Trends in Constituent Satisfaction

Introduction

Many charities and nonprofit organizations have become savvy about using their websites to engage existing and prospective constituents. The website now serves many roles for a nonprofit, depending on the nonprofit's objectives. Sites serve as a channel to receive donations, sign up volunteers, register members, provide authoritative news and information, register event attendees, create community, or provide information about programs and services for prospective and current clients. As the web evolves and becomes more sophisticated in industries like online retail and finance, the general public's expectations for a high quality website experience increase across all industries. Nonprofits must keep up with standards set by the private sector, while being fiscally responsible and spending funds wisely.

The current economic downturn af ects nonprofits as well as for-profits, making online investment decisions even more difficult. The recession has caused donations to decline for most nonprofits. According to the Nonprofit Finance Fund, only 16% of the nonprofits surveyed anticipate that they will cover their operating expenses for the year. A little more than half expect to suf er either a long-term or permanent negative ef ect on their organizations.

It is essential, now more than ever, to gain intelligence on how to use the website to its fullest potential as a way to reduce costs, generate donations and revenue, and build membership, loyalty, and positive word-of-mouth. As giving from individuals, corporations, and foundations tightens, nonprofits must decide how to most efficiently and ef ectively allocate budget so they can continue to af ect change for the good of those whom they serve. While nonprofits are not "in it for the money," they are in it to be able to continue the work they initially set out to accomplish.

How can charities and nonprofits know how their website is impacting the behavior of individuals who visit their sites? Behavioral analytics only provide data on things like the number of unique visitors per month, the dollar amount received through online donations, and the length of time long visitors spend on a page. What does a mountain of this type of data mean in terms of creating action plans, benchmarking, or accurately assessing site ef ectiveness? This data only tells them what people did on their site, but not what they thought about those experiences, or what they are going to do next, which would impart more actionable insights.

To give nonprofit organizations, charities, and associations a clearer understanding of how their websites can support organizational goals, ForeSee Results conducted a study of more than 2,000 respondents who visited a wide variety of types of nonprofit websites to gauge their satisfaction with these websites in aggregate. Our methodology shows how customer satisfaction with nonprofit websites can be used to predict visitors' likelihood to engage in future actions such as to donate, recommend the website, or volunteer.

Our research shows that the website is a colossal area of opportunity for nonprofits suf ering from decreased giving. The study shows that the web channel has a huge impact on driving the likelihood of site visitors to donate, recommend the website and organization, volunteer, and use the site as their primary source of information. While these findings are for the nonprofit industry overall, individual nonprofits can gain valuable insight from the findings, as well.

Key Findings

- **Nonprofits have plenty of room for improvement when it comes to online customer sat isfaction**. On the 100-point scale used for the study, the average nonprofit website scores a 73. The threshold for excellence in website satisfaction is generally considered to be 80. Even though nonprofits don't have the same resources to invest in their websites as private sector companies, unfortunately, they are judged by the same standards. Therefore, it's crucial that nonprofits understand how to allocate resources by investing in the areas of their websites that will increase satisfaction and make visitors more likely to donate, volunteer, recommend, etc.

- **Satisfaction is predictive of future behaviors important to nonprofits. A highly satisfied visitor to a nonprofit website is**:
  - 49% more likely to donate
  - 38% more likely to volunteer
  - 57% more likely to have a favorable overall impression of the organization
  - 65% more likely to recommend the site to others
  - 55% more likely to return to the site

- **Key areas of improvement for nonprofit websites, in general, are sites' functionality and the expression of the organization's image online.** In general, the areas that will have the greatest impact on visitors' likelihood to donate, volunteer, recommend, and return are site functionality (the usefulness, variety, and convenience of features on the site) and image (how well the website reflects the organization's image). These two factors were more impactful in driving website satisfaction than sites' content, navigation options, or look and feel.

- **Nonprofits need to encourage more people to donate online instead of through other chan nels.** Site visitors who donate online are more likely to donate, period. Making it easy for visitors to donate online is critical to growing the pool of repeat donors. In addition, nonprofits will see more of the money if donations are made through the more cost-ef ective web channel.

- **Site visitors value online information and donation capability.** The top two reasons people visit nonprofit sites are: news and events (40%) and to stay informed about the cause the organization addresses (40%). Almost one in five (18%) website visitors are there specifically to make a financial contribution.

- **People listen to outside sources.** Almost one in five who visited a nonprofit site found out about the organization through word-of-mouth, and visitors who found the site through the media or a news story were the most likely to donate.

