The Online Marketing (eCRM)
Nonprofit Benchmark Index™ Study

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Authors:
Vinay Bhagat, Founder and Chief Strategy Officer
Brian Hauf, Vice President of Client Success Services
Quinn Donovan, Analytics Manager

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Introduction

Online marketing enables the collection of a wide range of metrics. The key questions nonprofit marketers should ask themselves are:

- What metrics should I focus on?
- How am I doing, and what goals should I set for my organization?

The appropriate metrics for evaluating an online marketing program's success vary depending on the program's primary objective. What should a nonprofit measure when the objective is to raise money, drive Website traffic, build its email file, drive response to an appeal, or take some other action such as signing an advocacy petition? Even when managers know what metrics are important and how to measure them, how do they know if their results are good? The only way to know is to compare their results against those of their peer group.

By knowing how they perform against a benchmark of their peers, organizations can begin to identify what areas of their online marketing program are performing well or underperforming. This quantitative approach to measuring success gives organizations a framework to continually refine their tactics, improve the effectiveness of their online initiatives, and allocate resources more efficiently.

The Convio Online Marketing (eCRM) Nonprofit Benchmark Index™ Study provides nonprofit organizations insight into what these key performance metrics are for online marketing success. We plan to publish this report annually. For our first report, we used data compiled from 30 Convio clients of various sizes (organizational budget), missions (vertical segment) and levels of online maturity (email file size). This study aggregates the results of the key metrics into benchmarks by which nonprofit organizations can compare their results with their peer group.

It is important to note that these benchmark data should only be considered directional. With a sample size of 30 organizations, one cannot draw statistically significant conclusions. However, the data are representative of trends, and are useful in identifying areas for performance improvement. In subsequent reports, Convio will expand this study to include more organizations and vertical segments.

This report describes high-level strategies and tactics for impacting many of the key metrics covered in this study. For additional assistance implementing any of the strategies described in this report, please contact a Convio Account Manager or Sales Executive about engaging a Convio Interactive Marketing Consultant or recommended online marketing agency from our partner network.

Methodology

The data in this report are derived from an analysis of the online performance of a panel of 30 Convio clients during the 12-month period of July 1, 2005 to June 30, 2006. The panel was composed of organizations from six "vertical" segments of the nonprofit sector, as described in Figure 1.

In addition to comparing organizations based on their vertical segment, Convio also compared panel participants with comparable organizational budget and email file size. The budget was determined using information each organization reported in its most recent IRS Form 990 filing. Participants were grouped into three size cohorts — Small, Medium and Large — as shown in Figure 2. Email file size was determined by the total number of email records in the Convio Constituent 360™ database as of June 30, 2006. The four cohorts for email file size also are shown in Figure 2.

All benchmarks are reported using the median average across a group of organizations to minimize the bias of extreme outlying results experienced by a few organizations.

Vertical	Description
Animal Welfare	Regional humane societies and national organizations devoted to animal welfare issues
Environmental	Regional and national environmental and conservation organizations
Christian	Churches, ministries and other organizations that serve a predominantly Christian constituent base
Health	Organizations that provide information and patient support on particular diseases and disorders, raise money for medical research, and/or are involved in medically-related public policy issues
Public Affairs	Organizations involved in shaping public policy and legislative advocacy at a state or federal level
Public Broadcast	Public radio and public television stations

Figure 1: Vertical Segments of the Panel

Organizational Budget	
	Annual Income
Small	<$5 million
Medium	$5-$20 million
Large	$20-$100 million

Email File Size
Number of Email Address Records
<50,000
50-75,000
75-100,000
>100,000

Figure 2: Categorization of Data in this Report

Key Findings

- **Online donations continue to grow at a fast pace.** In the span of just a few years, the amount raised online by many nonprofit organizations has grown from virtually nothing to a median annual amount of $362,485, with some organizations raising considerably more. The median rate of growth in funds raised online was 27%.

- **Email addresses are valuable.** The more people in your email file, the more money you can expect to raise online. Organizations with large email files (more than 100,000 email addresses) raised two to three times more online than those with smaller files.

- **Small email files are gaining ground.** While the median rate of growth in email files was 47% for the period of 2005 to 2006, organizations with email files composed of fewer than 50,000 records grew the fastest — at nearly twice the rate of the overall index.

- **Web traffic matters.** Organizations with the most monthly unique Website visitors have built the largest email files and promoted giving opportunities to the largest pool of new constituents. This relationship between Web traffic and file growth highlights the importance of driving traffic to your Website as a file-building tactic. The median unique Website visitors over the year studied was 26,481 per month, growing 30% since last year.

- **Site visitor registration is key.** Driving constituents to your Website does not, by itself, grow your email file. Converting Website visitors into registered users — who can then be cultivated and converted into donors — requires compelling content and incentives to register. The median registration rate was 2.8%.

- **Size matters, but it is not everything.** While it is not surprising that organizations with large operating budgets raised the most money online, mid-sized organizations (those with annual budgets between $5 and $20 million dollars) are growing online donations the fastest.

Key Metrics

Monthly Website Traffic

What It Measures
This metric gauges an organization's success at driving traffic to its Website, as measured by the median number of unique visitors to its site, per month. This benchmark covers a panel of 16 organizations for which Convio hosts their entire site. For the other 14 organizations in this study, Convio hosts only a portion of their site and therefore we do not report full traffic statistics.

