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Nonprofit Social Network Benchmark Report

www.nonprofitsocialnetworksurvey.com

NTEN
Nonprofit Technology Network

COMMON KNOWLEDGE

thePort
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Introduction

NTEN, Common Knowledge, and ThePort Network offer this second annual installment of the Nonprofit Social Networking Benchmark Report. This report's objective is to provide nonprofits with insights and trends surrounding social networking technology as part of nonprofit organizations' marketing, communications, fundraising, and program services.

Between February 3 and March 15, 2010, 1,173 nonprofit professionals responded to a survey about their organization's use of online social networks.

Two groups of questions were posed to survey participants:

1. Tells us about your use of *commercial social networks* such as Facebook, Twitter, LinkedIn, and others.

2. Tell us about your work building and using social networks on your own websites, called *house social networks*.

Survey respondents represented small, medium and large nonprofits and all nonprofit segments: Arts & Culture, Association, Education, Environment & Animals, Health & Healthcare, Human Services, International, Public & Societal Benefit, Religious and others (See Appendix A for more details).

house social network
Social networking community built on a nonprofit's own website. Term derived from direct mail house lists.

commercial social network
An online community owned and operated by a corporation. Popular examples include Facebook and MySpace.

Executive Summary

Commercial Social Networks

Nonprofits continued to increase their use of commercial social networks over 2009 and early 2010 with Facebook and Twitter proving to be the preferred networks. LinkedIn and YouTube held steady, but MySpace lost significant ground.

The following are the key excerpts from this section:

- **Facebook** is still used by more nonprofits than any other commercial social network with **86%** of nonprofits indicating that they have a presence on this network. This finding is a **16% increase** from 2009, when 74% of respondents had a Facebook presence.

  Facebook, interestingly, experienced a drop in **average community size** from **5,391 members** in 2009 to **2,440** in 2010. The large number of new organizations coming on board (16% more in 2010) likely pushed the average community size downward.

  By contrast, long-duration use of Facebook increased with the three longest duration segments—nonprofits with Facebook communities in place for 1-2 years, 2-3 years and 3+ years—all increasing in 2010 by respectively 46%, 100%, and 250%.

  Nonprofit use of Facebook is growing. There are still nonprofits coming on board, and those previously present are sticking around. All good signs for Facebook and nonprofits building communities on this booming platform of more than 400 million members worldwide.

- **Twitter** grew as a commercial social networking outlet of choice for nonprofits with a **year-over-year increase of 38%**, moving from 43% in 2009 to 60% in 2010, as measured by nonprofits who affirmed that their organization had a presence on this rapidly growing micro-messaging platform.

  Twitter saw its average community size (i.e. number of followers) grow an astounding 627% from 286 in 2009 to 1,792 followers this year.

  This platform still exhibits relatively small community sizes for nonprofits, but directionally usage of Twitter among nonprofits showed big, upward movement.

- **LinkedIn** and **YouTube** usage **remained steady** over the last year. YouTube moved up only very slightly from 46.5% in 2009 to 48.1% in 2010, and LinkedIn stayed steady at 32.9% in 2009 and 33.1% this year.

- **MySpace**, the big loser, **suffered a 45% drop** in popularity. Use dropped from 26.1% in 2009 to 14.4% in 2010.

The top users of Facebook among the nonprofit vertical sectors were as follows:

- *International* groups were nearly unanimous concerning Facebook with **97%** of these organizations indicating that they have a presence.

- Among **Environmental and Animal Welfare** nonprofits, **91%** reported being on Facebook.

- The **Arts and Culture** segment followed closely with **89%** of these groups saying they use Facebook.

For **LinkedIn**, the survey confirmed the commonly held belief among nonprofits that associations and higher education were particularly committed to this professional networking platform. **65% of Professional Associations** and **45% of Education** institutions confirmed that they have created and manage one or more groups on LinkedIn.

On the staffing front, **one-half of organizations indicate that they will increase employee staffing** related to commercial social networks in the coming 12 months, and one in five will increase funding for external resources such as consultants, designers and programmers.

In terms of satisfaction with their commercial social networking efforts, groups that are *heavily committed*—those nonprofits that commit 2 or more full-time employees to the management of their commercial communities—experience the highest level of satisfaction. These *heavily committed* organizations are more likely to measure the ROI of their efforts, describe their investment as "very valuable", and indicate their biggest barrier to doing even better is more staff, not training or education (as their less committed peers indicated).

On questions concerning fundraising, commercial social networks present a varied picture:

- **46%** of groups indicate that *fundraising* is an important role for their commercial social networking presence, making soliciting donations the second most popular role behind marketing the organization (indicated by 92% of organizations).

- There was a **104% increase** in **fundraising departments** that "**own**" the nonprofit's commercial social network, an increase from **10% in 2009** to **20% in 2010**. This finding makes fundraising teams the 3rd mostly likely owners of commercial social networking efforts behind communications teams and marketing teams, who took the first and second place slots respectively.

- While **40%** of organizations confirm that they are getting **donations from Facebook, 78%** of these organizations raised **$1,000 or less** in the last 12 months.

- **Facebook** is the only commercial social networking platform used by nonprofits to raise $10,000 or more over the last 12 months, but just 3.5% of organizations fell into this successful fundraising category.

Overall, nonprofits continue to commit limited resources in large numbers to commercial social networks, with the preferred platforms being Facebook and Twitter for cause-based organizations and LinkedIn being of notable interest for professional associations and education institutions.

A willingness to wade in and commit substantive resources to newer social channels without assurance of a clear ROI seems to be differentiating the few super satisfied groups from the majority of nonprofits who are cautiously tip-toeing in and getting mostly mediocre results.

House Social Networks

For those organizations building their own social networks, called House Networks in this report, we saw the following:

- About **22%** of nonprofits report operating one or more house networks in 2010. This finding is a 28% drop from 2009 where 31% of organizations indicated owning at least one house network.

  The most likely explanation here is that house social networks require a greater upfront investment for software and build-out. It would not be surprising that such a capital-intensive initiative would see a downturn in a severely depressed economy. Therefore, while still quite active as measured by overall volumes, it appears that the build-out of house social has slowed, and we'll only know if it is a temporary dip related to the economy or a long-term trend as the market unfolds within the nonprofit sector over the next several years.

- The average community size of a nonprofit-operated house network in 2010 was 3,520 members, 50% higher than the equivalent Facebook community size this year.

- Internal staffing for house social networks held steady at nonprofits who own them. 87% of organizations with at least one house social network in 2010 (87% in 2009) indicated that they allocate ¼ full-time resource or more to their house networks. The *heavily committed* organizations—nonprofits dedicating 2 or more internal resources—comprise 5% of respondents in 2010 (6% in 2009).

- Approximately three quarters of nonprofits value their house networks, with 74% of organizations in 2010 (77% in 2009) reporting that they are *very* or *somewhat satisfied* with their investment. Just 5% of respondents said that their house networks were *not valuable at all.*

- House social networks are owned by the fundraising department in 33% of respondents' organizations (for those groups with a house network). As with ownership of commercial social networking efforts, this finding makes fundraising teams the third most likely owners of house social networks behind the communications and marketing departments.

- Fundraising results grew in 2010. 50% of those groups that collected donations on their house network raised more than $1,000 in the last 12 months. Once again depicting a mixed landscape, however, 68% of house network-owning nonprofits are doing no fundraising at all.

The house network side of the nonprofit social networking picture demonstrates a slow-down in adoption by nonprofits, probably impacted by the down economy. Community size is up, especially compared to commercial networks, and satisfaction remains relatively high. Fundraising continues to be a real but small part of the house network picture, with two-thirds of organizations not doing any fundraising and—among the remaining one-third—half of the fundraising organizations generating some revenue, with a small segment generating substantive revenue.

Comparison of Commercial to House Social Networks

TABLE 1: **Nonprofit activity on commercial and house social networks**

QUESTION	COMMERCIAL SOCIAL NETWORKS	HOUSE SOCIAL NETWORKS
Does your organization have one?	90%	22% (1+ communiites)
What is the primary purpose of the community?	Marketing (92%)	Marketing (57%)
How much staff time did you allocate to the community over the preceding year?	1/4 to 1/2 of a full time employee (67%)	1/4 to 1/2 of a full time employee (57%)
How much budget for external resources did you allocate over the preceding year?	None (59%) $1-$10,000 (33%)	None (38%) $1-$10,000 (42%)
Number of community members?	Average: 2,440*	Average: 3,520
How long have you had your community? *(Among those with a community of this type)*	1-24 months (87%)*	1-24 months (62%)
How much fundraising revenue have you raised from your community over the preceding year? *(Among those with a community of this type)*	Not Fundraising (60%) Fundraising and raised $0-$10,000 (39%)	Not Advertising (68%) Advertising and received $0-$10,000 (22%)
How much revenue from sponsorship, underwriting and advertising have you received from your community over the preceding year?	Not Advertising (99%)* Advertising and received $0-$10,000 (0.7%)	Not Advertising (86.5%) Advertising and received $0-$10,000 (10%)
For those nonprofits without a community of this type, what is the primary reason?	Lack of expertise (47%) Insufficient budget (32%)	Lack of expertise (46%) Insufficient budget (46%)

* Facebook

In 2010, the primary differentiator is the size of the nonprofit segment participating in commercial versus house networks. Among respondents, 90% of nonprofits have a presence on at least one commercial social network, and just 22% have a house social network.

