Building Relationships in the Networked Age: Some Implications of the Internet for Nonprofit Organizations

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Successful fundraising has always been about building healthy relationships, whether with single donors, volunteers, the media or funding agencies. The Internet is emerging as an essential tool for building these relationships and charitable and nonprofit organizations must learn to take advantage of such tools or risk losing out to those groups who do forge communities and service their donors more effectively in the networked age.

As 1999 began, there were 4,272,000 Canadian households with at least one member using the Internet, an increase of 25 per cent over 1997. These households represented 36 per cent of all homes, up from 29 per cent in 1996.[1] By the end of the first quarter, 55 per cent of Canadians had access to the Internet, while more than 60 per cent of home users, and 44 per cent of work users, were spending more than three hours online each week and 7,632,000 Canadians were weekly Web users.[2] Canada ranks seventh among all nations in its number of Internet users per capita.[3]

Thus, Canada is rapidly becoming a "network" as we approach an era of ubiquitous, instantaneous, electronic communication. One need only look at the Y2K problem for evidence of the extent to which information technology has become embedded in most processes. We now search for information across our own computer hard drives, the local area network or Intranet in our organizations, and the worldwide resources of the Internet. This searching is relatively seamless and transparent and will continue to become more so. As I write this article, *Sherlock* is waiting patiently within my Macintosh laptop. (*Sherlock* is a software program that will search for anything online, anywhere, anytime.)

A true network implies that there is no centre, that every node has an equal transmission and reception capability. This is, conceptually, difficult to comprehend for those of us whose perceptions of the way the world works were formed in an age of hierarchies.

Hierarchies imply a concentration of power at the top and enable executives to exercise that power through the selective release of information, both internally and externally. Within organizations, hierarchies are the conduits that facilitate

control of the timing and substance of most information provided to staff members and volunteers.

Externally, hierarchies communicate with each other at many levels, mostly on a peer-to-peer basis but communications intended to influence policy and major decisions are usually effected at the highest levels – board member to Deputy Minister, Executive Director to federation head, and so on.

On one hand, as individual consumers and citizens, most of us will applaud the democratizing and empowering effects of information technology. Who can argue against free access to information for those who need it to find help, make good decisions, expand knowledge and understanding? Most of us will admit to a growing Internet dependency and it is not one that we intend to renounce.

Meanwhile, the same technology that enables our organizations to function effectively presents difficult challenges on several fronts. As executives who seek to manage and influence, some of us may be ambivalent about changes that are forcing us to modify familiar, time-tested approaches.

A Challenge to Hierarchy and Authority

Hierarchies are not about to disappear but new information technologies, especially networks, permit the authority of ideas to challenge the authority of rank to an unprecedented extent. Intranets within organizations and the wider Internet facilitate the spread of ideas in a relatively unhindered fashion. Good ideas from any source can achieve widespread currency.

In earlier times, a junior staff member would often have had difficulty pushing an idea up to a decision-making level, short of a chance encounter with the CEO at the coffeemaker. Now, e-mail can circumvent the gatekeeper and personal Web sites may be created quickly and easily, giving any individual a broadcast channel. Criticism of organizations, irrespective of its merit, can be distributed instantly via discussion lists, Web-based forums and newsgroups, to thousands, even millions, of people. Disaffected clients, staffers, volunteers or donors can unburden themselves to the world with a mouse click.

Most of us are also geared to a time when the influencing of public opinion could be orchestrated, within limits, through relationship-based media relations programs that dealt with a limited number of somewhat empathetic news organizations. Newspapers, radio and television now compete for audience share with online news media, many of which have very different values, objectives and public accountability than do traditional news outlets.

Traditional Promotional and Fundraising Approaches are Threatened

We should recall that all new communications media, when introduced, have been viewed with scepticism, with their full potential unrecognized. This was the case with today's *traditional* communications technologies when they arrived on the scene.

Now, postal service is a dinosaur. If not headed for extinction, it is devolving into a delivery system for junk mail as Electronic Funds Transfer replaces the invoicing/payments process, and e-mail handles most other categories of correspondence and document exchange. Direct mail, long a fundraising main-stay, will need to adapt to the cyber age.

Caller identification and voice mail are changing the way that people respond to a ringing telephone. Internet phone, still a curiosity because of bandwidth constraints, has the potential to make every call a local call. As user patterns change, can telefundraising avoid being caught up in these new behaviours?

