

Leveraging Web 2.0

Taking Advantage of the Latest Online Fundraising Technologies

When considering today's world of nonprofit fundraising, two key facts loom large. (Wait ... make that loom HUGE!):

- The number of nonprofit organizations is growing dramatically. (There's been a 27 percent increase since 1998.*)
- The giving trend is clearly moving toward the internet. (It's estimated that 30 percent of all giving will be online by the year 2010.**)

Translation: there's more competition for funds, and more of those sought-after donors are going online to do their giving.

With this information in hand, it's critical that nonprofits rapidly become familiar with Web 2.0 technology and, just as importantly, gain a genuine understanding of how their donors are being affected by its rapid growth.

The Empowered Donor

Marketing research reveals a new and growing sense of empowerment among donors. Because of the abundant information so easily accessible on the web, they have a greater sense of independence and more confidence in their own ability to get what they need to make decisions. Consequently, they're becoming less trusting of other institutions, notably television news and the print media.

This represents a significant shift from the traditional givers (the Silent generation, ages 62+) who are "readers," and even the baby boomers, who, as the TV generation, *have an interest* in online activities and are the drivers and users of Web 1.0.

It's the members of Generation X (ages 28-42) and Generation Y, also known as Millennials (ages 27 and younger), who are the true online *adopters*. They're the drivers and users of Web 2.0 technology. (While Gen X willingly embraces technologies, Millennials have never known anything else.) Both these groups have integrated online activities into their lives. Indeed, for many of them the web facilitates *all aspects* of everyday life, from shopping, to socializing, to philanthropy.

"Okay," you say, "we get it. Young people are online. A lot. Now what?"

Well, if nearly a third of all giving will be online in less than two years, there's some transitioning work that must be done, sooner rather than later, to accommodate the culture shift and the technology shift and to make sure you're reaching and effectively communicating with the new generation of donors.

What's Web 2.0?

Up until fairly recently, the Web, as we've known it, has been "static," that is, simply serving up content. We go online in search of certain information, and we find that information. End of story. That's what has become known as the first generation of the Web, or Web 1.0.

The technology shift to the second generation, or Web. 2.0, mirrors the culture shift, reflecting Millennials' preference for experiential activities and teamwork, their desire to be connected 24/7, their high level of expectations, their ability for tremendous multitasking, not to mention their technical savvy.***

Web 2.0 represents a transition from static to interactive; from served-up content to user-generated content; from a one-way format to one collaborative in nature.

Underneath the Web 2.0 umbrella is a plethora of new technology, including social networking—sites that focus on connecting people with other people directly; social media—user-generated media with "viral" content that is meant to be shared, such as podcasts and blogs; and video sharing—video and broadcast sites.

The rate at which this new technology is being adopted is nothing short of explosive and the quality of the content is improving just as quickly and radically. It's evidence that the interactive nature of Internet marketing, both in terms of providing instant response and community focus, is tailor made for Millennials. (Or is it the other way around?)

Finding God on the Internet

One of the best examples of Web 2.0 popularity is the incredible success of GodTube.com, which set a record as the fastest growing website in the country last year. GodTube, a video-driven social network where users can explore their Christian faith, showed 973 percent month-on-month growth in August 2007, the first month in which the site was officially launched.

According to comScore, the leading digital media intelligence provider, GodTube.com attracted 1.7 million unique U.S. visitors, shortly after its launch. GodTube management's responded, "Our entire culture is becoming internet focused. Today, people use the internet to search for practically everything they need in life—why not their faith?"

The Future

Integrating Web 2.0 technologies into your nonprofit's fundraising strategy and providing an online donation channel fully engages your donors, increasing the value per donor, as well as overall donor revenue. And donors who participate in online activities, such as video email, have significantly higher retention and pledge fulfillment. This is also an indicator of trust and a more long-term relationship.****

While integrating multiple communication channels into a campaign will always be the most effective, it's clear that certain aspects of online fundraising will be necessary in the mix. Building a message with a multi-sensory, personal experience—

including narrative animation, emotional connection and visual support—throughout all phases of a campaign will be a key element to success.

Digital Resource Center

In conjunction with GodTube.com, KMA Direct Communications has developed The Digital Resource Center, a proprietary application which enables nonprofits to quickly amass and mobilize their audience around a particular topic, issue or genre, thereby harnessing the true power of the internet by combining online communities with viral video.

The Digital Resource Center (DRC) is designed to create a viral community that exponentially accelerates the traffic growth and user retention—two of the most difficult and expensive obstacles for any successful website.

Essentially, the DRC creates a campaign-oriented video site, or Microsite, within a group's main website with targeted traffic levels that normally would take years to develop and market on the internet. Through it, organizations can integrate custom messaging elements designed to accelerate branding, donor messaging, donor development and email acquisition.

Through KMA's Digital Resource Center, users are easily able to send media via email and share video, audio and text documents with other individuals around the world. The viral nature of the DRC takes advantage of the video sharing phenomenon by providing components such as the video player, audio podcast player, video podcast player and video chat applications that can easily be integrated into third-party websites.

Video integration supports and enhances a fundraising program by:

- Monetizing your message and existing video assets
- Optimizing the internet for new donor and email address acquisition
- Driving qualified traffic to your main website and campaign-oriented "Microsites" within your site
- Enabling donors to participate in your mission and receive almost instantaneous feedback on their giving
- Fulfilling on your brand's promise to the donor
- Providing a valuable resource for your online marketing efforts

Sample Statistics

The first four months of one KMA client's use of the DRC and associated microsites yielded the following results:

Gifts: Directly responsible for \$24,180 in income, which represented 10.9 percent of the total web contributions generated on the client website during the same period.

Web Traffic: Attracted a weekly average of 2,299 visitors (33 percent of all visits) and 3,918 page views (28 percent of all page views)

Sign-ups: Approximately 28 percent of email sign-ups were attributed to the video site.

The DRC, which is entirely web-based, is administered with a web browser on a 100 percent user-friendly interface. It supports all types of files and unlimited categories and sub-categories.

KMA's Digital Resource Center is a .net product running on SQL Server 2005 and can be integrated with Microsoft Office Sharepoint Server 2007. The entire DRC can be set up and operational within 30 days.

*The Urban Institute's Nonprofit Almanac 2008

**Indiana University Center on Philanthropy

****Connecting Generations: The Sourcebook* by Claire Raines

*****Convio* Study, January 2007