- **The election year had a very small impact on donations to nonprofits.** Only 3% of all respondents said that political donations reduced the amount they donated to other organizations in 2008.

All of these findings are discussed in detail in the following report.

Nonprofit Satisfaction: Lagging the Private Sector

The aggregate online satisfaction score for the nonprofit industry is 73 on the 100-point scale used by the ACSI methodology. This is the first year we've measured online satisfaction with the nonprofit sector, so looking at average online satisfaction with other industries provides a point of comparison.

How Satisfaction with Nonprofit Websites Stacks Up
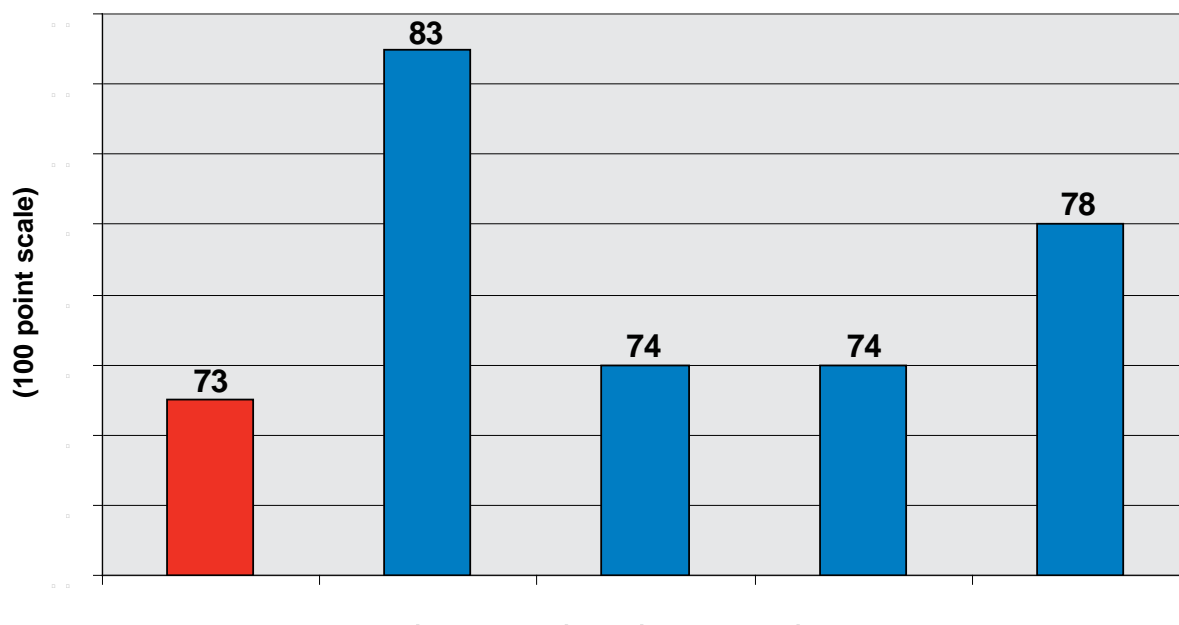
It's understandable that satisfaction with nonprofit websites lags some private sector categories; most nonprofits have only a fraction of the resources and budgets of the national retailers and banks driving improvements in technology and design. Unfortunately, consumer expectations are set by the standouts, and if a prospective donor visits Amazon, then Google, and then their favorite children's charity, they will be expecting similar functionality and sophistication from all three. If they're choosing among several children's charities, they may well donate to the one with the website that best answers their questions and makes it easiest to donate online. That's not a recommendation to heedlessly throw money at the website; instead it's a recommendation to consider how the evolving sophistication of site visitors may impact their perception of a nonprofit site.

Private-sector standards aside, even satisfaction with federal government websites slightly edges out satisfaction with nonprofit sites, which may be a sign that it's time for nonprofits to advance to the next level of evolution in their sites.

The good news is that the nonprofit industry can easily increase online satisfaction into at least the mid-seventies by making strategic investments in their websites. But why should a nonprofit focus on online satisfaction when it could choose to focus solely on increases or decreases in metrics like online donations, membership, and site traffic?

Why Online Satisfaction Should Matter to Nonprofits

The results produced by the ACSI methodology are more than just satisfaction scores for nonprofit organizations. They can actually be used to predict how website improvements can impact specific future behaviors of customers. For this reason, the ACSI methodology is the one we chose to conduct this study. When nonprofit organizations can measure the impact of their website on behaviors that af ect the entire organization, it becomes easier to determine return on investment (ROI) and to al-locate resources ef ectively.

