



# 2009 Convio Online Marketing Nonprofit Benchmark Index Study <sup>TM</sup> Webinar

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# Overview

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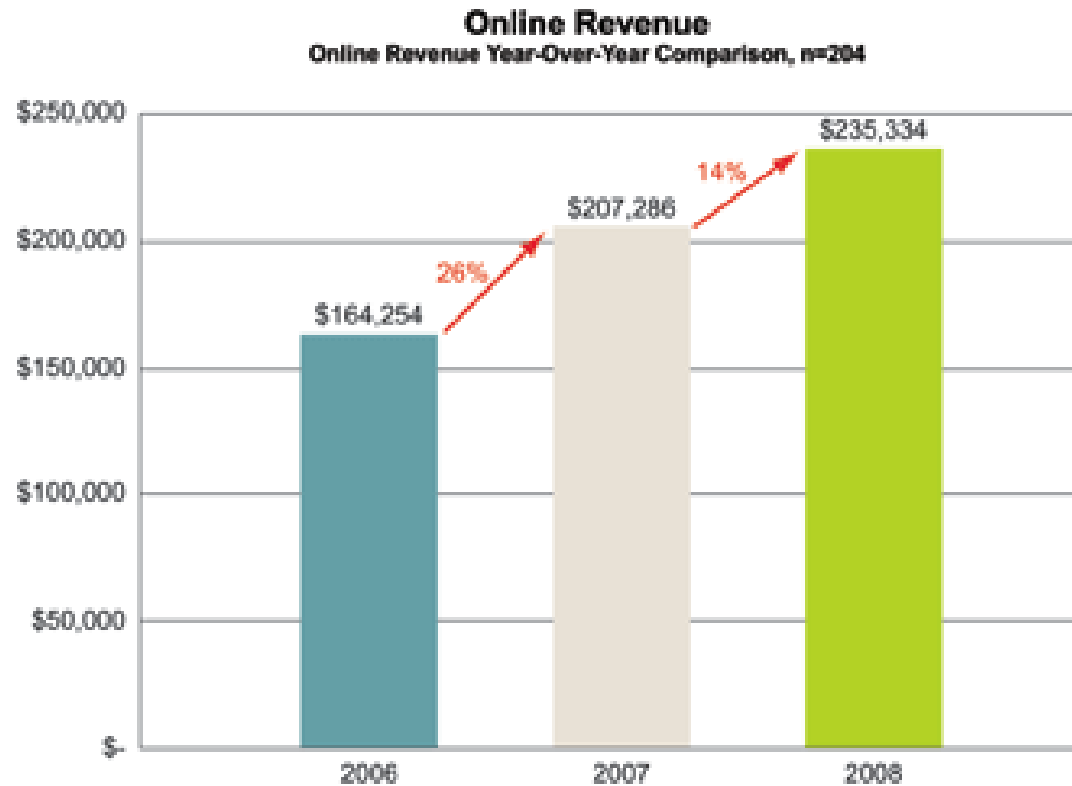
- For the third consecutive year, Convio is publishing the *Online Marketing Nonprofit Benchmark™ Study*. The study was created to help nonprofit marketers answer:
  - ▶ What online marketing metrics should I focus on?
  - ▶ How is my organization doing?
  - ▶ What targets should I set for my organization?
- This year's study compiles data from nearly **600** nonprofit organizations and aggregates their results in benchmarks.
- Nonprofit organizations can compare themselves to any of the following 15 benchmarks:
  - ▶ The nonprofit sector as a whole
  - ▶ One of twelve major vertical benchmarks based on organizations with a common mission
  - ▶ A segment of high volume marketers across verticals we call "Major eMailers"
  - ▶ A segment of that uses predominantly event-based peer-to-peer fundraising such as walks, runs, or bicycle rides to raise funds online

# Study Composition

| Vertical                                | Study Participants |
|---|--------------------|
| Animal Welfare                          | 32                 |
| Association & Membership                | 18                 |
| Christian Ministries                    | 37                 |
| Disaster & International Relief         | 32                 |
| Disease & Health Services               | 64                 |
| Environment & Wildlife                  | 26                 |
| Team Events                             | 113                |
| Higher Education                        | 16                 |
| Human & Social Services                 | 65                 |
| Jewish                                  | 12                 |
| Major eMailers                          | 52                 |
| Public Affairs                          | 80                 |
| Public Broadcasting Stations            | 21                 |
| Visitation, Performing Arts & Libraries | 29                 |
| <b>Total 2009 Study</b>                 | <b>597</b>         |

- We don't publicly disclose which of our clients compose the benchmarks, but this chart shows how they break down by vertical
- To be included in this year's study, clients must have been a Convio client the all of 2008
- Note: Get Active platform clients were not included in this year's study

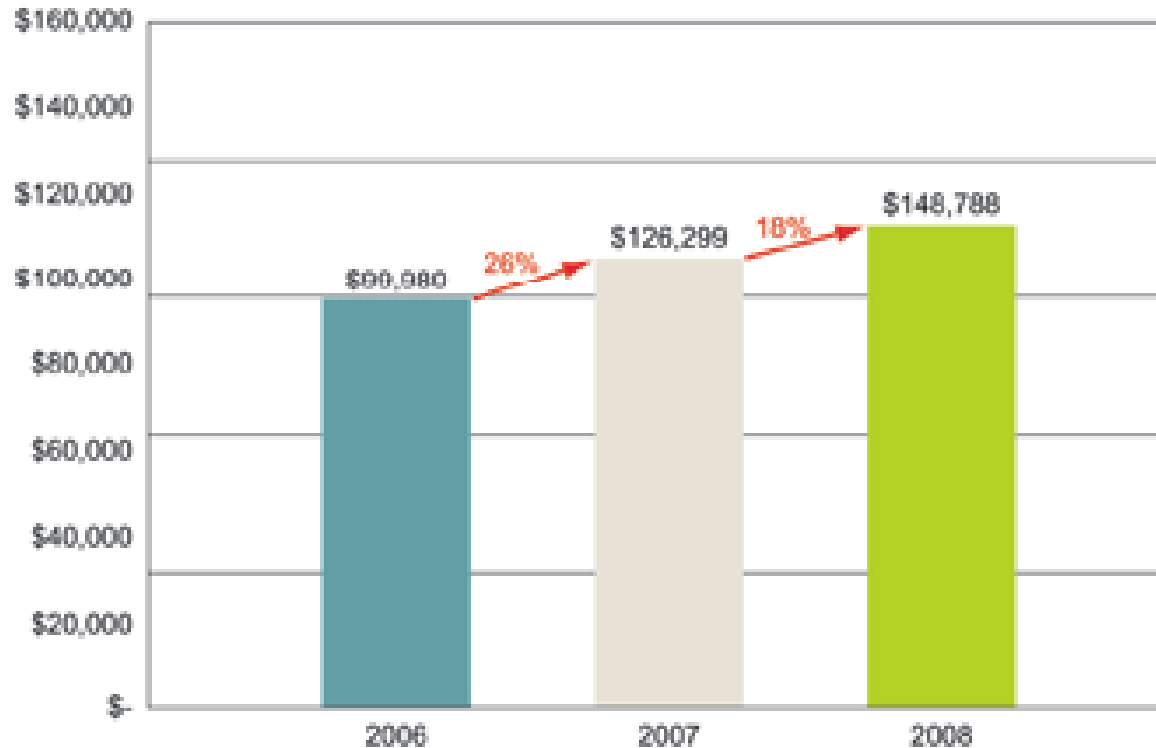
# Aggregate Sector Revenue Growth



- Online fundraising continues to experience robust growth
- The online fundraising programs of organizations in this study increased 14% from 2007 to 2008
- Growth in 2008 was driven by an increase in the number of gifts received by nonprofit organizations

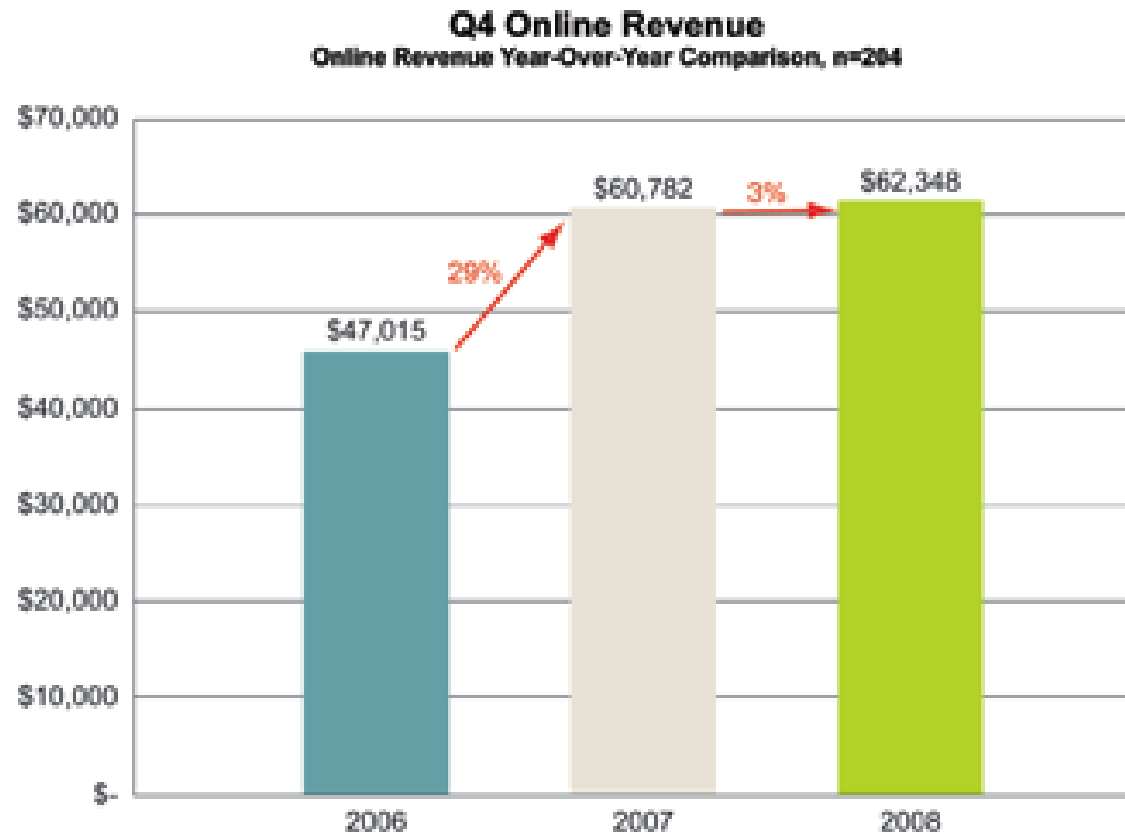
# Jan–Sept Revenue Growth

**Q1-Q3 Online Revenue**  
Online Revenue Year-Over-Year Comparison, n=294



- Growth for the first nine months of the year was however 18%

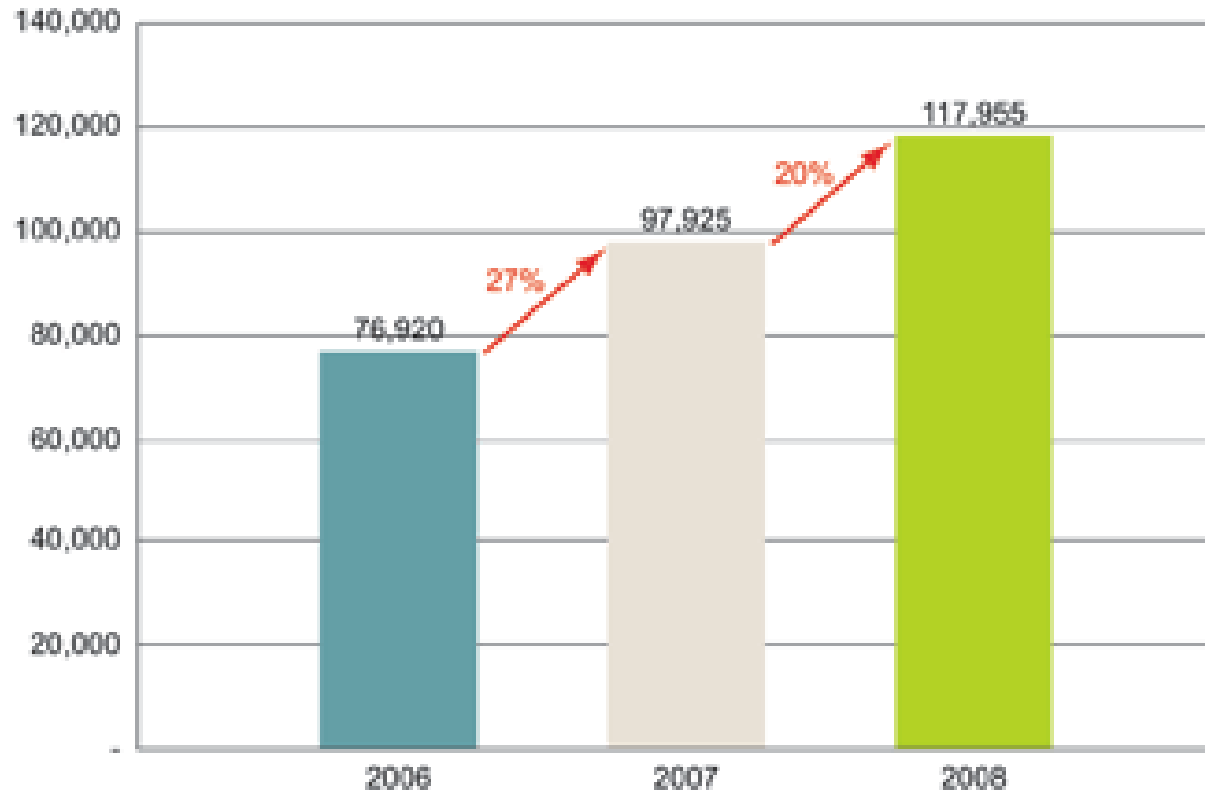
# Fourth Quarter Revenue Growth



- In Q4, 2008, online fundraising growth dropped to 3%
- While still positive, the drop in growth rate compared to the previous 9 months demonstrate the significant impact of the poor economy

