

# eNonprofit Benchmarks Study

Measuring

Email Messaging, Online Fundraising, and Internet Advocacy Metrics



for Nonprofit Organizations

Authored by:

**M+R Strategic Services  
Advocacy Institute**

A U T H O R S

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ADVOCACY INSTITUTE  
MAKING SOCIAL JUSTICE LEADERSHIP STRATEGIC, EFFECTIVE, AND SUSTAINABLE

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## About the Advocacy Institute

The mission of the Advocacy Institute ([www.advocacy.org](http://www.advocacy.org)) is to make social justice leadership strategic, effective and sustainable in pursuit of a just world. Its work supports a global community of advocates tackling critical social issues. Since 1985, the Advocacy Institute has worked with exceptional leaders from more than 2,500 nonprofits and NGOs in over 65 countries, providing custom-designed leadership and advocacy training.

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The complete report is available online at [www.e-benchmarksstudy.com](http://www.e-benchmarksstudy.com).

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# I. SUMMARY OF KEY FINDINGS

*The eNonprofit Benchmarks Study* provides a snapshot of key metrics and benchmarks for nonprofit e-mail communications, online fundraising and online advocacy, primarily taken from an in-depth review of statistics from 15 nonprofit organizations – six environmental organizations, six civil/legal rights organizations, and three international aid organizations. Key findings of the study include:

- **Greater Online Advocacy Results:** Organizations generating the most online advocacy actions had several key characteristics in common, including larger e-mail lists; longer-lived online advocacy programs; larger online communications budgets; and a higher volume of advocacy e-mail messages.
- **Investment Pays Off:** Not surprisingly, organizations with larger online communications budgets built larger e-mail lists, generated more advocacy activity, and raised more funds online.
- **E-Mail Open Rates in Decline:** E-Mail message open rates averaged 25 percent between September 2004 and September 2005, a decline from the previous 12-month average of 30 percent. Average response rates to e-mail advocacy appeals were 10 percent, while average response rates to e-mail fundraising appeals were just 0.3 percent.
- **E-Mail Lists Continue to Grow – and Shrink:** List churn (where e-mail addresses become undeliverable or unsubscribed) is a considerable problem for organizations. Even though the nonprofits studied more than doubled their list size with new recruits over a 12-month period, their overall list growth was only about 73 percent as some new recruits were offset by heavy email list loss.
- **Online Actions Speak Louder Than Dollars:** Not surprisingly, more e-mail subscribers took online action than made an online donation. Between September 2004 and September 2005, an average of 47 percent of all e-mail subscribers took at least one online action, while just 6 percent of subscribers made an online donation. There were significant discrepancies among issue areas; international aid e-mail lists are made up of just 37 percent activists, but 17 percent of their subscribers made an online donation. On the other hand, environmental organizations have lists made up of 61 percent activists, while just 4 percent of their subscribers made an online donation.

- **A Rise in Online Fundraising:** Despite modest online donation rates, by September 2005, online annual fundraising totals increased by 40 percent on average from the year before, likely driven (in part) by the public's overwhelming response to the Asian tsunami disaster. Participating organizations averaged \$2.5 million in online donations last year, with a \$97 average gift. International aid organizations led the way, with an average of \$9.6 million raised last year and an average gift of \$121.

While the size of an organization is not necessarily the prime measure for success on the Internet, a robust and strategic use of funds and other resources to sell a nonprofit's message to legislators, business leaders, potential donors and the general public, using all the online tools at one's disposal - even in conjunction with other communications media, like direct mail-is mandatory. As demonstrated by the case studies illustrating many of the key points of this report, nonprofit organizations of even modest size can meet the challenges of advocacy, public education and fundraising by using innovative and aggressive tactics to spread their word, expand their subscriber base, and market themselves online. What is especially key is being able to measure the successes (and failures) of online initiatives through proper tracking of key metrics, such as e-mail message open and response rates, in order to maximize the benefits of the Internet as a key tool to a nonprofit's communications success.

## II. INTRODUCTION

In the dot.com world, the bottom line is relatively easy to measure – it usually comes down to dollars and cents, a return on investment. For nonprofit organizations, success is more difficult to define. Measuring the effectiveness of nonprofits' work on the Internet depends upon many factors. How many people were educated? Informed? Served? Engaged? Activated? How much money was raised? Did legislative policy change? Corporate policy? Public opinion?

Additionally, since the nature of competition among nonprofits differs from businesses (yes, nonprofits do compete), how does one nonprofit compare its results to those of other nonprofits engaged in similar online efforts? Comparisons among organizations are difficult enough when it comes to traditional advocacy, fundraising and communications activities; effectiveness online is even harder to gauge. This is because the Internet is a relatively new medium, and conventional wisdom and best practices are only now being established firmly. As such, measuring online performance presents both a challenge and an opportunity.

While online activities can be measured – how many people opened an e-mail message, clicked on a link, responded to an advocacy alert, filled out an online petition, or donated money – what do these measurements mean? Often many nonprofits do not know how to interpret this data, much less use it effectively to evaluate their performance and fine-tune their online practices.

The metrics and benchmarks in this study will serve as a tool by which organizations can measure their own online performance, and compare their performance to that of other nonprofit organizations active online.

*The eNonprofit Benchmarks Study* analyzes metrics from three sources:

1. Nonprofit study partners – 15 key national nonprofits in the environmental, civil/legal rights-based and international aid sectors with substantial online communications and marketing programs;
2. Aggregate data from Convio, GetActive Software and Kintera – three major providers of online communications tools for nonprofits; and
3. An online survey of the broader nonprofit community (to which 85 organizations responded).

More details about the sources of data, and method of collecting and analyzing data, are included in the Methodology section at the end of this report.

Organizations will be able to use this study to begin to understand how to look at and analyze their own online communications data. It will provide context and comparisons for organizations doing their own ongoing reporting. This study could serve as a launching pad for helping groups conduct extremely important but often neglected Return on Investment (ROI) analysis. Comprehensive ROI analysis can help nonprofits quantify the benefits they derive from their online communications programs and steer future investments.



# III. RETURN ON INVESTMENT: HALLMARKS OF A SUCCESSFUL PROGRAM

## Overview

How does a nonprofit organization decide where to invest their scarce organizational resources? What about when they are trying to decide which strategies are worth investing in? In order to make decisions about resource allocation, nonprofit leaders need to better anticipate what kind of results they may get for their investment.

Return on Investment (ROI) is incredibly difficult to track – many of the “outcomes” are online and offline advocacy activities that can be difficult to quantify. Did a particular activity move a legislator? Did it sway public opinion?

There are many ways to measure return on investment. However, given the huge discrepancies in how different organizations manage their programs, allocate costs and evaluate results, we’ve chosen to focus on the overall organizational investment in online communications and the impact it has on key hallmarks of a successful program. (Later in this study we will separately address the return on investment for paid advertising to recruit new subscribers.)

## Returns on Overall Programmatic Investments

For the nonprofit study partners, relationships were identified between organizational investment in online communications and an organization’s results. The organizations that invested more resources into their programs were more successful, in both generating advocacy activity and raising significant funds online.

For years many organizations felt that the Internet should be effectively “free,” but the reality is that successful programs come with a price. This study found that the most successful organizations were those with a larger annual online communications budget, more online communications staff, and a more significant total 5-year investment in online communications.

There was actually relatively little relationship between an overall organizational budget and size and their results. Even very small organizations had successful online programs if and when resources were invested in their programs.

As you can see in the table below, the most successful organizations were those that prioritized investments in online communications. There is a clear relationship between the overall online communications budget and the number of subscribers, the growth of the e-mail list, and the total advocacy actions taken.

| Total Annual Online Communications Budget | Number of In-Depth Study Partners | Average Deliverable E-Mail Subscribers | Average Number of New Subscribers | Average Number of Advocacy Actions |
|---|-----------------------------------|--|-----------------------------------|------------------------------------|
| Under \$300,000                           | 4                                 | 127,000                                | 31,000                            | 196,000                            |
| 300,000 - \$600,000                       | 4                                 | 234,000                                | 79,000                            | 291,000                            |
| Over \$600,000                            | 5                                 | 327,000                                | 224,000                           | 635,000                            |

**ROI: TABLE 1**

As ROI Table 2 (below) indicates, for online fundraising, when international aid organizations were excluded, the same trend is apparent. (International aid groups were excluded because of the atypically large amount of donations they recently received for the tsunami disaster.)

| Total Annual Online Communications Budget | Number of In-Depth Study Partners | Average Overall Total Online Giving (Rights and Enviro Only) | Average Overall Total Online Giving (All Groups) |
|---|-----------------------------------|--|--|
| Under \$300,000                           | 4                                 | \$103,000  | \$94,000   |
| 300,000 - \$600,000                       | 3                                 | \$689,000  | \$3,525,000                                      |
| Over \$600,000                            | 4                                 | \$908,000  | \$4,943,000                                      |

**ROI: TABLE 2**

Clearly, online advocacy and online fundraising success are related to the overall online communications budget. Organizations with larger online communications budgets are more successful at recruiting subscribers, generating online advocacy actions, and raising money online.

However, readers should keep in mind that simply dedicating more funds to an online program absent a strategic plan will probably not yield these types of results for every organization. There may be other factors that reinforce the linkage between online communications budget and online advocacy and fundraising success. Organizations with

larger budgets may be larger, more established nonprofits with stronger brand identities, which may help lead to greater online success. In addition, there are a number of other factors that can contribute to success in each of these key areas (e.g., better messaging). However, the study did not look at other such factors which are less quantifiable.

Organizations looking to improve their results may be able to modestly improve their results without a substantially larger financial investment, simply by adhering to some of the best practices laid out later in this study.

# IV. E-MAIL MESSAGING: CORNERSTONE OF NONPROFIT ONLINE PROGRAMS

## Overview

Along with an organization's Web site, e-mail messaging is the most important component of many nonprofit organizations' online communications programs. This section looks at the success rates of e-mail communications from the study's 15 in-depth nonprofit partners. The types of e-mail messages included were advocacy e-mails, fundraising e-mails, and e-newsletters. In addition to the data from the nonprofit partners, the study examined self-reported data from our broader nonprofit online survey.

In order to evaluate the efficacy of e-mail messages, we examined four key metrics:

1. Open rates;
2. Click-through rates;
3. Advocacy and fundraising page completion rates; and
4. Advocacy and fundraising response rates.

## Measuring Success

For the purposes of this study, we define a successful e-mail messaging program as one that receives high open rates to all messages and high response rates to advocacy and fundraising e-mails.

E-Mail Messaging Table 1 outlines key average metrics from our 15 nonprofit partners between September 1, 2004 and September 1, 2005. Open rates remained fairly consistent across the environmental, rights and international aid organizations. The environmental organizations studied had much higher response rates to advocacy e-mails, while the international aid organizations had higher response rates to fundraising e-mails.

|                           | Open Rate -<br>All<br>Messages | Click-<br>Through<br>Rate -<br>Advocacy | Click-<br>Through<br>Rate -<br>Fundraising | Response<br>Rate -<br>Advocacy | Response<br>Rate -<br>Fundraising |
|---------------------------|--------------------------------|---|--|--------------------------------|-----------------------------------|
| All Partners Average      | 25%                            | 9%                                      | 1.5%                                       | 10%                            | 0.3%                              |
| Environmental Average     | 25%                            | 13%                                     | 0.8%                                       | 14%                            | 0.2%                              |
| Rights Average            | 24%                            | 7%                                      | 2.1%                                       | 7%                             | 0.2%                              |
| International Aid Average | 25%                            | 8%                                      | 1.7%                                       | 7%                             | 0.6%                              |

**E-MAIL MESSAGING: TABLE 1**

In addition to e-mail messaging data from the nonprofit study partners, aggregate data from the three major technology vendors and from the broader nonprofit survey was examined. E-Mail Messaging Table 2 (below) shows average open rates for all e-mail messages, click-through rates for all messages with a clickable link, and response rates to advocacy messages for each of the three groups. Advocacy click-through rates may be lower than advocacy response rates because subscribers may have clicked at a higher rate on messages that did not have a form to complete. Also, many organizations do not track advocacy e-mails that ask subscribers to take an offline action.

