



Christian Online Marketing and Fundraising Benchmarking Report

Published: March 2008

Authors:

Vinay Bhagat, Founder and Chief Strategy Officer, Convio
Quinn Donovan, Convio Analytics Manager
Lynette Perkins, Convio Analyst

Contents

Table of Contents

Introduction..... 3
Key Findings..... 4
Monthly Web Site Traffic..... 6
Registration Rate..... 8
Email File Size..... 9
Online Revenue: Fundraising, Ecommerce, Growth, Average Gifts and Value of an Email Address.... 12
Email Appeals: Open Rates, Click-Through Rates, Response Rates..... 17
Email Newsletters: Open and Click-Through Rates 20
Advocacy..... 23
Summary..... 26
Methodology..... 27
Discussion of Metrics 31
About Convio 32

List of Figures

Figure 1: Median Fundraising by Email File Size 10
Figure 2: Median Web Site Traffic by Email File Size..... 10
Figure 3: Advocacy 23
Figure 4: Vertical Segment Descriptions 28
Figure 5: Vertical Composition..... 28
Figure 6: Major Emailers by Vertical 29
Figure 7: Email File Size Study Composition 29
Figure 8: Organizational Budget..... 30

List of Charts

Chart 1: Monthly Web Site Traffic by Vertical 6
Chart 2: Monthly Web Site Traffic Growth by Vertical 7
Chart 3: Registration Conversion Rates by Vertical 8
Chart 4: Total Email File Size by Vertical 9
Chart 5: Monthly Email File Year-Over-Year Growth by Vertical..... 11
Chart 6: Online Revenue (Fundraising) by Vertical 12
Chart 7: Total Online Revenue including Ecommerce by Vertical..... 13
Chart 8: Online Revenue Year-Over-Year Growth Rate by Vertical 14
Chart 9: Average Online Gift (Fundraising) by Vertical 15
Chart 10: Online Revenue including Ecommerce Per Email Address by Vertical 16
Chart 11: Email Appeal Average Open Rate..... 17
Chart 12: Email Appeal Average Click-Through Rate 18
Chart 13: Email Appeal Average Blended Response Rate 19
Chart 14: Email Newsletter Average Open Rate 21
Chart 15: Email Newsletter Average Click-Through Rate 22
Chart 16: Advocates Who Have Also Donated 24
Chart 17: Donors Who Have Also Advocated..... 25

Introduction

For the second year in a row, Convio — a leading provider of online constituent relationship management (eCRM) software solutions for nonprofits — has created *The Convio Online Marketing Nonprofit Benchmark Index™ Study*. This year, the company has created a version of the report for faith based organizations, the *Christian Online Marketing and Fundraising Benchmarking Report*. This report is based on a study designed to help marketers in faith based organizations answer the following questions:

- What online marketing metrics should I focus on?
- How is my organization doing?
- What targets should I set for my organization?

The appropriate metrics for evaluating the success of an online marketing program vary depending on the program's primary objective. What should a faith based organization measure when the objective is to raise money, drive Web site traffic, build its email file, drive response to an appeal, or prompt some other action? Even when managers know what metrics are important and how to measure them, how do they know if their results are good? The only way to do this objectively is to compare their results against those of other nonprofit organizations.

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

Growing from a cohort of 30 organizations last year, this year's study uses data compiled from more than 400 nonprofit organizations and aggregates their results into benchmarks by which nonprofit organizations can compare their results with those of their peer group. Separate benchmarks are provided for the industry as a whole, for 11 nonprofit industry subgroups, including the Faith Based vertical, as well as for organizations with extremely large email files, which we call Major Emailers. Previous Convio studies have shown that organizations with large email files perform more like other large organizations than organizations of a similar mission but with smaller email file size. This is because online programs of this size often correlate to large organizational infrastructure, budgets, staff, and sophisticated offline fundraising programs. For this study, we chose to designate these organizations with more than 250,000 online constituents, or Major Emailers, as their own segment.

For additional assistance in understanding how your faith based organization is performing and what strategies and tactics can help improve any areas in which your performance is below that of your peer group, please contact your Convio Account Manager or Sales Executive about engaging a Convio Interactive Marketing Consultant or a consulting partner in Convio's Fusion Partner Program.

Key Findings

The *Christian Online Marketing and Fundraising Benchmarking Report* looked at the online marketing (eCRM) results of more than 400 nonprofit organizations, including those from the Faith Based vertical, and compiled a series of benchmarks for evaluating fundraising, email, advocacy and marketing success online.

The study revealed that the Faith Based vertical continues to be a top performer in key eCRM metrics. For example, faith based organizations exceeded the benchmark in many categories, including:

- Monthly Web site traffic;
- Monthly Web site traffic growth;
- Registration conversion rate;
- Total email file size;
- Online revenue (fundraising);
- Total online revenue including eCommerce;
- Online revenue year-over-year growth rate;
- Average online gift (fundraising);
- Email appeal average open rate and click-through rate; and
- Email newsletter average open rate and click-through rate.

There are a number of aspects of faith based organizations and their constituents that help drive strong online performance. Historically, many ministries are broadcast-centric or have a media component that leads to a natural integration of communication channels across core ministry delivery, fundraising, product sales and other major activities. This multi-channel integration drives constituents to the organization's Web site to register for more information, purchase ministry resources, make a donation, or read sermons, devotionals and other high-value content. In addition, the giving behavior of the Christian audience is influenced by the tithing concept, which produces a natural affinity for more frequent donations and regular monthly giving. Lastly, the large volume of legacy media and ministry resources, such as podcasts, articles and music CDs, provides ample opportunity to: 1) supply constituents with high-value content for registration, 2) increase product sales with special offers, 3) drive donations with premiums related to current program content, and 4) boost Web traffic through targeted outreach strategies that involve partners and other external channels. By better leveraging these resources, and by tailoring constituent pathways based upon inception points, behavior, and affinity, ministries can capture a unique opportunity to implement a holistic, integrated strategy for their online and offline activities.

At a macro level, this study also revealed the following:

- **Nonprofits' Web site traffic continues to grow.** Nonprofit organizations with fewer than 250,000 email addresses on file are growing their Web site traffic at 11% per year. However, some verticals are seeing flat or negative growth.
- **Registration rate improved slightly; remains an opportunity.** The conversion of unique Web site visitors to subscribers grew from 2.8% in our last report to 3.0%. However, with some organizations converting site visitors at much higher rates, the nonprofit sector as a whole has significant room for improvement with this key metric.

- **Email files continue to grow strongly.** Email files grew 32%. This rate of growth outpaced online revenue growth, suggesting that organizations are succeeding in growing prospect files online.
- **Email file growth supported heavily offline.** Email file growth is nearly three times that of Web site traffic growth, suggesting that organizations are adding more emails offline in addition to improving Web site registration rates. Some of the offline growth is probably attributed to the increasing use of email appends.
- **Revenue growth.** Total online revenue including eCommerce is growing at 26% across organizations, and online fundraising excluding eCommerce at 23%; however, similar to Web site traffic growth, not all verticals experienced positive results.
- **Average gift remains high.** Average gift was \$60, up from \$56 in our last report. This is much higher than the typical average gift achieved through other direct response channels.
- **Email open rates are declining.** In our last report, the sector average open rate benchmark was 22%, though it was calculated utilizing a much smaller cohort. With open rates now at 14%, email fatigue and the increasing use of appends are likely the primary factors.
- **Opportunity to expand cross-promotion between advocacy and fundraising.** For organizations engaged in online legislative advocacy, 8% of advocates have also supported the organization financially. Conversely, 14% of donors have advocated. While illustrative of the fact that donors can be advocates and vice versa, we believe a significant upside for cross-marketing remains.

Monthly Web Site Traffic

For many constituents, your Web site is their first interaction with your organization. When used effectively, your Web site can convey the importance of your organization’s mission, register new constituents so you can continue to communicate with them, and generate desired actions such as making a donation or signing a petition. Harnessing existing Web site traffic is for most nonprofit organizations the best tactic for growing their email files.

Chart 1 shows the success that organizations are having driving traffic to their Web sites, as measured by the median number of unique visitors to their sites per month. Not all organizations within this study have their entire Website hosted by Convio. Results for any organizations whose Web site is hosted by solutions other than Convio were not available, and those organizations’ entire results were therefore excluded from this metric. The remaining 195 organizations that constitute this benchmark had an average of 7,943 unique Web site visitors per month for the period of July 2006–June 2007. The Faith Based vertical performed considerably better than the average with 13,508 unique Web site visitors per month. The primary driver behind these numbers is the typically large investment in offline media, such as radio and television, which act as a feeder channel for the ministry’s Web site. Additionally, ministries’ frequently updated and compelling online content reinforces messages from broadcast television and radio, thus driving traffic to the organization’s Web site.

The Major Emailer vertical shows median monthly Web site traffic of 56,605, suggesting a correlation between Web site traffic and large email files.

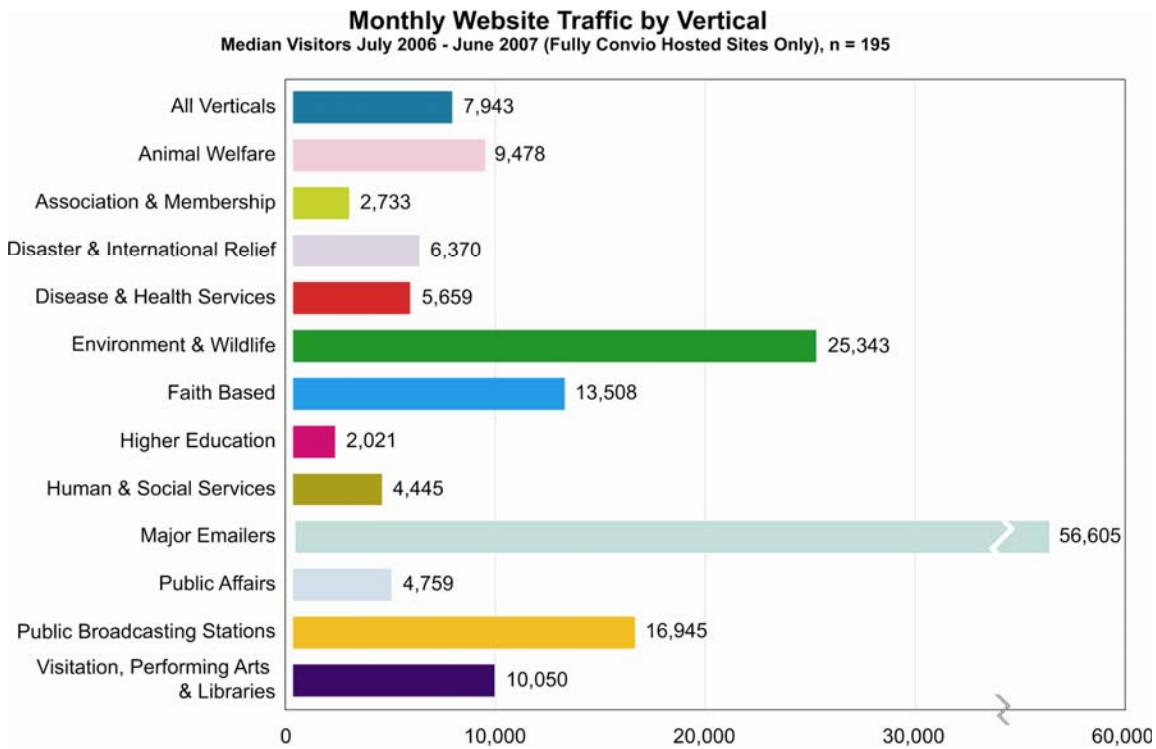


Chart 1: Monthly Web Site Traffic by Vertical

Of the 195 organizations in the Monthly Web Site Traffic by Vertical metric (Chart 1), 116 were also Convio clients for the full year previous to July 2006. As seen in Chart 2, the year-over-year growth rate for those organizations is 11%. Once again, the Faith Based vertical performed considerably better than the average, with year-over-year growth of 17%. Although influenced by a rise in registrants, this result is driven by strong integration between online and offline channels, which often reinforce each other and drive high growth in Web site traffic.