There are other ways to measure the popularity and appeal of your Website, such as the number of monthly repeat visitors or the number of Web pages each visitor views while on your site. The relevance of these metrics may vary depending on your objectives.
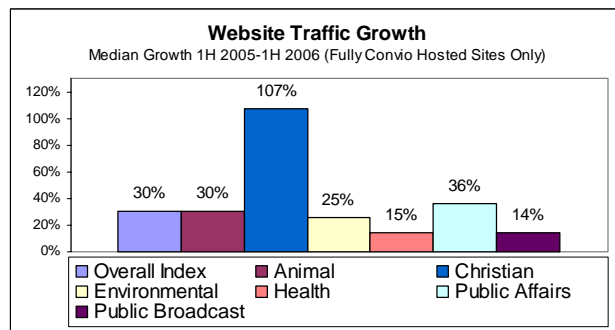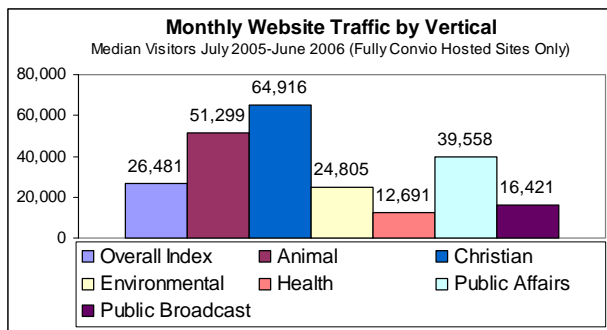
Why It Matters
For many constituents, your Website is their first interaction with your organization. When used effectively, your Website can convey the importance of your organization's mission, drive new constituent registrations so that you can continue to communicate with them, and generate desired actions such as making a donation or signing a petition.

Converting existing Website visitors to registered constituents is for most nonprofit organizations the best tactic for capturing email addresses. Many organizations successfully convert a portion of new Website visitors to donors on their first visit.

Findings
During the period of July 2005 to June 2006, the clients in the study averaged 26,481 unique visitors per month. Organizations in the Christian vertical experienced a much higher average than the overall benchmark, likely due to significant investment in offline media.

Another important metric for measuring success online is the rate of growth in Website traffic. Convio clients in the study grew their Website traffic at a median rate of 30%.

Monthly Website Traffic by Vertical
Median Visitors July 2005-June 2006 (Fully Convio Hosted Sites Only)

Overall Index 26,481; Animal 51,299; Christian 64,916; Environmental 24,805; Health 12,691; Public Affairs 39,558; Public Broadcast 16,421

Website Traffic Growth
Median Growth 1H 2005-1H 2006 (Fully Convio Hosted Sites Only)

Overall Index 30%; Animal 30%; Christian 107%; Environmental 25%; Health 15%; Public Affairs 36%; Public Broadcast 14%

Tips for Improving this Metric

- *Promote your site offline.* Maximize Website traffic by including your URL wherever you list phone numbers, mailing addresses or other contact information. This includes direct mail brochures, advertisements, staff email signatures and business cards, and phone system hold messages.

- *Increase search engine visibility.* In order to ensure your Website appears high on the results page when a constituent runs a search, it is important to use Search Engine Optimization (SEO) techniques and best practices including good site navigation, appropriate content, and

maximum number of links with other sites. Search engine visibility also can be increased using pay-per-click advertising (Search Engine Marketing, or SEM).

- *Offer compelling content.* Compelling content is important in attracting new visitors, encouraging return visits, and converting new visitors to email subscribers so that you can continue to market to them. Strong content also attracts links by other Websites and thus helps with search engine placement. Tactics for creating compelling content include converting existing offline content for Web use, asking constituents to tell their stories online, and tapping into knowledgeable resources within your organization to write new content.

- *Other techniques.* In addition to making it easier for constituents to find your site on their own, you can drive traffic to your site using social networks, third party linking, viral campaigns, and promotions via other media.
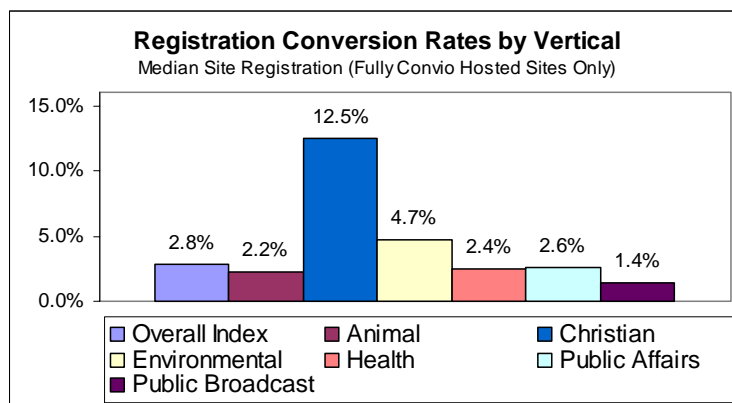
Registration Rate

What It Measures
This section studies nonprofit organizations' success in converting Website visitors into registered constituents. This metric measures the median percentage of new Website visitors who register on the site each month, calculated as the number of new registrants per month divided by total monthly Website visitors. This benchmark only covers the 16 organizations in the panel for which Convio hosts their entire site.

Why It Matters
A high registration rate indicates that site visitors are interested in engaging in a long-term relationship with your organization. Visitors provide their email address when registering, which in turn gives organizations a way to continuously re-engage constituents using email. In addition, the registration process usually involves collecting data about constituents' specific interests, which allows organizations to tailor future Website and email content to those interests, and can lead to improved response and retention rates.

