

2010 Nonprofit Text Messaging Benchmarks

An analysis of mobile advocacy and mobile fundraising metrics
for nonprofit organizations.

www.e-benchmarksstudy.com/mobile

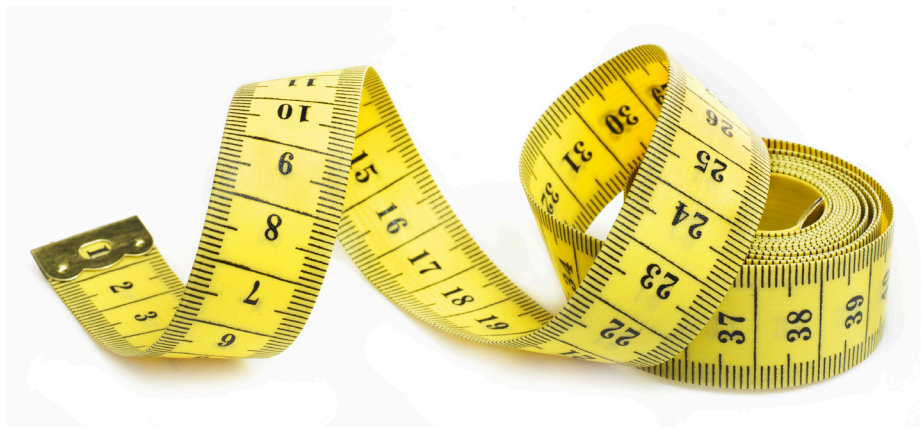
Researched and Prepared by



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Acknowledgements

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M+R is dedicated to helping our clients advance their missions in order to bring about positive change. We do this by helping organizations and campaigns we believe in develop smart and effective strategies, hone their messages, mobilize their members, build grassroots support, raise money, and communicate effectively with the media, the public, and decision makers, both online and offline.

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We are a network of more than 10,000 people and organizations who use mobile technology for social change. We conduct research, connect people through conferences and events, and we advance the use of mobiles for NGOs and civil society organizations through tactical guides and our blog. We also maintain a database of mobile applications, research, case studies, and strategy resources for nonprofit organizations.

Visit us online at www.mobileactive.org.

The complete report is available free online at: www.e-benchmarksstudy.com.

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Introduction

After a devastating 7.0-magnitude earthquake struck Haiti on January 12, 2010, media, government officials, and users of social networking sites urged others to make charitable gifts to relief organizations. But there was something new about these pleas to give. For the first time in the United States, text messaging ranked alongside websites and telephone numbers as a primary giving medium. After the disaster struck, the American Red Cross worked with mGive to set up a text donation program that resulted in more than one million Americans donating over \$26 million within nine days of the disaster through \$10 text donations.¹ In fact, the Red Cross's mobile fundraising campaign for Haiti emergency response efforts is the largest grossing to date.²

The Haiti earthquake marked a turning point in mobile giving. It showed that text messaging can be a far-reaching tool for immediate engagement. Nearly 90 percent of Americans own mobile phones,³ and text messaging has become an all but ubiquitous part of American life. Because mobile phones are the one device that most people keep handy at all times, text messaging offers nonprofit organizations a powerful technology for fundraising, recruitment and engagement.

American nonprofits are beginning to utilize text messaging (also known as SMS, which stands for "short messaging service") more than any other mobile phone technology because of its versatility and market penetration. In addition to its fundraising potential, text messaging can be used to communicate breaking news and information, prompt supporters to call lawmakers or deliver information about the positions of a candidate or corporation (see more under "What types of messages are organizations sending?").

As the following pages will demonstrate, text messaging is especially well-suited for certain types of advocacy engagement, such as call-in alerts. At the same time, text messaging has substantial limitations. To start, the 160-character limit of a text message leaves little space to make a case for giving or taking action. Furthermore, in most cases, American mobile carriers charge both the sender and recipient for each text message. In terms of fundraising, it wasn't until late 2007 that organizations could solicit donations from subscribers in the U.S., and even now supporters can only donate in amounts of \$5 and \$10.

In its current form, text messaging is most effective as part of a multi-channel communications strategy. For the foreseeable future, email, web and direct mail are likely to continue to be the primary means by which organizations communicate with supporters, raise money and generate action. However, text messaging can reinforce messages from other channels, provide an immediate engagement opportunity in urgent situations, and serve as a key part of a broader communications strategy.