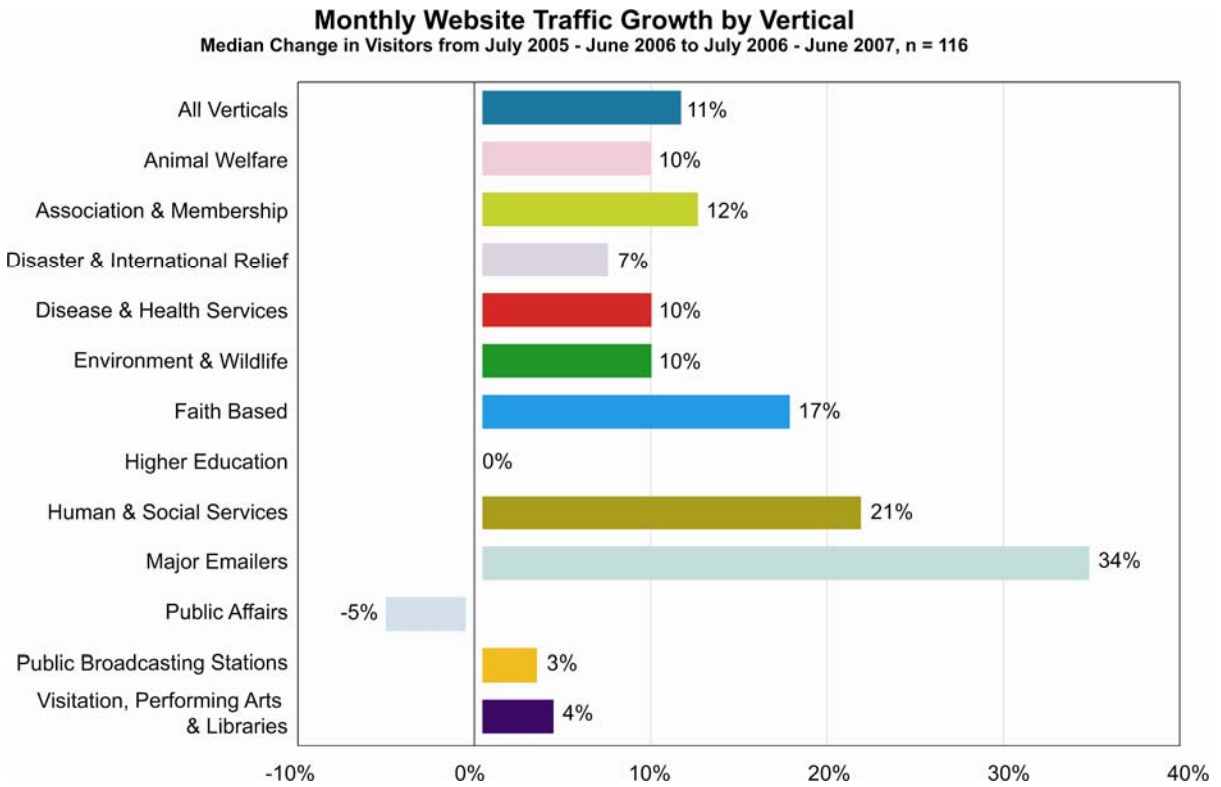


Chart 2: Monthly Web Site Traffic Growth by Vertical

Registration Rate

The registration rate describes the success that nonprofit organizations have converting Web site visitors into registered constituents. Adding constituents to your email file gives your organization a way to continuously re-engage with them using email.

This metric measures the median percentage of new Web site visitors who register on the site each month, calculated as the number of new registrants per month divided by total monthly Web site unique visitors. This does not include any constituents who were added by the organization’s staff via a list upload, data sync with their offline database, or other “non-organic” means. This benchmark covers the 195 organizations in the panel for which Convio hosts the entire Web site.

Approximately 3% of monthly unique visitors provided their email addresses to the organization through registering for email updates or taking some other action online. The remaining 97% either have registered during a prior period or represent an opportunity for the organization to convert them to their file. Converting Web visitors into registered constituents requires an organization to provide compelling reasons why constituents should register. As seen in Chart 3, the Faith Based vertical persuaded an average of 6.45% of unique monthly visitors to register by giving their email address. With the highest conversion rate of any vertical, faith based organizations are known to have programs in place that offer registrants access to additional resources, incentives, or other tangible benefits. For example, many ministries offer “daily devotionals,” inspirational emails that people can receive each day. In return for registering, broadcasters also provide weekly program guides or broadcast schedules via email, as well as podcasts, additional reading and free resources based on program topics. A large number of ministries also will refer listeners or viewers of broadcast media to the organization's Web site, where they can purchase related materials such as books, series or DVDs.

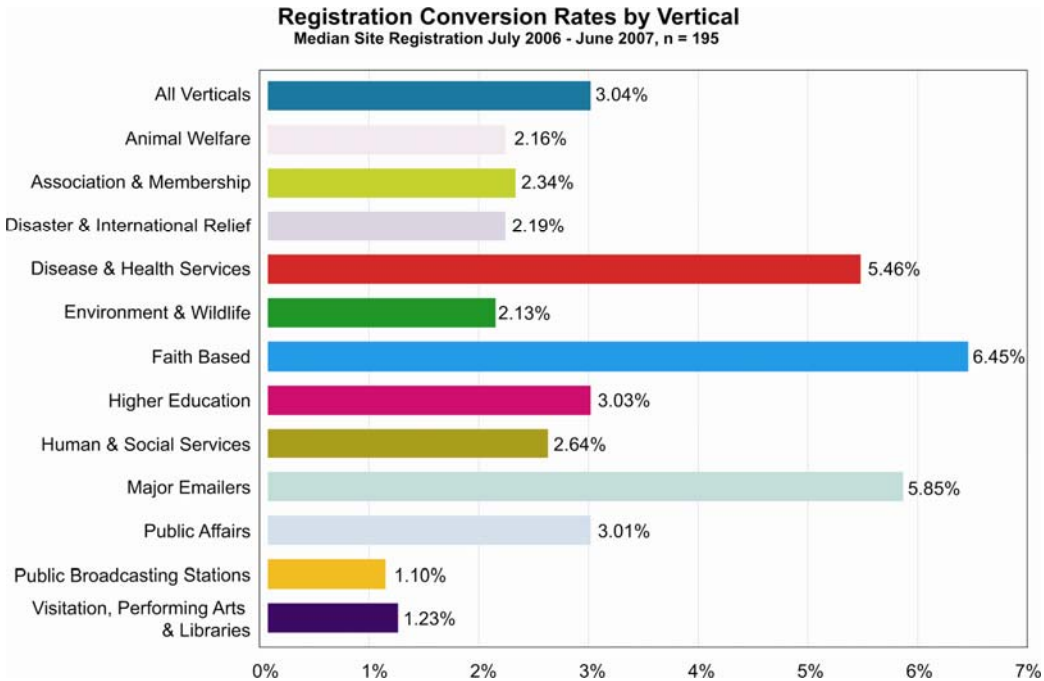


Chart 3: Registration Conversion Rates by Vertical

Email File Size

The first step in any effective online marketing strategy is to build and maintain an email file. This metric measures the total number of constituent email addresses in the Convio Constituent 360™ online database as of June 30, 2007.

Many nonprofits' online programs still represent a fraction of their offline direct mail programs. A total of 54% of the 419 participants in this study had email files with fewer than 25,000 records. Chart 4 shows that faith based organizations have successfully grown their email files larger than the median of 20,385, with a median email file size of 34,543 records. This result can be attributed to the broad-based mission of ministries, which often reaches large numbers of "seekers" through other channels. Moreover, by offering a personal relationship with the pastor or ministry leader, faith based organizations engage constituents who are eager to read communications from this key individual.