Findings
Study participants using file-building techniques such as e-newsletters and member center registration had a median registration rate of 2.8% per month. Christian groups saw a significantly higher average registration rate than the overall benchmark due primarily to their innovative use of content such as rich media as a benefit of registration.

Registration Conversion Rates by Vertical
Median Site Registration (Fully Convio Hosted Sites Only)

Overall Index	Animal	Christian	Environmental	Health	Public Affairs	Public Broadcast
2.8%	2.2%	12.5%	4.7%	2.4%	2.6%	1.4%

Tips for Improving this Metric

- *Provide compelling content and incentives to register.* Organizations should deliver value in exchange for registration. Create special benefits for registered members, such as special "members only" content. Assess the content of your email communications from a constituent's perspective — do they provide value, or are they just organization-centric updates? Some organizations offer message boards, blogs, and premium gifts related to their mission only to those who register.

- *Optimize the registration process.* The registration form should be easy for visitors to find, and quick and easy to fill out. Minimize the number of required fields registrants must complete to receive updates, email newsletters and other communications. The more fields, the higher the barrier to complete the process. Once you have captured this basic information, send them to a secondary page or use follow-up communications to gather more information about their interests and motivations for getting involved with your organization.

- *Provide multiple engagement opportunities.* In addition to a typical newsletter registration form, consider offering compelling site functionality that requires registration to use. Examples include sending e-cards (electronic greeting cards), completing and viewing the results of surveys and polls, making a donation, or getting involved with online legislative advocacy.
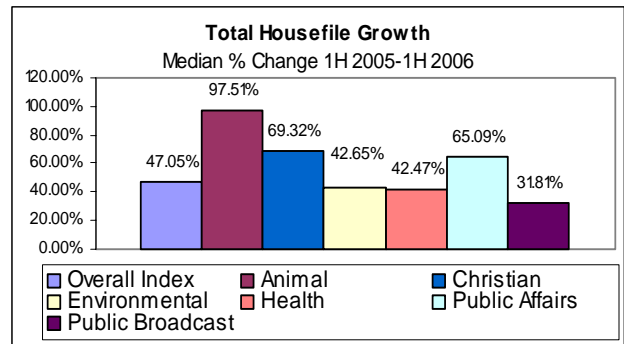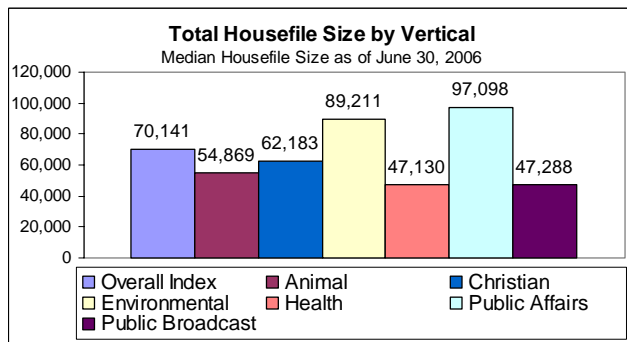
Email File Size

What It Measures
This section studies nonprofit organizations' success at adding constituent email records through either online registration programs or list uploads. Total email file size is measured as the total number of records in the Convio Constituent360™ database as of June 30, 2006.

Why It Matters
The first step in any effective online marketing strategy is to build an email file. The number of email addresses on file has a direct impact on an organization's ability to communicate with, cultivate, and solicit actions from constituents. The larger an organization's communication reach, the more constituents who are available to help the organization reach its goals.

Findings
The median file size of the 30 participants is 70,141. Over the past year, the median rate of growth in email file was 47.05%. Animal Welfare, Christian, and Public Affairs groups grew at a faster rate during this period. As noted in the first section of this study, these organizations also had the highest Website traffic, highlighting the relationship between traffic and file growth.

Total Housefile Size by Vertical
Median Housefile Size as of June 30, 2006

Total Housefile Growth
Median % Change 1H 2005-1H 2006

Additionally, organizations with file sizes of fewer than 50,000 records experienced the fastest rate of growth during this period, at nearly twice that of the overall index (Figure 3).

Email File Size	Median Growth Rate 1H 2005 – 1H 2006
Overall Index	47.05%
<50,000	**89.89%**
50-75,000	63.87%
75-100,000	41.55%
100,000 +	50.64%

Figure 3: Email File Growth Rate and Donations by File Size

Tips for Improving this Metric

- *Gather email addresses offline.* Integrate email collection into your existing marketing and fundraising initiatives. Take advantage of the opportunity to ask for an email address every time you interact with supporters, prospects and volunteers. This can be done through direct mail reply devices, during telemarketing programs, or as part of an event registration.

- *Run viral campaigns.* "Forward to a Friend" campaigns, also known as viral marketing, can help you reach new supporters and grow your email file. By asking your constituents to forward messages to their friends, family members and co-workers, they can assist in encouraging people to visit your site. When this new person reaches your site, encourage him or her to register so you can communicate with him or her in the future.

- *Use other techniques.* Consider techniques such as promoting your newsletter through another organization's newsletter, co-registration services like Care2, list appends, or by uploading your offline donor file online.

Fundraising Email Appeals: Open, Click-Through and Response Rates

What It Measures
Email appeals allow nonprofits to solicit constituents for a relatively low cost. An email appeal's effectiveness can be measured at various stages by looking at the open rate, click-through rate, donation (or response) rate, and average gift. *Open rate* is the percentage of recipients who open (view) an email message intended to illicit a donation. *Click-through rate* is the percentage of recipients who clicked on one or more links contained within an email message, such as a link back to an organization's Website to make a donation. *Donation* (or *response*) *rate* is the percentage of recipients who, upon clicking a link, followed through and completed the intended action. This benchmark specifically addresses email appeals in which the primary purpose was to solicit a donation.

