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## The Technology Issue

Facebook. Twitter. YouTube. Donating by text message.

Thanks to the advent of these and a host of other new technologies, we are currently living through a period of immense change. None of these tools even existed a few years ago, and now they constitute a key part of our everyday lives. And they have begun to permeate our professional lives too, leading many to question whether new and emerging technology will have a transformational impact on fundraising. There are many who believe that it will. But, there are just as many who are yet to be convinced...

As evidenced by these differing opinions, a great deal of uncertainty and confusion continues to surround technology in the sector, related not only to its impact but also to what exactly the tools are and how they should be used. It seems as though every week there is some new tool or platform that comes out. Do we need to keep up? What do they do? And what should our organizations be using?

In this edition of *Philanthropic Trends Quarterly*, we endeavour to cut through the noise, clutter and confusion to provide fundraisers, communicators and others in the non-profit sector with answers to some of these questions. As well, we hope to arm you with the information you need to decide how best to integrate new technology options into your programs and strategies.

In doing the research and interviews to pull together this edition, we discovered a great many things that we are pleased to share with you in the following pages. Interestingly though, one main theme emerged. Fundamentally, these are just new tools that help us achieve the same objective we have always had, which is to build and maintain relationships with our stakeholders. They just enable us to do it in a different way.



We also discovered, however, that while the fundamental objective is the same, use of these tools requires a shift in mindset. And this is where I believe the true transformation will occur. As you will read, many of these tools, particularly those related to social media, require organizations to be open and transparent in ways that most, whether for profit or non-profit, have not been before.

We were also interested to discover that a number of the trends identified in our Spring issue of *Philanthropic Trends Quarterly* found new relevance in this context, specifically the concepts of engagement and collaboration. As a sector, we need to think of engagement

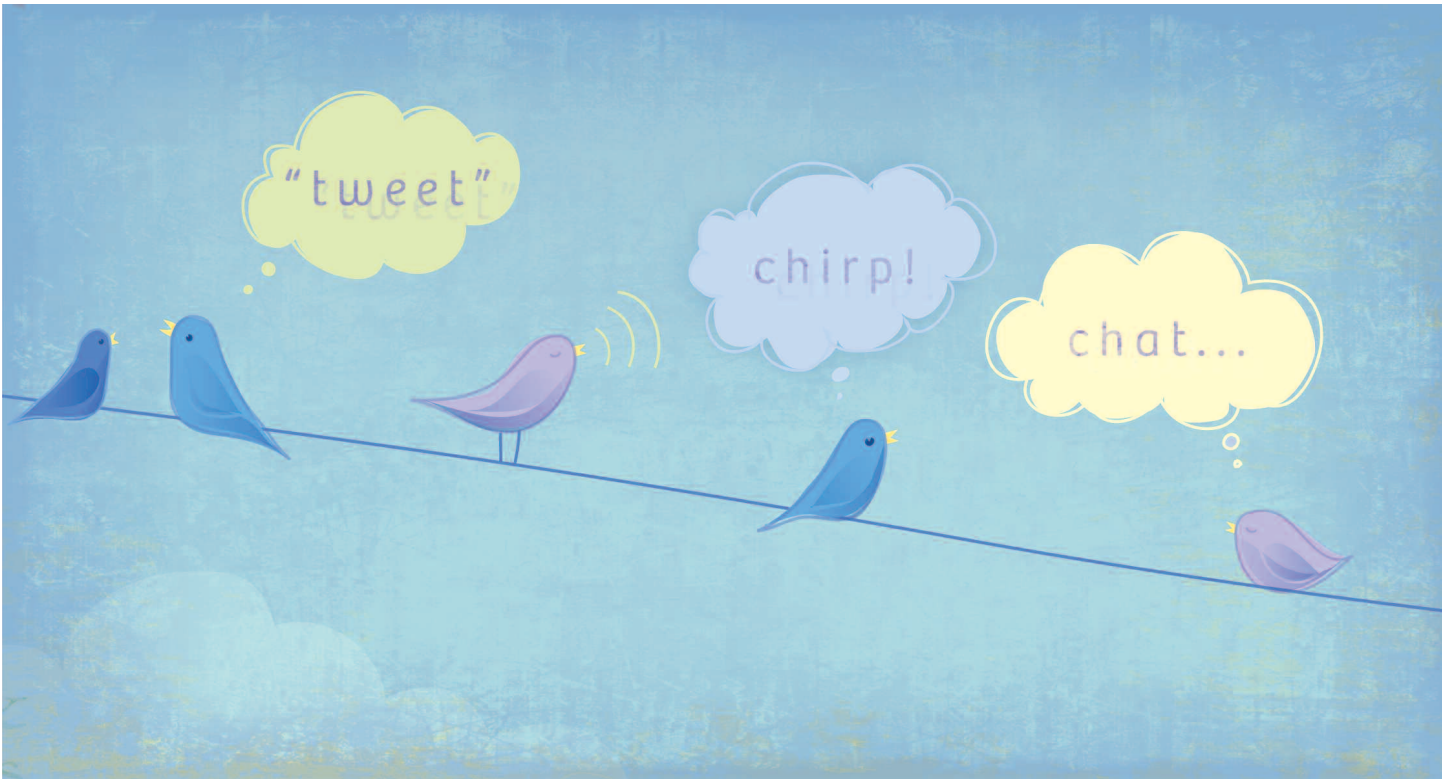
as more than tours and board membership. As well, we sometimes need to collaborate with "the competition" to achieve our missions. As you will see, effective use of many of these tools makes that possible.

