



EARLY SIGNALS ON MOBILE PHILANTHROPY

IS HAITI THE TIPPING POINT?

A joint study by Convio, Edge Research and Sea Change Strategies analyzing mobile trends and adoption rates across Gen Y, Gen X, Baby Boomers and Mature donors.

INTRODUCTION

The telephone has revolutionized communication since its inception in 1876, and if only Alexander Graham Bell could see us now. The progress and innovation with the medium lives on with the rapid adoption of mobile technology. With an estimated 276 million wireless users in the United States and more than 4.1 billion text messages sent per day¹, mobile devices are ubiquitous in our daily lives.

Mobile technology and text messaging have introduced a new channel for charities to engage with current and prospective donors, advocates and volunteers, yet prior to January 12, 2010; little more than \$1 million had been raised via mobile text. However, in the aftermath of the devastating earthquake in Haiti close to \$50 million has now been raised through this channel. Although the gift amounts were limited to \$5 to \$10, there were a large volume of donors using their handheld devices to support the cause. With some simple math, we can estimate that 6.5 million people used their cell phones to donate, which is about the same as every person in the state of Arizona donating an average of \$7.50. The Haiti response marked unprecedented territory for mobile philanthropy, and the disaster relief effort has shown what a significant impact mobile giving can have in the United States.

The following paper includes findings from a national survey of US charitable donors that was conducted the week after the earthquake in Haiti occurred and during intense fundraising efforts for emergency relief. This data indicates that mobile philanthropy, while not universally accepted is gaining traction with younger generations, and the text-to-gift efforts around Haiti could be the tipping point for greater adoption.

Key Findings

- 77 percent of respondents (US donors) were aware of the Haiti text-to-donate efforts
- 17 percent of Gen Y respondents and 14 percent of Gen X said they made a donation to Haiti relief efforts via text message, and 3 percent of both Boomer and Mature respondents reported making a donation to Haiti relief efforts via text message

¹2009 CTIA-The Wireless Association® semi-annual industry survey
<http://www.ctia.org/advocacy/research/index.cfm/AID/10316>

- 28 percent of respondents with a mobile Facebook application texted a gift
- Generally speaking, 36 percent of all respondents were willing to donate via text message after an emergency occurs and 31 percent were willing to donate via text message if a friend is raising money
- Just three percent of donors say that they received a text/SMS message from their top charities this year
- However, those who have received information from a top charity through text/SMS, feel that it is an important way to stay in touch with the charities they care about (71% say important).

Implications for Nonprofits

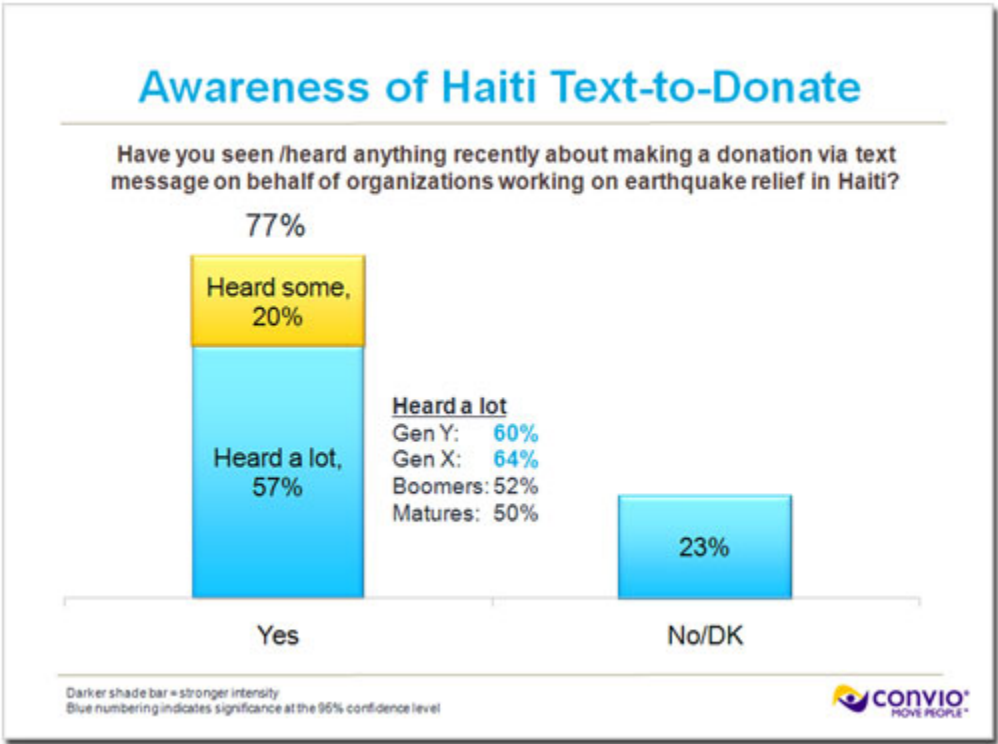
The data not only shows the growing acceptance of mobile charity, but also provides some interesting statistics on the contrasting habits of different generations. Mobile technology presents a huge opportunity for nonprofits that want to reach specific groups of people (likely to be younger) and provide them with information in a convenient and immediate format. The messages are easy to share across social networks, expanding the potential donor base, and because the donations are small and billable to the wireless provider, it allows people to support a cause they might not have the means to support otherwise. Granted the benefits are vast, but the mobile channel shouldn't be used just because it's the latest and greatest tool available. It should be used as part of a larger multi-channel donor acquisition strategy. However, because the donations are limited to small increments there is a risk of cannibalizing revenue that would have come in via other channels (e.g. online) at much higher average gift amounts. It will be interesting to watch how this story plays out in the months to come, document how organizations balance multi-channel efforts that include mobile giving, and how to cultivate these text supporters beyond their initial spontaneous donation.

