USAGE OF SOCIAL MEDIA BY NON-PROFIT ORGANIZATION FOR FUNDRAISING PURPOSES

M.B. Iovu, C. Turcan

Mihai-Bogdan IOVU
Assoc. prof. PhD,
Babeș-Bolyai University Cluj-Napoca, Romania
 iovu.mihai@socasis.ubbcluj.ro.
Cristina ȚURCAN
Graduate student,
Babeș-Bolyai University Cluj-Napoca, Romania
cristinaturcanu65@yahoo.com.

Abstract: Non-profit organizations highly depend on fundraising to accomplish their mission and remain sustainable. If initially the fundraising was accomplished by face-to-face actions, in today's age of social media and interconnectedness, nonprofit organizations have new opportunities for raising funds. However, quite little research is available on the use of social media within nonprofit organizations in general. This study is one attempt to fill this gap of knowledge by exploring and describing how the NPOs are incorporating social media in their daily fundraising practices. A cross-sectional research design was selected and a survey instrument was translated and adapted for this study. Data were collected from 43 non-profit organizations in Romania which positively replied to our online survey. Results show that NPOs know the advantages of employing this new instrument for their organization, but they are less engaged in this.

Keywords: social media, non-profit organizations, fundraising

Introduction

Non-profit organizations in Romania

Largely revived after the collapse of communism, the Romanian nonprofit sector consists of a network of diverse organizations characterized by a degree of organization, private, self-governance, non-profit distributing and voluntary features (Salamon & Anheier, 1997 apud. Săulean & Epure, 1998). In

Romania, non-profit organizations (NPOs) have become increasingly important since the State sometimes failed to fulfill some of its social responsibilities (Ceptureanu, Ceptureanu, Orzan, & Marin, 2017), among these, the reduction of poverty among old people (Breaz, 2015). Giving the recent socio-economic context, NPOs in Romania have been affected by the crisis and further by financial changes and are forced to operate in an unstable economic and fiscal environment. The growing competition for the limited financial resources available put pressure on the organizations which had to reconsider their strategies leading to dangerous effects (apud. Ceptureanu, Ceptureanu, & Sassu, 2017: 69-70):

> - *crowding out* by which a single funding source tends to eliminate others or to reduce considerably their share in the total income of the organization.
> - *crowding in*, which assumes that a source of funding acts as a leverage and helps the NGO to increase capacity to attract other financing providers easier.
> - *goal displacement/mission misalignment* refers to the alienation from the initial mission generated by the pressure of NGOs to adapt its activities to what can be funded by various fundraising programs, even if the new mission and targets do not meet the real needs of the community;
>> - *creaming*, in which the activities of organizations are turning to areas that can attract easier financing.

The latest study of Non-governmental sector (FDSC, f.a.) has drawn a few conclusions relevant to the sector:

(a) The majority of organizations (65%), either had no income, or the income was less than 40,000 showing that the sector is still operating in a precarious environment with few or very few financial resources;

(b) The main sources of income for the charitable organizations were in 2015: redirecting the 2% income tax (78%), individual donations (72%), sponsorship (57%), non-refundable European grants (38%), and economic activities (25%);

(c) At the end of 2015, NGO charitable sector included 21% of the active NGOs, 30% of the employers and nearly 25% of the total income and financial actives of the total non-profit sector.

Social Media in Non-Profit Organizations (NPOs)

Internet and social media are important instruments for communication as well for marketing and fundraising (Hackler & Saxton, 2007; Waters, 2007). Previous studies showed that NPOs have been slow in using web-sites or web-based applications (Freddolino, 2003). In the last years, however, there has been

an increase and more open attitudes towards using these instruments. Organizations are now implementing website fundraising, also known as e-relationship marketing, e-marketing, or e-philanthropy (Young, 2012).

Tredinnick (2006) defines social networking sites as those sites driven by user-participation and user-generated content. Many social media instruments (e.g. Facebook, LinkedIn) are also used by different institutional structures for promoting their purposes and their own products and services, but little is known about how non-profit organizations are taking full advantage of the social media's potential (Waters, Burnett, Lamm & Lucas, 2009). They concluded that NPOs mainly use social media to organize their management functions, interact with volunteers and donors, and educate others about their programs and services (pag. 103).