The 2010 Nonprofit Text Messaging Benchmarks report is the first of its kind. A joint venture between

M+R and MobileActive.org, the aim of this study is two-fold: 1) To provide benchmarks and metrics by which nonprofit organizations can measure their success with text messaging; and 2) to illustrate the various ways in which organizations are using text messaging.

Because text messaging technology is still relatively rare among nonprofit organizations, the study is limited to six partner organizations that ran vibrant programs and collected useful data. As more groups implement text messaging programs, there will likely be a maturation of tactics and an increase in the availability of data that will have an impact on future benchmarks studies. You can learn more about methodology under “About.”

Key Findings

- **Among the organizations that participated in this study, over 80 percent of text subscribers were recruited via an online program.** However, some organizations – especially those with a strong presence at events (notably concerts) or with a television advertising budget – can generate a sizeable number of recruits through these “offline” channels.
- **Text messaging lists grew at an annual rate of 49.5 percent.** This rate is quite high, in large part because many partner organizations are building their text lists by drawing from existing supporters.
- **The annual churn rate for text lists was 30.7 percent.** The benchmark text message unsubscribe rate was 0.69 percent. Unsubscribe rates varied somewhat by messaging type, with fundraising solicitations seeing the highest unsubscribe rate of 0.92 percent.
- **The response rate for call-in advocacy text messages (text messages urging a supporter to make a call to a decision-maker on behalf of the organization) was 4.7 percent** – is nearly six times the 2009 benchmark response rate of 0.82 for call-in advocacy emails.⁴ This rate is impressive, and indicative of the power of text messaging to generate an immediate response.

List Size

List Growth

Because mobile programs are relatively new endeavors for many nonprofits, text list growth is currently quite rapid, occurring at a median rate of 49.5 percent annually. The smaller an organization's initial list is, of course, the easier for that organization to grow its list at a rapid rate, especially if it can draw from existing pools of subscribers (such as via email or direct mail). The median monthly mobile list growth rate was 2.6 percent, but growth rates increased dramatically when organizations ran recruitment campaigns, in some cases exceeding 10 percent (and sometimes upwards of 30 percent).

Each of the organizations that participated in the study already had a robust email messaging program that fueled the early growth of its text messaging list. Most of these organizations have added a field to their online forms to collect mobile numbers, opting existing email supporters into receiving text messages from the organization.

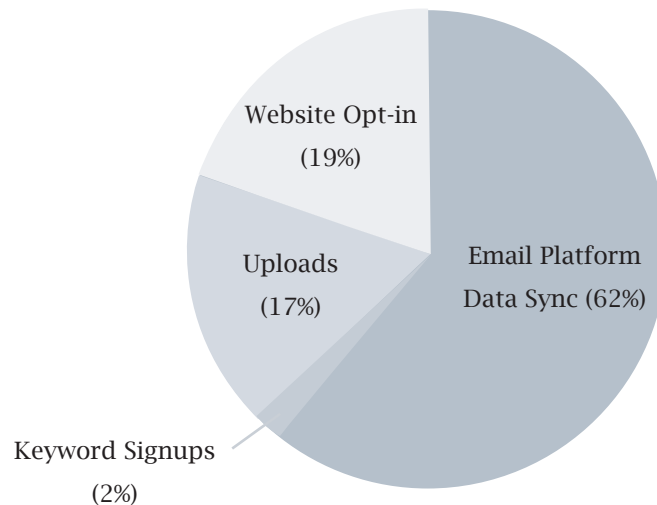
In most cases, the primary source of new recruits to a text messaging program was the organization's existing email program. In turn, many groups have built their email lists through successful advocacy campaigns. With each new action alert, these organizations were able to generate a steady stream of new mobile text subscribers by including a field for mobile phone number in a standard advocacy form.

But even absent a large email list, text messaging can be a useful recruitment mechanism for organizations with a strong off-line presence. Television ads and events can provide opportunities for text list-building when computers aren't close at hand. And though many organizations build their text lists through their online programs, some groups have used text messaging to grow their email lists.

Read a case study by Mobile Commons to see how Chicago's Shedd Aquarium did just that: <http://www.mobilecommons.com/resources/case-studies/shedd-aquarium/>

Where do subscribers come from?