The self-reported data for open rates and advocacy response rates is considerably higher than either the aggregate vendor data or data from the nonprofit study partners. While the data collected from our study partners for open rates and click-through rates is slightly higher than the aggregate vendor data, the discrepancy between these two groups is not as wide as the discrepancy for the self-reported survey data.

|                                  | In-Depth Study<br>Partners | Aggregate Vendor<br>Data | Nonprofit Survey |
|----------------------------------|----------------------------|--------------------------|------------------|
| Open Rate: All Messages          | 25%                        | 19%                      | 34%              |
| Click-Through Rate: All Messages | 6%                         | 4%                       | Not measured     |
| Response Rate: Advocacy          | 10%                        | Not measured             | 19%              |

**E-MAIL MESSAGING: TABLE 2**

It is important to note that the survey data is self-reported and not necessarily based on actual calculations of average open rates and response rates. (Some organizations may be over-estimating their results when self-reporting.) Given that it is likely that the survey respondents simply recalled what they believe to be their average open rate and response rate, this could indicate a gap between how online programs are actually performing and how the staff at these organizations perceive their performance. The

open and response rates reported in the survey could either represent the ideal for these organizations – the rates they wish they were achieving – or perhaps they are simply recalling a few of their best-performing messages, and assume all messages perform at that level.

Regardless of the reason for the discrepancy, the large difference between the self-reported data and the actual study data indicates that some nonprofit organizations might benefit from a more accurate assessment of their e-mail communications programs.

## E-Mail Advocacy: Key Metrics

When we discuss online advocacy actions, we mean any advocacy action which can be tracked back to a link in an e-mail sent to subscribers. For the purposes of this study, advocacy actions are defined as online petitions or advocacy campaigns generating faxes or letters to legislators or other decision makers.

E-Mail Messaging Table 3 (below) reflects the open, click-through, page completion and response rates taken from the nonprofit study partners during the September 2004 to September 2005 period. Click-through rates for advocacy messages were calculated as the number of people who clicked on any trackable link in an advocacy e-mail message divided by the number of people who received the e-mail message (this includes messages asking subscribers to attend offline events, make phone calls, or an activity other than filling out an advocacy form online). As explained above, click-through rates may be lower than response rates because subscribers may have clicked at a higher rate on messages that did not have a form to complete. Response rates for advocacy messages were calculated as the total number of actions divided by the total number of recipients of e-mail messages containing a link to an advocacy page only. As a result, the average click-through rate was lower than the average response rate for the combined in-depth study partners and environmental groups. Page completion rates were calculated as the number of people who completed a form divided by the number of people who clicked on the link to get to that form.

|                   | Open Rate | Click-Through Rate | Page Completion Rate | Response Rate |
|-------------------|-----------|--------------------|----------------------|---------------|
| All Partners      | 26%       | 9%                 | 84%                  | 10%           |
| Environmental     | 26%       | 13%                | 91%                  | 14%           |
| International Aid | 26%       | 8%                 | 79%                  | 7%            |
| Rights            | 25%       | 7%                 | 81%                  | 7%            |

**E-MAIL MESSAGING: TABLE 3**  
Averages for E-Mail Advocacy - Key Metrics

From our sample, the environmental organizations had a substantially higher response rate than the other types of organizations. Not only were their overall response rates twice that of the other issue areas, page completion rates for these organizations were also higher. Note, however, that we found the differences between the environmental organizations' metrics compared to the other organizations to be mildly statistically significant.

## E-Mail Fundraising: Key Metrics

This section examines online fundraising results that can be tracked from an e-mail message with a link to an online fundraising page.

E-Mail Messaging Table 4 reflects the open, click-through, page completion, and response rates for online fundraising messages during the September 2004 to September 2005 period.

|                   | Open Rate | Click-Through Rate | Page Completion Rate | Response Rate |
|-------------------|-----------|--------------------|----------------------|---------------|
| All Partners      | 23%       | 1.5%               | 22%                  | 0.3%          |
| Environmental     | 22%       | 0.8%               | 32%                  | 0.2%          |
| International Aid | 23%       | 2.1%               | 33%                  | 0.6%          |
| Rights            | 23%       | 1.7%               | 7%                   | 0.2%          |

### **E-MAIL MESSAGING: TABLE 4** **Averages for E-Mail Fundraising - Key Metrics**

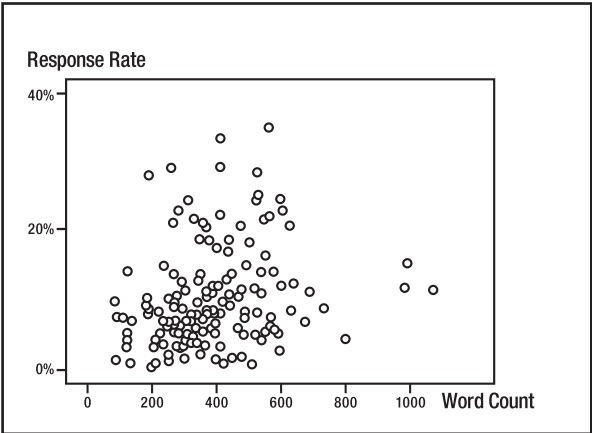
Although the international aid groups had a higher response rate to fundraising appeals than environmental and rights groups, this higher response rate is small and the significance of this amount is mildly supported by our data. (NOTE: As you will see in the Online Fundraising section, the international aid organizations raised significantly more money online than the other types of organizations overall. Much of this is thought to be linked to the Asian tsunami, which increased online fundraising for international aid groups dramatically. However, most of the tsunami-related online donations to international aid organizations came independently of e-mail messaging, so it is unlikely that the tsunami gave a significant boost to fundraising e-mail response rates.)

### Effects of Message Length and Day of Week on Advocacy Messages

The study examined the impact of time of day and day of the week on open, click-through, and response rates for advocacy messages. Also examined was the impact of message length and writing grade level (based on MS Word’s grade-level evaluator). A sample of 154 advocacy messages was taken from the nonprofit study partners.

No discernable performance patterns were found for time of day and writing grade level.

As E-Mail Messaging Graph 1 to the right demonstrates, the study did not identify a clear relationship between word count and response rate. There was mildly significant evidence that messages under 250 words had on average a 2.5 percent lower response rate. However, when the study examined word length for e-mail messages from nonprofit study partners with the highest response rates, we found some short messages and some longer messages.



E-MAIL MESSAGING: GRAPH 1

E-Mail Messaging Table 5 reflects the results of the open, click-through, and response rates by day of the week advocacy messages were sent out.

From our sample, the messages sent Thursday and Friday showed a statistically significant higher click-through rate – 6 percent higher – than messages sent Monday

| Weekday           | Open Rate | Click-Through Rate | Response Rate |
|-------------------|-----------|--------------------|---------------|
| Monday Average    | 26%       | 12%                | 11%           |
| Tuesday Average   | 23%       | 12%                | 10%           |
| Wednesday Average | 25%       | 12%                | 8%            |
| Thursday Average  | 27%       | 18%                | 11%           |
| Friday Average    | 26%       | 18%                | 11%           |

E-MAIL MESSAGING: TABLE 5  
Advocacy Messaging Metrics by Weekday



through Wednesday. The slight differences in the open and response rates were not supported by our data set. This does defy conventional wisdom in online marketing that sending e-mail messages on Fridays reduces response rates.

## Volume and Frequency of E-Mail Messages

The study attempted to determine if a relationship exists between the number of e-mail messages sent by an organization per month and open rates, click-through rates and response rates. (By message volume and frequency, we mean the number of messages an organization sent to subscribers.) For the in-depth study partners, we categorized messages into the following three groups:

- 1. Number of overall e-mails sent;
- 2. Number of e-mails sent to the whole list; and
- 3. Number of e-mails sent to segmented portions of the list.

Within each of these categories we recorded the number of overall messages, advocacy messages, fundraising messages and newsletter messages.

The only pattern the study identified was the number of overall messages sent to the whole list. In general, organizations that sent more messages to their whole list typically had lower open rates. We did not see this pattern for click-through and response rates.

## The Effect of Targeting Advocacy Messages

By “targeting” advocacy e-mail messages, the study is referring to sending advocacy e-mail messages to segments of the entire list based on specific criteria. For the purposes of this study, we examined targeting based on geography and interest area. An advocacy message targeted by geography is defined as one in which the audience is selected based on their address (e.g., only list members who live in a specific zip code, state or region of the country). An advocacy message targeted by interest area is defined as one sent to a specific segment of the list based on either self-reported interests or interests as determined by patterns of activity that would indicate an interest area (e.g., a list member took a survey to indicate their interest in a specific topic or repeatedly took action on a specific issue so as to indicate interest in this issue area).

|                                    | Open Rate | Click-Through Rate | Page Completion Rate | Response Rate |
|------------------------------------|-----------|--------------------|----------------------|---------------|
| Geographically-Targeted Messages   | 26%       | 9%                 | 80%                  | 11%           |
| Interest Area-Targeted Messages    | 26%       | 7%                 | 75%                  | 8%            |
| Whole List (Not Targeted) Messages | 24%       | 6%                 | 73%                  | 7%            |

**E-MAIL MESSAGING: TABLE 6**  
Effects of Targeting - Key Metric Averages

E-Mail Messaging Table 6 compares open rates, click-through rates, page completion rates and response rates for advocacy messages targeted by geography and interest area with messages sent to the whole list.

Targeting based on geography and issue interest area increased e-mail open rates, click-through rates, page completion rates, and response rates as compared to messages sent to the whole list. Many online communications professionals often recommend sending messages to subscribers based on geo-targeting or issue interest match criteria as a best practice and a way of boosting response rates, so this is not a surprising result. These messages may be more appealing to subscribers because they touch on topics closer to home or closer to their personal interests.

Targeting by geography had a particular impact, increasing overall click-through rates by 3 percent, page completion rates by almost 7 percent, and response rates by 4 percent. Note, however, that while the impact geo-targeting has on messages was supported by our data set and considered statistically significant, interest area targeting's impacts are not considered statistically significant.

Of the nonprofit study partners, nine collected issue interest information about their subscribers, while only five of the partners used this information for message targeting purposes. Similarly, of the 85 nonprofits that participated in the broader nonprofit survey, 21 organizations had issue interest data for their list members, but only 11 indicated they use that information to target e-mail messages. This shows that a substantial number of groups are not using information that could increase the effectiveness of their e-mails.

## Change in Advocacy Message Metrics Over Time

For this section of the study, we compared open rates, click-through rates, page completion rates, and response rate averages between the 2003-2004 and 2004-2005 periods. The averages in E-Mail Messaging Table 7 are for advocacy e-mail messages only.

|                           | Open Rate |         | Click-Through Rate |         | Page Completion Rate |         | Response Rate |         |
|---------------------------|-----------|---------|--------------------|---------|----------------------|---------|---------------|---------|
|                           | '03-'04   | '04-'05 | '03-'04            | '04-'05 | '03-'04              | '04-'05 | '03-'04       | '04-'05 |
| All Partners Average      | 32%       | 26%     | N/A                | 9%      | 86%                  | 84%     | 11%           | 10%     |
| Environmental Average     | 31%       | 26%     | N/A                | 13%     | 88%                  | 91%     | 15%           | 14%     |
| Rights Average            | 33%       | 25%     | N/A                | 7%      | 88%                  | 81%     | 10%           | 7%      |
| International Aid Average | 30%       | 26%     | N/A                | 8%      | 80%                  | 79%     | 9%            | 7%      |

### E-MAIL MESSAGING: TABLE 7

Comparing Advocacy Message Averages, 2003-2004 and 2004-2005

Data from our nonprofit study partners illustrate the decline in open, completion and response rates from 2003-2004 to 2004-2005. Although the open rate decline was supported by our data, note that the declines in page completion and response rates were not found to be statistically significant.

What are the causes of such a drop in e-mail open rates over time? There may be several factors to blame. E-Mail programs such as Microsoft Outlook 2003 are using more restrictive image blocker systems that allow users to read the text of an e-mail message while blocking any embedded images. Since open rates are tracked using embedded images, tracking technology may underreport the messages actually opened. There were no significant differences in page completion and response rates from year to year, which may indicate that these metrics use a more consistently accurate tracking technology.

