FUNDRAISING MARKET STUDY FOR DONATIONS-IN-A-BOX

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ABSTRACT

The widespread use of software tools in all aspects of life and work has now spread to the world of fundraising as well. In the last few years there has been a proliferation of software packages for raising funds and these tools have grown in sophistication with each passing year.

This paper suggests ideas for an e-fundraising software product launch in the Greater Vancouver area. Marketing recommendations for the new software tool are suggested based on detailed primary and secondary research conducted by the authors of this paper. An industry analysis has also been done to reach the conclusions of this paper. Due to the limited scope of the market survey conducted for the specific purpose of this paper, further market research should be conducted before the official product launch.

Keywords

e-fundraising; fundraising campaign; donations
EXECUTIVE SUMMARY

Fundraising is no longer restricted to solicitation in person, by telephone, or by direct mail. In the 21st century it has also moved into the realm of cyberspace. Email solicitations are commonplace today and fundraising tools are available as highly sophisticated software packages integrated within the software solutions used by businesses for the efficient operation of their organizations.

The fundraising market is highly saturated. Companies use complex software systems to track donors and raise millions of dollars in donations. Donations-in-a-box, a relatively unknown player, has been launched with the intention of initially capturing the Vancouver market, then extending to the rest of Canada and eventually into the global market.

Secondary research conducted by the authors of this paper has established that while fundraising systems are already in place in bigger organizations, there is room for a bug-free, low priced fundraising software tool in smaller, less structured firms. Primary research was also conducted to understand potential customer perceptions of the existing fundraising software packages in the market as well as to identify customer expectations for any new software that may be launched.

User friendliness, customization potential and affordability were identified as the top three attributes that customers looked for in fundraising software. The authors recommend that Donations-in-a-box focus on these attributes when they promote their software to customers. We further suggest that Donations-in-a-box be promoted as an easy to use tool for raising funds in
organizations for group events and informal activities and thus extend the potential uses of the product.
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GLOSSARY

E-fundraising: The use of information technology to conduct fundraising.
ERP: Enterprise Resource Planning.
URL: Uniform Resource Locator.
Fundraising: For the purposes of this project the term “Fundraising” is not limited to charitable causes. Fundraising can include raising funds for events (baby showers, group trips, pub nights) and other private causes.
SWOT: Strengths, Weaknesses, Opportunities and Threats.
1 INTRODUCTION

1.1 Introduction of Donations-in-a-box

Donations-in-a-box is an innovative web solutions package that has been created by the company for the purpose of fundraising by organizations and individuals. This product has several types of potential users. It can be used by a client to raise funds for a prototype or product they want to roll out, for a new wing of an office building, a school, or anything that requires fundraising from several sources.

The name “Donations-in-a-box” gives a distinct impression of collecting funds for a charity. While this can be one use of the product, the main concept behind the creation of the web tool is to fulfill the broader purpose of raising funds in the for-profit environment as well as in the not-for-profit realm.

Steven Kummer is the sole executive and employee of the company. However, there are 31 private investors interested in the organization’s success. Donations-in-a-box is a web-based tool designed to allow its users to develop a customized fundraising solution. The product is embedded in a well designed web site, which is easy to navigate. A user has to merely set up an account online, follow the instructions to design a fundraising campaign and open a free Paypal account. Once the user has completed these easy-to-follow steps, he or she can use the website to raise funds for a specific project. Potential donors are sent an email informing them about the launch of the campaign and the website url. They can then quickly and securely access the website and provide a
donation to a campaign using their credit card. Currently, Donations-in-a-box is designed
to obtain its revenue as a fixed fee from the fundraiser per campaign; however, this
project must also consider the viability of a model which obtains revenue as a fixed
percentage of the donations made through the web site.

The key features of this product allow users to:

- Create a customized, branded website for fundraising events
- Specify start and finish dates of the campaign as well as the targeted goal of the campaign
- Create customized messages and invite multiple donors to participate in the fundraising campaign
- Receive donations on-line
- Automatically generate receipts for donors
- Monitor actual versus targeted amounts
- Build and manage a donor database that can be used in future campaigns
- Create reports around campaign and donor information.

The Donations-in-a-box product is currently moving from the development phase into the commercialization phase. Management is looking for recommendations surrounding the marketing of this product, with the goal of creating a marketing plan that will effectively move the organization into revenue generation. The developers of this product believe that this niche offering has the potential to be extremely successful in the appropriate market.

1.2 Project Objectives

The objective of this project is to collect, analyze, and report on survey data in an effort to provide marketing recommendations for Donations-in-a-box. The product is ready for commercialization and currently requires identification of a viable target
market. The marketing recommendations must suggest target segments and marketing strategies to ensure the long-term success of the product and of the corresponding service provided by Donations-in-a-box.

This project gives us, the authors of this paper, the opportunity to apply our learning in a commercial situation. The courses we have taken within the Marketing Specialist Masters of Business Administration have equipped us to develop a comprehensive set of recommendations to be used in developing a marketing plan to aid in the product’s roll-out to the market and earn it the desired recognition. Though this product has been ready to go to market for several months now, its launch has been delayed due to the lack of a marketing plan.

1.3 Methodology

We have provided the company with recommendations to be used in developing a comprehensive marketing plan for the Donations-in-a-box product. Based on the data we have collected through both primary and secondary research, we have also provided recommendations for additional research that may be helpful in the further development of this marketing plan.

We have conducted primary research through the use of a questionnaire distributed to participants who were identified as potential Donations-in-a-box users. This selection was based on our own knowledge as well as that of our client, Steven Kummer. The questionnaire was intended to identify competitors within the market as well as identifying the attributes that end users perceive as most important.
Our secondary research includes scholarly articles obtained from research databases and the Internet, articles relevant to this subject that have been published in the popular press in publications such as Fundraising Management, and the Donations-in-a-box business plan.

We have reviewed and discussed this research within the body of the paper, and used our findings to provide the recommendations that appear at the conclusion of this paper.

