



NEW DIRECTIONS



20 June 2011

Survey Findings on Non-Profit Adoption of Mobile Media and Mobile Giving

Kaptivate Research

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New Directions

2011 NON-PROFIT ADOPTION OF MOBILE MEDIA & MOBILE GIVING

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INTRODUCTION | ONE

In 2010, Kaptivate launched [Are We There Yet?](#), its first survey on non-profit adoption of mobile giving. Our intent was to gauge the rate of mobile fundraising adoption among non-profits as well as to provide insight on how they perceive this nascent technology's promise and challenge. The survey was distributed at the tail end of the Haiti earthquake relief effort, an event heralded by many (including this writer) as a seminal event for mobile giving. Fourteen percent of all individual contributions toward the Haiti relief effort were derived from donors spontaneously viewing a call to action, deciding to give \$5, and dialing a short code to make their contribution in record time. It was a heady time for mobile giving and those early adopting non-profits that had blazed a new trail with so much potential.

A year later, Kaptivate launched its second survey to assess the progress of mobile adoption and the roadblock issues. This time around we also wanted to expand the discussion to explore how, and to what extent, non-profits are using mobile media beyond fundraising. This expansion of scope sought to document how non-profits have evolved their application of mobile.

In 2011, *New Directions* best captures the essence of our report findings. The title is more than a tenuous link to last year's "road trip" metaphor. The report continues the narrative begun last year that discovers real progress on the road to mobile adoption but also tells us the journey is headed in new directions. These new directions have been heavily influenced by the experience of the Early Adopters and the maturation of the medium itself. This report highlights three basic themes: 1) mobile's adoption **momentum continues to grow**; 2) a **shift away from SMS text and toward mobile web media** is in progress; and, 3) the motivation for launching a mobile capability is now **increasingly focused on audience engagement** versus donation flow.

The first finding on adoption momentum is extraordinary given the instability and difficulty of the current economic climate. While there is still considerable disillusionment with mobile fundraising among active programs, the good news is that this challenge is driving adjustments and creating new opportunities. The move to the mobile web, our second theme, was more predictable given the Early Adopter frustration documented in last year's findings. Kaptivate's report confirms the persistence of these constraints and also validates Vanessa Horwell's observations in her recent article "Why the Lackluster Mobile Giving for Japan's Crises?":

SMS connectivity, once the end-all and be-all of mobile marketing, is on the wane. The mobile Web, on the other hand, is rising.¹

Focusing on engagement, the third theme in this report, reveals that some of the adjustments made by struggling mobile giving programs have found new ways to impact mission objectives. Engagement as a new goal is also encouraging better integration with other marketing and communication channels especially social media. This integration and experimentation may have a more profound effect on non-profit organizations than a slipstream of new revenue. Ironically, it may also hone their use of mobile media for fundraising.

To create a better research product in 2011, Kaptivate enlisted the support of our partner, the [Association of Fundraising Professionals](#) (AFP), to provide insight on the survey's structure and to distribute the survey to the population of non-profit managers that were most critical to the mobile channel's emergence. We greatly appreciate AFP's contribution to this study as well as the daily support it provides to the global fundraising community. Kaptivate and AFP hope this report will provide your organization with new insight. We also encourage you to use it as a discussion catalyst addressing how mobile can impact your organizational goals.

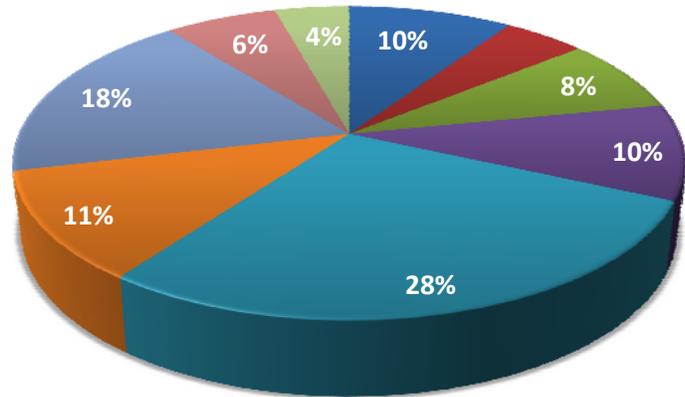
¹ Vanessa Horwell, *Why the Lackluster Mobile Giving for Japan's Crises?*, <http://www.mobilemarketer.com/cms/opinion/columns/9785.html>, (April 25, 2011).

METHODOLOGY | TWO

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 the Association of Fundraising Professionals (AFP) and several other partners to secure a broad and diverse participation in the sample. The survey was communicated to an extensive non-profit audience via email messages, website promotions, social media, and e-newsletters. 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 233 organizations. The attributes of this sample are described in the following charts.

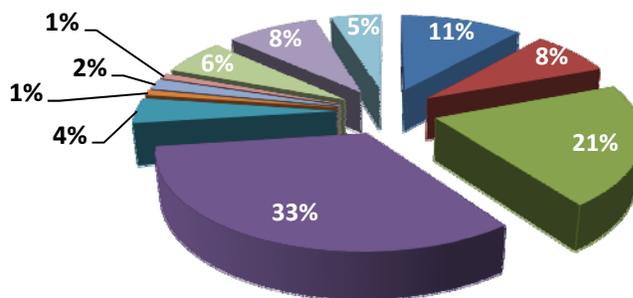
Respondent Attributes

Size of Organization



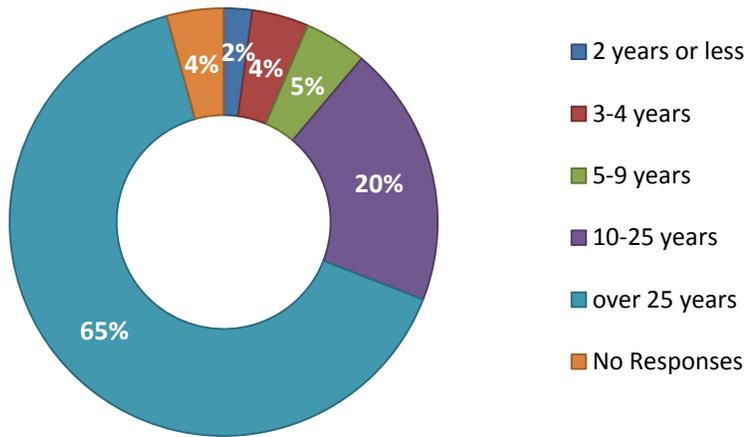
- Less than \$100,000
- \$100,000-\$249,999
- \$250,000-\$499,999
- \$500,000-\$999,999
- \$1-\$4.99 million
- \$5-\$9.99 million
- \$10-\$100 million
- More than \$100 million
- No Responses

Organization by Category



- Arts/Culture/Humanities - 501c3
- Charitable/Social Service - 501c3
- Association - 501c3
- Other
- Religious - 501c3
- Environmental - 501c3
- Advocacy - 501c4
- No Responses
- Educational - 501c3
- Health
- International Amateur Sports - 501c3

Maturity of Organization



Respondent Roles

Respondent's Primary Roles	Percentage in Role Category
Alumni Affairs	3%
Communications	26%
Consulting	4%
Fundraising	72%
Annual Fund Responsibility	31%
Special Events Production	27%
Proposal Writing	24%
Capital Campaign Responsibility	17%
Direct Response Programs	13%
Planned Giving	22%
Prospect Research	20%
Information Technology	8%
Legislative Action/Advocacy	5%
Marketing	31%
Mobile & Digital Media Services	31%
Program/Operations	12%
Exec Dir/President/Senior Mgmt	12%
Other	11%

*Respondents were allowed to choose multiple roles.