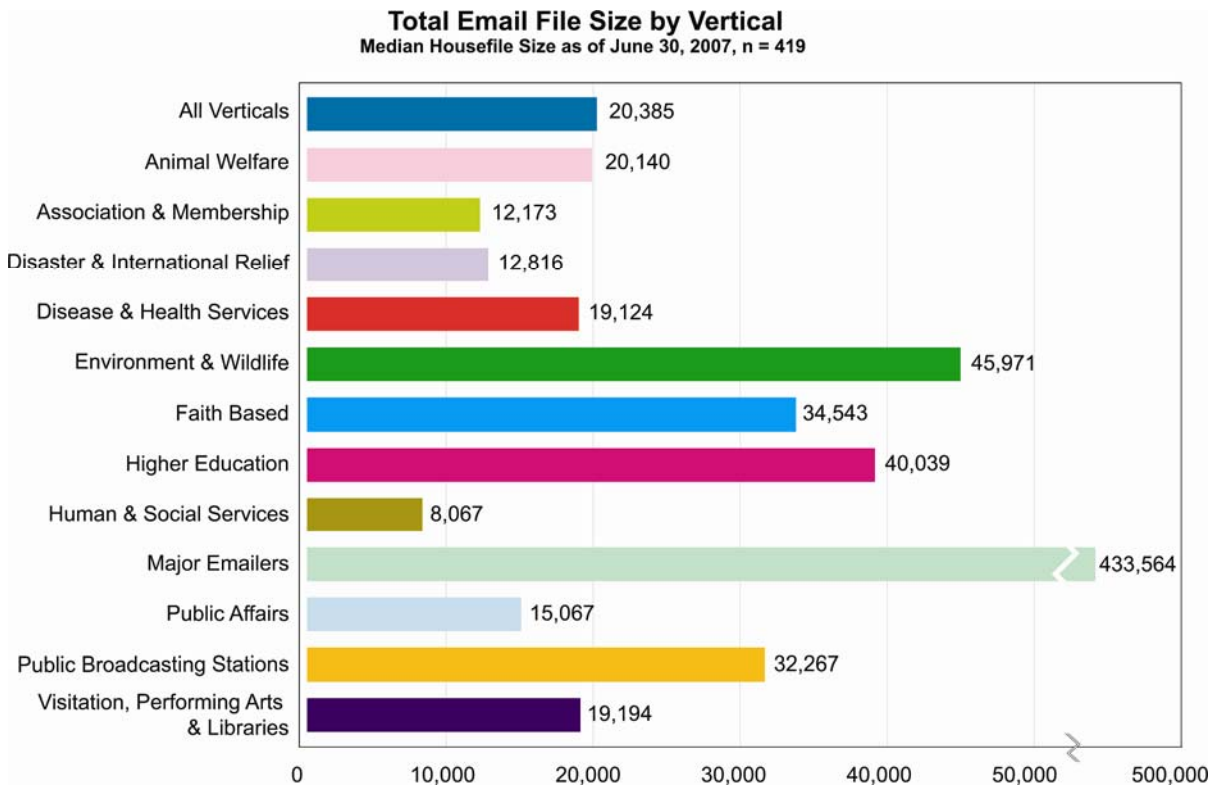


Chart 4: Total Email File Size by Vertical

The number of email addresses on file has a direct impact on an organization’s ability to communicate with, cultivate, and solicit actions from constituents. The larger an organization’s communication reach, the more constituents who are available to help them reach their goals, whether that be raising more money, mobilizing more advocates, conducting grassroots outreach, or simply raising awareness. Figure 1 shows the impact that increasing the email file size has on an organization’s ability to raise funds and generate eCommerce revenue. The median amount raised by organizations with email files ranging from 10,001 to 25,000 was \$115,685 compared to larger organizations that consistently raised more.

Email File Size	# in Panel	Amount Raised	Amount Raised including eCommerce
<10,000	95	\$47,039	\$53,714
10,001–25,000	74	\$115,685	\$122,871
25,001–50,000	58	\$144,547	\$152,684
50,001–100,000	42	\$416,571	\$453,762
100,001–250,000	35	\$680,587	\$768,243
250,001+	23	\$732,829	\$807,496
Total	327		

Figure 1: Median Fundraising by Email File Size

Not surprisingly, there is also a relationship between the total size of an organization’s email file and Web traffic. Figure 2 shows that for the 195 organizations that have their Web site fully hosted on Convio, those with larger median monthly Web site traffic numbers have been able to grow larger email files.

Email File Size	Number of Clients Fully Hosted	Median Monthly Web Visitors
<10,000	69	3,001
10,001–25,000	39	7,069
25,001–50,000	30	10,373
50,001–100,000	20	11,186
100,001–250,000	20	28,893
>250,001	17	56,605
Total	195	

Figure 2: Median Web Site Traffic by Email File Size

Compared with the prior year, the average email file growth rate was 32%. This is nearly three times the rate of growth in Web site traffic (Chart 2), suggesting that organizations are growing their lists with a combination of offline programs and more efficient Web site registration programs than in the past. Faith based organizations have somewhat lower email file growth compared with Web site traffic growth — a little less than double. But, given the organic nature of email file growth for faith based organizations (driving traffic to the Web for content, and converting that traffic at a high level), the quality of the email file is likely very high compared with organizations that grow their email files through list purchases or email appends. However, email growth for the Faith Based vertical is on par with the benchmark. This growth rate could be increased significantly by leveraging constituents' commitment to ministries, as well as the breadth and depth of content ministries offer. For example, faith based organizations could create online media centers that require registration and deliver digitized media on-demand, or downloadable print, audio and video content.

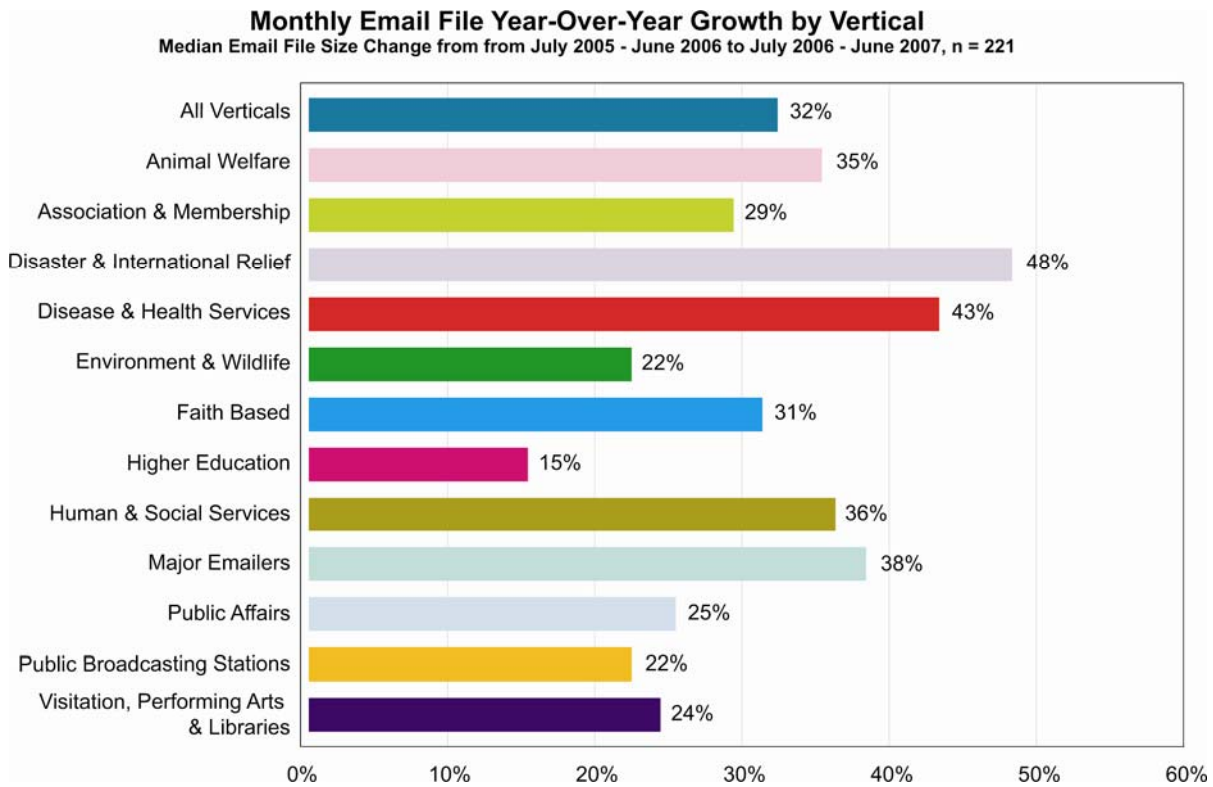


Chart 5: Monthly Email File Year-Over-Year Growth by Vertical

Online Revenue: Fundraising, ECommerce, Growth, Average Gifts and Value of an Email Address

The goal of online fundraising is to raise more money at a lower cost than possible through offline programs alone. These benchmarks measure the total contributions made online over a 12-month period. The total contributions include money raised from “direct” online donations and sustaining gifts, as well as money raised online to support team-based events using Convio’s TeamRaiser™ product. The metric does not factor in gifts made offline by constituents originated or engaged online. Chart 6 shows that during the period of July 2006–June 2007, the 327 study participants received 3 million gifts totaling \$184 million.

The median amount raised for the 12-month period ending June 30, 2007, was \$107,879. Faith based organizations raised almost twice that amount, and two other verticals, including Public Broadcasting Stations, raised more. Public Broadcasting Stations typically run massively-coordinated fundraising campaigns several times a year with excellent results. In fact, the broadcast reach and extensive channel coordination of their fundraising efforts could serve as a model for ministries aiming to increase both online and total net income.

Major Emailers, not surprisingly, raise the most money online; however, they often have significant offline marketing programs, budgets and other resources at their disposal. Once again, they were broken out separately for the purposes of this analysis.

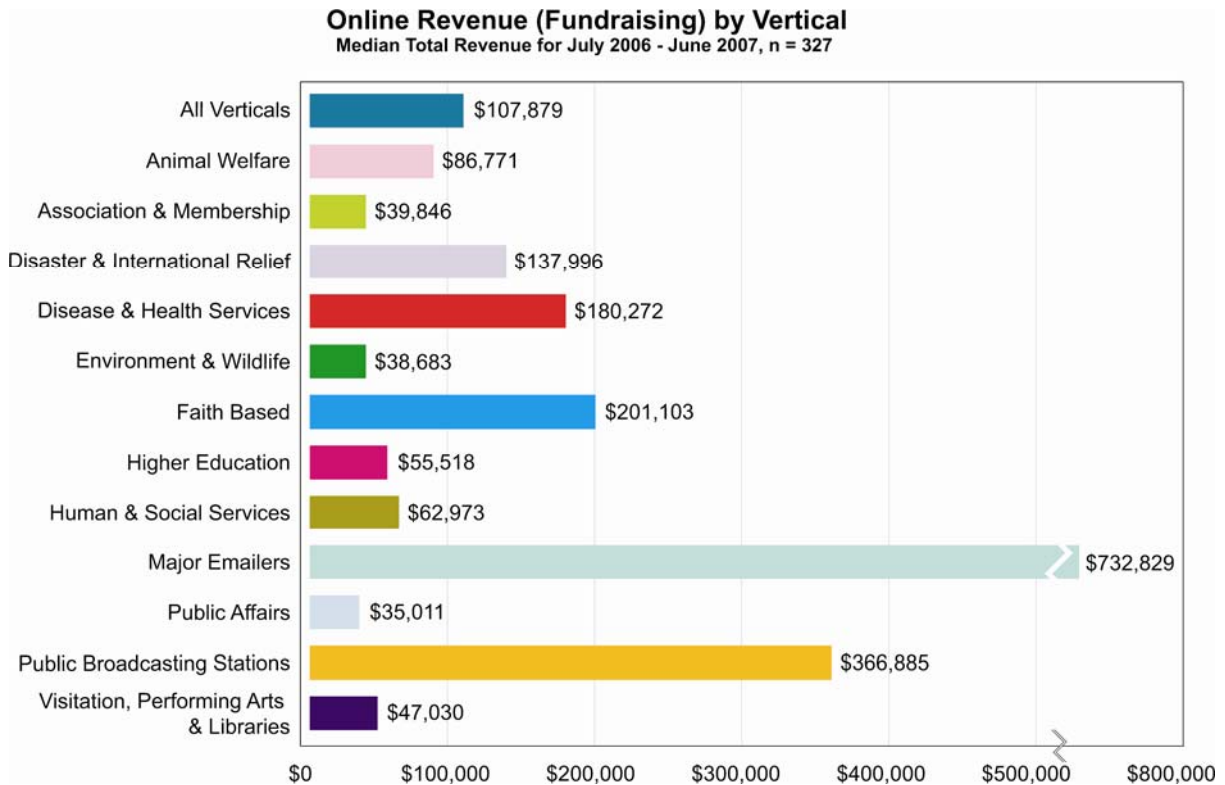


Chart 6: Online Revenue (Fundraising) by Vertical

Faith based organizations often have the most sophisticated and extensive eCommerce needs of any nonprofit organization. For most ministries, a primary source of revenue is the sale of products, such as series, books, DVDs and other resources, all of which are driven by core broadcast content. While the use of premiums for fundraising is common, direct product sales often can contribute 50% or more to the organization's total revenue. Therefore, integration and coordination between fundraising and product sales is crucial. To drive eCommerce sales, faith based organizations leveraged key tactics, such as promoting products on the Web site and in email content, which led to a 19% lift in online revenue.