It is also possible that “list fatigue” is a factor in declining performance of e-mail opens and advocacy response rates. List fatigue generally refers to inactive subscribers who stop engaging with your e-mails – while they do not bother to unsubscribe, they do stop opening the e-mails they get. Subscribers may be receiving too many e-mails from too many people, businesses and organizations, all of which may be leading to an overall decline in response rates to e-mails.<sup>1</sup>

<sup>1</sup> EmailLabs estimates that for many e-mail lists, 30%-50% of subscribers may be inactive. ([http://www.emaillabs.com/articles/email\\_articles/email\\_list\\_churn\\_html.html](http://www.emaillabs.com/articles/email_articles/email_list_churn_html.html))

# V. E-MAIL LIST GROWTH: JUST HOW BIG IS THAT E-MAIL LIST?

## Overview

While most people agree that “size isn’t everything,” when it comes to an online communications program, one important marker of success is the size of an organization’s e-mail list. Not only does it indicate how many people are being reached with their message, it can be an important indicator of an organization’s ability to generate online advocacy activity and to raise funds online. While list quality is also an important contributing factor to online advocacy and fundraising outcomes, there is no question that many organizations will continue to use the size of their e-mail list as an important metric in evaluating their program.

This section examined the e-mail list size of our nonprofit study partners broken down by organization type, and key factors that contribute to both the growth and shrinkage of an e-mail list. For a more in-depth look at what individual methods and strategies organizations are using to grow their e-mail list, see the Return on Investment section later in the study.

## Key Metrics

The e-mail list size for our in-depth study partners ranged from as few as 10,000 subscribers to almost 600,000, with an average of 245,000 subscribers as shown in the table below. While each organizational category had a range of list sizes, the greatest average list size was among the rights organizations, at more than 328,000 subscribers. The environmental organizations also had sizeable e-mail lists, averaging nearly 230,000. The international aid organizations had the smallest e-mail lists on average (just over 108,000).

|                   |         |
|-------------------|---------|
| All Partners      | 245,000 |
| Environmental     | 230,000 |
| Rights            | 328,000 |
| International Aid | 108,000 |

**E-MAIL LIST GROWTH: TABLE 1**  
Average List Size (Fall 2005)

To analyze more in-depth data with respect to relative growth and turnover of the e-mail lists, we looked at list size, growth and churn over a one-year period (from September 2004 to September 2005), using data from nine of the study partners. As E-Mail List Growth Table 2 indicates, the number of new subscribers recruited by organizations more than doubled the size of their existing list at the beginning of the period. However, their e-mail lists only grew on average by 73% from September 2004 to September 2005. This is due to list churn, as some of those new recruits—as well as existing list members—unsubscribed or became undeliverable during the year. E-Mail list churn rate is the rate at which e-mail addresses “go bad” in a given time period. On average, organizations lost 28% of the original and new subscribers combined due to list churn.

|  |      |
|--|------|
| New E-Mail Subscribers as % of E-Mail List Total at Beginning (9/1/2004) | 141% |
| Overall Change in List Size From Beginning to End (9/1/2005)             | 73%  |
| List Churn: % of E-Mail Subscribers Lost From Beginning to End           | 28%  |

**E-MAIL LIST GROWTH: TABLE 2****Average One-Year E-Mail List Growth & Churn (9 Study Partners With Complete Data)**

When looking at the table above, it may seem intuitive that overall change in list size and churn should add up to the percentage of new e-mail list subscribers. However, they do not, because the churn rate represents churn from both list subscribers who were already on the list prior to when our sample was calculated and list subscribers who joined over the course of the year. This highlights the fact that subscribers who joined the list over the year left the list at a higher rate than those who joined prior to September of 2004. This leads us to believe that new subscribers (less than a year old) had a higher churn rate – were more likely to “drop out” – than those who had been on the list for a longer period of time. However, measuring churn rate for subscribers based on length of time on the list was beyond the scope of this study.

## What Contributes to Successful List Growth?

One might assume that larger organizations will, naturally, have larger e-mail lists. However, for the nonprofit study partners, no such relationship between the overall organizational budget and e-mail list size was found.

However, a relationship was found between the more specific online communications budgets and e-mail list growth. Organizations that invested in their online communications program did tend to see more significant list growth in the past year. For the nine partners with valid data, we found that the four with an online communications budget of under \$200,000 added an average of 35,000 new subscribers over 12 months, while the other

five partners, all of which had online communications budgets greater than \$400,000, added an average of 178,000 subscribers over 12 months.

Interestingly, investments in online advertising were not a prerequisite to having a large e-mail list. Data comparing specific investments in online advertising and e-mail list size showed no significant relationship between these variables. It may be concluded that an overall investment in an organization's online communications budget which could translate to investments in more staff, better technology, more content, more effective earned and viral marketing, and a more robust program in general have a greater impact on list growth than direct investments in paid recruitment alone.

## Return on Investment for Paid Online Advertising

Unfortunately, most organizations do not have thorough systems for tracking their various methods of recruiting new subscribers and the long-term value of those subscribers over time. Given that these same groups normally have very sophisticated mechanisms for tracking this type of lifetime value via their direct mail programs, many organizations should replicate their endeavors by doing more sophisticated tracking of online results in the future.

This study focuses on one measurable "cost" of an online program – the cost of acquiring an online activist or subscriber and two measurable "returns" – lifetime online actions taken and the funds raised from those subscribers.

This analysis examined subscribers recruited between 12-18 months previously, and their ongoing performance over their lifetime on the e-mail list. The chart below shows three critical paid advertising tactics that organizations use to build their e-mail list.

Due to the fact that many organizations are just now beginning to track their online ROI for subscriber acquisition, this section uses results from just eight nonprofit study partners. From these eight partners, data was gathered from two to four partners in each category of the following paid Web site promotion methods: e-mail marketing (e.g., prospect e-mails to external, permission-based e-mail lists); banner ads; and co-registration (e.g., opt-ins on registration forms from third party Web sites). Because this data comes from a very small sample, the results should not necessarily be applied to other organizations.

As E-Mail List Growth Table 3 indicates, each recruitment method has an initial up-front cost – the cost at the time of acquisition, and the cost per current member 12-18 months later. The cost increase is due to list churn – the rate at which e-mail addresses unsubscribe or otherwise become unreachable. While it may have cost \$10,000 to recruit 5,000 subscribers originally, if only 2,500 of those subscribers are still reachable 18 months later, that recruitment cost is effectively increased, and proved more expensive than another recruitment source from which 4,000 of 5,000 subscribers are still reachable. In the study sample, the cost per current member is double the initial cost of acquisition on average.

|                       | Cost per New<br>Subscriber | Cost per<br>Current<br>Subscriber | Actions per<br>\$1000 | Funds Raised<br>per \$1000 |
|-----------------------|----------------------------|-----------------------------------|-----------------------|----------------------------|
| Average for All Types | \$2.24                     | \$4.47                            | 727                   | \$455                      |
| E-Mail Marketing      | \$1.89                     | \$3.33                            | 977                   | \$784                      |
| Banner Ads            | \$2.40                     | \$3.75                            | 572                   | \$67                       |
| Co-Reg / Opt-ins      | \$1.99                     | \$4.91                            | 647                   | \$366                      |

**E-MAIL LIST GROWTH: TABLE 3**  
Paid Web Site Promotion Metrics

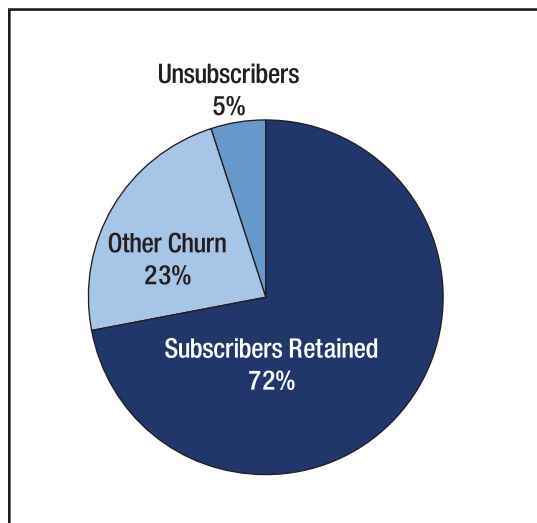
In this small sample, e-mail marketing performed better than the other recruiting tactics. While performing moderately better at the time of acquisition, e-mail marketing was more effective 12-18 months later because those sources had a lower churn rate. Additionally, e-mail marketing recruits generated the most actions and appear on track to recoup their initial acquisition costs through follow-up online donations.

## List Churn

E-Mail list churn rate is the rate at which e-mail addresses “go bad” in a given time period. The average churn rate for the nine study partners with full data was 28 percent over a period of one year. In other words, on average, more than a quarter of their subscriber e-mail addresses go bad each year. For the purposes of this study, churn rate was calculated as the number of subscribers who became unreachable in a 12-month period, divided by the total number of subscribers in the system during that entire 12-month period.

It is important to note that there are multiple reasons an e-mail address may become unreachable. One easily identifiable factor is the rate at which individual activists “unsubscribe” from the e-mail list. As E-Mail List Growth Chart 1 below indicates, an average of 5 percent of the study partners’ subscribers unsubscribed in a 12-month period.

However, a larger factor in the high turnover in e-mail addresses is what the study refers to as “other churn,” accounting for, on average, 23 percent of the study partners’ e-mail lists going bad. This includes e-mail addresses that begin to permanently bounce (generate an error message) when subscribers switch from one e-mail provider to another. [Some small amount of “other churn” could be a result of organizations removing addresses, such as eliminating those subscribers who have not taken any action in the previous 12 months.]



**E-MAIL LIST GROWTH: CHART 1**  
12-Month List Retention and Churn Averages

Note that because some subscribers were added near the end of the 12-month period, it is possible that some organizations have a lower churn rate simply because a large number of their subscribers have only been on the e-mail list for three months, and potentially bad e-mail addresses have had less time to register as bouncing. Also, list churn is difficult to accurately track with the technology that most organizations currently use (unless organizations implement their own tracking process and record the results in an offline system on an ongoing basis).

For readers of this report attempting to compare their organization's churn rate with the average churn rates that we have provided, please bear this in mind.



## AN IN-DEPTH LOOK:

### Viral List Building: Online List Growth Can Be Contagious

*Kevin Suer, GetActive Software*

The Humane Society of the United States (HSUS) experienced major list growth success with the Petition for Poultry, an online petition that took advantage of a highly effective list growth technique known as “viral list building.”

Viral list building puts recruitment tools into the hands of existing online constituents, enabling them to recruit other subscribers themselves. The term “viral” is used because recruitment is self-propagating—as new constituents join, they are in turn acting as recruiters themselves. Viral list building generally requires little-to-no cost to recruit new audiences.

A key ingredient to successful viral list building is the coordinated use of a message or call to action that is appealing, timely and topical. The Petition for Poultry illustrates this approach. In 2004, just weeks before Thanksgiving, HSUS launched the Petition for Poultry demanding protection of poultry under the federal Humane Methods of Slaughter Act. Launched just before Thanksgiving, the petition was especially timely and topical. Petition signers could join HSUS’s e-mail list and use a tell-a-friend feature to encourage signers to send the petition to other people.

This action resonated deeply with its audience, and viral list building results were impressive. The Petition for Poultry grew HSUS’s e-mail list virally by over 16,000 new members (7 percent) in just three weeks. Thousands signed the petition, surpassing its original goal of 25,000 signatures to reach more than 57,000 signatures by Thanksgiving, and 146,000 signers to date.

HSUS’s viral list building success hinges on a fundamental tenet: Generate excitement and passion for your campaign, and leverage tools that allow your subscribers to tap into their social networks, promoting and sharing that passion.

# AN IN-DEPTH LOOK:

## Return on Investment: The Wilderness Society

*Sarah DiJulio, M+R Strategic Services*

In order to track the effectiveness of paid advertising and viral marketing efforts, The Wilderness Society instituted a rigorous tracking program to track the sources of all new online subscribers; the cost of acquisition (for paid sources); and the relative return on investment for each source in terms of online advocacy and fundraising results.

