



**Kaptivate Research**

Alexandria, Virginia  
[Kaptivategroup.com](http://Kaptivategroup.com)

*Are We There Yet?*  
**Non-Profit Adoption of Mobile Giving**

*Ron Vassallo*

5 April 2010

## Contents

---

|                        |          |
|------------------------|----------|
| <b>Introduction</b>    | <b>2</b> |
| <b>Methodology</b>     | <b>3</b> |
| <b>Survey Findings</b> | <b>4</b> |
| <b>Getting There</b>   | <b>8</b> |
| <b>Conclusion</b>      | <b>9</b> |
| <b>About Kaptivate</b> | <b>9</b> |

## Introduction

In the same way that the September 11<sup>th</sup> attacks ushered in the era of online giving and the Indian Ocean Tsunami served as a catalyst for international giving, the Haiti earthquake relief effort has demonstrated the potential of mobile giving. The numbers are impressive: 270 million mobile subscribers in the U.S. and over 69 million with access to the mobile web. Mobile has the second broadest reach of any media—27% of Americans access the mobile web frequently—and the fastest growing adoption rate. But the numbers don't provide a roadmap.

In February 2010, Kaptivate worked with sector partners to launch a timely market survey. This survey sought to gauge the rate of mobile adoption among non-profits as well as to provide insight into the key factors impacting how they perceive the mobile medium. Specifically, the survey asked:

- What is appealing about the mobile opportunity?
- What are the challenges hindering integration of this marketing channel?
- What can be gleaned from the experiences of early adopting peers?
- What is mobile's potential?

Amid the promise of the mobile opportunity, most non-profits are struggling to understand what it means for them. These findings reveal strong interest in mobile's potential but also frustration in getting started. In short, responses were reminiscent of the family car ride: everyone's excited by visions of the destination but distracted by the arduous journey. So, "Are we there yet?" Well, we're on the road and we know a few shortcuts.

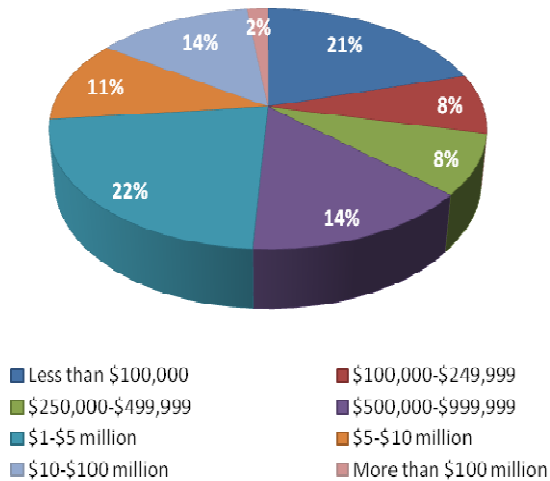
With any luck, the survey will launch an ongoing dialogue that will serve as our odometer or even better yet, a GPS device with some insight into what lies ahead.



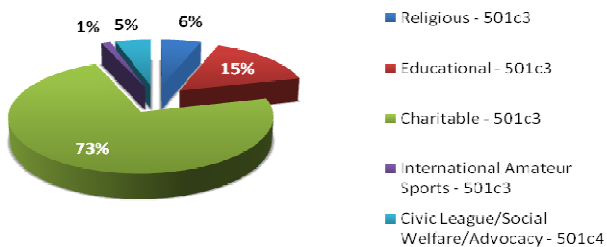
## Methodology

This cross-sectional survey of non-profit organizations sought to understand mobile adoption rates and non-profit perception of the mobile medium. We collaborated with several large non-profit associations to secure a broad and diverse participation in the sample. Significant effort was made to ensure that active users of mobile giving technology were represented. Their mobile giving experiences and best practices would prove valuable to organizations considering the mobile opportunity. The survey succeeded in capturing the input of 162 organizations. The attributes of this sample are described in the following charts.

