in the cause	Promotional: Increase donations	Kim, Gupta, and Lee 2021; Khodakarami, Petersen, and Venkatesan 2015; Bennet 2009, 2013; Boenigk and Helmig 2016
Using gifts, tax incentives, rebates, discounts, or other **benefits** to encourage continued giving or more donations. E.g., "Accept this keychain"	Willingness to reciprocate	Mixed: Increase or retain	Ryzhov, Han, and Bradić 2016; Xiao and Yue, 2021; Camarero and Garrido 2011; Bekkers and Wiepking 2011; Eckel et al. 2016

2.2. Expectations to fundraisers' retention practice

Research on marketing practice shows that professionals rarely implement theoretical recommendations exactly as written; instead, they interpret and adapt them to local constraints and situational pressures (Gross and Laamanen 2018). Consequently, we expect fundraisers' retention practices to reflect a tension between long-term aspirations and short-term necessities. This tension should manifest in three ways: First, because relational recommendations have been promoted in practitioner outlets for decades (e.g., Burnett 1992), fundraisers will believe that these practices improve retention and will follow the relational recommendations in Table 1 to a high degree. However, as financial pressure accumulates, we expect fundraisers to feel increasingly pushed toward promotional message content (Nikolov 2018). Thus, fundraisers should state a stronger preference for relational messaging than their observed behavior reveals. Second, we expect a relational decline over the donor journey. As relationships evolve, fundraisers increasingly view existing donors as qualified leads for additional support (Verhaert and Van den Poel 2011). Accordingly, an initial emphasis on relational content should give way to a rising share of promotional content after a donors' first gift. Finally, we expect a promotional spike after churn. When donors lapse, fundraisers can stop communicating, attempt relational repair, or try to recover lost revenue. Marketing-practice studies show that practitioners often respond to external pressure by intensifying short-term, action-oriented objectives (Nikolov 2018). Thus, given persistent financial constraints, we expect churn to be interpreted primarily as a revenue loss, leading to a higher share of promotional messages directed at lapsed donors.

3. Empirical Examination of Fundraisers' Retention Messages

3.1. Data collection

To compare research recommendations with fundraisers' practice, we created two real recurring-donor accounts with each of 44 charities in a European country and collected all retention messages they received. Charities were selected through a purposive sampling procedure to include only organizations large enough to work actively with donor retention (minimum 25 employees) and that allowed donors to join as monthly recurring donors through their website. Recurring donor accounts were chosen because recurring donors are more valuable to charities and because their cancellation provides a clear, standardized churn event. Creating two comparable accounts enabled a simple treatment–control design: after one month, one account cancelled all donations (churn condition), while the other continued donating for two additional months (active condition). This setup allowed us to observe how fundraisers follow the seven research recommendations when gaining and when losing a donor. All retention messages were collected in the summer of 2024 via email, SMS, direct mail, and phone using newly created email addresses and phone numbers. Real money was donated from both accounts.

3.2. Coding of Retention Messages

All 730 retention messages were coded using a binary scheme indicating whether each of the seven research-based recommendations (Table 1) appeared (1) or not (0). We also coded donor status (active vs. churned), time since first donation, communication channel, and the charities' cause area. This resulted in a message-level dataset capturing how relational and promotional retention content evolved over time and across donor conditions.

3.3. Empirical model

To assess (mis)alignments between fundraisers' retention messages and the seven research recommendations, we estimated a series of multilevel logistic regression models. Each model predicted whether a given retention message contained one specific recommendation (1/0). Messages (Level 1) were nested within charities (Level 2), and random intercepts accounted for baseline differences across the 44 charities.

The key predictors of whether one of the seven recommendations presented in Table 1 was present in a retention message were:

- $\beta_1 AfterOneMonth_{ij}$: whether the message was sent after the first donation month.
- $\beta_2 ChurnedDonor_{ij}$: whether the message was sent to the donor who cancelled.
- $\beta_3 (AfterOneMonth \cdot ChurnedDonor)$: a Difference-in-Differences interaction capturing any change in practice specifically triggered by donor churn.

All models controlled for the communication channel and the charity cause area. Models were estimated separately for each of the seven recommendations.

3.4. Fundraisers' Response

To assess whether fundraisers' stated preferences matched their observed retention practice, and whether they believed the seven research recommendations would improve donor retention, we conducted a short, non-incentivized survey after the main data-collection period. Fundraisers from all 44 charities were invited, and 30 responded (68.2%). The survey asked (1) which of the recommended practices they believed would increase donor retention at their organisation, and (2) how many days should ideally pass before asking a new donor for additional support. Fundraisers were blind to the creation of the donor accounts when answering the survey.

4. Results

Figure 1 shows the number of retention messages received in both donor accounts during the observation period. Fundraisers from all 44 charities sent a confirmation message on day one of the donor journey, which is excluded in Figure 1 to more clearly show differences in the remaining data. The dotted blue line represents the date of the churn event in donor account 1. The red spike early in month two represents 'goodbye' messages.