Major newspapers are serving an aging audience. The wired generation increasingly relies on specialized online publications that appeal to personal interests and enable users to opt only for news that deals with specified topics. Such *new media* are, collectively, beginning to take a measurable share of news audience and advertising dollars.

All of these changes present both opportunities and risks.

The Nonprofit Sector Lags

For-profit corporations, particularly those that provide consumer products and services, are urgently reorganizing and refocusing their businesses as *e-com-merce* threatens traditional distribution channels. Executives are coming to grips with *disintermediation* (elimination of middlemen), *re-intermediation* (emergence of new types of middlemen), and other Internet-driven trends that will have an impact on their future survival and success. As recently as 1997 such issues were rarely detectable on corporate radar screens. Now they top the list of priorities for many businesses ranging from banks to bookstores.

As the Internet becomes the default source for information for most of the population in developed countries, audiences expect organizations to provide an open communications channel and comprehensive information/support via online media. This is happening very rapidly in North America and the trend is being driven by demographics. A generation that is comfortable with com-puters and has embraced the Internet, is now maturing to an affluent life stage. Businesses understand this and consumers can now find information in depth

from all corporations of substance and from many smaller, entrepreneurial organizations, too.

Business Web strategies are also defensive. Corporations have moved quickly to establish procedures for monitoring what is being said about them, their products, services and personnel in cyberspace. Trademark infringement and unauthorized use of intellectual property are also monitored and appropriate action taken.

There is no equivalent level of urgency visible among the majority of charities and other nonprofit organizations. Approximately 20,000 such organizations in Canada are believed to have a presence on the World Wide Web but, with a few exceptions, they are half-hearted, unsophisticated and largely ineffective efforts. Often, they are created by amateur volunteers or members, or by communications staff who are poorly equipped and supported. Although well-intentioned, these people have an incomplete appreciation of their organization's communication, service-delivery, and fundraising strategies, and usually lack the necessary planning, design and technical skills required to execute a successful Web-based program in pursuit of those strategies. In fact, these efforts may do more harm than good if they run counter to the image that the organization's management wants to project. They may also provide an incomplete information package that implies disorganization and lack of interest in the medium.

Nonprofit organizations have much to gain or lose through strategic implementation of online communications, fundraising and service delivery programs but the world is passing most of them by.

For many, inaction is tied to lack of resources. Others "intend" to jump on the Internet bandwagon at some future, undetermined date, when online fundraising is in full swing. The former may be excused. The latter are making a major strategic error.

The wired audience that businesses are scrambling to woo overlaps the constituencies of nonprofit organizations. It spans all age groups and income levels and includes those who seek the services delivered by NGOs, as well as those who have accumulated sufficient wealth to donate time and money. They expect to find information about an organization online and are loyal when the organization makes it available. Otherwise, they move on, as the thousands of other Web sites are just a mouse-click away.

Relationship-Building is the Key

It is unwise to view the Web and e-mail primarily as fundraising tools. While their long-term potential for fundraising is great, today they are fundamentally

relationship-building tools. Organizations should begin by understanding and fulfilling the information and communication needs of their publics, seeking to become *action central* in their particular space, however narrowly defined. Make no mistake – in this new marketplace of ideas, the competition is for loyal eyeballs.

In all fundraising, some relationships lead to donations, bequests and other benefits. As with other approaches – direct mail, telefundraising, special events, canvassing, grant seeking – online fundraising involves both art and science. No method can be learned overnight. A few Canadian organizations, such as *World Wildlife Fund Canada*,[4] have spent years testing and refining their online appeals and methodology and continue to do so. Latecomers to the party will find that they are trying to learn the game in a milieu where relationships have been built, appeals polished, methodology refined. As money continues to move into the hands of the wired generation, online fundraising will become a major source of revenue for nonprofit organizations. Those hoping to share those revenues should start learning immediately.

Even now, organizations are missing significant opportunities. Many people in their fifties are rewriting their wills to reflect estates that have already reached substantial size. They are making decisions now that will result in bequests down the road a few years. A growing number use the Internet as their basic research tool for all kinds of decisions, large and small – which lawnmower or stereo system to buy, which cruise to take, which organizations to support. Has your planned giving staff mounted a compelling appeal on your organization's Web site?