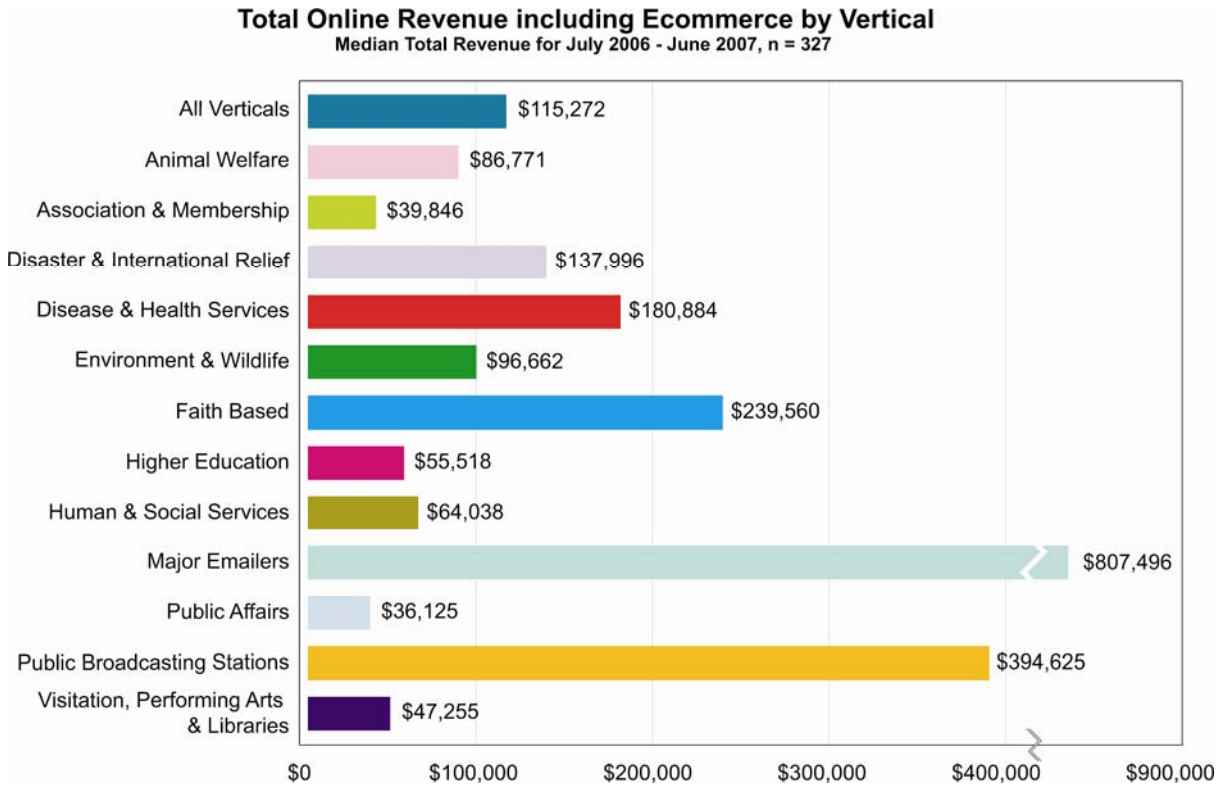


Chart 7: Total Online Revenue including Ecommerce by Vertical

Of the 327 organizations in the previous metrics, 170 of them were also involved with online fundraising at Convio during the 12 months prior to this study. Chart 8 shows that for this group, online revenue generation (including eCommerce) grew at 26% per year. Excluding eCommerce, online fundraising grew at just over 23%. Verticals with the highest online revenue growth rate included Association & Membership; Visitation, Performing Arts & Libraries; Environmental & Wildlife; and Major Emailers. Faith based organizations also experienced impressive year-over-year growth of online revenue at a rate of 41%. Not all verticals experienced growth from the prior year, though. Disaster & International Relief experienced negative growth after record fundraising in years previous, on the tail of Hurricane Katrina and the Asian Tsunami.

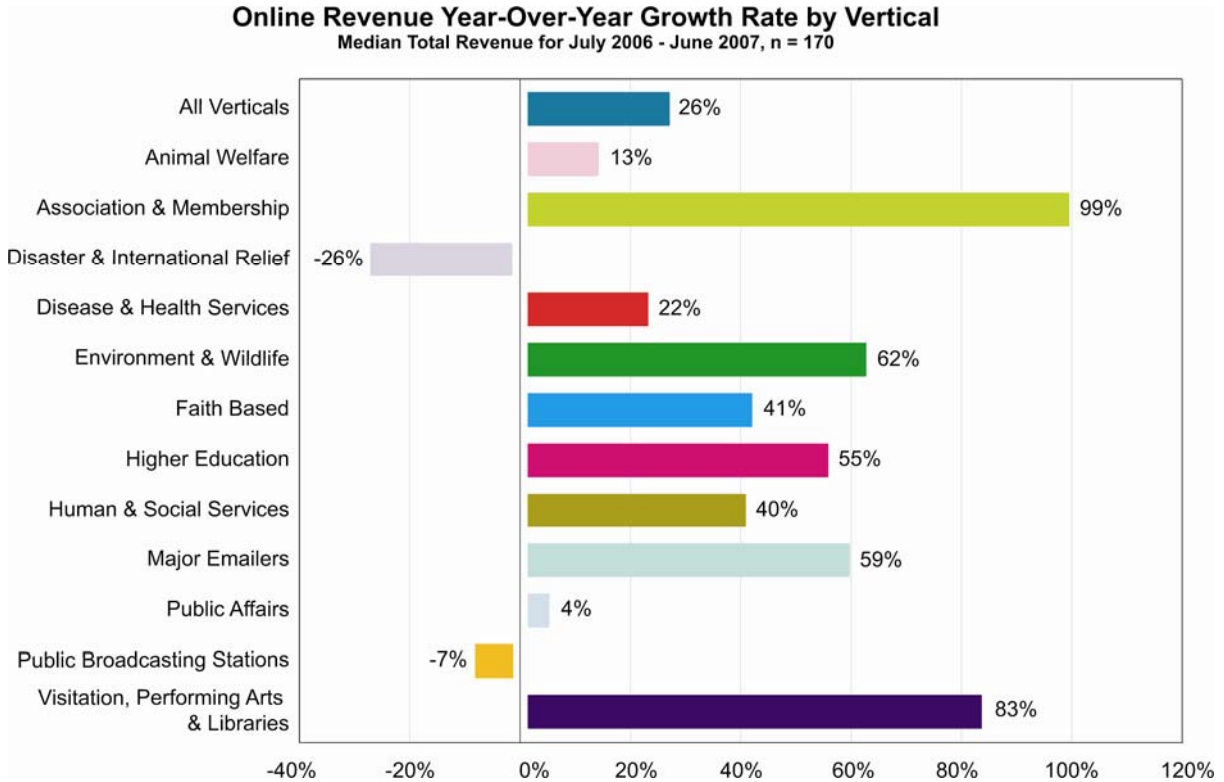


Chart 8: Online Revenue Year-Over-Year Growth Rate by Vertical

The average gift, measured as the sum of all donations divided by the number of gifts, gives us an indication of the average amount each constituent gave. The average gift raised online during the period studied was \$61, up from \$56 in our last report. The Major Emailers tended to have a large number of the gifts in this study; however, as their \$59 average gift shows, their gifts tended to be smaller than those in other verticals. Several verticals received average online gifts of more than two times the overall benchmark. The Faith Based vertical again performs well, with an average online gift well above the benchmark. It is notable that donors in this segment tend to make more frequent gifts than those in other verticals. Tithing and recurring gifts are particularly important as faith based donors tend to not only give more, but also more frequently.