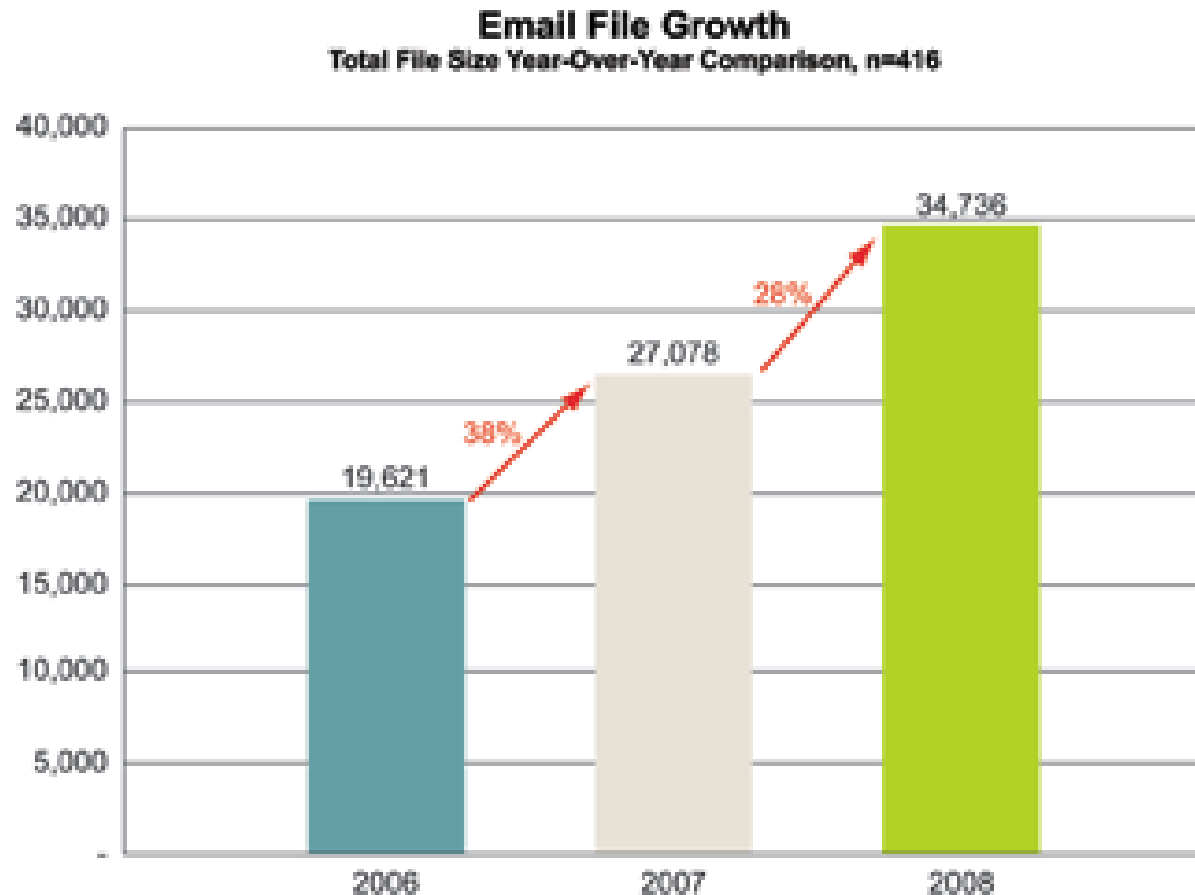
# Aggregate Sector Website Traffic Growth

**Website Traffic Growth**  
Annual Unique Site Visitors Comparison 2006-2008, n=206



- Nonprofits continue having success driving traffic to their websites
- Annual unique visitors continued to grow 20% in 2008 after a really strong 27% growth in 2007

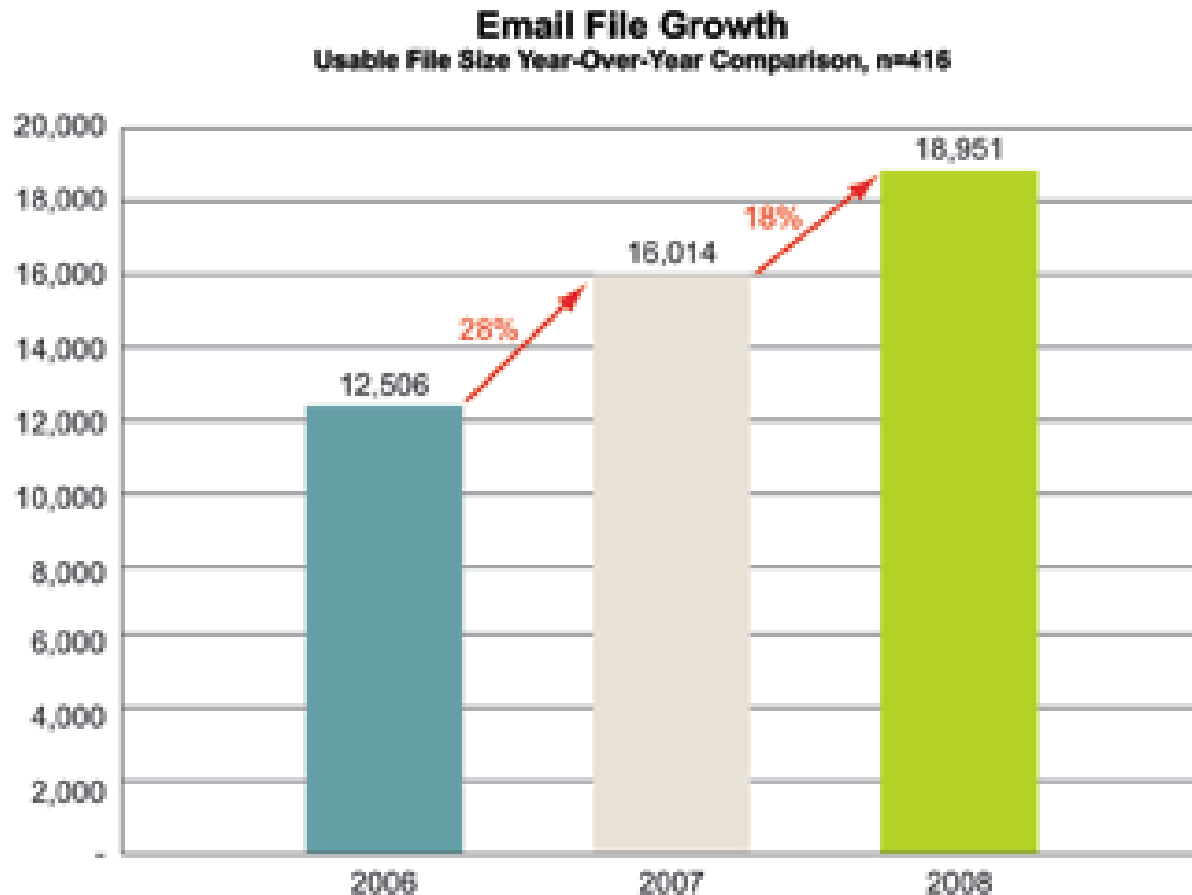
# Aggregate Sector Total Email File Growth



- In 2008, nonprofits added 28% more constituents to their email files
- 28% growth, while very strong, is slower than the 38% the prior year

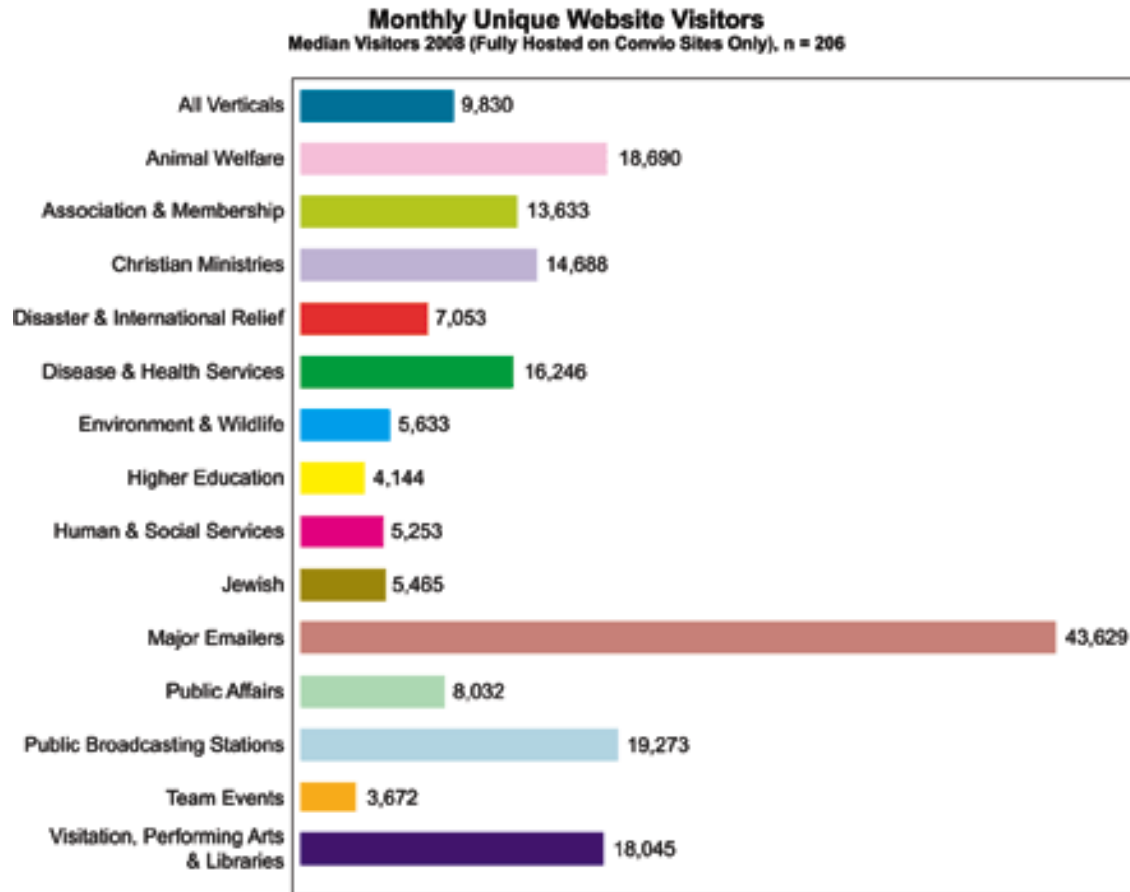


# Aggregate Sector Usable Email File Growth



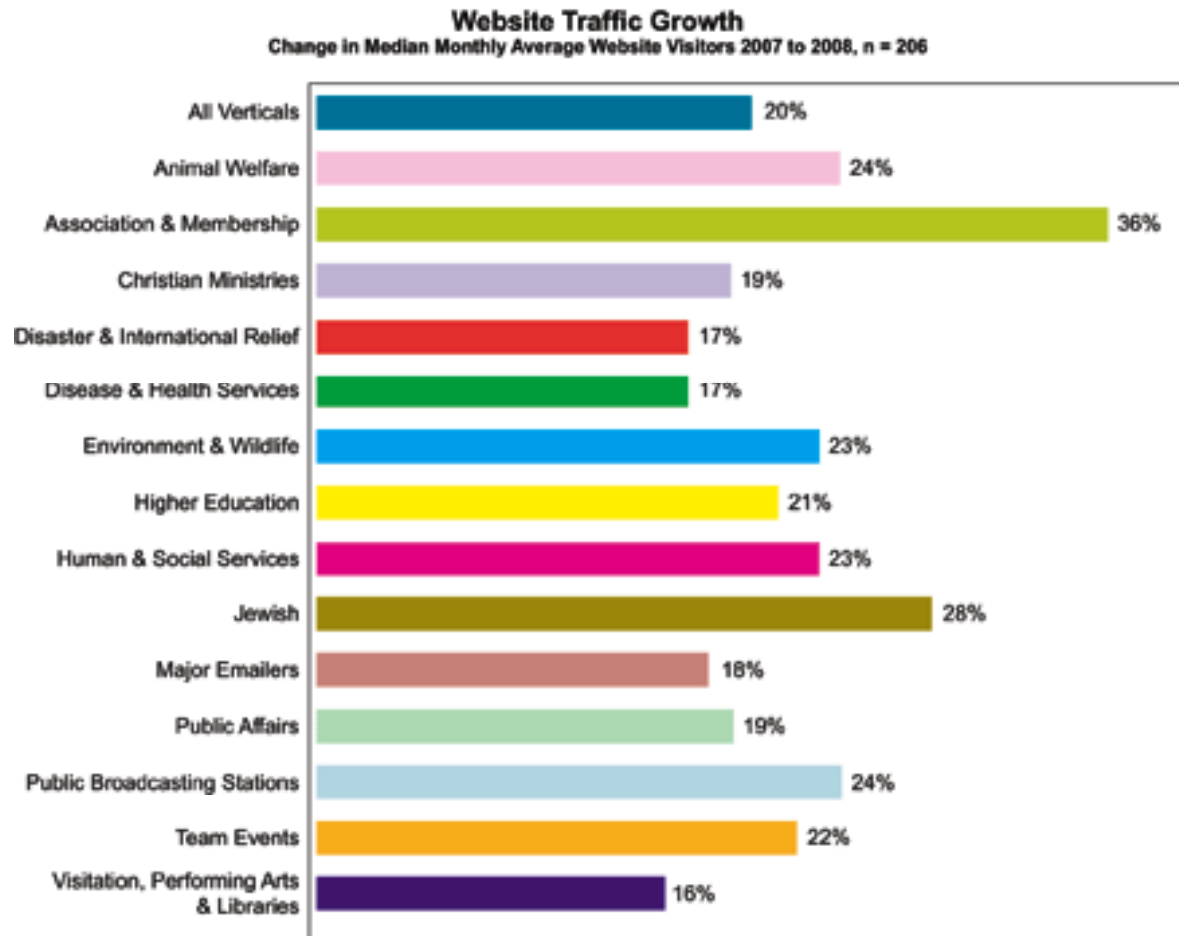
- The “usable” portion of an organization’s email file represents the portion that is currently opted-in and able to receive communication
- Usable email files grew 18% over 2007

