The potential of Web sites as a relationship building tool for charitable fundraising NPOs[☆]

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1. Purpose of research

Facilitating interaction between an unlimited number of individuals, the Internet provides organizations with the unique possibility of engaging publics[2] in dialogue, a key characteristic of excellent public relations (Grunig, 1992). Particularly nonprofit organizations (NPOs) can benefit from the Internet. Without having the resources to invest in a variety of advertising or public relations measures, such organizations can still reach a large public by means of a well-designed Web site. Especially NPOs which depend on donors for achieving their mission can benefit from the relationship building potential of the Internet (Kent, Taylor, & White, 2003; Naudé, Froneman, & Atwood, 2004). Furthermore, new Web features such as podcasts or blogs provide NPOs with the opportunity of attracting new and younger target groups[3].

Nevertheless, different studies (Kang & Norton, 2004; Naudé et al., 2004) have indicated that the dialogic potential of the Internet is still often underutilized by NPOs. However, hardly any relevant studies could be found for the European context. The purpose of this study is therefore to examine the Web-based communication of charitable fundraising NPOs in Switzerland in order to determine to what extent they are using the potential of the Internet and of Web 2.0 to engage in dialogue with their most important stakeholders, which are potential donors and media publics.

2. Literature review

Naudé et al. (2004) noted that the Internet with its technical characteristics is the only medium which allows the application of all four models of public relations proposed by Grunig and Hunt (1984). The two-way symmetrical model of Grunig and Hunt (1984) is thus used as a theoretical framework for the present study.

To evaluate the dialogic capacity, we base ourselves on the five principles of dialogue that may guide organizations to successfully integrate dialogic public relations into Web sites proposed by Kent and Taylor (1998): *Ease of interface, usefulness of information, conservation of visitors, generation of return visits*, and *dialogic loop*. As suggested by Taylor, Kent, and White (2001) usefulness of information can evaluated in general but also with regard to specific publics. Even though Kent and Taylor (1998) suggested that the employment of interactive features may lead to relationship building, they did not explicitly take into account chat rooms, forums, or features of Web 2.0 which we considered in the present study.

Taylor et al. (2001) divided the five principles in two clusters: (a) a *technical and design cluster* including the principles of ease of use, usefulness of information, and conservation of visitors, which may be considered as a prerequisite for dialogue and (b) a *dialogic cluster* including the categories of generation of return visits and dialogic loop.

3. Research questions and hypotheses

Firstly, the study explores the extent to which Web sites of charitable fundraising NPOs in Switzerland meet technical and design, as well as dialogic standards in order to engage publics in dialogue. Public relations scholars have pointed out that NPOs are efficiently using the Web to present traditional public relations material, however, without taking advantage of the unique potential of the Internet (Kang & Norton, 2004; Naudé et al., 2004; Taylor et al., 2001).

H1. While the Web sites of Swiss charitable NPOs active in fundraising meet technical and design aspects required for dialogic communication, the dialogic potential is not yet fully realized

According to (Esrock and Leichty, 2000), Web sites of NPOs are likely to be visited by various stakeholders and usually address diverse publics. Publics primarily addressed on a Web site may be expected to be strategically valuable to the organization in question (Taylor et al., 2001), thus donors and media in the case of charitable NPOs. Previous studies have pointed out that the media are often not sufficiently addressed through online communication (e.g. Callison, 2003; González-Herrero & Ruiz de Valbuena, 2006; Reber & Kim, 2006; Taylor et al., 2001). Therefore, it is assumed that:

H2. Web sites of charitable NPOs active in fundraising are more likely to cater to the needs of current or potential donors than those of the media

Naudé et al. (2004) argued that the communication behavior is a result of the overall public relations orientation. They claimed that organizations with a symmetrical view on the purpose of public relations are more likely to engage in dialogue with their different stakeholders, which indicates that communication orientation and dialogic capacity of Web sites are associated. Research has shown that organizations which reply to e-mail requests for information are more likely to employ dialogic features on their Web sites than organizations that do not respond (Kent et al., 2003; Taylor et al., 2001). Therefore, responsiveness will provide information about how effectively the organizations employ dialogic features on their Web sites or if an organization only creates the illusion of caring (Taylor et al., 2001).

H3. Organizations that reply to e-mail requests for information are more likely to employ dialogic features on their Web sites than organizations that do not respond.