Presumably, nonprofits find it easier to get started on Facebook with a Group, Page or Cause than to build their first house network; so more of them do. To get real value from their networks, however, nonprofits will need to scale and manage a large community on both types of network. The ease and efficiency of building and managing a large community is not discernible from this survey, but will be an important theme in the long term. The potential for building and integrating both platforms simultaneously looms as a valuable strategy.

The social networking software market—vendors offering software to build house social networks—is highly fragmented. Custom built platforms were reported by 22% of nonprofit survey respondents who ran house networks, with Ning following with 12% of respondents saying they use their platform. ThePort has about 5% of the market.
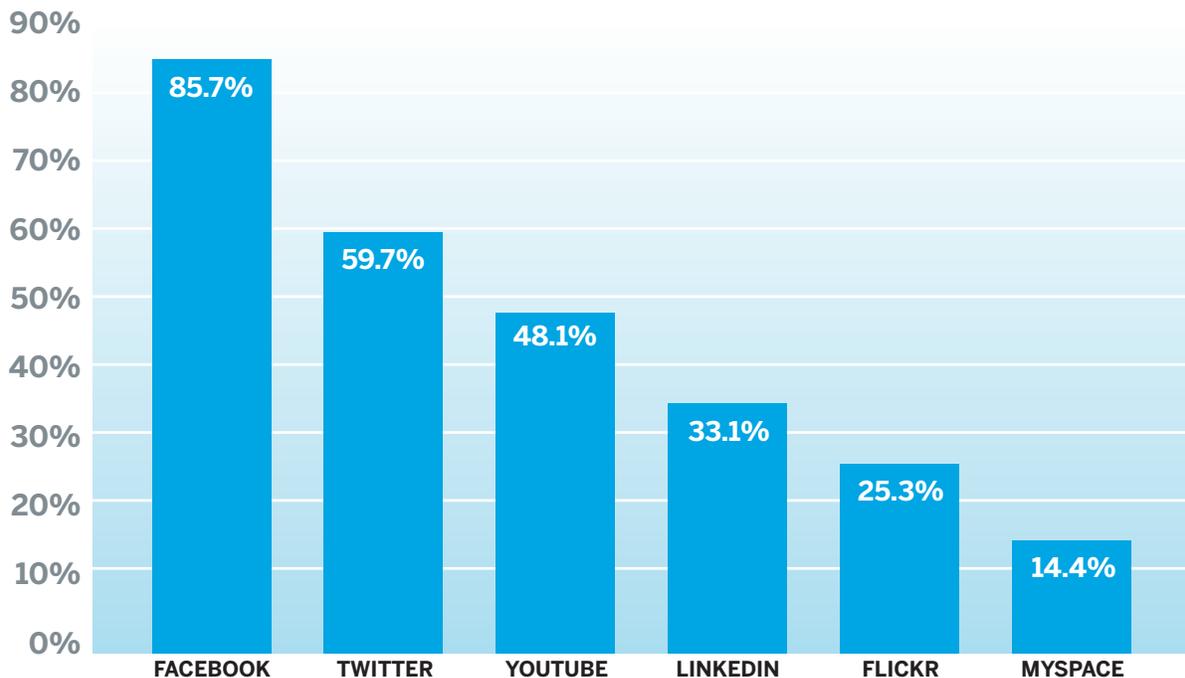
Commercial Social Networks

Popularity of Commercial Social Networks

By a large margin, Facebook continues to be the most popular commercial social network with 86% *(74.0% in 2009)* of respondents indicating their organization has a presence there, an *increase of 16% year-over-year*. In tandem, the use of Twitter has increased by 38% in the last year, moving from 43.2% in 2009 to 59.7% in 2010.

Usage of YouTube rose to 48.1%, up slightly from 2009 *(46.5%)*, while LinkedIn followed at 33.1% *(basically unchanged from last year)*.

While commercial social networks continue to appeal to nonprofits overall, there is one exception. The past market leader, MySpace, dropped from *26.1% in 2009* to 14.4% (or *a drop of 45% year-over-year)*.
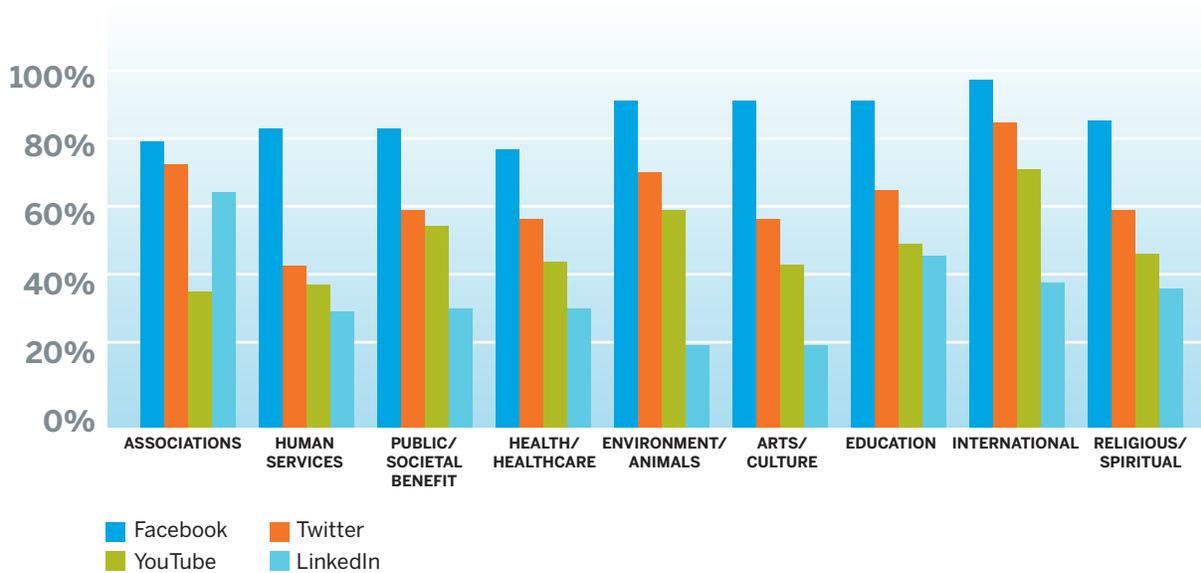
Nonprofits on Commercial Social Networks

Network	Percentage
FACEBOOK	85.7%
TWITTER	59.7%
YOUTUBE	48.1%
LINKEDIN	33.1%
FLICKR	25.3%
MYSPACE	14.4%

Within individual vertical segments, Facebook's dominance was especially high for International organizations with 97% of respondents in 2010 indicating a presence on Facebook, followed by Environment & Animals (91%), Arts & Culture (89%) and Education (88%).

International organizations were also the heaviest user of Twitter (83.3% of respondents in 2010), followed by Associations (72.7%) and Environment & Animals (68.8%).

YouTube was most popular with International (69.4%) and Environment & Animals (60.4%). Professional Associations (65%) and Educational organizations (45.7%) were the most likely to use LinkedIn.

Role of Commercial Social Networks

Looking at how survey respondents use commercial social networks, the most popular role is for *traditional marketing*—to promote the nonprofit's brand, programs, events or services—with 92.5% of survey respondents indicating this role as the purpose of their presence on commercial social networks. The second most popular role is for *fundraising* (45.9%). *Program delivery* (34.5%) and *market research* (24.3%) via the social network are utilized, but less frequently.
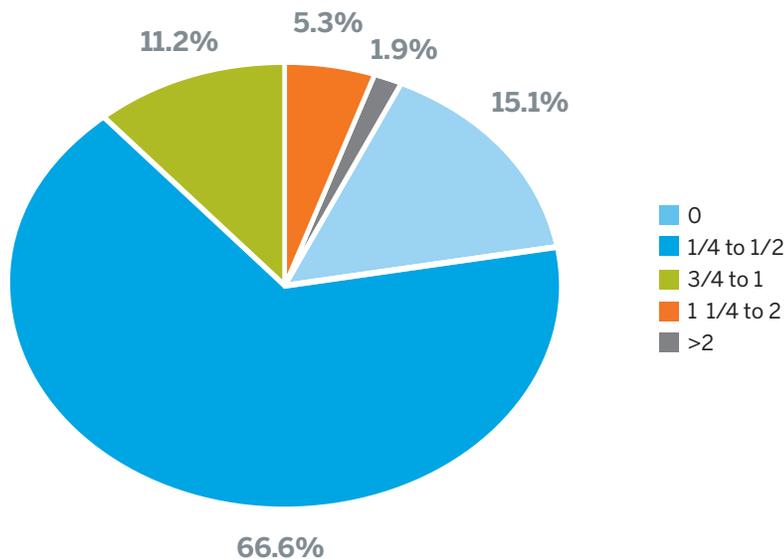
Role of Commercial Social Networking Community