Why It Matters
Low open rates are a sign that communications from your organization may not be appealing to the recipient — either because they did not find previous emails from your organization valuable, or because the subject line was not appealing. Open rates also are driven by the receptivity of your file to your appeals, and how your email list was built.
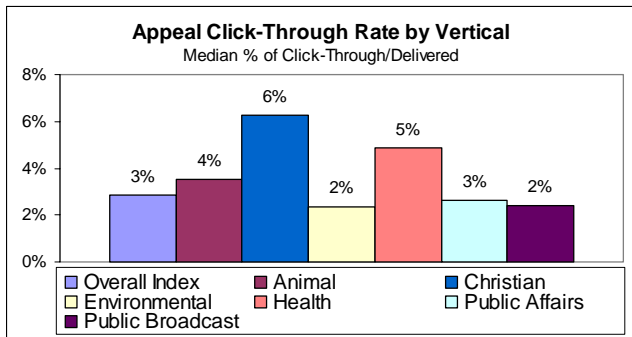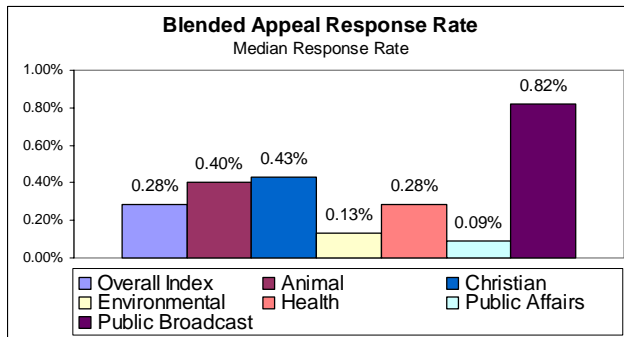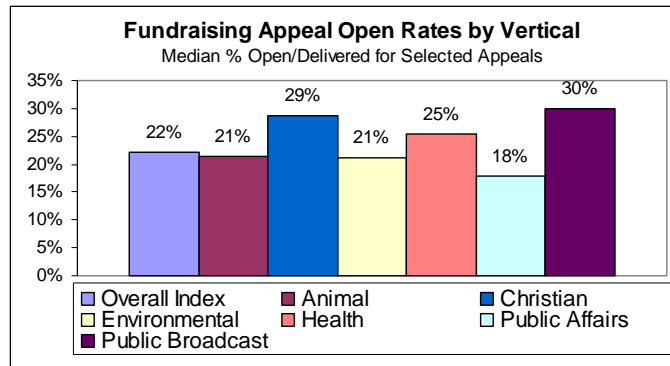
If open rates are acceptable, low click-through rates suggest that the content of the email is not persuasive enough to drive recipients to make a donation.

Finally, if a constituent has taken the effort to open and click-though an appeal but does not make a donation (or abandons the donation process), it may suggest that the donation process is unclear or that further education is needed about the organization's mission or importance of the donation.

Findings

The 30 participants in this study experienced a median 22% open rate and 3% click-through rate for their email fundraising appeals.

The mix between prospects and active donors in the recipient list influences an appeal's response rate. Existing donors generally respond at higher rates than prospects. For the purposes of this study, it was not possible to separate out the composition of the list to which each appeal was sent. We assume that each appeal went to a mix of existing donors and prospects, resulting in a "blended" appeal median response rate of 0.28%.

Fundraising Appeal Open Rates by Vertical
Median % Open/Delivered for Selected Appeals

- Overall Index: 22%
- Animal: 21%
- Christian: 29%
- Environmental: 21%
- Health: 25%
- Public Affairs: 18%
- Public Broadcast: 30%

Blended Appeal Response Rate
Median Response Rate

- Overall Index: 0.28%
- Animal: 0.40%
- Christian: 0.43%
- Environmental: 0.13%
- Health: 0.28%
- Public Affairs: 0.09%
- Public Broadcast: 0.82%

Appeal Click-Through Rate by Vertical
Median % of Click-Through/Delivered

- Overall Index: 3%
- Animal: 4%
- Christian: 6%
- Environmental: 2%
- Health: 5%
- Public Affairs: 3%
- Public Broadcast: 2%

Tips for Improving this Metric

- *Ensure good list quality.* The quality of an email file — how and when it was built, and how its recipients have been engaged over time — is the biggest factor governing responsiveness to appeals. It is important to develop your email files using permission-based techniques. Techniques like email appends can add mass to your file but may result in lower open and response rates than "organically" developed lists. It also is important to regularly communicate to your list to avoid stagnation.

- *Make an effective case for support.* As with direct mail, a compelling case for support, strong messages and good creative are significant influencers of response.

- *Use incentives.* An incentive to act quickly, such as a time-expiring matching gift or a premium offer, can lift response rates.

- *Segmentation and personalization.* You will achieve higher response rates if you tailor your messages either through personalized content or by segmenting your appeals to increase relevance to a constituent. For example, one animal welfare group found that targeting dog owners with dog-themed messages drives higher response rates than those that show both dogs and cats. National advocacy groups have found that localizing messages by state increases appeal response rates.