Among the organizations that participated in this study, all of which are advocacy-oriented and have established email programs, more than 80 percent of text subscribers joined an organization's text program by entering their mobile phone number on advocacy, donation or text message sign-up pages on a website managed by the organization. New subscribers attributed to "data sync" in the chart above are those who at some point entered their mobile phone number into an organization's online database, which was then synchronized with the text program.

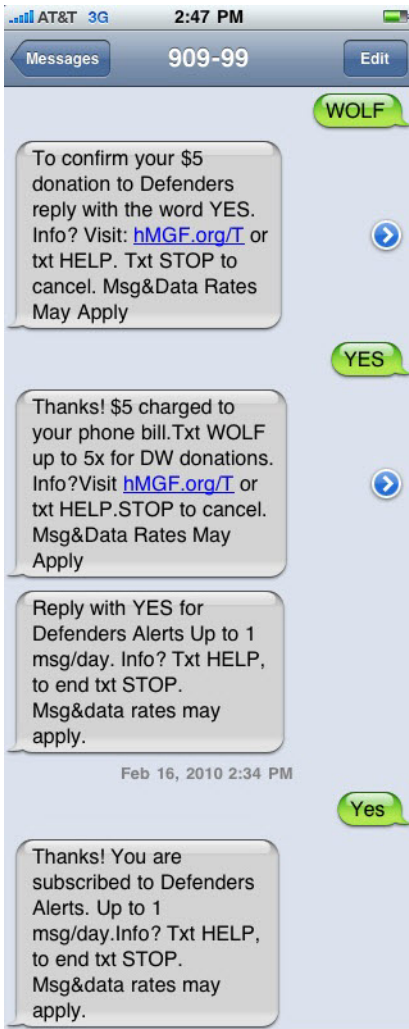


A substantial number of subscribers – 17 percent – joined the text programs via uploads from offline lists, which may have been generated at events or via canvassing. Only about two percent of subscribers joined a list by texting in a keyword to a “shortcode,” which is a five- or six-digit number leased by an organization that is used in lieu of texting to a telephone number (e.g., to sign up for The Humane Society of the United States’ mobile alerts, one can text HUMANE to 30644).

Among the organizations participating in this study, between 73 and 87 percent of text subscribers were also signed up to receive email. Hence, for the organizations in this study, text message is primarily being used to communicate with email supporters through an additional channel, not as a way to communicate with a different set of supporters. Conversely, relatively few email subscribers (ranging from 0.8 to 2.7 percent) were opted-in to receive text messages.

Though many organizations build their text lists via online channels, keyword recruitment can be effective, especially when an incentive is provided for people to sign up. For example, in December 2009, The Humane Society of the United States grew its list by over 750 new text subscribers and 650 new email subscribers in a matter of days through social networking outreach that asked people to join the list and enter a contest for a free sweatshirt by texting HOODIE to 30644. Similarly, in June 2008, Carnegie Museums of Pittsburgh acquired over 1,300 text subscribers (1,024 also provided an email address) by asking television viewers to text WTAE to 69866 to enter a contest to win tickets to a Titanic exhibition.

Text messaging lists grew at an annual rate of 49.5 percent. This rate is quite high, in large part because many partner organizations are building their text lists by drawing from existing supporters. Text-to-give fundraising can also help an organization build its list. After making a donation to an organization, the



donor receives a text message allowing him or her to opt-in to future texts messages. Text-to-give list building works best for organizations with a strong “offline” presence, like events or television and print advertising.

For an example, find out how Keep a Child Alive generated over 90,000 new donors through their “Text ALIVE challenge” which was promoted by Alicia Keyes on American Idol: <http://blog.mgive.com/wp-content/uploads/2009/07/KACA-Case-Study-Idol.pdf>

List Churn

As we have seen across many technology media, fast list growth often means high list churn rate. As large numbers of people join text messaging lists by accident or to try something new, they often drop out of text programs in similarly large numbers, perhaps over concerns about the cost of incoming text messages. As a consequence, the 2010 benchmark annual mobile churn rate was 30.7 percent. Compared to typical email churn rates, this figure is relatively high. In the 2009 eNonprofit Benchmarks Study, for example, the email churn rate was 19 percent.

Annual list churn, or the rate at which mobile numbers “go bad” in a given year, was calculated by taking the total number of deliverable subscribers at the start of the year, adding the total number of new subscribers that joined the list over the course of the year, and

dividing that figure by the actual size of the deliverable list at the end of the year. A mobile number may go bad due to subscriber opt-out or because the number is flagged as undeliverable (i.e., because it is a landline, does not accept text messages, and so on).