HAITI MOBILE GIVING DATA

Awareness of Haiti Text-to-Donate Efforts

Within hours of the earthquake in Haiti, several organizations had set up text donation campaigns in response to the disaster. The New York Times reported that American Red Cross had raised more than \$5 million via text messaging within 48 hours after the earthquake struck. Through a combination of social media and traditional media, the awareness around the text-to-donate option multiplied. According to the survey of US donors, large majorities report hearing about the mobile philanthropy efforts around Haiti emergency relief — 77 percent said they saw/heard something, 57 percent said they saw/heard a lot. The message cut through the clutter and resonated more with younger generations

who are avid mobile users and were more likely to see the text-to-donate option on social media sites like Twitter and Facebook.

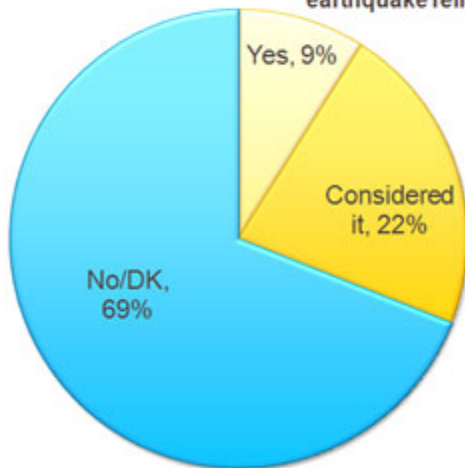


Haiti Mobile Philanthropy Participation

At the time this survey came out of the field on January 28, 2010, just nine percent of donors reported making a donation via text to Haiti; though another 22 percent said they considered it. Again, there are major differences by generation. Over half of Gen Y donors said they either gave this way or were considering it, while most Baby Boomers and Matures did not consider this form of philanthropy.

Haiti Mobile Philanthropy Gift

Did you personally make a donation via text message to an organization for earthquake relief efforts in Haiti?



	Gen Y	Gen X	Boomer	Matures
Yes	17%	14%	3%	3%
Consider	37%	27%	14%	10%
No/DK	46%	59%	83%	87%



Other groups that were more open to giving to Haiti relief efforts in this way include:

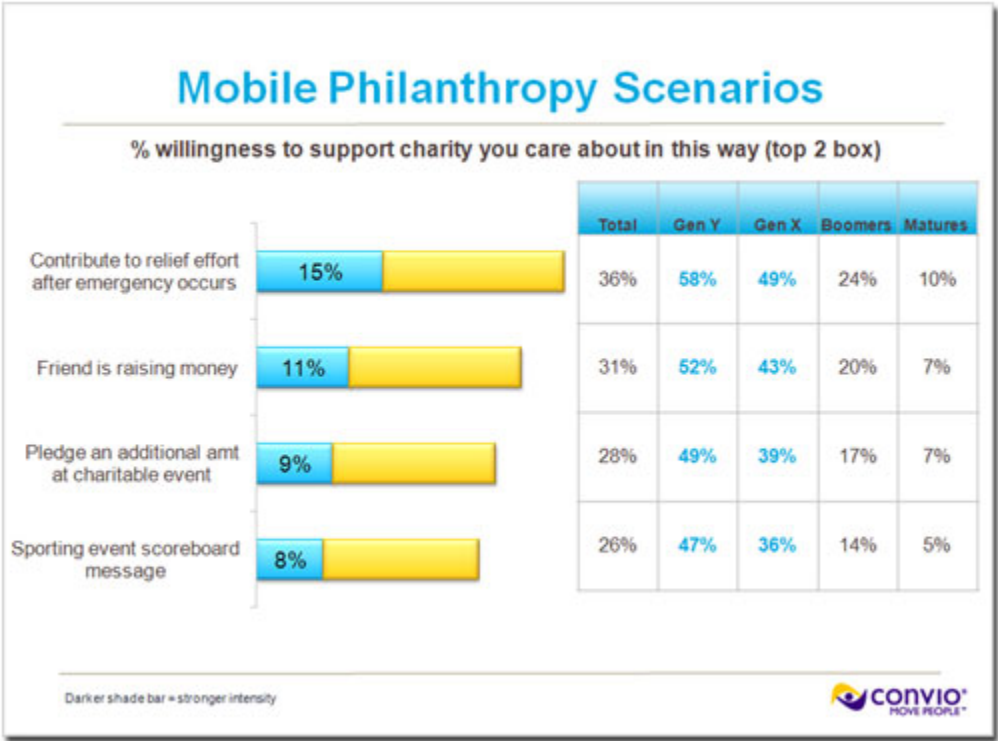
- Higher income (29% texted gift, 22% considered)
- Non-Caucasian (17%, 26%)
- Parents with school-age children (14%, 26%)
- Democrats (14%, 23%)