Bar chart:

- MARKETING: 92.0%
- FUNDRAISING: 45.8%
- PROGRAM DELIVERY: 34.5%
- MARKET RESEARCH: 24.3%
- CUSTOMER SUPPORT: 17.7%
- OTHER: 9.3%
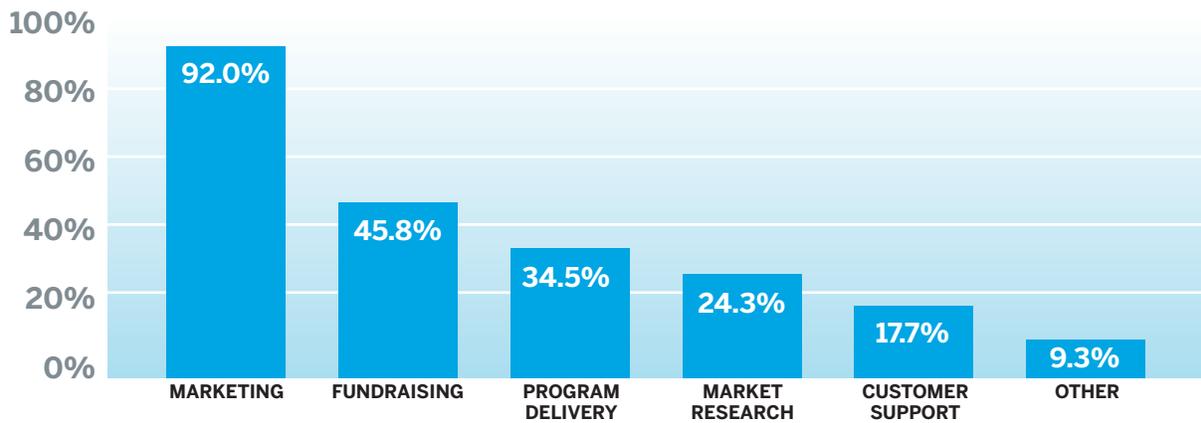
Staff Time Allocated to Commercial Social Networks

84.9% of survey respondents committed at least one-quarter of a full-time staff member to maintaining—marketing, managing and cultivating—their commercial social network presence over the last 12 months, a 5% increase from 2009 *(80.8%)*. Similarly, roughly two-thirds of survey respondents dedicated one-quarter to one-half of a full-time resource, and 18.4% committed three-quarters or more staff to their commercial social networks.

Staff Time Allocated to Commercial Social Networks

Pie chart:

- 5.3% (1 1/4 to 2)
- 1.9% (>2)
- 11.2% (3/4 to 1)
- 15.1% (0)
- 66.6% (1/4 to 1/2)

Legend:
- 0
- 1/4 to 1/2
- 3/4 to 1
- 1 1/4 to 2
- >2

Looking forward, for the next 12 months, nonprofits indicated that their staffing around commercial social networks would increase (48.0% of respondents in 2010) or stay the same (48.3%). Only 3.7% of survey respondents predicted that staff time on social networking would decrease.

Looking more closely at social networking-related staffing at nonprofits, we find:

- Among nonprofits who commit 2 or more FTE's (full-time equivalent resources) to commercial social networks, roughly one in five (18.2%) are looking to get a clear measure of the ROI of their social networking initiatives. While still a minority, it is logical that these organizations who are committing significant resource are most motivated to understand the real value of their commitment. This is important, as one of the biggest barriers to more mainstream adoption of commercial social networks will be proof of their financial viability and value to mission (i.e. demonstrable return on the investment along with measurable contribution to their mission, necessary to build out this newer social networking channel).

- In a related manner, these *heavily committed* organizations (those with more than two FTE's committed to social networking) make up the majority (52.4%) of those who say their commercial social networking commitment is "very valuable" (highest value rating). Presumably, even though there is not yet a clear ROI for commercial social networks among these heavily committed organizations, they are seeing very real qualitative or soft ROI.

- These *heavily committed* groups also indicate that their biggest barrier to a more productive community is a need for additional staff (44.4%). Compare this to the *not yet committed* organizations (those with zero FTE's committed to commercial social networks) who indicate that their biggest barrier is *training*. We interpret this to mean that the heavily committed have "figured out" how to leverage commercial social networks, while their peers in the *not yet committed* group have not, and need training to help them do so.

- Combining these various responses, we conclude that *heavily committed* organizations:

  · have developed a good understanding of how to leverage commercial social networks

  · have a strong resource commitment to commercial social networking – which presumably helped to lead to their deeper understanding and strongly contributes to their continued ability to get value.

  · are getting greater value from their investment than their more lightly committed peers.

  · have made the institutional transition to view social media as a part of their business, with all the associated value and benefits.

These observations from survey respondents match our anecdotal evidence at NTEN, Common Knowledge, and ThePort Network that success in the social networking channel requires a real and substantive up-front financial commitment.
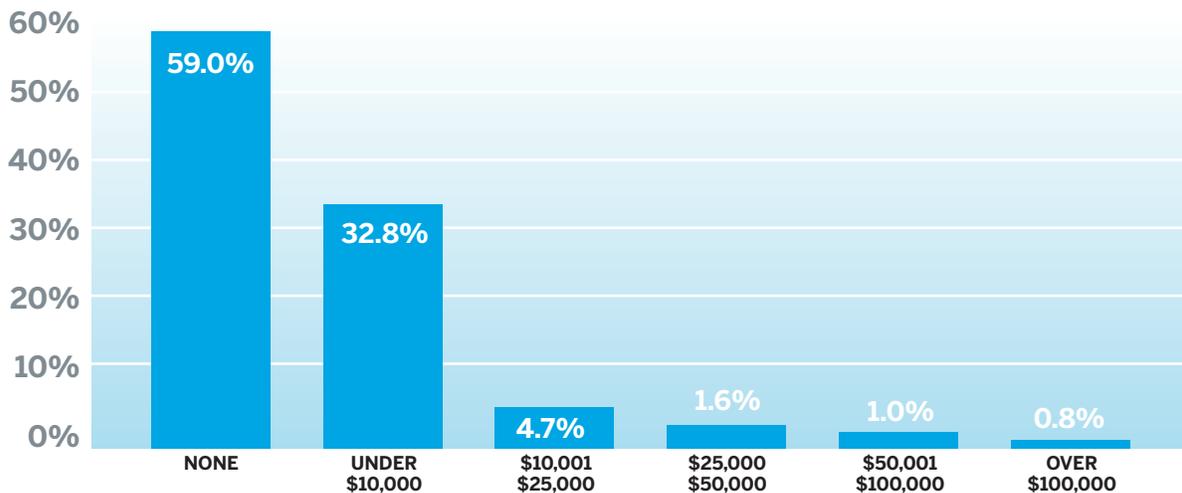
Budget for External Resources for Commercial Social Networks

Nonprofit's use of external resources for their social networking work, e.g. consultants, designers, programmers, etc. overall has remained unchanged since 2009, with 41% of organizations in the 2009 and 2010 surveys indicating that they used outside resources at some level over the past 12 months.

Nearly one in ten (8.1%) say they set aside $10,000 or more for outside help, and 1.8% indicate they spent $50,000 or more. Clearly, a small number of organizations are spending a healthy sum on external assistance, but the majority are not.

We believe that this is further evidence of the relatively early stage of the social networking market and an artifact of mainstream nonprofit organizations' unwillingness to allocate substantive funds until there is a clear ROI for the social networking channel. Stated a bit differently, the small percentage of early adopter nonprofits are seeing success and are dedicating big funds to leveraging this success, but the sector is not yet seeing the expected follow-on mainstream adoption.

External Resources Allocated to Social Networking

One in five (21.1% in 2010 and 24.1% in 2009) survey respondents indicated they will increase funding for external resources dedicated to helping with commercial social network efforts in the coming 12 months. Meanwhile 71.4% *(68.0% 2009)* say they will keep external resourcing budgets the same. Just 7.6% *(7.9% 2009)* of survey respondents will decrease their social network external resource budgets for the coming year.

Enquiring a bit more deeply into nonprofit opinions on this topic, we find the following:

- Larger organizations say they are more likely to increase spending on social networking than their smaller peers.

- Larger organizations indicate that Marketing owns their social networking initiatives, while smaller organizations house their social networking with the Communications department.

- In larger organizations, IT is playing only a small role in the ownership and management of this new technology.

These additional observations lead us to conclude several things:

- Larger organizations have larger discretionary spending opportunities associated with their overall bigger budgets and therefore are better positioned to allocate more financial resources to the emerging social networking channel.

- Larger organizations typically have a larger number of more specialized vertical departments than their smaller peers. The marketing function, a highly specialized function in the nonprofit sector, likely manifests more so in larger organizations. Therefore, the social networking initiatives are landing with this group in larger nonprofits, while smaller organizations place the social networking initiatives with the more common communications function. And the marketing team is able to proceed without significant assistance from the IT team, which suggests that this new technology is business-friendly even at this early stage.