In the current socio-economic context, where NGOs must diversify their income revenues, fundraising becomes one of the main activities in the long term sustainability of organizations (Shuria, 2014). Therefore, it is useful for them to use the social media as it allows strengthening its image in the local community, gaining visibility, accessing a new target group of donors, marketing its services, generating new income, real-time communicating with people etc.. However, just being online is not enough. Creating an online presence through a profile and then abandoning it will create only minimal exposure for the organization, and it could turn off potential supporters if they witness inactivity on the platforms (Waters, et al., 2009). NPOs must invest time and sometimes additional money in creating a functional and user-friendly web-site which will allow continuous interaction with different stakeholders (Igenhoff & Koelling, 2009) and actively ask for donations from those who identify with and believe in the organizations' mission (McMahon, Seaman & Lemley, 2015). Therefore, from a marketing perspective, NPOs must be efficient in segmenting the population and targeting the groups with the biggest potential to participate, and assure that the organization is present in the collective mind of members, volunteers and donors. Having a web-site is an easy way to promote its mission and objectives and to reach potential supporters. However, not a website in itself assures success, but the interactive capabilities. Jo and Kim (2003) concluded that interactivity was essential if organizations were to develop relationships with their stakeholders, but they also should provide a calendar of events or listing volunteer opportunities to involve stakeholders offline as well.

In conclusion, for successful fundraising within the current Web 2.0 environment, NPOs must have knowledge and availability to engage in adapting the message and transmitting the values and mission of the organization to the new type of online audience. Incorporating social media in the new development strategies for NPOs is a form of generating social capital

and building a sense of belonging. Non-profit organizations and social media both represent means for individuals to participate, collaborate, and ultimately connect for some greater good (Young, 2012). Therefore, Kelleher (2006) encourages practitioners to fully use the Internet and social networking sites to advocate for their organizations and causes in a transparent way.

Methods

Aim

The aim of the current paper is to identify the perceptions and behaviors of NPOs from Romania regarding the usage of social media in their fundraising activities.

Participants and Procedure

The research population was represented by the persons with fundraising/communication attributions from the Romanian NPOs. A number of 592 organizations using the list available on the Deputy Chamber's website were contacted online (via institutional e-mail address), but the final sample included only 43 organizations that replied and filled the questionnaire. The majority of the organizations were active in education (30%), social services (21%), arts and culture (14%), and health (12%). As for their time of functioning, the majority are young organizations (1-5 years: 37%). Almost half of them (44%) reported an annual budget more than 15,000 RON, 26% a budget between 5,000-10,000 RON, 5% have a budget between 10,000-15,000, and 25% less than 5,000 RON.

Instruments

The survey instrument was created from the previous research in this area (Young, 2012). The final questionnaire consists of 29 questions of which 25 close-ended questions with opportunities to input text responses for those questions asking for "Other/Please specify." The first three questions are related to organizational demographics (type, years of functioning, annual budget) and last 4 questions are personal demographics related to the respondent. The remainder of the questions seeks descriptive and explanatory information, which will be used in the Results section.

Results

As we previously mentioned, fundraising is an important activity for the NPOs so the first step of our analysis is evaluating their own perception in their success of fundraising. The majority of our sample (18: 42%) considered their success is below average, and only 12 (30%) declared a very successful assessment. We may conclude form this that few organizations truly engage in

fundraising in a efficient and responsible way, and mostly they do it because they have to, and do not spend time and resources in order to benefit from it.