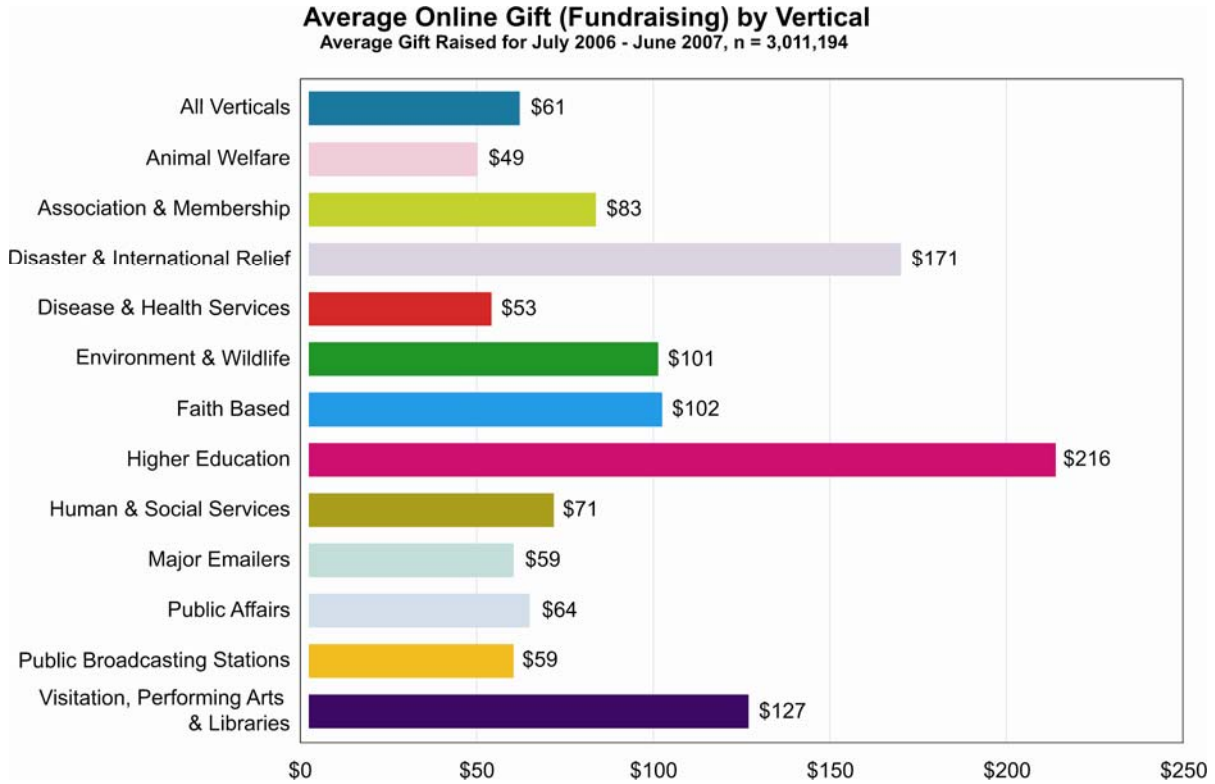


Chart 9: Average Online Gift (Fundraising) by Vertical

The value of an email address is a way for nonprofits to gauge how efficiently they are generating online revenue from each online constituent. It does not factor in offline contributions. Chart 10 shows that for the 327 organizations in this study, the email addresses on their file generated \$7.86 per address from donations and eCommerce during the period of July 2006 to June 2007.

For the Faith Based vertical, the average online gift per email address is just below the benchmark, which implies that although active donors in this segment do give generously and frequently, a larger percentage of registered constituents do not give at all. This result is not surprising in that faith based organizations attract many “seekers” who are willing to register by providing an email address. However, a large portion of these seekers will never become donors. Thus, faith based organizations have a significant opportunity to turn a higher percentage of seekers into active financial supporters, which could make a notable difference in revenue. However, it is important to consider that a constituent's relationship with a ministry typically takes between six and 12 months to mature. During this timeframe, the interactions between the constituent and the ministry will likely span a variety of cycles, such as registering for information, purchasing products, and deciding to become an active donor. Understanding and actively nurturing this relationship lifecycle is essential to improving the faith based organization's overall financial performance.

Online Revenue including Ecommerce Per Email Address by Vertical
 Median Value for July 2006 - June 2007, n = 327

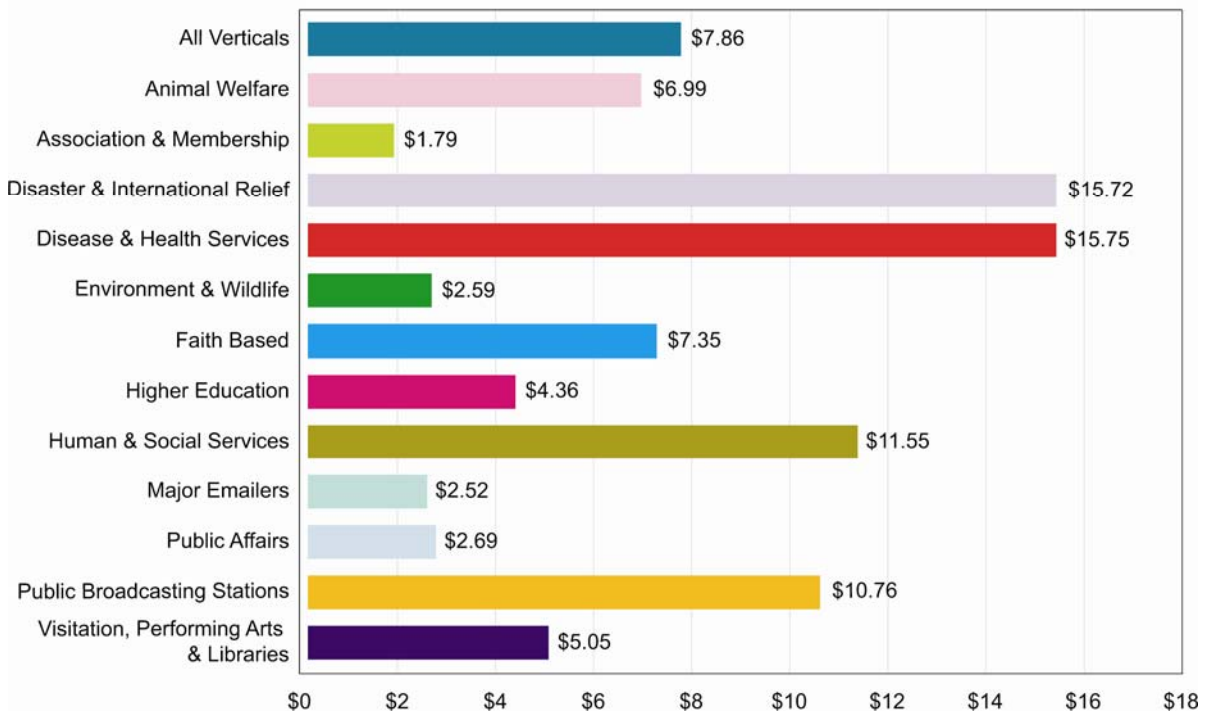


Chart 10: Online Revenue including Ecommerce Per Email Address by Vertical

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

As opposed to direct mail, telemarketing, and other fund-raising channels, email appeals allow nonprofits to solicit constituents for a relatively low cost. An email appeal’s effectiveness can be measured at various stages by looking at the open rate, click-through rate, and donation (or response) rate.

Studying 2,742 separate email fundraising messages from 219 organizations during the time period of July 2006–June 2007 revealed an average open rate of 14%. Email communications whose primary objective was clearly not fundraising in design — such as fundraising event reminders, advocacy alerts, general organization communications, and monthly email newsletters — were excluded from this metric even if their content included a soft ask (an ask for donations somewhere in the communication). The sector-wide average is pulled down significantly by Major Emailers. Some verticals, such as Higher Education, Association & Membership, Disease & Health Services, Faith Based, and Animal Welfare, achieved averages 50% higher or more than the sector-wide benchmark.

The open rate is the percentage of recipients who open (view) a message divided by the number of messages delivered. Limited emphasis should be placed on this metric because of known image rendering and preview pane issues in email readers, which can skew open rates. We do not count instances where a recipient opens an email appeal more than once. The segment average for each vertical is seen in Chart 11.

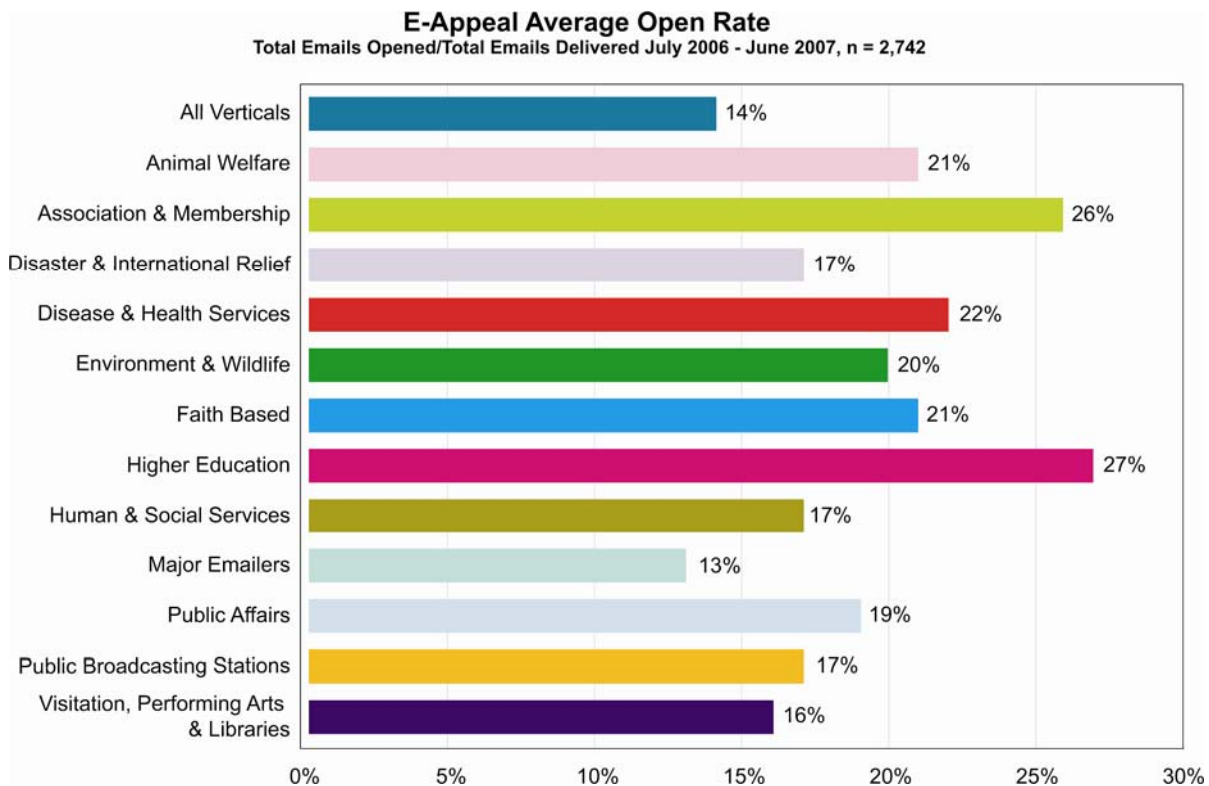


Chart 11: Email Appeal Average Open Rate

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 email appeals delivered. The 2,742 separate email fundraising messages from the 219 organizations in this study during this period had a median click-through rate of 2%, with faith based organizations at double the benchmark. The latter result is indicative of the high level of engagement associated with key ministry messages, and is likely driven by a very personal connection with the pastor or ministry leader.

