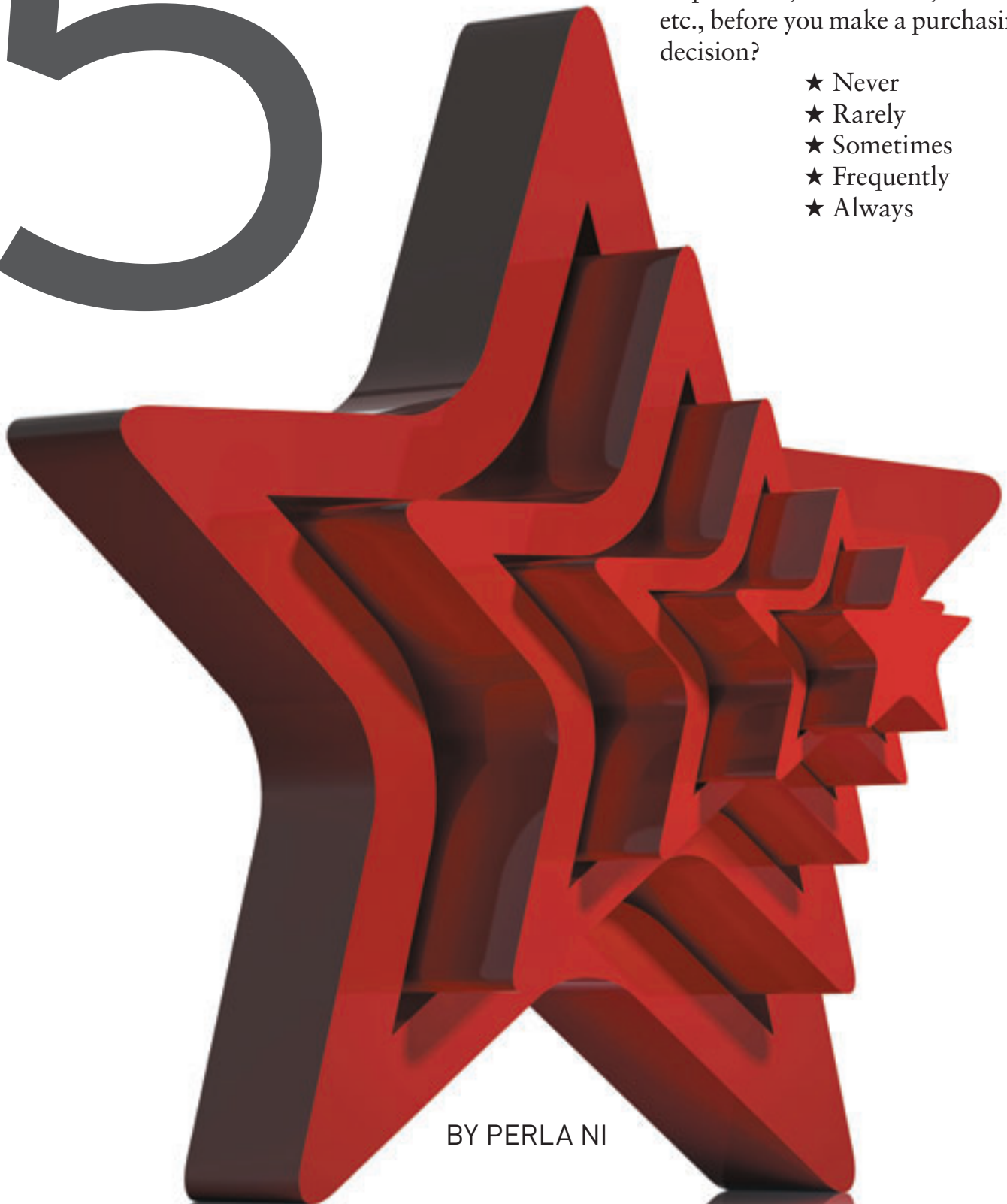


5 STARS!

How the stories of your organization's impact can influence donors and giving

How often do you read reviews of products, restaurants, movies, etc., before you make a purchasing decision?

- ★ Never
- ★ Rarely
- ★ Sometimes
- ★ Frequently
- ★ Always



BY PERLA NI

Do you use TripAdvisor or Amazon reviews or browse the *Zagat* guides? Most shoppers rely heavily on customer reviews. In fact, 65 percent of customers report reading reviews “always” or “frequently” before deciding to make a purchase.