1.4 Organization of the Paper

The organization of this paper follows the logical progression that we have followed in developing our research objectives, conducting our research, and finally providing conclusions and recommendations for a target market and key attributes of the Donations-in-a-box product. We begin by introducing the reader to the project and its objectives within the first chapter. Chapter two consists of secondary research with respect to the e-fundraising industry, and chapter three introduces our primary research and proceeds to analyze and make conclusions about the data collected. Chapter four looks at Porter’s Five Forces, and is followed by a SWOT analysis in chapter five. In the final chapters, we provide the reader with our conclusions and recommendations; we then close with a discussion of the limitations of our research and our suggestions for the direction of future research.
2 INDUSTRY BACKGROUND

Fundraising is defined by the Encarta Dictionary (2006) as the “organized activity of soliciting and collecting funds for a non-profit or political organization.” However, fundraising does not necessarily need to be restricted to the world of non-profit organizations. Many groups have a need to raise funds in an efficient, cost-effective manner for anything from a charity drive to a large social event. While it is true that many of these campaigns are ultimately non-profit events, many of them are undertaken within a for-profit setting. For the purposes of this paper, and in particular the Donations-in-a-box product, we want to stress that the activity of raising funds is not restricted to non-profit organizations whose sole objective for existence revolves around the collection and distribution of these funds, which are collected for philanthropic purposes. We consider a broader definition that can encompass any group or individual looking to raise funds for any purpose, including both for-profit and not-for-profit goals.

E-fundraising, which “was pioneered in Canada by (the) United Way in 1995” (Kummer, 2003), focuses on the collecting of funds using the Internet. It is the fundraising equivalent to the commercial area of e-commerce. It provides benefits to the individual or organization raising funds as well as to the person providing the contribution. These benefits include the reduced costs associated with collecting funds via an electronic medium, as a result of reducing the amount of labor required by the collecting organization (Harvey and McCrohan, 1988). The need for a staff contact for everyone providing funds during the campaign is eliminated through the use of an e-
fundraising tool. From the point of view of the person providing the funds, there is a greater sense of anonymity throughout the process and an increased ability to provide funds when the desire to do so exists; for example, it is possible to make a donation at 2:00 a.m. during a bout of insomnia, after viewing a documentary on poverty in developing countries.

Different sources provide conflicting numbers related to the cost of collecting funds and the amount of the donation that goes directly to the reason behind the collection of funds. In a business plan created by the company behind the Donations-in-a-box product for a preceding venture within the fundraising market, the cost of raising funds is estimated at approximately 20% or more of all funds collected (Kummer, 2003). A second source also indicates a wide range in the estimated percentage of funds raised that are being used to cover the costs associated with the fundraising event, such as staffing and promotional costs. It is also suggested, based on research conducted, that the cost of raising funds ranged from 5% to over 100% of the funds actually raised (Harvey and McCrohan, 1988). Clearly there are many inefficiencies and accountability issues present in the current systems in use, especially when an organization is spending more funds than it is raising.

Related to the costs behind fundraising and the underlying inefficiencies that are implicitly present, are the pressures that are growing within this market to correct these problems (Harvey and McCrohan, 1988). Pressure has been growing on organizations for many years as individuals become increasingly critical of fundraising methods and of those people managing these fundraising events and the corresponding funds raised. A survey conducted in the late 1980’s produced a strong correlation between an
organization's efficiency and the amount of money given to it. The following table shows the correlation between the level of efficiency and the average dollar donation made. The number 1 represents an organization with a low level of efficiency in use of funds donated to it, while 10 represents a high level of efficiency in the use of donated funds. Every single level change in the efficiency in which donation dollars are used, represented on the x-axis on the table, results in a change of $0.10 per dollar donated. In other words as the efficiency level increases, the amount of funds raised going to cover the organizations costs decreases by $0.10 over the prior efficiency level. The result is more money going to the cause being targeted by the campaign. The table clearly indicates that more efficient firms raise more money as indicated by the $145 average donation (y-axis) going to an organization with an efficiency rating of 10.

Figure 1  Relationship Between Efficiency and Donation.

Data source: Harvey and McCrohan, 1988
With over $203 billion US dollars in charitable donations given by Americans in the year 2000 (Tempel, 2001), it is obvious why efficiency is of such key importance to people and / or organizations donating funds. In addition, the same study also discovered that individuals who did not have any knowledge about how efficient an organization was gave at a level equal to or the level received by organizations which operate ineffectively.

E-fundraising offers assistance in addressing these issues discussed above to help increase the effectiveness of a fundraising event no matter what the size. An on-line solution can help do each of the following (Grenier, 1997):

- Increase the efficiency of the operation.
- Increase the amount of money raised by the campaign
- Improve the targeting of donors
- Improve prospect research
- Reduce the administrative workload
- Improve overall services provided by the fundraiser
- Aid in the identification of areas needing further attention.

Much of the increased efficiency created through an e-fundraising solution comes in the form of labor cost savings, in cases where fundraising staff is being paid a wage, or in the form of time savings when labor is voluntary (and generally in short supply). Studies have estimated that by moving a fundraising campaign on-line, savings of 25% to 50% over the traditional approach can be achieved. In addition, groups can generally
collect real-time information using e-fundraising solutions; this can highlight potential issues early on and increase the accountability of all involved.

The additional advantages are inter-related. By better identifying and targeting donors, groups / organizations can generally raise more funds. Research has shown that targeting a marketing campaign more effectively and directly to individuals or organizations with a higher likelihood to donate funds will increase net proceeds (Soukup, 1983). In other words, although the elimination of those who have a lower probability of donating will reduce costs, revenues will not decrease in proportion with this cost reduction. Once again, the end result is increased funds available from every dollar raised to go directly to the cause behind the campaign. The following table is adapted from the Journal of Marketing Research, August 1983 edition, and shows a study of probabilities for future donation based on prior donation activity. By using the table, an organization can use historical data on donors to predict how likely a donor or a donor with similar characteristics is to donate again. For example, a major donor in a prior campaign has a 75% chance of being a major donor in a future campaign, while a first-time donor has only a 3.7% chance of becoming a major donor in a future campaign. This suggests that it may be more effective to focus efforts on the smaller group of major donors to raise more funds from a smaller group, most likely at a lower cost.
Table 1  Probability Transition Matrix Describing the Movement of Members From 1978 to 1979.

