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The Correlation Between Online Marketing Strategies and Fundraising Performance of Nonprofit Organizations

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The Correlation Between Online Marketing Strategies and Fundraising Performance of

Nonprofit Organizations: An Influencer Marketing Platform, Applied Project

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Abstract

Through primary and secondary data collection, this research explores the correlation between online marketing strategies and fundraising performance of small nonprofits. The purpose of this research was to identify the needs and challenges of small nonprofit organization's marketing departments, in order to create a new marketing strategy that would help them reach their goals. The study identified several problems which small nonprofits commonly face. As a result, a new Influencer Marketing Platform has been designed, with an intent to solve the issues of volunteer based or part-time marketing staff, the lack of budgets for promotional campaigns, and the inability to create appropriate social media content.

Keywords: online strategies, marketing activities, fundraising performance, nonprofit marketing, influencer marketing

The Correlation Between Online Marketing Strategies and Fundraising Performance of

Nonprofit Organizations

The Nonprofit sector is an important contributor to the overall social environment. In the last decade, the financial income of nonprofit organizations provided by the US government is steadily declining. Nonprofit organizations need to find other sustainable sources of financial income. This applied research focuses on small nonprofit organizations and explores online strategies that can help them reach mass audiences in order to raise donations, engage volunteers, communicate etc. This research does not involve governmental grant-funding, grant-writing and the development departments of the nonprofits' organizations.

The purpose of this project is to develop a new online marketing strategy that could potentially help small nonprofits reach mass audiences. For-profit organizations effectively deliver their messages to the public through different marketing strategies, whereas nonprofits face a technological and marketing challenge, due to limited resources. Through primary and secondary data collection, I have explored the needs and challenges of marketing executives in nonprofit organizations in order to understand them better. Understanding whether marketing activities positively correlate with fundraising performance of nonprofits was crucial in order to understand whether the proposed program would be an appropriate solution.

Dolnicar (2009) found that nonprofit managers indicated that the most important marketing activities are promotional in nature. She argues that her findings support Andreasen and Kotler's assertion that nonprofit organizations have an "organization-centered" mindset. Kokemuller (2017) defines organization-centered mindset as communication of messages aimed at conveying company and brand benefits to the market. According to Nancy E. Schwartz, a survey conducted with 1,566 Nonprofit leaders showed that Seventy six percent of Nonprofit

leaders said their messages somewhat or not at all connect to their target audiences (Schwartz, 2018). Dolnicar (2009) suggests a practical implication to shift from an "organization-centered" marketing to a "customer-centered" marketing, which is the strategy that places the individual customer at the center of marketing design and delivery. Mikituk (2018) argues that this has become particularly important with the shift to digital marketing on the internet.

The program design developed in this project will address this issue. Nonprofits often lack the experienced marketing director and it is often in a volunteer capacity, which diminishes the potential of their marketing campaigns (Nastasi, 2017). The researcher argues that only a small percentage of nonprofit managers acknowledges the importance of market research and strategic marketing, and that only one fifth of marketing staff are trained in marketing (Dolnicar, 2009). The program design proposed in this applied research will also address these issues. However, in order to design a meaningful solution, I need to better understand the problem.

Statement of the Problem

Basco (2018) states that from 2010 to 2015, the number of grants and other financial awards given to nonprofit organizations by the United States dropped by 28.5%. Bjork, Palaggi and McKee (2017) argue that nonprofits need to contribute to the "organizational social responsibility" based upon the field they work in because it significantly impacts the amount of donations they receive from the outside community. They argue that the utilization of mobile marketing is becoming increasingly crucial for nonprofit organizations to maintain and manage their clientele-base, since 90% of adults in the United States own some sort of cellular device, thus it has become a key-component which allows them to fundraise and accept donations online. They also state that technology is growing and affecting communications between clients and organizations. Thus, the governmental budget for nonprofits is unstable and declining.

Many nonprofit marketing leaders expressed the concern that they are unable to create appropriate media content for their target population, due to lack of professional staff. The online marketing environment provides a great opportunity for nonprofit marketing, but also changes often (such as the changes in Facebook and Instagram Algorithms) which affects the opportunities the nonprofits can leverage, so it is important to follow trends and implement appropriate strategies. As nonprofit organization often lack an experienced marketing executive who could implement new online marketing strategies, I will try to further explore the problems and address them through my program design.

Purpose of the Study

The literature review suggests that there is a decreasing financial income by the US government to the nonprofit sector, which may endanger the fulfillment of missions by the nonprofit organizations. However, implementing online marketing strategies can potentially make a significant impact on fundraising performance. This is one of the ways nonprofit organizations might compensate for their decreasing or lost grants and other financial support.