The same also applies to charities. And if you think the large national charitable organizations have the advantage, think again.

Why Local Nonprofits Can Shine

Local nonprofits often feel overshadowed by national charities, but this is actually a great time to be a local nonprofit. There are two large waves in philanthropy: One is international giving, because the need is so great. The other is local giving, which has exploded in recent years. While international giving increased by 70 percent from 1988 to 2009, local community giving increased by 931 percent over the same period, jumping from \$405,000 in 1988 to \$4.17 million in 2009, according to the Foundation Center.

The increase is due to several factors. One reason is that, due to government cutbacks, local nonprofits are called upon to do more, such as running community centers or providing job training and transportation to the disabled. The local nonprofit “market” is growing.

A second reason for the increase in giving is because of greater efforts by local nonprofits and a wider variety of fundraising and stewardship tools now available to them. Community foundations also have been helpful in providing fundraising training to nonprofits. The Pittsburgh Foundation, for example, provides nonprofits with social media and fundraising training. The Pittsburgh Foundation and other foundations, such as the Seattle Foundation, also run very

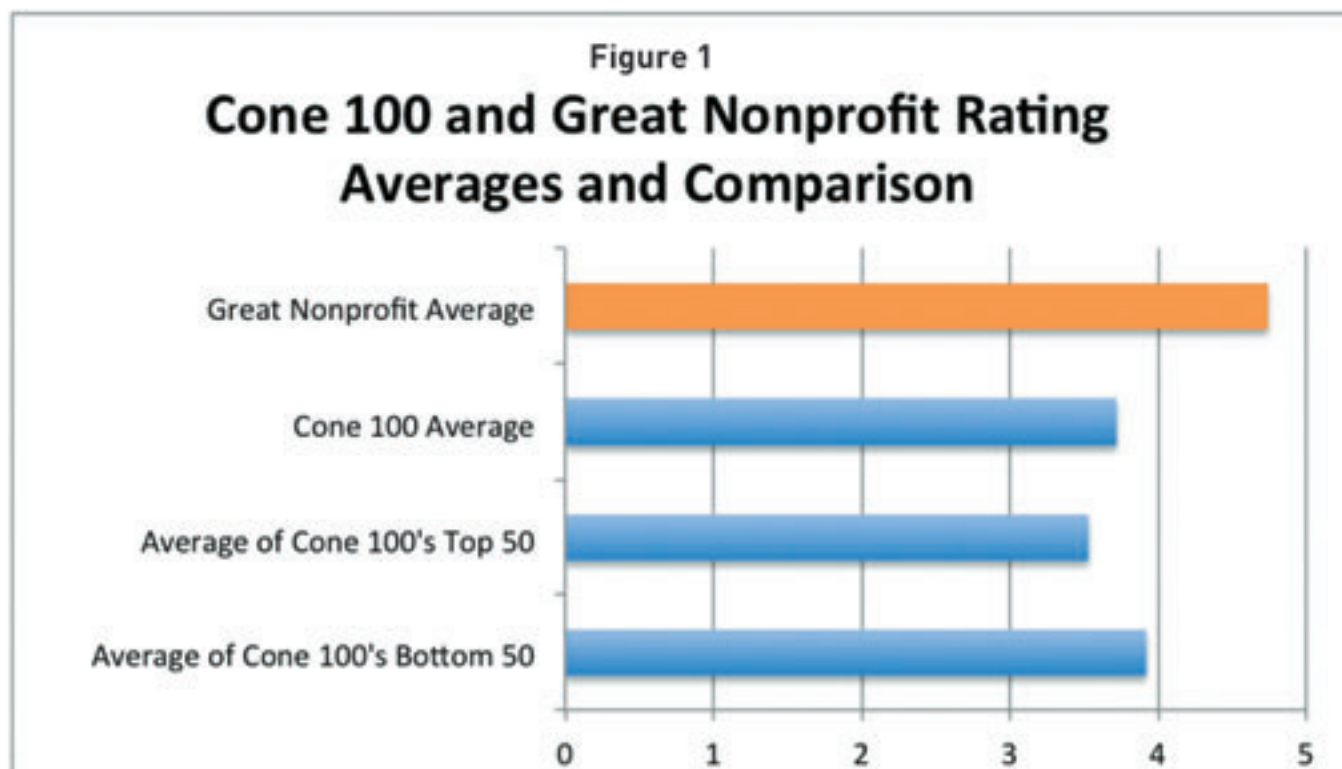
successful match-day promotions that provide both money and attention for nonprofits.

