The Online Migration: A Content Analysis of Stewardship Practice on Facebook

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Abstract

Online giving has been growing steadily since September 11, 2001, and a significant component of online giving is social giving. This research proposal looks to evaluate the current status of stewardship on the Facebook social giving platform. Despite a lack of scholarly research on this topic, previous public relations research on the web, as well as stewardship on the web, provides a structure for the study. The population selected for study is drawn from the *Chronicle of Philanthropy's 2012* Philanthropy 400. The representative sample consists of the top 10 organizations of each subsector, as categorized by *Giving USA*. The study proposes a content analysis of these organizations' Facebook pages, analyzing the degree to which the organizations practice stewardship. Kelly's (1998, 2001) ROPES model is the theoretical framework for the study, with a focus on the fifth step, stewardship, and its four elements: reciprocity, responsibility, reporting, and relationship nurturing. Anticipated findings are that organizations do not effectively practice stewardship on their Facebook fundraising-related pages as a result of spending most stewardship efforts on major gift donors and not understanding how to effectively incorporate stewardship into social giving efforts. Few recommendations for practice exist to guide nonprofits and this study will provide an increased understanding of the theoretical nature of both stewardship and social giving.

Keywords: stewardship, Facebook, social giving, content analysis

Purpose of the Study

In today's nonprofit sector, many organizations' level of success is defined to a large extent by the effectiveness of their fundraising. Prior to September 11, 2001, online giving was not a notable source of U.S. charitable giving. With the emergence of the World Wide Web, giving through new online channels has steadily been increasing since the early 2000s. Since the September 11, 2001 terrorist attacks, America's dedication to philanthropy has been reaffirmed, especially through relief efforts for the 2004 Asian tsunami victims and Hurricane Katrina and Rita victims in 2005. Through these disasters, a steady rise in online giving became evident. According to the Pew Internet and American Life Project of December 2005 (Lai, 2006), 11 million online donations were made after the 9-11 attacks, 17 million were made after the Asian tsunami, and 26 million donations were made following the Gulf Coast hurricanes (Lai, 2006), more than a 100% increase in just four years.

Not only have nonprofit organizations created websites, but they have also created capabilities for online giving with opportunities for donor engagement. The Online Giving Study done by Network for Good and TrueSense Marketing (2010) revealed that from 2003 to 2009, online giving has yielded an average annual growth of 56%. In 2009, social giving accounted for 29.9% of online giving overall, drawing in $15.3 million. Flandez and Gipple (2012) stated in a report for *The Chronicle of Philanthropy* in 2012 that all online giving accounts for less than 10% of the dollars charities collect. While this percentage is a small portion of overall donation dollars, the overall growth of online giving is evident. According to the 2012 *Chronicle of Philanthropy* report, the number of groups raising money online grew by 88,400 from 2011, and predicted that over the next five years total share of gifts raised online will grow to a steady 15% of overall donations.

As the data suggest, a new era in fundraising is emerging. This research proposal focuses on the philanthropic traditions in the United States from a social online giving perspective. Social giving refers to donations made through social media platforms, such as Facebook, Twitter, and YouTube. This study will choose to focus specifically on Facebook social giving. Facebook has over one billion monthly active users, 618 million of which are active daily users ("Key facts," n.d.).

In 2012, *The Chronicle of Philanthropy* compiled a list of fundraising questions for the year, one of which was if social media could raise big dollars (Flandez, Hall, Perry & Switzer, 2012). In an opinion piece, author and social media blogger Allison Fine (2011) wrote:

> Nonprofits must stop simply playing around with social media as if it were a pair of shimmering, five-inch Manolo Blahnik high heels and integrate the tools throughout their organizations like a pair of sturdy Timberland walking shoes. (Fine, 2011, para. 3)

Fine (2011) further wrote that social-media tools should be integrated into every department and every function of the organization. Every functional area of an organization has the power of relationships and conversation that comes from social media. This can be translated to the fundraising opportunity that social media, Facebook in particular, brings. A study done by Blaukbaud ("Top 10," 2010) revealed some of the most pressing issues for raising funds in the future. One of the issues was that social media will play a greater role in engagement. The company elaborated by stating that social networks provide platforms for fundraisers to organize interest. Two other issues that apply to fundraising and online giving are the prediction that peer-to-peer fundraising will grow and donor stewardship will become ever more important. The

study stated that organizations need to change along with technology and generations to retain their donors and remain relevant.