- *Pay attention to message frequency.* Strike the right balance between appealing frequently enough to remind your constituents of your need to raise money and presenting them opportunities to give, while avoiding exhausting your list. Also, send stewardship-oriented, non-solicitation communications in-between your appeals.

- *Test.* As with all forms of marketing, it is important to test. Vary single elements of email communications — such as subject lines, creative copy, use of images, and delivery timing — and evaluate results with a small sample of your email file before sending communications to your entire file.

Online Donations: Total Contributions, Growth and Average Gifts

What It Measures
These benchmarks measure both total contributions made online as well as the average gift size over a 12-month period. The total contributions include money raised from "direct" online donations and sustaining gifts, as well as monies raised online to support team-based events using Convio's TeamRaiser™ product. It does *not* include funds raised from e-commerce transactions or online ticketed event sales. This is particularly important in the case of groups that use e-commerce as a fundraising vehicle — such as PBS stations, which use e-commerce for pledge drive catalogs.
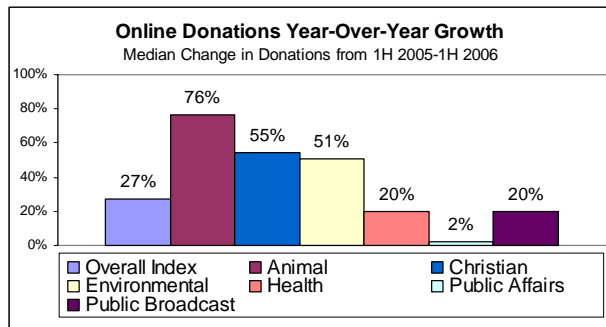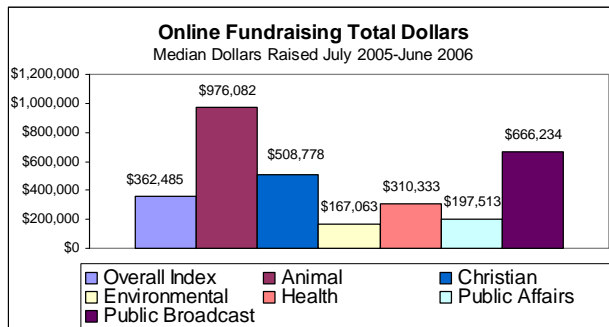
Why It Matters
The goal of online fundraising is to raise more money at a lower cost than possible through offline programs alone. In this section we discuss average contributions achieved online and growth in overall totals.

Findings
The median amount raised online was a substantial $362,485. Animal, Christian, and Public Broadcast groups raised significantly more online than the overall median.

Year over year, the median rate of change was 27%. Animal, Christian and Environmental organizations grew much faster than the overall median. Further segmenting reveals that organizations with annual budgets between $5 and $20 million (Figure 4) are growing at a rate twice that of their larger peers.

The incentives for nonprofits to grow their email file to sizeable levels are clear. Organizations with files containing more than 100,000 email addresses (Figure 5) raised two to three times that of organizations with smaller files, while organizations with mid-sized email files grew their donations fastest.

Online Fundraising Total Dollars
Median Dollars Raised July 2005-June 2006

Category	Amount
Overall Index	$362,485
Animal	$976,082
Christian	$508,778
Environmental	$167,063
Health	$310,333
Public Affairs	$197,513
Public Broadcast	$666,234

Online Donations Year-Over-Year Growth
Median Change in Donations from 1H 2005-1H 2006

Category	Growth
Overall Index	27%
Animal	76%
Christian	55%
Environmental	51%
Health	20%
Public Affairs	2%
Public Broadcast	20%

| Organizational Budget Size	Online Donations Growth 2005 – 2006
Overall Index	27%
Small <$5M	11%
Medium $5-20M	**45%**
Large $20-100M	20%

Figure 4: Donations Growth by Budget Size

Email Housefile Size	Funds Raised Online July 05 – June 06	Online Donations Growth 2005 – 2006
Overall Index	$362,485	27%
<50,000	$216,333	16%
50-75,000	**$334,697**	**87%**
75-100,000	**$215,601**	**39%**
100,000 +	$733,968	13%

Figure 5: Donations Growth by Email File Size

The average online gift was $55.88. The Environmental, Public Affairs and Public Broadcast verticals received the highest average gift amounts.

Email addresses have value. The median dollars raised per email address on file was $5.24, with Animal Welfare, Health, and Public Broadcast organizations raising substantially more per address due in part to their higher percentage of donors on file.
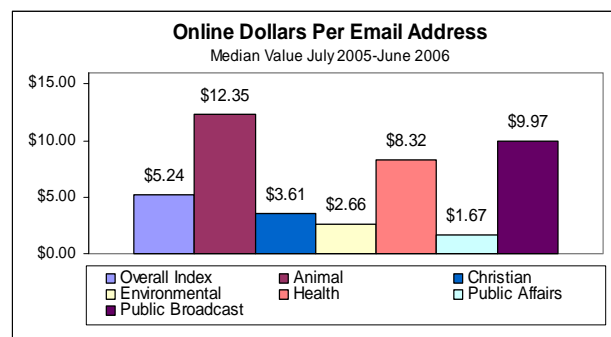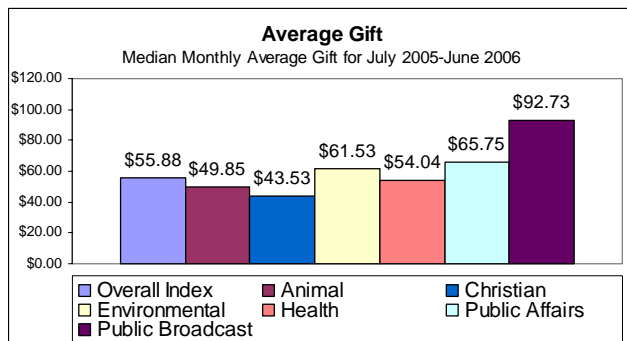
Tips for Improving this Metric

- *Reinforce your case for support.* Donations are largely driven by the public's affinity for an organization's cause and the public's understanding of how much its contribution can help. If possible, be specific about what a gift will help your organization accomplish. Continue to communicate the importance of your mission through the Website and ongoing communications.