However, the most significant reason for the increase in giving may be that supporting local nonprofits is highly satisfying for donors. “People feel passionate about local nonprofits,” says Peter Hero, president of The Hero Group (<http://theherogroup.info>) in Palo Alto, Calif., and former president and CEO of the Community Foundation Silicon Valley. Hero says he is not surprised that people feel more connected to local nonprofits than to national organizations. “They see how hard they are working. They can talk to the executive director,” he says. “It’s much harder to get a call with the executive director of a national nonprofit!”

Satisfied donors are loyal and will give more, and local nonprofits have the advantage of being part of their community and can provide donors with hands-on volunteering experiences.

I ♥ My Local Nonprofits

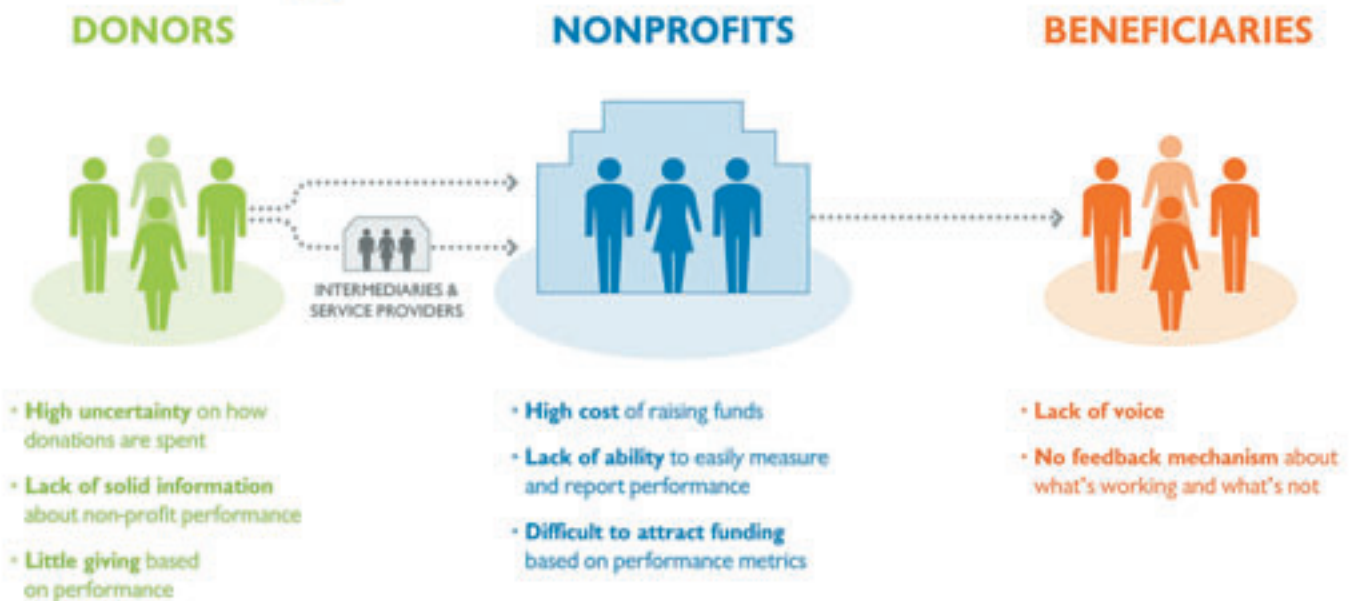
Local nonprofits tend to comprise the majority of the more than 13,000 nonprofits rated on GreatNonprofits.org (<http://greatnonprofits.org>). These organizations have an average mean rating of 4.75 stars out of 5 stars across more than 100,000 reviews. (Yes, the mean is very high—GreatNonprofits.org is the site where people typically will go to share positive stories about a nonprofit.) Looking at the top national organizations on the Cone Nonprofit Power Brand 100 and comparing their ratings on GreatNonprofits revealed that the larger and more national the organization, the lower it was rated in satisfaction by clients, donors and volunteers. The top 50 organizations on the Cone list were rated an av-



Yang Ming Qi/Weer



Market Need: Lack of Compelling On-the-ground Information



average 3.3 out of 5 on GreatNonprofits.org. The next group, 51–100 on the Cone 100, did better, averaging a 4.2 out of 5 rating on GreatNonprofits.org. (See Figure 1.)