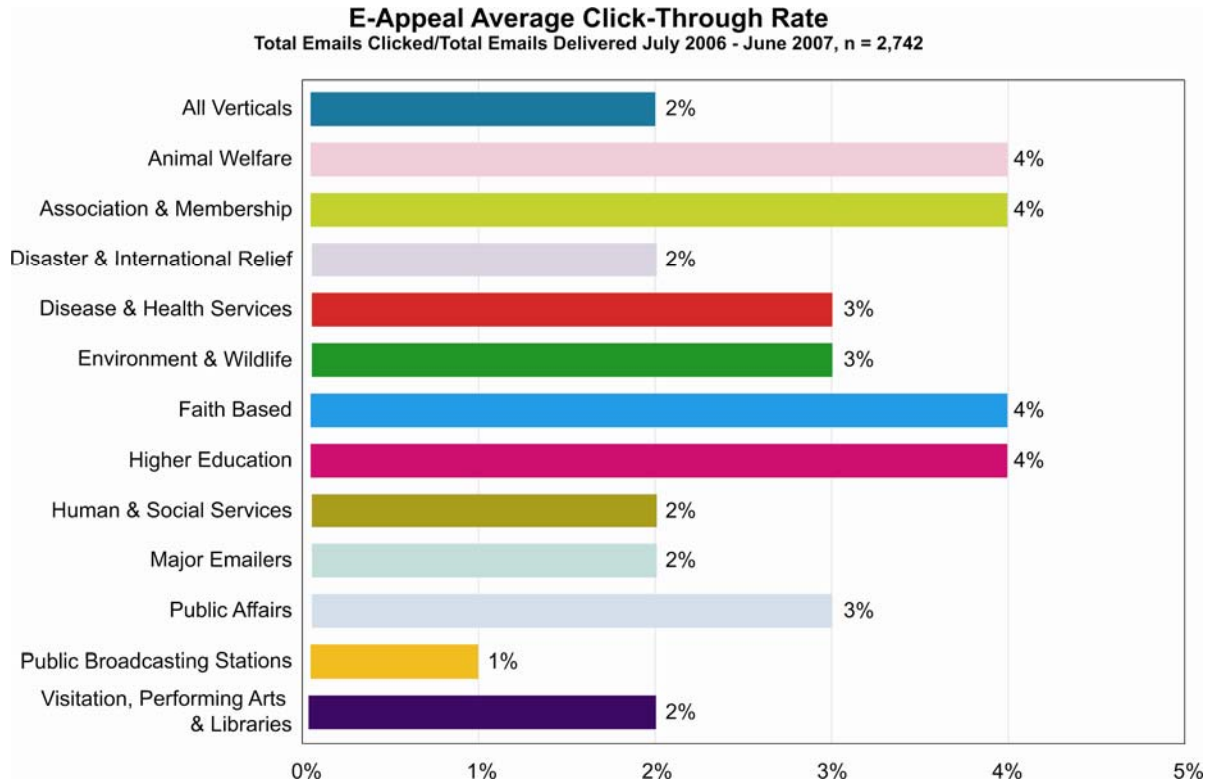


Chart 12: Email Appeal Average Click-Through Rate

The success of an online fundraising appeal is ultimately measured by the proportion of the recipient list that actually makes a donation to the organization, or response rate. Chart 13 shows that the email appeal average response rate across sectors is 0.07%. The sector-wide metric is pulled down by Major Emailers. The response rate can be influenced by many factors, including the mix of prospects and active donors in the recipient list and the degree to which the list is composed of “organically” acquired versus appended names. Appended emails tend to generate much lower open, click-through, and response rates. Appeals sent to lists that consist predominantly of prospects will experience lower response rates than those that consist mostly of existing donors. In this metric, we see a blended response rate, or a response rate for organizations sending email appeals to files that include both prospects and existing donors.

We see the influence of a largely donor file in membership-driven organizations — such as those in the Associations & Membership and Public Broadcasting Stations verticals — that send appeals to existing members at renewal time. Chart 13 shows the response rate for public broadcasting stations is about four times higher than the All Verticals benchmark. The email appeal response rates for faith based organizations are significantly above the benchmark. At 0.17%, this result is especially significant considering that most ministries send appeals monthly, a frequency substantially higher than nonprofits from other verticals. This response rate indicates that the strategy of sending frequent communications is not producing donor fatigue within the Faith Based vertical.

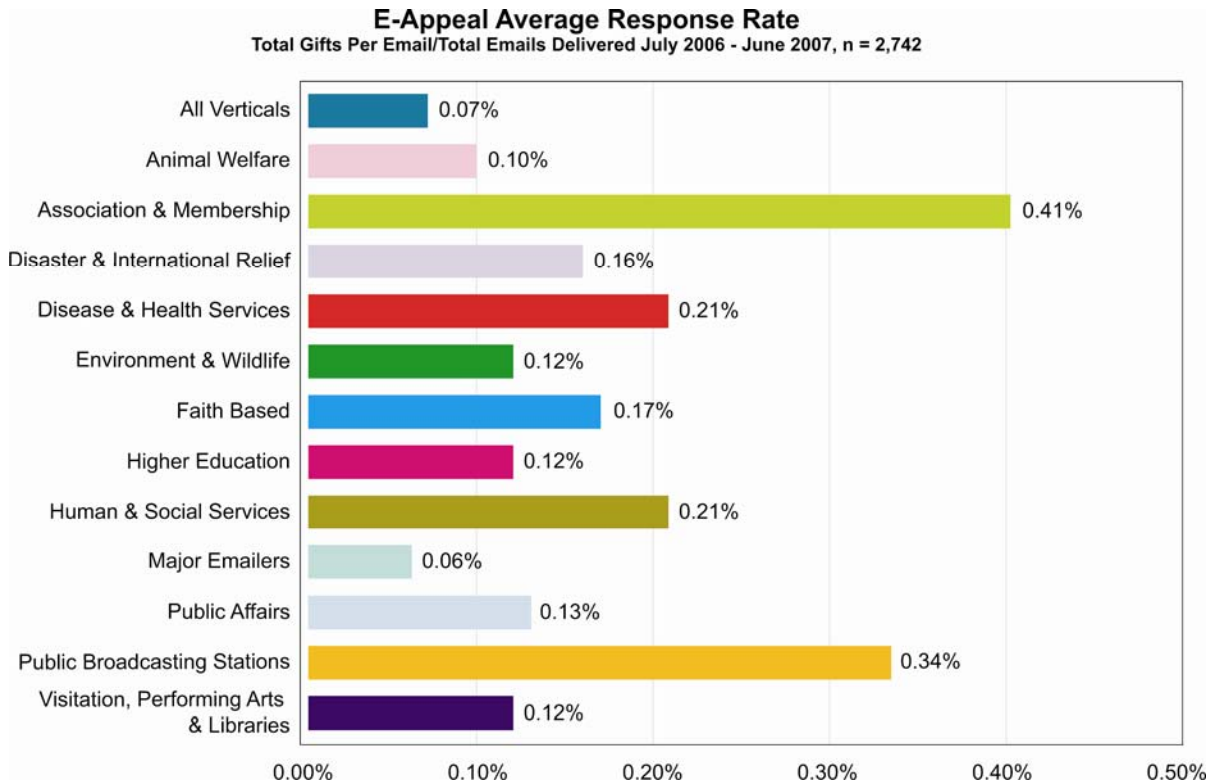


Chart 13: Email Appeal Average Blended Response Rate

Email Newsletters: Open and Click-Through Rates

Email newsletters allow fundraisers to build and maintain relationships with constituents before asking them for a donation. They also are a cost-effective way to build relationships with new constituents, increase engagement, and educate them about your organization's mission. As such, it is critical that constituents read these important communications.

Eighty-five organizations sent weekly, monthly, bi-monthly, or quarterly email newsletters during the period of July 2006–June 2007. Chart 14 shows that the median open rate for the 736 email newsletters studied was 15%. Email newsletters from faith based organizations had among the highest open rates at 24%. Major Emailers and public broadcasting stations had the lowest. We believe that, in general, open rates are declining. In our last report, the sector average open rate benchmark was 22%, though it was calculated utilizing a much smaller cohort.

Email fatigue is no doubt a factor. Constituents are inundated with marketing messages, and email volumes have increased. Major Emailers in particular tend to send a lot more email messages than other segments. Another factor, as discussed earlier, is the increasing use of email appends. The open rate for appended email addresses is commonly 25–50% that of "organically" acquired addresses. Many Major Emailers have been very active in growing their files through appends. We continue to encourage our clients to focus primarily on "organic" file growth as much as possible, using appends as a highly selective strategy. Additionally, we encourage clients to ensure that email communications have an impact and are not just being sent to meet a publishing schedule. We also are strong proponents of segmenting and personalizing messages to increase the targeting and relevance of content. In tests, we have found that transitioning from a one-to-many approach to a more segmented email communications approach drives a significant lift in open rates.

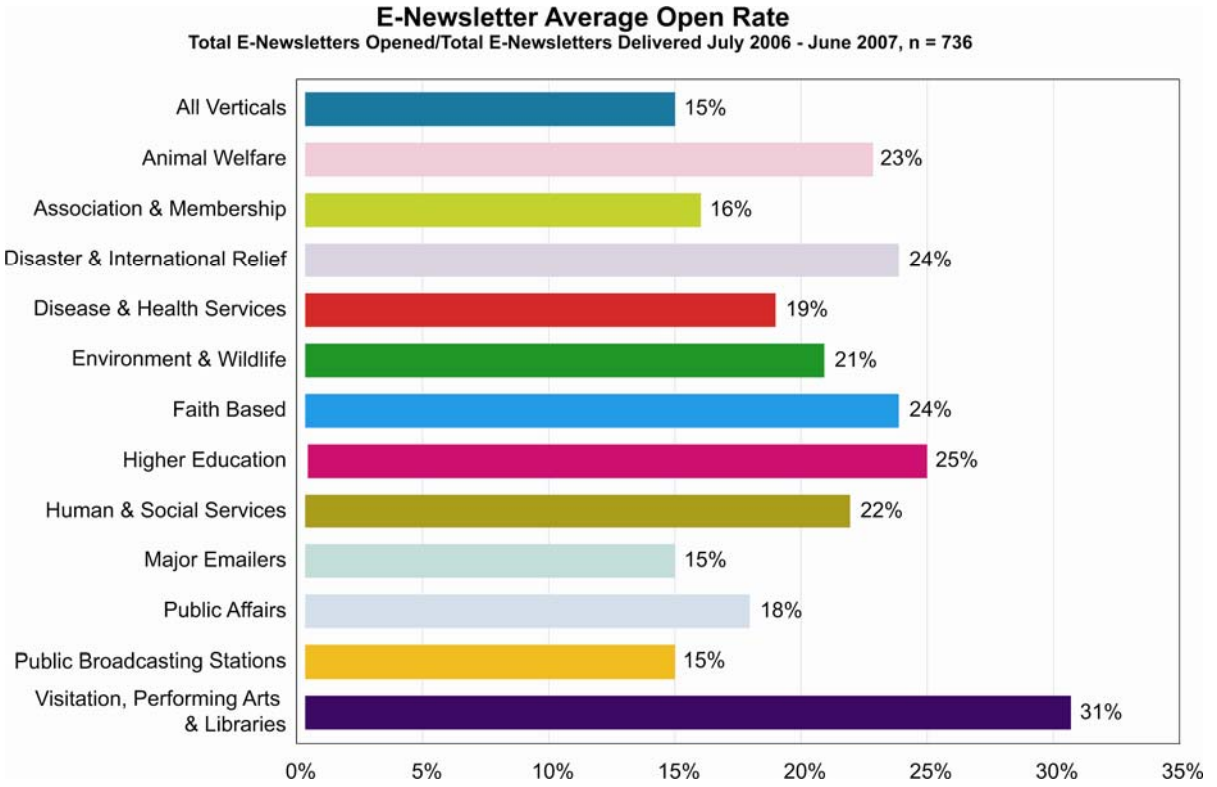


Chart 14: Email Newsletter Average Open Rate

Chart 15 shows that at 4%, the email newsletter click-through rate is roughly twice as high as that for email appeals, showing constituents' willingness to click items having a lower level of commitment than those in an appeal. Email newsletters from faith based organizations have only slightly higher click-through rates than email appeals, providing further evidence that there is an unusually high level of commitment to giving within this sector.