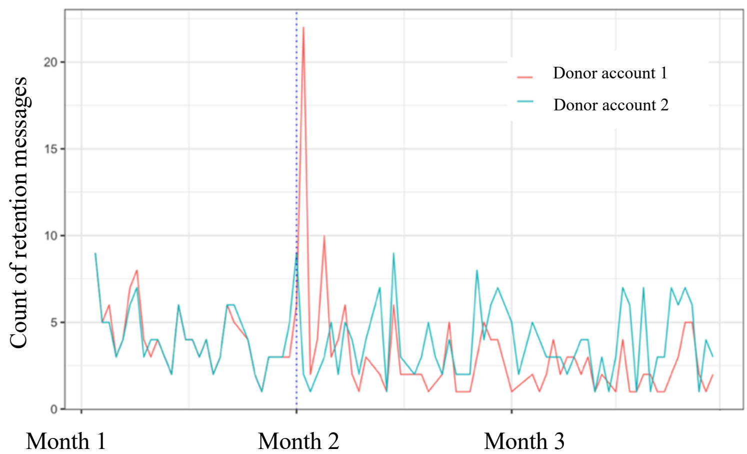

Fig. 1. Frequency of retention messages received in each donor account

Across the observation period, 730 retention messages were sent to the two donor accounts. The active donor account received slightly more messages (394) than the account that churned (336). Relational messages outweighed promotional ones by a factor of 2.1, and fundraisers took an average of 49 days to send their promotional message. Overall, 77% of messages contained at least one of the seven recommendations from Table 1, most frequently expressions of gratitude and demonstrations of impact. We apply our model to each recommendation separately; Table 2 presents the results.

Table 2
Differences in following retention recomendations.

	Relational retention messages					**Promotional retention messages**	
Variables	Thanking	Feedback	Impact	Transparency	Identity	Support	Benefits
	β (SE)	β (SE)	β (SE)	β (SE)	β (SE)	β (SE)	β (SE)
After one month	-1.18 (0.26) ***	-1.27 (0.29) ***	-0.38 (0.23)	-0.97 (0.69)	-1.65 (0.44) ***	1.16 (0.27) ***	-0.28 (0.31)
Reactive churn	0.19 (0.36)	0.07 (0.41)	-0.32 (0.33)	-0.62 (1.07)	0.99 (0.60)	-0.42 (0.37)	-0.63 (0.46)
After one month X Reactive churn	0.07 (0.25)	-0.01 (0.24)	-0.03 (0.23)	-0.01 (0.53)	-0.38 (0.36)	0.05 (0.28)	-0.06 (0.31)
Intercept	-0.27 (0.42)	-0.97 (0.25) ***	-0.56 (0.31)	-5.72 (2.09)	-2.79 (0.77) ***	-1.97 (0.50) ***	-0.86 (0.57)
BIC	899	730	976	234	449	741	657
LogLik	-410	-332	-452	-87.9	-192	-334	-289
Parallel trends†	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Believe in retention increase	90%	60%	83%	38%	45%	23%; 70%†	38%

*p<.05; **p<.01; ***p<.001.†23% for monetary support and 70% for non-monetary support.

Results confirm our expectation of a relational decline. After the first month, fundraisers become significantly less likely to thank donors (b = -1.18, p < .001), request feedback (b = -1.27, p < .001), and affirm donor identity (b = -1.65, p < .001). Impact and transparency messages also decline, though not significantly (impact: b = –0.38, n.s.; transparency: b = -.97, n.s.). The relational decline is accompanied by a significant increase in requests for additional support (b = 1.16, p < .001). We find no evidence of a promotional spike after churn, as none of the difference-in-difference interactions are significant (p > .05). Thus, changes in message content appear driven by time since sign-up rather than by donor loss. Finally, survey results reveal a clear preference–behavior gap. Only 23% of fundraisers believe that asking for additional monetary support improves retention, which is in conflict with the significant rise in support requests after month one. Moreover, fundraisers state that an average of 138 days should pass before asking for more support, yet in practice they do so after only 49 days ($p < .001$).

5. Discussion

To understand why donor churn persists despite the maturity of the donor retention literature, this study provides the first systematic comparison of donor retention recommendations with fundraisers' actual retention practice. We find substantial research-practice: 77% of all observered retention messages contained at least one recurring research recommendation. Consequently, persistent donor churn cannot be attributed to a lack of awareness or neglect of academic guidance. Instead, our results suggest that the challenge lies in a lack of persistence in relational communication. Already one month into a new donor relationship, fundraisers become significantly less likely to thank donors, request feedback, and affirm their identity, while promotional appeals increase. Although fundraisers state that an average of 138 days should pass before asking a new donor for additional support, they do so already after 48 days. In sum, relational message content is implemented initially but erode quickly in practice.

Our findings illustrate how long-term relational objectives coexist with—and become crowded out by—short-term promotional demands. This extends broader discussions in marketing about the tension between value creation and value appropriation (Verhoef and Leeflang 2009). Our results further show that nonprofit fundraising is a revealing context for understanding how marketing recommendations are adapted or abandoned under financial pressure. We call for future research to examine the trade-offs inherent in balancing relational and promotional objectives and to offer managerial guidance on how charities can design retention strategies that both maintain relationships and encourage additional support.

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