# Monthly Website Traffic By Vertical



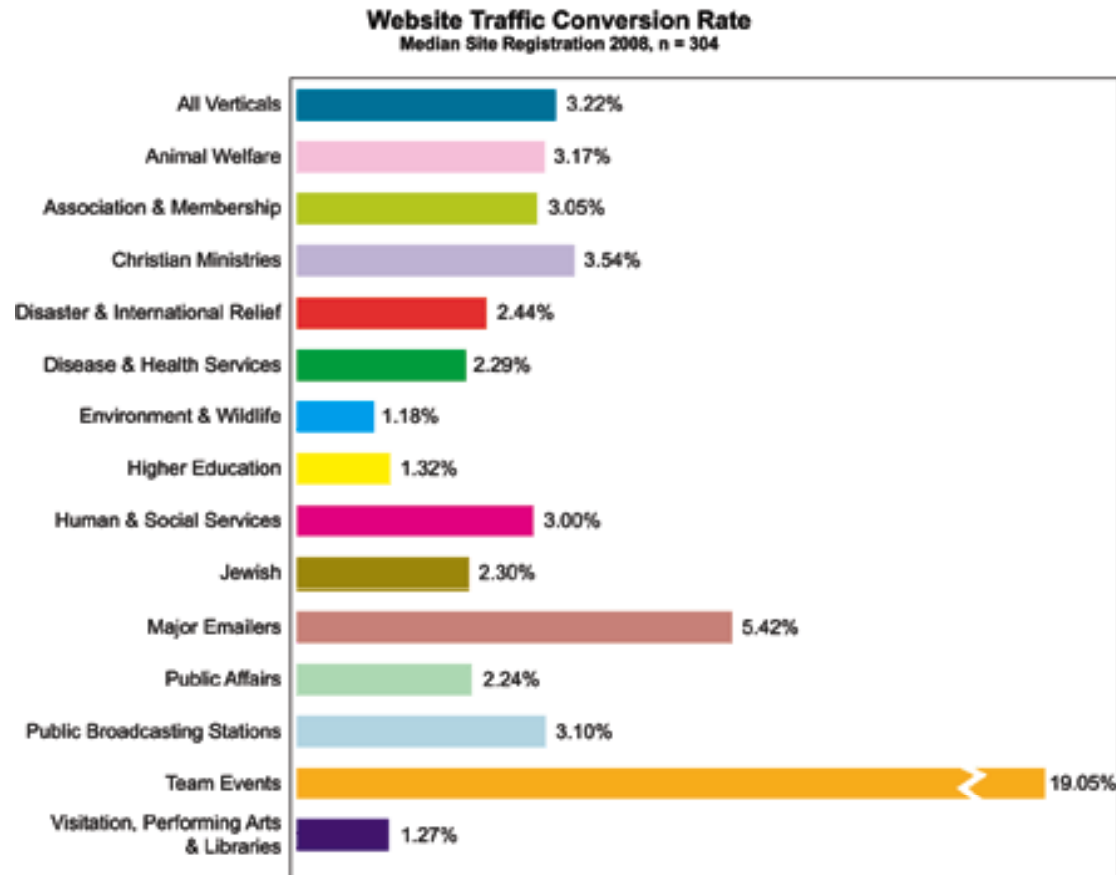
- For many constituents your website is their first interaction with you
- “49% of online mid-level and major donors will always visit a nonprofit’s website before making a first time gift” – Wired Wealthy 2008

# Monthly Website Traffic Growth by Vertical



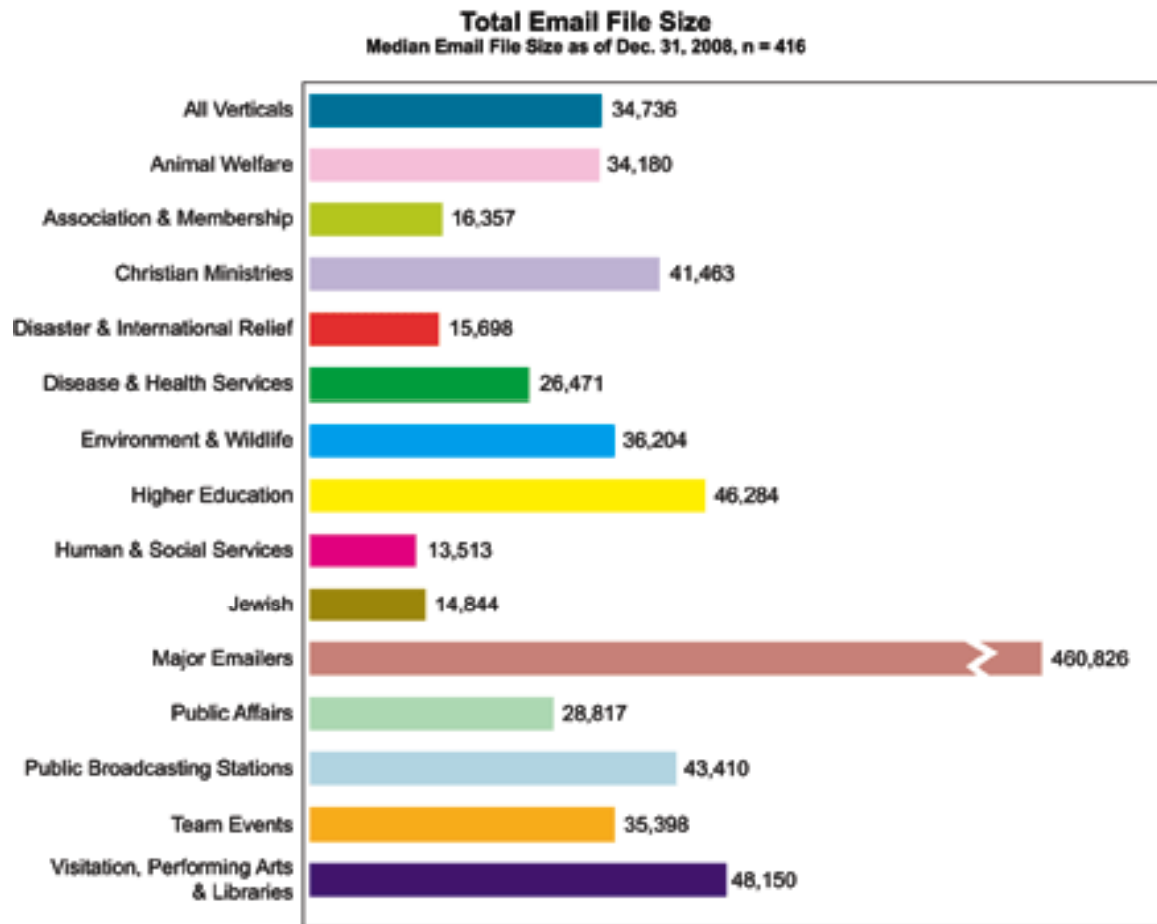
- Median year-over-year growth in website traffic is 20%
- Associations and Membership based organizations led with 36% growth

# Registration Conversion Rate by Vertical



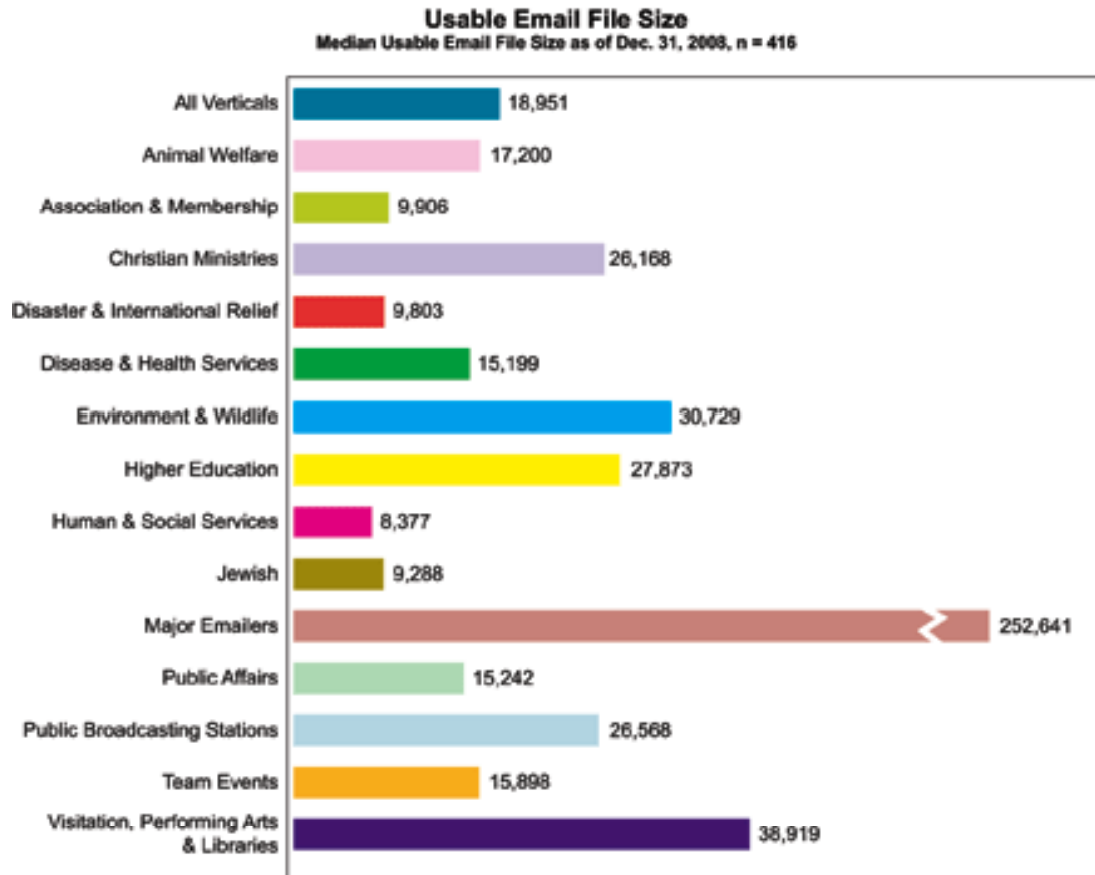
- Median conversion rate was just over 3%
- Event based fundraisers is nearly 6X the sector as a whole due to large number of first time visitors either registering for the event or making a donation on behalf of a participant

