

Assessing the Marketing Capability of the Websites of Canadian Non-Profit Organizations

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Overview of the Non-profit Sector in Canada

- Approximately 161,000 non-profits operating in Canada.
- Revenues of \$75 billion, employ over 1.3 million people and have over 19 million volunteers (Imagine Canada, 2006).
- Majority have a local focus, providing services within a neighbourhood, city, or town.
- Primary areas of activity are
 - Sports and recreation (21% of all organizations),
 - Religion (19%),
 - Social services (12%),
 - Grant-making, fundraising, and voluntarism promotion (10%),
 - Arts and culture (9%), and
 - Development and housing (8%) (Statistics Canada, 2005).

The Current Reality

- The environment for nfps is difficult – government funding cutbacks, difficult economic times for endowments etc.
 - Funding and financing challenges
- Increasing use of Web based technologies for marketing in the private sector and increased use of such technologies by consumers and citizens.

Internet Offers Opportunity to NFPs

- Cost-effective approach for reaching targeted donors, volunteers and members of the public as they strive to achieve their mission and goals
 - Approach for non-profits to cut costs, reach new audiences, raise money, and involve users
 - Particularly attractive for small NFPs allowing them to significantly extend reach and improve effectiveness.
 - Requires NFPs to design organization websites that provide excellent functionality, satisfy visitor demands and be easy to use (Pinho & Macedo, 2006; Yeon et al 2005).

Purpose

- Dearth of research focused on whether and how NFPs utilize web sites in their marketing efforts.
 - Goal of the research is to gain a deeper understanding of how Canadian non-profits use the 'organization website' (the NFP organization equivalent of the 'corporate website') in their marketing strategies and to evaluate the extent to which they have adopted currently recommended web design practices in these websites.
 - Specifically, the study focuses on how non-profits utilize their websites to achieve three key marketing goals
 - Provide target markets with information about the organization and its services, and
 - Raise donations online
 - Achieve branding credibility.

Characteristics of Effective Web Sites

- Little research has focused on the website design, approaches and capabilities of non-profit websites,
 - examine the extant literature concerning business website design in order to identify best practices.
- 2 broad categories of theoretical frameworks used by researchers to evaluate website design:
 - those that view websites as a technology platform to provide information to users – the technology perspective
 - those that view websites as a channel to reach and serve users' needs and wants – a marketing perspective.
 - These different perspectives tend to emphasize different aspects of website design with some common elements.

- Chakraborty et. al. 2002; Rosen et. al. 2004 show that achieving coherence in the organization of various website elements
 - (e.g., coordinated colour schemes) and utilizing a combination of text, graphics and pictures are important for effective design.
- Huizingh and Hoekstra (2003) conclude that websites should be designed to create flow experiences.
 - Accordingly, navigation should be logical and easy but also challenge visitors' skills.

- Using Neilson's (2006) usability perspective,
 - Lee et al (2005) found that effective website design should support consumer information search, consumer transactions and consumer enjoyment
- Long and Chiagouris (2006) and Kensicki (2003) found that certain website design features enhance the credibility of a website, and these features are particularly important for NFP websites

Effective Website Design Elements

- Information Search
- Pleasure
- Business transactions
- Navigation
- Credibility
- Personalization
- Interactivity

Design Element/Cues	Design Element/Cues
Information Search <ul style="list-style-type: none"> - Tools supporting navigation - Accessibility: browser capability, search facility - Content scope, accuracy, reliability, and customization - Non-confusing and easy-to-understand presentation - Hyperlink efficiency - Useful information 	Credibility <ul style="list-style-type: none"> - certification and rating services such as eTrust, Verisign, BizRate, and BBB - affiliate linkages and traffic counters - expertise factors - sponsorship factors - Professionalism of layout and look and feel
Pleasure <ul style="list-style-type: none"> - Pleasing design - Attractive image - Brightness of web page - Screen appearance - choice of color, readability 	Personalization <ul style="list-style-type: none"> - Website content customization - Personalized communications - Personalized products/services
Business transactions <ul style="list-style-type: none"> - Security and trustworthiness - Customers' personal data - Helpful features - Company's information - Transaction rule - Reliability and flexibility - Payment methods - Ease of transaction completion - Response time 	Interactivity <ul style="list-style-type: none"> - Availability of features for users' feedback about the site (contact us, online forms) - Features for sharing views and discussions (chats, blogs, e-forum, etc) - Entertainment features (games, contests, trivias, etc)
Navigation <ul style="list-style-type: none"> - Menu/list of key content in main page - Menu/list of key content in all sub-pages - Links to the main page in all sub-pages - Accurate/unbroken links - Use of sitemap - No/short page scrolling - Contents should be grouped into a few key categories - Wordings for each category of content is meaningful to users - Small number of steps to arrive at a particular information - Media Use –static media (graphics, images, pictures); continuous/time-based media (audio, video, and animation) - Consistency – consistent page layout (e.g., screen size for content display, banners, menu bars), consistent use of text in terms of size, fonts, and colour, and consistent use of navigational aids (e.g., menu bars, buttons, and links). 	