ROI Table 3 below lists several major sources of recruitment for a campaign carried out roughly 12 months previously.

| Vendor                  | Cost per Current Subscriber | Actions per Month per Subscriber | Funds Raised per Subscriber | Actions per \$1000 | Funds Raised per \$1000 |
|-------------------------|-----------------------------|----------------------------------|-----------------------------|--------------------|-------------------------|
| Partner Cross Promotion | \$ —                        | 0.76                             | \$2.66                      | —                  | \$ —                    |
| Direct E-Mail #1        | \$0.75                      | 0.55                             | \$1.28                      | 9,494              | \$1,699                 |
| Direct E-Mail #2        | \$2.16                      | 0.56                             | \$1.04                      | 3,123              | \$480                   |
| Direct E-Mail #3        | \$1.93                      | 0.61                             | \$0.65                      | 2,830              | \$334                   |
| Co-Registration Opt-Ins | N/A                         | 0.20                             | \$0.60                      | N/A                | N/A                     |
| Advertising Network     | \$3.79                      | 0.15                             | \$0.27                      | 587                | \$70                    |
| Keyword Advertisements  | \$5.80                      | 0.38                             | \$9.92                      | 799                | \$1,622                 |

### ROI: TABLE 3 Paid Web Site Promotion Metrics

In the above table, one can see that some vendors provide much higher quality activists and donors than others, and with a greater or lesser return on investment. The “Actions per Month per Subscriber” indicates the performance of those subscribers as activists, and the “Funds Raised per Subscriber” indicates their performance as donors. For the paid sources, one can also see the relative value of the subscribers based on the actions taken per \$1,000 invested, and the funds raised per \$1,000 invested.

The best sources of high quality activists – those that take the most actions per month, and that deliver the most actions per \$1,000 spent – were recruited from partner cross-promotions and direct e-mail advertisements.

Search engine keyword recruitment sources yielded a lower volume of new list members at a relatively high cost per member (between \$5-\$6 per new subscriber). However, they have proven to be extremely strong donors.

Although the co-registration opt-ins (subscribers recruited via a registration process on a third-party Web site) do not have costs associated with them (due to a tracking issue), one can easily see that these subscribers are performing quite poorly as activists, and only modestly as donors.

The single worst source of new subscribers was the advertising network, which originally cost just \$2 per subscriber, but due to a very high churn rate has seen so much turnover that, one year later, the cost has jumped up to \$3.79 per subscriber. Unfortunately, this higher cost does not reflect a higher quality these subscribers are at the bottom of the list in terms of actions taken and donations generated.

With this information in hand, The Wilderness Society has been able to adjust its online marketing program in order to focus its efforts on the best sources of activists and donors. In part as a result of this strategy, The Wilderness Society increased its online advocacy participation rates from 12 percent to 18 percent, and more than doubled online giving.

# VI. E-MAIL LIST COMPOSITION: WHO ARE THESE “ONLINE SUBSCRIBERS,” ANYWAY?

## Overview

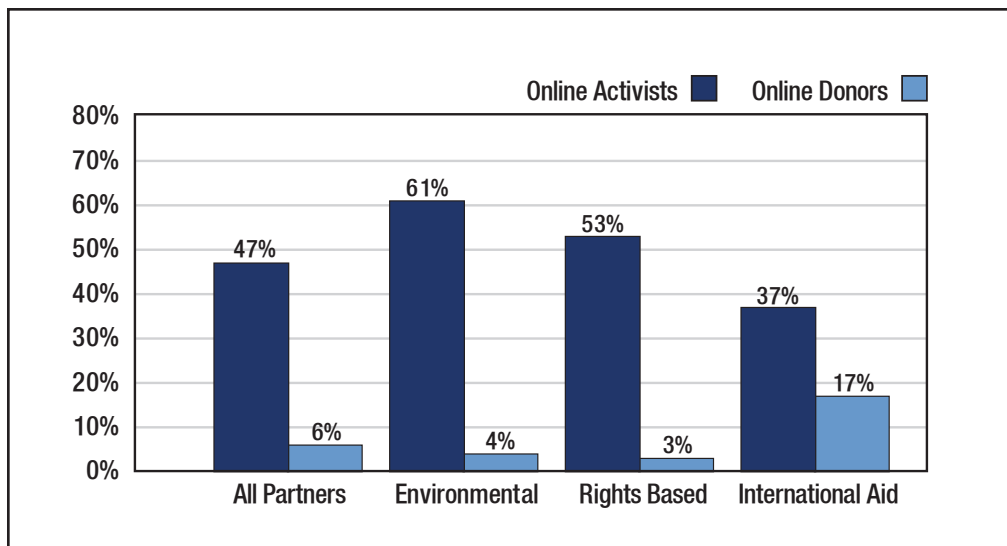
It is true that a David can compete with a Goliath. Sometimes an organization with a small, high quality list can achieve results equal to or greater than an organization with an e-mail list two to three times larger. So what is a high quality e-mail list? The quality and types of online subscribers can have a significant impact on a nonprofit organization’s ability to generate advocacy activity, raise funds, and generate meaningful online results.

## Basic List Composition – Activists & Donors

As E-Mail List Composition Chart 1 (next page) indicates, the study found that, on average, just under 50 percent of the nonprofit study partners’ e-mail lists were made up of online activists.<sup>2</sup> This number was notably lower for the international aid organizations, and highest for environmental organizations. Nearly 6 percent of the participants’ e-mail lists were made up of online donors.<sup>3</sup> This data was somewhat skewed by the international aid organizations, which had a much higher percentage of donors on their list. This is likely due to the December 2004 Asian tsunami, which caused a dramatic jump in online donations for many international aid organizations in early 2005.

<sup>2</sup> Defined as having taken at least one online action that was tracked by the online software.

<sup>3</sup> Defined as having made at least one online donation that was tracked by the online software.



**E-MAIL LIST COMPOSITION: CHART 1**  
List Composition

## Length of Time on the List and Impact on Activist Quality

For this chart we evaluated only results from the nonprofit study partners with more than three years of data about their subscribers. It is interesting to note that – even in cases of organizations with substantial programs for three or more years, and some for many more years than that – on average, two-thirds of their e-mail lists were made up of subscribers recruited in the past two years.

There are many factors that could contribute to the high number of new subscribers, including:

- An increased emphasis in online communications in the past two years (many groups may be investing more resources in online communications programs now than in the past).
- High turnover rate (for some groups, this means that they have to recruit a substantial number of new people each year).
- E-mail address turnover (because some subscribers may be simply switching their e-mail addresses as they change e-mail providers, thus registering as new subscribers each time).

The amount of time a subscriber is on the e-mail list has a significant impact on their likelihood to participate in online activism campaigns. As E-Mail List Composition Table 1 (next page) indicates, subscribers who have been on the list for several years have, on

|                  | Subscribers (Avg.) | Percent of List | Lifetime Actions |
|------------------|--------------------|-----------------|------------------|
| Less Than 1 Year | 127,000            | 34%             | 1.7              |
| 1-2 Years        | 123,000            | 33%             | 3.2              |
| 2-3 Years        | 61,000             | 16%             | 5.4              |
| 3+ Years         | 63,000             | 17%             | 8.5              |

E-MAIL LIST COMPOSITION: TABLE 1

average, taken many more advocacy actions than have newer subscribers. Clearly, an important factor in this is that the subscribers with longevity have had more opportunities to take action than those without. In addition, over time, we would expect the less interested subscribers to “opt-out” of future communications, leaving only the more committed activists on the list.

### Mailing Addresses

The study found that, on average, 83 percent of the nonprofit partners’ e-mail subscribers had full mailing addresses. While the rate with full mailing addresses was slightly higher for the environmental organizations, the discrepancy was not large.

## AN IN-DEPTH LOOK:

### Demographics of Online Subscribers vs. Other Subscribers: Are They Different?

*Michael Cervino, Beaconfire Consulting*

The question is asked with increasing frequency: “Are my online subscribers different from my ‘traditional’ subscribers?”

Survey results of several organizations’ online and offline constituents indicate the answer is, “Yes, but maybe not for long.”

An analysis conducted for two humanitarian and two civil liberties organizations indicate that their online subscribers are on average 15 years younger than their traditional donors. Their online constituents are also more highly-educated and wealthier. But for two of these organizations, the differences in age, education and income are less pronounced than they were two years ago.

As for online activism, two of these surveys indicate that approximately two of three constituents believe taking action online has an impact on the political process. At the same time, more than half say that taking action in the real world has more impact on the political process—an attitude more strongly held the more active a constituent is in offline activities.

# VII. ONLINE ADVOCACY: MOBILIZING SUBSCRIBERS FOR ONLINE ACTION

## Overview

Attempts to measure the effectiveness of nonprofit online activism programs often take two directions. The first focuses on the influence that online advocacy tools and tactics have on decision makers and the impact they have on public policy. The second focuses on how efficiently organizations mobilize the greatest number of people to take the greatest number of actions. This study will not attempt to address the former, as it's a riddle much too complex to address here (see sidebar, "E-Activism's Impact on Issues, Legislators and Public Policy"). This study, however, will address the latter topic, with an examination of transactional data from online advocacy forms, identifying some quantifiable factors that provide a partial picture about the performance of nonprofit online advocacy programs.

## The specific online advocacy variables the study measured include:

- Total number of citizen letters generated to decision makers;
- Total number of advocacy actions taken;
- Average online advocacy completion rate; and
- Average citizen letter personalization rate.

While the performance of the e-mails that drive people to participate in online advocacy forms is also a key component, e-mail action alerts are covered separately in the E-Mail Messaging section.

## Online Advocacy Effectiveness – Advocacy Actions Taken and Letters Sent

Nonprofit organizations launch online advocacy forms often with the goal of generating grassroots citizen pressure on important decision makers, including political leaders,



government officials, business leaders and others. Advocacy groups most commonly launch online campaigns urging their subscribers to contact Congress in support of or opposition to a specific bill. Generally, these online advocacy forms feature a call to action, a sample citizen letter, and a form for users to input their personally identifiable information. In our study, each time an online subscriber completes such an online advocacy form, it counts as a single “advocacy action.” After people complete the forms and submit their information, “citizen letters” in the form of e-mails or faxes are sent to decision makers in their name. Because some advocacy actions have multiple targets for instance, both U.S. Senators from a subscriber’s home state – it is possible that one advocacy action may generate multiple citizen letters.

|                   | Average Advocacy Actions,<br>2004-2005 | Average Citizen Letters,<br>2004-2005 |
|-------------------|--|---------------------------------------|
| Environmental     | 335,000                                | 872,000                               |
| Rights            | 654,000                                | 1,048,000                             |
| International Aid | 53,000                                 | 95,000                                |

#### ONLINE ADVOCACY: TABLE 1

If a goal of nonprofits launching online advocacy forms is to generate grassroots citizen action on key issues, then one measure of success is the number of citizen letters generated. Generally it is assumed that greater political impact is achieved by nonprofits if subscribers take more online actions and generate more letters to decision makers. Online Advocacy Table 1 above shows that, in 2004-2005, the rights organizations mobilized their subscribers to take more actions and generated more citizen letters to decision makers than the environmental and international aid organizations.

### Factors Contributing to Successful Online Advocacy Programs

How were some organizations able to generate more actions and more letters than others? Was it because they have larger lists of subscribers? Did they send more e-mail action alerts? Or were other variables at play? We found several factors influencing the number of actions taken and citizen letters sent.