In order to confirm this hypothesis, I have conducted research and explored how online marketing activities impact fundraising performance. It was crucial to test this hypothesis through secondary data collection, because if online marketing activities don't positively correlate with fundraising performance, my proposed program design would practically be useless. Also, it is an important precondition for all future programs that involve marketing activities for the purpose of fundraising of nonprofits.

Therefore, this study will explore the potential positive relationship between implementing social media strategies and fundraising performances. Implementing strategic social media marketing activities by social media strategists may increase fundraising

performance, which would contribute to their ability to fulfill the organizations' missions. This could possibly create a great impact on the overall society.

Significance of the Study

As the online environment rapidly changes, it is important to follow the trends and timely acclimate to the changing system. As I personally operate in professional online environment including strategizing for nonprofit marketing, I have decided to use my professional experience in order to create a systemic solution for small nonprofits. This study will benefit nonprofit marketers to better understand how to utilize social media and influencers in their efforts to raise funds, engage volunteers, create content etc. If the nonprofits' marketers implement the proposed strategy of this project, they might increase financial contributions, raise cause- and brand awareness and engage volunteers for free. This study may also inspire influencers to better understand and use their power to publish cause-related content on social media, which may shift the trends from product-oriented to educational cause-related publishing.

Literature Review

Needs

Pope (2009) argues that there has been little research into marketing from the Nonprofits point of view. She argues that there are three very distinct target markets (clients, volunteers, donors) and that they respond to the marketing mix in a different way. She concluded that NPOs need to develop multiple marketing strategies aimed at radically different markets. In addition, she states that the organizational employees lack business experience or long-term objectives, thus cites Akchin (2001) and Wenham (2003) who suggest that NPOs lack a customer

orientation in their marketing practices, and few embrace a marketing approach to their

marketing operations. Furthermore, Pope (2009) argues that volunteers are essential to the

survival of many NPOs, and that the organizations do not understand volunteer recruitment and

management as a marketing function. Pinho & Macedo (2006) argue that the key to internet

marketing is having someone in staff with the time and ability to create and implement strategies.

They add that for many NPOs, lack of expertise, financial resources, or available technology

hindered them from taking full advantage of online resources and opportunities.

Social Media and Fundraising Practices

Advertising on social media has become an almost inevitable activity for both for-profit

and nonprofit organizations. Zhang & Mao (2016) conducted a research in order to understand

how consumer online motivations lead to ad click on social media, which in turn affect

behavioral intentions – such as buying a product or service. They argue that there is no existing

theory developed specifically for understanding the effectiveness for advertising on social media,

but that the results of advertising campaigns are specifically measurable through feedbacks and

reports. They have found that there are many different factors that affect consumers' decision on

the relatively new marketing channel. Most importantly, their initial motivators that brought

them to the social network: such as connection, consumption, shopping, etc. These motivators

strongly affect how they perceive advertising or marketing on social media. McLaughlin (2016)

argues that nonprofits are predominantly dependent on the donors. Cacija (2013) examined the

effects of activities, performed within the "traditional" nonprofit strategic marketing, on the

fundraising success. She identified specific marketing activities that could ensure higher

fundraising, as well as the overall performance of nonprofit organizations.

Based on the studies made by Andreasen & Kotler (2008), financial resources are fundamental in order for nonprofit organizations to fulfill their missions. One of the limitations in this study concerns the definition of fundraising, but the overall relatively accepted definition is that fundraising is primarily an activity of collecting financial resources (Andreasen and Kotler, 2008). Cacija (2013) argues that fundraising has increasingly become a strategic approach to donors and establishment of long-term relationships, which may not initially generate planned revenues in a short-time perspective. Most importantly, she differentiates two approaches to raising funds which were presented by Sargeant (2001): the transactional approach, concentrating on the immediate financial needs of an organization; and the strategic approach, based on the organization's long-term plan. Social media marketing strategies may be a progressive approach for the short-term or immediate financial solution.

Warwick (1999) discusses the fundraising objectives, which besides simply providing funds for the organization also include growth (creating a donor base), involvement (making donors active), visibility (raising organization's public profile), efficiency (reducing the cost of fundraising), stability, etc. (Cacija, 2013). The important objectives which Warwick identified in 1999 didn't change. However, the marketing approach to achieve those objectives has changed with the establishment of social media networks such as Facebook, Instagram, Twitter, Snapchat, WhatsApp, Viber, etc. The new online environment has made it incredibly easier to create a donor base, make donor active, raise organization's profile etc.

Bennett (2003) investigated the factors that affect the intention of donating to a certain type of humanitarian organization and found that personal values and preferences have a strong influence on the selection, and that the possession of certain personal values is significantly associated with a specific organizational value that the respondent most admired. In the last 12

years, personal preferences have become accessible and identifiable through analytical tools provided by social media networks and digital marketing agencies.