One likely reason for the high mobile churn rate is the prominence of opt-out language. Industry best practices strongly encourage including opt-out language regularly in text messages. Unlike in emails, opt-out language is prominently displayed in a text messages and cannot be inserted into footer and shown in a smaller font. In fact, the opt-out text can take up a large percentage of a message that contains only 160 characters to begin with.

Another important factor contributing to churn is that whenever a text subscribers switches phone numbers, or keeps phone numbers but switches carriers, he or she will be opted out of an organization's list automatically.

Outbound Messaging

Among the organizations we studied, the benchmark messaging volume was 1.6 messages per month.

As with email messaging and other mediums used to communicate with constituents, the pace at which a given organization should message its list depends on its relationship with subscribers. It is also a commonly held belief that a subscriber's volume tolerance is lower in text messaging than in email messaging - a belief that seems to be supported by the higher unsubscribe rates in text programs as compared with email. It is worth noting that, unlike email, there are financial implications for the end user for heavy text messaging volume. This is because many subscribers have to pay to receive text messages, and because many platforms charge clients by messaging volume.

What types of messages are organizations sending?

Organizations can use text messaging for a wide variety of purposes in addition to advocacy and fundraising. These other types of messaging may be purely informational, direct supporters to the website, or prompt text responses from subscribers about issues not directly related to advocacy. We classified each of the text messages sent by our partner organizations as one of the following five types:

- **Fundraising** messages usually solicit donations by asking subscribers to respond to a text with a special donation keyword (such as "PLEDGE" or "GIVE"). However, some fundraising messages ask people to give via phone by calling a special number that can be tracked by the organization. Note that fundraising solicitations can only be sent to subscribers who have knowingly opted in to receive fundraising communications (see more under "Fundraising Messaging").
- **Advocacy** messages ask subscribers to sign a petition or call a given decision-maker/advocacy target by either replying to the message with the text "CALL" or calling a special phone number that tracks all calls. Advocacy response rates are measurable.
- **Informational** messages let subscribers know about an issue, event or other breaking news relevant to an organization, but do not require subscribers to reply to the message. Among our study sample, these messages were broad and often gave legislative updates, encouraged subscribers to vote, asked subscribers to tune into radio or television programs, or notified subscribers of organizational events.
- **Go-to-Web** messages ask subscribers to visit a given web page. This category includes

everything from messages inviting subscribers to check out a new homepage or microsite, to take an advocacy action, or participate in a web survey. Website visits are generally not trackable unless the URL is only used for a particular text promotion.

- **Text Reply** messages ask subscribers to respond to a text message, but are not fundraising or advocacy appeals. Some texts asked subscribers to text in slogan ideas or thoughts about political debates. Others asked subscribers to text to request information about a topic. For example, in October 2008, NARAL asked subscribers to text “ISSUE Palin” to get information about Sarah Palin’s anti-choice decisions, and in December 2009, HRC asked subscribers to text in “SHOP” with a store name to find out whether that company supports the LGBT community. Given our criteria (see “Methodology”), we did not have enough data to calculate a response rate for text reply messages.

Fundraising Messaging

The massive volume of text donations that flowed to relief organizations in the wake of the Haiti earthquake demonstrated what makes mobile fundraising so powerful: it allows people to give quickly and easily from almost any location. In the case of the crisis in Haiti, this meant that charitable giving could extend to a younger demographic already acclimated to making small purchases via their mobile phones.

Despite the great success of mobile fundraising during the Haiti relief efforts, fundraising via text messaging is still something of a work in progress. As the technology currently exists, anyone can make a gift of either \$5 or \$10 to an organization by texting a keyword to a donation short code maintained through several umbrella organizations (such as the Mobile Giving Foundation and mGive Foundation). These umbrellas vet participating nonprofits and provide, for a fee, the use of their donation short code (which was generously waived for Haiti relief efforts). The donation amount is then added to the supporter’s telephone bill, and the donation amount passed on to the nonprofit after the subscriber pays his or her mobile bill.⁵ Pay-as-you-go users who do not receive a monthly bill typically cannot donate via text.