The core of fundraising lies with relationships. Raising funds has a great deal to do with establishing and nurturing relationships with donors. Although social giving is a nontraditional element of fundraising, the importance of relationships must still be valued. Bill Strathmann (cited in Flandez, 2010), Network for Good's chief executive, stated, "Raising funds online is not just about technology, the headline is very much about relationships" (para. 6). People who give online are no different from other donors in that they expect a relationship, not simply a transaction. As practitioner Katya Andresen (2011) writes, "Technology enables them (donors) to forge stronger connections, and people therefore come to nonprofits with high expectations for the way we treat them online" (para. 2). As Metrick (2005) wrote in her chapter for *New Directions for Philanthropic Fundraising*, "Effective stewardship is one of the best ways to reduce donor attrition, increase revenue, decrease costs, decrease cost per dollar raised, and move more donors up the pyramid," (p. 29).

The purpose of this study is to examine donor stewardship online, specifically through Facebook. Little literature and study on online giving as a whole currently exists. Social giving in particular is an under-examined area of fundraising and, given its growth and the potential for organizations to involve publics, should be more carefully studied. In the past five years, social media networks have been growing with no sign of slowing down. With the rise of smartphones over the past few years, social media continues to be easily accessible. Mobile devices currently account for almost 25% of all Web traffic (Wallace, 2013). Knowing this, organizations as a whole and fundraisers in particular should not only engage in social giving, but value those relationships and practice stewardship.

It can be expected that current practice of involving donors on Facebook is very limited. Current and potential donors typically get statistics, facts, and figures, some sort of appeal, a newsletter, and other basic things to draw the donor in. What donors want when they donate online is to give quickly and conveniently, make a difference, feel personally connected to something, and feel useful (Andresen, 2011). Fundraisers must be aware of this emerging trend and know how to solicit and cultivate donor relationships through Facebook. Regardless of whatever technological advances are made, the heart of fundraising will always lie with relationships. As Kanter, Fine, and Zuckerberg (2010) discuss in their book, *The Networked Nonprofit*, the key ingredient for a relationship is listening. Social media allows practitioners and organizations as a whole to listen to large groups of people via an easy to use and inexpensive channel. Fundraising staff must understand how to better develop relationships in an online environment. Nonprofit leaders need to take a critical look at social giving and stewardship to adjust their strategies, meet fundraising goals, and achieve the organization's potential.

Literature Review

Since Kent & Taylor (1998) published their article, *Building dialogic relationships through the World Wide Web*, an emerging body of research has attempted to identify the role of website communication in building relationships with donors and other publics. Kent & Taylor argue that strategically designed and well-managed websites have the potential to provide opportunities to engage in dialogic communication. Their dialogic communication theory states five principles offering guidelines: dialogic loop, usefulness of information, generation of return visits, intuitiveness/ease of the interface, and conservation of visitors. It is clear that these dialogic principles are valuable not only for public relations practitioners, but also for organizations as a whole. Despite the current digital age, many studies based on this premise have shown a lack of dialogic communication on organization websites. One thing that is apparent, however, is how social media platforms have adopted the theory of dialogic communication. The foundation of social media outlets, such as Facebook, is grounded on the five principles Kent & Taylor constructed.

While there is a decent amount of research on the role of websites in building relationships with publics that can be applied to social media settings (i.e. Kent, Taylor, & White, 2001; Kent, Taylor, & White, 2003; Kim, Nam, & Kang, 2010; McAllister-Spooner, 2009; Yang & Taylor, 2010), very limited research has been conducted on the role of social media in building and maintaining relationships with publics. More specifically, there is an absence of research in this area from a fundraising perspective. Fundraising's lack of a strong foundation of theory and research further challenges an examination of stewardship practice in social giving.

When discussing relationships in fundraising, Kelly's (1998, 2001) work on stewardship as a step in the ROPES process model is the most appropriate theoretical framework. The ROPES model expands on the previous model of ROPE, drawn from Hendrix (1995), by adding a fifth relationship component. Kelly's (2001) model, ROPES, is an acronym for: (a) research, (b) objectives, (c) programming, (d) evaluation, and (e) stewardship. According to Kelly (1998), stewardship consists of four elements that build on one another: reciprocity, responsible gift use, reporting, and relationship nurturing. As Kelly states, "Stewardship is necessary for all relationship management" (p. 433). Reciprocity is expressed as an organization demonstrating its gratitude for beliefs and behaviors. This creates a mutual respect through the expression of appreciation and recognition. Responsibility refers to gifts being used for the purpose that they are given. Reporting is built on donors being informed of how their gift was used, usually through some sort of financial statement. Lastly, relationship nurturing is focused on an organization taking care of its donors. In order to effectively nurture a relationship, an organization must recognize the importance of donors and keep them at the forefront of interaction.