- Perhaps more importantly and speaking to what is not yet happening, for large and small nonprofits the social networking initiatives are not housed with development or advancement (i.e. fundraising-focused departments). We believe this is further evidence that the fundraising ROI for social networking has not yet been widely established (with some notable exceptions, for example in the event fundraising world). Therefore top/bottom-line focused fundraising teams are steering clear of any substantive participation for now.

Community Size: Commercial Social Networks

When asked about the size of their commercial social network communities, survey respondents indicated an average of 2,440 members on Facebook, a sizeable drop (55%) from the *5,391* member average Facebook community size reported in 2009.

At first glance, this drop would seem to indicate that nonprofits are getting fewer supporters on Facebook and therefore less value. Yet upon further inspection, it becomes clear that many new nonprofits are coming onto the Facebook platform. Nonprofits reporting a presence on Facebook increased by 16% in the last year. Thus, the dip in average Facebook community size is likely more a result of the many new nonprofits coming onto the platform that are building an audience but have not had sufficient time to accumulate a large base of support.

Stated simply, an influx of new Facebook-focused nonprofits that have yet to build a big audience is skewing the average community size downward this year.

In contrast, Twitter showed a large increase in average community size, increasing 627% to 1,792 *(286 in 2009)*. Community sizes also increased on LinkedIn from 291 to 450 and on YouTube from 268 to 447. MySpace average community size, however, dropped from 1,905 in 2009 to 1,794 in 2010.

Average Community Size on Commercial Social Networks
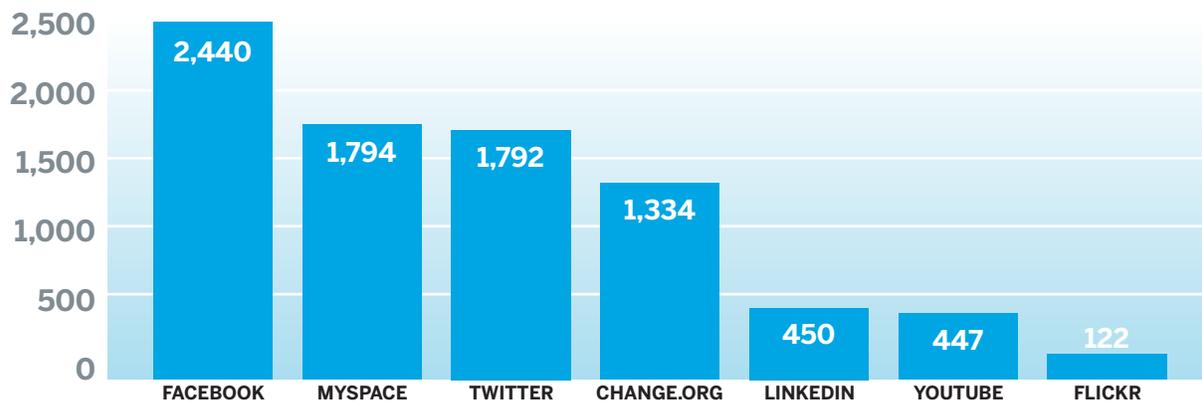
Respondents reported community sizes on Facebook ranging from 1 to 250,000 fans, but 96% of the communities were 10,000 members or less with three very large communities of 214,000+ members skewing the average. Remove these three outliers, and the average community size on Facebook is 1,773 members.

The nonprofit-specific social network, Change.org had an average community size of 1,334, a large increase (449%) from last year (243 members in 2009).

Promoting Commercial Social Networks

Asked about marketing their commercial social networks, the traditional tactics of *promotion on their organizational website* and *email marketing to the organization's email house list* were by far the leading methods, with 82.5% *(78.7% in 2009)* and 75.7 *(71.9% in 2009)* of respondents using these tactics respectively. The next most common tactics were promotion at the *organization's events* 54.1% *(43.2% in 2009)* and *Twitter* 52.1% *(44.0% in 2009)*.

Nonprofits included a host of additional but lesser-cited promotion channels including at least one-quarter of all survey respondents specifying one or more of the following: offline PR, blogging, Twitter, other social networks, advertising within the organization's print publications, and at events – both organizational and third party.

Promoting Commercial Social Networks
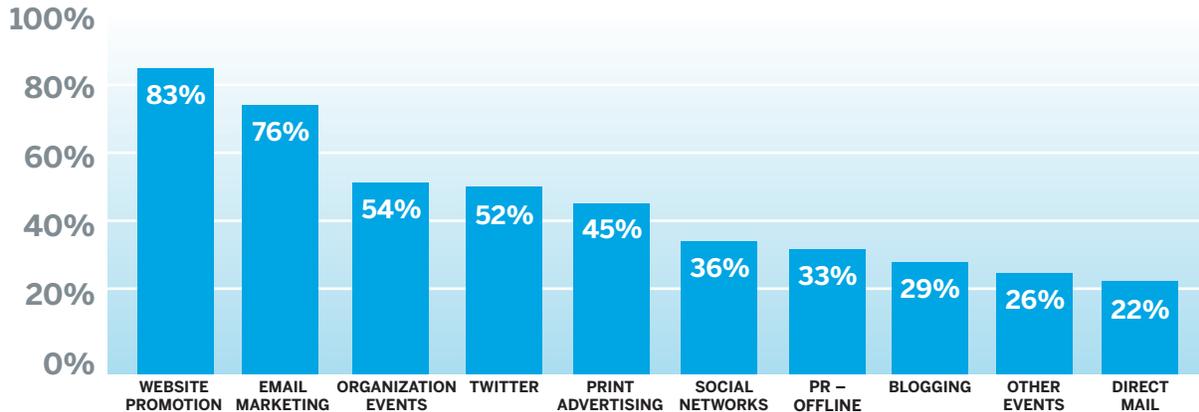
Departmental Responsibility for Commercial Social Networks

The *Communications* department 27.3% *(25.7% in 2009)* and *Marketing* department, 20.3% *(22.2% in 2009)* are again the most likely teams to take responsibility for the organization's commercial social networks. In an important change from 2009, *Fundraising* (Development or Advancement) departments followed closely behind at 20.0% (9.8% 2009)—an increase of 104%—followed by *executive management* at 7.9% (9.3%). Other notable responses included mixed ownership and a single person.

Department with Primary Responsibility for Commercial Social Networks

Department	Percentage
Executive Management	7.9%
Other	10.5%
Development / Fundraising	20.0%
Marketing	20.3%
Communications	27.3%

(Scale: 0% 5% 10% 15% 20% 25% 30%)
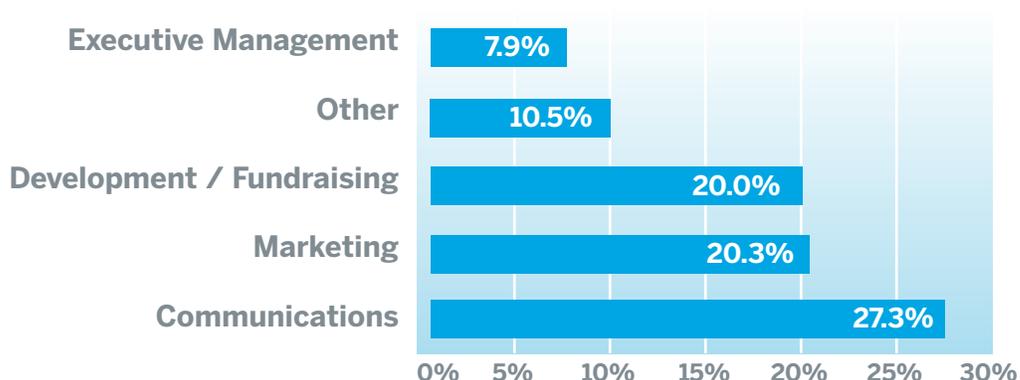
Further analysis of the departmental ownership topic among survey respondents indicates:

- Marketing departments tend to measure the success of their social networking community based on *site visitor traffic* while the Communications department is more focused on measuring the *number of community members*.

    Where the Communications department owns the social networking initiative, the average community size on Facebook is 3,307 members compared with 2,281 for a Fundraising-owned community, and an average community size of 2,440 across all departments.

Presence on Commercial Social Networks

Several trends appear when comparing nonprofits' presence on commercial social networks in 2010 to 2009:

- Almost a third of survey respondents have been on Facebook for 12 – 24 months in 2010. In 2009, only 22.6% of nonprofits were on Facebook for this duration.

- Almost 78% of survey respondents are on Twitter compared to 68.6% in 2009; correspondingly, many more organizations are now reporting a Twitter presence from 6 - 12 (2010-26.5%, 2009-15.5%) and 12 -24 months (2010-20%, 2009-4.9%).

- While usage of YouTube, LinkedIn and Flickr have increased, almost three-quarters of survey respondents now report having no presence on MySpace, which was once more popular than Facebook.