Furthermore, this study also examines to what extent the dialogic capacity of the Web sites and the responsiveness of the organizations are correlated with income and dependence on donations. Kang and Norton (2004) noted that the Internet may have an equalizing effect on the public relations performance among NPOs with varying budgets. However, it may be assumed that the employment of dialogic principles on Web sites also reflects a certain commitment of resources and a professionalization of the organizations providing the sites. Organizations with a higher total income may be more likely to employ professional public relations staff to design the Web site.

H4. Organizations with higher total income create Web sites that are more dialogic than organizations with lower total income.

A survey of UK charities conducted by Goatman and Lewis (2007) revealed that NPOs with higher fundraising income use their Web sites more intensely as a communications tool than NPOs with lower income. According to Kent et al. (2003) the employment of the Internet by activist organizations is related to their dependence on stakeholders. It is thus possible that the degree of dependence on donations as a source of income has an effect on the employment of dialogic features into Web sites.

H5. Organizations with higher fundraising income create Web sites with a higher dialogic capacity than organizations with lower fundraising income.

Kent et al. (2003) compared different types of activist organizations and found that membership organizations, which are highly dependent on volunteers, were more likely to respond to e-mail requests from stakeholders than watchdog

organizations, which are less dependent on stakeholders. Given that NPOs active in fundraising depend on donations to varying degrees the sixth hypothesis posits that:

H6. The more a charitable fundraising NPO depends on donations the more likely it is to respond to information requests from donors.

4. Research method

4.1. Population

The population, comprised of 134 Swiss NPOs, was selected based on a list provided by the ZEWO foundation, the Swiss centre of competence for charitable organizations collecting donations which summarizes the work of 495 Swiss NPOs[4] which are active in fundraising and also meet the quality standards defined by the ZEWO.

As the list contains different types of NPOs, charitable NPOs were selected using the definition of charitable NPOs proposed by Schwarz (1994: 7), defining them as organizations "[...] producing charitable support services for the benefit of the needy social class". Based on Viest (2004) suggestion, the neediness in this study is defined by physical handicaps, mental diseases or disorders, and financial hardship. As the present study is particularly interested in how *charitable fundraising NPOs* present themselves towards donor publics, only organizations which generate at least 10% of their total income through donations were included in the population.

4.2. Approach

Firstly, each Web site was coded for two organizational characteristics: total income and income from donations. Financial ratios were gathered from the profit and loss accounts of 2006 provided by the organizations. Even though all organizations in the sample edited their profit and loss accounts according to the Swiss GAAP FER 21[5], which guarantees a certain degree of comparability of the data, the organizations in the sample did not always edit their profit and loss accounts in the same way. Therefore, total income and the income from donations could not just be adopted as indicated in the profit and loss accounts but had to be computed according to standards defined specifically for this study.

Quantitative content analysis of the Web sites was conducted primarily based on Kent and Taylor (1998) five principles of dialogue as well as Taylor et al. (2001). Each Web site, including the front page and all pages which had the same URL, was coded for the presence or absence of all variables in content categories by one person. With an intracoder-reliability coefficient (Holsti, 1969) of 0.97 results may be considered sufficiently reliable.

As a third step, the dialogic capacity of the Web sites was qualitatively assessed by investigating responsiveness towards donors and media. Fictitious information requests were sent from those two stakeholder groups, as proposed by Taylor et al. (2001). This permits exploration of the extent to which the employment of dialogic principles corresponds with organizational communication behavior. All e-mail replies which were received within 14 days after the information request was sent, were coded as responsive.

5. Results

To address the first hypothesis (H1), the content categories[6] were divided into two clusters, as Taylor et al. (2001) suggested. Indices were built for all content categories as well as the technical and design and the dialogic cluster. As all variables are dichotomous respectively dummy variables with parameter values of 0 and 1. The value for each item represents its relative frequency, that is, the percentage of Web sites which were coded positively for that item. The indices of content categories along with those of the technical and design and dialogic clusters are indicated in percent.

With a mean of 47% the index of the technical and design cluster (Table 1) proves to be clearly stronger than the index of the dialogic cluster with a mean of 21% (Table 2). The indices of conservation of visitors (67%), usefulness of information for donor publics (62%), ease of interface (53%), and usefulness of information for the general public (53%) score highest, whereas the indices of dialogic loop (29%), usefulness of information for media publics (15%), and generation of return visits (16%) score lowest.