# Total Email File Size by Vertical



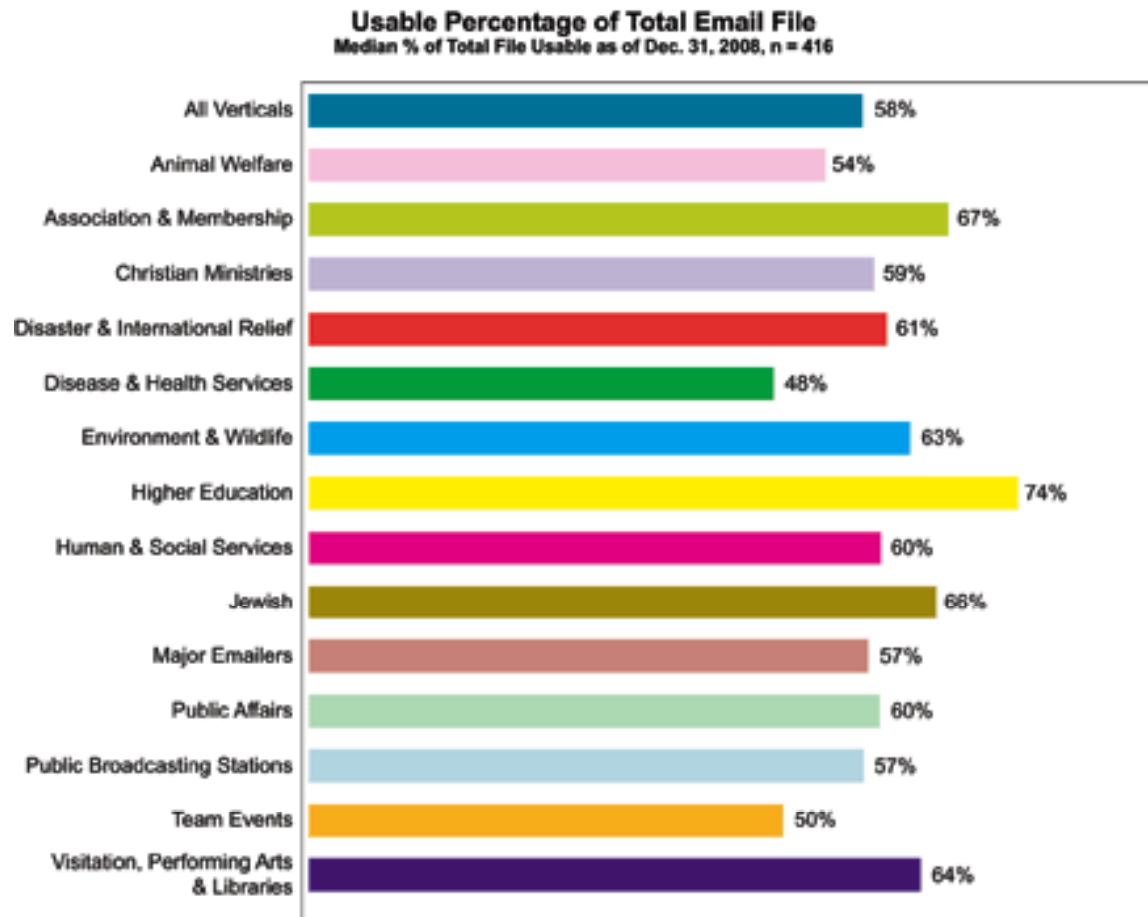
- Organizations that have been able to build files larger than this include those with missions whose appeal is broad, have compelling reasons for people to opt-in, or have channels to capture email addresses

# Usable Email File Size by Vertical



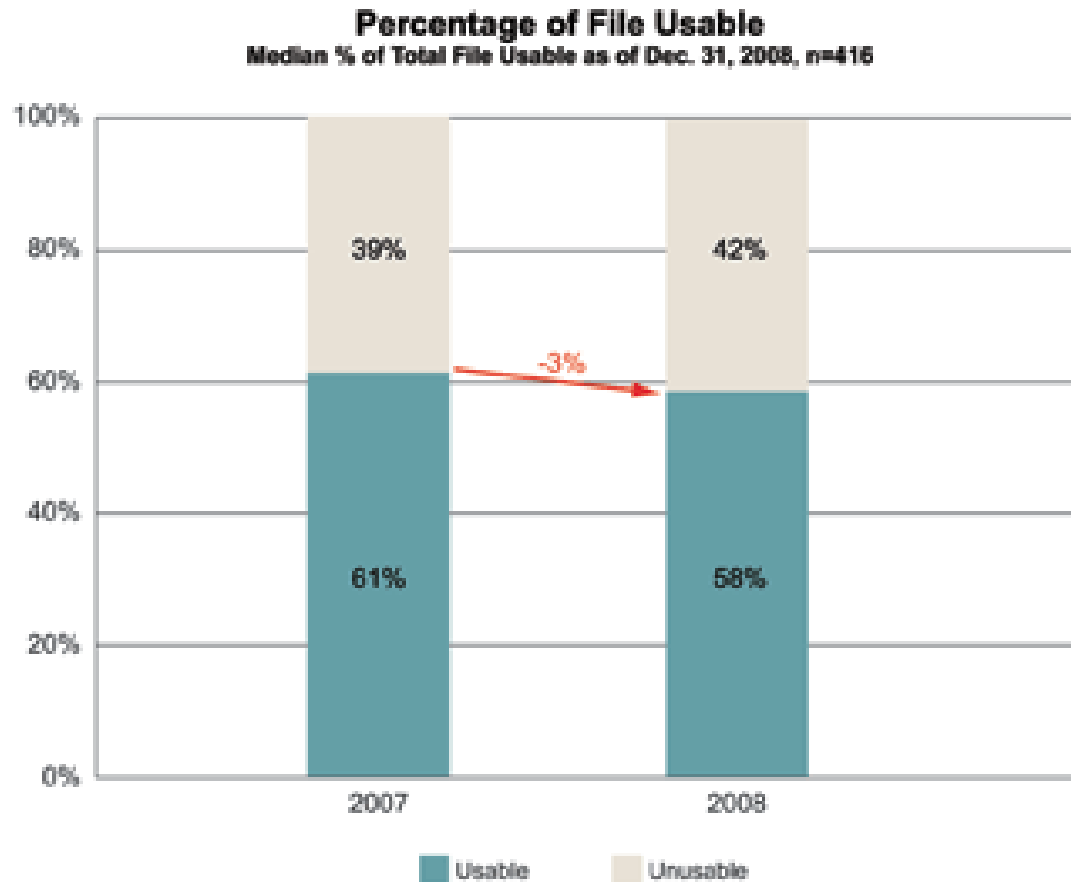
- Over time a portion of your email file will become unusable as a result of people opting-out of communications or simply lost through natural attrition from people changing their email addresses

# Usable File Percentage by Vertical



- Associations and Higher Education organizations tend to have higher percentage usable files based on their “closed” communities

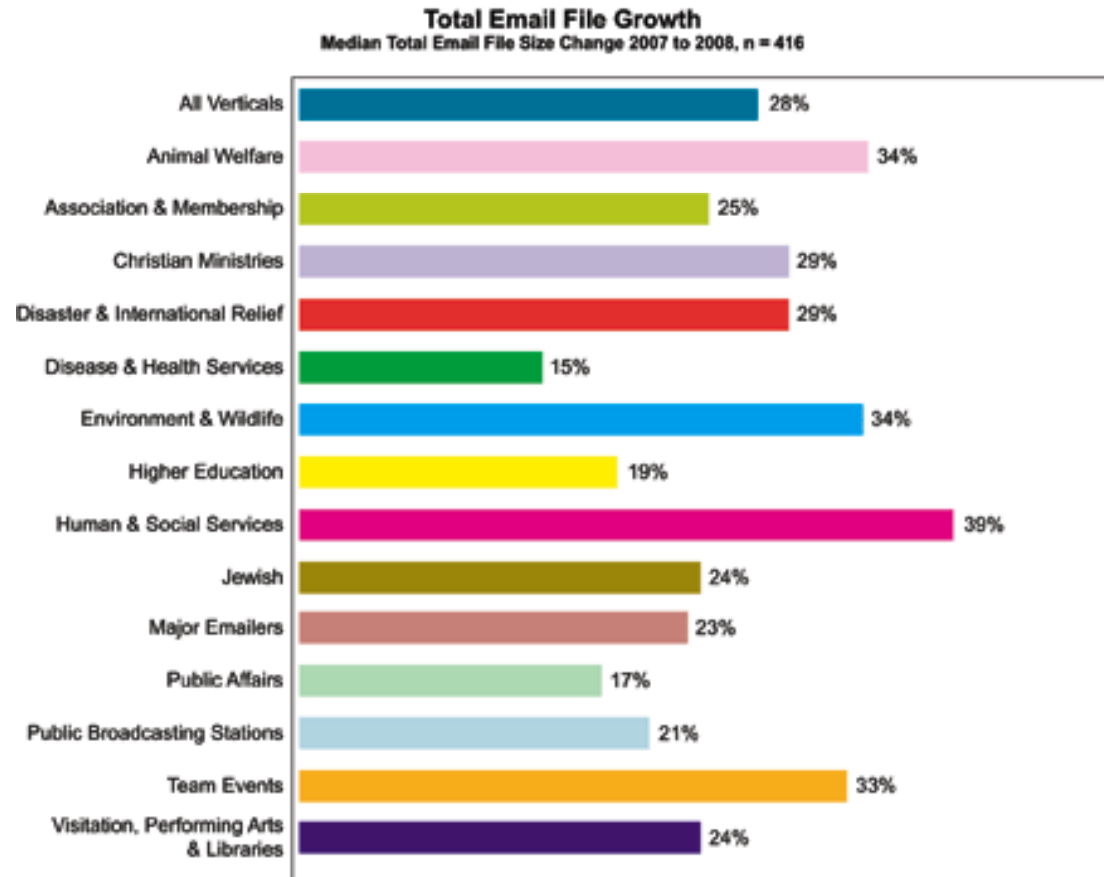
# Usable Email File Percentage Comparison



- From 2007 to 2008 the percentage of usable email addresses dropped by 3 points from 61% to 58%
- The growth rate of total email files is outpacing their usable file growth