TABLE 2: Length of Presence on Commercial Social Networks – 2010

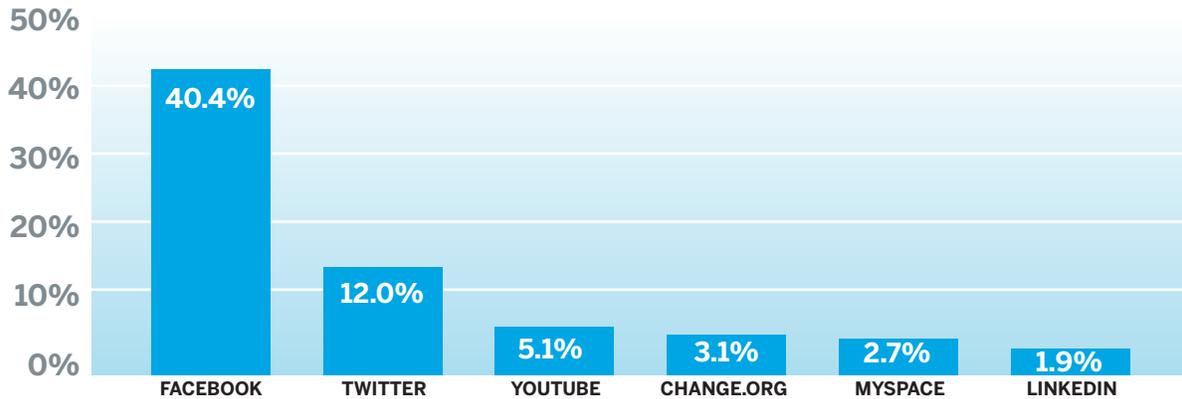|	NO PRESENCE	1 – 3 MONTHS	3 – 6 MONTHS	6 – 12 MONTHS	12 – 24 MONTHS	2 – 3 YEARS	OVER 3 YEARS
Facebook	3.61%	9.7%	15.0%	25.4%	**33.1%**	11.2%	2.1%
Twitter	21.96%	13.9%	15.1%	**26.5%**	20.0%	2.5%	0.1%
YouTube	32.02%	8.1%	9.9%	14.9%	**21.5%**	11.7%	1.8%
LinkedIn	48.30%	9.1%	7.9%	11.1%	**17.0%**	5.0%	1.6%
Flickr	58.38%	4.0%	4.8%	8.6%	**14.9%**	7.1%	2.2%
MySpace	**74.14%**	1.7%	1.1%	3.2%	8.0%	8.8%	3.2%

TABLE 3: Length of Presence on Commercial Social Networks – 2009

	NO PRESENCE	1 – 3 MONTHS	3 – 6 MONTHS	6 – 12 MONTHS	12 – 24 MONTHS	2 – 3 YEARS	OVER 3 YEARS
Facebook	5.6%	24.6%	19.4%	**27.1%**	22.6%	5.6%	0.6%
MySpace	50.7%	7.6%	12.9%	24.1%	**28.2%**	20.6%	6.5%
Twitter	31.4%	**59.1%**	19.3%	15.5%	4.9%	1.1%	0.0%

Revenue Generation from Commercial Social Network Sites

Although Fundraising (Development or Advancement) departments are sometimes involved in managing social networking efforts, commercial social networks have not yet generated significant fundraising revenues. While 40.4% *(38.9% in 2009)* of survey respondents report fundraising with Facebook, 77.6% of these organizations have raised $1,000 or less. Survey respondents fundraising with Twitter, despite rising from 6.7% in 2009 to 12% in 2010, also report revenues mostly $1000 or less (88.8%).

Fundraising on Commercial Social Networks

Network	Percentage
FACEBOOK	40.4%
TWITTER	12.0%
YOUTUBE	5.1%
CHANGE.ORG	3.1%
MYSPACE	2.7%
LINKEDIN	1.9%

Among all the commercial social networks, only Facebook was used to deliver $10,000 or more in fundraising revenue over the last 12 months for any nonprofit, with 1.4% of survey respondents falling into this category.

TABLE 4: Fundraising Revenue on Commercial Social Networks

	UNDER $1,000	$1,001 - $10,000	$10,001 - $25,000	$25,001 - $100,000	OVER $100,000
Facebook	77.6%	18.8%	2.1%	0.9%	0.5%
Twitter	88.8%	10.3%	0.9%	None	None
YouTube	88.4%	9.3%	2.3%	None	None
Change.org	82.6%	17.4%	None	None	None
MySpace	95.2%	4.8%	None	None	None
LinkedIn	93.3%	6.7%	None	None	None

For paid placement—advertising, sponsorship and underwriting—1% or less of survey respondents have received any revenue from commercial social networks. 60% of these sponsorships resulted in $1,000 or less of revenue.

More insights regarding fundraising and paid placement from survey respondents, as follows:

- Among the *Successful Fundraisers* - those organizations raising revenue from fundraising via Facebook—the average community size is 4,284 members as compared to the overall average of 2,440.

- Organization size does not appear to be a good predictor of fundraising results on social networks: 40% of *Successful Fundraisers* have an annual organizational budget of $1 million or less. Having said that, the bar for *successful fundraising* is any amount of fundraising revenue, and most organizations are raising $1,000 or less.

- The majority of the *Successful Fundraisers* have ¼ to ½ FTE dedicated to social networking. 40% of them have no budget for social networking, and 24% have budgets $1,000 or less.

- 24% of *Successful Fundraisers* have social networking initiatives that are owned by the Fundraising department (Development/Advancement).

- Human Services organizations make up 26% of the *Successful Fundraisers*, the largest individual sector in this group.

Improved Productivity: Commercial Social Networks

When asked how they might become more productive with their commercial social network efforts, 30.9% *(27.3% in 2009)* said additional *training and guidance* would help. 28.1% *(30.2% in 2009)* indicated that *extra staff* would help; 27.9% *(32.7% in 2009)* responded that *more time to dedicate* to their community sites would make their community work more productive. Interestingly, just 13.2% *(9.8%)* indicated that *more money* (budget) dedicated to the community would make a positive difference in productivity.

We interpret this to mean that *education* is a primary barrier to greater and more productive adoption of commercial social networks. Presumably, mainstream adoption will require a clear set of reliable best practices, a cadre of educational outlets—webinars, courses, conferences—and a network of knowledge development and transfer groups e.g. external consulting agencies.

Reasons for Not Having a Presence on Commercial Social Networks

Of those survey respondents with no presence on commercial social networks, 46.6% *(44.3% in 2009)* cited a *lack of expertise,* and 31.9% *(20.5% in 2009)* specified *lack of budget* as the reason. Just 12.3% *(13.1% in 2009)* indicated that they *did not believe that having a presence on commercial social networks was a good use of resources.*
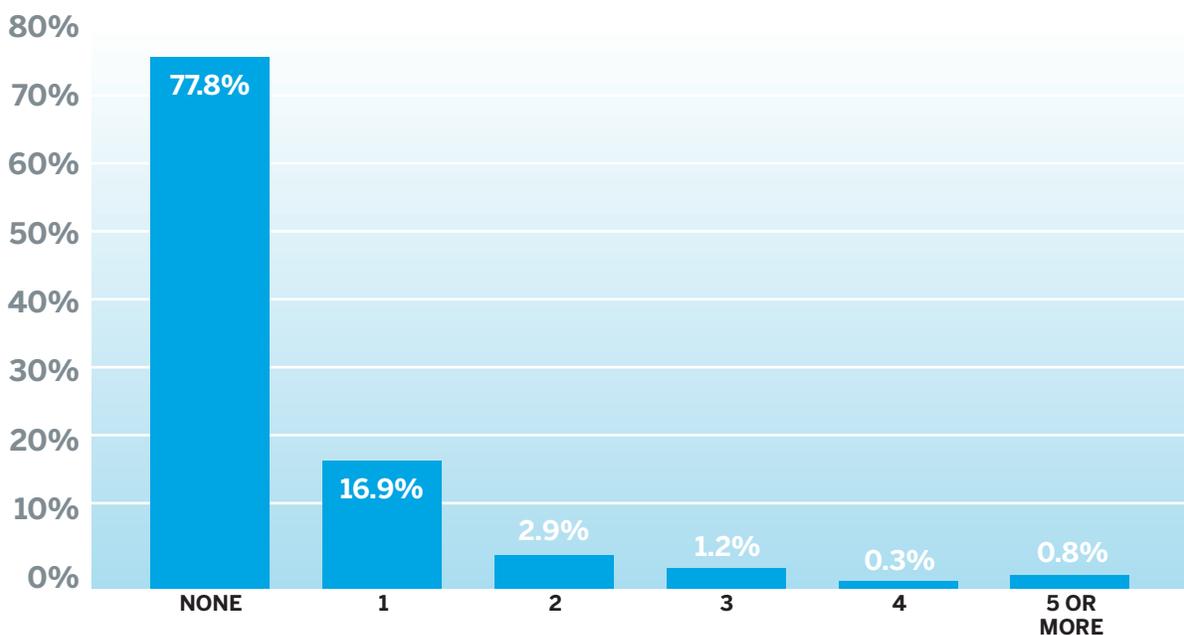
House Social Networks

Numbers of House Social Networks

House social networks are defined as social networks that nonprofits construct on their own website—either as part of their main site or on a dedicated website purpose-built for the social networking community.