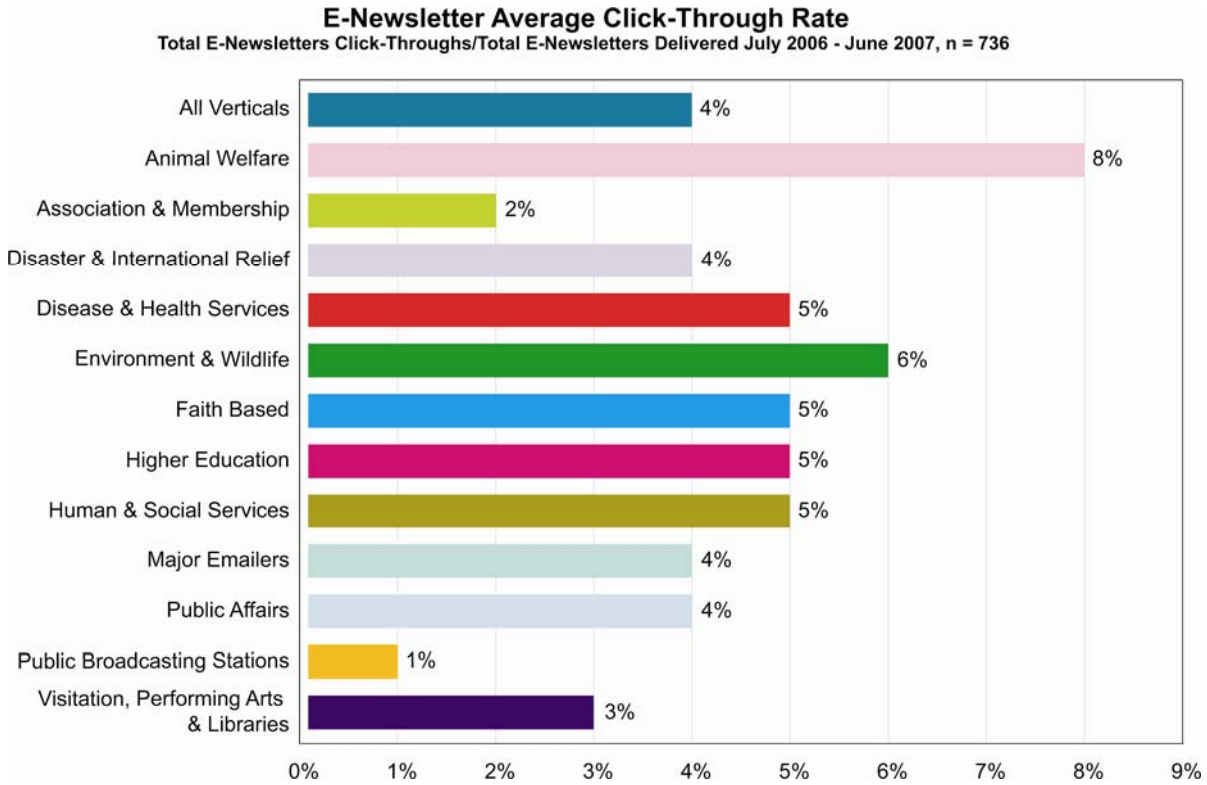


Chart 15: Email Newsletter Average Click-Through Rate

Advocacy

Online advocacy allows nonprofit organizations to build a loyal network of constituents ready to support the issues most important to their organizations. Of the 419 study participants, 75 were engaged in Convio Advocacy during the period of July 2006–June 2007. Verticals such as Public Affairs and Disease & Health Services are traditionally heavy users of advocacy as a tactic for promoting their missions or causes, while other verticals such as Public Broadcasting Stations generally do not.

Figure 3 shows that of an organization’s total email files, 8.49% of constituents have taken at least one advocacy action. For some verticals such as Environment & Wildlife, as much as 30% of their constituents have engaged in advocacy. Note: No study participants from the Higher Education vertical engaged in advocacy during this period. Also, Public Broadcasting Stations as a group generally do not engage in advocacy to promote their mission.

Vertical	# of Organizations	Advocates as a % of Total Email File	Donors as a % of Advocate File	Advocates as a % of Donor File
Animal Welfare	4	9.78%	15.79%	9.21%
Association & Membership	4	8.48%	5.20%	24.68%
Disaster & International Relief	3	4.61%	11.08%	2.55%
Disease & Health Services	15	8.32%	9.76%	7.51%
Environment & Wildlife	3	30.69%	6.32%	41.68%
Faith Based	3	13.12%	9.69%	24.07%
Human & Social Services	2	2.38%	6.66%	2.86%
Major Emailers	14	11.50%	7.83%	23.00%
Public Affairs	26	9.56%	6.65%	15.23%
Visitation, Performing Arts, Libraries	1	1.73%	14.40%	3.77%
All Verticals	75	8.49%	8.45%	14.17%

Figure 3: Advocacy

Another important metric for advocacy is how effectively organizations convert loyal advocates to financial supporters of their organizations. Chart 16 shows that 8% of advocates on file have also supported their organizations financially. For some verticals such as Animal Welfare, this median is nearly twice that. We believe that online advocacy, in addition to advancing an organization’s mission; can be a significant feeder of prospects for fundraising. Organizations are growing increasingly sophisticated at converting activists to donors, but much potential still remains.

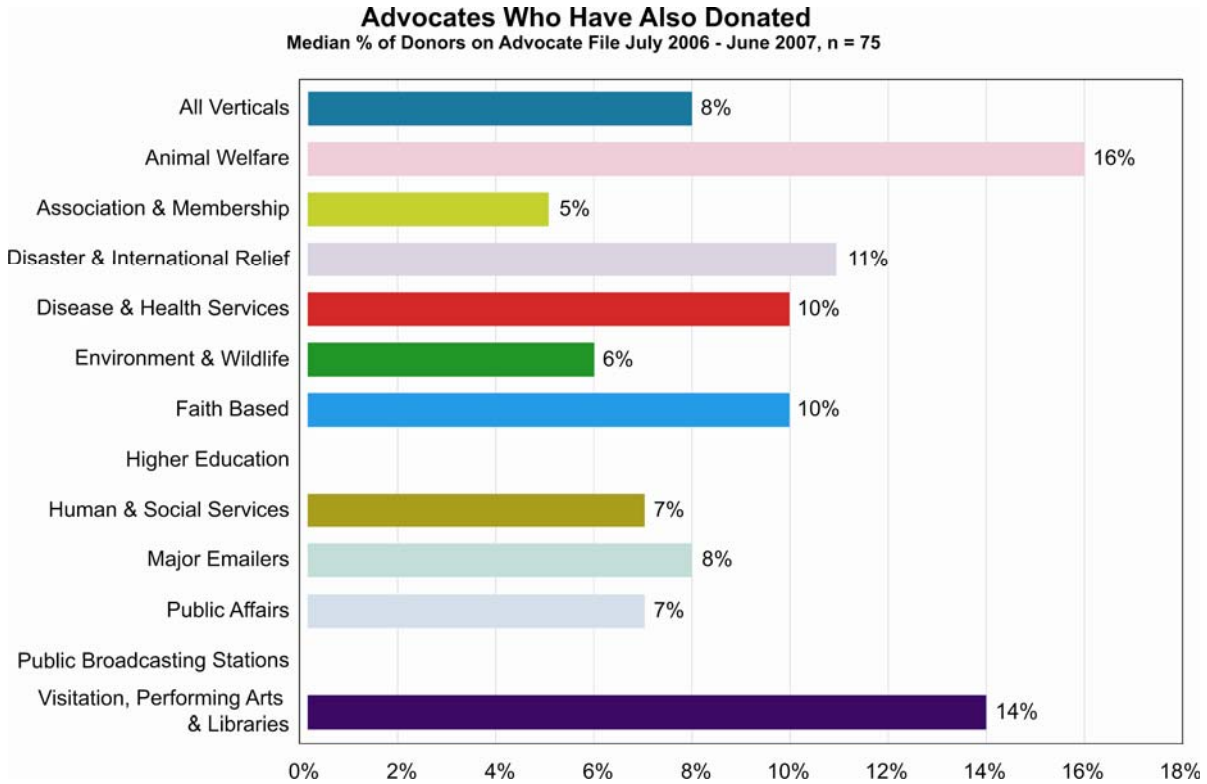


Chart 16: Advocates Who Have Also Donated

Chart 17 shows that 14% of all the donors on file have also taken an advocacy action. For the Environment & Wildlife vertical, 42% of donors are engaged in advocacy. We believe that engaging donors in online advocacy helps to cement relationships with your cause and organization and hence enhances donor retention rates and lifetime value.