<table>
<thead>
<tr>
<th>State in 1978</th>
<th>Major donor</th>
<th>Lapsed major</th>
<th>First-time donor</th>
<th>Renewed donor</th>
<th>Lapsed donor</th>
<th>Non-donor</th>
<th>New member</th>
<th>Dead or lost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major donor</td>
<td>0.753</td>
<td>0.183</td>
<td>0.000</td>
<td>0.043</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.021</td>
</tr>
<tr>
<td>Lapsed major</td>
<td>0.297</td>
<td>0.666</td>
<td>0.000</td>
<td>0.027</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.010</td>
</tr>
<tr>
<td>First-time donor</td>
<td>0.037</td>
<td>0.000</td>
<td>0.000</td>
<td>0.444</td>
<td>0.490</td>
<td>0.000</td>
<td>0.000</td>
<td>0.029</td>
</tr>
<tr>
<td>Renewed donor</td>
<td>0.064</td>
<td>0.000</td>
<td>0.000</td>
<td>0.711</td>
<td>0.214</td>
<td>0.000</td>
<td>0.000</td>
<td>0.011</td>
</tr>
<tr>
<td>Lapsed donor</td>
<td>0.009</td>
<td>0.000</td>
<td>0.000</td>
<td>0.170</td>
<td>0.798</td>
<td>0.000</td>
<td>0.000</td>
<td>0.023</td>
</tr>
<tr>
<td>Non-donor</td>
<td>0.002</td>
<td>0.000</td>
<td>0.020</td>
<td>0.000</td>
<td>0.958</td>
<td>0.000</td>
<td>0.000</td>
<td>0.020</td>
</tr>
<tr>
<td>New member</td>
<td>0.001</td>
<td>0.000</td>
<td>0.051</td>
<td>0.000</td>
<td>0.928</td>
<td>0.000</td>
<td>0.000</td>
<td>0.020</td>
</tr>
<tr>
<td>Dead or lost</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Data source: Soukup, 1983.

E-fundraising tools, when combined with historical data, would increase the overall effectiveness of the campaign. By using the software to collect and analyze data on donors over time, an organization can highlight characteristics of its strongest clients and use the e-fundraising tool to target this group. This may be as simple as building a database of clients with strong contribution history and designing targeted e-mail campaigns to these individuals. The e-fundraising tool allows you to reduce your costs by using historical data to target future campaigns. Donations-in-a-box should use this advantage when developing future marketing plans.
3 PRIMARY RESEARCH

3.1 Methodology

We conducted primary research in the form of a survey to collect data specific to the situation currently faced by Donations-in-a-box. We began by developing two research questions (Appendix I) to identify what information we were hoping to uncover through our research. The questions we framed focused on a viable target market and the identification of the attributes that are considered important to this target market. The research questions were used to develop a number of investigative questions to help guide the development of our survey (Appendix I). We collected this information to provide Donations-in-a-box with information that can be used to develop a marketing plan that will take the product to a revenue-earning phase.

We circulated our survey, with a focus on obtaining responses from a wide range of potential users. We circulated the surveys primarily through e-mail but also handed out a few hard copies when we were able to meet respondents in person.

Data collection was limited to the Greater Vancouver area within British Columbia, Canada, and was conducted over a two-week period in June of 2006. Our sample size was also limited due to the short time frame available for data collection. Further research should be considered to verify the preliminary results of this research.
3.2 Data Analysis and Results

We collected and analyzed survey data from 30 respondents. The survey consisted of 12 questions, and there was a varying response rate for each individual question. We received responses from 11 industries, including finance, education, healthcare, religion and charity (see Appendix 3-1). We completed statistical analysis for all questions with a 100% response rate and compiled descriptives for all other responses, as statistical validity could not be achieved for any response rate below 100%. All statistical output was created using SPSS and can be reviewed in Appendix 3.

We anticipated that past fundraising campaigns would be indicative of future intention to raise funds. Of our respondents, 53% have participated in past campaigns, while 47% have not (see Appendix 3-2). Of those who had conducted past campaigns, the majority indicated a past tendency to conduct fundraising campaigns on a quarterly and annual basis. The remainder of responses primarily were for monthly or bi-annual campaigns, with a small percentage suggesting intermittent fundraising as demand required.

Seventy-three percent of our respondents indicated their intention to conduct fundraising campaigns in the future, with the remaining 27% indicating no intention of raising funds in the foreseeable future (see Appendix 3-3). Amongst the group indicating an intention to raise funds in the future, 43% had not pursued campaigns in the past. As expected, 100% of those that had conducted fundraising campaigns in the past suggested they would be pursuing funds again in the future (see Appendix 3-4). These results were significant at the 95% confidence level, indicating a strong association between past fundraising campaign and future fundraising campaign. Those respondents planning
future campaigns indicated their frequency of fundraising to mirror the patterns of past campaigns (see Appendix 3-5).

The second component of our survey was designed to determine the key attributes that a potential user would look for in an e-fundraising tool. The attributes identified and included on the survey were as follows:

- User Friendly
- Customizable
- Report Generation
- Real Time Feedback
- Vendor History
- Staff Training
- Cost of Implementation
- Support
- Ongoing Enhancements (Upgrades)
- Price of Software

The attributes were each rated on a seven-point semantic differential scale. The highest means were achieved by the attributes user friendly, support, and price of software. The lowest mean ratings were given to vendor history, staff training, and ongoing enhancements (upgrades). The mean of all attribute ratings fell between 4.7 and 6.7 with an average standard deviation of approximately 1.4 (see Appendix 3-6).

Three of our thirty respondents indicated that they currently have a formal fundraising method in place. What was interesting is that even respondents who indicated no formal method for fundraising have previously used some form of fundraising system. In total, 40% of the respondents have previously used an in-house
fundraising tool and, therefore, were able to rate the effectiveness of their current fundraising software (see Appendix 3-7). The same attributes identified above were used to rate the existing software being used. As a result of obtaining only eleven responses to each of these attributes, we have calculated descriptive statistics only. The highest means were for user friendly, customizable, and support at 4.9. The lowest means were for report generation and staff training at 4.5 and 4.6 respectively. The average standard deviation was approximately 1.9 (see Appendix 3-8).

We included an additional question on the survey to identify respondents’ preferences regarding the fee structure of an e-fundraising tool. Respondents were asked to indicate whether they would prefer a flat fee or a percentage of donations collected as a charge for usage. The responses were relatively evenly divided, with 33% preferring a flat fee and 30% preferring a percentage of donations being charged by the software provider (see Appendix 3-9). The remaining 37% of respondents did not answer this question. We included this question strictly for informational purposes, to offer Donations-in-a-box guidance regarding their pricing strategy.

3.3 Conclusions

The key attributes that potential users of e-fundraising software are looking for include that the software must be user friendly, have support available, and be reasonably priced. We found it interesting that respondents mean ratings for the effectiveness of their current software was in the range of 4.4 to 4.9 on a 7 point scale for all ten attributes included on the survey, including those attributes identified as important to the respondents in question 6 of our survey. This may suggest that current software is not
fully meeting the needs of the consumer (the "importance" and "effectiveness" are not measured using the same scale) and the market may respond positively to a well-designed product focusing on the desired attributes of the users. Donations-in-a-box could increase its market potential by ensuring it is highly effective on the most important attributes identified by the respondents. However, this observation should be viewed cautiously as the numbers for currently used software are taken from descriptive statistics and no statistical validity can be attributed to them.