88% of the questioned NPOs declared they use different social media instruments. The remaining 12% motivated their non-usage either but not knowing which are the relevant social media platforms, either by their mistrust in their functions (*media supports are for unstructured information, somewhat false, which means discrediting ourselves*). However, more than half declare their knowledge in social media usage is good and excellent. This creates an important opportunity in terms of institutional capabilities. The most used social media platforms are Facebook, YouTube, and Blogs (Figure 1).
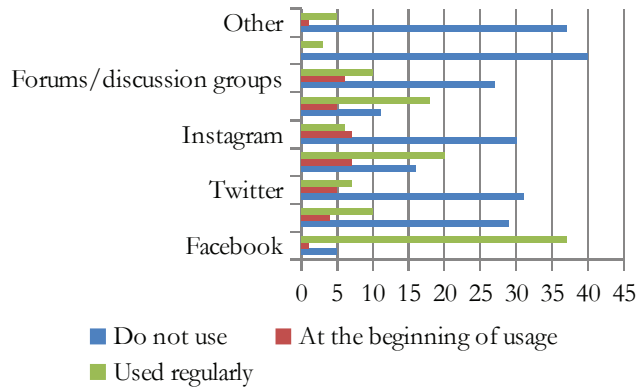

Figure 1. Level of usage of social media by NPOs

The aim of using social media is multipurpose. The majority of organization engages mainly for enhancing their visibility (83%) and for instrumenting their public relations (72%). Less than half (43%) use social media as a tool for fundraising (Figure 2)
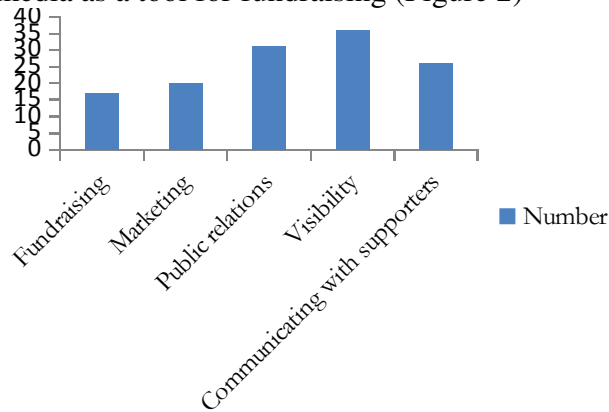

Figure 2. Aim of using social media

70

For fundraising purposes, the NPOs consider that Facebook is the most useful platform because it allows inviting donors to the events held and disseminating information to a wider audience compared to blogs' readers, using the 'share' function. Time investment is important in assuring a continuous involvement in updating and maintenance of social media. The majority of organizations (40%) invest between 1-4 hours/week to these tasks, 17% invest between 5-9 hours/week, while 14% less than one hour/week. Financial investments are another significant resource in the success of social media. Therefore, it is important that the organization to allocate a specific amount of money to social media development. 56% of the surveyed organizations do not budget anything in this direction, while 19% allocate more than 1000 RON/year and 25% allocate less than 1000 RON. Usage of social media does not lead to the conclusion that the fundraising becomes more successful.

Using social media is considered an important instrument in fundraising by half of the surveyed organizations, while 1:4 have a neutral attitude (Figure 3).
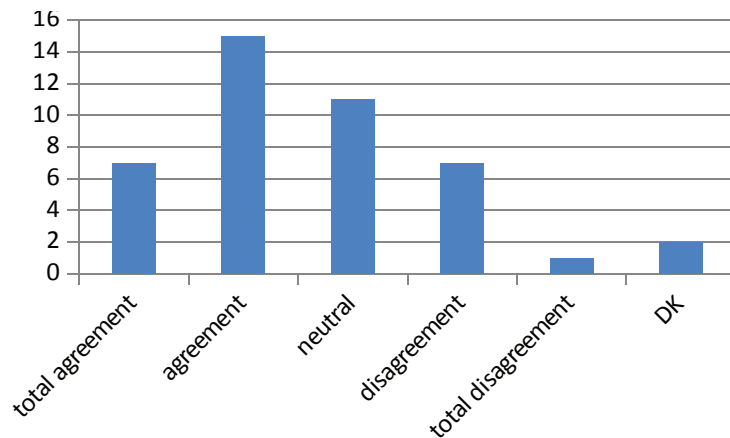

Figure 3. Level of agreement regarding the importance of social media in fundraising