Methodology

- Content analyzed the organization websites from a sample of 140 NFP organizations from the three largest categories of non-profit organizations in Canada:
 - sports and recreation, religion, and social services, which together capture over 50% of organizations in the non-profit sector.
 - The sample includes small, medium, and large organizations.

Methodology Cont'd

- The sample was randomly selected from a national database of NFPs in Canada.
- Coding instrument was developed based on characteristics of effective websites as discussed in existing literature. One coder worked independently to code 50 websites while another coder worked independently to code 90 websites. A third coder verified and collated the coding of all 140 websites. Analysis showed a high level of consistency in the coding.

Findings: The Good

Over two-thirds of the NFPs clearly identify their mission, goals, and history (70%), describe the services they offer (68%).

Findings: The Not So Good

- Only about one-third (32%) of the websites organized their information by target market segments (i.e. volunteers, donors, etc.)
- Slightly more than half provide information concerning online donations (59%) and about one-third provide information on opportunities for volunteering (31%).

Findings – Website Information Provided

Website Functionality	% of Websites
Homepage Makes Donation Online Accessible	59
Homepage Makes Volunteering Online Accessible	31
Homepage makes contact information accessible	93
Content easy to find and link to	54
Website Background Information	
History/ / Goal/Purpose of organization	70
Services offered	68
Content organized by target markets	32
Organization telephone contact available	93
Organization email contact available	86
Organization hours of operation available	19
Organization street address available	87

Effectiveness of Information Provision

- Improvements need to be made.
 - About three-quarters of the organizations (74%) utilize a simple URL and 80% display their organization name prominently on the organization web site.
 - However, other aspects of effective usability show that the websites may not be working to market the organizations effectively.

Website Effectiveness	% of Websites
Basic Usability	
URL simple and appropriate	74
Organization name prominent	80
Navigation buttons on Homepage	93
Can tell when site updated	25
Use of Photos	
Photos are pixilated/blurry	25
Photos reinforce a positive visit to website	47
Photos support organization's goals and brand	48
Colour Scheme is consistent throughout	85
Overall Visual Appeal (mean of 1 – 5 point scale)	3.22

Website Effectiveness	% of Websites
Assessment of Presentation of Info	
Text segments kept short (always)	48
Spelling or grammar mistakes found	18
Formatting facilitates info search (agree or strongly agree on 5 point scale)	37
Overall	
Homepage clearly demonstrates site purpose (agree or strongly agree)	57
Overall assessment of ease of use (agree or strongly agree)	51
How well does this website provide info (agree or strongly agree)	36

Raising Financing OnLine

- 59% of the websites demonstrate the capability to accept donations online with the overwhelming majority using the services of a third party organization, "Canada Helps".
- Only one NFP (The Salvation Army) allows visitors to donate directly on their site.
- The donation capability of all the sites was secure, easy to use, and useful.

On-Line Donation/Sales Functionality	% Organizations
Can make donation on-line	59
Total online donation can be transacted with organization	7
Donation can be transacted – 3 rd party involved	52
On-line Donation/Sales Support Provided	
You can make a type of donation selection	100
There is a privacy policy	100
You can view donation history	100
You can bill to different address	100
You can view entire donation form before submitting	100
There is information on tax credits	2
Assessment of On-Line Sales Functionality	
Order forms follow logical sequence	100
Site provides sufficient info to make donation (Agree/Strongly Agree)	100
Overall comfort in providing personal info (comfortable)	100
Overall comfort in donating on site (comfortable)	100
Overall how well does site foster online donations (very well)	100

Branding

- Few non-profits utilized credibility cues in their websites.
 - Only 37% of the websites provided a list of key stakeholders or their affiliates, 20% provided information and stories from external sources about their organization, and even more worrying only 10% have a media room.

Credibility Cues

	<i>%</i> Organizations
Identifies key stakeholders	37
External information about organization provided	20
Media room available	10

Summary and Discussion

- Although NFPs have made websites a part of their marketing strategy, there is definitely more that they could do to enhance the effectiveness of their online efforts.
- A key recommendation to non-profit managers is to break web site visitors into distinct target groups and create information/content targeted to each of these target markets.

- Given the very challenging funding environment that confronts non-profits, it was quite surprising to find that close to 40% of non-profits are not utilizing their websites to obtain donations.
- It appears that these organizations do not fully understand how to utilize their web sites for this very important function.

- Finally, non-profits need to do more to gain credibility and loyalty with target markets
 - Credibility is the power to inspire belief; most organizations grow theirs by providing consistent, relevant information over time, highlighting their expertise, and providing external information about their organization (Added Value 2008).
 - Non-profits are not utilizing such credibility cues sufficiently in order to highlight their expertise, and deliver information to consumers, donors, and volunteers.

Future Research

- Future research could expand the number of websites studied so comparisons can be made between and among sectors and organization sizes.
- Future research is needed to focus on managers in non-profits in order to understand the barriers and benefits these managers see in the developing and using websites to accomplish organizational goals.

- Need to go back and examine use of Web 2.0 approaches.