In addition, the survey results clearly indicate that individuals and organizations that have conducted fundraising campaigns in the past are more likely to conduct future campaigns than those that have not engaged in fundraising historically. Donations-in-a-box should focus marketing efforts on this group of previous fundraisers to ensure any marketing expenditures create the greatest return on investment. By developing and highlighting the attributes most important to the consumer and targeting the group with the highest potential to raise funds, the potential for success of the product launch will be strengthened.
4 FIVE FORCES ANALYSIS

According to Michael Porter, the nature and degree of competition in an industry hinge on five forces: the bargaining power of customers, the bargaining power of suppliers, the threat of new entrants, the threat of substitute products, and the level of competition in an industry. Each of these forces has several determinants and this section discusses each force in the context of the fundraising industry.

4.1 Bargaining Power of Customers

The potential customers of Donations-in-a-box are organizations or groups of people who would purchase the fundraising software.

The fundraising industry is highly competitive, which gives consumers tremendous bargaining power. Fundraising software is “a dime a dozen.” A certain amount of freeware is available as well. These companies, however, charge for additional support and enhancements.

For customers to make the right software choices, they must carefully assess which fundraising software is best for their organizations. The software chosen by each customer will depend upon the objective of the fundraising association, which may be to increase dollars raised, identify areas needing attention, or reduce administrative workload (Grenier, 1997).
Customers of fundraising software vendors like Donations-in-a-box have a high bargaining power due to the highly competitive structure of the market.

4.2 Bargaining Power of Suppliers

The main suppliers for fundraising software are programmers and software developers who, again, are available in abundance. To develop a world-class, bug-free software product, however, requires top-class programmers. Experienced programmers are in great demand and command competitive compensation packages.

While Donations-in-a-box is a ready to launch its software, it will need to recruit a small but competent team of software developers to provide support and develop more complex versions of the software.

The bargaining power of suppliers is high. As highly qualified and talented programmers are in great demand, Donations-in-a-box will have to pay an attractive salary to recruit them. A couple of inexperienced programmers can be recruited at a low salary for junior positions in the team. Inexperienced programmers have low bargaining power.

4.3 Threat of Substitutes

There are several e-fundraising tools available, which offer varying combinations of features. The features range from automated “thank-you” emails and applications that generate reports to complex donor tracking. Fundraising software offered by rival companies would be perfect substitutes for the Donations-in-a-box product.
The indirect substitutes would be manual methods of raising funds through direct mail, soliciting funds in person, and telephoning prospective donors. Each of these methods has its own individual strengths.

The threat of direct substitutes is high. The market is already saturated with fundraising software of varying degrees of sophistication. Each software vendor in the market is seeking to outdo the other in terms of quality, price, and features. Indirect substitutes pose a low level of threat to Donations-in-a-box, as other methods of fundraising cannot outdo the ease-of-use and sophistication of fundraising software.

4.4 Threat of New Entrants

This market is easy to enter, as any company with a suite of software products like accounting software applications, financial software, or inventory tracking software can launch a fundraising software product as well. Apart from that, many independent software creators are constantly scouting for opportunities to create customized software to address market requirements.

The threat of new entrants ranged from medium to high. The market is already saturated. So it may not be very attractive to someone who is looking for high profit margins. Software vendors who are already developing software applications for other purposes may enter the market by tailoring their existing applications to suit fundraising organizations as well.
4.5 Intensity of Competitive Rivalry

The existing competitors for Donations-in-a-box are both in Canada and the United States. The competitive rivalry is intense, with each fundraising software provider trying to outdo the other in providing better features and customized software packages.

A brief description of some of the leading fundraising software providers in North America, along with the salient features of their fundraising software, follows.

4.5.1 Fundraiser Software

Founded in 1985, FundRaiser Software has grown from serving local nonprofit organizations to become a company with an international presence. It has clients in all 50 states of the US and in more than 20 countries (including Canada) around the world (Fundraiser Software, 2006). It sells three different software product types catering to three different user groups.

These are explained below.

1) Fundraiser Basic: This is its entry-level program. It can comfortably hold a donor and prospect list of up to 50,000 names with an unlimited number of contributions from each.

2) Fundraiser Select: This builds on the capabilities of Basic by adding unlimited coding, more data fields, more Query flexibility, more reports, a better word processor and a multi-user option.
3) Fundraiser professional: The flagship program; it adds many new and more powerful reports, merge functions, and grouping criteria. It explodes the capabilities of FRBasic and FRSelect in every area of the program, and adds totally new features not found in FundRaiser Select.

4.5.2 Blackbaud

Blackbaud is the leading provider of software and services designed specifically for nonprofit organizations. It provides a range of web based solutions that include fundraising software, fund accounting software, and prospect research solutions among others. Its impressive list of clients includes American Red Cross, Detroit Zoological Society, Mayo Foundation, New York Philharmonic, and the United Way of America (Blackbaud, 2006).

4.5.3 Donor Perfect Fundraising Software

This company has been providing Professional Donor Relations Management software for 20 years (Donorperfect Fundraising Software, 2006). The company claims to set the standard with DonorPerfect as the easiest, most flexible and cost-effective fundraising management software system available. Its clients include Unicef worldwide, Catholic Social Services, and the United Cerebral Palsy Association.

4.5.4 eTapestry

eTapestry is fundraising software designed to significantly compress the time and effort required for every task associated with donor cultivation. In its simplest form, eTapestry is software you run over the Internet (eTapestry, 2006). It tracks donors, prospects or alumni while managing gifts, pledges, and payments. The software works
differently than traditional software because it is a rental application. The eTapestry staff handles all maintenance, data storage, updates, and care. Customers can access their data whenever and wherever they want, over any Internet connection.

Because it was designed to run on the Internet, eTapestry can be fully integrated with a client’s existing web site. Simple links allow customers to give specified and secured access to anyone - board members, volunteers, donors, and staff. The client company site becomes the communications source for the whole organization.

4.5.5 Convio Fundraising

More than a "donate now" button on a Web site, Convio Fundraising helps clients build and foster relationships with their donors and members through online campaigns. With Convio Fundraising, one can quickly build online donation forms and easily modify them for different types of fundraising campaigns such as annual pledge drives or capital campaigns, or quickly create a micro-site to drive giving in response to an urgent event (Convio, 2006). Clients can also customize online information, gift levels, and specific campaigns to individual donor preferences, thus helping the organization achieve significant growth in online gifts. As the clients create campaigns, Convio Fundraising guides them through the online fundraising practices built directly into the software. Clients include high profile not-for-profit organizations like American Diabetes Association, Chicago Public Radio, and Carnegie Museums.