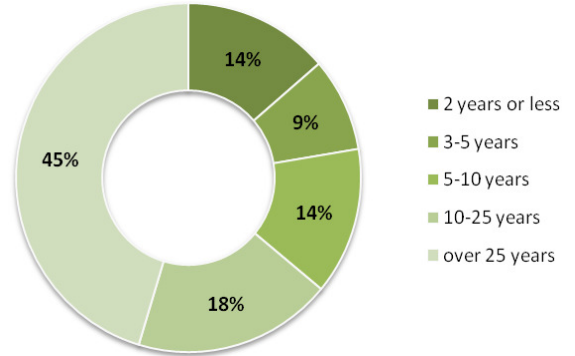
### Size of Organization



### Organization by Category



### Maturity of Organization



### Respondent's Role in Organization

| Respondent's Primary Role | Percentage in Role Category |
|---------------------------|-----------------------------|
| Alumni Affairs            | 0.0%                        |
| Communications            | 9.9%                        |
| Consulting                | 3.7%                        |
| Fundraising               | 55.9%                       |
| Executive Mgmt            | 15.5%                       |
| Info Technology           | 3.7%                        |
| Advocacy                  | 4.3%                        |
| Marketing                 | 11.1%                       |
| Mobile & Media Services   | 1.8%                        |
| Program/Operations        | 22.3%                       |
| Other                     | 6.8%                        |

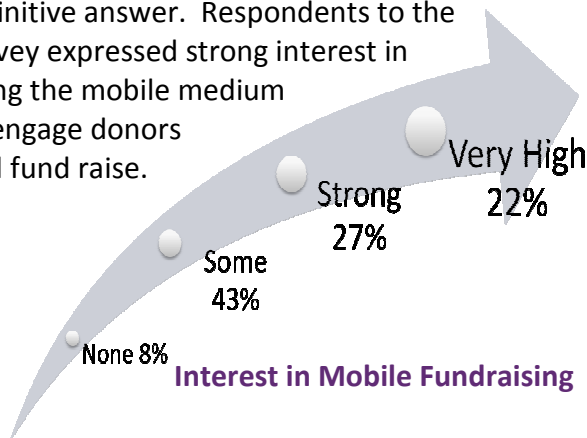


## Survey Findings

### Interest in Mobile

#### ***In Next 12 Months, 36% of Respondents Will Have Deployed Mobile Giving***

As information flows becomes increasingly user-defined and immediate, non-profits are beginning to understand that change is underway. Awareness of this change is driving interest in mobile as well as the social media networks that have become mobile's primary diversion. What this change means to their organizations and mission sustainability is the fundamental question but most non-profits are not postponing their actions in hopes of a definitive answer. Respondents to the survey expressed strong interest in using the mobile medium to engage donors and fund raise.



#### ***Interest in Mobile Fundraising***

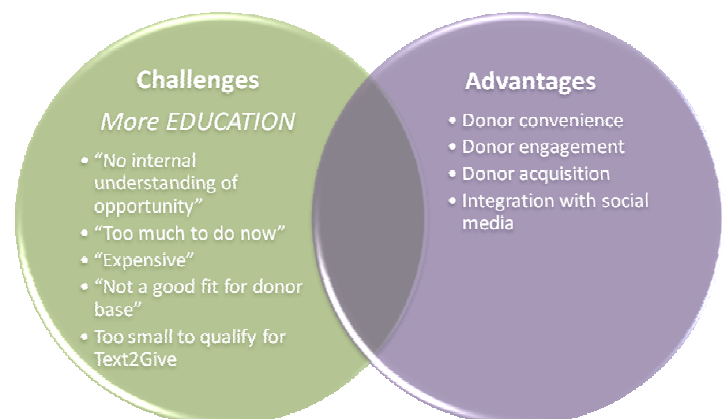
Survey responses revealed growing interest in mobile fundraising as well as a growing likelihood that non-profits will take the plunge into mobile in the near term. A full 36% of respondents are currently using or planning to go mobile in the next 12 months. If you extend that horizon to 24 months, over 50% of respondents expect their organizations to adopt mobile fundraising.

## Perceptions of Mobile

While interest grows, non-profits are also pre-occupied by weighing the pros and cons for mobile. This exercise is especially frustrating for leadership because they simply don't know what they don't know. In short, respondents need more education on the potential, the pitfalls, and best practices. Without this intelligence, over 45% of mobile champions find "no internal understanding of the opportunity." Even if they could make the internal argument for a "go forward" decision, **many of these same champions (62%) wouldn't know how to market or promote the channel effectively.**