The first hypothesis (H1) is thus supported. The Web sites of the organizations in the population clearly seem to place greater emphasis on the technical and design aspects than on the dialogic aspects of their Web sites.

Even though standard elements of relational communication are often provided on Web sites, the NPOs do not sufficiently take advantage of new Internet technologies for building relationships with stakeholders. Only very few Web sites incorporate forums or chat rooms. Other feedback devices such as user surveys (5%) or call back options for donors (5%) are likewise

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[4] According to the list of fundraising NPOs approved by the ZEWO foundation as of June 2007 (www.zewo.ch).
[5] The Swiss GAAP FER 21 "Accounting for social NPOs serving the public good" gives directives for the accounting of Swiss NPOs.
[6] *Content categories* refer to the five principles of dialogue, operationalized for and adapted to this study.

Table 1
Occurrence of technical aspects of organization-public relationship building.

Indices/clusters	Relative number (%) of organizations ($n = 134$)
Technical and design cluster ($M = 46.60$; S.D. $= 13.667$)	
Ease of interface ($M = 52.61$; S.D. $= 21.354$)	
Sitemap	37
Search engine box on front page or hyperlink	31
Major links on the front page to the rest of the site	99
Navigation visible on each page	95
Links back to home page	54
Choice between low and high reliance on graphics	4
Possibility to select language	65
Usefulness of information for donor publics ($M = 62.06$; S.D. $= 20.882$)	
How to contribute money	96
Information on how the donated money is employed	16
Possibility to donate online	27
Possibility to order deposit slips (ordering form)	58
Logo of organization prominent on each page	93
Hyperlinks or headlines on the front page addressing donor publics	82
Usefulness of information for media publics ($M = 15.42$; S.D. $= 19.071$)	
Press releases provided	40
Speeches	4
Searchable news archive	1
Downloadable media kits	4
Biographies of organizational key members	4
Downloadable information (audio/video files and graphics)	22
Press room provided	33
Possibility to subscribe regular media information via e-mail	7
Hyperlinks or headlines on the front page addressing the media	23
Usefulness of information for general publics ($M = 52.71$; $S = 23.011$)	
Organizational history	54
Mission statement	50
General corporate facts	69
Information on the proportion of volunteers of the organization	20
Organizational publications	72
Annual report	77
Logo of ZEWO foundation	44
Information on the certificate of the ZEWO foundation	37
Conservation of visitors ($M = 66.79$; $S = 16.157$)	
Response times less than 4 s	85
No splash screen	96
Date of latest update indicated	10
Important information available on homepage	76

rarely incorporated into Web sites. Features of Web 2.0 such as blogs (0%), podcasts (0%), or RSS feeds (3%), are not taken advantage of, either.

The present study thus supports the results of previous studies addressing the dialogic potential of Web sites of NPOs (Taylor et al., 2001; Kang & Norton, 2004) but also of for-profit organizations (Esrock and Leichty, 1999).

In order to find out to what extent the organizations in the sample use their Web sites to serve donor publics and media (H2), indices were built for both stakeholder groups which contain information that is considered useful to them, based on relevant literature.

As Table 1 indicates the index of usefulness of information for media publics (15%) scores considerably lower than the index of usefulness of information for donor publics (62%). Eighty-two percent of the Web sites target donors on the front page while only 23% target the media on the front page. Web sites of charitable fundraising NPOs thus fail to use their Web sites efficiently for media relations. Summing up, enough evidence exists that Web sites of charitable fundraising NPOs in Switzerland rather target donor than media publics. Therefore, H2 is supported.

To address the third hypothesis (H3) this study recurres on Taylor et al. (2001), who sent e-mails requesting information to each of the organizations in the population to see to what extent the employment of dialogic principles corresponded with organizational communication behavior. Altogether 75% of the organizations responded to the information request from donor publics within 14 days, whereas 68% of the organizations answered the e-mail from media publics. The high scores of responsiveness are particularly noteworthy as previous studies assessing responsiveness of organizations towards stakeholders obtained considerably lower scores (González-Herrero & Ruiz de Valbuena, 2006; Taylor et al., 2001).

To answer the third hypothesis, the means of the indices were calculated for responsive as well as non-responsive NPOs (a) towards donor publics (Table 3), and (b) towards media publics (Table 4). As results indicate, organizations which responded

Table 2
Occurrence of features fostering dialogue.