4.5.6 Helix

Helix is a leading provider of cost-effective, enterprise-wide fundraising and community support software to nonprofit organizations (Andar Fundraising Sofwtare,
2006). Drawing on its fifteen years of service and experience with the nonprofit sector, Helix offers within its “Andar Fundraising Software,” an integrated suite of products that addresses the various missions of nonprofits. United Way is its biggest customer.

4.5.7 Donor 2

Donor 2 is an award winning fundraising software that offers a full-service plan, partnership, and solution for all its customers’ fundraising software, prospect research tracking, and non profit accounting software needs (Donor2, 2006). The product features include a comprehensive donor/prospect record that allows customers to quickly retrieve and report on giving history, comments, education, employment, biographical profile, demographic statistics, etc. Automated thank you notes, acknowledgement letters, newsletters etc., a suite of advanced management reports, and other optional modules for planned giving, credit card processing, etc. are provided as well.

4.5.8 SofTrek

The Pledgemaker-online-hosted fundraising software developed by SofTrek enables users anywhere in the world with an internet connection to develop, track and manage prospects, resources, and funds with the goal of maximizing revenue (Pledgemaker Fundraising Software, 2006). It currently has 350 clients, including American Center for Law and Justice, Red Cross, Lincoln Center for the Performing Arts, and The Metropolitan Museum of Art.

4.6 Conclusion

Having considered each of these five forces with respect to Donations-in-a-box, we estimate that the bargaining power of customers is high. Availability of a wide range
of fundraising software with varying degrees of sophistication gives customers a variety of choices. In addition, the price of the software can be negotiated to the customer’s advantage since there are many software vendors. The bargaining power of suppliers can be high depending on the qualifications and experience of the software programmers. Less qualified and experienced programmers will have lesser bargaining power. The threat of new entrants ranges from high to medium. Software vendors selling other applications can easily develop fundraising software as well. They pose a high threat to Donations-in-box. Newer players may be deterred from entering the market due to it being over-saturated. The threat of direct substitutes is strong while the threat of indirect substitutes like fundraising over telephone or in person is considered weak. The market has easy entry and exit options. The level of competition in the industry is high and can drive down the cost of software and services.
5 SWOT ANALYSIS ON DONATIONS-IN-A-BOX

In this section we analyze the strengths, weaknesses, opportunities, and threats (SWOT) of Donations-in-a-box. SWOT helps a firm to develop strategies that successfully match what the firm does best with profitable new market opportunities (Solomon et al., 2003).

5.1 Strengths

One of the key strengths of Donations-in-a-box is that the product is easy to set up and use. It needs not be integrated with any other software application and can function independently on its own. It is also designed to be flexible in its applicability. It can be used for small fundraising purposes like a baby shower or by a small office to donate to the local orphanage. Any lay person can log in and set up an account. In a few easy steps he or she can then set up an online fundraising campaign as well. Using Donations-in-a-box does not require any special training—this is one of its greatest strengths.

Most of the other software products being offered by bigger companies require an elaborate setup procedure and staff training. They are not meant for casual uses like raising money for small events or group projects. Donations-in-a-box is unique because of its easy-to-use features and customizability.
5.2 Weaknesses

The software is yet to be tested professionally for usability and bugs. The authors of this paper have themselves tested it and found that it needs further refining. Some instructions for setting up a fundraising campaign are unclear and there are some dead links that need to be removed.

The unstructured manner in which the software is currently positioned can lead to some ambiguity about its usage. The name “Donations-in-a-box” sounds very much like a software tool for charity. While the idea of taking this product out of the not-for-profit realm is interesting, it could lead to a lot of confusion in the minds of users.

Also, since the company is not known in the software market, big organizations are unlikely to purchase this software. Since the company does not sell other software it cannot offer a whole suite of products like other companies in the market. The Donations-in-a-box software functions independently and does not currently have the flexibility of integrating with other software like the way eTapestry or the Helix software can.

5.3 Opportunities

The software can be set up like evite; “the social-planning website for creating, sending, and managing online invitations” ("evite", n.d.).

The easy-to-use structure of the Donations-in-box website, coupled with the need for a fundraising tool for small, casual, not-for-charity events, could make this website as popular as evite. Donations-in-a-box has tremendous opportunity in this as-yet-untested
market of raising funds for social events. This is supported by the primary research where the top two rated attributes by respondents were user friendliness and customizing potential. These directly relate to the "evite structure" we are suggesting for Donations-in-a-box.

Our primary research indicated that none of the respondents had a commercial fundraising product and all were using products developed in-house. This gives Donations-in-a-box an opportunity to offer an economical and more viable software product to these organizations by demonstrating that it effectively meets the requisite attributes ratings identified by the users.

5.4 Threats

Unless a new product can catch the imagination of the public it is difficult to predict its viability. There are too many fundraising tools in the market and customers are suspicious of any new entrants. Software products are easy to imitate and even if Donations-in-a-box positions itself differently from others, it can be replicated easily. A company gets a very narrow lead time when it enters a new market and Donations in the box may not be able to penetrate the market quickly enough before other companies copy its web solution.

5.5 Conclusion of SWOT Analysis

To sum up, Donations-in-a-box has strengths in its flexibility and unstructured software setup. While one of its biggest weaknesses is that it is an unknown player in a burgeoning market, it can gain market share by not competing with big companies directly.
The biggest opportunity that Donations-in-a-box has is that it can position itself as a fundraising tool for social events like group trips or wedding showers. Since the software is not linked to any other application it can be used independently by small groups to raise funds for charitable causes as well.

To market the software effectively, the company will have to use strong marketing strategies to position itself as a tool that any layperson can use to raise funds. At the same time, it will have to counter the threat of imitation by other players through a rapid market penetration strategy.
6 CONCLUSIONS

When we began this project our objectives were as follows:

- To identify a viable target segment for the donations-in-a-box product within the fundraising market that will allow the product to be moved from the development phase to a profit-generating phase.

- To determine customer expectations of a fundraising software that will allow Donations-in-a-box to develop a product that will be successful in the market.

- To provide the client with market research data that can be used to develop a full-fledged marketing plan.

Subsequent to our research we have identified that the potential market for Donations-in-a-box is in the smaller, grassroots-level firms that require fundraising software tools. Based on our industry analysis we have concluded that bigger organizations with structured and complex software systems in place would not find a suitable fit in their software structure for a tool like Donations-in-a-box. Since their fundraising software is integrated with their accounting software and most big organizations also have ERP software in place it would be difficult for Donations-in-a-box to find a viable market within this group of users.