- *Grow your email file.* The more people you have in your email file, the more people you can solicit for donations. The more people you have visiting your Website, the more opportunities you have to convert them to donors. A large email file correlates strongly with contributions. A high *quality* file can yield larger average gifts as well as a higher response rate to appeals.

- *Leverage offline media including direct mail.* Encourage your direct mail donors to donate online. Doing so tends to drive an increase in average gift size and enables you to capture their

email address for future communications and appeals. In research studies, Convio has found that engaging offline donors online increases their annual donor value and retention rates.

- *Expand giving options.* Donors may be more inclined to give (or give higher amounts) if allowed to do so through honorary or memorial tribute gifts, team- or event-based fundraising, the purchase of "virtual" gifts, to give in installments, or to designate a gift to a particular fund.

- *Target "ask strings" based upon previous gifts.* If a donor has given $50 in the past, generally you should present them with options to give at the same amount or more. Online marketing technology makes that possible and relatively easy to accomplish.

- *Segment your list.* Sending customized appeals to specific sub-groups of your email file can improve the connection between donors and your organization, which will result in more donations and higher donation amounts.

Email Newsletters: Open and Click-Through Rates

What It Measures
Open rate is the percentage of recipients who open (view) an e-newsletter divided by the number of newsletters delivered. This rate can only be tracked for organizations sending HTML or graphical newsletters, not "plain text" newsletters. Convio does not count instances in which a recipient opens an email newsletter more than once.

Click-through rate is the percentage of recipients who clicked on any link contained within the email newsletter, divided by the number of e-newsletters delivered.

Why It Matters
Email newsletters are a principle way for nonprofit organizations to communicate regularly with constituents. As such, it is critical that their constituents read these communications.

Email newsletters allow fundraisers to build and maintain relationships with constituents before asking them for a donation. They also are a cost-effective way to increase engagement with your constituents and educate them on your organization's mission.
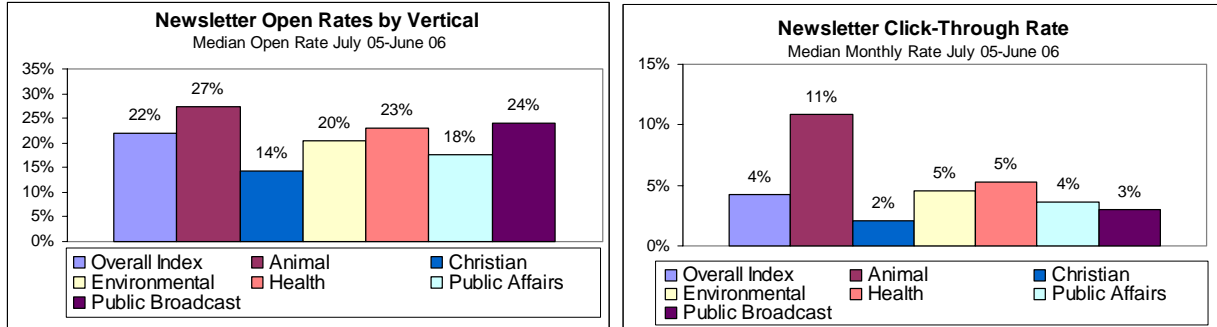
Low open rates are a sign that an organization's e-newsletters are not appealing to recipients or that list quality is not strong. If open rates are acceptable, low click-through rates suggest that the content of the email is not persuasive enough to drive recipients to click to read more or to take action such as donating, registering for an event, getting involved in legislative advocacy, etc.

Findings
For the 23 organizations in the study that regularly send an e-newsletter, the median open rate was 22%. The Animal group fared best, at a median 27% open rate. Notably, Christian groups had the lowest open rate at 14% possibly due to the typically very high frequency of communication (use of daily devotionals, etc.). The median click-through rate was 4%. The Animal group again had a significantly better click-through rate.

Tips for Improving this Metric

- *Send compelling content.* Both open and click-through rates are heavily influenced by the quality and relevance of your content to constituents. Techniques such as personalizing content to individuals based upon where they live, what they care about, or what they have done in the past can enhance performance.

Newsletter Open Rates by Vertical
Median Open Rate July 05-June 06

Overall Index 22%, Animal 27%, Christian 14%, Environmental 20%, Health 23%, Public Affairs 18%, Public Broadcast 24%

Legend: Overall Index, Animal, Christian, Environmental, Health, Public Affairs, Public Broadcast

Newsletter Click-Through Rate
Median Monthly Rate July 05-June 06

Overall Index 4%, Animal 11%, Christian 2%, Environmental 5%, Health 5%, Public Affairs 4%, Public Broadcast 3%

Legend: Overall Index, Animal, Christian, Environmental, Health, Public Affairs, Public Broadcast

- *Consider frequency and timing.* Newsletter subscribers expect predictability around when messages are sent. For other communiqués that are "out of cycle," consider how often and when to send them. Acceptable frequency is driven by the nature of your mission and audience.

