



Mobile Communications for Nonprofits

A guide for beginners and daredevils

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Mobile fundraising is an opportunity whose time has arrived, but perhaps not the way you envisioned it. A growing number of highly-wired and mobile donors are enjoying this high-tech way of communicating directly with their favorite organizations. We are convinced that it will become more valuable – probably invaluable – soon – probably very soon. There are great possibilities, including:

- The smart phone is rapidly becoming many people’s platform of choice for email and web. Letting donors do on the phone what they already do on their laptops – read emails and give online – is probably the first place to start.
- The mobile device is **not** a portable ATM for nonprofits, spitting out \$5 and \$10 gifts on demand, unless that demand is made by Alicia Keys on American Idol or Michelle Obama on national TV.
- It does appear to be a powerful trigger to advocacy – much more effective than email – **if** you can build a list of advocates.
- It also appears to help build results from other media, especially email. We’ve seen email supporting direct mail for ten years, and anecdotal indications that online social networking supports both, so this is happy confirmation of what we believe should happen.
- Finally, the market is very immature and changing rapidly. Most of those changes are positive or at least necessary for the future of mobile fundraising. But it creates slippery ground for nonprofits who are already wrestling with tighter budgets and an embarrassment of riches with online social media opportunities.

Apps, Mobile-Enabled Web Pages, Smart-phone Email, Rich Media

If Text2Give is only for those with star appeal, and mobile lists are hard to build, where’s the value? For the short term, it may be in the way your supporters are using their smart phones. Even if they’re not sending \$10 your way via a keyword to a shortcode, they’re reading your email on their smartphones, and clicking the links in those emails.

According to research giant Nielsen, smart phone penetration in the US is now in the high 20% range, and by the end of 2011 half of all users will have smart phones.¹ Sales of smart phones surpassed sales

¹ “Smartphones to Overtake Feature Phones in U.S. by 2011” Nielsenwire, 26 March 2010 - <http://bit.ly/b9MvdG>

of PCs in the 4th quarter of 2010, indicating that more people will be doing on their smart phone what they used to do on their laptop.²

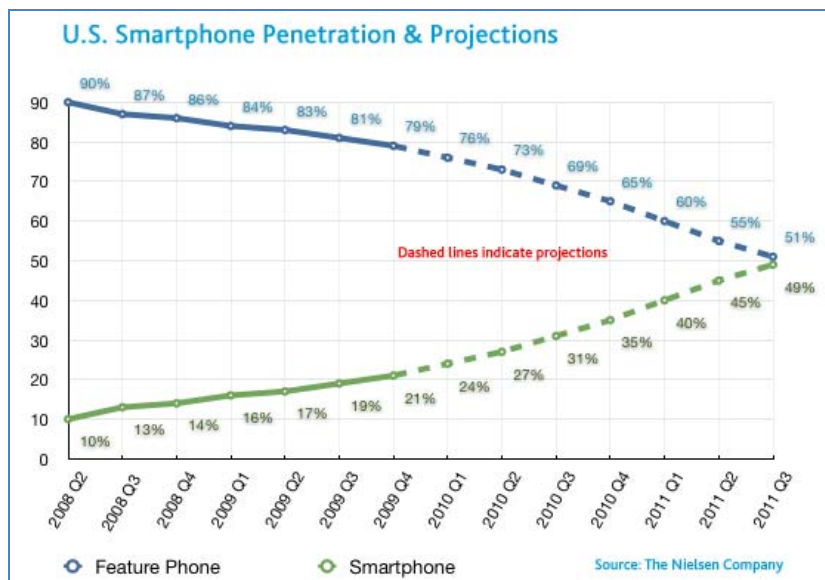


Figure 1: Smartphone penetration - USA

Given the new breed of smartphones and affordable data packages, donors now expect the same Web experience on mobile devices that they get on their desktop or laptop computer. Remember, these are the most wired, most connected, probably most influential of your supporters. Don't frustrate them with an email that doesn't render properly, or a link to a web page that doesn't format well on their mobile device. Based on this, you should make sure that both email messages (text and html) and your key web pages are rendering on major mobile devices (Android, Blackberry and Apple devices don't work the same way, so test all).