In our primary research, we asked the respondents to rate ten attributes that we had identified as being important to fundraising software users through our secondary
research. On analysis of the data we were able to identify the most and least important attributes that users looked for in e-fundraising tools.

The most important attributes sought by customers are user-friendliness and customizability. The Donations-in-a-box fundraising software has both these key attributes. The company must promote these attributes in its marketing efforts, so that customers are enticed to buy this software.

The results derived from our market research can now be utilised as the foundation towards the development of a full-fledged marketing plan. This plan is crucial to the organization as the product has completed the development phase and needs to move towards the commercialization phase.
7 RECOMMENDATIONS

Based on the detailed secondary research and primary research conducted by us, we present the following recommendations.

Donations-in-a-box should target smaller, less structured organizations. Big organizations have ERP software in place that integrates their fundraising software with their accounting software. It would be difficult, if not impossible, for Donations-in-a-box to target larger firms with established software systems in place. The company should seek out small organizations with more informal fundraising campaigns that would use Donations-in-a-box for small-scale fundraising purposes.

Another suggestion is that the Donations-in-a-box website can be promoted similarly to the evite website, as previously mentioned in the SWOT section. In much the same way that people use evite for party planning and invitations, they can use Donations-in-a-box for throwing surprise wedding or baby showers or other parties. Groups of people can use the website to collect funds for gatherings and similar fundraising activities. Once the use of Donations-in-a-box becomes prevalent in major cities and the software gains critical mass, the company should become profitable.

Our primary research strongly indicates that targeting past campaign participants may reap rich results. For instance, within our sample, 100% of the respondents who had conducted campaigns in the past indicated that they would do so again in the future.
Donations-in-a-box must examine their product after reviewing the attributes that respondents considered important and unimportant. The focus of the fundraising software must be on the important attributes of user-friendliness and customizability. All marketing efforts must highlight these two attributes of the software as well.

Donations-in-a-box must also be careful not to price itself out of the market as all the respondents ranked price as a key issue. Initially Donations-in-a-box will have to give away its software for free. Once it gains acceptance in the market, the company can charge a suitable price for the software.

If Donations-in-a-box focuses excessively on providing support for the software and promoting its past reputation as a software vendor then it could be wasting resources, as customers are not interested in these attributes.
8 LIMITATIONS AND FUTURE RESEARCH

The survey is certainly limited in its external validity because of the small sample size. Generalizing the responses to the entire Vancouver market could be misleading because only 30 professionals from a few industries were surveyed.

Additionally, since the respondents are limited only to the Greater Vancouver area, the findings cannot be extended to a larger global market.

We would strongly recommend that future research be conducted over a larger sample size with representation from a wider range of industries and geographic regions. A comparison between industries and geographical markets with different demographics would indicate attributes which are favoured by each market. This would enable Donations-in-a-box to tailor its product to suit different market segments as well as promote the attributes which are important to customers in each market.

In our research, we were unable to get 30 respondents to try the Donations-in-a-box software. Hence the respondents have not been able to rate the software features. For the purpose of further product research and development, respondents must use the product and rate it on each attribute.

In addition, having the respondents rate the Donations-in-a-box software against their current software would give the company a realistic view of where the product ranks with respect to competitors. In particular, the ten attributes discussed within the primary
research section of the paper could be used to determine how the software compares on key attributes.
APPENDICES
Appendix 1 - Research Objectives & Investigative Questions

Project Name: Donations-in-a-box
Customer Project Sponsor: Steven Kummer
Date: May 10, 2006
Project Managers: Sunita Sriram
                    Kent McParland

Research Objectives:

The objective of this research is:

1. To identify a viable target segment for the donations-in-a-box product within
   the fundraising market that will allow the product to be moved from the
development phase to a profit-generating phase.

2. To determine customer expectations of a fundraising software product that
   will allow Donations-in-a-box to develop a product that will be successful in
   the market.

3. To provide the client with market research data that can be used to develop a
   full fledged marketing plan and take this fundraising product to market
   successfully.

Investigative Questions:

1. What types of organizations currently use or have a potential need for a web-
   based fundraising tool?

2. Of those organizations that currently use or have a potential need for a web-
   based fundraising tool, what are the key attributes that they require in these
   products?

3. What are the current products being used within the fundraising market to
   initiate and monitor fundraising campaigns?
Appendix 2 - E-Fundraising Marketing Survey

Thank you for taking a few minutes to fill out this questionnaire. This research is being conducted to obtain data to enable a local company to launch a new fundraising software. For the purposes of this project the term “Fundraising” is not limited to charitable causes. Fundraising can include raising funds for events (baby shower, group trips, pub nights) and other private causes.

This survey is also part of the applied project required to be submitted in the final semester by the MBA students of the Segal Graduate School of Business, Simon Fraser University.

Participation in this survey is voluntary. Your responses will be anonymous and confidential. You must be at least 19 years of age to participate.

For additional information please contact the researchers at ssriram@sfu.ca and kbmcparl@sfu.ca.

Section A

For all questions, please read each question and the corresponding answers, then place a check mark in the box of the answer that applies to your organization. Questions requiring a written response will be indicated by a line provided for your response.

Questions 6 and 10 require a selection of a rating between 1 and 7 (see instructions within question).

1. Please identify the industry in which your organization is currently doing business?

2. Has your organization ever conducted a fundraising campaign in the past? (If no, proceed to question 4)

   □ Yes       □ No

3. How often do you conduct a fundraising campaign?

   □ Monthly       □ Quarterly       □ Bi-annually
   □ Annually      □ Other (Please indicate frequency ____________)

   36
4. Do you anticipate that your organization will conduct a fundraising campaign in the future?

☐ Yes    ☐ No

5. Do you believe this will become a regular occurrence and if so how often?

☐ No    ☐ Monthly    ☐ Quarterly
☐ Bi-annually    ☐ Annually
☐ Other (Please indicate frequency __________)
Section B

6. Which of the following attributes would you want to see in a web-based fundraising tool?

Please circle a number (representing a rating) for each attribute; with 1 being unimportant and 7 being important.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Rating (1 To 7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>User Friendly</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Customizable</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Report Generation</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Real Time Feedback</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Vendor History</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Staff Training</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Cost of Implementation</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Support</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Ongoing Enhancements</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>(Upgrades)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Price of Software</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>

7. Do you currently have a formal method of conducting and monitoring fundraising campaigns? (If no, proceed to question 12)

☐ Yes ☐ No

8. Do you use a commercial product or a system that has been custom developed for your organization?

☐ Commercial ☐ In-house

9. If a commercial product, what is the name?

_________________________
10. Rate this system on how effective you believe it to be

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Rating (with 1 being very ineffective and 7 being very effective)</th>
</tr>
</thead>
<tbody>
<tr>
<td>User Friendly</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Customizable</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Report Generation</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Real Time Feedback</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Vendor History</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Staff Training</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Cost of Implementation</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Support</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Ongoing Enhancements (Upgrades)</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Price of Software</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>
11. Would you prefer a fundraising tool to charge a flat fee per use or be based on a percentage of the overall donations collected?