SURVEY FINDINGS | THREE

Growth of Mobile Adoption

Since publishing the results of our last survey on mobile adoption, non-profits have continued their exploration of mobile media. Early Adopters have gained significant advantage through this experimentation as their lessons have enabled critical adjustments. These early shifts in both strategy and tactics are beginning to deliver substantive results for both brand and bank account. Early examples of successes have also sparked the next cycle of adoption. The success and innovation of the Early Adopters has given this next generation of adopters a compelling business case to champion within their own organizations.

Mobile Gains Momentum

70% of respondents report growing interest in mobile and over 20% use mobile solely to engage supporters.

Kaptivate's first survey in 2010 focused its attention on mobile fundraising but this year we sensed a potential shift in how non-profit leaders were thinking about their use of mobile media. With this perspective, we sought to explore how non-profits were using mobile as a channel to engage and recruit their target audiences. The hunch was confirmed by the results. Over 20% of respondents use mobile solely to engage supporters or other key constituencies. This new finding reveals a more complex motivation that extends beyond mobile as a new fundraising channel. Despite mobile giving's spectacular success in the Haiti earthquake relief effort, many organization's see the most tangible value mobile can deliver is an immediate connection to their constituents. Several non-profit managers justified their enthusiasm for this new channel by commenting that mobile delivers "...INSTANT CONTACT" and the means to "...CONNECT WITH YOUNGER PEOPLE."



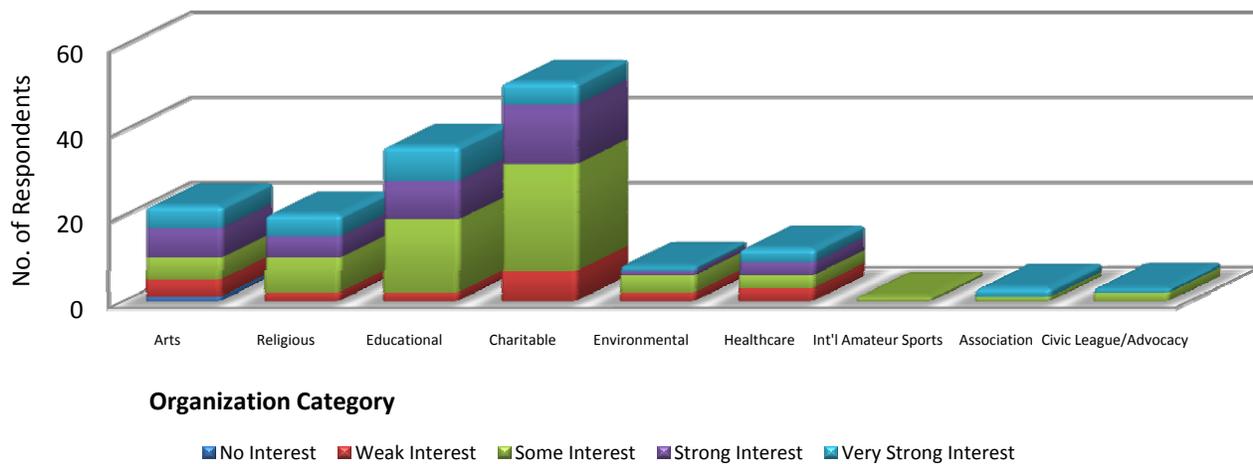
This expanded view of mobile's potential, as well as extensive media coverage, has sustained the level of interest first discovered in the 2010 survey. In this year's survey results, 84% of respondents report interest in mobile with 43% of these respondents citing a strong to very strong interest in mobile. The numbers show some decline from the first year findings where general interest was reported by 92% of respondents and strong to very strong interest was reported by 52% of respondents. This decline in interest intensity may simply reveal a more circumspect non-profit market with better awareness of what can be achieved with mobile and what can't. Nevertheless, the most telling figure may be the 70% of respondents who report growing interest in their organizations for adopting mobile media versus the scarce 3% noting waning interest. Based on our first year survey results and the actual rate of adoption, we believe this growing interest may represent the strongest correlation with the actual rate of mobile adoption—more on this subject below.

INTEREST BY CATEGORY

Strong interest among key categories (Arts & Culture and Religious) but waning interest among early adopting charities.

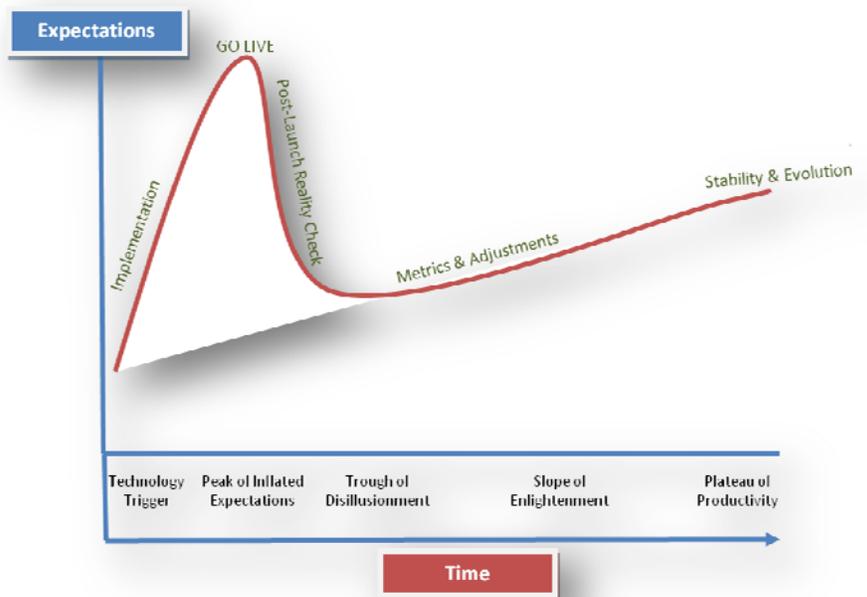
When viewed by non-profit category (See Figure 1), strength of interest—measured by the relative percentage of respondents showing strong or very strong interest—is most pronounced within the Arts & Culture (55%), Religious (51%), Healthcare (46%) and Educational (45%) categories.