- *Test different subject lines.* With modern online marketing tools, it is possible to test different message variants to learn what subject line or creative performs the best.

Contrasting the Vertical Segments

Up to this point we have focused primarily on the key performance metrics for online fundraising success and the aggregated results, or benchmarks, by which nonprofit organizations can compare their results to their peer group. These benchmarks can help organizational leaders identify and prioritize areas for improvement within their organization.

In addition to studying how organizations within the same vertical are performing, there is also benefit to studying what tactics and strategies make organizations in other verticals successful. Figure 6 summarizes how the six verticals ranked relative to each other across each of the metrics in this study.

Relative Rank (1st - 6th)	Website Traffic	Website Traffic Growth	Registration Rate	Total Housefile	Total Housefile Growth	Newsletter Open Rate	Newsletter Click-Through Rate	Appeal Open Rate	Appeal Click-Through Rate	Appeal Response Rate	Total Fundraising $	Fundraising Growth	Average Gift	Online Dollars per Email Address
Animal	2	3	5	4	1	1	1	4	3	3	1	1	5	1
Christian	1	1	1	3	2	6	6	2	1	2	3	2	6	4
Environmental	4	4	2	2	4	4	3	4	5	5	6	3	3	5
Health	6	5	4	6	5	3	2	3	2	4	4	4	4	3
Public Affairs	3	2	3	1	3	5	4	6	5	6	5	6	2	6
PBS	5	6	6	5	6	2	5	1	5	1	2	4	1	2

Figure 6: Vertical Success Rankings

Animal Welfare

The Animal Welfare segment has the advantage of supporting a mission with broad appeal, as seen in the above average Website traffic and email file growth. Constituents are highly engaged and passionate about this mission based on their personal relationship with their pet or the desire to adopt a pet in the future. Animal Welfare organizations are able to build on this affinity by educating and fundraising around the issues of pet overpopulation, cruelty prevention and homelessness. Many of the national and regional Animal Welfare organizations also have large offline direct mail programs that they have used effectively in driving recipients to visit their Website. However, this segment underperformed in converting these constituents into registered users, as evidenced by the low registration rate and total email file sizes.

Many Animal Welfare organizations were able to effectively fundraise around Hurricane Katrina in 2005 to support animal victims and to register for updates on the status of stranded animals. As a result, the Animal Welfare sector rated high in this study in terms of total funds raised, fundraising year-over-year growth, and growth in their overall email file. However, despite high online fundraising during this period, the Animal Welfare segment ranked low in average gift size as donors made smaller gifts to multiple disaster relief and animal welfare organizations during this period. Animal Welfare's online dollars per email address metric benefited heavily from the influx of new donors resulting from Hurricane Katrina giving during this period.

Christian

The Christian segment demonstrates strong leadership in outreach to new and prospective constituents. This market significantly outpaces other segments in key metrics such as Website traffic, Website traffic growth and registration rate.

The primary driver of this phenomenon is the segment's typically large investment in offline media, such as radio and television. It is common for this segment to heavily promote their Websites during broadcasts. Christian organizations provide compelling reasons for a Web visitor to register on the Website through special benefits such as daily prayer devotionals, exclusive Web content and articles, or other products through their e-commerce store. These tactics drive high Web traffic and registration rates.

This segment also is finding success in using the Internet as a medium to minister. Programs integrating devotionals and prayer requests provide content for their Websites and outbound email programs that keep people coming back for more. However, the high frequency with which daily devotionals are emailed may be a contributing factor to the low open and click through rates on other communication pieces such as email newsletters.

While the Christian segment is doing well at motivating constituents and building a case for financial support, it still has opportunity to improve. It is important to note that for purposes of this analysis, total fundraising metrics do not include e-commerce purchases.

Environmental

The Environmental segment is very action oriented, but that action is mostly through advocacy, not donations. The trends for this vertical indicate that both file size and conversion rate are very strong, while appeal response rate and overall online giving are weak compared with other verticals.

This reinforces a trend we have observed toward strong advocacy programs that encounter difficultly in converting advocates into donors. Environmental constituents tend to be well-educated and technologically savvy. They are fairly engaged in following policy and, when asked, signing petitions, sending emails, and calling or faxing legislators and corporations on particular issues.

Most advocates, like volunteers, prefer to donate their time and actions rather than donating money. Environmental organizations still can leverage their willingness to inform others about issues and thus grow email files, while targeting people in their personal networks who have a greater propensity to give.

Health

Slow-and-steady is a marked characteristic of the Health segment. Registration, email open and response rates, and fundraising metrics consistently rank at the mid-point of performance in comparison with all other segments in this report.

The Websites of health-related organizations are typically perceived as a resource for those who seek information and care-related services. Many of these sites' visitors are older in age, and thus may be more reticent to transact online than constituents of other verticals in this report. In addition, most Health organizations lack the opportunity to leverage urgent events or needs that many other segments experience. The effect of this is seen in high click-through rates (as constituents gather valuable information) blended with relatively average appeal response rates.

The proliferation of Websites offering general health-related information has diffused the available target audience for any one organization to pursue. This potentially accounts for the low Web traffic and traffic growth indicators.

Public Affairs

The key to online success for Public Affairs organizations is their ability to engage constituents around milestones or events (primaries, general elections, key committee votes, current events that rise to the level of regional or national consciousness, etc.) related to their cause. Designing communication plans around these events is critical to motivating constituents to take action. Organizations that are able to reach broad audiences in a timely and effective manner can see significant spikes in Web traffic and amass sizeable email files of constituents aligned with their cause.