☐ Flat Fee  ☐ % of donations collected

12. Please feel free to provide any additional comments or suggestions:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Thank you for your participation!
Appendix 3 – Data Analysis

3-1 Industry Breakdown

Question 1 – Identification of industry in which the respondent currently operates in.

Statistics

<table>
<thead>
<tr>
<th>Type of organization</th>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>30</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of organization</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>3</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Charity</td>
<td>3</td>
<td>10.0</td>
<td>10.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Education</td>
<td>4</td>
<td>13.3</td>
<td>13.3</td>
<td>33.3</td>
</tr>
<tr>
<td>Financial</td>
<td>5</td>
<td>16.7</td>
<td>16.7</td>
<td>50.0</td>
</tr>
<tr>
<td>Health</td>
<td>3</td>
<td>10.0</td>
<td>10.0</td>
<td>60.0</td>
</tr>
<tr>
<td>IT</td>
<td>4</td>
<td>13.3</td>
<td>13.3</td>
<td>73.3</td>
</tr>
<tr>
<td>Law Enforcement</td>
<td>1</td>
<td>3.3</td>
<td>3.3</td>
<td>66.7</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1</td>
<td>3.3</td>
<td>3.3</td>
<td>70.0</td>
</tr>
<tr>
<td>Recreation</td>
<td>4</td>
<td>13.3</td>
<td>13.3</td>
<td>83.3</td>
</tr>
<tr>
<td>Religion</td>
<td>3</td>
<td>10.0</td>
<td>10.0</td>
<td>93.3</td>
</tr>
<tr>
<td>Retail</td>
<td>1</td>
<td>3.3</td>
<td>3.3</td>
<td>96.7</td>
</tr>
<tr>
<td>Telecom</td>
<td>1</td>
<td>3.3</td>
<td>3.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The above table provides a breakdown of the industries in which the respondents to our questionnaire are currently working within. The results suggest the greatest number of respondents operate within the financial industry at 16.7%.
3-2 Frequencies of Past Campaign Conducted

Question 2 – Number of respondents whose organizations have conducted a fundraising campaign in the past.

| Statistics |
| Past campaign |
| N Valid | 30 |
| Missing | 0 |

<p>| Past campaign |
| --- | --- | --- | --- |</p>
<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>No</td>
<td>14</td>
<td>46.7</td>
</tr>
<tr>
<td>Yes</td>
<td>16</td>
<td>53.3</td>
<td>53.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The results of question 2 of our survey indicate that 16 of the respondents' organizations have conducted fundraising in the past while 14 have not.

Frequencies

Question 3 – The frequency with which respondents have conducted fundraising campaigns in the past.

| Statistics |
| frequency of fundraising |
| N Valid | 21 |
| Missing | 9 |
The chart above shows the frequency with which respondents have conducted fundraising campaigns in the past. The y-axis indicates the number of actual respondents.
belonging to each frequency grouping and the x-axis is broken down by frequency groupings. The frequency groupings are as follows:

1 - Monthly
2 - Quarterly
3 - Bi-annually
4 - Annually
5 - Other
3-3 Intention of Respondents to Conduct Fundraising Campaigns in the Future

Question 4 – Intention of survey respondents to conduct future fundraising campaigns.

<table>
<thead>
<tr>
<th>Fundraising in Future</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>No</td>
<td>8</td>
<td>26.7</td>
<td>26.7</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>22</td>
<td>73.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
The above histogram shows the intention of respondents towards conducting future fundraising campaigns. Twenty-two of the respondents intend to conduct some type of future fundraising campaigns. In this output “0” means No and “1” means Yes.

### 3-4 Relationship Between Past Fundraising Campaigns and Future Fundraising Campaign Intentions

Questions 2 & 4 – Responses from question two regarding past fundraising and question four regarding future intentions to fundraise are compared to identify any relationship.

<table>
<thead>
<tr>
<th>Case Processing Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cases</strong></td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>N</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Past campaign * Fundraising in Future</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Past campaign * Fundraising in Future Crosstabulation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fundraising in Future</strong></td>
</tr>
<tr>
<td><strong>No</strong></td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>Past campaign No Count</td>
</tr>
<tr>
<td>% within Past campaign</td>
</tr>
<tr>
<td>Yes Count</td>
</tr>
<tr>
<td>% within Past campaign</td>
</tr>
<tr>
<td>Total Count</td>
</tr>
<tr>
<td>% within Past campaign</td>
</tr>
</tbody>
</table>
Symmetric Measures

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal by</td>
<td>Phi</td>
<td>.645</td>
</tr>
<tr>
<td>Nominal</td>
<td>Cramer’s V</td>
<td>.645</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>30</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Not assuming the null hypothesis.
b. Using the asymptotic standard error assuming the null hypothesis.

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>12.468</td>
<td>1</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuity Correction</td>
<td>9.717</td>
<td>1</td>
<td>.002</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>15.673</td>
<td>1</td>
<td>.000</td>
<td>.001</td>
<td>.001</td>
</tr>
<tr>
<td>Fisher’s Exact Test</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>12.052</td>
<td>1</td>
<td>.001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Computed only for a 2x2 table
b. 2 cells (50.0%) have expected count less than 5. The minimum expected count is 3.

* This shows that it is less than 0.05, therefore the crosstabs is significant at a 95% confidence interval

Symmetric Measures

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal by</td>
<td>Phi</td>
<td>.645</td>
</tr>
<tr>
<td>Nominal</td>
<td>Cramer’s V</td>
<td>.645</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>30</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Not assuming the null hypothesis.
b. Using the asymptotic standard error assuming the null hypothesis.

The results suggest that there is a relationship between previous fundraising and the intention to conduct future fundraising. One hundred percent of respondents who have conducted fundraising campaigns in the past indicated they intend to conduct future
fundraising campaigns. In contrast, only 43% of respondents who have not conducted fund raising in the past intend to conduct a fundraising campaign in the future.