The Online Advocacy Tables on the next page indicate that the organizations most successful at generating advocacy actions had a number of factors in common. These factors included:

- **Whole List Advocacy Messages.**

Not surprisingly, the volume of advocacy action messages sent to the entire e-mail list appears to relate to the overall volume of advocacy actions generated.

| Average Whole List Advocacy Messages (per month) | Average Advocacy Actions 2004-2005 | Number of In-Depth Study Partners |
|--|------------------------------------|-----------------------------------|
| Less Than One                                    | 211,000                            | 4                                 |
| One to Two                                       | 292,000                            | 4                                 |
| Two or More                                      | 748,000                            | 3                                 |

ONLINE ADVOCACY: TABLE 2

- **Organizational List Size.**

Organizational list size is related to the number of advocacy actions and letters generated, which is rather intuitive, as organizations with larger e-mail lists are likely able to generate a larger number of actions.

| Average E-Mail List size | Average Advocacy Actions 2004-2005 | Number of In-Depth Study Partners |
|--------------------------|------------------------------------|-----------------------------------|
| Under 100,000            | 96,000                             | 4                                 |
| 100,000 - 300,000        | 340,000                            | 4                                 |
| Over 300,000             | 676,000                            | 4                                 |

ONLINE ADVOCACY: TABLE 3

- **Duration of Online Advocacy Program.**

Organizations with long-standing online advocacy programs may have a greater degree of experience and expertise, leading to greater success. The study also examined the average length of time individual subscribers were subscribed to the e-mail list. While we did find generally that lists with subscribers on the list for longer periods generated more advocacy actions, it is highly correlated to the duration of the online advocacy program. After careful analysis, the study concludes that the duration of online advocacy programs was the primary factor relating to average advocacy actions.

| Average Duration of Program (Years) | Average Advocacy Actions 2004-2005 | Number of In-Depth Study Partners |
|-------------------------------------|------------------------------------|-----------------------------------|
| Less Than Four                      | 64,000                             | 4                                 |
| Four to Five                        | 389,000                            | 5                                 |
| Six or More                         | 748,000                            | 3                                 |

ONLINE ADVOCACY: TABLE 4

- **Online Communications Budget.**

The most successful programs at generating online advocacy actions also had the largest online communications budgets.

| Average Online Communications Budget | Average Advocacy Actions 2004-2005 | Number of In-Depth Study Partners |
|--------------------------------------|------------------------------------|-----------------------------------|
| Under \$200,000                      | 196,000                            | 4                                 |
| \$200,000 - \$500,000                | 291,000                            | 4                                 |
| Over \$500,000                       | 635,000                            | 3                                 |

### ONLINE ADVOCACY: TABLE 5

## Online Advocacy Response & Conversion Rates

One metric used by many nonprofits engaged in online advocacy is response rate. Response rate is the percentage of subscribers receiving an e-mail action alert that then take the online action requested. [Many different technology vendors and organizations use different methods of calculating response rates. For a more in-depth look at how we calculated response rates for the purpose of this study, see the Methodology section.]

As seen in Online Advocacy Table 6, our data marginally supports that environmental organizations had the highest average advocacy response rate for both years.

Another key metric is advocacy page completion rates, which is the percentage of people visiting an advocacy form page that complete the action. The average advocacy page completion rate for all organizations was 84 percent during 2004-2005. As with response rates, the environmental organizations had the highest average advocacy page completion rates.

|                   | Average Response Rates 2003-2004 | Average Response Rates 2004-2005 |
|-------------------|----------------------------------|----------------------------------|
| All Partners      | 11%                              | 10%                              |
| Environmental     | 15%                              | 14%                              |
| Rights            | 10%                              | 7%                               |
| International Aid | 9%                               | 7%                               |

### ONLINE ADVOCACY: TABLE 6

|                   | Average Page Completion Rates<br>2003-2004 | Average Page Completion Rates<br>2004-2005 |
|-------------------|--|--|
| All Partners      | 86%  | 84%  |
| Environmental     | 88%  | 91%  |
| International Aid | 88%  | 81%  |
| Rights            | 80%  | 79%  |

ONLINE ADVOCACY: TABLE 7

Page layout and design is thought to influence page completion rates; well-designed advocacy forms and pages generally enjoy higher page completion rates. However, because the environmental organizations had both the highest response rates and page completion rates, it may indicate that subscribers are generally more responsive to calls to action from environmental organizations.

Citizen Letter Personalization

Most believe that personalized, individual letters to Congress or other decision makers have more influence than identical form letters. When asking subscribers to send citizen letters, some organizations strongly encourage their subscribers to put these letters into their own words. In fact, most online advocacy tools used by organizations (including Convio, GetActive Software and Kintera) give subscribers the option to edit or personalize the citizen letters they send to decision makers. On average, 8 percent of subscribers who take an online action edit or personalize their citizen letters, with only a slight variation between the types of organizations participating in the study.

## AN IN-DEPTH LOOK:

### Taking Online Activists Into the Real World

*Ben Smith, M+R Strategic Services*

*Mathew Grimm, Environmental Defense*

Organizations that integrate online and offline advocacy strategies will not only have greater political impact, but inviting online subscribers to take offline action can even lead to increased levels of online engagement down the road.

Environmental Defense experienced such a lift after a major offline organizing initiative. In 2004, as part of its national global warming campaign, Environmental Defense used Meetup.com, the online tool for arranging social and networking get-togethers, to organize monthly, global warming advocacy meetings across the country. While the grassroots component of the campaign was anchored by an online petition, activists were also invited to participate in local Meetups.

In terms of political impact, Environmental Defense's Meetup effort was a mixed success. Thousands of Environmental Defense subscribers registered for Meetups, but fewer subscribers actually attended Meetups than was hoped, and it was difficult to secure volunteers to lead most events in cities without Environmental Defense offices (where staff members participated).

However, inviting online subscribers to participate in offline events had an unintended benefit: increasing the online activism levels of subscribers who participated in offline Meetup events. According to the Online Activism Table 5 below, while Meetup participants were more engaged than non-participants across several key online engagement variables, Meetup participants became even more active themselves after participating in the meetings.

Meetup participation may have also led to higher list-retention rates than online-only participants. The percentage of Meetup participants who remained subscribed since attending a 2004 Meetup was 95%; comparably, of the subscribers who did not attend a Meetup only 54% remained subscribed over the same time period.

|  | 2 Years Before Meetup |                  |                 |                  | Since Meetup |                  |                 |                  |
|--|-----------------------|------------------|-----------------|------------------|--------------|------------------|-----------------|------------------|
|  | E-Mail Opens          | Advocacy Actions | "Tell a Friend" | Online Donations | E-Mail Opens | Advocacy Actions | "Tell a Friend" | Online Donations |
| Rate at Which Meetup Participants Were More Engaged Than Online-Only Subscribers | 2.3                   | 4.0              | 6.3             | 3.4              | 3.1          | 5.2              | 9.4             | 4.4              |

ONLINE ADVOCACY: TABLE 8

Participation in offline events takes more personal commitment from subscribers, and it may be that this increased commitment is what drives higher levels of online action-what led them to attend a Meetup in the first place. However, data strongly suggests that involving your online subscribers in real, on-the-ground activities will make your subscribers more active in your online program as well.

## AN IN-DEPTH LOOK:

### E-Activism's Impact on Issues, Legislators and Public Policy

*Jennifer Milewski, Advocacy Institute*

Measuring some aspects of the effectiveness of online action campaigns – open rates, response rates, conversion rates, etc. – is relatively straightforward. However, it is much more difficult to measure the influence that E-activism has on the real-world outcomes of public policy debates.

In lieu of spending too much time attempting to measure online advocacy's influence, nonprofits should instead focus on strategies to improve their online campaigns and maximize their effectiveness. What works? The deceptively simple answer is to be strategic.

- **Know what you want to accomplish.** Have very clear goals for your E-activism campaign. Goals could involve building support for or opposition to specific legislation, changing the behavior of corporations, or simply raising public awareness about an issue.
- **Know your audiences.** Not all legislators, nor all activists, are equally e-savvy; how will your e-activist communications or actions be received?
- **Know your capacities.** Some online efforts require more resources than others to make them effective. What can your organization (and your vendors) realistically take on?
- **Know your tools.** Different technologies offer different possibilities; what can various online tools do, and what are the conditions and the combinations with other strategies that can make them most effective?
- **Be timely and relevant.** Ensure that your campaign is timely, and connects with your audience in a way that is relevant to their interests.
- **Integrate with a broader campaign.** Online campaigns alone are rarely enough to win. Coordinate E-activism tactics with offline, grassroots, field and media tactics. If your organization does not have an offline component, build alliances with others that do.

Online activism's greatest impact may prove to be the attitudinal sea change it is bringing about both in policymakers and the electorate. The new tide of online communication is pulling Congress into greater two-way exchange with their constituents, fostering greater levels of political engagement, and flooding the electorate with a powerful sense of their own agency in shaping the political process.<sup>4</sup>

<sup>4</sup> The Congressional Management Foundation's excellent report, *Communicating with Congress*, provides critical insights into how e-communication is being received on Capitol Hill, and what that means for grassroots e-activists.

# VIII. ONLINE FUNDRAISING: MAKING ONLINE PROGRAMS PAY OFF

## Overview

Online fundraising programs come in all shapes and sizes. The study's nonprofit partners had vastly different approaches – and outcomes – to online fundraising.

## Total Online Donations

### By Sector

In-depth study partner data indicated that the total amount of donations varied greatly depending on what issues organizations worked. Online Fundraising Table 1 shows annual online donation totals averaged by issue for 2004-2005. International aid organizations' average was significantly higher than that of environmental and rights organizations. Because this study uses data between September 2004 and September 2005, the dramatic surge in online giving that followed the Asian tsunami disaster contributed to the high online donations in the international aid community. This disaster generated unprecedented amounts of online donations, much of which was generated by international aid organizations acting very quickly to promote tsunami-related giving opportunities on their Web sites and to their e-mail subscribers. While some donations

|                          | Average Annual Online Donation Totals |
|--------------------------|---------------------------------------|
| All Partners             | \$2,490,000                           |
| Rights and Environmental | \$556,000                             |
| Environmental            | \$346,000                             |
| Rights                   | \$730,000                             |
| International Aid        | \$9,583,000                           |

ONLINE FUNDRAISING: TABLE 1



were generated by e-mail appeals to subscribers, most of the tsunami online funds came as people responded to media coverage of the tragedy and went to organizational Web sites to give unsolicited online donations. This is a likely factor in the charts that follow highlighting online fundraising by international aid organizations.

### By E-Mail List Size

An analysis of self-reported responses to the broader nonprofit survey from the 29 respondents with complete online giving data indicated that there was a positive and definite relationship between a group's e-mail list size and the total amount of online donations they generated. Online Fundraising Table 2 (below) shows the average and median gift sizes of the survey respondents categorized by their self-reported e-mail list size. The median is the middle value of a data set – roughly half of the data points are smaller and half of the data points are larger.

The large differences between the averages and medians per category are due to the fact that some of organizations had extremely high annual online totals which inflated the averages. In this case, the medians give a more accurate picture of the performance of a typical organization within each list size bracket.

| List Size     | Average Annual Online Donation Totals | Median Annual Online Donation Totals |
|---------------|---------------------------------------|--------------------------------------|
| Under 10,000  | \$20,000                              | \$3,000                              |
| 10,000-70,000 | \$196,000                             | \$74,000                             |
| Over 70,000   | \$9,106,000                           | \$2,150,000                          |

### ONLINE FUNDRAISING: TABLE 2

#### Broader Nonprofit Survey List Size/Donation Totals Data

### By Year

For the eight nonprofit study partners with complete fundraising data for the previous two years, average online fundraising totals were 40 percent higher during the 2004-2005 period than the previous year. In fact, with just one exception, all organizations substantially increased their online revenue last year.

## Online Giving Patterns

### Gift Size

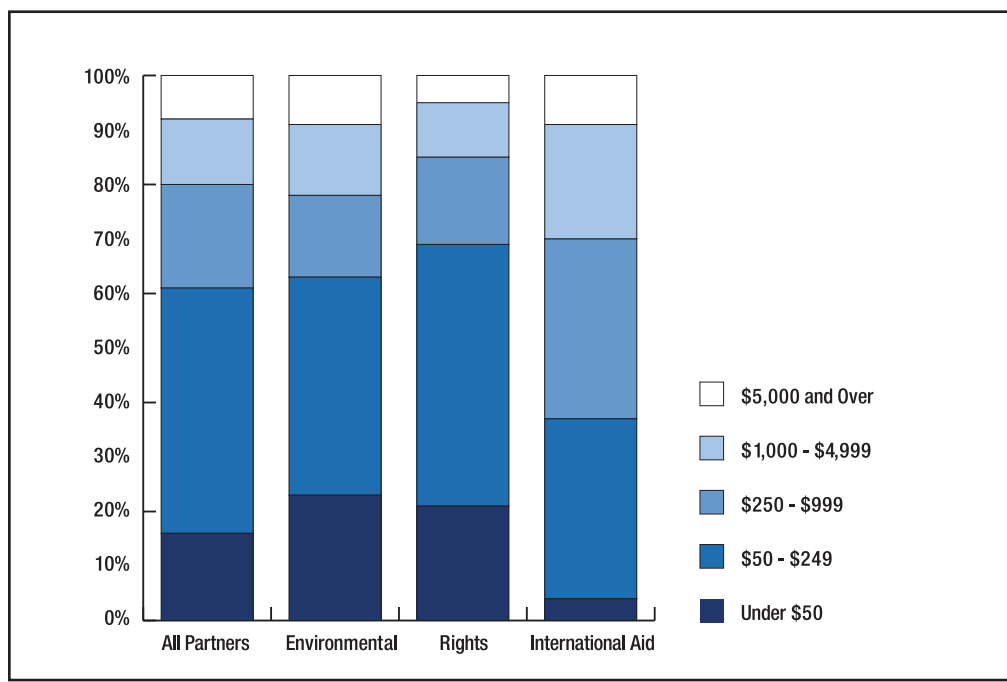
Online Fundraising Table 3 (next page) indicates that the average gift size was \$97 for study partners, and \$95 according to aggregate data from all Convio, GetActive and Kintera clients.

|                   | Average Gift Size | Median Gift Size |
|-------------------|-------------------|------------------|
| All Partners      | \$97              | \$70             |
| Environmental     | \$62              | \$69             |
| Rights            | \$114             | \$77             |
| International Aid | \$121             | \$142            |

### ONLINE FUNDRAISING: TABLE 3

A closer examination of the nonprofit study partners shows that their average gift amount in 2004-2005 ranged from \$35 to \$300. When organizations with the lowest and highest average donation amounts were dropped, average gift sizes for the remaining partners was between \$60 and \$140.