FIGURE 1- LEVEL OF INTEREST IN MOBILE MEDIA REPORTED BY ORGANIZATION CATEGORY



Interest in the Charitable and Environmental categories is considerably less intense. While there was no specific insight as to why the Environmental category is relatively less enthusiastic about the medium, comments from the Charitable category suggest that disillusioned fundraisers within the this category may explain the lessening of interest intensity.

Since this category represents a large share of the Early Adopters (see Figure 2)², we suspect waning interest may simply reflect the next phase in Gartner’s technology adoption cycle from “inflated expectations,” the prevailing sentiment at initial deployment, to the onset of frustration (“trough of disillusionment”) as frothy expectations meet the real world. Comments made by these early adopters reveal exasperation at the lack of results: “WE TRIED THE PAST 2 YEARS AND GOT VERY MINIMAL RESPONSE.” Their experience has informed how



² Gartner: Industry Research, Hype Cycle for Education (27 July 2009), p. 6.

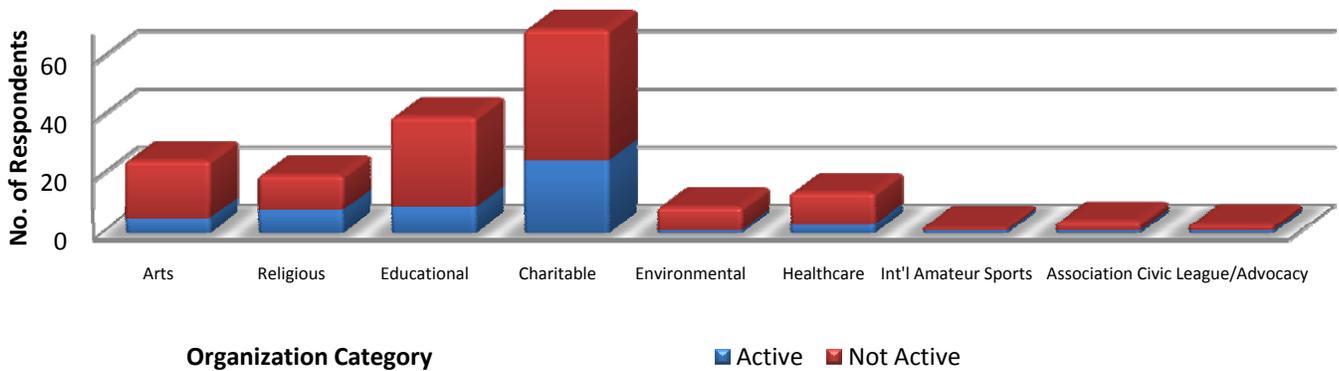
their peers' perspective: "OTHER ORGS IN OUR CATEGORY HAVE NOT HAD POSITIVE EXPERIENCES." If the cycle is reliable—and experience suggest it is—then these early adopting charities will begin to adjust their expectations and execution. These adjustments will become invaluable as they begin to possess a real-world understanding of how mobile can impact the organization.

ACTIVE PROGRAMS BY CATEGORY

Religious and Charitable categories claim the highest adoption rates.

Interest drives conversion. Last year's strong interest in mobile spurred remarkable adoption of mobile media in specific categories. A need for new revenue streams and the extraordinary mobile giving results related to the Haiti earthquake relief effort spurred many charities to launch mobile programs. Thirty-four percent (34%) of the Charitable category's respondents claim to have active mobile programs. The only other category to report a greater proportion of active programs is the Religious category. When citing the motivating factors behind adoption, Religious category respondents point to a desire by their congregations to make recurring contributions more convenient for members. Arts & Culture, Educational, and Healthcare also report strong adoption rates with 20%, 23%, and 21% of the category respectively claiming active mobile programs. The sample size from International Amateur Sports, Associations, and Civic Leagues/Advocacy Organizations was too small to be deemed significant.

FIGURE 2 – NUMBER OF ACTIVE MOBILE PROGRAMS BY ORGANIZATION CATEGORY



Adoption Roadblocks: Difficult Choices but No Despair

"Lots to do but too few resources to work with," say 54% of non-profits when characterizing their challenges to mobile adoption.

The gradually recovering economy and the ever increasing array of marketing channels have many non-profit managers in a virtual vice grip. In the words of one non-profit, the challenge for some is the "STAFF TIME AND EFFORT REQUIRED TO KEEP MOBILE COMMUNICATIONS GOING [AT A TIME]...WHEN STAFF IS ALREADY OVEREXTENDED."

This constraint was expressed in the 2010 survey but the continuing difficulty of fundraising in an uncertain economy has raised this anxiety to the highest rated roadblock to adoption. Non-profits feel the pressure to engage constituents across a plethora of new media from social media to mobile but also realize they have few bets to make. In short, for 54% of respondents, there's *"LOTS TO DO BUT TOO FEW RESOURCES TO WORK WITH"* on the many opportunities.

This resource challenge is compounded by the perceived expense in adopting and maintaining a mobile presence. For a sizeable share of non-profits (36%), this *"EXPENSE OUTWEIGHS THE POTENTIAL BENEFITS"* to be derived from mobile. For those non-profits that do see the value in mobile media, getting started can still be daunting. Over 23% of respondents were paralyzed by the sheer number of mobile (and mobile giving) options and 27% don't know how to market the new channel which is almost a three-fold increase from last year's response (10%). Close to a third of respondents didn't believe mobile was a good fit for the existing supporter base.

The silver lining around these clouds is that organizations are far more aware of the mobile opportunity. The "lack of internal awareness" has diminished as an obstacle to adoption—down 20%. Fewer organizations are passively waiting to view the experiences of their peers. They're engaging in a calculated discussion of mobile's merits and deciding on a way forward. As the channel and the associated technologies evolve, we believe more turnkey and integrated solutions will make mobile more enticing as it becomes an essential pillar to a holistic digital strategy. Last year we predicted that this evolution and growing demand would drive competition among the technology providers and this competition would foster innovation and lower price points. We believe this market transition is occurring and it will begin to whittle away at the major roadblocks that today serve as the friction slowing the rate of adoption.

As non-profit organizations adjust, different roadblocks may emerge. The current poll points to several old and new areas of concern. As we noted last year, the lack of confidence in how to market and promote the mobile channel would cause many organizations to postpone their use of mobile media. This issue became more pronounced in the current poll and will continue to slow adoption until best practices are disseminated. These best practices will help non-profits tailor their messages to target audiences, measure progress, and integrate mobile into their broader digital, brand and marketing strategies. New issues related to mobile's security, privacy, user experience, and payment transactions have surfaced and we suspect these topics may influence decisions on whether to deploy mobile capabilities.