The answer, in most cases, is probably "No". Based on a review of the fundraising-related content on several hundred nonprofit Web sites, we conclude that fundraising professionals have largely abdicated their responsibility for ensuring that their organizations present convincing online cases that will attract support. This important task must not be delegated to the techies and the designers.

Information technology is servant, not master, but it is an *essential* servant. If we view information technology as the central nervous system of an organization, it becomes the core around which all other systems and processes must be organized. The for-profit world understands that the Internet is not an isolated entity and that Web-based programs must be fully integrated with other information systems. Inquiries should automatically add information about the inquirer to the organization's database to serve the client/inquirer better in future and ensure that all relevant information is available for communications, client service and fundraising purposes. Discreet databases maintained by fiefdoms within an organization are time-wasting, costly anachronisms. If any

item of information is being entered more than once, expensive resources are being squandered and the organization is not enjoying the potential power and efficiencies of its technology.

The Internet has, in automotive terms, just produced the Model T. It will become ubiquitous in the next five years, as Internet technology becomes embedded in the full spectrum of devices and software used in the normal course of business and personal life. There are already kitchen appliances that are Internet-capable. Web-based processes will be largely transparent – people will not consciously launch an *online connection* as most do now. When devices need information that is not resident locally, they will invoke a connection to remote information sources in order to deliver their services to the user.

The full impact of these changes for nonprofits is impossible to forecast but it is likely to be very significant. Whether a charity serves a local, regional, national, or international constituency, both internal and external communications, (voice, text, audio, and video) will be Internet- and Intranet-based. Database-driven, interactive technology will enable organizations to deal with donors, volunteers, clients and staff on a personalized (as contrasted with a mass) level, heightening the potential for relationship-building while reducing staffing requirements and the cost of management processes.

One consequence of all this will be the requirement for more sophisticated management and marketing processes in order to satisfy constituencies' appetites while successfully competing for scarce resources. Perhaps partnerships, co-ventures, and other relationships among nonprofits, government departments and for-profit corporations will aid this transition.

As information becomes more readily available and easier to deliver, calls for increased accountability are likely to become louder. Organizations will be expected to provide online information that substantiates their worth for those making decisions to give dollars and time. Those that fail to pass accountability tests may jeopardize their continued existence.

In addition, the stateless world of cyberspace surely will lead to increased levels of cross-border fundraising. Insightful fundraisers will increasingly appeal to international communities of interest as the real world begins to emulate the virtual world in some respects.

How to Get Started
To reiterate, it's all about relationship-building and that starts with defining the organization's audience and its information needs, then articulating communications objectives. The latter might include: increasing membership,

recruiting and managing volunteers, advocacy, media relations, team building, opinion sampling, public education, various dimensions of fundraising, service delivery and any other possibility specific to an organization.

The Internet presence must:

1. Attract people who share a common interest or need;

2. Help visitors become community members with a feeling of shared ownership of the Web site and, by extension, of the organization;

3. Help members of the organization's online community develop a sense of membership through information-sharing and help-sharing relationships with each other;

4. Build on the sense of community membership to attract support for the organization.

Each new visitor must be helped through a five-step progression:

1. Attract attention with a focused, exciting, well-promoted Web site;

2. Invite a relationship by resonating with the visitor's interests and beliefs;

3. Engage in a dialogue about issues that are important to the visitor;

4. Earn the right to ask for support by delivering valuable information, services, or assistance;

5. Facilitate action in the form of a join-up, purchase, donation, or some other behaviour that implies the visitor has become a community member.

Online fundraising fundamentals focus on connecting with individuals and then converting the connection into action. Revenue is an outcome of successful community-building and online fundraising can go well beyond asking visitors to make a donation by cheque or credit card. People must become personally involved in the online experience of the Web site before they are prepared to give or buy and then they must be presented with a range of ways to give or to buy something to benefit the organization.

Think Marketing

Nonprofits already have what most for-profit organizations want to create – a potential audience that cares about the organization and its social contribution. Nonetheless, from the moment of arrival at a Web site, each visitor is asking, "Why should I spend another 10 seconds here?"