#### ***Mobile Champions Need More Education the Potential, the Pitfalls, and Best Practices.***

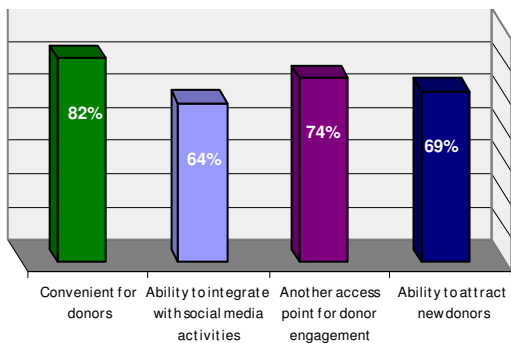
This dearth of information has reinforced resistance to the mobile channel with these concerns cited: add demands on already limited resources (40%); prove to be an expensive channel (34%); and, not be a good fit with the existing donor base (28%). Despite these concerns, a good number (30%) are willing to explore mobile giving but fear their small size precludes their participation. This concern is not baseless. As it turns out, the major wireless carriers require charitable applicants to demonstrate annual income of at least \$500,000 to be eligible for text-based giving programs.



Despite the perceived hurdles blocking a decision, many leaders still find that mobile presents a compelling case for driving donor engagement. “Instant contact,” remarked one respondent when identifying key advantages of a mobile channel. Another claimed its “necessary to connect with younger people.”

In line with these comments, a strong majority of respondents (83%) believed mobile would improve donor convenience as well as reinforce donor engagement (74%) and donor acquisition (69%) activities for their organizations.

### Perceived Mobile Advantages



There were also perceived disadvantages regarding the current state of mobile giving. Although many cited donor engagement as part of mobile’s promise, almost 50% also viewed the current mobile giving options as lacking the ability to cultivate donors.

This impression may be derived from text-based giving where communication exchange is very limited and wireless carriers preclude access to donor information beyond the mobile phone number. As one respondent notes, “our mission is too complex to understand in a text campaign.”

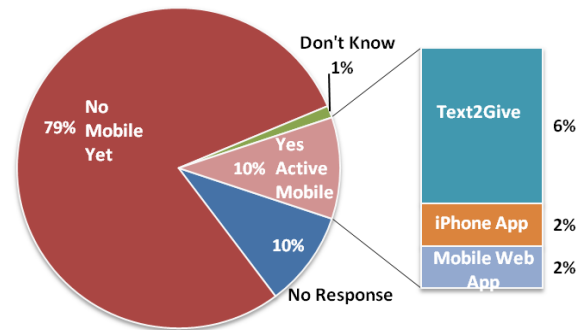
The other significant disadvantage cited by 32% of respondents was the “relatively small gifts”

(i.e., \$5 and \$10 contributions) permitted by the wireless carriers. On this point one-third of all non-profits with active programs believed program results would improve with “more flexibility...of gift size.”

### Early Adopters

A key objective of the survey was to identify early adopters and solicit their real-world view of mobile giving along with their best practices. Fortunately, the survey elicited a response from these pioneers. These non-profits represent 10 percent of our sample; however, based on market research, we know this proportion significantly exceeds the actual size of the active mobile fundraising market.

### Early Adopters



Not surprising, these early mobile adopters have predominantly launched text-based giving as their initial foray into the arena. Consequently, with 65% of Early Adopters on Text2Give platforms, much of the data captured reflects the experience with this platform. Other mobile fundraising technologies used by non-profits, specifically iPhone (or device-specific) applications and mobile websites (or mobile web apps), have an equal share of the remaining mobile pioneers at 17.5% each.

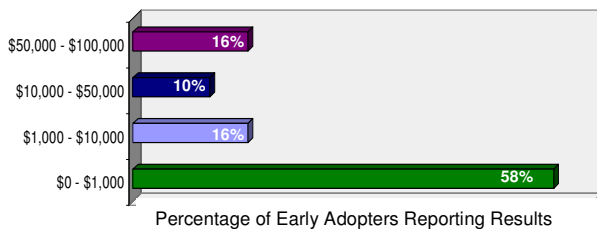


## Long on Vision, Short on Results

Given the extraordinary results for the Haiti relief effort—over \$30 million raised—the Early Adopter experience contrasts sharply with this recent success; their initial results have also fallen well below their own expectations. Over 58% reported raising between \$0 - \$1,000, while the remaining 42% saw varying degrees of success along with a few that witnessed a strong return on their initial investment. When we asked these non-profits to compare these results against their own objectives, one-half of these organizations expressed disappointment. Some responses were despondent: “Honestly we are withering on the vine. Nothing is working and nobody cares.” In turn, 23% of the active mobile programs believed the results were in line or better than expected. The remainder had not set clear objectives.