Growth of Mobile Giving Deployments

The percentage of non-profits using mobile to fundraise has almost doubled to 9% and will approach 20% by the end of 2011.



In the 2010 survey, 36% of 2010 respondents said they would launch a mobile giving program within 12 months. This intent translated into action in 2010. Since the last poll, the percentage of non-profits using mobile to fundraise has almost doubled to 9 percent of all survey respondents. Given the slow economic recovery in the U.S.—and despite the strong intent reported in last year's poll—the strong growth in mobile giving adoption surprised us.

In the current survey, 17% of respondents anticipate a move to mobile giving within the next 12 months. Although less than half of last year's figure, we believe this number may prove to be a more precise indicator of actual

conversions. We believe three significant factors will impact increased conversions to mobile media and mobile giving:

- more vibrant economic recovery will enable non-profits to invest in new channels;
- improved mobile giving options; and,
- growing interest in mobile media for outreach and engagement versus a strict focus on fundraising.

These factors, non-profit intent, and a more competitive solution arena will drive the mobile giving adoption to approach 20% by the end of 2011.

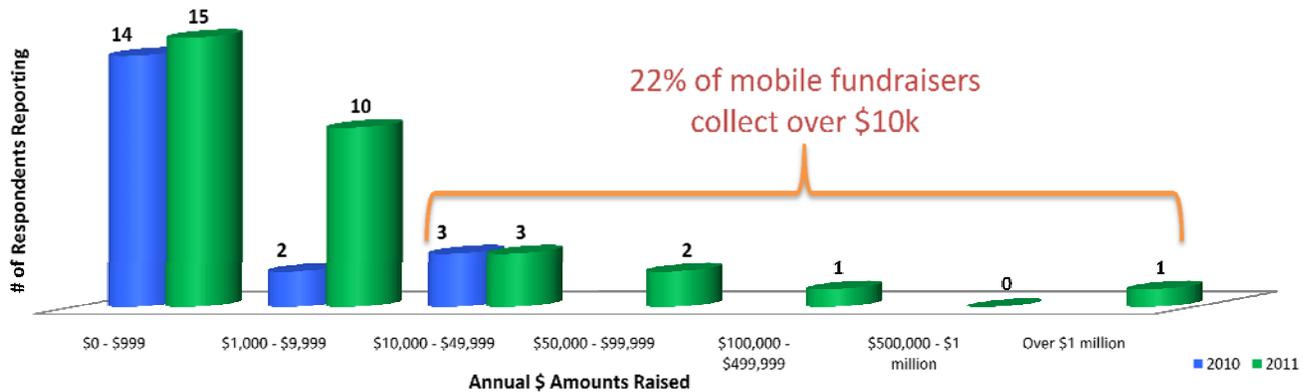
MOBILE GIVING: THE MORE, THE MERRIER

Active mobile programs have more positive outlook due to the growing volume of funds raised.

The mobile giving story is a mixed one. More organizations (17% of all active mobile programs) used mobile to raise funds in the past year. Much of the success was derived by the Early Adopter non-profits that made adjustments, honed their message, and better managed internal expectations. These pioneers also influenced how the next cycle of organizations deployed mobile giving in their wake. Consequently, responses show a more sanguine outlook on mobile giving results. Close to double the proportion of 2010 respondents (44% vs. 23% in 2010) say their results were in line with expectations (35%) or exceeded their expectations (9%).

We attribute this more positive outlook to the growing volume of funds raised. While the “dial” measuring the proportion of non-profits raising less than \$10,000 did not see much movement (78% of organizations with mobile giving programs), results reveal that more organizations raised between \$999 and \$9,999. Moreover, 22% of active mobile giving programs raised over \$10,000 and of these successful programs, more than half generated over \$50,000+. One strong showing recorded collecting over \$1 million through its mobile giving channels.

FIGURE 3 – VOLUME OF FUNDS RAISED BY ACTIVE MOBILE GIVING PROGRAMS

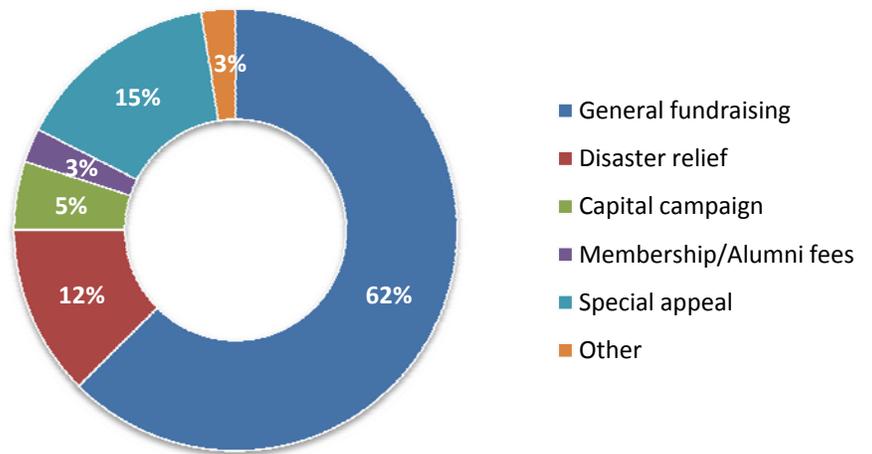


MOBILE GIVING: TO WHAT END?

General fundraising still top of the hill.

When asked about the objectives driving their mobile giving initiatives, respondents predominantly identified General Fundraising as the primary campaign objective (see Figure 4). Other notable objectives included Special Appeals (15%) and Disaster Relief (12%). These general categories will likely become more specialized as adoption gains traction within more non-profit categories. As this adoption broadens, mobile-derived income will likely diversify into an array of mobile giving opportunities ranging from social network-supported causes to embedded giving partnerships attached to retail purchases.

FIGURE 4 – MOBILE GIVING BY OBJECTIVE



MOBILE GIVING: HOW TO MAKE A GOOD THING BETTER

More firmly believe stronger integration with their overall marketing mix will move the dial.

Now that Early Adopters have paved a way over difficult terrain, we wanted to know what they would do differently to improve results in 2011. In contrast to last year's less confident remarks, respondents more firmly believe stronger integration with their overall marketing mix will move the dial. Specifically, respondents pointed to better integration with social media (55%) and better integration with the overall marketing mix (41%).



“WE STRONGLY BELIEVE IN THE IMPORTANCE OF SOCIAL MEDIA AND MOBILE APPLICATIONS TO INCREASE AWARENESS AND FUNDING.”



Already this intent has translated into more closely integrated promotion of the Japan earthquake relief effort which witnessed extensive use of social media platforms to promote the availability of mobile giving options.