Rhee (2007) drew from the Excellence Study to identify unique cultivation strategies for studying organization-public relationships, which can be applied to stewardship. Rhee referenced the Excellence Study in explaining that long-term relationships with publics are achieved through a two-way, symmetrical model with an emphasis on interpersonal communication. In her study, she found dimensions such as openness, networking, listening, responsiveness, and continued dialogue to be important in the organization-public relationship. Relationships in fundraising are arguably more important from a nurturing standpoint than in typical public relations practice. A nonprofit organization and the relationship quality with its donor publics

should not change across media. The stewardship components a charitable organization practices everyday should be translated into its social media presence.

In fundraising, how donors are treated after a gift is made is a significant determinant as to whether or not they donate again. Stewardship is vital in raising gifts and in having repeat donors. As Kelly (2001) wrote, "The stewardship step ensures that the public relations process is continuous" (p. 281). In studying stewardship on the web, there have been a few studies grounded on Kelly's (2001) conceptualization of ROPES theory. In researching scholarly literature pertaining to the connection of stewardship, fundraising, and online media, we look the work of one scholar stands out.

Waters (2007) conducted a content analysis of communication trends on the Internet sites of the Philanthropy 400. Waters noted that it was important to identify how nonprofit organizations are preparing for the e-philanthropy revolution. He further mentioned that nonprofits need to take advantage of the Internet's communication abilities. The Internet, as well as social media, is no longer a new phenomenon. Both media have established themselves in most societies and are here to stay. It is the job of fundraisers to embrace this and develop a strategic plan as to how to effectively use the media. Waters acknowledged that scholarly work has been conducted to show an increase in turning to the Internet as a viable source of fundraising, but this scholarly work has not produced a strong enough structure. He concluded that, "The Internet can play a strong role in cultivation; however, the full potential of Web sites is not being reached" (p. 71).

Prior work by scholars and practitioners has demonstrated relationships and attempted to explain these relationships, but has really only touched the surface. A challenge of studying

social media is that it is constantly changing. Changes in audiences, as well as formats of social networking sites, occur on a regular basis, making it quicker for studies to become outdated.

Waters (2007) method influences the proposed methodology for this study. His population of the Philanthropy 400 and method of content analysis were deemed appropriate for studying stewardship on nonprofit organizations' Facebook pages.

Waters, Burnett, Lamm, and Lucas (2009) conducted a study examining "how nonprofit organizations use Facebook to engage their stakeholders and foster relationship growth" (p. 102). The research questions looked at how nonprofit organizations are incorporating relationship development strategies into their Facebook profiles. The scholars findings indicated that while nonprofit organizations are open and transparent with their Facebook profiles, they need to do more to enhance their information dissemination and involvement strategies. These findings are similar to the practitioner literature in that many organizations demonstrate being knowledgeable about this emerging trend and are communicating in a transparent way through Facebook, but are failing to channel to its full capacity from a fundraising perspective.

Social media channels provide many opportunities for an organization to connect with its publics. Through social media, all four of J.E. Grunig's (2001) models of public relations can be practiced. Nonprofit organizations struggle to take their social media practices beyond open communication. To advance social media practice requires effort, careful study, and research, all things that are inconvenient for an organization. As long as fundraising remains a separate function of an organization, it will not effectively integrate into the social giving medium.

Waters' (2009) most recent scholarly article pertaining to the proposed research topic examined the impact stewardship strategies have on donors. In his analysis of which stewardship

strategies are most influencing in donors' evaluation of their relationship with the nonprofit organization, Waters found that every relationship cultivation strategy except for reciprocity had a direct influence on the evaluation of the relationship quality. As he wrote, "Fundraisers have an obligation to let donors know that you care about them, respect their support, appreciate their gifts, and want their interest" (p. 118). The obligation Waters mentions has direct ties to effective stewardship practice. Waters' findings indicate that the components of the stewardship step are relevant in fundraising practice and do indeed influence donor behavior.

This study seeks to examine stewardship practice of nonprofit organizations on Facebook. It is clear that the foundation of stewardship, fundraising, and social media is relationships. Given this common factor for effectiveness, one would anticipate some sort of relationship between the three topics when studied together. After a review of current practitioner and scholarly literature on the subjects matter of stewardship, fundraising, and online giving, the following research questions were developed:

RQ1: To what extent is the stewardship step of ROPES theory used by U.S. charitable organizations on Facebook?