I hope you learn as much from reading this edition as we did putting it together! And hope you have a great summer!

Marnie A. Spears  
President and CEO



# Technology and the non-profit sector



New technology is changing the way the non-profit sector thinks and does business in three key ways - the way we communicate and engage our stakeholders; how we raise funds; and how we manage our data. While all three are intertwined and impact each other, there are certain distinctive characteristics associated with each.

New and emerging technology is impacting our communications activities in many ways, but according to Jay Goulart, Executive Director of Advancement at Ridley College (a co-ed boarding and day school in St. Catherine's, Ontario) its impact can be put into two categories - broader outreach and customization. "New technology is enabling the College to build a much closer connection with our community of alumni," says Goulart. "Using tools like Facebook and LinkedIn, we have been able to keep in regular contact with our alumni, regardless of where they are in the world." Goulart and his team have also made use of technology to connect with alumni by broadcasting events online. "We recently built a new \$12 million athletic facility at the school and

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kept alumni and donors up to date with photos and video throughout the project,” Goulart says. “When it came time to officially open the facility, we held a hockey game that was broadcast online in real time. There were 1000 people in person and 700 watched online.”

The other way in which technology is transforming communications at Ridley relates to how it is enabling the customization of messages when stewarding donors. “Customiza-

tion is a requirement for true stewardship,” Goulart says. “We recently created a video for a scholarship donor that included specific information about the recipient as well as a personal thank you from him. I put the video on my iPad and played it during a recent visit with the donor.”

When thinking about how to share stories with donors and stakeholders, it's important not to forget about a tool that has been around now for several years - blogs. Covenant House in Vancouver is an example of an organization that has initiated use of a blog to great success. “Last winter, we did a stakeholder consultation, the results of which showed that we had very few donors from the younger generation,” says Michelle Clausius, Associate Director of Development and Communications. “In addition, we discovered that while we had high name recognition, people didn't know the depth and breadth of our services. And perhaps most importantly we saw that when they did understand what we do, the propensity to give went up. So we came up with a plan, the cornerstone of which



was a blog." She says they chose a blog because it provided a very effective platform to tell stories about Covenant House and its activities and impact. And the results have been positive. In reviewing the impact of the blog between its launch in September 2009 and January 2010, Covenant House was pleased to discover that compared to the same time period last year, web visits had increased 44% (25% direct to the blog), online donations grew by 23% and the value of donations grew by 35%. While Clausius is careful not to attribute these increases solely to the blog, she believes that it certainly has been a contributor.