Mobile websites have also begun to weave social media assets into the user interface to make the connection increasingly seamless. We're also seeing the emergence of new multimedia fundraising technology that is enabling non-profits to present donors with a consistent user experience for giving across all digital media from mobile to Facebook to website.

In a close third place finish, 38% believed more time and effort needed to be spent cultivating a relationship. Results show that this sentiment was not merely a one-off recommendation but a significant shift in how non-profits view the mobile opportunity. We will explore these trends in the *From Giving to Engagement* section below.

Other adjustments in course were derived from organizations using the text-to-give channel. A majority of these respondents (representing 31% of the active mobile giving programs) planned to devote more effort to establish more flexible gift amounts and better branding.

MOBILE GIVING: NOBODY KNOWS THE TROUBLE I'VE SEEN

Over 50% of non-profits are disappointed with their fundraising results.

While there have been good (and great) success stories, the mobile giving experience for non-profits is a mixed bag. Over 50% of non-profits, approximately the same result as last year, are disappointed with their fundraising results. Several comments capture the depth of exasperation regarding the marketing of mobile and donor use of the media:



"WE'VE BEEN PROMOTING OUR MOBILE GIVING OPTIONS IN PRINT, DIGITAL MEDIA, ON BILLBOARDS AND EVEN MOVIE THEATERS. ONLY GENERATED \$90 IN 6 MONTHS. [WE] FEEL IT'S NOT THE BEST FIT FOR THE MIDWEST DONOR MARKET."

"WE TRIED [FOR THE] PAST 2 YEARS AND GOT VERY MINIMAL RESPONSE."

Among several factors contributing to poor outcomes, respondents noted low value contributions and no access to a recurring gift option. These are issues that persist from last year and may be a reason some non-profits are choosing new mobile giving channels. More on this topic in the next section: *The Move to Mobile Web*.

MOBILE GIVING PROGRAMS BY CATEGORY

Religious and Charitable categories are the mobile giving vanguard (% active in category) but Education will make up ground in the next year.

The Religious and Charitable categories are the most active in using mobile giving and that trend looks to continue over the next 6 months. In the mid-term (or next 6-12 months), respondents in the Education category expect to start using mobile fundraising in significant numbers. In the longer term, or beyond the first year, the Arts & Culture category respondents appear to be the most eager to launch their mobile fundraising initiatives. This relative hesitation may be driven more by lack of project funding than any dearth of interest.

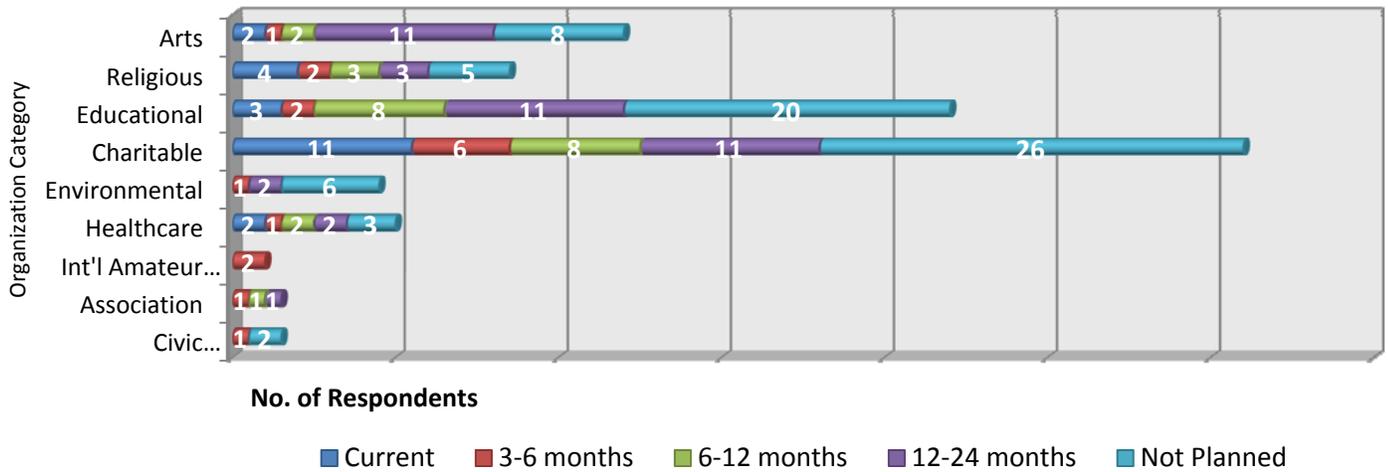
Since mobile giving arrived on the scene, charities have been one of the most aggressive adopters of this new fundraising channel—only second to the Religious category (see Figure 5). This quick step into mobile fundraising was propelled by the urgency of relief efforts. While many of these charities sought to emulate the success of their "big brand" peers, only half were able to claim that mobile fundraising was a productive

Kaptive-AFP Mobile Report: New Directions

channel. Despite the mixed results, the Charitable category continues to show strong interest in mobile fundraising with 10% planning on deploying mobile giving in the next 3-6 months and another 13% planning deployment in the next 6-12 months.

Despite the significant number of anticipated conversion, there remain a fairly high number of respondents among Environmental (67%), Educational (47%) and Charitable (42%) organizations that have no plans for using mobile fundraising in the foreseeable future. Many of these respondents don't understand the value proposition offered by mobile fundraising or see little point of investing before their donors begin to make mobile transactions in significant numbers.

FIGURE 5 – NUMBER OF RESPONDENTS PLANNING ON DEPLOYING MOBILE GIVING & THE EXPECTED TIMING



Move to Mobile Web

Survey results show a 24% swing away from the text-to-give channel among active mobile programs.

Much of the momentum behind the adoption rate can be attributed to the availability of new mobile giving channels. Last year we documented significant dissatisfaction with mobile giving constraints and noted, "...changes to the user experience are both necessary and essential to the adoption of mobile giving by [non-profits and donors]." Non-profits chafed at the limitations imposed by the prevailing text-to-give model (see box on right) and, in the current year results, began shifting to new mobile channels, specifically mobile apps and the mobile web. A variety of issues, some raised in last year's results, continue to hamper current users of text-to-give. The exasperation is palpable in the feedback received:

"WE HAD THE OPPORTUNITY TO HAVE MEDIA PERSONALITIES DIRECTLY ASK FOR TEXT DONATIONS - THE RESPONSE WAS GOOD, BUT LOW GIFT AMOUNTS AND A LACK OF DONOR INFO WAS A BIG MISSED OPPORTUNITY."