Satisfaction is only a means to an end, as satisfied customers are scientifically proven to be more likely to:

- *Donate*
- *Volunteer*
- *Use the website as a primary resource*
- *Return to the site*
- *Have a more favorable overall impression of the organization*

Once satisfaction is put in context as a scientific way to drive online and offline behavior during a recession, the focus on increasing satisfaction scores takes on greater importance as a time-sensitive need with an impact on the bottom line, not just a "nice to have."

Comparing the future behaviors of highly satisfied and dissatisfied site visitors clearly shows the value of a satisfied customer. Visitors who were highly satisfied with their website experience were much more likely than dissatisfied visitors to engage in future behaviors essential to the success of most nonprofits.

	Highly Satisfied (Satisfaction 80+)	Dissatisfied (Satisfaction 69 and Below)	% Difference Between Highly Satisfied & Dissatisfied
Donate to Organization	76	51	49%
Volunteer with Organization	66	48	38%
Use the Site as a Primary Resource	83	50	66%
Return to Site	93	60	55%
Recommend Site	89	54	65%
Recommend Organization	91	61	49%
Have a More Favorable Overall Impression of Organization	91	58	57%

The advantages of a highly satisfied website visitor are clear.

- **Value and bottom-line impact**: a highly satisfied website visitor is 49% more likely to donate to the nonprofit and 38% more likely to volunteer.

- **Cost savings**: a highly satisfied visitor is 66% more likely to use the site as a primary resource rather than more costly channels like field offices or call centers. Anytime people can be encouraged to donate or get information online, the nonprofit saves money.

- **Loyalty:** a highly satisfied site visitor is 55% more likely to return to the website and 57% more likely to have a favorable impression of the organization overall.

- **Word of Mouth**: a highly satisfied site visitor is 65% more likely to recommend the website and 49% more likely to recommend the organization to others.

This data makes a compelling case that a nonprofit website has huge potential to impact donor and member behavior across channels. Armed with information on just how influential the website is, any nonprofit should be able to make the case for an increased focus on website improvements that will significantly impact online customer satisfaction.

Survey Methodology

This survey was conducted among more than 2000 respondents in January of 2009. Survey respondents were online panelists from FGI Research who were screened to ensure that we surveyed people who had been to a nonprofit website in the past month, and they were asked about their experiences with the nonprofit website they'd visited most frequently in the last year.

The data analysis was conducted using the proven online methodology of the University of Michigan's American Customer Satisfaction Index (ACSI). For more than 14 years, the ACSI has been the only uniform, national, cross-industry measure of satisfaction with the quality of goods and services available in the United States. The ACSI measures overall customer satisfaction with the leading banking, insurance, and brokerage firms annually.

A key feature of the ACSI methodology is its patented scientific approach to customer satisfaction measurement. ForeSee Results applies the ACSI methodology to the web for nonprofits to measure certain key elements of online satisfaction (such as site performance, donation functionality, etc.) and determines how these elements impact overall satisfaction and behavior.

Customer satisfaction, as measured using the proven ACSI methodology, is proven to have a direct impact on certain industry-specific future behaviors, such as likelihood donate, volunteer, or use the website as the primary channel for interaction with the nonprofit.

The ACSI methodology is able to determine which website elements will have the greatest impact on satisfaction and result in desirable future behaviors — a critical distinction from other customer satisfaction ratings. This additional level of insight allows financial institutions to make website improvements that will have the greatest return on investment.

How Can Nonprofit Websites Make Visitors More Satisfied?

It's clear that online customer satisfaction is a vital metric for any nonprofit organization hoping to increase donations, membership, volunteerism, loyalty, and engagement. Knowing how important online customer satisfaction is, what can nonprofits do to improve it?

The ACSI methodology measures several key drivers, or elements, of online satisfaction. Improving these elements generally leads to increased satisfaction. The elements that will have the greatest impact on overall satisfaction (and therefore on future behaviors) may dif er for specific organizations, but the findings on an aggregate sector level can also be useful.