Average gift size across all of the partners was nearly \$100, with the median at \$70. The median indicates that half of the nonprofit study partners' average gifts were greater than \$70 and half of the partners had an average gift size of less than \$70. The difference between the average and median signifies that there were quite a few large donations



### ONLINE FUNDRAISING: CHART 1

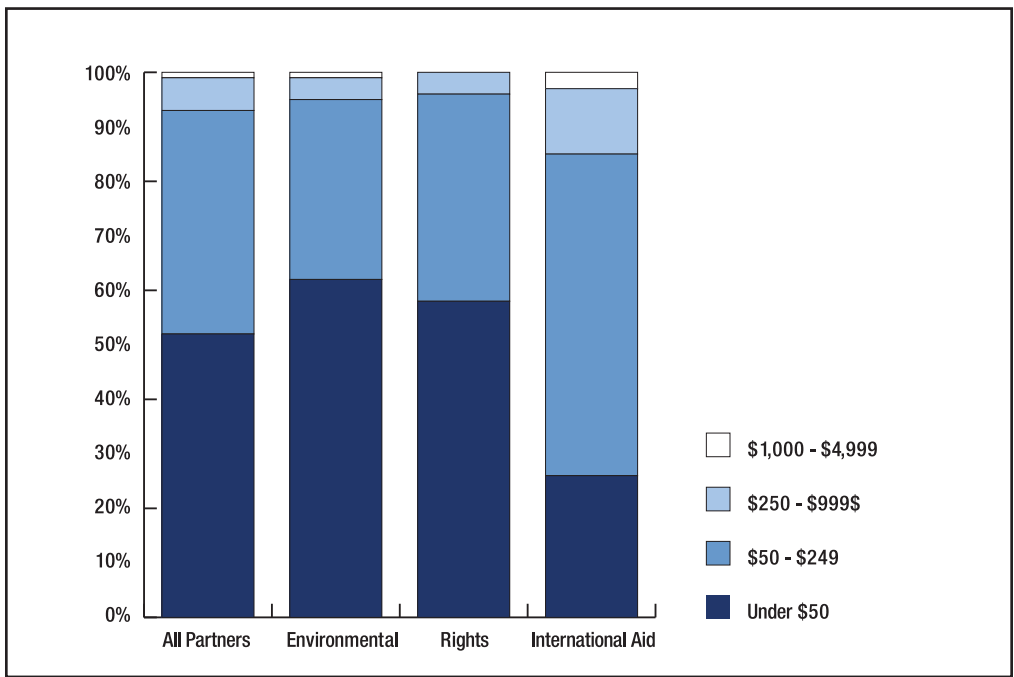
Annual Online Donation Totals Per Giving Level

that pulled average gift amounts higher. This was particularly the case for rights organizations and international aid groups. Environmental groups on the other hand did not receive as many high-dollar donations.

Online Fundraising Chart 1 shows the percentage of online donation totals by giving level for 2004-2005. Between 60 and 70 percent of online donation totals for environmental and rights groups came in gifts under \$250 dollars, while over 60 percent of donation totals to international aid groups were gifts over \$250.

Online Fundraising Chart 2 (below) indicates that, for environmental and rights groups, the number of gifts received from donations under \$250 constituted almost 95 percent of the number of gifts they received overall; yet the amount raised from these gifts only comprised between 60 and 70 percent of their total donations. If these organizations were able to move just 4 to 5 percent of their under \$250 donors into a higher giving category, their overall online giving amount raised could be increased nearly 40 percent.

For international aid groups, the number of gifts they received from the over-\$250 giving categories constituted less than 20 percent of the number of gifts, but made up over 60 percent of their total donations.



**ONLINE FUNDRAISING: CHART 2**  
Annual Number of Online Donation Per Giving Level

## Fundraising E-Mail Message Response

As Online Fundraising Table 4 (below) indicates, 0.3 percent of partner subscribers who received an e-mail fundraising appeal donated money. As discussed in the E-Mail Messaging section of this study, the response to e-mail fundraising appeals is significantly lower than e-mail requests to take an advocacy action. On any given e-mail fundraising appeal, fewer people are going to click on a link and go to the donation page, and even fewer are going to complete the donation page. Since this ask requires a substantially larger commitment from the subscriber than signing an online letter, this is not surprising.

International aid groups again out performed environmental and rights groups, with a 0.6 percent response rate for e-mail fundraising appeals. Interestingly, even as environmental organizations have higher response rates than rights groups, they raised less overall online than the rights organizations (see Online Fundraising Table 1 above). This may be in part because they have smaller e-mail lists and a lower average gift size than the rights organizations.

|                   | Average Click-Through Rate | Page Completion Rate | Average Response Rate |
|-------------------|----------------------------|----------------------|-----------------------|
| All Partners      | 1.5%                       | 22%                  | 0.3%                  |
| Environmental     | 0.8%                       | 32%                  | 0.2%                  |
| Rights            | 2.1%                       | 7%                   | 0.2%                  |
| International Aid | 1.7%                       | 33%                  | 0.6%                  |

**ONLINE FUNDRAISING: TABLE 4**

## Donor Retention From Year to Year

Data indicate that 16 percent of the online donors who donated online between 2003 and 2004 were repeat online donors in 2004-2005. Organizations that sent more fundraising appeals had higher online donor retention rates during this period.

## Online Repeat Donors

In 2004-2005, for ten of the fifteen nonprofit partners, less than 15 percent of their gifts came from repeat online donors. For four partners, between 19 and 51 percent of their gifts come from repeat donors. These four groups included both rights and environmental organizations. With international aid groups, a large proportion of their donations may have come from disaster relief, which might attract a larger proportion of one-time givers.

## Recurring Gifts

A recurring online gift program allows donors to pledge a certain amount and divide this amount over a specific number of payments (e.g., monthly payments over the course of a year). For the nonprofit study partners, recurring gifts were a small part of online giving, both in number of people participating and annual amount raised. Eight of the partners had some sort of recurring gift program and all eight of these programs included less than 5 percent of the total donor pool. Except for one organization, the annual amount of money raised from recurring gifts accounted for less than 5 percent of the total annual amount raised online. Rather than discount online recurring giving programs, we might assume that because of the relative newness of online fundraising, online recurring giving programs need more time and attention to attract more money and donors.

## Factors That Drive Successful Online Fundraising Programs

Online fundraising success is defined by the amount of money raised by an organization. From both the nonprofit study partners and the broader nonprofit survey, some patterns emerged among organizations that were more successful at online fundraising.

These organizations displayed the following characteristics:

- Larger e-mail list size;
- More Web site traffic;
- Larger online communications budgets;
- Online fundraising programs that have been in place for a longer period of time; and
- Online fundraising coordinated with online advocacy (See Online Fundraising Table 5, below, from the broader, self-reported nonprofit survey).

|                                       | Online Advocacy Program | No Online Advocacy Program |
|---------------------------------------|-------------------------|----------------------------|
| Average Annual Online Donation Totals | \$343,000               | \$113,000                  |
| Median Annual Online Donation Totals  | \$25,000                | \$3,000                    |

**ONLINE FUNDRAISING: TABLE 5**  
Broader Nonprofit Survey Annual Donation Totals

## AN IN-DEPTH LOOK:

### Direct Mail Prospecting to Online Supporter Lists

*Brian Hauf, Convio*

In the fall of 2003, the Brady Campaign, a gun control advocacy organization, set four goals for its online fundraising efforts:

- 1) Raise funds for impending legislative battles on Capitol Hill;
- 2) Attract new donors to support its cause;
- 3) Move e-mail subscribers to contact decision makers; and
- 4) Integrate e-mail subscribers into other direct marketing channels to raise funds and deepen commitment to its cause.

The Brady Campaign's online fundraising initiative was integrated with its online activism and campaign efforts. Beginning in 2004 and utilizing an innovative micro-site, petition campaigns, activism-oriented e-mail messages, and calls to "tell a friend," the Brady Campaign grew its e-mail list from 38,000 to 175,000 subscribers. These list building and activism initiatives were then followed by several fundraising appeals seeking donations to specific campaign initiatives (like print and TV ads). Typical response rates to these fundraising appeals ranged from 0.19 to 0.37 percent; this compares to typical e-mail acquisition appeal rates of 0.1 percent. Average gifts ranged from \$24 to \$46. And new donors via the Internet grew from 311 in 2002 to 3,244 in 2004.

Having collected postal mailing addresses via its online petition drive for approximately 23 percent of its e-mail list, the Brady Campaign then sent a direct mail solicitation to online non-donors for whom mail addresses were available. The result was a 1.26 percent response rate, as compared to the overall mailing response rate of 1.11 percent by the group's standard direct mail rental lists. This represents an increase of nearly 14 percent. The average gift from e-mail constituents in response to the direct mail appeal was \$24.22, 19% higher than the overall mailing average gift of \$20.52. The key acquisition metric – the net cost per acquired donor for the e-mail list – was \$6.22 compared with \$15.71 for the overall mailing.

The Brady Campaign will be tracking the lifetime value of these new donors. But initial measures point to success at converting online non-donors to donors across three channels – e-mail, direct mail and telemarketing.

## AN IN-DEPTH LOOK:

### Disaster Relief: Humane Society Raises Over \$18 Million Online for Katrina's Animal Victims

*Nick Allen & Sarah Haug, Donordigital*

Along with the terrible human toll from Hurricanes Katrina and Rita in 2005, hundreds of thousands of dogs, cats and other animals were also victims of the Gulf disaster. The Humane Society of the United States (HSUS) reacted almost immediately, both on the ground (with teams rescuing animals) and on the Web (with an online outreach and fundraising effort).

The HSUS online team temporarily replaced the HSUS home page with an online disaster center splash page. The Disaster Center provided up-to-the-minute hurricane updates, slideshow footage of the devastation and the animals left behind, and a place to quickly and easily donate. HSUS sent a series of urgent e-mail appeals and disaster updates over five weeks, with less frequent but informative updates being sent through December 2005.

The results? An astounding \$18 million in donations from e-mail appeals and Web site visitors, with an average gift 166% higher than the average gift donated prior to the online disaster relief efforts. HSUS also recruited thousands of new e-mail subscribers, as new donors and Web visitors signed up or took action on featured online advocacy campaigns.

What worked? Nimbleness, responding quickly to the disaster; saturation media coverage; promotion of the HSUS effort on major news sites and hundreds of other third-party Web sites; a very active 650,000-person e-mail list of advocates, subscribers and donors; an information-packed Web site; and a talented 24/7 online fundraising and marketing staff.

# AN IN-DEPTH LOOK:

## Pass-Along Fundraising

*Greg Nelson, Kintera*

In campaign after campaign, statistics support one of the strongest-held beliefs of fundraising professionals: Your current subscribers truly are your best fundraisers. And with online pass-along fundraising strategies, they can do it in an efficient and personalized way, with often good results.

Pass-along online fundraising generally works like this: Organizations implement online fundraising tools which allow subscribers to create their own personal fundraising Web pages. While these fundraising pages are usually branded by the organization, subscribers can customize the page, often with a photo and text. Subscribers then send e-mails to personal networks of friends, family and colleagues inviting them to visit their fundraising page to donate toward your cause.