Another respondent asked, *"HOW DO WE PERSONALLY THANK OR CULTIVATE A RELATIONSHIP WITH THESE FOLKS?"*

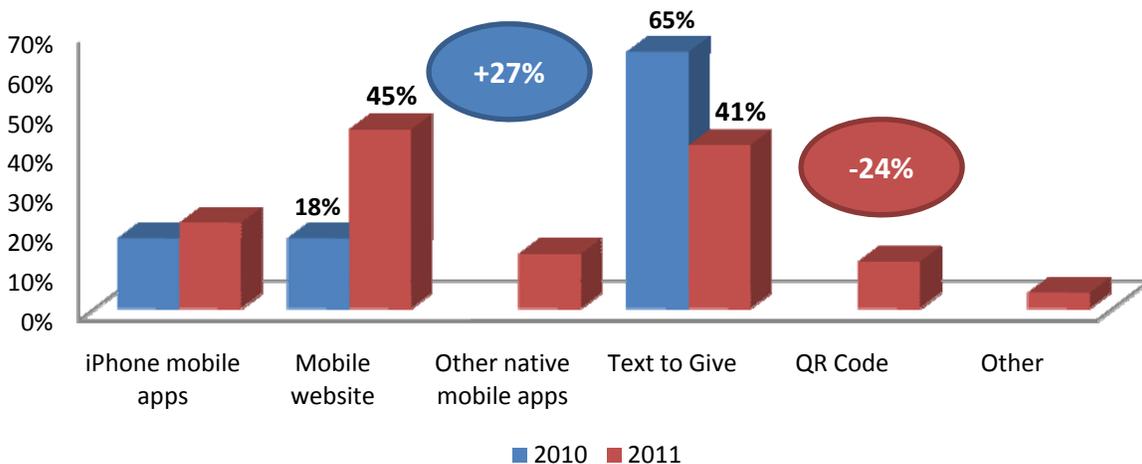
Others complained about the funding cycle—over 50% desired to see improvement in this process—while others questioned whether the text-to-give process was an intuitive user experience: *"DOES EVERYONE REALLY KNOW HOW TO USE TEXTING FOR DONATIONS?"*

This shift in direction has decidedly favored the mobile web (see Figure 6 below). Survey results show a 24% swing away from the text-to-give channel among active mobile programs (from 65% in 2010 to 41% in 2011). At the same time we have seen 27% growth in use of the mobile web channel.

Factors Diminishing Text2Give Appeal

- Size of gift constraints
- No recurring gift option
- Very limited donor data
- 30-90 day funding cycle
- Mobile web's lower costs
- Income requirement

FIGURE 6 - MOBILE GIVING TECHNOLOGY USED BY ACTIVE MOBILE PROGRAMS



**MOBILE WEB VS MOBILE APP:
A QUESTION OF REACH**

Any decision to add mobile to an organization's outreach and marketing plan must consider the following: 1) what kind of reach (or percentage of supporters that have access to this channel) will this asset deliver; and, 2) what are the development costs? The answer to the first question impacts the second.

Since market share of mobile device operating system determines reach, a review of market share in December 2010 may offer an explanation for the limited growth in mobile app deployment by non-profits. In December 2010, iPhone market share was at 7% of the U.S. market. The other major players in the mobile market specifically Blackberry and Android accounted for another 16%.³ By comparison, the **market share of mobile subscribers with web-enabled mobile phones was 58%—or more than double the combined reach of all major mobile operating systems.**

While these figures answer the first question, they also address the second issue related to development costs. Since each mobile device works on a distinct operating system maximizing reach through an app "native" to these mobile devices requires non-profits to develop on all three platforms. **Developing mobile apps then has the effect of tripling development costs while only delivering half the market.** In short, it's possible that non-profits did this math and chose to build mobile websites to maximize reach per dollar invested.

Mobile Apps Make Limited Inroads

"#@*%! THEM AND THEIR BLOCKAGE OF MOBILE GIVING."

Although we witnessed a strong shift away from text-to-give and toward the mobile web channel, we did not see the same dynamism in the mobile app categories (i.e., *iPhone/iPad mobile apps* or *Other native mobile apps*—referencing other mobile devices on Android™, Blackberry®, or Palm®). Only 22% of respondents with active mobile programs have deployed mobile apps—a slight 4% increase from last year. The survey results don't provide explicit rationale for this relatively weaker adoption of mobile apps but one plausible factor impacting adoption may be the comparative reach of these mobile channels—see sidebar: *Mobile Web vs. Mobile App: A Question of Reach.*



Another roadblock to non-profit development of mobile apps is a specific device manufacturer's prohibition on charitable donations through its transaction engine. One respondent was very

clear and succinct on his/her opinion: **"#@*%! THEM AND THEIR BLOCKAGE OF MOBILE GIVING."**

Although this consumer electronics company has never addressed the issue head on, its various spokespersons have justified the prohibition as an example of their role as "defender of the user experience" or on other occasions, a decision to stay focused on building the best technology and not vetting the worthiness of charitable organizations. In short, this brand can't control the quality of the donor experience—and its associated liabilities—and consequently wants no part of that type of transaction.

Despite this prohibition, at least one leading technology vendor has managed a work around solution that is seamless to the user and this process will likely be copied by other competitors. Enabling a seamless giving experience from this leading consumer device may lure more non-profits to develop apps for targeted audiences or specific campaigns.

³ comScore Reports December 2010 U.S. Mobile Subscriber Market Share. http://www.comscore.com/Press_Events/Press_Releases/2011/2/comScore_Reports_December_2010_U.S._Mobile_Subscriber_Market_Share/%28language%29/eng-US (Feb 7, 2011).

From Giving to Engagement

47% OF ORGANIZATIONS USING MOBILE MEDIA DON'T USE IT FOR FUNDRAISING.

Mobile media captured the attention of non-profit organizations because it offered the opportunity for immediate and spontaneous giving. That promise still has allure but mobile's ability to have a major impact on fundraising has proven to be an evolutionary process for most. In the lead up to developing the second survey, we heard anecdotally from non-profits that while their initial motivation was new revenue, they had begun to re-evaluate the medium's potential. Conversations on this motivational shift centered around two mobile attributes: omnipresence (always with the user) and highly personal (intimate device managing the users most valued activities). Increasingly, Kaptivate heard non-profits say they needed to use this present and personal device to build relationships with supporters. These conversations served as our inspiration to begin measuring the depth of this sentiment.

"We want to engage supporters in a deeper way."

The results confirm this change in perception. Non-profits—including Early Adopters frustrated by their limited fundraising—increasingly see mobile as a powerful engagement tool. Among active mobile giving programs, 77% see mobile fundraising as just another way to engage donors. Moreover, 47% of non-profit organizations with active mobile programs don't use it for fundraising at all. When asked how they would improve the donor experience, 56% of respondents would integrate more opportunities for donor engagement. This sentiment was not a bolt from the blue. In last year's results, respondents voiced a need for more engagement and stronger integration with social media channels but this year this perspective built momentum. Respondents were emphatic about "...WANTING TO [USE MOBILE TO] ENGAGE SUPPORTERS IN A DEEPER WAY."