For nonprofits' websites, we measured the following high level elements:

Element	What It Measures	Priority for Improvement	Analysis
Website Functionality	The usefulness, convenience, and variety of online features available to site visitors	Priority 1 = Top Priority	Nonprofits should make it easier for visitors to find the information they need and provide features and tools that help them accomplish their goals. Improvements to functionality in areas that matter most to site visitors will have a very good return on investment.
Image	The image of the organization as it is presented on the website	Priority 2 = Maintain or Improve	Nonprofits should make sure they are projecting a clear and positive image of their organization on their websites in a way that is consistent with the organization's image overall. As a whole, the sector is doing well in this area, but it is critical to maintain this position, as it is a key driver of satisfaction.
Content	The quality of information on the website and how up-to-date it is	Priority 3 = Status quo required	Nonprofits' websites do a good job with providing updated content that visitors believe to be of good quality and should continue to do so, especially since getting news and information is one of the top reasons people visit nonprofit sites.
Look and Feel	The visual appeal of the site and its consistency throughout the site	Priority 4 = Monitor	Nonprofits are performing well in this area. Improvements to look and feel are likely to have minimal impact on satisfaction and desired future behaviors.
Navigation	The organization of the site and how easy it is to navigate	Priority 4 = Monitor	Navigation receives moderately high marks but does not register much impact on website satisfaction. Making significant investments to navigation are not likely to have the desired return on investment for many nonprofits.

Priorities for each individual nonprofit will dif er greatly based on its constituency and the strengths and weaknesses of the site. However, the industry-level data suggests that improvements to website functionality will have the greatest return on investment, followed closely by improvements to image. Enhancements to content, look and feel, and navigation are less likely to have a huge impact on customer loyalty and giving. These kinds of insights can be valuable to a nonprofit looking to prioritize investments in the website or make strategic cuts that will have the smallest impact.

A Deeper Look: Online Donations

A satisfied visitor is an astounding 49% more likely to donate than a dissatisfied site visitor. Our study uncovered other valuable information about donation behavior.

About two-thirds of respondents who recently visited nonprofit websites are donors; they reported that they contributed to one or more nonprofits in 2008, either online or through another channel. Among this group:

- Almost three out of five donors (58%) made online donations in 2008, and 38% made an online donation to the nonprofit website they visit most frequently.

- About one in four donors who visit nonprofit websites are frequent online donors; they did so three or more times in 2008

- Unfortunately, some nonprofit websites still struggle with functionality that allows online dona-tions. Nearly one-third of donors do not choose to do so online because the donation function-ality is either poor, not prominent, or nonexistent. One frustrated respondent commented that while he or she would like to donate through the favored organization's website, he or she cannot find a means to do so.

- 27% of donors are age 35 or younger

- 64% of donors have a college or advanced degree

- 78% of donors said that the reputation of the organization is an important attribute in deciding which organization to become more involved with, and 58% said efficiency in allocating donated funds/resources was important.

Among online donors:

- Respondents who donated online in 2008 were 29% more likely to make a donation than py   A
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Nonprofits should not miss this monumental opportunity to increase online donations. Making site visitors who are already predisposed to donating to nonprofits feel comfortable enough to do so online greatly increases their likelihood to donate when they visit a site. Increasing online donations will give staf and volunteers more time to focus the work of the organization itself. In general, visitors who are more engaged with a website in terms of donating, volunteering, and/or being members, rated websites highly and were more likely to exhibit key future behaviors. The web channel is a cost-ef ective method for donation collection as well as to build engagement with nonprofit organizations' key audiences.

A Closer Look: Why Do People Come To Nonprofit sites?