Online fundraising, like e-mail request, are used by 17 organizations. Donations are an important income for NPOs. There are several types of donations and we were interested in the amount they received using social platforms. For the surveyed sample, donations varied from less than 100 RON to more than 1000 RON. The majority of organizations (17: 40%) do not use any online requests, while 9 (21%) received more than 1000 RON (Figure 4).
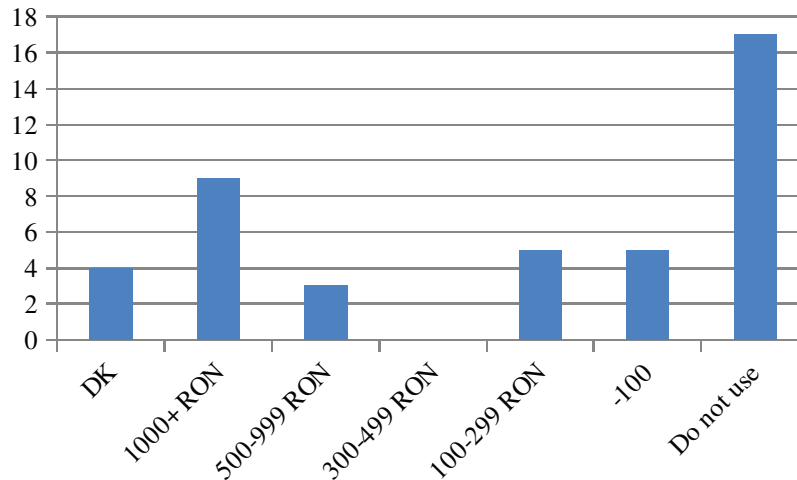
Figure 4. Amount of online donations received

Discussions

Giving that internet and social media platforms are an important component of everyday life, both for individuals and institutions, NPOs are trying to change their perceptions and to build a continuous presence in the online environment as well. Form the surveyed organizations, 4 do not engage in fundraising using social media, motivated by the inconsistency with the goal. Although a part of the organizations have an annual budget over 15,000 RON, the amount dedicated to social media is small. One explanation may reside in the fact that, compared to traditional media (TV, radio, flyers), social networking sites are cheaper and allow smaller organizations with low budgets to promote their services, attract new supporters, and target a new demographic group (Saxton, 2013). Another advantage in pursuing a stronger usage of social media is the time saving, but surveyed organizations dedicate little time to updating and maintenance of different social platforms. In order to be successful in its impact on community, organizations need to commit to knowing its audience, to using visual communications (pictures, movies capable of „telling a story"), and to be fully present online, at least for 10-12 hours/week. Very few organizations use an online donations system, and those who are engaged, do not receive a great amount of money. Lack of financing may lead to precarious mission fulfillment. As we discovered, one problem resides in the poor knowledge of using the social media. From web-pages, forums and discussion groups, blogs, to social accounts on social networking sites, the NPOs slowly adapted to the new communication methods. There is no

72

doubt that Facebook is the most used social network, followed by YouTube and online blogs. Online presence, allowing not only real-time communicating with target group, but also promoting the services and requesting financing, is starting to make its way into the NPOs life.

Coclusions

The emergence and the development of different community services are determined by the economic situation together with the social and political situation (Breaz, 2017). In this context, organizations started looking at social media as important instruments not only for communication purposes, but for fundraising as well. Our small exploratory research focusing on the knowledge, attitudes and behaviors of the NPOs generated the following general conclusions:

- Communication with stakeholders takes place both in an online environment (e-mail, social networking), and in a face-to-face manner (physical correspondence, conferences, meetings). Although financial contributions are important for organization's sustainability, when asked about the success of the fundraising, they declared as not being good enough in attracting funds using the online instruments;

- The majority of NPOs declares having excellent and good knowledge about social media and acknowledges their role in communication, but sees less their value in fundraising. Therefore, they engage in social media mainly for communicating with supporters, and volunteers, focus more on assuring their visibility on the service market, and less for fundraising;

- The most used social media platform in Facebook because surveyed NPOs can invite potential donors to their events, disseminate information to a wider audience compared to other social networking sites. LinkedIn, YouTube, Forums where people react to well written messages, websites, written media, TV, crowdfunding platforms, e-mail, social media pages of the supporters are conceptualized as useful, but not fully accessed.