And, of course, those with a mobile technology profile:

- Those who have a mobile Facebook application (28%, 34%)
- Regular texters (21%, 35%)
- Cord-cutters, who do not have a land line (15%, 32%)

However, this data highlights that mobile philanthropy must be used at the right time, in the right place, and with the right audience. Charitable donors were given several different scenarios in which they might support a charity they care about via a text donation, and then asked about their willingness to donate in this way. An immediate emergency need is the most accepted followed by solicitation from a friend or someone in a personal network that is raising money. The effectiveness of peer-to-peer fundraising is most notably used in raising money for special events such as walks, rides, or as a tribute or memorial. But, the concept has continued to grow because it allows an organization to take advantage of its most valuable

assets, its supporters, by empowering them to raise more money for a cause with a convenient, effective way to receive donations from friends and family. Yet organizations must consider the big differences in acceptance across generations.



Additional Findings: Mobile Communication

Adoption of mobile communication across the charitable sector is still in its infancy. Just three percent of donors say they received a text/SMS message from their top charities in the last 12 months. And though this form of communication is more prevalent among Gen Y and X, it is still in the single digits — at seven percent and four percent respectively. However, those who have received information from a top charity through text/SMS, feel that it is an important way to stay in touch with the charities they care about (71% say important). A quarter of donors overall see text/SMS as an appropriate form of solicitation. Again, younger generations are more open to this form of solicitation.

Mobile Trends

Internet connectivity from a mobile phone is becoming the status quo with the rapid adoption of the smart phone. According to a consumer study of US mobile phone users, 18.9 percent of mobile consumers now use a smart phone, and among those surveyed, 49.2 percent plan to purchase an advanced mobile device within the next two years². In the long term, this trend will undoubtedly broaden the online giving options beyond texting/SMS and allow for much higher average gifts beyond the \$5 to \$10 text-to-donate option. But, in the short term text/SMS is a viable way to connect with new donors and introduce them to an important cause.

In terms of generational differences, it's no surprise that Gen Y are much more connected and savvy about mobile communication than older donor cohorts. We are in the age of the iPhone and Blackberry, and fitting Gen Y and Gen X philanthropic activities into the mobile paradigm is not as big a leap. The following statistics detail mobile trends among US charitable donors:

	Total	Gen Y	Gen X	Boomers	Matures
Text/SMS "regularly"	29%	53%	40%	17%	5%
Mobile Internet access	27%	50%	37%	15%	6%
Facebook mobile app	19%	42%	27%	6%	4%
Cord-cutter (mobile only, no landline)	23%	49%	28%	11%	4%

(blue numbering indicates significance at the 95% confidence level)

² Mobile Market View, a consumer study of U.S. mobile phone users conducted by The Kelsey Group with research partner ConStat <http://www.mobilemarketer.com/cms/news/search/2112.html>

METHODOLOGY

This national online survey of 1526 charitable donors was conducted January 20-28, 2010. The sample was drawn from an online panel of 2 million households that was controlled to be census-representative, and then screened to be current donors to US charities and non-profits. The sample distribution was stratified by generation (Gen Y, Gen X, Baby Boomers, and Matures), then weighted to reflect the total donor population in the US. Prior to the survey, three focus groups of online donors were also conducted to hone the survey tool. The survey has a margin of error of + 2.5% at the 95% confidence interval. The margin of error for subgroups will vary, and is higher. Generational observations are calculated at +5%, also at the 95% confidence interval.

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Edge Research is a full-service marketing research firm that helps nonprofits and corporations meet their strategic objectives. We forge strong partnerships with a select number of clients, learn their business, and continue to provide smart, insightful research and analysis over time. For more information, please visit www.edgeresearch.com

About Sea Change Strategies



Sea Change Strategies works with nonprofits to help them achieve remarkable results in marketing, fundraising and communications. We focus on sound strategy, new ideas and disciplined execution as building blocks to help our clients thrive in the new world of integrated marketing. For more information, please visit www.seachangestrategies.com

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