Srnka, Grohs & Eckler (2003) segmented donors by age, gender and social class and identified conditions under which individuals are particularly willing to donate, which would allow the organization to improve fundraising through easily provided socio-demographic data. Nowadays, we can specifically and personally target these individuals based on socio-demographic data through online marketing tools, which makes it much more convenient for marketers than in prior years.

Sargeant, West & Jay (2007) conducted a research that confirmed that availability, measurability, education and interaction significantly affected the number of new donors a web-site can attract and that these characteristics strongly correlated with the total value of online donations. Sargeant (2010) argues that there are two approaches to the organizational assessment of fundraising performance. Firstly, the assessment of the financial perspective, related to the effectiveness of fundraising activities in the context of resource spent versus the amount of funds raised; and the assessment of the relationships with key stakeholders. Although most of the studies examined the behavior of the key stakeholders, his paper directly concerns the first model.

Cacija (2013) suggests that the most commonly used indicators of fundraising success are the so-called FACE ratio (sum of the fundraising and administrative costs in relation to total expenses) and cost per collected monetary unit. This project concerns the second most common indicator, which is the cost of an online marketing campaign per collected monetary fund. Srnka, Grohs and Ekler (2003) argue that an adequate segmentation of specific target groups and individuals could also contribute to identifying relevant attitudes and other donors'

characteristics, as well as bring benefits to the cost-benefit ratio for a targeted donation (Cacija, 2013). In recent years, specific targeting and segmentation has become more convenient and accessible through Google AdWords, Facebook Ads and Insights, HubSpot Tools and others. However, a limitation to these arguments is the lack of literature related to specifically the relationship of social media marketing activities and the fundraising performance of nonprofits. Cacija (2016) examined the direct relationship between marketing activities and fundraising performance three years after her last study. She has found that there is a positive correlation between these two. Also, she argued that unfortunately, a large number of nonprofits do not have a marketing-based approach to fundraising.

Buffaloe (2017) has found that traditional fundraising methods are losing effectiveness and she examined the reasons behind the insufficient and declining revenues of the Alzheimers' association. She examined which fundraising methods were the most effective for health-care related nonprofit organizations, because Medicare dollars alone are not sufficient to provide the financial support needed to reach the goal for a cure of Alzheimer's. Therefore, the organizations have been working to raise the needed capital. She has found that the financial result of the Ice Bucket Challenge, a low-cost social media marketing campaign, increased the revenue of ALS Association by $112.6 million. She concluded that combining social media strategic marketing with the celebrity phenomenon of social media (Influencer Marketing) was a low-cost high-income generation approach. This is a direct example of how the proposed program design in this research may be valuable.

Based on Redsicker's (2016) arguments, research shows that messaging is the key motivation for donation activity, especially on social media. Unfortunately, many nonprofit leaders expressed that they were unable to create appropriate content that engages their

audiences. Also, the influence of popular individuals helps broadening the audience of nonprofits, which positively correlates with the fundraising success. These two elements will become the key focus of my program design.

Buffaloe (2017) has also found that social media tools are gaining a momentum: such as social networking, blogging, online video etc. She argues that social media messages influence attitudes when a trusted organization is the source of the message. She states that social media is a low-cost marketing technique that helps in the awareness for the nonprofit. The combination of the raised awareness and effective messaging brings positive donors' activities. Basco (2018) states that from 2010 to 2015, the number of grants and other financial awards given to nonprofit organizations by the United States dropped by 28.5%. Therefore, nonprofit organizations face challenges in terms of funding, and they must implement marketing strategies to raise funds. He also suggests that digital marketing strategies offer a cost-effective alternative to traditional marketing. The main advantage of online marketing is its ability to reach a very specifically intended target audience.

Price and Kabadayi (2014) argue that digital marketing influences social behavior through audience engagement (Besco, 2018). Understanding the needs of specific target audiences based on demographics would allow the increase of fundraising effectiveness by reaching that specific audiences through social media marketing. Bennet (2014) argues that nonprofit organizations can benefit from digital marketing strategies, but often lack the skills to execute them (Besco, 2018). A significant limitation is that research exists on digital marketing strategies, but very little focuses on the use by nonprofit organizations to increase donations. Besco (2018) also identified the desire of small nonprofit organizations to engage in social media marketing but argues that they are not able to employ a social media strategist.

Krueger & Haytko (2015) argue that marketing via social media gives nonprofit organizations the ability to develop complex, two-channel relationship with an audience and that it is proved to be a more cost-effective strategy than traditional marketing. Additionally, nonprofits that implement these strategies realize increase in donor support and engagement (Besco, 2018). According to Forouzandeh (2014), marketers target specific audiences through the interest by demographics, which by implementing a relevant content increases trust, that eventually positively affects the purchases of products and services (Besco, 2018). He also refers to Baccile (2013), who argues that many companies use a service called Klout to measure social media influence, by analyzing the online activity of users and generating a score that reflects their level of influence in the social media environment.