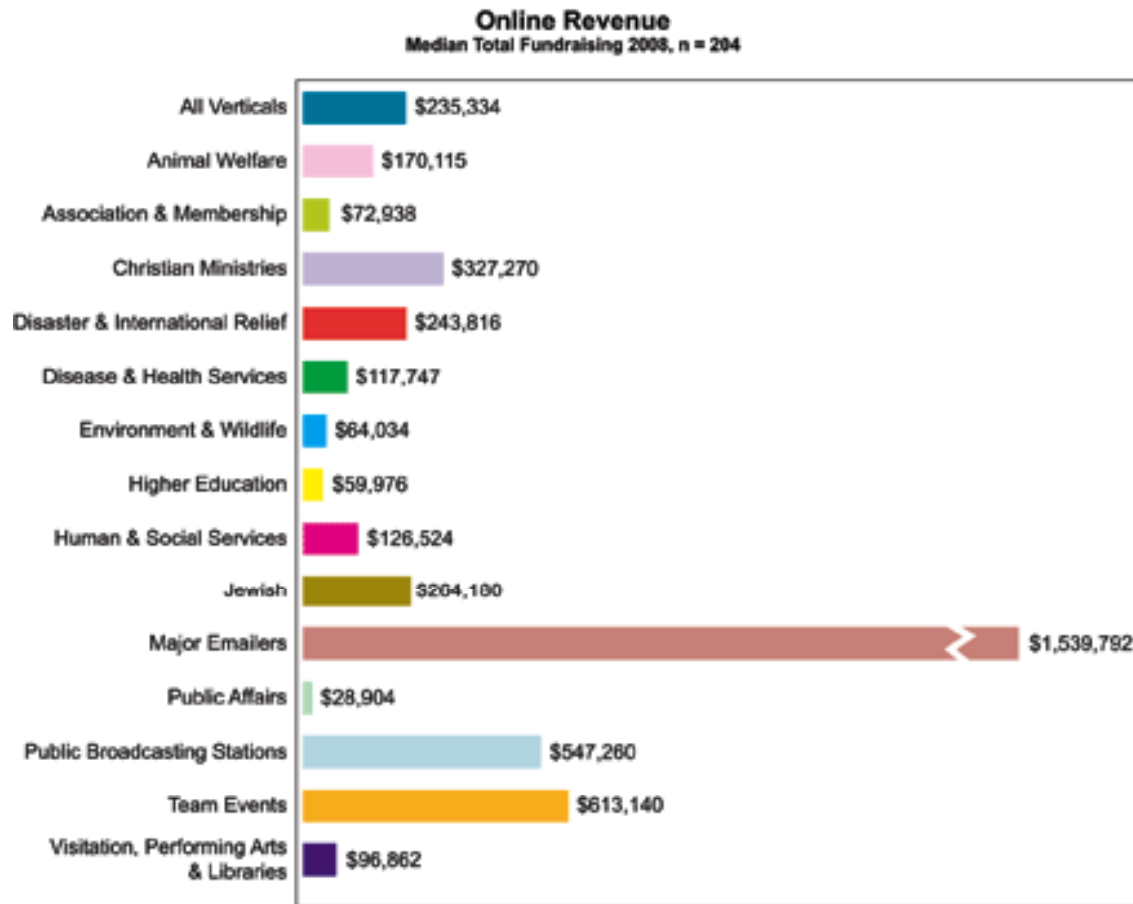


# Email File Growth by Vertical



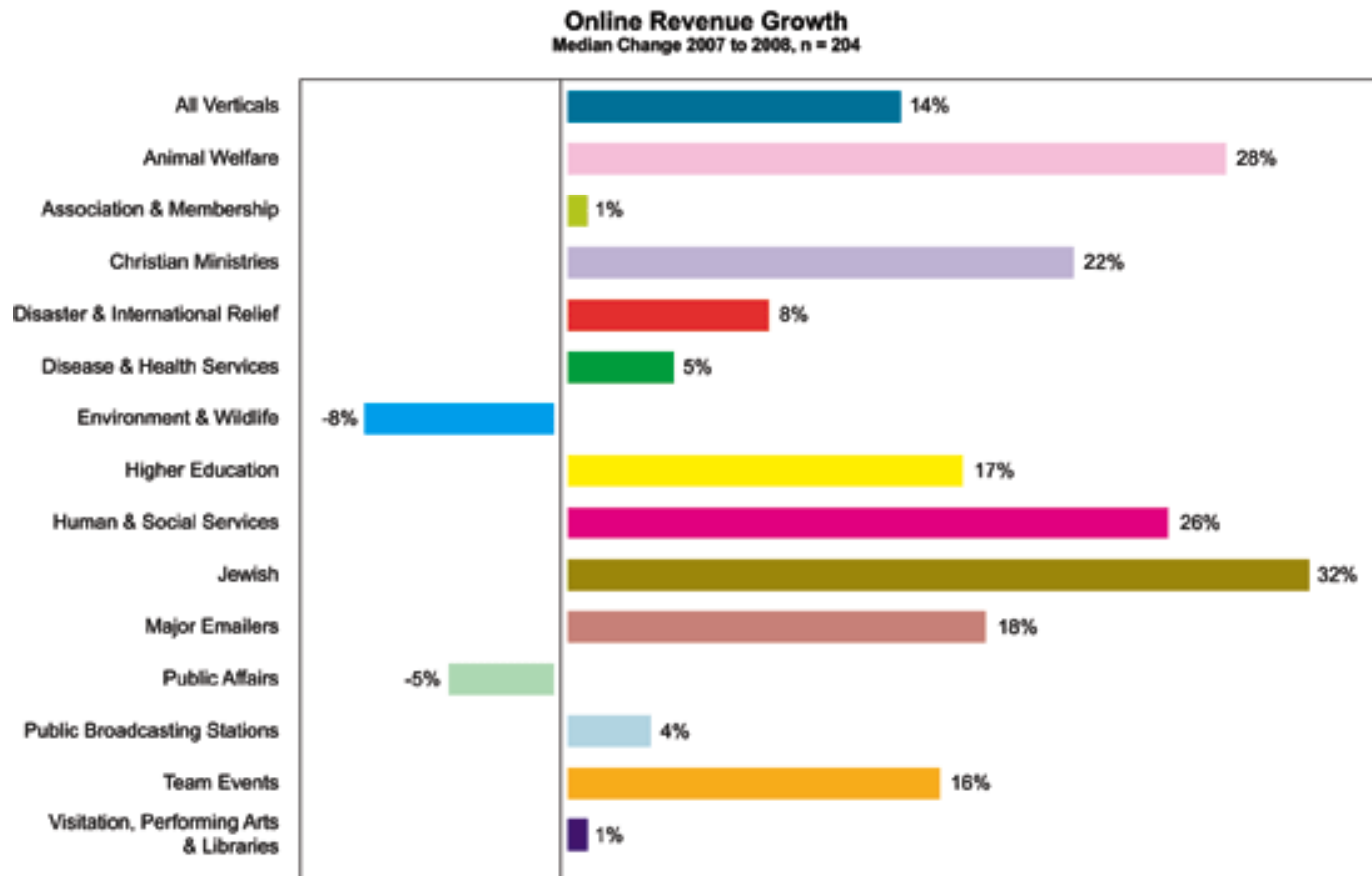
- 28% growth in email file is 8 points higher than the 20% growth we are seeing in website traffic suggesting that organizations are growing their lists through a combination of offline programs and more efficient website registration programs

# Online Revenue by Vertical



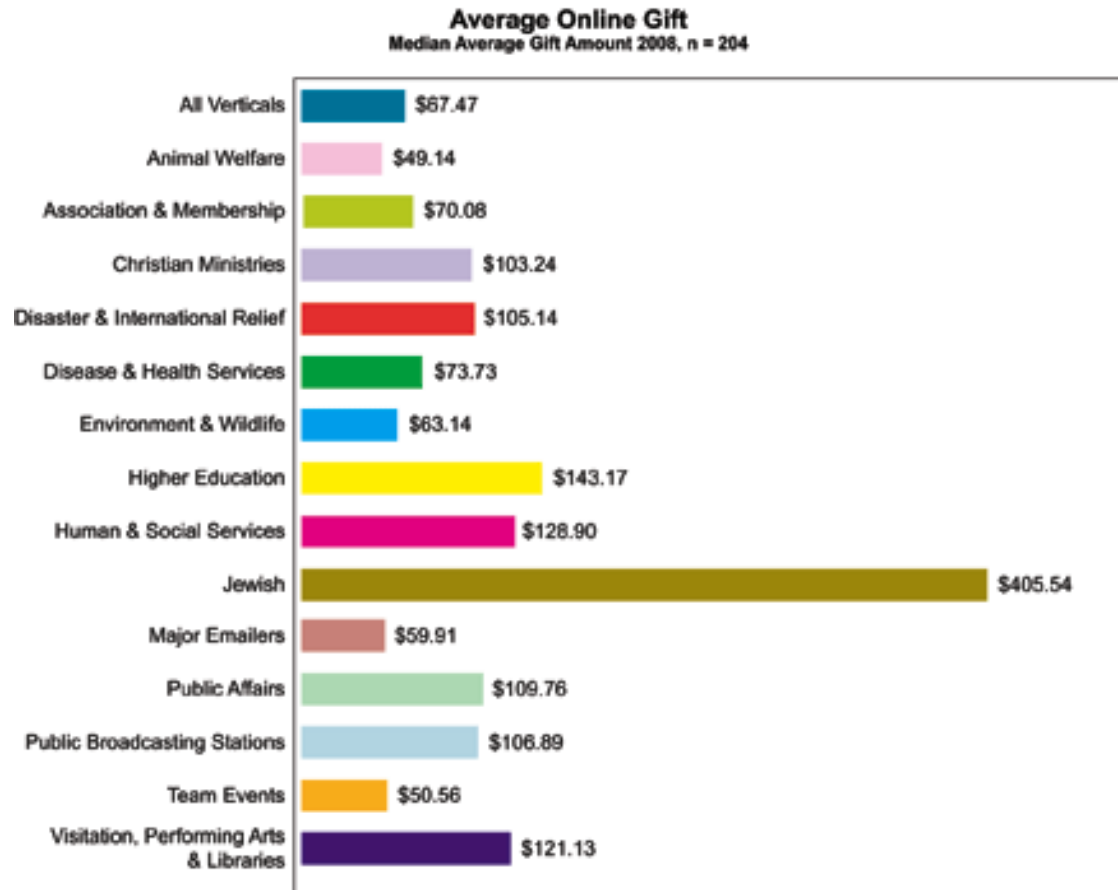
- In 2008, the median amount raised was \$235,334
- Major Emailers raised far more, but generally have significant offline marketing programs and are the most sophisticated online

# Online Revenue Growth by Vertical



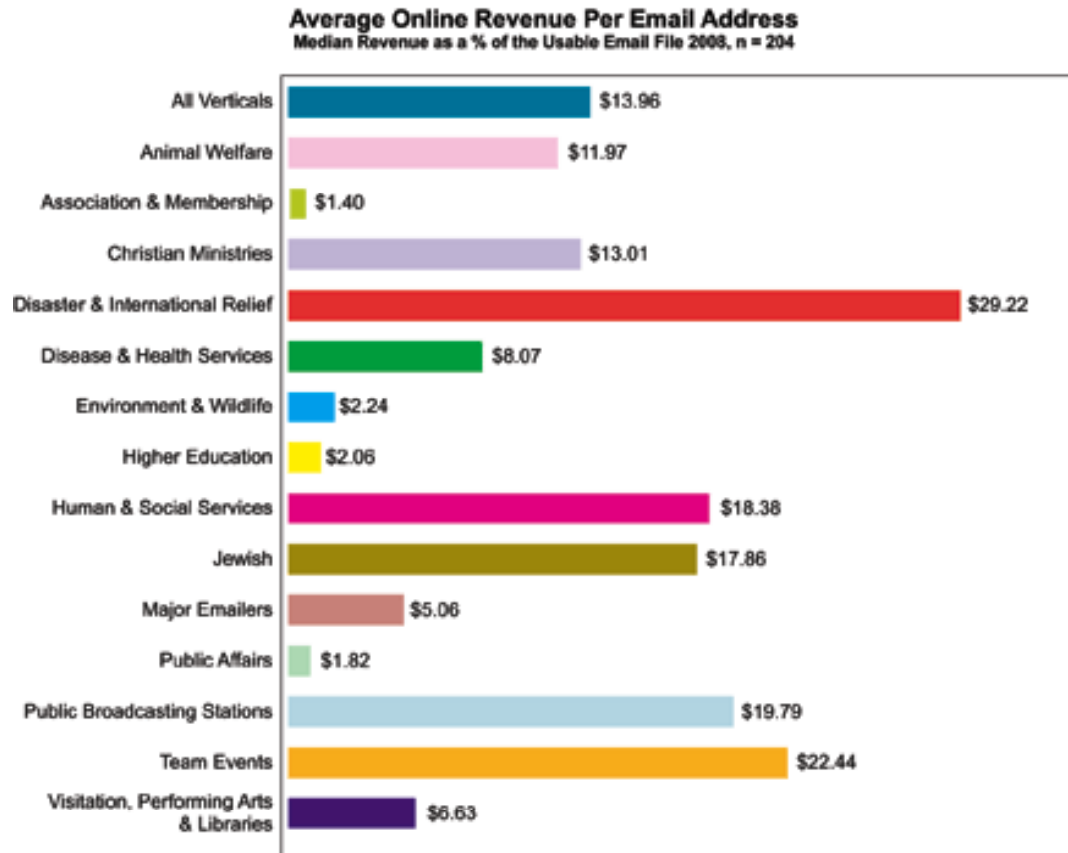
- Online revenue grew from \$207,286 in 2007 to \$235,334 in 2008
- Environment and Public Affairs groups within Major Emailers experienced positive growth

# Average Online Gift by Vertical



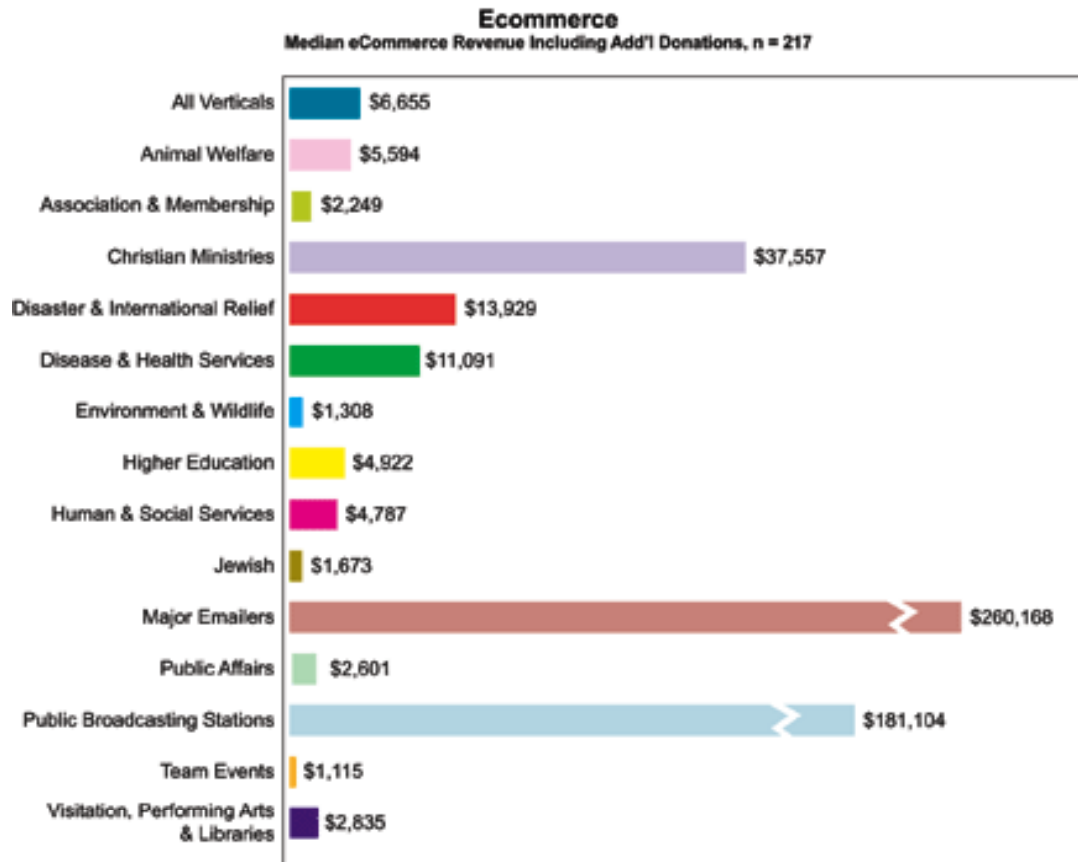
- The average fundraising gift in 2008 was \$67.47
- Major Emailers and Team Events tend to have a larger number of gifts but a smaller average gift amount than other verticals