A first priority should be the creation (or optimization) of a mobile website and mobile donation forms. Standard websites are not innately optimized for mobile use. The pages have too much content and they tend to be more media rich, which can take the phone's Operating System awhile to process. Mobile sites pull from your current web server, which means that you should create a more optimized version of your website with minimal content and navigation. The creation of a mobile site goes through the same steps as a regular website, but the number of pages and links on the mobile site will be significantly less.

Reducing the number of data fields on signup forms is part of the mobile optimization process. Mobile keyboards are much less easy to use than desktop or laptop computers and completing forms is much more difficult as a result.

² Mobile sales up 32 percent last year: Gartner Feb 9 2011 - <http://bit.ly/i90hQm>

Recently, one of us replaced one of our text message subscriptions with an “app” on our smartphone. An app (application) is a program that a user downloads from the internet. When a user downloads an app it is usually because they want a convenient solution to a current need.

Example: GroceryIQ – a virtual shopping list for your smartphone that eliminates the need for a written shopping list. It even includes a barcode scanner so you can save your list and the pricing information from your last grocery shop for the future.

For nonprofits, the creation of an application can be quite costly. The price range for development averages from \$10,000 - \$150,000 depending on the complexity of the app. In addition to the development costs, the client should also consider how much money it will cost to market the app and build awareness that it even exists. With millions of applications present in the various mobile marketplaces, it’s hard to differentiate your app from the masses of others, especially if the app is built strictly for donations. (As of publication, Apple’s App Store is blocking donation apps.) One efficient solution is to build a mobile-optimized mini-site, and create an app from that.

This is not to say that apps are not good for some large organizations. For a group like the American Red Cross, \$100,000 may not be a significant amount of money to spend on creating a cool app to encourage people to donate, participate, volunteer, etc. But for a small organization, \$100,000 could be double their online budget for the entire year.

The value of an app is not clear. According to an unsubstantiated quote from a Pepsi social media guru in the NonProfit Times, only two percent of all apps that are downloaded are opened a second time.³

Rich media advertising is a lower cost/higher ROI alternative to “creating an app.” The term “rich media” was coined to describe a broad range of digital interactive media. Rich media can be downloadable or may be embedded in a web page. The defining characteristic of rich media is that it exhibits dynamic motion (think about a Flash advertisement). This motion may occur over time or in direct response to user interaction.

Two examples of dynamic motion that occur over time are a streaming video newscast and a stock “ticker” that continually updates itself. An example of dynamic motion in response to user interaction is a prerecorded web cast coupled with a synchronized slide show that allows user control. Another is an animated, interactive presentation file embedded in a web page. Rich media ads are being inserted not only into smart phone mobile sites, but also into devices like Nintendo DS, Sony PSP, and game consoles that have internet access like Play Station 3, Xbox, and Wii, which increases the chance of reaching younger donors.

³ “Social Media Executive Implores Innovation, Experimentation” NonProfit Times, 10 October 2010 <http://www.nptimes.com/10oct/10122010.html> (note: there is no confirmation of the research behind this)



Rich media advertising can be run like any Google AdWords campaign – you can specify cost per click (CPC), cost per impression (CPM) or limit to a certain dollar amount spent per day. It's a great way to test out different response rates on different kinds of sites and devices.

There are two main benefits of creating a rich media advertisement:

1. You can build the experience of an app in an ad.
2. It costs a fraction of the price of developing and marketing an application.

This clip from YouTube contains examples of rich media advertising:

<http://www.youtube.com/watch?v=1fQ72Agi-Ss>

NOT an ATM

In 2009, approximately \$1.5 million was raised via Text2Give – \$5 or \$10 gifts that are billed through the mobile carrier. \$450,000 of that – about one-third of the annual total – resulted from Alicia Keys' three-minute appeal on American Idol on May 13 for "Keep a Child Alive."