Indices/clusters	Relative number (%) of organizations ($n = 134$)
Dialogic cluster ($M = 25.08$; S.D. = 8.692)	
Generation of return visits ($M = 16.20$; S.D. = 9.277)	
Explicit statement invites users to return	0
Bookmark now	1
Calendar of events	45
News section on the site	32
Things that can be requested by mail/e-mail	54
Games	1
Electronic postcards	4
Q&A's	2
FAQ's	13
Links to external Web sites	65
Possibility for online interaction or public discourse with other users (not moderated)	4
Downloadable audio/video files	2
Podcasts	0
RSS feeds	3
Dialogic loop ($M = 28.828$; S.D. = 11.037)	
Contact information on first page	90
General contact information or contact forms	99
Contact information for donor publics	10
Contact information for media publics	22
Call back option for donor publics	5
User surveys	5
Possibility to subscribe regular information through e-mail	22
Interactive devices allowing people to voice their opinion on the organization itself (moderated)	2
Blogs	0

Table 3
Differences in dialogic capacity for organizations coded responsive, respectively non-responsive towards donor publics.

Indices	Responsiveness towards donor publics			
	Responsive	Non-responsive	T-test	
	M	M	d.f.	t
Ease of interface	53.63	50.00	131	0.843
Usefulness of information for donor publics	64.33	55.05	131	2.240[*]
Usefulness of information for media publics	16.44	12.79	131	0.952
Usefulness of information for general publics	53.75	48.48	131	1.147
Conservation of visitors	67.00	66.67	131	0.102
Generation of return visits	17.00	14.07	131	1.582
Dialogic loop	39.67	36.36	131	1.638

[*] $p < .05$ for a two-tailed test.

Table 4
Differences in dialogic capacity for organizations coded responsive, respectively non-responsive towards media publics.

Index	Responsiveness towards media publics			
	Responsive	Non-responsive	T-test	
	M	M	d.f.	t
Ease of interface	54.53	49.11	131	1.370
Usefulness of information for donor publics	67.95	49.21	131	5.255[***]
Usefulness of information for media publics	20.39	5.03	131	4.636[***]
Usefulness of information for general publics	54.26	48.51	131	1.350
Conservation of visitors	66.76	66.67	131	0.030
Generation of return visits	18.52	11.11	131	4.499[***]
Dialogic loop	40.54	34.92	131	3.103[**]

[**] $p < .01$ for a two-tailed test.
[***] $p < .001$ for a two-tailed test.

Table 5
Correlation between total income respectively income from donations and dialogic capacity.

Indices	Corr. total income 2006 (CHF) and dialogic capacity		Corr. income from donations (% of total income) and dialogic capacity	
	r	Significance	r	Significance
Technical and design cluster	.295	.001	.107	.217
Ease of interface	.229	.008	−.034	.699
Usefulness of information for donor publics	.241	.005	.202	.019
Usefulness of information for media publics	.226	.009	−.057	.516
Usefulness of information for general publics	.184	.033	.142	.101
Conservation of visitors	.035	.691	.095	−.096
Dialogic cluster	.229	.008	−.021	.806
Generation of return visits	.277	.001	−.096	.271
Dialogic loop	.079	.362	.084	.335

to information requests from those two important stakeholder groups generally provide more dialogic features on their Web sites than organizations which did not respond.

Particularly the differences between responsive and non-responsive charities in terms of usefulness of information for donor and media publics are striking. As Table 3 points out, organizations which responded to the information request from donor publics generally provided Web sites with a higher information utility for donors ($M = 64\%$) than organizations which did not respond ($M = 55\%$).

For responsiveness towards media publics the difference between usefulness of information for responsive and non-responsive charities is even more striking (Table 4). Organizations which responded to e-mails from media publics provide Web sites with a significantly higher information utility towards media publics ($M = 20\%$) than those which did not respond ($M = 5\%$).

Responsive organizations also provide more features encouraging publics to return to the site and incorporate significantly more information for important stakeholder groups than non-responsive organizations. Based on these results it may be concluded that H3 is supported.

To find out whether organizations with higher total income create Web sites that are more dialogic than organizations with lower total income (H4), the overall income of the organizations in 2006 (in CHF) was correlated with the technical and design and dialogic clusters as well as the indices comprising the clusters.