Among survey respondents, 22.2% *(30.6% in 2009)* stated that they have one or more house social networks. Among organizations with a house social network, 76.4% *(76.8% in 2009)* have just one community, while 12.9% *(14.4% in 2009)* report having two communities, and 10.8% *(8.8% in 2009)* have three or more community sites.

Overall, the number of nonprofits with one or more house social networks has decreased by 27.5% (from 30.6% in 2009 to 22.2% in 2010). While initially quite surprising, we quickly reminded ourselves that the economy is experiencing a brutal downturn. With house social networks generally requiring a greater upfront investment for software and build-out, it is not surprising that just such a capital-intensive initiative would see a downturn in a severely depressed economy. Therefore, while still quite active as measured by overall volumes, it appears that the build-out of house social has slowed. Given that organizations who already have committed to this technology are seeing value, we believe that the adoption of house social networks is likely to pick up again as the economy ramps back up.

Number of House Social Networks

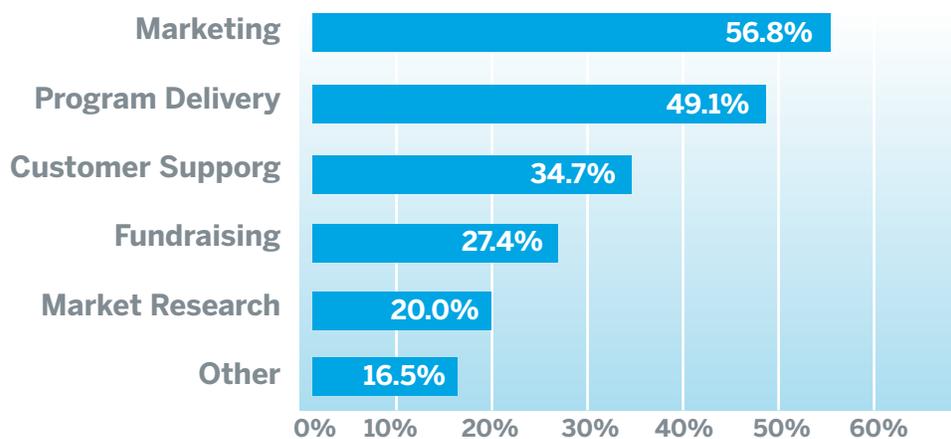|	NONE	1	2	3	4	5 OR MORE
	77.8%	16.9%	2.9%	1.2%	0.3%	0.8%

Role of House Social Networks

When asked about the role of their house social networks, *Marketing* was reported as the largest role for house social networks (56.8% of respondents, followed closely by program delivery for half (49.1%) of respondents.

By comparison, nonprofits reported a much higher role for *marketing* with their commercial social networks initiatives (92% of respondents). Fundraising—which was reported next most important for commercial social networks—had a much lower emphasis among house social network owners. Just one in four (27.4%) indicated raising money is a role for their house social network in 2010.

Role of House Social Network

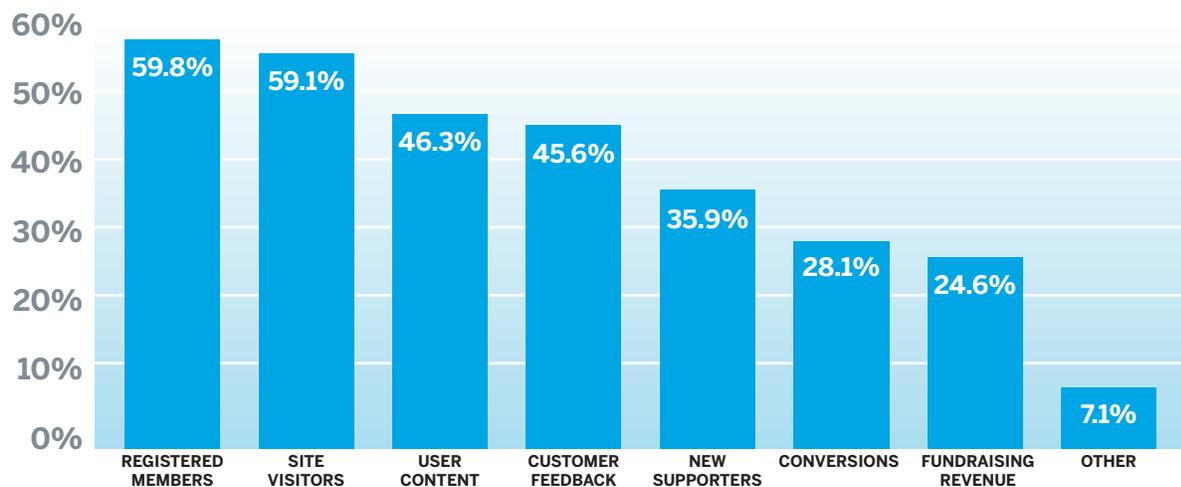| Category	Percent
Marketing	56.8%
Program Delivery	49.1%
Customer Supporg	34.7%
Fundraising	27.4%
Market Research	20.0%
Other	16.5%

Metrics for Success

Counting the number of *members* and *site visitors* are still the two chief metrics used to demonstrate success of house social networks, with 59.8% *(68.5% in 2009)* and 59.1% *(68.5% in 2009) of respondents reporting using these* respective metrics. This finding suggests that survey respondents are still judging social networking sites according to communications and marketing centered roles.

The collection of important metrics for judging the success of house social networks is diversifying, with *fundraising dollars* leaping up in 2010 as compared to last year. When asked which metrics they include in their definition of success for their house social networks, 24.6% of respondents said they were using *fundraising dollars* to measure performance, a 53% increase from last year when only 16.1% said they evaluated their house communities on dollars earned.

Metrics to Measure Success of House Social Networks

Category	Percentage
REGISTERED MEMBERS	59.8%
SITE VISITORS	59.1%
USER CONTENT	46.3%
CUSTOMER FEEDBACK	45.6%
NEW SUPPORTERS	35.9%
CONVERSIONS	28.1%
FUNDRAISING REVENUE	24.6%
OTHER	7.1%

Measuring Return on Investment

Half of respondents (51.3%) are only measuring soft benefits, such as *increased awareness, improved supporter education, greater advocacy, better volunteer/ member recruitment, event participation* and *improved supporter affinity*. Four in ten respondents (42.2%) are not measuring ROI at all. **Only 6.5% of respondents are evaluating social networking effectiveness by measuring revenue.**
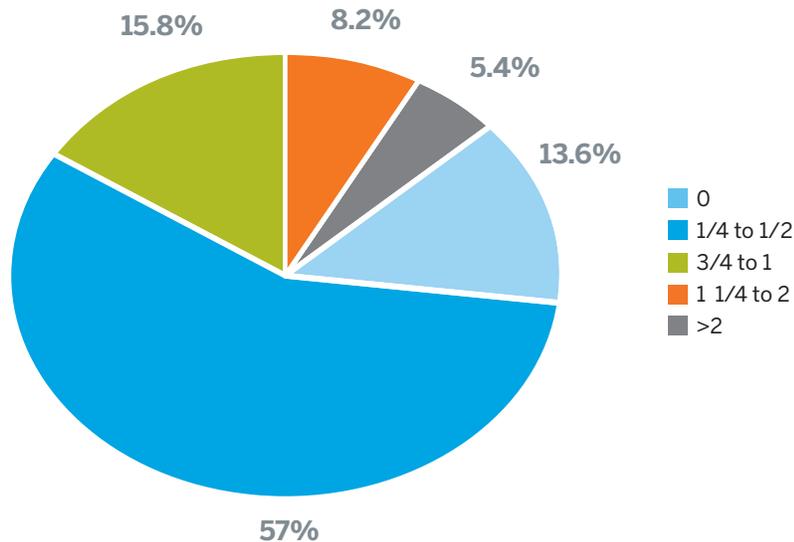
Value of House Social Networks

The majority of organizations with house social networks indicate satisfaction with their investment. Similar to 2009, about three-quarters (74%, *77.0% in 2009*) of survey respondents with a house social network indicated that their house social network has value (responses that were "very valuable" or "somewhat valuable"). Only 4.8% *(4.8% in 2009)* indicated that their house social network is "not valuable at all."

Staff Time Allocated to Commercial Social Networks

Continuing the parallel with 2009, nearly nine out of 10 respondents (86.4%, *87% in 2009*) dedicated one-quarter or more full-time staff resources to their house social network over the last 12 months. Well over half (57%, *51.5% in 2009*) allotted one-quarter to one-half of a staff person, 15.8% *(19.0% in 2009)* committed three-quarters to one full-time resources, and 5.4% (*6.1% in 2009*) allocated two or more full-time resources.