2010 totals are widely projected to be about \$50 million, but about 80% of that was generated by another three-minute earth-shaking event – the Haiti earthquake.

These are not just anecdotes; these are virtually the entire story. Even after the Red Cross gathered over three million \$10 gifts in the first few weeks of the year, they have generated a relative pittance since then, both from those three million donors and from the rest of the world. According to the American Red Cross in an October 31, 2010 New York Times article, they raised a mere \$250,000 via mobile for response efforts in Tennessee after the floods that devastated Nashville and other parts of the state.⁴ Even if all of that came from prior donors, that's a second gift renewal rate of 0.8%. Also according to the Red Cross at the 2010 Convio Summit, about three percent of the three million donors took the second step of replying "Yes" to opt in to receive further communications from the Red Cross via text. So much for the "relationship building" with these Text2Give donors. It appears to be truly a drive-by gift. We need a lot more effort put into follow-up communications, and we can't expect the Red Cross to do it in the middle of the next global disaster.

In fact, at the same session at the Convio summit, the National 4H Development Director also presented on "Mobile Giving if You're Not the Red Cross" and her message was clearer, perhaps, than she intended. 4H ran a mobile campaign that grossed just \$6,000.

⁴ "Nonprofits Rush to Solicit Donations via Text, but the System is Flawed" New York Times 31 October 2010
http://www.nytimes.com/2010/11/01/business/01text.html?%2359=&_r=2&scp=7&%2359;sq=advertising&%2359;st=nyt&pagewanted=print

Powerful Advocacy Trigger?

The M+R/MobileActive 2010 Nonprofit Text Messaging Benchmarks report points out that advocacy organizations have seen a boost in their campaigns due to the higher response rates to advocacy appeals from mobile phones compared to email messages.

According to the report, which looked at six animal rights and women/human rights organizations, the typical response rate for “text a pledge” messages is a whopping 14.64%.⁵ This is almost three times the response rate to advocacy emails.⁶ Mobile users were enticed to call an advocacy target (e.g. their Senator) with a 4.67% response rate.

Some words of caution need apply here:

- Only six organizations were studied, from a rather narrow spectrum
- Their number of experiences and number of mobile advocates is much smaller than the sample size of email response available for study
- If, as we shall see below, 80% to 98% of mobile users are recruited from the ranks of existing supporters, it makes sense that these most passionate, most wired supporters would have correspondingly higher response rates to email messaging, too. We just don’t measure them separately from others on the email subscription list.

If you can build a list

According M+R, 81% of the mobile messaging lists of the six organizations studied were built either through individual entry on the organization’s website or were already in the organization’s database. 17% were collected offline, often at events, and written down on paper (e.g. sign-up sheets), and then entered into the system. A mere two percent actually texted a keyword to a shortcode to sign up.⁷ So, if you are going to build a list, build it in a variety of ways:

- Invite people to join your “mobile campaign” on your website and donation forms
- Include a spot for mobile number on direct mail reply forms
- Encourage mobile sign ups at special events
- Feature your new mobile channel in email messages and in your social networking posts
- Lastly, use keywords and shortcodes as a reply mechanism for offline advertising and events where the audience is not able to reply via other channels.

⁵ 2010 Nonprofit Text Messaging Benchmarks, M+R Strategic Services, p 14

⁶ 2010 eNonprofit Benchmarks Study, M+R/NTEN, p 34

⁷ 2010 Nonprofit Text Messaging Benchmarks, M+R Strategic Services, pp 7-8



The usual cautions apply: (a) the results above are not indicative of America's potential, merely a reflection of the initial efforts of six brave organizations; and (b) the above options need to be tested to make sure they do not have other adverse consequences, such as depressed direct mail response rates.

What motivates someone to join a mobile list? While the few highly wired, highly passionate among your supporters need no additional motivation (they've been waiting for you to do this for awhile now), the rest need a tangible enticement.