Saxton & Wang (2013) argue that 93% of nonprofit organizations have an active social media account and that social media provides a new marketing opportunity for nonprofit fundraising – people make more frequent small donations through social media than through traditional channels. Paek (2013) argues that nonprofit marketing on social media platforms also increases activism and volunteerism (Besco, 2018). He also argues that nonprofit marketing professionals lack strategies to implement digital marketing effectively, and that an effective implementation would probably result in successful fundraising. Nonprofit organizations play a vital role in providing services and programs to sustain and support communities, and in order for them to remain viable, they need a sustainable source of fundraising (Coleman, 2018).

Cosby (2018) argues that social media continues to powerfully impact the way in which individuals interact with one another, and how the public is informed, communicated, organized and mobilized. This finding contributes to the importance of integrating social media strategies. The author suggests that activists who utilize social media must create focused, deliberate and

consistent messages – including visuals – in order to produce positive results. Lucas (2017) explored how the three biggest UK cancer charities by donations use Facebook in their fundraising campaigns. He has found various effective marketing strategies which those companies have use to raise funds. All of those were created by using the ability to directly interact with their target audiences. The ones which have had the most cost-ratio effectiveness, included some kind of an entertaining event – which wasn't organized by the organization, but by the social media followers themselves.

Methodology

Thought Leadership

According to Denise Brosseau, *"Thought leaders are the informed opinion leaders and the go-to people in their field of expertise. They are trusted sources who move and inspire people with innovative ideas; turn ideas into reality and know and show how to replicate their success. Over time, they create a dedicated group of friends, fans and followers to help them replicate and scale their ideas into sustainable change not just in one company but in an industry, niche or across an entire ecosystem."* (Brosseau, 2019).

The proposed marketing strategy has been based on the notion that highly influential people serving messages to millions of social media users today need a standardized process and a tool to transform their messages from meaningless to meaningful. The system of "Informed opinion leaders and the go-to people" has dramatically changed with social media, and those people are numbered in hundreds of thousands in all areas of life and industries. These popular individuals are referred to as "influencers". Through Thought Leadership, they can use their power to make a necessary change and help nonprofits tackle problems. The program design that I have created is a progressive tool for these highly influential individuals to practice Thought

Leadership and potentially produce a sustainable network of fundraising and promotion for nonprofits. As influencers reach mass audiences, their messages usually appear on the newsfeed of social media networks. This change in approach of influencers can dramatically shift the newsfeeds of social media networks from presenting product-centered messages to cause-related messages. The power and reach of cause-related messages could potentially skyrocket. With the transformation of the social media newsfeed's, we might embrace a new culture on social media: in which the priority of messaging belongs to problem-solving, rather than product-advertising. The program described later in this paper has been based on the assumption that influencers are willing to engage in cause-related marketing.

Variables

Our outcome variable is the fundraising performance, which is usually operationalized both by financial and nonfinancial instruments. However, this project focuses on the financial implications. The independent variable (IV) in our intervention is the integrated social media marketing strategy. The dependent variable (DV) is the fundraising performance. Our expected outcome is that there is a positive relationship between the two variables. In order to measure the outcome, I suggest using the FACE ratio (sum of the fundraising and administrative costs in relation to total expenses) and cost per collected monetary unit. The general fundraising metrics from the online analytics and insights will show the benefit of the outcome. Through the cost-benefit ratio model, we can measure the cost of the marketing activity and the benefit of the fundraising performance.

Primary variable. The primary independent variable or my primary program is the integrated social media strategy for nonprofit organizations. This strategy understands an approach developed by social media strategists in order to increase the influence of a particular

profile. By increasing the audience, engagement and activity of users on the social media profile, it is expected to raise the influence of the particular organization in the social media environment. Increasing and engaging audience can be executed through different social media strategies, based on needs and preferences of the target population. One of those strategies is the displayed ad campaign which exists in almost every social media network, such as Facebook Ads. Implementing displayed ads surrounded by relevant content can have a high impact on Ad clicks. These content relevant implementations can be practiced through analyzing the interest of the target group.

Influencer Marketing. Another social media strategy is the Influencer Marketing Strategy, which engages popular individuals to promote products and services. The program design in this paper was focused particularly on this strategy. The literature review has showed that the popularity and trust of information sources strongly influences the people's perceptions of the organizations. Based on the research, it is important to identify a fit between the organization and the individual. If there is a misfit, it can negatively affect the fundraising performance. However, if there is a fit between the individual and the organization, the fundraising performance will likely be positively affected. An integrated social media strategy understands that the needs of the target populations have been assessed, and that the campaign has been tailored for those needs. In my program, the strategies are implemented by professional social media strategists.