### Content is king

Experts caution, however, that when it comes to use of things like blogs and social media websites, it definitely is not a "field of dreams" wherein if you build it, they will come. Rather, successful use of these tools requires constantly reaching out, which means a regular stream of new, updated and interesting content. "With social media, activity is paramount," notes Julie Szabo, Founder of Capulet Communications, a Vancouver based marketing firm that specializes in new technology. "In order to maintain interest, mindshare and engagement, organizations must keep their

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Julie Szabo,  
founder of Capulet  
Communications

social media presence up to date as nobody wants to follow a ‘dead’ Twitter account or Facebook profile.”

And in the world of social media, engagement doesn't mean “we talk and you listen.”

“Communication can't just be one way street,” advises Szabo, who is also co-author of *Friends with Benefits: A Social Media Marketing Handbook*. “While pushing out content is critical to keep followers interested, true engagement for users of social media involves being able to interact, respond and add to the conversation. Organizations need to be logistically prepared to deal with that.”

They also need to be prepared philosophically. Engagement of this type invites opinion-shar-

ing, embraces disagreement and encourages debate. It also requires organizations to make assets like photos, video and commentary available for followers to use and share. “Organizations need to shift from a mindset of ‘this is who we are’ to one that says ‘help shape who we are’,” says Szabo. Understandably, this shift can make organizations nervous because this approach flies in the face of the traditional view of brand management. However, it is Szabo's belief that today, the best any organization can hope for is to be a ‘brand mitigator’ and she notes that in her experience, negative consequences are rare and the benefits far outweigh any risks.

### Facilitator of collaboration

Another way that social media and other new technology are changing the sector relate to their ability to facilitate collaboration. Because of its reach and ability to transcend boundaries, the internet and a number of its new tools enable people and organizations to come together in the ‘virtual world’ - something that would never be feasible in the ‘real world’ because of geography and other barriers.

One example is the recent Tck Tck Tck campaign, which was an umbrella campaign initi-

## Reality check...

There is a great deal of interest and attention being paid to raising money using methods made available to us through online tools and social media applications. And, as we have seen from the content of this article, appropriately so as this area is growing in importance. But how much money can you expect to raise using these new techniques?

When it comes to email solicitation, it really is a numbers game and you need to send to a large number of people. According to the 2010 eNonprofit Benchmarks Study by M+R Strategic Services and NTEN Nonprofit Technology Network, the open rate on email fundraising appeals is 12.82%, the click thru rate is 0.78% and the conversion rate was 0.13%. So that means that if you send an

email solicitation to 10,000 people, you can expect that 1,282 will open it, 78 will click through to the donation page and 13 will make a contribution. Applying the average online gift of \$80.81 (US) yields a total of just over \$1,050.

As for social media tools, a recent survey conducted by the Non-Profit Social Network mirrors what we found in recent KCI poll of our clients and friends, with 85.7% of respondents using Facebook, 59.7% using Twitter, YouTube (48%). Other platforms were LinkedIn (33%), Flickr (25%) and MySpace (14%). According to the Survey, marketing was the most common use of social networking platforms (92% of respondents use for this purpose) while 46% of organizations say that they are trying to use these tools

for fundraising purposes. When it comes to fundraising, Facebook and Twitter are again the most popular (40% use Facebook to raise funds and 12% use Twitter).

While social media has demonstrated an ability to get the word out about fundraising campaigns, don't think of it as a direct fundraising tool. Of the 40% of organizations that got donations through Facebook, 78% of them raised \$1,000 or less in the last 12 months. And while Facebook is the only platform through which organizations have raised more than \$10,000 or more over the last 12 months, only 3.5% of organizations fell into that category. These results indicate that social media tools are better suited to spreading the word about fundraising as opposed to directly soliciting funds.





ated by a number of NGOs prior to the UN climate summit in Copenhagen last December. The Tck partners, which include among others Oxfam, World Wildlife Fund and Amnesty International created the website, TckTckTck.org as a hub for mobilizing concerned groups and citizens from around the globe. Under a philosophical banner of "Connected, Organized and Empowered", they managed to attract more than 200 organizations and more than 15 million signatures to take with them to Copenhagen. This accomplishment could only have been achieved by these organizations working in partnership, and this partnership was only made possible by internet technology.