### 3-5 Intention of Future Frequency of Fundraising Campaigns

*Question 5 – Intended frequency of respondents to conduct future fundraising campaigns.*

#### Statistics

<table>
<thead>
<tr>
<th>Future -How often</th>
<th>N</th>
<th>Valid</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>29</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Future -How often</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>6</td>
<td>20.0</td>
<td>20.7</td>
<td>20.7</td>
</tr>
<tr>
<td>Quaterly</td>
<td>5</td>
<td>16.7</td>
<td>17.2</td>
<td>37.9</td>
</tr>
<tr>
<td>Bi-Annually</td>
<td>7</td>
<td>23.3</td>
<td>24.1</td>
<td>62.1</td>
</tr>
<tr>
<td>Annually</td>
<td>5</td>
<td>16.7</td>
<td>17.2</td>
<td>79.3</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>20.0</td>
<td>20.7</td>
<td>100.0</td>
</tr>
<tr>
<td>No</td>
<td>29</td>
<td>96.7</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>96.7</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>1</td>
<td>3.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The chart above shows the belief of respondents regarding how often they believe fundraising will be conducted in their organization on a regular basis. The y-axis indicates the number of actual respondents belonging to each frequency grouping and the x-axis is broken down by frequency groupings. The frequency groupings are as follows:

1 - Monthly
2 - Quarterly
3 - Bi-annually
4 - Annually
5 - Other
6 - No (Inconsistent)
3-6 Rating of Importance on the Attributes of Web-Based Fundraising Tools

Question 6 – Rating of importance of attributes with respect to web-based fundraising tools by respondents.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>User Friendly</td>
<td>30</td>
<td>6.667</td>
<td>1.12444</td>
<td>.20529</td>
</tr>
<tr>
<td>Customizable</td>
<td>30</td>
<td>5.333</td>
<td>1.62594</td>
<td>.29685</td>
</tr>
<tr>
<td>Report Generation</td>
<td>30</td>
<td>5.367</td>
<td>1.29943</td>
<td>.23724</td>
</tr>
<tr>
<td>Real Time Feedback</td>
<td>30</td>
<td>5.567</td>
<td>1.38174</td>
<td>.25227</td>
</tr>
<tr>
<td>Vendor history</td>
<td>30</td>
<td>4.700</td>
<td>1.53466</td>
<td>.28019</td>
</tr>
<tr>
<td>Staff Training</td>
<td>30</td>
<td>4.900</td>
<td>1.70900</td>
<td>.31202</td>
</tr>
<tr>
<td>Cost of Implementation</td>
<td>30</td>
<td>5.967</td>
<td>1.29943</td>
<td>.23724</td>
</tr>
<tr>
<td>Support</td>
<td>30</td>
<td>6.067</td>
<td>1.17248</td>
<td>.21406</td>
</tr>
<tr>
<td>Upgrades</td>
<td>30</td>
<td>4.933</td>
<td>1.70057</td>
<td>.31048</td>
</tr>
<tr>
<td>Price of Software</td>
<td>30</td>
<td>6.000</td>
<td>1.41421</td>
<td>.25820</td>
</tr>
</tbody>
</table>

The results of the survey indicate that the most important attribute with respect to a web-based fundraising tool is how user friendly it is as the mean response to this attribute rated 6.7 on a 7 point scale. The least important attribute is vendor history with a mean response of 4.7.

3-7 Current Method of Conducting and Monitoring a Fundraising Campaign

Question 7 – Breakdown between respondents who currently have a formal method of conducting and monitoring a fundraising campaign and those who do not have a formal system.
Twenty-seven of the thirty respondents do not have a formal method of conducting and monitoring a fundraising campaign.

Question 8 – Breakdown between use of in-house and commercial systems to conduct and monitor fundraising campaigns.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>27</td>
<td>90.0</td>
<td>90.0</td>
<td>90.0</td>
</tr>
<tr>
<td>Yes</td>
<td>3</td>
<td>10.0</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Only twelve respondents answered this question regarding use of in-house versus commercial fundraising systems, all of which use some form of in-house system.
3-8 Attribute Ratings of Current Fundraising Systems

Question 10 – Attribute ratings of current fundraising systems being used by survey respondents.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>User Friendly</td>
<td>11</td>
<td>1.00</td>
<td>6.00</td>
<td>4.9091</td>
<td>1.51357</td>
</tr>
<tr>
<td>Customizable</td>
<td>11</td>
<td>1.00</td>
<td>7.00</td>
<td>4.9091</td>
<td>2.02260</td>
</tr>
<tr>
<td>Report Generation</td>
<td>11</td>
<td>1.00</td>
<td>7.00</td>
<td>4.4545</td>
<td>2.01810</td>
</tr>
<tr>
<td>Real Time Feedback</td>
<td>11</td>
<td>1.00</td>
<td>6.00</td>
<td>4.6364</td>
<td>1.62928</td>
</tr>
<tr>
<td>Vendor history</td>
<td>11</td>
<td>2.00</td>
<td>7.00</td>
<td>4.7273</td>
<td>1.48936</td>
</tr>
<tr>
<td>Staff Training</td>
<td>11</td>
<td>2.00</td>
<td>7.00</td>
<td>4.6364</td>
<td>1.85864</td>
</tr>
<tr>
<td>Support</td>
<td>11</td>
<td>2.00</td>
<td>7.00</td>
<td>4.9091</td>
<td>2.02260</td>
</tr>
<tr>
<td>Upgrades</td>
<td>11</td>
<td>1.00</td>
<td>7.00</td>
<td>4.5455</td>
<td>1.86353</td>
</tr>
<tr>
<td>Price of Software</td>
<td>11</td>
<td>1.00</td>
<td>7.00</td>
<td>4.7273</td>
<td>2.32770</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Respondents who currently use some form of fundraising tools have indicated that the strongest feature of these tools how user friendly they are and the customizability of the tools. It should be noted that all these mean responses are lower than the desirable responses given in question 6 (see appendix 3-6).
3-9 Fee Structure

Question 11 – Indicates respondents preference between a flat fee for use of a web-based fundraising tool and a percentage of overall donations collected.

<table>
<thead>
<tr>
<th>Fee Structure</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Valid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat Fee</td>
<td>10</td>
<td>33.3</td>
<td>52.6</td>
<td>52.6</td>
</tr>
<tr>
<td>Percentage</td>
<td>9</td>
<td>30.0</td>
<td>47.4</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19</td>
<td>63.3</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td><strong>Missing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>11</td>
<td>36.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>30</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Respondents were almost evenly divided between paying a flat fee versus a percentage of donations collected for a web-based fundraising tool.
REFERENCE LIST