Results indicate that a positive and highly significant correlation exists between total income and dialogic capacity of the Web sites, as expected. The total income is positively correlated to the technical and design cluster ($r = .295$; significance: .001) as well as to the dialogic cluster ($r = .229$; significance: .008).

Most of the correlations between indices and total income are strong and highly significant (Table 5). Only the principles of conservation of visitors ($r = .035$; significance: .691) and the dialogic loop ($r = .079$; significance: .362), however, were not significantly correlated with total income.

Enough evidence exists to conclude that, the dialogic capacity of NPO Web sites is related to the financial means of the organizations providing the site. NPOs with higher income tend to create Web sites with a higher dialogic capacity than Web sites with lower income (Table 5). Therefore, H4 is supported.

The fifth hypothesis hints at the dependency on donations of NPOs. In order to examine the correlation between the dialogic capacity and income from donations, the fundraising income expressed in percent of the total income, was correlated with the two clusters and indices comprising the two clusters, just like for the fourth hypothesis.

Table 5 indicates that neither the design cluster ($r = .107$; significance: .217) nor the dialogic cluster ($r = −.021$; significance: .806) is significantly correlated with the total income from donations.

However, the index of usefulness of information for donor publics ($r = .202$; significance: .019) features a significant and positive correlation with donation income. Charitable NPOs with higher levels of dependence on donations thus provide more information relevant for donors on their Web sites than organizations with lower levels of dependence on donations.

With regard to the results presented in Table 5 the null hypothesis for H5 may not be rejected.

In order to address the sixth hypothesis (H6) the income from donations, expressed in percent of total income, was summarized into five clusters, each comprising a span of 20% of the income from donations in 2006[7]. The number of responses to information requests from donor publics was computed for all clusters of income from donations.

Table 6 indicates that the relative responsiveness towards donor publics for the respective clusters is increasing in accordance with the dependence on donations. Whereas only 53% of organizations generating a small part of their total income (10–20%) through donations responded to the information request, organizations depending to a higher extent on donations were more likely to respond. Eighty-one percent of the organizations generating more than 80% of their total income by means of donations were coded responsive.

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[7] With exception of the first clusters which comprises NPOs which generate between 10% and 20% of their income though donations.

Table 6
Differences in responsiveness towards donor publics in terms of dependency on donations.

Income from donations (2006) in percent of total income	Relative number (%) of responses towards donors
10–20 ($n = 19$)	52.63
21–40 ($n = 27$)	77.78
41–60 ($n = 24$)	70.83
61–80 ($n = 21$)	80.95
81–100 ($n = 43$)	81.40

This means that the more a charity depends on donations as a source of income the more likely it is to cater to donor publics on its Web site and respond to information requests from those publics, as suggested by Kent et al. (2003). The sixth hypothesis (H6) is thus supported.

6. Conclusions

This study indicates that Swiss fundraising NPOs use the Web efficiently to serve the information needs of current and potential donors. However, the potential of the Web is still not used to its fullest capacity. Few organizations explicitly invite donors to contact them by providing specific contact information or call back options. Furthermore, NPOs also completely miss out on the opportunity of building relationships with their most important stakeholders by using new dialogic Internet technologies such as chat rooms or forums, user surveys or call back options but also applications of Web 2.0, such as podcasts or blogs.

The NPOs analyzed also fail to use their Web sites efficiently for media relations. Little information relevant for journalists is provided on the sites and few Web sites address media publics on the front page. This indicates that Web sites of non-profit organizations suffer the same weaknesses as for-profit and activist organizations. However, a quarter of the Web sites provide specific contact information for media publics. It is, thus possible that the NPOs analyzed prefer other channels to communicate with media publics than their Web sites.

The overall dialogic capacity seems to be related with the financial situation of the NPO. This contradicts the assumption of Kang and Norton (2004) that the Internet may be used as a potential equalizer for public relations performance among organizations with varying budgets.

7. Limitations

One limitation of the present study is that results are based on a relatively small population. Future studies could extend the present study on an international level, for example by examining Web sites of NPOs in countries neighbouring Switzerland. This would indicate whether the results obtained in the present study can be generalized.

Another limitation of this study is that the NPOs included in the population do not report their financial ratios according to the same standards. Even though guidelines for computing the total income and income from donations were developed for this study, the comparability of the data is still restricted because the aggregation level and specification of financial assets vary between the different NPOs.

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