

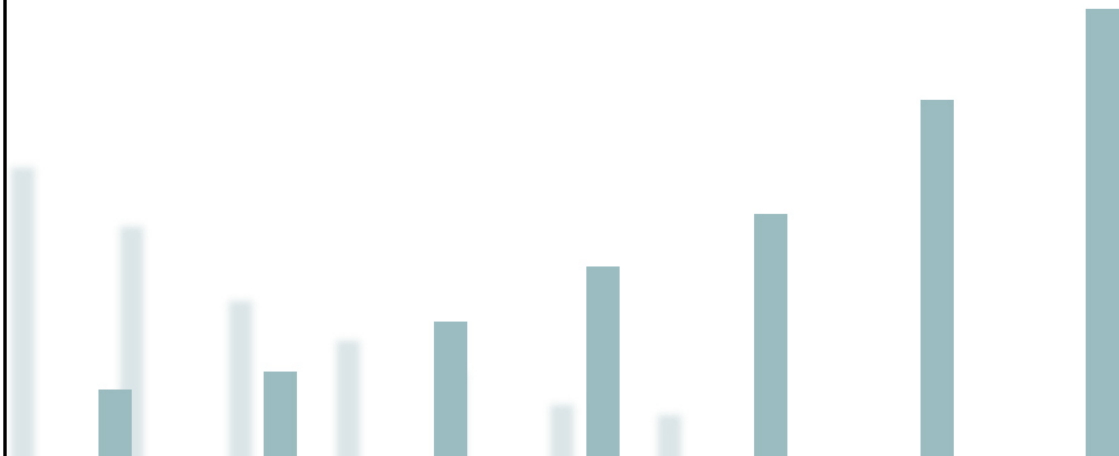
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Seeing the Internet's (Not So) Obvious Benefits

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The Internet revolution has raised and dashed many people's expectations, and nonprofit managers are no exception. "What return am I getting on my Internet spending?" many charity executives are asking. "After all the hype, what's the real value of the Internet for the nonprofit world?"

While the Internet has not proved itself as a fund-raising juggernaut, it nonetheless is delivering real value for nonprofit organizations. The challenge is knowing where and how to look. And the secret to increasing that value may lie in doing a better job of understanding and delivering what Internet users are looking for when they interact with nonprofit groups online.

In a survey conducted in February to learn about the experiences of 1,080 nonprofit groups and more than 9,000 Internet users, only one-fifth of the 547 charities that seek online donations reported receiving more than 5 percent of their gifts via the Internet. An even smaller proportion said they thought the Internet was effective in helping them to raise money, attract volunteers, sign up members, or advocate for causes.

People who use the Internet, however, tell a very different story, according to the survey, which was conducted by Network for Good, an online-giving and volunteer-recruitment Web site; the Bridgespan Group, a nonprofit management-consulting organization; and Guidestar, a nonprofit group that distributes information about charities. In fact, many Internet users say they go online to get information about the causes and nonprofit organizations they want to support, and often they take action offline as a result. What's even more heartening is that many of the supporters whom the Internet attracts appear to be new donors and volunteers.

Nearly 60 percent of the Internet users surveyed said they had used the Internet to engage in the work of nonprofit organizations -- including advocating for a cause, conducting research on policy issues, finding a volunteer opportunity, donating, and subscribing to newsletters. Forty percent reported visiting a charity-oriented or nonprofit Web site.

Most of those visitors went on to get more involved. For example, 40 percent reported having made a donation offline, 35 percent signed an online petition, 35 percent referred a friend, 20 percent donated money online, and 15 percent signed up to volunteer.

Nonprofit groups are not adequately measuring much of this kind of involvement and support -- particularly when it occurs offline. Therefore, the charities often may not see the real return on the investment they have made in their Web sites.

Interestingly, more than a fifth of respondents who took action after visiting a nonprofit group's Web site said they would not otherwise have taken that action. That means the Internet is expanding support for nonprofit groups, both by engaging new audiences and by getting loyal supporters to do something new or something more. Another 40 percent said they weren't sure whether they would have taken action without visiting the Web site first, suggesting that the unrealized potential for charities to use the Internet could be significant.