Merging Mobile and Social Media to Drive Engagement

67% view integration with social media activities as a fundamental value of mobile media

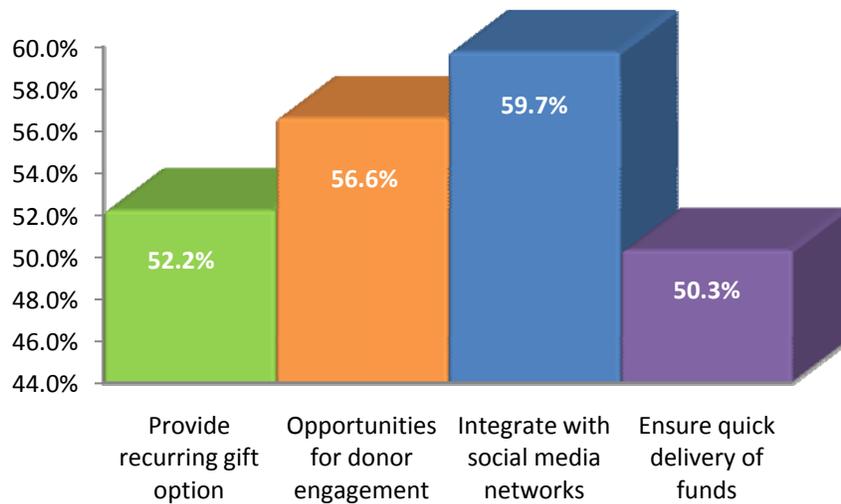
Several other questions on the survey helped to provide additional insight into how non-profits plan to reset their mobile compass in the direction of engagement. When asked "What would you do differently to improve results?" active mobile programs chose "Better integrate with other digital and social media channels"

as their top response garnering 55% in support of this emerging best practice. (The next highest response rates went to "Refine integration with existing marketing mix"—41% and "Spend more time engaging donors on mobile media"—38%). As confirmation of this strategic link between mobile and social media, these active mobile programs identified the same integration strategy as a means for improving the donor experience. Almost 60% of active mobile giving programs selected "Integrate with social media networks"—the top response—as the best way to improve giving outcomes (see Figure 7). This perspective was not only an Early Adopter



best practice but a sentiment shared by the broader population of non-profits still considering the merits of using mobile. When asked to identify the perceived advantages in starting a mobile program, 67% of all respondents viewed the “Ability to integrate with social media activities” as a fundamental value proposition of mobile media. Integrating social media was only topped by “Convenient for donors”—77% and “Another access point for donor engagement”—77% as advantageous attributes for mobile adoption.

FIGURE 7 – WAYS TO IMPROVE THE MOBILE GIVING EXPERIENCE



Despite the consensus opinion supporting stronger integration of mobile and social media, non-profits face a number of obstacles in realizing this channel integration. The obstacles, discussed earlier, include: a lack of resources, a growing number of channel options, and no definitive methodology for the successful integration of mobile and social media programs. Chief among this inventory of obstacles is the dearth of marketing know-how that extends from the ability to manage multiple channels to developing cohesive social media activities. One respondent describes the challenge well by decrying his organization’s *“NEED [FOR] STAFF TRAINING OPPORTUNITIES TO IMPROVE SKILLS FOR USING SOCIAL MEDIA MORE EFFECTIVELY.”* Many more (27%)—almost triple last year’s results—say understanding how to market the capability is still a major roadblock.

THE WAY FORWARD | FOUR

Kaptivate also asked non-profits to get behind a telescope and look ahead to see how mobile will shape their organizations and what would they change about the medium to improve their outcomes. The responses provided good insight into the challenges and promise of this emerging channel.

Most Effective Marketing Channels for Mobile

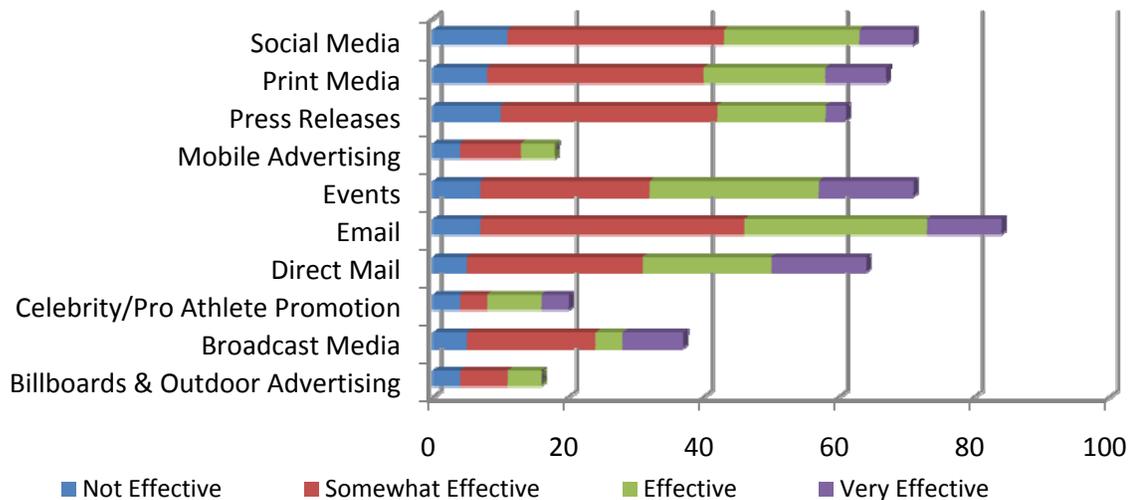
Email still tops the charts but traditional channels increasingly important for building awareness

Without broad supporter awareness of mobile as an interaction point, mobile will have little impact on non-profit missions. One respondent summed it up nicely by noting, “[THE] LYNCHPIN OF OUR MOBILE CAMPAIGN IS DONOR AWARENESS...” With this in mind, Kaptivate explored what active mobile programs perceived as the emerging best practices for marketing and promoting mobile to their supporters, or more specifically, what marketing channels are evolving into effective outreach.

The results are not completely intuitive. While respondents still view e-mail as the most effective and promising channel for mobile outreach, respondents gave direct mail the largest bump up from last year’s results. Direct mail’s improving prospects (and to some extent print media as well) may be a clear sign that non-profits are beginning to integrate mobile promotion into the traditional marketing mix to drive broader awareness. Spontaneous action—especially mobile giving—continues to make organized events a great setting for promotion of mobile channels. Finally, as we have discussed in this report, non-profits are beginning to deploy social media campaigns that tie into mobile capabilities. In many instances, social media campaigns have become the call to action and mobile has become the means to take action.

In the coming months and years, we expect that non-profits will begin significant experimentation with mobile and outdoor advertising to reinforce their outreach efforts. Although we made the same claim last year, in 2011 we see more awareness of mobile and outdoor advertising as options and a willingness to take advantage of the relatively low pricing for these ads.