Dosage. This social media strategy is applicable as a marketing campaign, which means that it can be activated in different dosages. For example, if this kind of activity would be implemented once a month, the results of the campaign would also have to be visible in a short period of time after each dosage. Significant results should already appear after the first dosage

of the intervention. However, the precondition to execute this strategy is the resources availability for the first strategic marketing campaign.

Further Suggestions. In order to measure the impact of the intervention, I suggest the Quasi-experimental design, meaning that the target population is without random assignment. The quasi-experimental design might be a good indicator or reflection of the general population. This design is important as it is supposed to represent a large number of the US population who affect the social media and fundraising environment.

I suggest one pre-test and one post-test. The distance between the test should be one month, as the results of the marketing activities are supposed to reflect on the fundraising performance in a one-month period.

Experiential: O1 O2 X O3

Control: O1 O2 – O3

For the control group, I suggest using approximately the same scale organization concerning the same causes. Also, the organizations have to have a similar influence ration in the social media environment.

Internal Validity. Consequently, a limitation to this method is the concern regarding the internal validity, as you might not be able to make a relevant comparison between the intervention and the control group. In other words, there is no random selection. Therefore, you cannot rule out all alternative explanation, but you can try to minimize or limit them.

Ethics

One of the ethical implications is that we cannot send a consent form to any of the individuals who are contributing to our research, as the information about the participants and their contributions are confidential. Also, there is an ethical dilemma regarding the use of

marketing campaigns that inform on social causes to learn about fundraising performances. Thus, there is a question whether it is ethical to consider and analyze peoples' donations and activities as desirable "performances". Also, there is an ethical dilemma in strategizing with the experiment group, knowing that the control group has the same needs. However, using the Utilitarian approach, we can assess the benefits and costs of these activities. In this case, the benefits to the communities and the overall society are probably greater than the costs.

Target Population

The target population of this research are individuals who lead or contribute to marketing efforts in nonprofit organizations, and who create and implement marketing strategies. As previously discussed, marketing executives in nonprofits are often in a volunteer or part-time capacity, which strongly affects the marketing process and its effectiveness. The variety of this target population is wide, since 70% of Nonprofits outsource design services for their content marketing (CMI, 2014). This means that the promotional messages of the organizations are strongly affected by individuals who are not sharing the vision of the organization.

With understanding the initial issue, I find it important to understand what this population needs in order to compensate these disadvantages to some extent, because it can strongly affect their results, which are of a great concern to the overall nonprofit community.

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Findings and Interpretations

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Although this applied project relies mostly on secondary data collection or the literature review, I have also used primary data collection. It was important to conduct key informant interviews in order to assess the perceived needs of my target population, and to gather data that will help me understand the challenges their organizations face and how they tried to approach

the challenges. Also, I have stated a problem which is expressed by experts in the field and in order to understand the problem practically, I have interviewed the target population.

Methods

Besides the objective of understanding my target population, I have a personal interest in contributing to a potential solution to some of the problems. As I have had access to individuals who are involved in Marketing in the NPOs they work for, I have used a Non-Probability sampling method, the convenience sample, and reached out to them. The reason why I have used this type of sampling is because of my limited resources but also because I have developed trust with these individuals in my prior experiences. I have used coding and patterns of themes through a deductive method to analyze the data, meaning that I have had expectations and adapted my strategy to them. All six participants were my personal contacts.

Interview Questions

The following are some of the main questions posed to the interviewees:

1. Describe the usual marketing process in your organization?

2. What are the challenges the marketing department (or people executing marketing strategies) in your organization faces?

3. Briefly describe the social media marketing strategies that you (your organization) have used so far?

4. What would make your social media marketing campaigns more effective? (if you have not implemented social media strategies, please describe why?)

Findings

One participant expressed the lack of regional support to the section in which she is involved, stating that the San Diego region has only one staff member onsite who is a Part-Time

Marketing Associate and a Part-Time Volunteer Coordinator, which limits the marketing

capacities. Also, the participant added that every region has different needs. When asked to

expand on that, the participant expressed the importance of developing personal connections in

San Diego in order for the organization to receive funding from any private donor.