*“Honestly we are withering on the vine. Nothing is working...”*

### Mobile Fundraising Results



Comparing these early fundraising results to the success of the Haiti relief effort may not be a fair assessment. First, this survey was conducted just shortly after the Haiti earthquake and the awareness of mobile this event catalyzed probably had not had an effect on donor behavior. Second, the survey results show that most organizations actively using mobile are not deploying it for high profile

disaster relief (only 16% are) but rather general fundraising and special appeals—the favored applications, evenly split, among 74% of Early Adopters. These efforts often lack the media exposure, emotive donor response, and big brands associated with large scale disaster relief. Finally, this experience mirrors the early result for online giving in the 1990s. It will likely take a combination of awareness, maturing technology, and marketing experimentation to begin moving the dial in the right direction.

## Reworking the Roadmap

The Early Adopters may not have scored the runs they expected in their first inning but they haven't given up on the game. For many of the respondents with active mobile programs, the opportunity will only get better as they hone their marketing skills in this new medium, and more flexible technology platforms improve the user experience.

Forty-four percent of active program managers believe that the initial approach had insufficient opportunity to brand their mobile giving option. New marketing campaigns will use stronger branding to reinforce the connection between mobile and mission. Almost 40% of respondents will also push tighter integration with the rest of their marketing mix from social media to outdoor advertising. Respondents believe these two changes will help drive more donor take up and build on the base of promotional vehicles that have proven most effective at building awareness of the mobile option: events, word of mouth, email messaging, and social media.

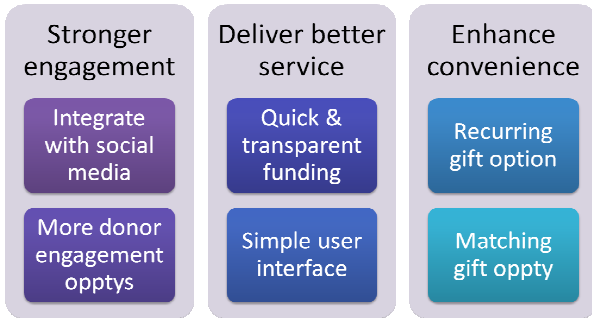
These programs also have a post-transaction gameplan: one-third of these managers will look for mobile giving technology that delivers the donor data necessary to cultivate long term support beyond the initial transaction. This more integrated and intelligent marketing may begin to sway donor behavior.



## Motivation and Aspiration

### Mobile Can Be More

*“...changes to the user experience are both necessary and essential to the adoption of mobile giving...”*



Non-profit respondents expressed their opinions on how to improve fundraising results but comments and response rates revealed a lack of confidence. Their responses on how to improve the user experience were another matter. Here respondents, whether they had active mobile programs or not, had a clear sense that changes to the user experience are both necessary and essential to the adoption of mobile giving by their constituents.

We can categorize respondent recommendations on user experience enhancements into three headings:

- Stronger engagement
- Better service
- Enhanced convenience.

Regarding the first set—stronger engagement—non-profits want mobile giving solutions to go beyond delivering a transaction platform and begin supporting tighter integration with social media outlets. A more seamless connection between mobile and social networks would drive adoption and help higher

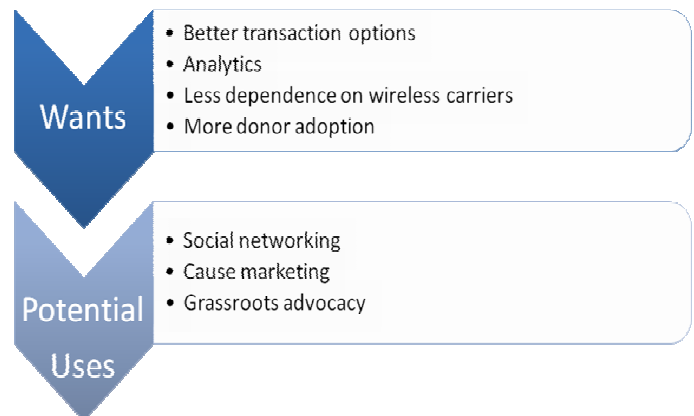
education institutions tap into informal alumni networks outside their online communities.

Outside of social media, respondents recommended more engagement tools including more robust communication resources that could help “educate” supporters and deliver “quick acknowledgement of gifts.” Better service, in the form of a “simpler user interface” (47%) as well as “quick and transparent funding,” (49%) also ranked high on the desired user experience improvements. Several respondents complained about the SMS text giving disbursement cycle—tied to wireless carrier billing—takes as long as 90-120 days for funding.