- On average, NPOs spend less than 4 hours/week for social media, and the annual budget for this specific activity varies between 100 to 1,000 RON, not significantly related to the annual budget of the organization. Without a strong financial investment as well, the social media remains an underused instrument;

- Not all the surveyed NPOs have a web-site which is a big disadvantage on the services' market.

In Romania, NPOs are at the beginning of engaging into social media

and not all of them see the opportunities of these new instruments. But further studies are needed in this area in order to understand better the mechanism behind their decisions.

References

Breaz, M.A. (2014). The elder as a social problem. *Agora-Psycho-Pragmatica* 8(1), 225-231.

Breaz, M.A. (2017). Intervention on elderly welfare. *Agora-Psycho-Pragmatica* 11(1), 147-151.

Ceptureanu, S.-I., Ceptureanu, E.-G., Orzan, M.C., & Marin, I. (2017). Toward a Romanian NPOs Sustainability Model: Determinants of Sustainability. *Sustainability* 9, 966-992.

Ceptureanu, S.-I., Ceptureanu, E.-G., Sassu, R.V. (2017). Financing of Romanian Non-governmental Organizations. *Management and Economics Review* 2 (1), 68-77.

Freddolino, P. P. (2003). Agency utilization of free Internet web sites. *Journal of Technology in Human Services, 22*(1), 67-73.

Fundația pentru Dezvoltarea Societății Civile (FDSC) (f.a). *România 2017: Sectorul neguvernamental - Profil, tendințe, provocări-*. București: Fundația pentru Dezvoltarea Societății Civile.

Hackler, D. & Saxton, G. (2007). The Strategic use of information technology by nonprofit organizations: increasing capacity and untapped potential. *Public Administration Review*, *67*(3), 474-484.

Igenhoff, D. & Koelling, A. (2009). The potential of Web sites as a relationship building tool for charitable fundraising NPOs. *Public Relations Review, 35*, 66-73.

Jo, S., & Kim, Y. (2003). The effect of web characteristics on relationship building. *Journal of Public Relations Research*, *15*(3), 199–223.

Kelleher, T. (2006). *Public relations online: Lasting concepts for changing media*. Thousand Oaks, CA: Sage.

McMahon, D., Seaman, S., & Lemley, D. (2015). The adoption of websites by nonprofits and the impact on society. *Technology in Society, 42,* 1-8.

Săulean, D. & Epure, C. (1998). *Defining the Nonprofit Sector: Romania*. Working Papers of the Johns Hopkins Comparative Nonprofit Sector Project, no. 32 edited by Lester M. Salamon and Helmut K. Anheier. Baltimore: The Johns Hopkins Institute for Policy Studies, 1998.

Saxton, G., & Wang, L. (2013). The Social Network Effect: The Determinants of Giving Through Social Media. *Nonprofit and Voluntary Sector Quarterly, 43*(5), 850-868.

Shuria, H. (2014). Fundraising from individuals: Challenges faced by Non-

Governmental Organizations in Kenya. *International Journal of Social Sciences and Entrepreneurship, 1*(9), 22-35.

Tredinnick, L. (2006).Web 2.0 and business: A pointer to the intranets of the future. *Business Information Review*, *23*(4), 228–234.

Waters, R. D. (2007). Nonprofit organizations' use of the Internet: A content analysis of communication trends on the Internet sites of the Philanthropy 400. *Nonprofit Management & Leadership, 18*(1), 59-76.

Waters, R.D., Burnett, E., Lamm, A., & Lucas, J. (2009). Engaging stakeholders through social networking: How nonprofit organizations are using Facebook, *Public Relations Review, 35* (2), 102-106.

Young, J. (2012). *The Current Status of Social Media use among Nonprofit Human Service Organizations: An Exploratory Study* (Doctoral Dissertation). Virginia Commonwealth University, Richmond, VA. Retrieved from https://core.ac.uk/download/pdf/51289759.pdf