Online communicators must think like marketers to make their Web sites productive components of the fundraising mix. That means:

1. Understanding the demographics and psychographics of the constituency;

2. Setting explicit goals and measuring performance;

3. Recognizing that everything done online and offline is part of marketing; (That includes design, content, promotion, responsiveness, and interactions with individuals.)

4. Establishing credibility with the prospective donor or member by providing various levels of information keyed to different levels of interest and foreknowledge and demonstrating how the money is spent; (Graphs are powerful.)

5. Ensuring that Web content is continuously updated and that all media, event, campaign, or other external communications are current and timely;

6. Integrating the Web site with direct mail and advertising programs;

7. Continuously testing message effectiveness and refining until acceptable results are achieved;

8. Ensuring that communicators, not "techies" and designers, drive the site's development;

9. Ensuring that fundraising professionals are involved in the design and content development for the Web site's fundraising components;

10. Suggesting pledge amounts and enabling donors to direct their contributions to specific causes, branches or projects;

11. Providing examples of what certain donation amounts will buy;

12. Asking for gifts-in-kind, if appropriate;

13. Offering a digital product (e.g., screensaver, discount coupon) as a free gift that can be downloaded immediately upon completion of the interactive donations form;

14. Mounting a banner ad promoting the incentive on key pages within the Web site;

15. Informing the audience with regard to the progress of a current campaign;

16. Capturing names from a guestbook, e-letter subscriptions and information requests and ensuring that they are entered in a database and followed up rigorously to move the relationship to a higher level;

17. Presenting little appeals and "Would you like to help with this?" links throughout the site;

18. Making the main appeal compelling;

19. Making instructions crystal clear because there is no one to guide visitors, as is normal in the real world;

20. Making it easy for people to make contact by phone (toll free), e-mail, postal service, fax. (Never more than two clicks to this information);

21. Ensuring immediate response to every inquiry, request for information, or donation;

22. Understanding the Web site's value for building relationships that will improve the results of traditional, off-line campaigns;

23. Suggesting that visitors help promote the site. (Electronic postcards, banners or logos that can be mounted on their own Web sites, encouraging reciprocal links.)

A Touch of Showbiz

Drama, fun, activity, variety, personality – these are the things that create excitement and involvement. The Web is a graphic medium and its ability to use colour and images is part of its power. Video and audio are quickly becoming mainstream on the Web but excitement can be created without going the full multimedia route:

- Dramatize the appeal with stories from real life (real people and how their lives were changed by the organization's work).

- Make liberal use of photographs and other images to help get the story across.

- Try innovative approaches such as auctions, boutiques and games, to get the audience involved.

- Customize content for different types of community members (children, seniors, organization members, donors, media, professionals in the field, etc.).

- Add value for specific audience segments with targeted services for specific audience categories (research for classmates' e-mail addresses,

a sharing forum for those with the same disability or disease, ask-the-expert forum).

- Encourage participation and repeat visits with activities that involve the visitor (forums, surveys, contests, quizzes, article submissions, forms that enable members/alumni to update their personal information, suggestion boxes).

- Move relationships to new levels with learning programs delivered through combinations of Web pages, forums, listservers and e-mail.

- Enable members of the organization's online community to support each other, and reinforce their sense of community with mentoring and cyber-friend programs.

- Make personal home pages available for members or alumni.

- Create a sense of dynamism (new sections, fresh content, a changing look) to spark frequent visits.

- Emphasize personalities (the people who run the Web site, respond to inquiries, deliver services, volunteer for the organization). Visitors should come to think of them as online friends.

- Think local, showing people what the organization is accomplishing and how they can get involved in their real-world communities.

In a real-world community, people have conversations with friends; they offer and seek help; they have a sense of co-ownership and they agree and disagree; they act in ways that benefit the greater community and themselves.

Online communities that emulate this will become interesting, dynamic, popular places and their community members will respond accordingly.

<div align="center">FOOTNOTES</div>

1. Statistics Canada, *The Daily: Internet use by households*, April 23, 1999.
2. ComQUEST Research, *Canadian Internet Trends: What to Expect, The Toddler Years*, http://www.comquest.ca/press/st8web/sld001.htm, February 16, 1999.
3. Computer Industry Almanac Inc., *15 Leading Countries In Internet Users Per Capita*, http://www.c-i-a.com/19980319.htm, March 20, 1998.
4. World Wildlife Fund Canada Web site, http://www.wwfcanada.org.