Another participant expressed concerns regarding the understanding of the organizations'

leadership when it comes to the demands. The participant argues that the demands of the leaders

are not realistic, since all staff members in Marketing work on a part-time basis. The participant

gave an example of how a branding consultant worked for 3 months on developing materials for

their annual Gala, which leaders find very important, so he did not have time to contribute to any

other marketing activities. The participant argued that hiring full-time staff to manage the work

load would significantly improve the effectiveness of marketing. Thus, three out of six

participants pointed out that developing a strategic marketing plan and running an assessment of

current marketing would help them better understand their own position on the market and how

it should be changed. In general, participants expressed the need for a full-time trained staff

member in the marketing team. A former director of marketing at a nonprofit organization

contributed that there was a significant resistance to change when it comes to marketing

strategies, and that short-term strategies were preferred over long-term strategies. This also

meant that the organization focused on the outbound marketing strategy by allocating a budget

for marketing and promoting their services, rather than inbound marketing strategy focused on

attracting the customers and converting the leads. One interviewee described how they increased

their follower and engagement rate when several emerging influencers shared "behind the

scenes" content of their ballet event. She added that their campaigns were relatively successful,

but the challenge was to report on the ROI (Return on Investment), which would prove that the dollars spent on marketing contributed to their business.

Through secondary data research, I found that there is a positive correlation between online marketing strategies and fundraising performance. Also, that small nonprofits lack professional staff and content creators for marketing campaigns.

Having all the hypothesis confirmed, I was prepared to pursue the new Influencer Marketing Strategy described later in this paper.

Limitations

The basic limitation of my secondary data collection is that there is lack of research from the nonprofits' perspective when it comes to online marketing. The online marketing strategies often change, and studies fail to report on those changes in terms of nonprofits. The basic limitation of the primary data collection are the definitions. There are various interpretations of professional online marketing strategies because they rapidly change with the change of the online environment. Also, there are various definitions and possible measurements of fundraising performance. Although in this case we measure only the financial performance, it is still questionable whether it is a valid instrument.

Another limitation in my research is the sample size. The goal of conducting these interviews was to understand the challenges, needs and wants of the target population in order to consider findings when developing a technical solution. Future research can be based on several case studies, which should prove the positive relationship between the independent and dependent variables. I am not able to assess a larger population because of the limited resources and the research design.

Another significant limitation is that this research is focused on the humanitarian and small nonprofit organizations. Other nonprofit entities may experience different results when conducting social media strategies.

Sampling

The sampling method which I have chosen is the judgmental sampling, which is a non-probability sampling method. I have assessed personal contacts of the leaders who have been professionally leading humanitarian nonprofit organizations or their departments. It is important that the marketing leaders are experts and professionals who understand the importance of new marketing strategies and their strategists. Thus, the ones who will help implement and execute the strategies proposed by the social media strategists. I have avoided the snowball sampling method, as it could have affected the control groups.

Future research. The sampling frame in future research should include the list of nonprofit organizations and their leaders who have been performed moderately regarding the fundraising and marketing activities. Try to avoid the outliers. I suggest using the stratified simple random technique, in order to divide the population based on certain characteristics. As demographics on social media play an important role in terms of peoples' behaviors, it is important to cluster the population of our marketing leaders in organizations based on age, gender, economic status, geographic location, interests and others.

Ethical Dilemmas. I had to ethically consider the implications of demographics and fundraising performance. If future research shows any results that might offend or devaluate certain groups based on demographics, those shall not be published. Also, race or ethnicity shall not be considered as subgroups of any of the demographics.

A limitation with the stratified simple random sampling is that there should be identified every subgroup within the organizations and clustered based on their experience and expertise, age, cultural implications such as the usage and understanding of internet, online marketing etc. As I have concluded the findings and interpretations, I will proceed with my proposed program design, or the potential solution for the problems.

Program Design: A Solution

Based on all information that I have collected; I have decided to propose a program design that should help nonprofits tackle the above-mentioned problems. This marketing strategy aims to connect small nonprofits with popular individuals on social media. Through those individuals, nonprofits will be able to communicate high quality messages to their target audiences, increase their follower-base on social media, raise funds and engage volunteers.

Mission

The online marketing platform "SocietyAds" is designed to help small nonprofit organizations find and match with social media Influencers who share values and beliefs of the organizations. The mission of this program is to enhance online marketing activities of small nonprofits in order for them to reach mass audiences with their messages, and eventually raise funds.

Vision

The vision of "SocietyAds" is to provide nonprofit organizations with 100.000 ambassadors and create the largest free advertising network for nonprofits in the world.

Process Description

The marketing platform "SocietyAds" consists of three main constituents: nonprofit organizations, influencers (popular individuals on social media) and for-profit companies. Besides, the program consists of marketing specialists, designers and leadership consultants. Both the nonprofits and the influencers will be enlisted on the platform based on the causes, passions and their missions. I have found that nonprofits don't have sufficient budgets to fund their campaigns – therefore, the influencers will spread their messages for free. This will allow nonprofits to reach mass audiences, but it will also allow Influencers to engage in Thought Leadership that might empower their image. An AI powered software will match those two based on the characteristics provided. When a match is approved by both parties, the constituents will be able to communicate through a chat software.