# Online Revenue Per Usable Email Address



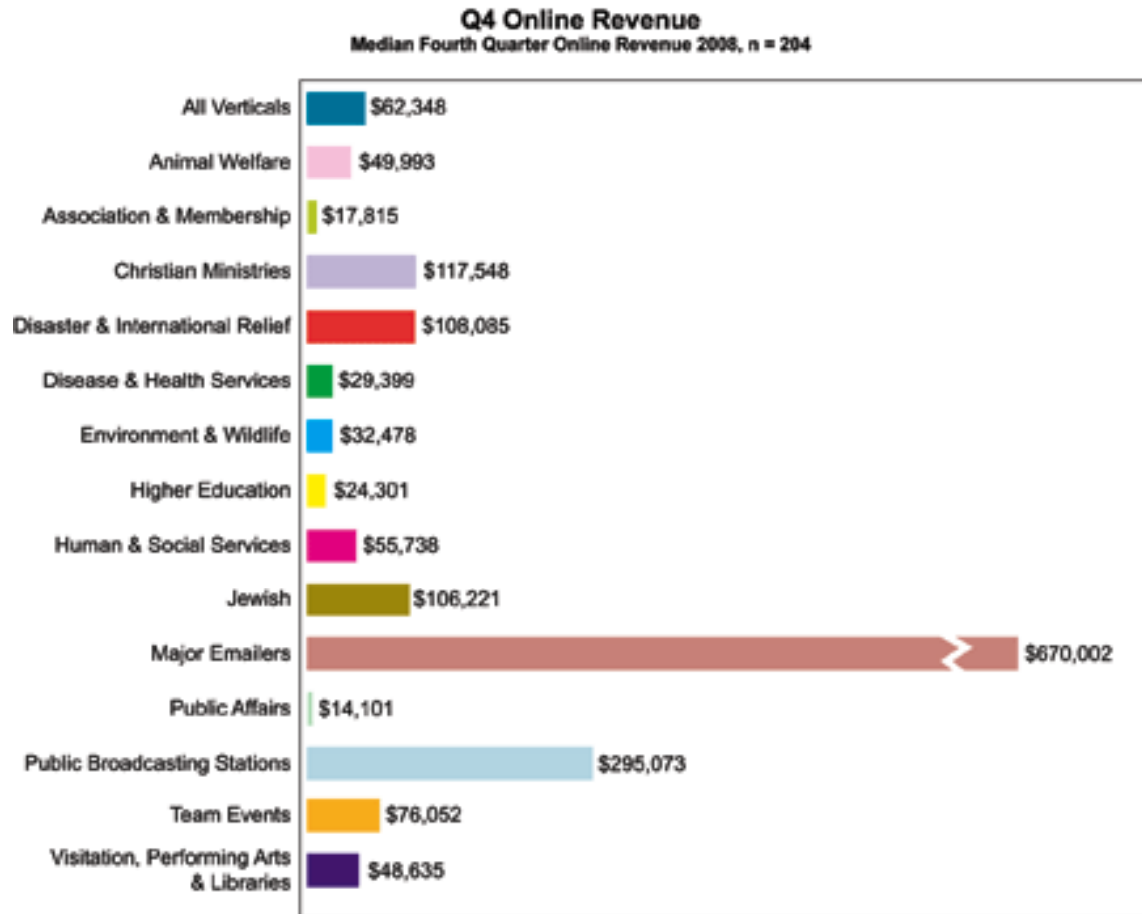
- Online revenue per email address is a key way to gauge how efficiently you are generating revenue from your list
- 2008 had a high number of major disasters as seen in the Disaster and International Relief's benchmark of \$29.22

# Ecommerce



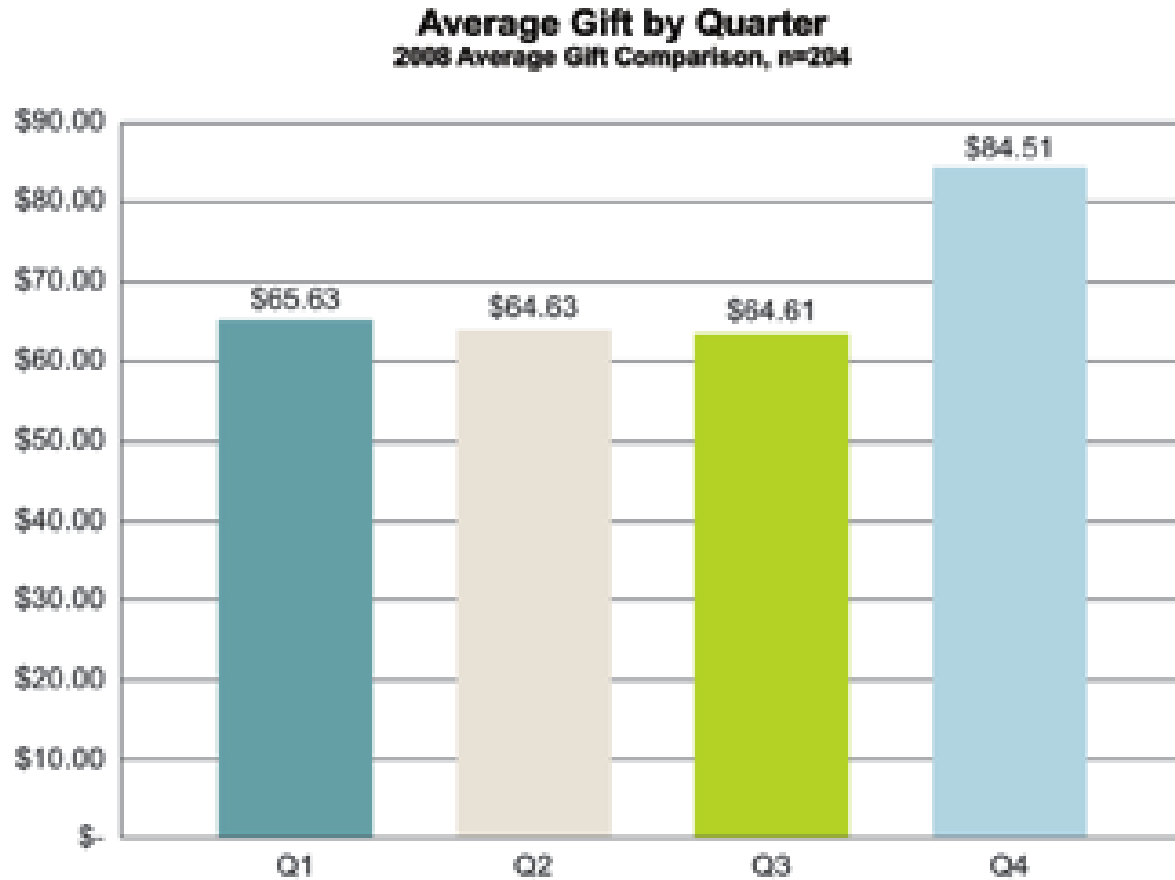
- Many organizations use Ecommerce to sell physical items, offer premiums tied to a giving level, or to promote virtual gifts
- Ecommerce represents online revenue that comes from a shopping cart as opposed to a donation form

# Q4 Online Revenue



- The median nonprofit raised \$62,348 in the fourth quarter of 2008
- Major Emailers performed very well in the fourth quarter

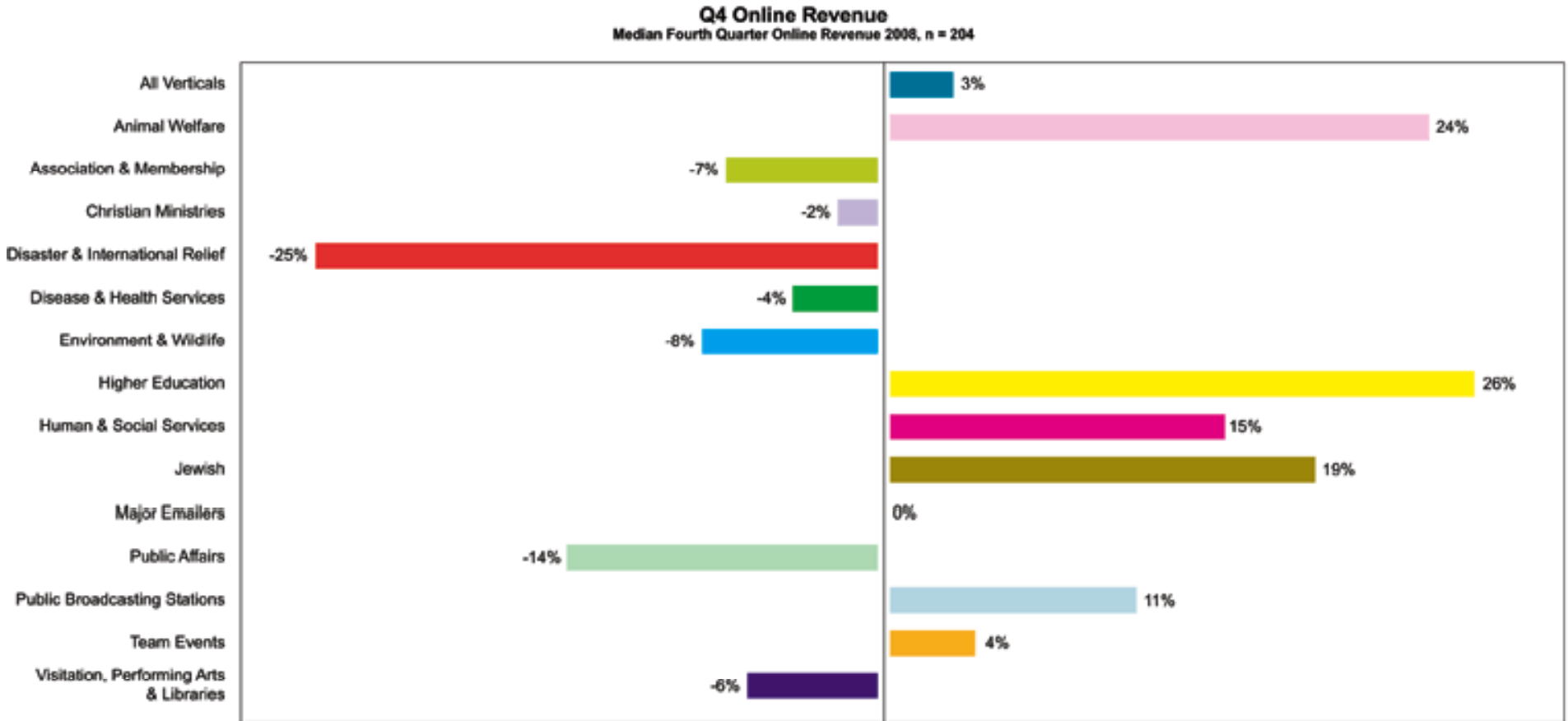
# 2008 Average Gift by Quarter



- Q4 average gift is ~30% higher than gifts given during the rest of the year but declined 6% from \$90.32 in 2007