Organizations are allowed to send direct, “reply-style” solicitations only to those subscribers who have already given via mobile phone or have otherwise intentionally signed up to receive messages from a designated solicitation shortcode. For instance, a message of this type may read, “DEFENDERS UPDATE: Safari Club Intl, a rich trophy hunting group, is fighting us in court so they can hunt Yellowstone Area wolves. Reply WOLF to give \$5 to help.” To donate, subscribers send a reply with the message “WOLF.”

They are then sent another text message asking them to confirm their gift by replying “YES.”

We did not have sufficient data or means to calculate a benchmark text-to-give fundraising response rate. Because mobile giving platforms do not track donations to specific text messages, donations given passively or in response to non-text calls to donate (such as via web, email, or advertising) can confound response rate calculations. That said, based on data furnished by mGive, conversion rates for the two-step donation process, defined as the number of subscribers who confirmed their donation after replying to the initial message, ranged from 52 to 79 percent.⁶

It is worth noting that carriers permit organizations to send one “ask message” per month, which only requires that supporters respond with “YES” to make a gift; no separate donation confirmation is necessary.

In order to accept text donations, organizations must use a dedicated shortcode to be used for fundraising purposes only. This shortcode is approved by the mobile carriers and cannot be used to send non-fundraising communications. This regulation can prove cumbersome for organizations with established mobile advocacy programs, as they cannot solicit donations from existing subscribers by asking them to reply to give through the same shortcode that they use for advocacy. Rather, a supporter has to give to the new shortcode. For example, a solicitation can come from (non-fundraising) shortcode 10111 that says “Text GIVE to 10222 to give \$5,” but cannot say “Reply GIVE to give \$5.”

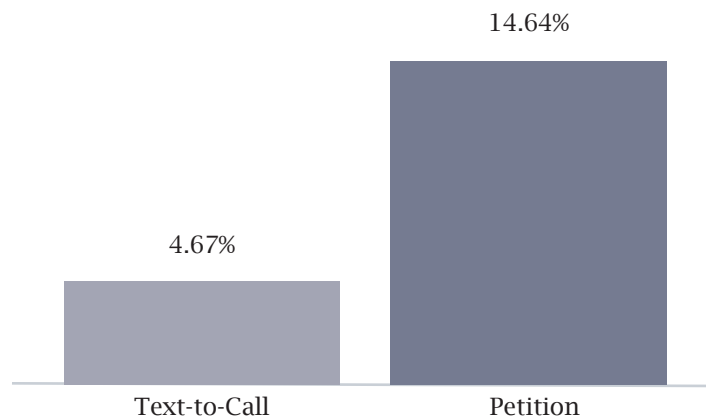
In addition to the complicated rules for soliciting funds via text messaging, the \$10 donation limit is a far cry from the \$71 average donation seen across the nonprofit sector in response to email solicitations.⁷ This means it would be a potentially risky venture to solicit gifts via text message from active donors who give much more when they donate through other channels.

A potentially viable alternative to the complications of text-to-give solicitation is the text-to-call fundraising solicitation. A text of this type asks subscribers to call an 800 number or reply “CALL” to be connected to a call center that can then take donations of any amount.

In addition to serving as a fundraising medium in itself, text messaging may boost the overall response of existing online constituents. For instance, in December 2008, the Humane Society of the United States texted subscribers using the text-to-call method described above. While this effort did not raise much money directly, a study by Watershed Company (<http://www.mobilecommons.com/resources/case-studies/hsus/>) showed that subscribers who received messages from both the organization’s email and text programs were more likely to make a donation via email. Some other participants in our study have since run similar tests with mixed results. While using text messaging as part of a multi-channel

fundraising strategy to boost online response seems to be generally effective, the best strategies to maximize its impact to increase donations – for instance, the optimal timing sequence for sending the text message and email message – are yet to be determined.