Staff Allocated to Working on House Social Networks

Legend:
- 0
- 1/4 to 1/2
- 3/4 to 1
- 1 1/4 to 2
- >2

Values: 15.8%, 8.2%, 5.4%, 13.6%, 57%

One-third (33.3%) of survey respondents with a house social network plan to increase the staff time dedicated to their house social network over the coming year, a drop from last year's 46.6%.

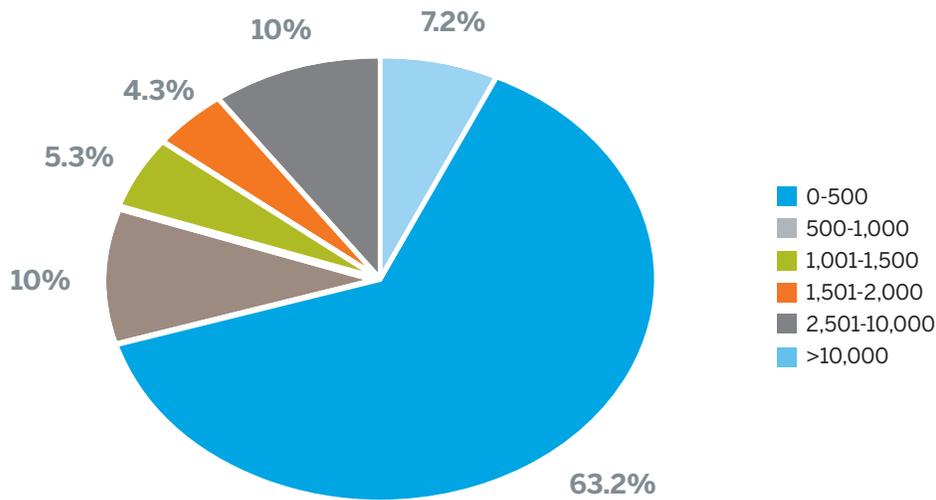### Budget for External Resources for House Social Networks

Budgets for external resourcing for house social networks continue to be relatively small. 37.9% of survey respondents had no budget *(34.0% in 2009)*, with 42.3% *(40.7% in 2009)* specifying budgets of $10,000 or less. 2.2% of survey respondents *(2.5% in 2009)* allocated $100,000 or more over the last 12 months for house social networks.

22.4% *(27.0% in 2009)* of respondents indicated that external resourcing budgets will increase, with the majority (61.6%, 56.6% in 2009) replying that their external budgets will stay the same in the coming 12 months.

House Community Size

Asked about the size of their house communities, 83.2% *(74.4% in 2009)* of survey respondents specify 2,500 or fewer registered members, 9.8% *(12.2% in 2009)* have 2,501 to 10,000 members, and 7% *(13.5% in 2009)* have more than 10,000 members. The average community size for house social networks was 3,520. By comparison, house social network communities are almost 50% larger than the Facebook communities on average.

Number of Members on House Social Networks

Pie chart segments:
- 63.2% — 0-500
- 10% — 2,501-10,000
- 7.2% — >10,000
- 10% — 500-1,000
- 5.3% — 1,001-1,500
- 4.3% — 1,501-2,000

Legend:
- 0-500
- 500-1,000
- 1,001-1,500
- 1,501-2,000
- 2,501-10,000
- >10,000

Marketing House Communities

Nonprofit survey respondents continue to most often use traditional channels to promote their house social networks to prospective community members, with more than three-quarters (76.7%, *72.1% in 2009*) using email marketing to their internal email house list and a similar number (75.1%, *74.7% in 2009*) promoting their networks via their website. In addition, 50.2% *(61.7% in 2009)* use promotion at organizational events to publicize their house networks.

Social media channels still are used less often by survey respondents to promote their house social networks with 40.8% *(40.9% in 2009)* of respondents using this strategy. The most popular method is Twitter, used by 34.7% *(35.7% in 2009)* of respondents. Blogging is the next most popular at 24.9% *(38.3% in 2009)*.

Departmental Ownership

As in 2009, the Communications departments are most likely to manage their organizations' house social networks. This is the case in 23.6% of respondents' organizations, followed by the Marketing and Fundraising (Development or Advancement) departments with 13.9% each.

Department Managing House Social Networks

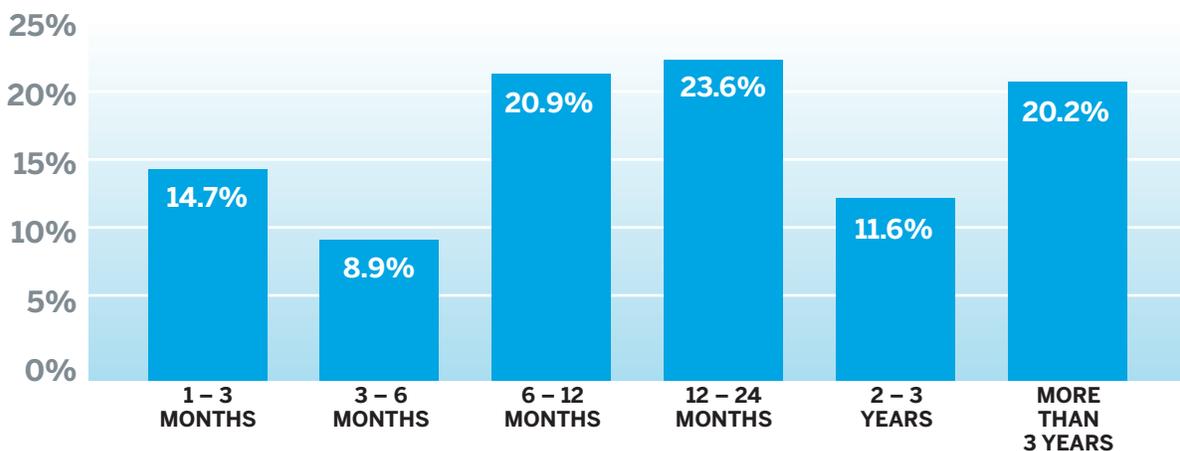| Department	Percentage
Communications	23.6%
Development / Fundraising	13.9%
Marketing	13.9%
Programs	12.7%
IT	10.0%
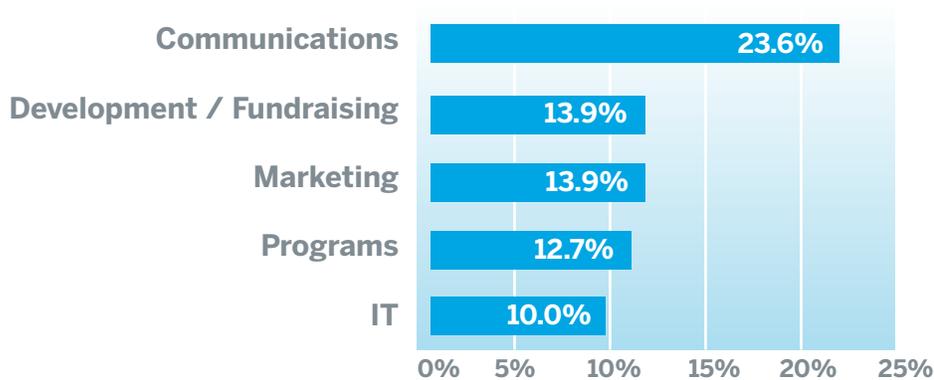
Community Duration

The 2010 respondents' descriptions of their house social network *community duration*—the elapsed time since the nonprofits' house social networks were started to the present —indicates many recent launches combined with a fair number of *legacy communities*—communities launched two or more years ago and still thriving.

Of the survey respondents with house social networks, 23.6% *(41.4% in 2009)* indicate that they have launched their house networks one to six months ago, 44.5% *(31.2% in 2009)* launched their sites six months to two years ago, and 31.8% *(27.4% in 2009)* have had house social networks in place for more than two years.
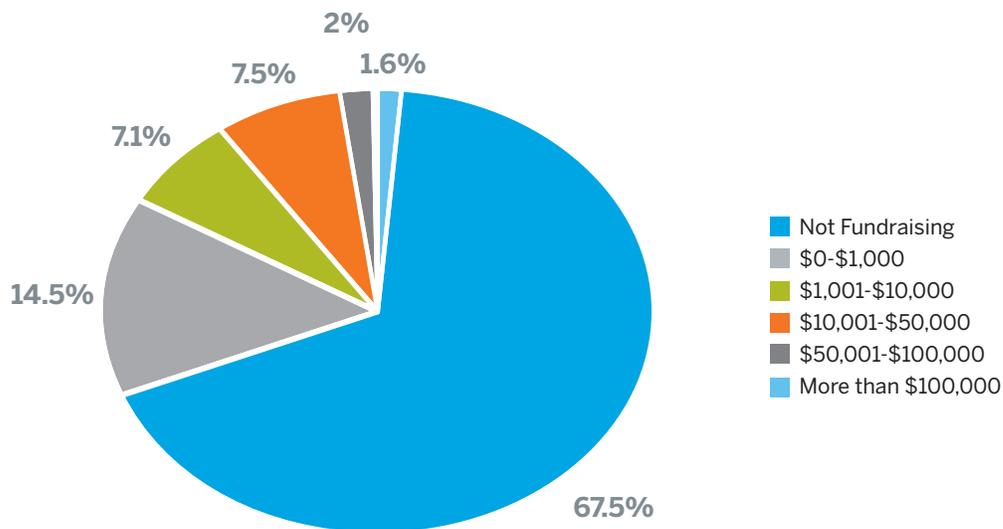
Community Duration of House Social Networks

Duration	Percentage
1 – 3 MONTHS	14.7%
3 – 6 MONTHS	8.9%
6 – 12 MONTHS	20.9%
12 – 24 MONTHS	23.6%
2 – 3 YEARS	11.6%
MORE THAN 3 YEARS	20.2%

Revenue Generation from House Social Networks

Revenue raised on house social networking sites increased in 2010 compared to 2009. A minority of survey respondents is generating substantive amounts of donation revenue and the number of nonprofits benefitting from any amount of fundraising dollars from their community sites increased 28% from 25.3% in 2009 to 32.5% (2010). Of those that are fundraising, however, 44.6% raised $1,000 or less.