The most common tangible enticement tested so far is a sweepstakes, where the winner gets free tickets to an event or some other prize. Obviously, the long-term value of a list build this way must be of concern, just as a sweepstakes or even premium-driven direct mail list usually suffers in long-term donor value compared to one built on issues.

The contest method has been adopted by consumer product companies. We have been entering every mobile contest we can find, not because we're likely to win the free trip to Jamaica with Brittany Spears, but because we have been anticipating a free lesson in best practices by brilliant brand-meisters on Madison Avenue. So far, it's been a huge disappointment. Half of our attempts were met with "keyword not valid" responses and the other half barely acknowledged our entry. No relationship building at all. Obviously, this is not where Madison Avenue is directing its brilliance. Then again, they don't understand the power of relationships like we in the nonprofit community do.

Offering "insider information" requires more effort in content development, but will probably yield a higher return on investment. One of us used to subscribe to service interruption messages from the DC Metro, but has since replaced that with an app on his smart phone. Timely, personal, valuable information (to the recipient, not just to the sender) is the goal.

Integrating Text Messaging with Other Channels

It has long been demonstrated that email messages sent to recipients of direct mail appeals can increase the results of the direct mail appeals, whether that response comes online or in the mail. It stands to reason, therefore, that sending a text message to a supporter telling them to check their email inbox for an important announcement should do at least as well, since the timing is easier to manage, and many supporters can use their smart phones to read their email messages immediately after getting the text message. The "whole-is-greater-than-the-sum" concept is still being measured with direct mail, phone, email, and online social networking, so the marginal gain of text messaging is one more calculation to make.

Let's assume we don't care what channel a donor uses to make their gift; we only care that they make it. If another channel helps influence that gift at a marginally effective rate (e.g. \$2.00 in additional giving through channel A for every \$1.00 in investment in channel B) then we don't have to see ANY money



coming in through the mobile channel itself in order for it to be a valuable addition to our fundraising communication toolbox.

Interestingly, nonprofits seem to forget that these highly sophisticated mobile devices can provide yet another channel for communications: one can even talk on them! At the 2010 Convio Summit, we inquired whether the current regulatory landscape allows nonprofits to call their mobile supporters. We were assured that it is perfectly legal to call those who have opted in to get further text messages. That means the Red Cross has about 90,000 mobile phone numbers of Haiti donors (three percent of three million) that they can call. Since they have not yet done so, the value of this follow-up option has not been documented.

Stay Tuned for More Developments

This is a very immature market, rapidly evolving, and bringing back not-so-warm memories of 1999-2000 and the craziness surrounding the first nonprofit web-building boom. The technology, the regulations, and the strategies are all evolving rapidly, and in different directions. Most of the change on the short-term horizon seems beneficial to nonprofits, including:

- Carriers reduced the percentage of mobile donations that they claim as fees from text gifts
- Carriers are forwarding the money along to nonprofits faster
- Discussions are under way with carriers to offer more donation options, like \$25, and to increase the monthly maximum number and dollar amount of gifts per cellular phone number
- Recently the requirement to double opt-in list subscribers was dropped. Sending "KEYWORD" to "12345" is enough to put you on the list now, without a second "Yes" on the part of the mobile customer.

Conclusion

While mobile fundraising is not a boom in the way many make it out to be, clearly the mobile device will occupy a greater place in the presence of the most wired, most influential supporters for many nonprofit organizations. Bringing timely, relevant content to them on this device, in the format that they want, will be the right move for nonprofits in the short term.

At Amergent, we are deeply committed to integrated fundraising, advocacy, and communications. We believe the mobile platform has great potential, and we're eager to help include it into your plans.



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About Amergent:

Since 1980, Amergent has used its nationally-recognized expertise in direct marketing strategy and database management solutions to help nonprofit organizations achieve – and surpass – their fundraising goals. Services include creative and strategic development, donor analytics, database management solutions, account management, and integrated marketing services. For more information, please visit our web site: www.amergent.com.