Site visitors greatly value the news and information that nonprofit sites provide online. Although news and information are critical to building relationships with nonprofit site visitors, online donation functionality cannot be overlooked. Almost one in five site visitors (18%) are there specifically to make a financial contribution.
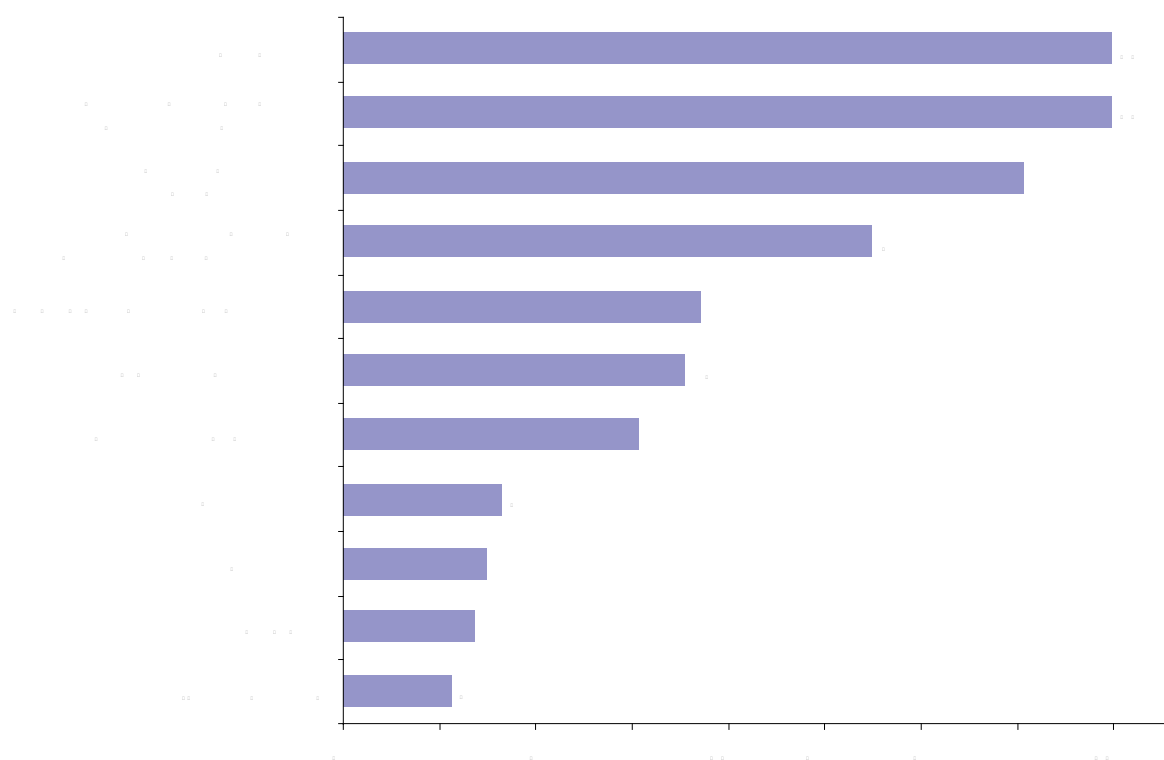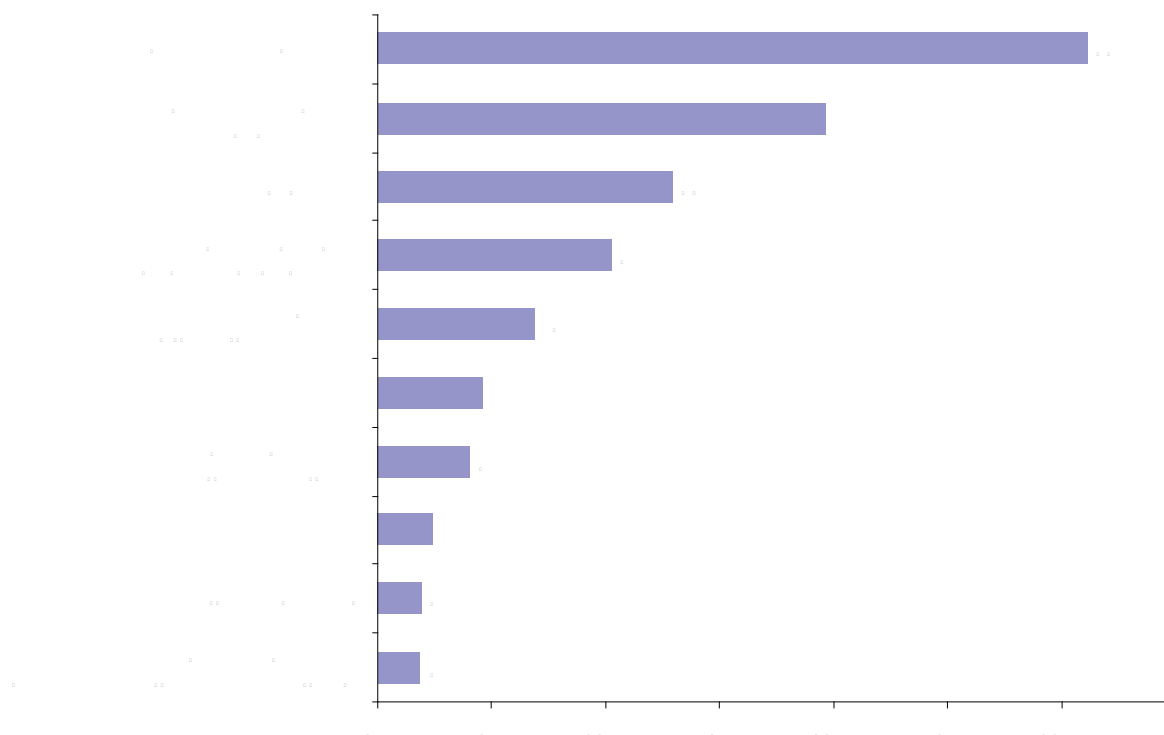

By understanding why site visitors are visiting the website, nonprofits can better meet their expectations and needs. A large proportion of site visitors' main objective when visiting the website was to make an online donation. Were they successful? Was the ability to donate online prominently displayed, or did he or she have to hunt for it? Are news and events prominent and easy to navigate?