Traditional fundraising can be slow, burden participants with managing a lot of paper, and often limits their “ask” scope to local contacts. But pass-along online fundraising empowers individuals to engage their nationwide – and even international – networks.

The Children’s Hospital Foundation in Denver used pass-along fundraising for their 2005 Courage Classic cycling event. They saw an immediate impact over the previous year:

- Participants raised nearly \$250,000 online in 2005 – a 223% increase over 2004.
- Twenty-four percent of the event total was raised online, compared with 9% the previous year.
- Participants who used online pass-along fundraising raised on average \$1,054, compared with \$577 by those who did not.

The combination of online technology and personal solicitation makes pass along fundraising a win-win method to generate revenue and support.



# IX. BEST PRACTICES

Nonprofit organizations can improve the overall success of their online communications program in many ways. Based on the results of this study, we have developed a list of best practices that organizations may want to consider following to improve the performance of their online communications programs. By learning from the lessons of other nonprofits, organizations may be able to increase the effectiveness of e-mail messaging, online advocacy and online fundraising, in addition to recruiting more online subscribers.

Please note that, as with any strategic communications, we would strongly recommend testing what works best for your online subscribers prior to making a wholesale change in your program. What works best for other organizations may not work for all organizations.

## 1. Budget for Success.

Given the clear relationship between the size of an organization's online communications budget and their results, nonprofits that want to achieve greater success online should consider increasing their online communications budgets. For the study partners we saw a clear relationship between the online communications budget and two key indicators of success: the amount raised in online donations and the total number of advocacy actions taken.

## 2. Grow Your E-Mail List to Increase Online Advocacy and Fundraising Impact.

The study found that organizations with larger e-mail lists were better able to achieve online fundraising success, and saw significantly greater results in terms of online advocacy outcomes. If either of these are a priority for your organization, growing your e-mail list is one key way to improve your results.

## 3. Anticipate and Track List Churn.

When planning for e-mail list growth, organizations must anticipate list churn. With 28 percent of all e-mail subscribers becoming unreachable, on average, within a 12-month period, it is critical to compensate for list churn and substantially grow an e-mail list. Organizations should also establish tracking mechanisms to track churn rate.

## 4. Increase Retention of List Subscribers.

Organizations with a greater percentage of subscribers retained on e-mail lists for longer than one year saw higher action participation rates and generated more citizen letters. Organizations should pursue list management strategies to increase the longevity of e-mail list subscribers by increasing retention rates and reducing churn.

**5. Carefully Track Marketing and Recruitment Efforts.**

Successful return on investment analysis absolutely depends on an organization establishing careful tracking mechanisms up front, before online marketing programs are launched. Because of the way many vendors store and report data, it is often impossible to reconstruct accurate results for advertising campaigns that took place just a few months ago. Organizations should know what data points you want to track before recruitment campaigns are launched. In addition to measuring subscriber retention, some organizations may want to measure the amount of online activism generated, funds donated, and offline activists recruited.

**6. Test Optimizing Day of the Week for Advocacy Message Launch.**

Study data indicate that advocacy messages sent on Thursdays and Fridays receive slightly higher open rates than e-mail messages sent on other days of the week. We would strongly recommend, however, that organizations test this with their own e-mail list prior to making a wholesale change in the day of week they send their e-mail messages.

**7. Carefully Target and Segment E-Mail Messages.**

Data indicate that advocacy messages targeted by geographic area yield higher open and response rates for online activism and online fundraising than messages sent to the entire list. To boost response rates, organizations should develop strategies to more carefully target some e-mail messages.

**8. Act Quickly to Respond to Timely Events.**

Some of the success that international aid organizations had with online fundraising in 2004-2005 was due to the dramatic surge in online fundraising in support of Asian tsunami relief efforts. This was made possible, in part, by reacting quickly to this emergency, to make information about relief efforts and donation opportunities available via organizational Web sites and to e-mail subscribers. All organizations should have rapid response fundraising plans in place to move quickly in response to urgent events and give subscribers opportunities to donate online.

# X. METHODOLOGY AND DISCUSSION OF METRICS

*The eNonprofit Benchmarks Study* collected online engagement data for online transactions occurring, in most cases, between September 2003-September 2004 and September 2004-September 2005. Data for the study came from three sources.

## 1. In-Depth Nonprofit Study Partners

The study's nonprofit partners group consisted of 15 U.S.-based national nonprofit organizations: six rights based groups, three international aid organizations, and six environmental organizations. For one of these in-depth study partners, only a few key data points were collected and analyzed in the study because of a recent technology conversion. The groups include:<sup>5</sup>

### **Environmental:**

- Earthjustice ([www.earthjustice.org](http://www.earthjustice.org))
- Environmental Defense ([www.environmentaldefense.org](http://www.environmentaldefense.org))
- Defenders of Wildlife ([www.defenders.org](http://www.defenders.org))
- Save Our Environment ([www.saveourevironment.org](http://www.saveourevironment.org))
- Union of Concerned Scientists ([www.ucsusa.org](http://www.ucsusa.org))
- The Wilderness Society ([www.wildernesssociety.org](http://www.wildernesssociety.org))

### **Civil/Legal Rights:**

- Amnesty International ([www.amnestyusa.org](http://www.amnestyusa.org))
- Human Rights Campaign ([www.hrc.org](http://www.hrc.org))
- Human Rights First ([www.humanrightsfirst.org](http://www.humanrightsfirst.org))
- Leadership Conference on Civil Rights ([www.civilrights.org](http://www.civilrights.org))
- NARAL Pro-Choice America ([www.naral.org](http://www.naral.org))
- Planned Parenthood Federation of America ([www.plannedparenthood.org](http://www.plannedparenthood.org))

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<sup>5</sup> Each organization may have additional affiliated Web sites and URLs which may be counted among their overall traffic and response numbers. For easy reference, their main organizational Web sites are listed here.

**International Aid:**

- CARE USA ([www.careusa.org](http://www.careusa.org))
- International Planned Parenthood Federation / Western Hemisphere Region ([www.ippfwhr.org](http://www.ippfwhr.org))
- Oxfam America ([www.oxfamamerica.org](http://www.oxfamamerica.org))

Each organization has active e-mail messaging, online activism and online fundraising programs, and each utilizes Convio, GetActive Software or Kintera, three of the leading nonprofit e-mail messaging, online advocacy and online fundraising technology vendors.

Data from the nonprofit study partners was gathered in the following ways:

- A two-page questionnaire with 17 questions, collecting basic organizational data that was completed by the organizations themselves.
- M+R's data analyst and data intern carefully combed through each partner's e-mail systems, databases and reporting tools to gather data on e-mail communications, fundraising, and e-mail transactional history. Data was collected in Access for further querying capabilities. [Aggregate data tables from the in-depth partners will be available online at [www.e-benchmarksstudy.com](http://www.e-benchmarksstudy.com).]

Data collection was complex, taking nearly three months. Each study partner used different technology tools for tracking and storing data, and the quality and consistency of the data varied organization by organization.

The most complex part of the data gathering and analysis was e-mail communications data. Data was collected from 13 nonprofit partners on e-mail messages sent between September of 2004 and September of 2005 and between September of 2003 and September of 2004. Ten partners sent out fewer than 350 separate e-mails in that time period, and M+R's data analyst and data intern put data on each message into an Excel spreadsheet, coding each message into message-type categories (including Advocacy, Fundraising, E-news, and Other). Advocacy messages were further coded into Online Advocacy Campaign and Offline Advocacy Campaign categories. All messages were then categorized as sent to the Whole List or to a Segment of the List. Messages sent to a Segment of the List were then categorized as to what type of segmentation strategy was used (Geo-Target or Interest Category).

For the two partners with over 1,000 messages sent during the respective time periods, random samples of their messages were taken to calculate e-mail messaging rates. For one nonprofit partner without a full year's worth of messaging data, we forecasted from the three months of data that was available.

## 2. Aggregate Data From Technology Vendors

Aggregate online engagement data was collected across the hundreds of nonprofit clients of Convio, GetActive Software and Kintera. Data types collected in aggregate

from the vendors closely match the data collected from the nonprofit partners. With the understanding that each vendor has its own way of storing data and calculating numbers, the aggregate vendor data that we collected included the following metrics:

- Average Message Open Rate;
- Average Message Click-Through Rate; and
- Average Online Gift Size.

Each vendor calculated each data point across all of its clients using the 2005 year (January 1 to December 31). Two of the vendors provided one annual data point, while a third provided a monthly breakdown that was then averaged.

Message open rates were calculated by two of the technology vendors the same as it was calculated for the nonprofit study partners, while one vendor calculated the open rate by dividing the number of HTML e-mails opened by the number of HTML e-mails sent. This calculation removes the effect of plain text e-mails, but could result in lower than actual open rates because number of HTML e-mails sent does not exclude the number of e-mails that bounced. Calculating open rate based on e-mails sent or received are both commonly accepted practices within the e-mail service provider industry (ESP).

Message click-through rates were also calculated by two of the technology vendors the same as it was calculated for the nonprofit study partners. The third technology vendor calculated click-through rate by dividing the total number of e-mails in which a recipient clicked on at least one link by the total number of e-mails sent. This calculation could be lower than the actual click-through rate because, as above, the number of e-mails sent does not exclude the number of bouncing e-mails. The differences in these calculations did not produce vast differences in outcome as the click-through rates from each vendor did not vary more than 0.8 percent.

All three vendors calculated average online gift size by dividing the total dollars raised from donation transactions across all clients (in 2005) by the total number of successful donations.

### 3. Broader Nonprofit Online Survey

Data and information about online practices was collected from 85 nonprofit organizations that participated in an online survey open to all such organizations. Survey respondents represented a broad range of nonprofits of different sizes working in various issue areas. Data from this survey was self-reported by the organizations taking the survey. Survey respondents answered 32 questions about their online communications programs. [A copy of the survey questions and answers can be seen in Appendix B.] The survey was launched online in the end of November 2005 and closed in the end of December 2005. A breakdown of organization types that participated is found in Methodology Table 1.

The survey was promoted formally and informally to the broader nonprofit community through a variety of channels. It was distributed online via M+R Strategic Services' Web site, as well as to several e-mail groups and listservs used by the nonprofit Internet community, including Progressive Exchange, the Nonprofit Technology Enterprise Network's (N-TEN) e-mail. The eNonprofit Benchmarks Study advisory group members also forwarded the survey to colleagues, peers and clients. In addition, survey respondents were asked to forward the survey to other organizations after completing the survey themselves.

Data for the study comes from these three sources, with the sources highlighted in each section so as to be clear to the reader. In most cases, the time frames for the data analysis are September 2003-September 2004 and September 2004-September 2005.

## Glossary

The following are definitions for terms used throughout the report:

### Click-Through Rate:

Calculated as the number of people who clicked on any trackable link in an e-mail message divided by the number of people who received the e-mail message. People who clicked multiple times in one e-mail were only counted once. For example, if a subscriber clicks on every link in a message ten times, this was counted the same as if the subscriber had clicked once on a single link.

| Type of Nonprofit Organization           | Number of Respondents |
|--|-----------------------|
| Other                                    | 16                    |
| Education                                | 9                     |
| Health and Mental Health                 | 9                     |
| Community and Economic Development       | 5                     |
| Environment, Wildlife and Animal Welfare | 5                     |
| Network of Nonprofit Organizations       | 5                     |
| Disaster Relief                          | 4                     |
| Media and Media Watch Dog                | 4                     |
| Poverty and Hunger                       | 4                     |
| Children and Youth                       | 3                     |
| Housing and Homelessness                 | 3                     |
| Technology, Computer and Internet Policy | 3                     |
| Volunteering and Community Service       | 3                     |
| Gay, Lesbian, Bi & Trans Issues          | 2                     |
| Human Rights and Civil Liberties         | 2                     |
| Crime and Safety                         | 1                     |
| Disability Issues                        | 1                     |
| Family and Parenting                     | 1                     |
| Immigration                              | 1                     |
| Job Training and Workplace Issues        | 1                     |
| Peace and Conflict Issues                | 1                     |

### METHODOLOGY: TABLE 1 Survey Respondents

**Open Rate:**

Calculated as the number of HTML-version of an e-mail message opened divided by the number of people who received the HTML-version of the e-mail. The number of subscribers who received an e-mail is calculated by subtracting the number of bounces from the total number of e-mails sent. (An e-mail bounce is an e-mail address that bounces back to the sender because the recipient's mailbox was full, the attachment size was too large, there was a connection problem, or the e-mail address was simply invalid.) Open rates do not include plain text e-mail recipients because it is calculated by loading an image pixel in the body of a recipient's e-mail. Because plain text e-mail recipients are excluded, the reported open rate may be lower than the true open rate. Open rate data for e-mails opened by plain text viewers is not available. However, e-mail lists for the nonprofit study partners tend to have a relatively small number of plain text e-mail subscribers, so we do not believe the discrepancy to be major.