The Process
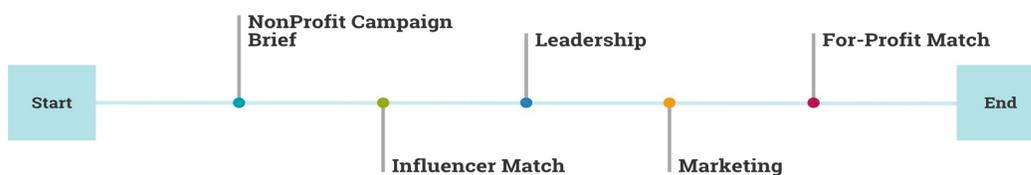
I have also found that nonprofits often hire part-time marketing employees or even volunteers, so this platform will be automatized and tailored for amateur-marketers. Every visitor will be able to understand and easily use the service, as it will be based on a sophisticated User Interface and User Experience design.

I have also found that nonprofits find it difficult to create content that accurately informs the population of their cause and intent. Therefore, I have introduced graphic designers and leadership mentors as assisting constituents. The leadership mentor will serve as a link between the organization and other constituents. She or he will communicate the vision and mission of the organization to the designers and influencers. The organization can choose whether to observe the process or get fully involved. The designer will create content together with the influencers.

Every conducted campaign will include a hashtag for report-purposes and potential viral messaging. Through promoting a cause on the influencer's profiles on social media, the influencer will link the organization and propose to their followers to follow the organization's accounts, in order for them to grow the follower-base. Through increasing of the follower-base, the organizations will become able to communicate their messages to the new population in the future. As some of the most influential promoters or influencers refuse to engage in campaigns without a financial contribution, I have decided to introduce another constituent: the for-profits.

My software will also be able to match the best possible cause-campaigns with for-profit company's interests, based on promoted interests, reach and engagement. The companies will be able to decide whether or not to finance the nonprofit organization's campaign, and what possible branding would they like to include. The nonprofits can choose only to work with influencers who will promote their messages for free, but also, they will have the opportunity to gather financial resources to promote their campaigns – or to engage in an Outbound marketing strategy. This will allow them to work with the most popular influencers on social media for free, with the highest reach and engagement.

Basically, this service will allow even the nonprofits' "amateur" marketing departments to reach millions of social media users, either through passionate influencers alone or through sponsorships.

With this program design, I have addressed the problem of unexperienced and part-time marketing staff and created an opportunity for them to engage in a professional and user-friendly mass advertising campaign. Also, as the system automatically reports results, the problem of reporting has also been addressed. Thus, the appropriate content creation problem has been solved through designers and influencers. The main goal was to help small nonprofits raise funds, and with this program they will be able to raise donations by communicating with a large audience for free.

Conclusion

The nonprofit sector is an important contributor to the social environment and the overall society, but with the decreasing governmental funding, its impact is being threatened. In order for this sector to become sustainable, it needs to change its approach and follow trends. Transforming the approach will create new opportunities. One of those opportunities is online marketing. Online marketing professionals, individuals and groups all over the world who are able to contribute to solutions for the nonprofits' sustainability should act and create opportunities and change.

This study has confirmed that there is a positive correlation between online marketing strategies and fundraising performance of nonprofits. It also identified the major challenges of small nonprofits. Thus, the new program design suggests that by using innovative approaches, technologies and systems, we are able to enhance the nonprofits sustainability. Thought

Leadership, my personal Leadership theory and others suggest that all individuals should use their power and skills for the greater good of the society. Contributing to nonprofits' sustainability is one of those greater goods.

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Appendix A

Literature Review Matrix

	Name of journal, name of article, authors, date published	Target Population	Intervention/Program	Measures	Results/Findings	Study Limitations	Recommendations for further exploration
11	Wiley Periodicals. From Online Motivations to Ad Clicks and to Behavioral Intentions. An Empirical Study of Consumer Response to Social Media Advertising. Jing Zhang & En Mao. 2016.	Social Media Users	Higher congruency between the ad and media content surrounding the add.	Relationship between connection motivation and perceived congruity between the ad and social media content.

Large Scale Survey | A significant amount of variance. Significant impacts on ad clicks confirmed. | The project focuses only on one form of social media advertising – displayed ads. | There is a need for more research on social media motivations, not only connection and consumption – but also creation and control. Also, measurements of the conversion rates are necessary. Explore other models of social media advertising. |
| 2 22 2 | Proquest, LLC. A quantitative descriptive case study on the Alzheimer's nonprofit marketing methods. Stephaine J. Buffaloe. August 2017. | The overall population of the United States | Examination of the preferred activity method | Survey: Statistical significance difference in preferred forms of fundraising for charities from celebrity or entertainment events over the traditional methods. | The most preferred method of fundraising was a night of entertainment. Different demographic groups prefer different methods of fundraising. | The use of nominal and ordinal variables does not provide for detailed statistical testing that scaled responses would provide. | To focus from the general sample of adults to individuals who already contribute to charities. Explore other demographics. |