Fundraising poses unique challenges for the Public Affairs vertical. While timeliness is one prerequisite for driving constituents to take action in support of an organization, building brand awareness, institutional credibility, and trust among political constituencies are other crucial factors. Because many political organizations can be short-lived, establishing the credibility and efficacy of an organization is critical to building a foundation of trust that can lead loyal advocates to become loyal donors.

Public Broadcast

The Public Broadcast segment is "quality over quantity" oriented. Compared with the other segments, it ranks near the bottom in many of the outreach metrics (Website traffic, Website growth, and registration rate) but ranks at the top of most of the engagement and action metrics (email newsletter open rate, average gift and dollars raised per email address).

Given that this segment has a natural outreach advantage with its broadcast capabilities, it is interesting that it rates low on traffic and conversion. One reason for this is the regional nature of public broadcast stations due to the limited range of their broadcast signals. In addition, public broadcasters embraced the Internet in its infancy, and therefore predictably experience lower growth rates given their more mature state. Also, given the aggressive focus on email capture during pledge calls, stations are capturing a steady stream of email addresses that are not reflected in the online registration rate. Additionally, given the syndicated nature of their programming, many stations are challenged with viewers/listeners going directly to the syndicated show's site and not to the station's Website.

From an engagement perspective, Public Broadcast has done a good job of integrating Web content as an extension of its on-air programming (e.g., podcasts, videos, additional content, etc.). Viewers and listeners utilize the Web and email updates to stay abreast of recurring programming details. The high email newsletter open rate is clearly an indication of this dynamic at work. From a membership and fundraising perspective, this segment has been successful at integrating the online channel as an optional channel for pledge drives.

It is important to note that although clear differences exist between radio and TV stations, the same overall assessments apply to both.

Conclusion

Many nonprofit organizations have begun online marketing programs and have seen dramatic increases in their ability to reach their objectives — including raising more money, mobilizing advocates, or increasing awareness. Online marketers must continually refine their tactics, improve the effectiveness of their fundraising initiatives, and allocate resources more efficiently. To do this effectively requires a thorough understanding of the key drivers for online success, as well as a way to objectively compare results with their peer group.

The common attributes of organizations that have had the most success online include:

- Success in driving traffic to their Website by optimizing search engine visibility, offering compelling content, and promoting their site via other media;

- Effective programs and mechanisms in place to convert Web traffic into registered users who can then be cultivated into donors;

- The proven ability to build large email files via online registration programs, list uploads, and viral campaigns; and

- A high response rate for online appeals by creating an effective case for supporting the organization, segmenting and personalization of appeals, and testing elements of each email such as the subject line, frequency and delivery timing.

The Convio Online Marketing (eCRM) Nonprofit Benchmark Index™ Study provides nonprofit organizations insights into how comparable organizations are performing in each metric relating to key success drivers. However, every organization is different, each with its own strengths, organizational challenges, and goals. Organizations should use this study as a starting point to better understand why metrics are important and which metrics and drivers can have the largest impact on their online marketing programs and then continue to test what works best for their own organization.

The Online Marketing (eCRM) Nonprofit Benchmark Index™ Study was conducted by the Convio Customer Success Services group. For more information on the Convio Customer Success services available — including strategy consulting, campaign management and analytics – contact an Convio Account Manager or Sales Executive.

Discussion of Metrics

The metrics shown in this study are by no means exhaustive. Every organization is unique and has its own organizational strengths, structure and goals. Because of these attributes, results achieved by one organization may not be attainable by another. Finding the best comparable organization based on a variety of attributes such as vertical, budget, sophistication, and other factors is so important.

Even with the small panel size of this study, the findings in this report are directionally accurate and useful. Future updates of this study will expand the participant list beyond 30 organizations and six verticals.

The study covers the period July 2005 through June 2006. Hurricane Katrina and other major events that occurred during this period may have abnormally affected certain participants more than others.

The benchmarks presented in this report were calculated using the median value. Median is an estimate of the average of a list of numerical values independent of strong outliers. As such, the benchmarks represent the point at which half the values lie above the benchmark and half lie below. Your results may, of course, be better or worse than the benchmark.

Organizations should use this study to understand why metrics are important and which metrics and drivers can have the biggest effect on their online marketing programs. Using this understanding as a foundation, organizations can complete their own analysis as the basis for other modeling and return on investment calculations.

About Convio

Convio is the leading provider of on-demand software and services to help nonprofits use the Internet strategically to build strong relationships with constituents for driving fundraising, advocacy and other forms of support. Convio has online solutions for fundraising, advocacy, Web content management, event fundraising, ecommerce and email communications. All solutions include the Constituent360™ platform, a sophisticated, online marketing database that centralizes constituent data and integrates with offline databases.

Convio has been named one of the fastest growing private companies in the nation by *Inc.* magazine. Convio's clients include American Red Cross, American Diabetes Association, American Society for the Prevention of Cruelty to Animals, AVON Foundation, Easter Seals, Farm Aid, Hackensack University Medical Center Foundation, Mothers Against Drunk Driving, National Multiple Sclerosis Society, The Susan G. Komen Breast Cancer Foundation and Thirteen/WNET New York. For more information, please visit www.convio.com.

CONVIO®

11921 N. Mopac Expressway, Suite 200 Austin, TX 78759
888-528-9501 | 512-652-2600 | info@convio.com | www.convio.com