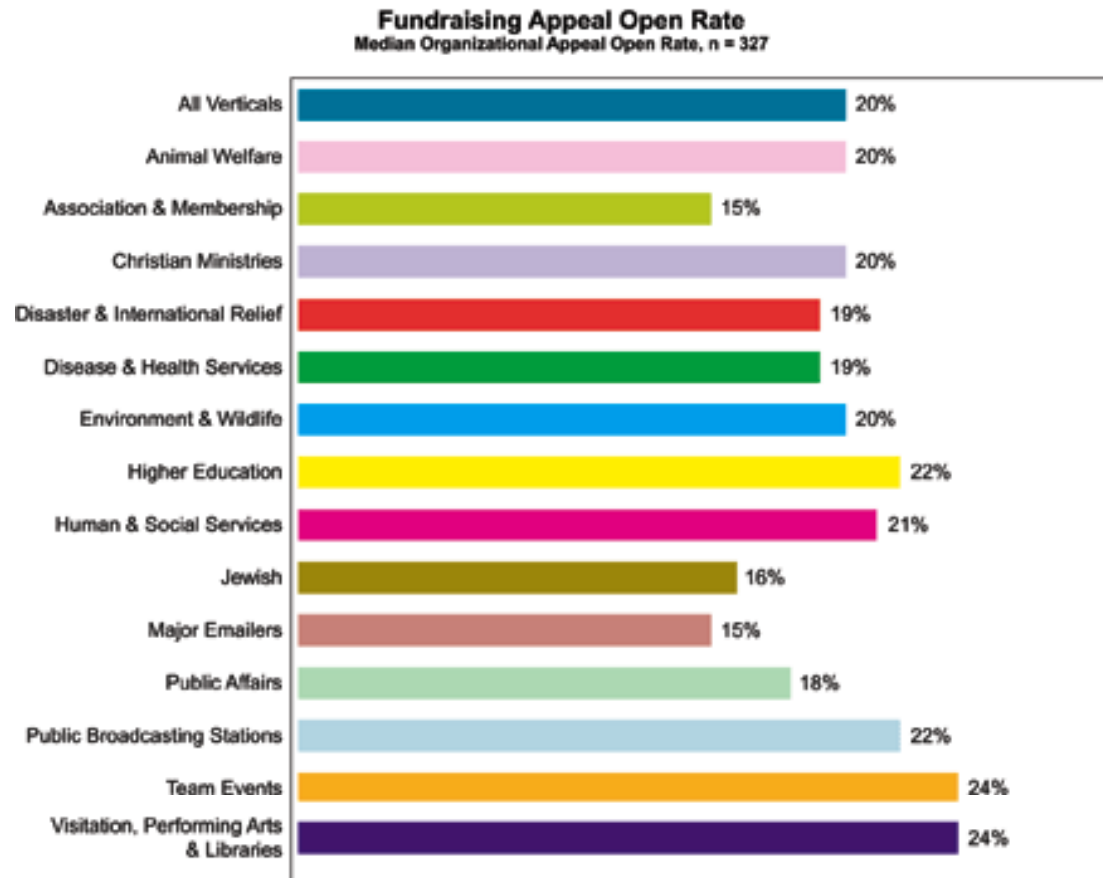


# Fourth Quarter Online Revenue Growth



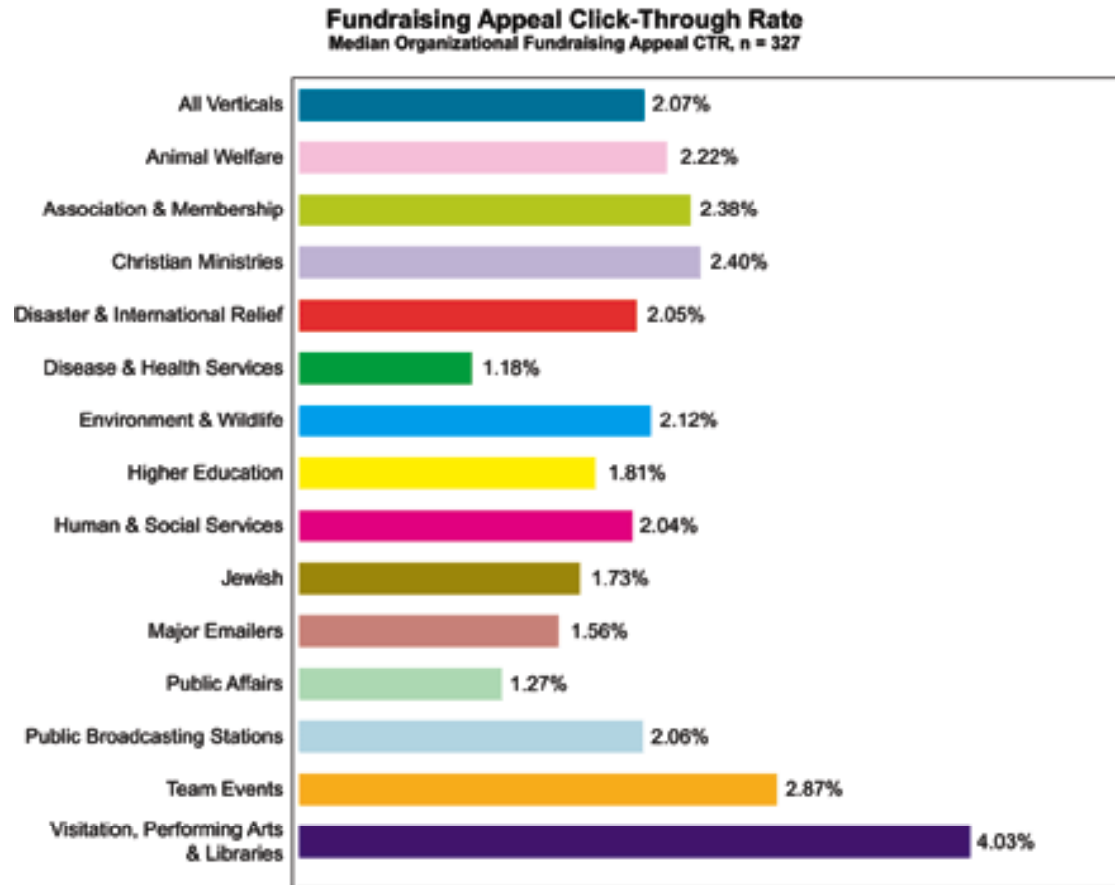
- Overall organizations grew by 3% in the fourth quarter
- Several verticals experienced negative growth in Q4

# Fundraising Appeal Average Open Rate



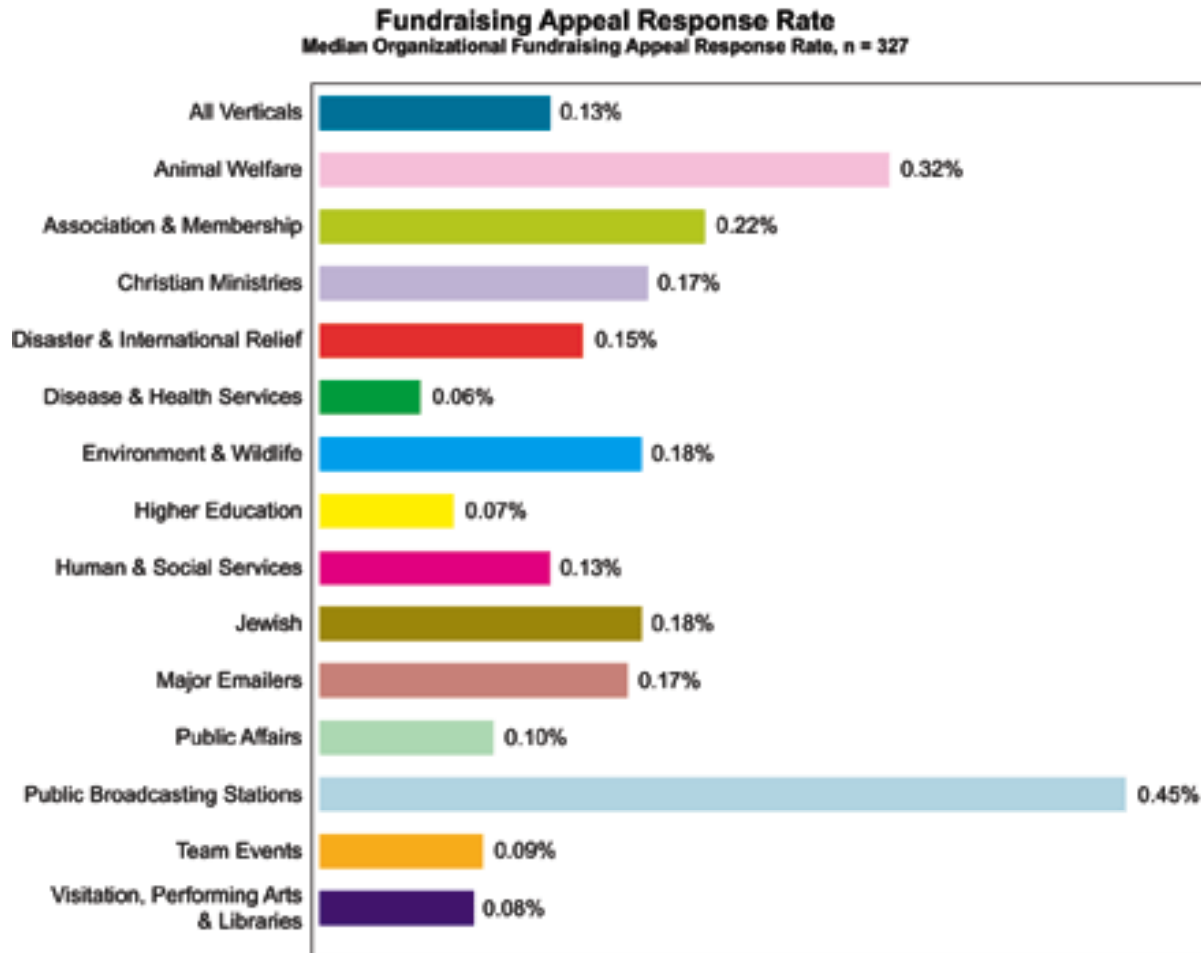
- Analyzing 7,000+ fundraising email appeals from 327 organizations revealed a median open rate of 20%

# Fundraising Appeal Click-Through Rate



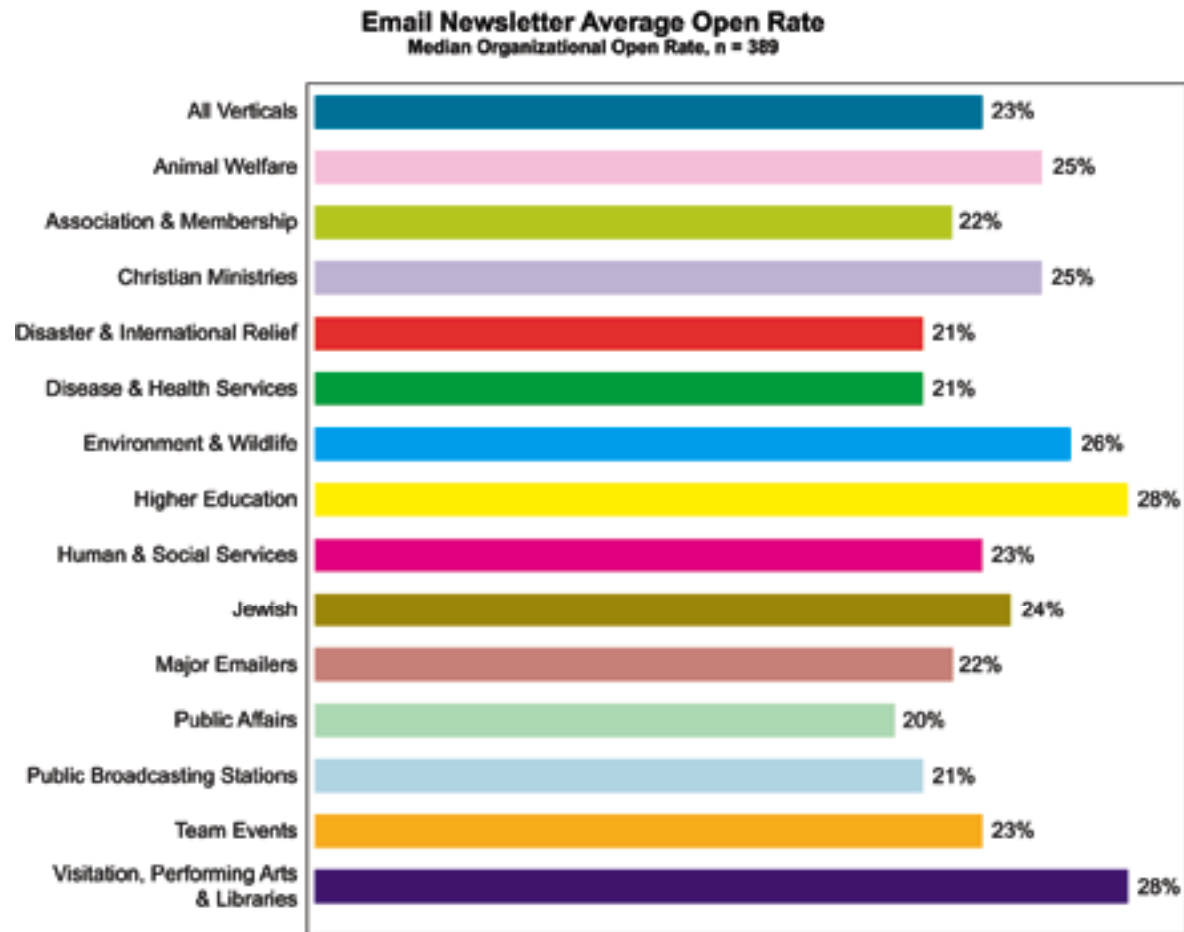
- The click-through rate is the percentage of recipients who clicked on one or more links contained within the email appeal divided by the number of messages delivered
- Median click-through rate across verticals was 2.07%

# Fundraising Appeal Response Rate



- The success of an online fundraising appeal is ultimately measured by the proportion of the recipient list that actually makes a donation
- The median blended response rate was 0.13%