3 33	Walden Univesity. Digital Fundraising strategies for Nonprofit Marketing leaders in international markets. John Basco. 2018.	Marketing leaders of nonprofit healthcare organizations in North America	Implementation of a digital fundraising strategy	Interviews and Survey: The relationship between integrated digital marketing strategies and effective international fundraising.	Nonprofit healthcare organizations can successfully raise funds by implementing digital marketing strategies.	The sample size. The number of available participants. Due to the pace at which digital marketing evolves, some results may no longer be applicable.	Explore other nonprofit fields. Explore the role of storytelling in digital fundraising.
44	Walden University. Attraction and Retention of Individual Donor Funding in Nonprofit Organizations. Andria Coleman. 2015.	Nonprofit leaders in North America	CCN Program to increase donors' retention	The relationship of the strategies that leaders use and the retention rates of individual donors	CCN workforce model increases efficiency	The use of a single case study and small sample size.	Explore strategies nonprofit leaders use to obtain and retain donors – looking at other performance measurements.
55	Proquest LLC. The revolution may not be televised but it will be hashtagged: The impact of social media on social movements, racial perceptions and real-world activism. Nadine Barnett Cosby. 2018.	Individuals who engage with social movements through social media	Using social cognitive theory to analyze racial contexts in social media, and perceptions of social movements	The relationship between interaction with social media movements through social media and awareness about the organization or movement	Social media plays an important role in peoples' perceptions of social movements	Many unresponsive to requests to participate in the study. Quantitative methods could not be further beneficial to research the relationship between race and social media.	Further explore social activism as a phenomenon.
66	Wiley. Reinventing the rattling tin: How UK charities use Facebook in fundraising. Evie Lucas. 2016.	Nonprofit Marketing professionals in the UK	Implementing Facebook strategies for fundraising purposes	The relationship between Facebook marketing activities and fundraising performance.	Survey participants strongly valued the ability to access up-to-date information about the organization on Facebook.	Limited access to Facebook metrics, ROI, other data.	Explore the motives of people who connect with charities via Facebook.

77	Journal of Marketing Research. Preliminary Empirical Analysis of the Relationship Dynamics between Marketing Activites and Fundraising success in Nonprofit Organizations. Cacija Ljiljana N. 2014.	Marketing professional in nonprofit organizations	A conceptual model that captures indications of fundraising effectiveness in relations to marketing activities in order to better understand the outcomes	The relationship between marketing activities and fundraising performance	Marketing activities have a positive influence on fundraising performance. Marketing activities influence both the financial and nonfinancial fundraising performance.	Sample size. Only qualitative method used.	The creation of new models to measure organizational effectiveness. Explore nonprofit fields other than humanitarian.

Appendix B

	Hierarchy of objectives	Indicators	Means of Verification	Assumptions
GOAL	To increase fundraising performance of NPOs by 20%	% of new supporters and their contribution	Official financial statements (once a year)	Records differentiate new and previous contributors
OUTCOME 1.1	Increased online visibility and reach (social media)	% of engagement and reach increase	Data analytics (every month)	This was the sole marketing campaign in the given period
OUTPUT 2.1	A completed marketing campaign on social media	Partners completed their tasks	The campaign is visible online (check every month)	Partners have not limited visibility
ACTIVITY 3.1	Assist Nonprofit Organizations to navigate through our marketing platform	# of new registered organizations and supporters on the platform	Data analytics from the server	Organizations have registered with an intent to create a campaign
OUTCOME 1.2	Partners continuously promote the organization	% of mentioning or tagging of the organization (ratio to previous month)	Analyze Profile insights every 2 months	Visibility is not geographically, or profile limited
OUTPUT 2.2	NPOs and promoters have formed a partnership	# of new campaigns	Check Rate of communication every 2 months	Constituents communicate about their cooperation
ACTIVITY 3.2	Find a match between NPOs and promoters	# of new partnerships	Data analytics from the server	Partnerships are not based on previous communication or experiences

Appendix C

Interview Questions

Capstone, Applied Research Project: Marketing Activities & Fundraising Performance

Question 1	Question 2	Question 3	Question 4	Question 5	Question 6	Question 7
Describe the usual marketing process in your organization?	What are the main challenges the marketing department (or people executing marketing strategies) in your organization faces?	Briefly describe the social media marketing strategies that you (your organization) have used so far?	Why have you used those specific strategies?	What would make your social media marketing campaigns more effective? (if you have not implemented social media strategies, please describe why?)	Please, share your thoughts or experiences on the Influencer Marketing Strategies?	Please, share your thoughts or experiences on the Affiliate Marketing Strategies?

Name:
Organization:
Organization size (small, medium or large?):
Position (and period):

Appendix D

Constituents