Another example of collaboration fuelled in part by new online technology is the Webothon Haiti that was held in Quebec in February. Co-produced by the VOX television station and Ustream, the four hour webothon was broadcast online in Canada, France and Belgium. The primary purpose of the event was to raise awareness of the crisis in Haiti, but it also raised funds for the victims of the earthquake. Rather than partnering and promoting one organization, the webothon gave listeners the option of donating to the Red Cross, Médecins Sans Frontières and UNICEF.

**Trend to networked fundraising**

The Webothon Haiti is just one example of

*"If everyone just gave \$100..."*

Words that most professional fundraisers have heard countless times and that, frankly, make most shudder. Because, while a great theory, it never happens and attempts to run these kinds of campaigns invariably fail.

But consider this.

Barack Obama's election campaign, which combined grassroots organizing with on-line tools, mobilized more than 13 million supporters and raised nearly \$750 million. That's an average gift of just \$58. And more than \$30 million was raised via mobile philanthropy to support earthquake victims in Haiti, all of which was in \$5 and \$10 denominations. So if they can do it, why can't we?

The answer is you can. But when deconstructed, it becomes evident that in order for these types of campaigns work, certain characteristics are required. So, before you decide that this is the strategy that will raise millions of dollars for your organization, see if you have at least several of the following.

**Broad appeal** – Campaigns of this type need to appeal to a large number of people – and we mean large! This is a numbers game, and in order to be successful, the project or reason for fundraising must have mass appeal. This can be a tough call

for organizations to make, as staff and volunteers often feel so passionately about what they do that they believe everyone else will too. But it is important for organizations to take an objective look at whether or not the organization will appeal to the masses.

**Issue related** – Further to the above characteristics, these types of fundraising campaigns lend themselves better to issues or causes as opposed to specific organizations. Climate change, poverty and hunger would be examples of issues that large groups of people feel passionately about and around which they are compelled to act.

**Urgency** – Another factor that can generate the type of massive, grassroots support is the urgency of the initiative for which funds are being raised. The latest and one of the best examples is the global philanthropic response to the Haiti earthquake.

**The celebrity factor** – Just like strategizing a major gift ask, when it comes to these types of fundraising campaigns, who asks matters. In the case of the Obama campaign, it was Obama himself. Other examples include celebrities making asks during telethons or on American Idol. Solicitation by a celebrity or a charismatic leader who engenders a following, is crucial to these types of campaigns.

*"...using technology to tap into networks is where its true power lies when it comes to fundraising."*

*Philip King,  
President & CEO of  
Artez Interactive*

how online tools are changing how funds are being raised, and we have come a long way from using the web as simply a mechanism for email solicitation and online donations.

In fact a major part of the evolution of online

fundraising relates to the shift from this more rudimentary 'donate now' philosophy to one that revolves around the concept of 'fund-raise now'. "Tapping into networks is where technology's true power lies when it comes to fundraising," says Philip King, President & CEO of Artez Interactive, a multi national firm based in Toronto that specializes in on-line fundraising. "Organizations that are using technology effectively are not simply using it to enable online donations, but rather as a way for people to access their personal and professional networks to raise funds for the organization."

He shares the example of a hospital foundation that recently held a fundraiser that saw a





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Communications*

number of board members compete in a ‘Dancing with the Stars’ type of competition. To enable competitors to raise funds, the foundation created online fundraising pages for each participating board member, which they used to solicit donations from their online networks. The event was a tremendous success and one board member raised in excess of \$250,000 on his own.

While theoretically, these funds could have

been raised using an offline technique, King believes that there are several reasons these types of campaigns now work better online. “These are busy people and giving them the opportunity to use online tools to solicit donations takes less time,” he says. “In addition, the average online gift tends to be double that of gifts made offline, probably because of the ability to pay by credit card.” Finally, he notes that online fundraising enables solicitation to go far beyond offline

techniques from a geographic point of view, citing that 20% of gifts to online campaigns come from outside Canada.

As with offline fundraising, the concept of ‘campaign’ is important in raising money online, albeit a shorter, miniaturized version. Online campaigns should be short term in length (between several days and several months), should focus on the cause as opposed to the organization itself and should have a sub-branded identity. Like any campaign, a sense of urgency must be created and as well as a call to action. Finally, it is crucial to use multiple communications channels to tell people about the campaign, as they won’t come unless you tell them about it. So advertise the campaign in as many places as you can – email signatures, direct mail pieces or even outgoing phone messages.