Much of this new support comes from young people. Those ages 18 to 25 are more likely than any others to make donations online. This means the Internet is a great way to reach out to -- and begin cultivating -- younger supporters. For example, YouthNoise, an Internet project of Save the Children, sets out specifically to cater to young people, encouraging teenagers to speak up on issues that concern them. YouthNoise's Web site features debates, news, quizzes, and games designed to appeal to young people. In this way, a new generation of potential supporters and activists gains access to information nonprofit groups have provided in a format designed specifically for teenagers. (Network for Good has worked with YouthNoise on a volunteerism project.)

In a similar vein, mainstream nonprofit groups such as Easter Seals have revamped their Web presence to build relationships with young people. The results have been impressive for Easter Seals, which aims to help improve the lives of people with disabilities. Shirley Sexton, the charity's director of Internet marketing, told us: "We needed to engage a younger audience. The Internet is where those folks are. They don't respond to direct mail like older generations do."

One hypothesis is that younger people, who generally aren't steeped in the postal-mail culture, just pitch many charity solicitations into the trash while their parents are accustomed to opening each and every envelope they receive.

Easter Seals's investment paid off well. Following the revamp, online giving during the Thanksgiving-through-Christmas holiday season increased fourfold compared with the previous year. What's more, as evidence from other Web sites has also suggested, online donors often give more than people who mail their donations. The average online donation to Easter Seals was \$55, compared with \$12 received from donors who responded to direct-mail solicitations.

As young people grow up and the technology's prevalence grows, the Internet is likely to become an even more important component of nonprofit groups' overall strategy to garner support. Nonprofit organizations that understand what their supporters want, and deliver it, will be the ones to reap the most from their Internet investments.

Based on our surveys, many nonprofit groups run the risk of disappointing potential supporters. For example, we found that nonprofit groups and Internet users agree on the importance of providing information about the issues and causes that charities focus on. But we also found that priorities diverge after that. Nonprofit groups think visitors want a site that looks good. What they really want is a site that tells them how their dollars will be used to do good. In our survey, users ranked availability of information on how donations are spent as the second most important feature of a good Web site. Nonprofit groups ranked this feature only seventh out of 11.

Nonprofit groups have shown that a good Internet strategy has enormous power to spur people to take action. In recent weeks, MoveOn, a nonprofit group that seeks to build public-policy activism online, and Operation Dear Abby, a group that invites people to correspond with military personnel, have demonstrated the power of the Internet to mobilize citizens to act swiftly in response to current events.

MoveOn has invited people who disagree with the U.S. handling of the Iraq crisis to submit their names and e-mail and street addresses. Local organizers send e-mail messages to supporters, asking them to participate in letter and phone

campaigns and public demonstrations. Dear Abby maintains a tradition of helping people send messages of support to troops. By inviting well wishers to send e-mail messages to soldiers in the Gulf region, Operation Dear Abby is attracting new letter writers and reaching troops more quickly than through the post.

The future holds even greater promise for deeper interaction with supporters. Charities are just beginning to discover the full range of ways the Internet can help them pursue their missions. For example, Facing History and Ourselves, an organization that promotes the development of a more humane and informed citizenry, has pioneered an "online campus." The campus delivers instructional tools, such as lesson plans, readings, and teaching strategies, that, through the study of the Holocaust and other examples of collective violence, help students make the connection between history and the moral choices they face in their lives. At the same time, online discussions on the Facing History Web site allow students and teachers from different schools to talk about issues among themselves and with experts. (Facing History has received strategic-planning help from the Bridgespan Group.)

Nonprofit managers needn't be disappointed if their early experiences with the Internet don't appear to be measuring up to expectations.

Worthwhile investments and new approaches take time to bear fruit, as does the seeding of the next generation of donors, volunteers, and activists. In the meantime, nonprofit groups need to focus on what the Internet can do for them, in part by looking to other organizations for innovative strategies to garner more support.

Equally important, charity officials must do a better job of capturing and measuring the value already being created when supporters go online. In reality, the Internet is already helping nonprofit organizations generate more support and create more change. And so far, nonprofit groups have only scratched the surface of possibilities for the Internet to help them pursue their missions.

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