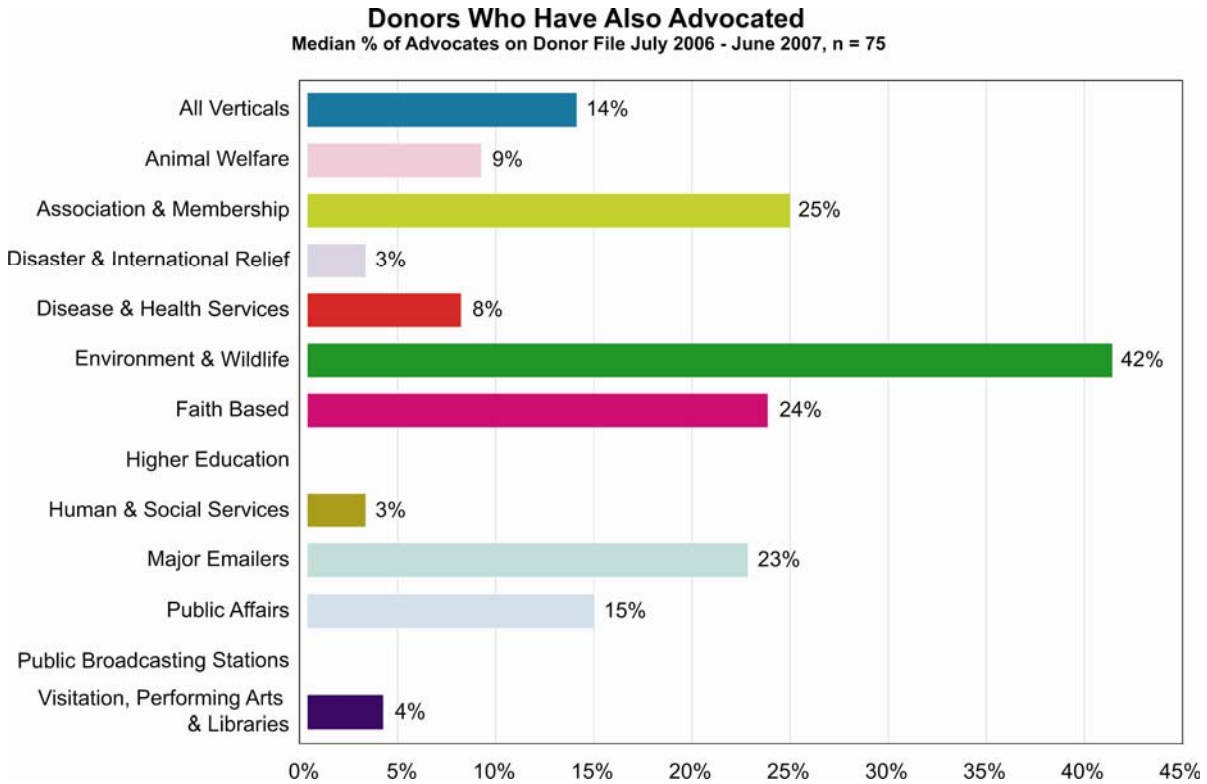


Chart 17: Donors Who Have Also Advocated

Summary

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

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

- Success in driving traffic to their Web sites by optimizing search engine visibility, offering compelling content, and promoting their site via other media;
- Effective programs and mechanisms in place to convert Web traffic into registered users, who can then be cultivated into donors;
- The proven ability to build large online email files via online registration programs, list uploads, and viral campaigns;
- Effective communication through compelling content, segmentation, and personalization to sustain interest in their programs; and
- A high response rate for online appeals, generated by creating an effective case for supporting their organizations, segmenting and personalization of their appeals, and testing elements of each email such as the subject line, frequency, and delivery timing.

The *Christian Online Marketing and Fundraising Benchmarking Report* provides faith based organizations insights into how other organizations are performing in metrics relating to key online success drivers. However, every organization is different, each with its own strengths, organizational challenges and goals. As such, organizations should use this study as a starting point to better understand why metrics are important and which metrics and drivers can have the largest effect on their online marketing programs and then continue to test what works best for their own organizations.

Methodology

Convio is the online Constituent Relationship Management (eCRM) software provider of choice for more than 1,200 nonprofit organizations. This sophisticated software allows our clients to combine the results from a suite of applications for fundraising, email and Web content management application into one integrated solution, the Constituent 360™ database.

Using actual client transactional data from the Constituent 360™ database for over 400 of our clients, the *Christian Online Marketing and Fundraising Benchmarking Report* demonstrates how organizations with similar missions (“vertical”) performed during the 12-month period of July 1, 2006, to June 30, 2007. Organizations selected for inclusion in this study were subject to, or sorted by, the following criteria:

- 1) Organizations must have been on the Convio platform during the entire period of July 1, 2006, to June 30, 2007. Organizations must have completed deployment onto the Convio platform before July 1, 2006, and still remain active clients as of June 30, 2007. Organizations not meeting these parameters were excluded from the study.
- 2) To boost analytical power, we combined study participants that we believed to be similar into groups based on a common organizational mission, or vertical, of the nonprofit sector, as described in Figure 4.

Vertical	Description
Animal Welfare	Regional humane societies and national organizations devoted to animal welfare issues
Association & Membership	Organizations whose members have a common professional affiliation
Disaster & International Relief	Domestic and international organizations that provide disaster relief, humanitarian relief, aid and assistance around the world, often in response to a catastrophic event or disaster
Disease & Health Services	Organizations that provide information and patient support on particular diseases and disorders, raise money for medical research, and/or are involved in medically related public policy issues
Environment & Wildlife	Regional and national environmental and conservation organizations
Faith Based	Churches, ministries and other organizations of various religious affiliations. (Note: Jewish organizations were removed based on previous analysis suggesting that these organizations perform dramatically differently from other faith based organizations, but too few of these organizations met the criteria to support a separate cohort.)
Higher Education	Colleges, universities and their alumni associations
Human & Social Services	Local, regional and national organizations that deliver human and social services to people in need

Major Emailers	Organizations from various verticals with more than 250,000 constituent email addresses in their email file
Public Affairs	Organizations involved in shaping public policy and legislative advocacy at a state or federal level
Public Broadcasting Stations	Public radio and public television stations
Visitation, Performing Arts & Libraries	Organizations such as zoos, museums and aquariums that rely on members and guests visiting their facilities

Figure 4: Vertical Segment Descriptions

- 3) In some cases, we were able to combine similar verticals with other organizations that we believe perform similarly. For example, the Christian, Catholic, and other religion-affiliated organizations were combined into a common vertical cohort we call Faith Based. In other cases, the mission was so narrow that the resulting sample was too small to be statistically significant. Vertical groups that did not have at least ten similar organizations based on their common mission were excluded.

The resulting study participant list is composed of 419 organizations from 11 distinct vertical segments, as seen in Figure 5.

Vertical	# in Panel
Animal Welfare	21
Association & Membership	20
Disaster & International Relief	25
Disease & Health Services	121
Environment & Wildlife	13
Faith Based	38
Higher Education	20
Human & Social Services	54
Public Affairs	80
Public Broadcasting Stations	13
Visitation, Performing Arts, Libraries	14
Total	419

Figure 5: Vertical Composition

Previous Convio studies have shown that organizations with email files of more than 250,000 addresses perform dramatically different from organizations with smaller email files. This is partly because email files of this size allow these organizations to drive fundraising and advocacy communications to a large number of constituents. Organizations that have been able to build email files of this size also tend to have major offline programs such as direct mail, and increased organizational resources that allow them to achieve higher levels of success. As such, the performance of any benchmark can be significantly skewed by organizations of this magnitude, and therefore they have been broken out into a separate comparison category we call Major Emailers. The number of organizations from each vertical that compose this new vertical are shown in Figure 6.

Major Emailers by Vertical	# in Panel
Animal Welfare	1
Association & Membership	1
Disaster & International Relief	3
Disease & Health Services	8
Environment & Wildlife	3
Faith Based	4
Higher Education	3
Human & Social Services	0
Public Affairs	10
Public Broadcasting Stations	0
Visitation, Performing Arts, Libraries	0
Total Major Emailers	33

Figure 6: Major Emailers by Vertical

Other Considerations:

In addition to how an organization performs relative to its peers within its vertical, the size of an organization’s email file can also be a predictor of an organization’s potential to raise funds, increase awareness about a particular issue, and drive Web site traffic. Figure 7 shows the distribution of the study’s 419 participants’ total email file sizes as of June 30, 2007.

Email File Size	# in Panel
<10,000	139
10,001–25,000	87
25,001–50,000	72
50,001–100,000	48
100,001–250,000	40
250,001+	33
Total	419

Figure 7: Email File Size Study Composition

Note: Figure 7 shows the total number of email records on file, not the percentage that is actually usable. A usable email is one where the constituent is currently opted in to receive email communications from the organization and is currently valid, meaning that previous attempts to email this address have not reported a “hard bounce” from the constituent’s ISP.

While not used specifically for any of the metrics in this year’s study, results can also be grouped based on the size of an organization’s annual budget. This information is self-reported to the IRS by each organization annually on IRS Form 990 which is an annual reporting return that provides information on the filing organization’s mission, programs, and finances. Figure 8 shows the distribution of participants in this study.

Organizational Budget	# in Panel
<\$1,000,000	71
\$1,000,001-\$10,000,000	174
\$10,000,001-\$100,000,000	132
\$100,000,001-\$500,000,000	24
\$500,000,001+	17
Total	419

Figure 8: Organizational Budget

Each metric studied includes a breakdown of how each of the 12 verticals performed compared to an All Verticals benchmark composed of all the organizations that were relevant for that particular metric, as noted by the “n” value in the chart title. Some metrics in this study may include an “n” value of fewer than 419 participants based on the definition of the metric. For instance, not all panel participants use Convio for their online fundraising; as a result, the Online Revenue (Fundraising) by Vertical metric contains fewer than 419 participants.

Discussion of Metrics

The metrics shown in this study are by no means exhaustive. Every organization is unique and has its own organizational strengths, structure and goals. Because of these attributes, results achieved by one organization may not be attainable by another.

This study's primary metrics cover the period of July 2006 through June 2007; however, metrics involving year-over-year growth include the period of July 2005 to June 2006. This was a very significant fundraising period for organizations whose missions were affected by Hurricane Katrina, the Asian Tsunami and other major events that occurred during this timeframe. As a result of the abnormally active prior period, many of those same organizations show slower growth this year even though they have made significant strides in fundraising.

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

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

For more information or other analytical support, contact your Convio Account Manager or Sales Executive about engaging a Convio Interactive Marketing Consultant.

About Convio

Convio is a leading provider of on-demand constituent relationship management software and services to nonprofit organizations to enable nonprofit organizations to more effectively raise funds, influence public policy and support their missions by leveraging the Internet to build strong relationships with constituents. The company's online constituent relationship management, or eCRM, solution includes a suite of on-demand software modules for fundraising, advocacy, email marketing and Web content management complemented by a portfolio of best-in-class consulting services.

For more information about Convio solutions for faith based organizations, please visit www.convio.com/faith.



11400 Burnet Road, Building 5, Suite 200 Austin, TX 78758
888-528-9501 | 512-652-2600 | info@convio.com | www.convio.com

©2008 Convio, Inc. All rights reserved. Convio, the Convio logo, TeamRaiser and Constituent360 are trademarks, registered trademarks or service marks of Convio, Inc. All other names are trademarks, registered trademarks or service marks of their respective owners. V1