Advocacy Messaging

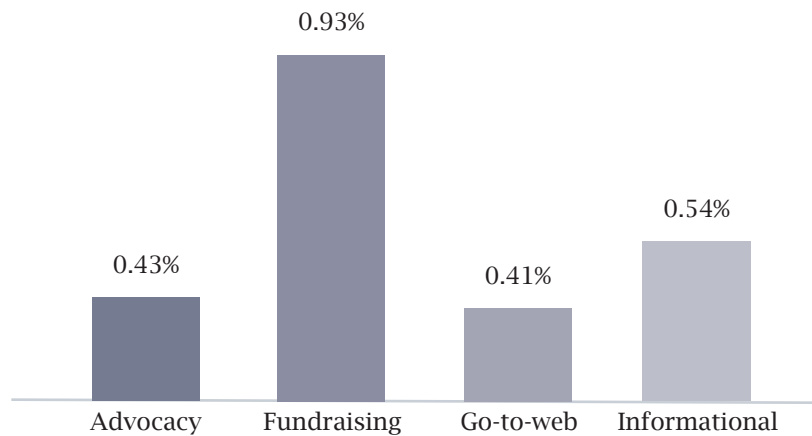


Advocacy text messages are generally of two types: text petition and text-to-call. With text petitions, subscribers are asked to support an organization by responding with a given keyword (e.g. “PLEDGE”). With text-to-call messages, subscribers are asked to call a target by either dialing a specific number or responding to the message with the word “Call.” Text-to-call messages are usually fully tracked, since respondents are usually routed through a special VOIP number.

Because it is impossible to track responses to a given message with perfect precision on most platforms, M+R calculated response rate by dividing the total number of responses within 48 hours of a text message’s launch by the total number of text messages sent.

Though the petition response rate of 14.6 percent was much higher than the text-to-call response rate, a single call to an advocacy target is much more powerful than a petition signature. Additionally, the text-to-call response rate of 4.7 percent indicates the potential for text messaging in generating calls. The 2009 benchmark call response rate for emails was only 0.82 percent.⁸

Unsubscribe Rates



Unsubscribe rates were calculated by dividing the total number of opt-outs within 48 hours of text message launch by the total number of text messages sent.⁹

Unsurprisingly, fundraising messages generated the highest unsubscribe rate, coming in at 0.92 percent. Advocacy and go-to-web messaging had fairly low unsubscribe rates (0.45 and 0.41 percent, respectively), and the aggregate unsubscribe rate for informational messaging was slightly higher, coming in at 0.54 percent.

The benchmark unsubscribe rate for all organizations across messaging types was 0.69 percent.

Methodology

For this report, M+R and MobileActive.org looked at historical list size, text messaging broadcast, fundraising, and advocacy data from the six partner organizations. Those partner organizations were the American Society for the Prevention of Cruelty to Animals (ASPCA), Planned Parenthood Federation of America, NARAL Pro-Choice America, The Humane Society of the United States (HSUS), Defenders of Wildlife, and Human Rights Campaign. The list skewed toward groups that had an advocacy component to their work, as these were often among the earliest adopters of text messaging technology in the United States and have the most historical data available.

Not all organizations' results were included for each data point. Though some organizations have had text programs for several years running, other groups had operational programs for fewer than 18 months when we pulled the data for the study.

In calculating percentages for the graph below - "Where do Subscribers Come From?" - we looked only at those organizations with uncorrupted source data. Not all text messaging platforms capture data on subscriber origin, and three of the six organizations had to be excluded from our calculations because of incorrect or otherwise insufficient data.

M+R and MobileActive.org only included organizations with at least 13 months of list size data into list growth and churn calculations. Four of six partners fulfilled this criterion. Data was used from the year-long period spanning August 2008 to August 2009.

We only calculated response and unsubscribe for message types that were sent by three or more organizations who sent at least two messages of a given type. Data used came from messages sent between September 2008 and August 2009.

Notes

1. Fundraising statistics furnished by mGive.
2. <http://www.google.com/hostednews/afp/article/ALeqM5hsJuKebFn2J1dGz3FRlZnZC95RSg>
3. CITA Wireless Quick Facts, http://www.ctia.org/media/industry_info/index.cfm/AID/10323.
4. eNonprofit Benchmarks Study (<http://www.e-benchmarksstudy.com/>), M+R Strategic Services and Nonprofit Technology Network, 2009.
5. During the Haiti earthquake relief efforts, American mobile carriers forwarded donation income immediately.
6. Conversion rate statistics furnished by mGive.
7. eNonprofit Benchmarks Study (<http://www.e-benchmarksstudy.com/>), M+R Strategic Services and Nonprofit Technology Network, 2009.
8. This metric measured the total number of subscribers who reported back to an organization that they had made a call, since for the most part phone calls are generally not trackable.
9. Unlike in the case of email messaging, people's decision to unsubscribe from a text message list cannot be tracked directly to a particular message. However, rates tended to spike after each text message was launched. This considered, the numbers above should be taken as relative values that indicate trends.

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