Revenue Generation from House Social Networks

Legend:
- Not Fundraising
- $0-$1,000
- $1,001-$10,000
- $10,001-$50,000
- $50,001-$100,000
- More than $100,000

Pie chart values: 2%, 1.6%, 7.5%, 7.1%, 14.5%, 67.5%

Fundraising Results on House Social Networks

$0 – $1,000	$1,001 – $10,000	$10,001 – $50,000	$50,001 – $100,000	MORE THAN $100,000
44.6%	21.7%	22.9%	6.0%	4.8%

Paid placement—advertising, underwriting and sponsorship—declined very slightly from 14.8% in 2009 to 13.5% in 2010 of nonprofit reporting revenue raised in this manner on their house social networks. 6.9% *(5.8% in 2009)* of those surveyed indicate they brought in $1,000 or less over the last 12 months. The other 9% spanned the range of $1,000 to more than $100,000 in paid placement over the preceding year.

Improved Productivity: House Social Networks

When asked how they would make their house social network initiatives more productive, survey respondents largely agreed with the results from 2009, indicating *additional staff*, 30.4% *(32.7% in 2009)*; *training*, 27.2% *(22.6% in 2009)* and *more time in their work day*, 23.3% *(24.5% in 2009)* would be most helpful. More *money or budget* was fourth with 19.1% *(20.1% in 2009)* of survey respondents selecting this as a way to improve the productivity of their house community.

Social Network Software Platform

For now, the nonprofit house social network software industry is highly fragmented, with no one vendor being used by even a quarter of survey respondents. In a crowded market, Ning and Drupal both lead with 12.3% of survey respondents claiming these as their "white label social networking" software platform each, while 22.5% of survey respondents reported using custom applications built from scratch, and nearly 1 in 10 respondents have partnered with ThePort for their social networking software needs.

House Social Network Software Platform

Platform	Percentage
OTHER	48.5%
CUSTOM	22.5%
DRUPAL	12.3%
NING	12.3%
THE PORT	8.4%
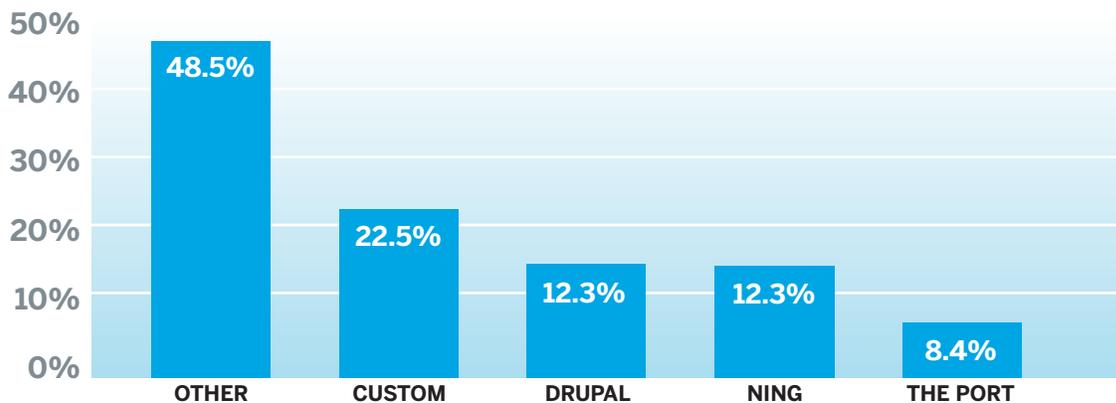
Some other products reported include: Blackbaud's Net Community, Convio, Harris Connect, iModules, Joomla, SharePoint, WordPress and YourMembership.

In related results, a plurality of respondents (41.3%) is not currently integrating their house social networks with other software such as their content management systems. For those that are, there was a wide variety of products reportedly being used for this need, including: Convio, Open Source offerings such as Drupal and Joomla, and Blackbaud's NetCommunity and Sphere platforms.

Four out of ten organizations (40.7%) report having no budget for their house social network software; 44.7% have an annual budget of $10,000 or less. Only 14.6% had an annual budget of $10,000 or more last year.

Reasons for Not Building a House Social Network

For those survey respondents that have not built a house social network, the situation is still very much the same as in 2009. 2010 responses mostly parallel last year's findings: *no budget*, 46.0% *(47.0% in 2009)*; *no expertise*, 45.6% *(42.6% in 2009)*; and *not valuable* to build a house community site, 29.3% *(32.8% in 2009)*. The only response that saw significant deviation from last year in this category with more respondents in 2010 than last year said *they didn't know it was possible to build their own social networking site*, 25.6% *(17.7% in 2009)*. Note that respondents were allowed to choose multiple answers for this question.

Appendix A –
Participating Organizations

Organizations

Survey participants described their organizations as follows:

# EMPLOYEES	% OF RESPONDENTS
None	5.0%
1 - 5	24.3%
6 - 20	24.4%
21 - 50	13.3%
51 – 250	18.4%
Over 250	14.5%

ORGANIZATION ANNUAL BUDGET	% OF RESPONDENTS
Under $1 million	40.5%
$1 million - $5 million	31.3%
$6 million - $50 million	19.6%
$51 million - $250 million	5.7%
More than $250 million	2.9%

ORGANIZATION TYPE	% OF RESPONDENTS
Arts & Culture	7.2%
Association	4.3%
Education	18.8%
Environment & Animals	7.6%
Health & Health Care	14.5%
Human Services	22.7%
International	2.8%
Other	1.8%
Public & Societal Benefit	16.9%
Religious	3.5%

Segment Definitions

Arts & Culture	Museums, community theaters, cultural centers, preservation society, etc.
Association	Professional, trade
Education	Higher education, K-12
Environment & Animals	Environmental and animal welfare
Health & Health Care	Mental health, diseases, disorders, research, etc.
Human Services	Crime and legal, employment, agriculture and nutrition, housing, public safety, youth, and recreation
International	Foreign affairs, international human rights, national security, and diplomacy
Other	Media, labor union, mutual benefit, for profit business
Public & Societal Benefit	Civil rights and advocacy, community organizing, philanthropy, science & technology, social sciences, and government
Religious	Religious, spiritual development

Appendix B – Survey Methodology

A 50-question online survey was fielded from February 3, 2010 to March 15, 2010, drawing a sample size of 1173 respondents and producing a margin of error of plus or minus 2.86% with 95% confidence.

About

NTEN

NTEN is the membership organization of nonprofit professionals who put technology to use for their causes. NTEN helps you do your job better, so you can make the world a better place.

We believe that technology allows nonprofits to work with greater social impact. We enable our members to strategically use technology to make the world a better, just, and equitable place.

NTEN facilitates the exchange of knowledge and information within our community. We connect our members to each other, provide professional development opportunities, educate our constituency on issues of technology use in nonprofits, and spearhead groundbreaking research, advocacy, and education on technology issues affecting our entire community.

Common Knowledge

Common Knowledge, an interactive agency founded in 2002, provides nonprofits with comprehensive services to leverage the Internet for online fundraising, advocacy, social media, marketing, and communications.

Broadly, Common Knowledge offers assistance to our clients in four service areas:

- Online Strategy and Planning
- Website Design and Development
- Social Media and House (Private) Social Networks
- Online Fundraising (e.g. donor acquisition/retention, catalogs, email marketing)

Some of our current clients include: Arthritis Foundation, ASPCA, Big Brothers Big Sisters of America, Canadian Cancer Society, Disabled Americans Veterans, International Fund for Animal Welfare, Juvenile Diabetes Research Foundation, Operation Smile, PETA, Sierra Club, UC San Francisco, and VolunteerMatch.

ThePort Network

ThePort Network develops social networking and media products for organizations that require exceptional care for their constituent bases. We specialize in applying our flagship product named ThePort Social to an organization's current programs and product offerings to amplify their value. Our solutions result in greater constituent interactivity, engagement, and organizational innovation.