And just like all forms of fundraising, successful online fundraising boils down to relationships, whether related to who does the asking as with networked fundraising or having enough of a rapport with your online constituents so that when you have a call to action (like making a gift or starting a campaign), those you ask will be more apt to do it. And in order to build relationships, you need access, which in the online world comes in the form of email addresses. So, look for every opportunity to build your email list.

Finally, no conversation about new technology and fundraising would be complete without talking about mobile philanthropy.

## Data powered strategies

New technology can provide organizations with a great deal of data that they can use to learn more about the donors and stakeholders. “Effective data management enables charities to respect and honour the relationship with their supporters by understanding their affiliations with the charity and respecting donor preferences,” suggests Celeste Bannon Waterman, Senior Consultant, Systems & Analytics, KCI. “Strategic use of data can also help charities make the best use of their resources by targeting communications and solicitations to those who are

most likely to respond – for example, by reaching out to those who prefer to give online accordingly, rather than through direct mail.” But, she notes, that to be able to maximize the potential of these new technologies requires lots of data and charities need to ensure they are capturing the data they need, keeping it current, and using it effectively.

For more information from Celeste on maximizing the power of your data, please visit our website at [www.kciphilanthropy.com/trends](http://www.kciphilanthropy.com/trends).





Donations made in response to the Haiti earthquake brought to light the powerful fundraising possibilities that texting can offer and this event appears to have been the tipping point in accepting mobile philanthropy as a feasible fundraising mechanism. For more information on mobile philanthropy, please visit our website [www.kciphilanthropy.com/trends](http://www.kciphilanthropy.com/trends).

#### All roads lead to your website

All the experts we spoke to had two notes of caution for organizations looking to explore and integrate new technology into their communications and fundraising activities. The first relates to your website. "Your website is the sun around which all of your online activity revolves," says Julie Szabo. "As a result, organizations have to be careful not to get too sidetracked by new activities and must make sure to keep websites relevant and up to date."

The second relates to resourcing. Creating and implementing programs using new technological tools is not something that happens off the end of someone's desk. In order to execute properly, money and resources are required, which may mean either increasing your budget and adding staff or reallocating your budget and dropping a current activity. As well, the skill sets required to create and implement this type of programming are different from the traditional, so organizations may find it necessary to hire new staff with the knowledge and experience required.

**Marnie A. Spears**  
President and CEO

**Nicole Nakoneshny**  
Senior Consultant & Editor,  
Philanthropic Trends Quarterly

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Aussi disponible en français. Illustrations by Rocco Baviera

## The future of philanthropy

Philanthropy in Canada will not look the same in the future as it has in the past. This evolution is being manifest in myriad ways, some of which are captured by the

following comparison. And there is no doubt that technology is facilitating (or perhaps even driving) the movement toward Philanthropy 2.0.

Philanthropy 1.0	Philanthropy 2.0
Altruism	Enlightened self-interest
Focus on problems	Focus on solutions
Delivering services	Delivering impact
Single donors	Community of believers
Donations-driven	Sustainable revenue streams
Top-down	Bottom-up
Power of the few	Voices of many

Source: BBMG Whitepaper "From Legacy to Leadership"

#### Relevance is the key!

A final note to consider is that key to technology and its impact on the non-profit sector is the concept of relevance.

All of the tools and technology that have been discussed are simply a means to an end and choosing which ones are relevant to you requires three steps. First, it is important to clearly define what it is that you are trying to achieve. Secondly, gain a solid understanding of the capacity and functionality of each tool. And finally, find the tool that is the relevant match to your desired objective. For help on determining the functions of various tools, please visit our website [www.kciphilanthropy.com/trends](http://www.kciphilanthropy.com/trends).

The other way relevance is important relates to building and maintaining the overall relevance of your organization. Remember, this is not a 'build it and they will come' situation. People, whether they be Facebook friends or donors, need to be compelled and motivated to join you on your journey. And this motivation can only be achieved the old fashioned way - by embracing your organizational vision and mission.

#### > Next issue:

- Our next issue will focus on the trends in campaigns & volunteer involvement
- Watch for it in September!



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