**Page Completion Rate:**

Calculated as the number people who completed a form divided by the number of people who clicked on the link to get to that form.

**Response Rate:**

Calculated as the number of people who took the main action requested from an e-mail message divided by the number of people who received the e-mail message. For the purposes of the study, this generally only applies when the action is completing an online advocacy form or an online donation form.

M+R attempted to standardize the nonprofit study partner data sets in every way possible; please note that this dataset is a small high-dimensional sample. Because of the labor intensity required to extract multiple data points from several messaging campaigns, we were unable to include more partners in this study. Additionally, the types of attributes measured in this study are not absolute and thus make it difficult to draw broader conclusions.

# APPENDIX A

Below is the questionnaire provided to the 15 in-depth nonprofit study partners, followed by a table of aggregated answers. We are not able to show answers to all of these questions because many of the answers cannot be grouped together into a number or category.

Aggregate data tables from the in-depth partners will be available online at [www.e-benchmarksstudy.com](http://www.e-benchmarksstudy.com).

## Questionnaire

- 1+2. Organization Name and Contact (name, e-mail address, mailing address, phone number):
3. Technology Vendor for Online Activism, Messaging, Fundraising & Member Management (circle those that apply):
  - Convio
  - GetActive Software
  - Kintera
4. Staffing:
  - Total Staff:
  - Total Online Communications Staff:
5. Budget (current fiscal year, including staff costs):
  - Total Annual Overall Organizational Budget (current fiscal year):
  - Total Annual Marketing & Communications Budget:
  - Total Annual Online Communications Budget:
  - Online Communications Budget Breakdown:
    - Total Annual Web Site Budget:
    - Total Annual Online Advocacy Budget:
    - Total Annual Online Advertising Budget:
    - Total Annual Online Fundraising Budget:
6. Previous Estimated 5-Year Investment in Online Communications:
  - Total \$ Amount:
  - Web Site Investment:
  - Online Advocacy:
  - Online Ads/Marketing:
  - Online Fundraising:
  - Other:
7. Length of Online Program, In Years:
  - Web Site:
  - E-Mail Messaging Lists:
  - Online Advocacy Program:



- Online Fundraising Program:
8. Web Site Traffic: [http://www.\\_\\_\\_\\_\\_.org/](http://www._____.org/)
- Annual Visits (use 9/1/2004-9/1/2005):
  - Annual Unique Visitors (use 9/1/2004-9/1/2005):
  - Monthly Visits:
  - Monthly Unique Visitors:
  - Web Site Address:
9. E-Mail Subscribers (provide breakdowns if messaging streams are separated): Does your organization maintain separate lists for activism, e-mail newsletters and donor appeals, or are they consolidated into one list?
10. Offline Constituency Communications:
- # of Direct Mail Donors (9/1/2004-9/1/2005):
  - Total Direct Mail offline gifts, excluding online giving (9/1/2004-9/1/2005):
  - # of Offline Activists/Volunteers (if applicable):
  - Total Direct Mail Giving (total offline and online giving between 9/1/2004-9/1/2005):
11. Conversion From Direct Mail - Are direct mail donors who then gave online identified?
12. Has your organization used its e-mail subscribers as direct mail prospects (e.g., Have you sent direct mail fundraising appeals to non-donated e-mail subscribers)?
- No
  - Yes (If yes, please briefly describe how often.)
13. Do you have results of direct mail prospecting to e-mail subscribers to share?
14. Has your organization utilized any of the following special online fundraising tactics:
- Friend-to-Friend Fundraising (e.g., Convio's TeamRaiser, GetActive's Community Networking Module, Kintera's Friends Asking Friends):
  - Paid Ads to Acquire New Donors:
  - Emergency Relief:
  - If so, please briefly describe:
15. Does your organization collect "interest" information about subscribers (e.g., check boxes at sign up, importing interest info collected offline, etc.)?
- No
  - Yes (If yes, does your organization use that data to target messages?)
16. Paid activist/subscriber recruitment tactics your group has used in the last year (with source codes saved):
- Paid:
  - Earned:
  - Other:
17. Do you have a membership program? If so, briefly describe.

| Question   | Average      | Median       | Yes | No |
|--|--------------|--------------|-----|----|
| <b>4. Staffing</b>   |              |              |     |    |
| Total Staff:   | 186          | 120          |     |    |
| Total Online Communications Staff:   | 5            | 4            |     |    |
| <b>5. Budget (current fiscal year, including staff costs)</b>                                  |              |              |     |    |
| Total Annual Overall Organizational Budget:  | \$58,220,000 | \$22,300,000 |     |    |
| Total Annual Marketing & Communications Budget:  | \$2,441,833  | \$2,200,000  |     |    |
| Total Annual Online Communications Budget:   | \$485,726    | \$436,000    |     |    |
| Online Communications Budget Breakdown:  |              |              |     |    |
| Total Annual Web Site Budget:  | \$215,061    | \$155,000    |     |    |
| Total Annual Online Advocacy Budget:   | \$145,944    | \$104,000    |     |    |
| Total Annual Online Advertising Budget:  | \$46,727     | \$30,000     |     |    |
| Total Annual Online Fundraising Budget:  | \$117,389    | \$114,000    |     |    |
| <b>7. Length of Online Program in Years:</b>   |              |              |     |    |
| Web Site:  | 7.6          | 8            |     |    |
| E-Mail Messaging Lists:  | 5.2          | 5            |     |    |
| Online Advocacy Program:   | 4.6          | 5            |     |    |
| Online Fundraising Program:  | 3.6          | 4            |     |    |
| <b>10. Offline Constituency Communications</b>   |              |              |     |    |
| Number of Direct Mail Donors (9/04-9/05):  | 163,414      | 100,000      |     |    |
| Total direct mail giving (9/04-9/05):  | \$16,591,209 | \$6,000,000  |     |    |
| <b>11. Are direct mail donors who then gave online identified?</b>                             |              |              | 8   | 3  |
| <b>12. Has your organization used its e-mail subscribers as direct mail prospects?</b>         |              |              | 8   | 4  |
| <b>14. Has your organization used any of the following special online fundraising tactics:</b> |              |              |     |    |
| Friend-to-Friend Fundraising:  |              |              | 4   | 2  |
| Paid Ads to Acquire New Donors:  |              |              | 6   | 3  |
| Emergency Relief:  |              |              | 4   | 4  |
| <b>15. Does your organization collect "interest" information about subscribers?</b>            |              |              | 9   | 5  |
| If yes, do you use it?   |              |              | 5   | 4  |

**APPENDIX A****Questionnaire Answers (for select questions only)**

# APPENDIX B

Below is the survey data collected from the 85 nonprofit organizations that participated in the 32-question broader nonprofit online survey.

| Question   | Average                 | Median      | Yes | No |
|--|-------------------------|-------------|-----|----|
| 1. What is the general mission of your nonprofit organization?   | See Methodology Section |             |     |    |
| 2. Which of the following online products or activities does your nonprofit organization produce or engage in? (Please check all that apply) |                         |             |     |    |
| Web site:  |                         |             | 82  | 2  |
| E-Mail News, Newsletters or Updates:   |                         |             | 73  | 11 |
| Online Activism (action alerts, advocacy campaigns, etc.):   |                         |             | 38  | 46 |
| Online Fundraising:  |                         |             | 54  | 30 |
| Other (please specify):  |                         |             | 16  |    |
| 3. How many full-time staff does your organization employ?   | 626                     | 22          |     |    |
| 4. How many full-time online communications staff does your organization employ?   | 6                       | 1           |     |    |
| 5. What is the overall budget of your organization?  | \$20,002,247            | \$2,200,000 |     |    |
| 6. Number of annual visits:  | 1,203,962               | 154,933     |     |    |
| 7. Number of annual unique visitors:   | 1,078,909               | 75,784      |     |    |
| 8. Number of monthly visits:   | 102,469                 | 11,794      |     |    |
| 9. Number of monthly unique visitors:  | 93,230                  | 18,250      |     |    |
| 10. How long has your organization had the following online products or programs (in years)?   |                         |             |     |    |
| Web Site:  | 5                       | 5           |     |    |
| E-Mail Messaging Lists:  | 4                       | 4           |     |    |
| Online Advocacy Program:   | 3                       | 3           |     |    |
| Online Fundraising Program   | 3                       | 2           |     |    |

| Question  | Average | Median | Yes | No |
|---|---------|--------|-----|----|
| 11. How many total unique, active, non-bouncing e-mail addresses do you have on file?   | 62,560  | 5,300  |     |    |
| 12. If managed separately, how many email recipients do you have for each of the following email lists?                           |         |        |     |    |
| Number of e-mail activists (action alerts or petitions):  | 30,409  | 25     |     |    |
| Number of e-mail newsletter subscribers:  | 86,471  | 1,675  |     |    |
| Number of fundraising e-mail appeal recipients:   | 97,043  | 1,050  |     |    |
| 15. How many total individual e-mails did you send to your subscribers or list members in the past 12 months?                     | 138,431 |        |     |    |
| 16. On average, how many messages would any one person on your e-mail list(s) receive from your organization in an average month? | 4       | 2      |     |    |
| 17. What is the overall average unique open rate for e-mail messages you sent to your e-mail list over the past 12 months?        | 34%     | 33%    |     |    |
| 18. On average, how many online actions/online petitions/advocacy campaigns does your organization launch each month?             | 2       | 0.5    |     |    |
| 19. What is your organization's overall average response rate to online advocacy actions in the past 12 months?                   | 19%     | 12%    |     |    |
| 20. What is your mix of local versus national advocacy?   |         |        |     |    |
| Local Advocacy (%):   | 41%     | 23%    |     |    |
| National Advocacy (%):  | 53%     | 50%    |     |    |
| 22. On a scale of 1 to 6 (1 being low), how would you rate the strategic importance of the Internet to your organization?         | 5       | 5      |     |    |
| As a tool for educating your supporters on the issues you work on:  | 4       | 5      |     |    |
| As a tool for cultivating potential donors:   | 3       | 3      |     |    |
| As a tool for recruiting new activists and supporters:  | 4       | 4      |     |    |

**APPENDIX B: CONTINUED**

| Question  | Average      | Median   | Yes | No |
|---|--------------|----------|-----|----|
| 26. What are the online fundraising totals for your organization over the past 12 months?                                 | \$10,079,656 | \$2,500  |     |    |
| 27. What are the direct mail fundraising totals for your organization over the past 12 months?                            | \$10,770,133 | \$21,000 |     |    |
| 28. What are the telemarketing or tele-fund totals (in dollars) for your organization over the past 12 months?            | \$1,710,303  | \$0      |     |    |
| 29. Has your organization utilized any of the following special online fundraising tactics? (Please check all that apply) |              |          |     |    |
| Friend-to-Friend Fundraising:   |              |          | 7   | 44 |
| Paid Ads to Acquire New Donors:   |              |          | 6   | 45 |
| Emergency Relief Campaign:  |              |          | 10  | 41 |
| 31. Does your organization collect online "interest" information about subscribers/ activists/ donors?                    |              |          | 20  | 33 |
| 32. If yes, does your organization use that data to target e-mail messages?   |              |          | 12  | 24 |

**APPENDIX B: CONTINUED**  
Broader Nonprofit Online Survey

# APPENDIX C.

Below are the three data points gathered across the following three vendors: Convio, GetActive Software, and Kintera. Data from all three vendors together represent more than 1,000 organizations.

| Average E-Mail Open Rate | Average Message Click-Through Rate | Average Online Gift |
|--------------------------|------------------------------------|---------------------|
| 19%                      | 4%                                 | \$95                |

**APPENDIX C**  
Aggregate Data from Technology Vendors