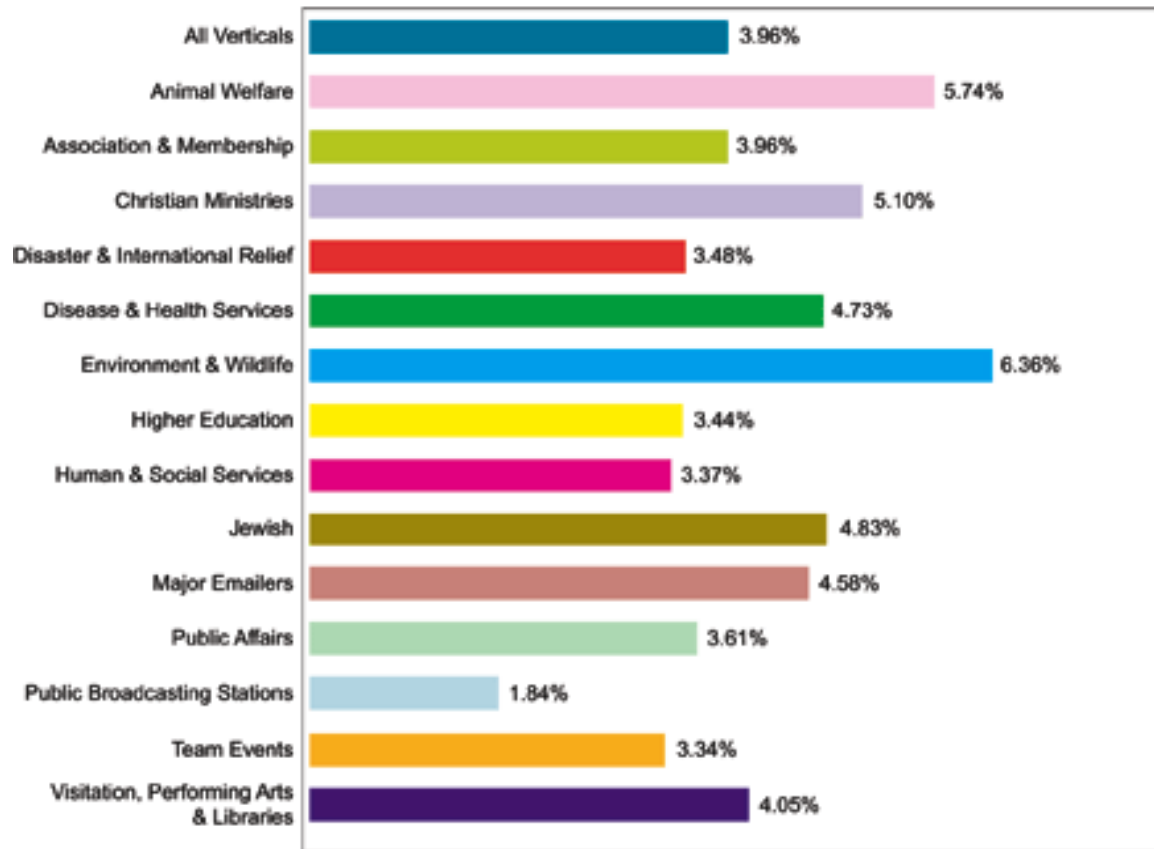
# Email Newsletter Open Rate



- Email Newsletters allow fundraisers to build and maintain relationships with constituents before asking them for a donation
- Median open rate was 23%

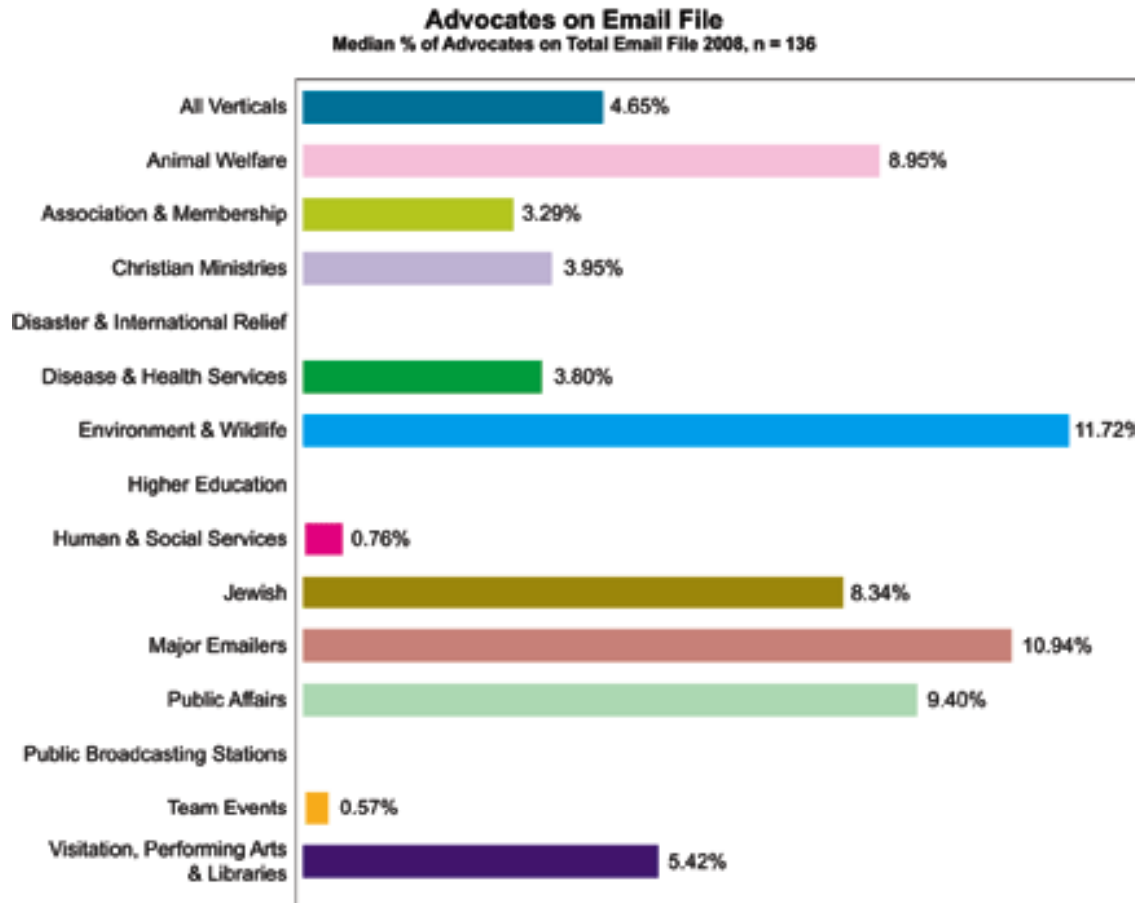
# Email Newsletter Click-Through Rate

**Email Newsletter Average Click-Through Rate**  
Median Organizational CTR, n = 389



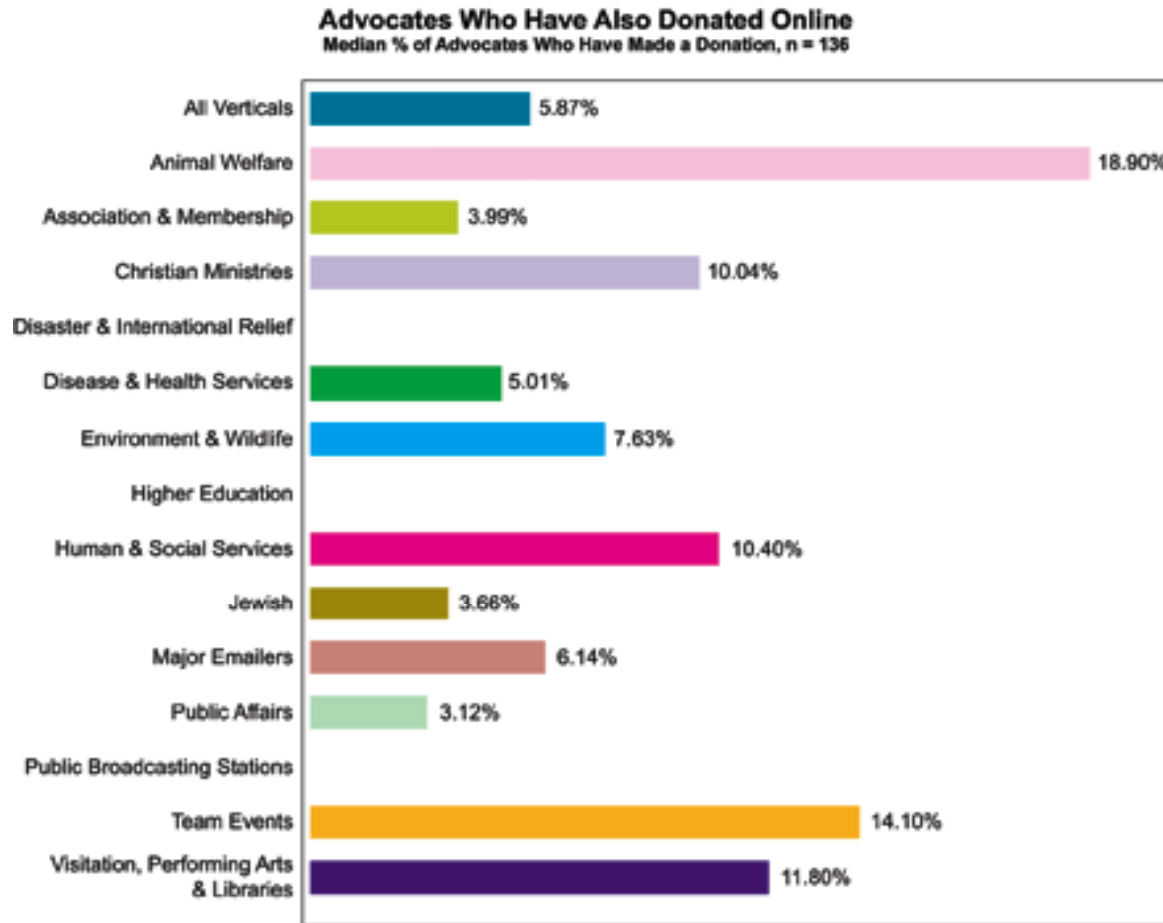
- At 3.96% the click-through rate for newsletters is approximately double that of e-appeals showing constituents' willingness to click items that have a lower level of commitment than a fundraising ask

# Advocates by Vertical



- Online advocacy allows nonprofits to build and mobilize a loyal network of constituents ready to support issues most important to their organizations
- 4.65% of constituents on file have taken some sort of advocacy action

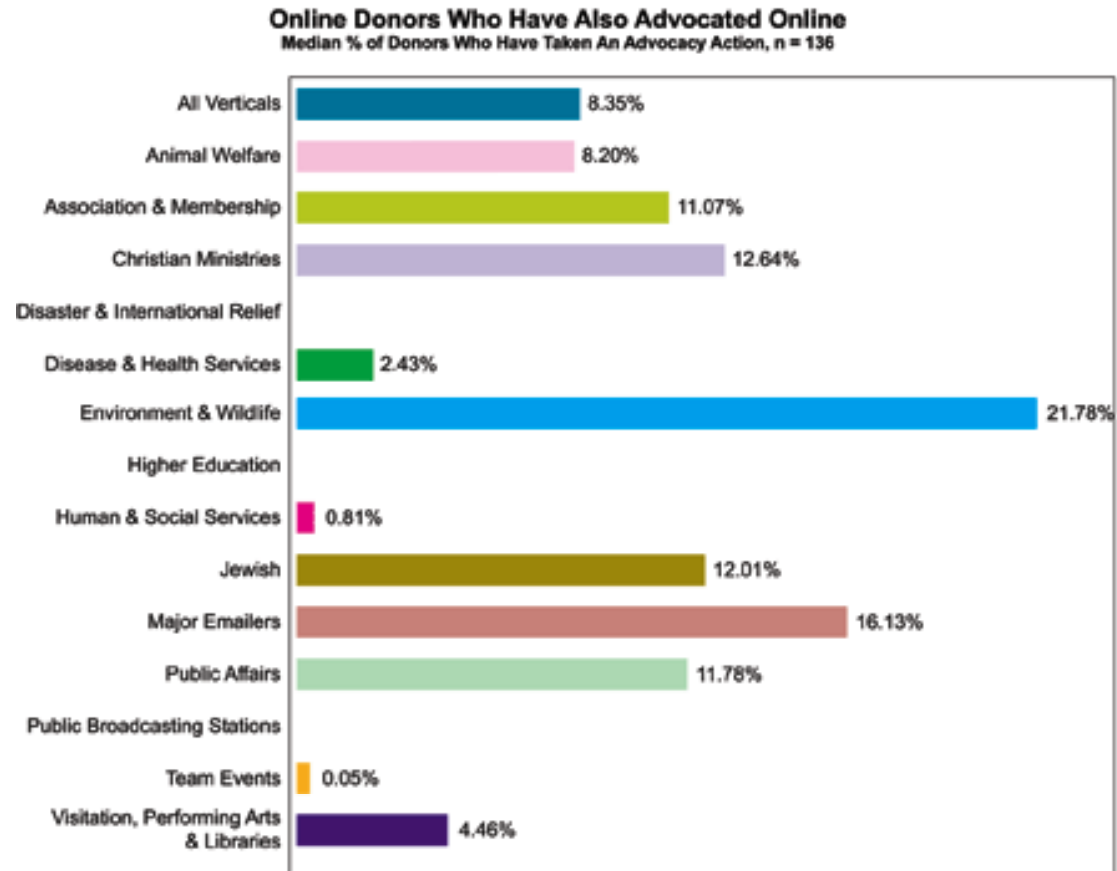
# Advocates Who Have Also Donated Online



- Across sectors, 5.87% of advocates have also donated online
- Some verticals like Animal Welfare see much higher rates of giving among advocates



# Online Donors Who Have Also Advocated



- 8.35% of online donors have taken some sort of online advocacy action
- Engaging donors in advocacy helps to cement relationships with your cause and organization, thus enhancing donor retention and lifetime value

# Summary

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- As the benchmark group continues to grow, segment level statistics are increasingly statistically valid
- At an aggregate level, we continue to see robust growth:
  - ▶ Online fundraising up 14%
  - ▶ Website traffic up 20%
  - ▶ Email files up 28%
- In addition, key engagement metrics remain strong
  - ▶ e.g. Email newsletter open rates averaging 23%
- The fourth quarter was a challenging time for many nonprofits and compressed overall annual results
  - ▶ Fundraising growth slowed from 18% for the first 9 months of the year to 3% in the fourth quarter
  - ▶ Some verticals experienced negative growth
  - ▶ Average gift declined 6% from 2007