RQ2: To what extent are there differences in use of stewardship on Facebook by charitable organizations in the eight subsectors, as categorized by Giving USA?

RQ3: To what extent is there a relationship between duration on Facebook and amount of stewardship practiced on Facebook?

Methodology

This study assesses the state of nonprofit organizations' engagement in stewardship on their Facebook pages in connection with social giving. The population of interest for this study is *The Chronicle of Philanthropy's* Philanthropy 400. The Philanthropy 400 annually ranks the charities that raised the most money from private sources in the previous year and separates them into categories. The rankings include cash and product donations, as well as stock, land, and other gifts from individuals, corporations, and foundations (López-Rivera, 2012). The Philanthropy 400 is designed to show which groups do best in appealing to donors, making it appropriate to study because the list is most representative of successful fundraising organizations in the United States. Waters (2007) stated that 95% of the Philanthropy 400 organizations accept online donations. Given the high percentage of organizations in this population accepting online donations, it is reasonable to conclude that an adequate amount of them will have Facebook pages associated with fundraising efforts.

The proposed method of sampling is to identify the top 10 organizations of each non-profit subsector. The Philanthropy 400 contains 17 subsectors, but the proposed study will refer to *Giving USA's* eight-category system that Kelly (Public Relations and Fund Raising lecture, January 23, 2013) discussed. The eight categories are as follows, arts; culture & humanities; education; environment/animals; health; human services; international affairs; public-society benefit; and religion. The Philanthropy 400 is listed in rank order, so the top 10 of each category is easily identified. If one of the organizations does not have a Facebook page related to fundraising, the next ranked organization listed on the Philanthropy 400 will be used in its place in order to maintain an adequate sample size.

To address the research questions a content analysis of the Facebook pages of the selected Philanthropy 400 organizations will be conducted. In order to fully answer the research questions multiple variables must be studied. To answer ROI, the extent to which stewardship is used on Facebook, each component of the stewardship theory must be measured. Reciprocity, responsibility, reporting, and relationship nurturing must all be variables in the content analysis. Each variable will be measured in multiple ways. Some things to analyze are whether the site has had any activity within a certain time period; if there is an option to subscribe for ongoing information such as a newsletter; if there is any type of information regarding how a donation is used, if there is information regarding such events such workshops, volunteering, or fundraising events; and if any advocacy opportunities are available. Measuring differences in stewardship among the eight subsectors is expected to be apparent once the content analysis has occurred and statistical relevance has been measured, as well as any correlation between duration on Facebook and amount on stewardship practiced.

Prior to coding, the research team will review practitioner and scholarly literature appropriate to the study. Researchers will create a list of variables and items expected to be present. A training session will be conducted to land intercoder reliability will be determined using Scott's pi. The profiles will then be evaluated by the coders for items measuring the four components of stewardship and other key variables.

Based on practitioner literature and scholarly literature pertaining to online giving, the research expects there to be a lack of stewardship practice via Facebook. While many organizations recognize the trends in fundraising and see the steady growth in both online and social giving, determining how to approach stewardship on this channel is challenging. Organizations not only struggle with what staff members should be responsible for stewardship,

but also where the responsibility of social media lies. Combining the two components together makes it more difficult in determining whose job duties the tasks should fall under. In fundraising, many organizations focus their stewardship efforts on major gift donors. Major gift donors are the least likely to be making donations through social media platforms like Facebook, so unfortunately, organizations are not going to be that concerned with their social media base. However, all donors, both current and potential, are vital to an organization's success. Based on previous research, it is anticipated that very subtle displays of stewardship will be found, such as general graphics expressing thanks and small updates of funds raised. While social media is not the most important part of an organization's fundraising activities, it is a trend and component no organization can overlook. Based on social media's current active user base, there are opportunities that organizations should be taking advantage of from a fundraising perspective.

This study will provide an increased understanding of the theoretical nature of stewardship overall, but specifically in an online fundraising setting. As discussed earlier, social media's involvement in fundraising is becoming an anticipated trend and topic of study. It is important to keep up with this trend and research its implications on the field. If no research is conducted, practitioners will not understand how to successfully use this tool and justify its use to senior level management. Social networking itself is a newer phenomenon, and fundraising's role in this platform is even more recent. Few recommendations for practice exist to guide nonprofits and more research must be conducted in order for practitioners and organizations to understand its role in effective fundraising.

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