The convenience factor persuades many non-profits to give mobile a hard look. Nevertheless, a good proportion of respondents believe there’s opportunity to boost this value proposition. Support for a “recurring gift option” and a corporate “matching gift opportunity” was voiced by 47% and 41% of respondents respectively.

### Future Wants & Uses

If a better user experience builds momentum for supporter adoption, what features make mobile a “game changer” for non-profits? The graphic below provides a snapshot of non-profit opinion:



Non-profits suspect some new features or changes could make mobile a powerful tool for their organizations. Within a range of 46-49%, respondents agreed that better transaction options, the availability of traffic analytics on user behavior, and less dependence on wireless carriers would better enable their organizations to use mobile to impact organizational goals. The first and third items were linked by some respondents. These respondents believed that the wireless carriers influenced a number of constraints related to text-based giving and might also be impacting its relative expense as a fundraising tool. More donor adoption of mobile giving was also seen as a potential tipping point. Surprisingly few valued the opportunity of using mobile's GPS functionality or other emerging possibilities such as video communications. These advanced applications may still be too close to the cutting edge.

***“...the mobile opportunity—an opportunity that some are beginning to view as far more than a fund-raising channel.”***

If they were able to make mobile an effective channel for their organizations, these organizations see solid opportunities in building their social networks, reinforcing the value of cause marketing initiatives, and extending their issue outreach through grassroots advocacy. The promise of “flash mobilizing,” “attracting younger donors,” and “driving traffic to stores,” still excites many organizations and fuels their interest in the mobile opportunity—an opportunity that some are beginning to view as far more than a fund-raising channel.

## **Getting There**

When Kaptive launched this survey we had some hypotheses on the rate of mobile adoption and the issues affecting it. These thoughts were based on client and technology experience but they were not market validated. This survey helped to confirm our perspective on mobile and reinforce our view that the best opportunity and value for non-profits lies in *mobile web application* technology.

***Mobile web applications provide the flexibility, control, affordability, and user experience that address the challenges...***

Mobile web applications provide the flexibility, control, affordability, and user experience that address the challenges faced by mobile Early Adopters as well as the needs of non-profits aspiring to use mobile media. There is always some risk in declaring a technology opinion but we believe the case for the mobile web is strong. First, these applications do not depend on a wireless carrier intermediary—eliminating the restrictions on an organization's size; expediting the receipt of funds; and removing restrictions on the value or frequency of donations. Next, good mobile web apps also avoid dependencies on a specific mobile devices (i.e., Apple's iPhone) thereby preventing another intermediary from imposing its own set of rules. Finally, the web-based technology is familiar to users and allows for multimedia communications and interaction.

Perhaps, the most compelling argument for the mobile web relates to its ability to evolve at a pace equal to this dynamic medium. Unlike SMS Text, mobile web apps can adopt new, added value functionality through simple interfaces. This ability to seamlessly connect to other applications enables the possibility for the integration of user analytics, matching gifts, social media integration and other future tasks important to the non-profit mission.



For these reasons, we believe the mobile web represents the next generation of mobile giving and engagement and makes the case for moving to mobile now. To appreciate this leap in capabilities we encourage you to visit one of the mobile web app leaders, CharityCall at <http://www.charitycall.cc>, and make a fresh assessment of what mobile can mean for your organization.

## Conclusion

So, are we there yet? No, but we're making progress. The survey results reveal a nascent channel brimming with promise but also hampered by the many unanswered questions on how best to use it. There is a real need for education on what the medium can do and not do. For early adopters, and those following in their wake, marketing and promotional insight in the form of options, resources, and best practices will prove crucial to success. Without this guidance, many initiatives launching mobile as a standalone panacea for declining support will end in disappointment.

We should all be excited by the prospect of a mobile channel that can do more than manage a donation transaction. In the coming months and years, this growing media may hold the key for visionaries that want to engage their supporters, parishioners, and alumni and beneficiaries in a mission that has relevance anytime and anywhere.

## About Kaptivate

Kaptivate was founded on the premise that philanthropy's future will be dynamic, connected, informed, and transformed. Our objective is to help realize this transformative vision of philanthropy. We work with social causes and institutions to make new connections, identify empowering technologies to support their missions, and design donor engagement initiatives that fuel growth.

If you would like to contact us regarding mobile giving, donor engagement, or how to get your mobile program on the track, please contact us at [info@kaptivategroup.com](mailto:info@kaptivategroup.com) or visit our website at <http://www.kaptivategroup.com>.