Organizations may want to consider usability audits of the site to determine whether their essential functionalities meet best practices, and if not, what can be done to improve their ef ectiveness.

A Closer Look: Where do People Hear About Nonprofit Sites?

Nonprofit site visitors listen to outside sources.

Almost one in five who visited a nonprofit site found out about the organization through word-of-mouth. The group who found the site through a media or news story were the most likely to donate, which could indicate that ef ective media relations should be a priority for a nonprofit. Site visitors who either searched for a nonprofit after reading a news story or clicked on a link in an article that led to the organization's website donated more often than those who found it through a search engine.

The organization's website — 62%
The organization's email updates or newsletter — 39%
Word of mouth — 26%
Direct contact with the organization (in person or by phone) — 21%
Traditional media (TV, radio, newspapers) — 14%
Work — 9%
Online social networks (MySpace, Facebook, etc) — 8%
Blogs — 5%
Other, please specify: — 4%
Another nonprofit resource (VolunteerMatch, UniversalGiving, etc.) — 4%

0% 10% 20% 30% 40% 50% 60% 70%

While only 5% stay informed about the organization whose website they visit most often through a blog and 8% through a social network, almost half of nonprofit website visitors engage in online communities and forums, and this group is more likely than others to engage in several key future behaviors, such as recommending the site and organization. One in three nonprofit visitors to a nonprofit site reads or writes a blog. Since there is a large group of nonprofit site visitors who use social media and who tend to influence others, it will be increasingly important for nonprofits to increase their social media participation in ways that correspond to their specific audiences' needs and interests.

Prospective and current constituents are waiting to be engaged with nonprofits through social media, but each nonprofit must understand the impact and value of their own visitors who are influenced by social media in order to determine an ef ective strategy for their specific online outreach goals.

A Closer Look: The Impact of the Election on Giving

An election year has an effect on donations, but perhaps not quite as much as was previously thought. In our study, only 16% of respondents donated to a political campaign. Of those who did, only 19% said that their political contribution reduced the amount they would have donated to other nonprofit organizations. Therefore only about 3% of all respondents reported that they gave less to other charities because of political contributions.

Conclusion

The downturn in the economy has had a considerable impact on nonprofit organization's budget projections. Resources are tighter, so it is wise to maximize the marketing tools already at an organization's disposal. The website is one of the most valuable tools available to any nonprofit, and these organizations should determine the most effective way to utilize it to drive donations, volunteerism and membership, and word-of-mouth recommendations.

The ACSI methodology demonstrates how satisfaction with certain website elements leads to overall satisfaction and how overall satisfaction determines the likelihood that customers will engage in certain future behaviors. This insight into site visitor audience segments can give nonprofit organizations the intelligence they need to impact key future behaviors of these visitors.

Nonprofits who either continue to be online customer satisfaction leaders or become them will reap the benefits, while those that are unable to deliver on the web will unfortunately feel the economic impact even harder.

About the Author

Larry Freed is an expert on website effectiveness and online customer satisfaction. He is also President and CEO of ForeSee Results, a market leader in customer satisfaction measurement on the web, which utilizes the methodology of the American Customer Satisfaction Index.

About ForeSee Results

As the leader in online customer satisfaction measurement, ForeSee Results captures and analyzes online voice of customer data to help organizations increase sales, loyalty, recommendations, and website value. Using the methodology of the University of Michigan's American Customer Satisfaction Index (ACSI), ForeSee Results identifies the improvements to websites and other online initiatives with the greatest ROI. With over 33 million survey responses collected to date and benchmarks across dozens of industries, ForeSee Results offers unparalleled expertise in customer satisfaction measurement and management. ForeSee Results works with clients across industries and sectors, including nonprofits/charities and associations, retail, financial services, healthcare, hospitality, manufacturing, and government. Recent nonprofit clients include the United States Holocaust Museum, the AARP, and PBS.

ForeSee Results, a privately held company, is located in Ann Arbor, Michigan and on the web at www.ForeSeeResults.com.

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