FIGURE 8 – MEASURING THE EFFECTIVENESS OF MARKETING CHANNELS TO PROMOTE MOBILE



Aladdin's Lamp

What non-profits would do with three mobile wishes.

Kaptivate next asked respondents what would you change about mobile to improve your organization's results. Among the various options, three strong responses emerged: 1) more donor use of mobile technology—57%; 2) better donation transaction options—54%; and 3) stronger integration with the organization's website—50%.

MORE DONORS WANTED

Donor use of mobile technology is essential to any return on investment. No organization wants to be at the leading edge of technology if their supporters are luddites—and this concern has grown since last year. While mobile devices are now ubiquitous—there are more than 5 billion mobile subscribers on the planet—non-profits are not sure that there's "...A SENSE OF URGENCY BY POTENTIAL DONORS" or whether supporters see mobile as another access point to their preferred causes and institutions. Although this survey does not directly address this issue, we expect that this wish will be granted in the near term. Mobile adoption by supporters—and mobile donors—will likely follow the same trajectory as that of online giving. Familiarity with online giving, the outreach potential of social networks, and the imminent arrival of new mobile payment options should accelerate the tipping point for supporter use of mobile and mobile giving.

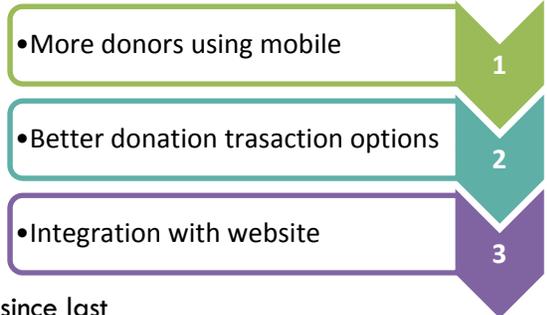
MOBILE WALLET MAY TRANSFORM MOBILE GIVING

New mobile payment methods will also address the second wish: better donation transaction options. Early Adopter frustration with Text-to-Give constraints, documented in last year's report, and limitations imposed by device manufacturers such as Apple, may be a thing of the past with the arrival of the "mobile wallet". This imminent capability, based on promising technologies such as Near-Field Communications, may dramatically improve the user experience, payment options, administrative costs, and even the security of the donation transactions. These technologies are at a nascent stage of development but we expect that their arrival in late 2011 will serve as a powerful catalyst for mobile commerce.

INTEGRATION WITH WEBSITES WILL SAVE TIME & MONEY

The desire to see more integration between mobile and websites may be a cause or a symptom of the number of non-profits choosing to use the mobile web as their preferred mobile channel. Integration of the two channels allows for more consistent branding and the ability to "serve up" the right user experience based on how the visitor is accessing the site (i.e., via PC or mobile device). On the non-profit end of the equation, the integration also means the ability to establish datafeeds between the two channels that can lower the labor effort and costs associated with content management.

3 Mobile Changes Would Impact Results



CONCLUSION | FIVE

Most technology adoption journeys have little in common with a car ride on the interstate. They tend to follow a more adventurous and circuitous path more akin to an odyssey. The non-profit sector's adoption of mobile media and mobile giving is no exception to the rule.

When Kaptivate launched this effort with AFP we expected incremental progress in the rate of adoption mixed with some experimentation with new mobile giving channels. Our opinion was influenced by an economy in flux and a sense that the required need for more education, documented in last year's survey, had not been fulfilled. Reality proved a bit different. Despite the challenges with early adoption of a new medium, a more than incremental number of non-profits are launching mobile programs and making the necessary adjustments to make their programs successful. These adjustments, or new directions, represent the necessary step to leave the "trough of disillusionment" Gartner attributes to the high expectations set by Early Adopters to enter the "slope of enlightenment" where metrics, data, and change begin to deliver results.

For the coming year, we expect a continuation of the strong rate of adoption and more experimentation with regard to giving channels, marketing integration, and mobile commerce. This last item, namely m-commerce, may be the next frontier and one that may reward the pioneering spirits in the sector. Nevertheless, there will be plenty of opportunities for new paths and detours along the road to successful—and failed—mobile initiatives. Although we could not explore every one of these possibilities, we hope this report will launch a conversation in your organization. On our part we will continue to look for ways to engage you in a dialogue about mobile media. Kaptivate and AFP will also continue this education series to provide you with the resources, best practices, and peer dialogue enabling your organization to start or support your mobile journey.

STUDY SPONSORS | SIX

Amid the promise and opportunities afforded by the new world of mobile websites, apps and tools, many nonprofit organizations sometimes struggle to understand why it matters to their organization and how best to use this technology. To that end, AFP and Kaptivate have worked to develop important surveys to provide unique insight on the nonprofit sector's adoption and use of mobile media and mobile fundraising.

About Kaptivate

[Kaptivate](#) helps non-profit organizations make new connections, identify empowering technologies to support their missions, and design donor engagement initiatives that fuel growth. Kaptivate collaborates with a broad spectrum of non-profits to achieve strong donor engagement through mobile media. Our MobileNow offering develops mobile websites and mobile apps that: keep non-profit brands relevant; integrates all of their social media properties; and creates new opportunity for income by enabling mobile commerce and mobile advertising. We also provide robust fundraising platforms that can seamlessly convert those mobile supporters into mobile donors.

Each offering is an affordable, turnkey, and modular solution that can drive impact and grow income. To ensure success, Kaptivate also provides support through onboarding tools, marketing and promotional support, research, and consulting services.

Interested in launching a mobile program or ready to begin evaluating the way forward?

Contact us regarding mobile giving, donor engagement, or how to get your mobile program on the track, at info@kaptivategroup.com. You can also visit us at the following Kaptivate properties:

- Website: <http://www.kaptivategroup.com>
- Facebook: <https://www.facebook.com/KaptivateGroup>
- Twitter at <http://twitter.com/KaptivateGroup>
- LinkedIn: <http://www.linkedin.com/company/kaptivate-llc/products>

About the Association of Fundraising Professionals

The Association of Fundraising Professionals (AFP) represents more than 30,000 members in 222 chapters throughout the world. The association advances philanthropy by enabling people and organizations to practice ethical and effective fundraising. The core activities through which AFP fulfills this mission include education, training, mentoring, research, credentialing and advocacy.

What can AFP provide to help you succeed?

- **Inspiration for meeting the challenges of today.** AFP's [Fundraising in a Difficult Economy](#) and online [Fundraising Survival Kit](#) bring together the best advice from fundraisers around the world on how to connect with donors in the current environment.
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- **The best training and education in the field.** AFP offers myriad [continuing educational opportunities](#) for all fundraisers, regardless of experience level or specialty, and most can help you attain your certification to demonstrate your commitment to and expertise in the profession.

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