What drives satisfaction ratings of clients, volunteers and donors? An analysis of the text of reviews submitted to GreatNonprofits.org (see “Up for Review,” *Advancing Philanthropy*, September/October 2011) showed that community ratings of satisfaction focus on words about staff dedication, helpfulness and respect. Volunteers want to make a change in a community rather than “being used to stuff envelopes.” Clients applauded nonprofits whose staff and volunteers were “friendly.” Donors want to be respected and know that their money is going toward real people or making concrete progress on an issue, rather than “free fundraising junk” that is sent out to solicit more donations. Donors praised nonprofits “that directly touch people and help to improve their prospects for the future.” Often small and local organizations do a better job of providing these real opportunities and are better able to engage with their communities on this personal basis—and they are able to show real results.

Showing Donors On-the-Ground Impact

The large national brands have, in general, been successful in using advertising to grow

their base over many years. They each have their own success stories and significance in philanthropic history. Founded in 1881, the American Red Cross was started to care for victims of war, making an impact in both World Wars and many natural disasters since then. The SPCA was started in 1824, spreading awareness about animal cruelty. Susan G. Komen for the Cure, one of the youngest of the national brands, was founded in 1982, quickly raising awareness of breast cancer through savvy fundraising and corporate partnerships.

However, large national organizations and brands attract national attention when there is trouble. In February Susan G. Komen for the Cure was roundly scrutinized after management decisions involving Planned Parenthood. Interestingly, for the past two years there had been many reviews critical of the questionable judgments made by the management at Susan G. Komen for the Cure posted on GreatNonprofits.org. Its average rating had been 3 out of 5 stars prior to the Planned Parenthood scandal.

In response to the controversy, GreatNonprofits ran an award for people to nominate other breast-cancer organizations that deserved support. Here is one story that a breast-cancer survivor submitted about the Connecticut Breast Health Initiative in New Britain, Conn.:

“I am now a nine-year survivor and am

Third-Party Seal of Approval

Third parties providing accreditation for nonprofits can offer additional credibility for local nonprofits. GreatNonprofits (<http://greatnonprofits.org>) also offers a badge that is available to any nonprofit, with no budget requirements or membership fee. The badge is available in different sizes and colors for you to use on your website or in marketing materials.

grateful to the hard work and dedication of the CT BHI team. This organization works hard to raise money for breast-cancer research efforts in CT. I have had the pleasure of walking in several of the races and served as race chair previously. There are many ways to become involved with this outstanding organization, whether it is as a volunteer for one of their events or as a participant. They are a wonderful group of people to work with as a volunteer, and I appreciate the efforts that honor breast-cancer survivors, remember those who have passed away from the disease and strive to find a cure. You can't help but get energized by the stories, passion and purpose! Thank you CT BHI!"

—Susan Lane D'Apice

Of all the nominated organizations, all but one were local breast-cancer organizations. The one nonlocal organization was a small, international advocacy organization.

A More Level Playing Field

Social media are leveling the playing field for smaller nonprofits that do not have the marketing and advertising budgets that larger nonprofits have.

The 2012 *Nonprofit Social Network Benchmark Report* (<http://nonprofitsocialnetworksurvey.com/download.php>) showed that as of 2012 about 98 percent of nonprofits were on Facebook and 72 percent used Twitter. Social media channels are a free form of marketing that allow smaller nonprofits with limited funds to harness the voice and support of their volunteers, donors and supporters. Building a presence on these social media platforms gives local nonprofits the opportunity to further develop a connection with those who support them, as well as build their fan base.

In a survey of 459 nonprofits, respondents reported an increase of 61 percent in their support base in terms of increasing volunteers and raising funds by expanding their reach to social media followers. (See *Using Social Media to Meet Nonprofit Goals*, February 2010, www.idealware.org/reports/using-social-media-meet-nonprofit-goals-results-survey). So-

cial media are free for nonprofits, and local nonprofits can use their wealth of passionate supporters to help them spread the word. It brings them one step closer to bridging the marketing gap between them and the wealthier nonprofit brands.

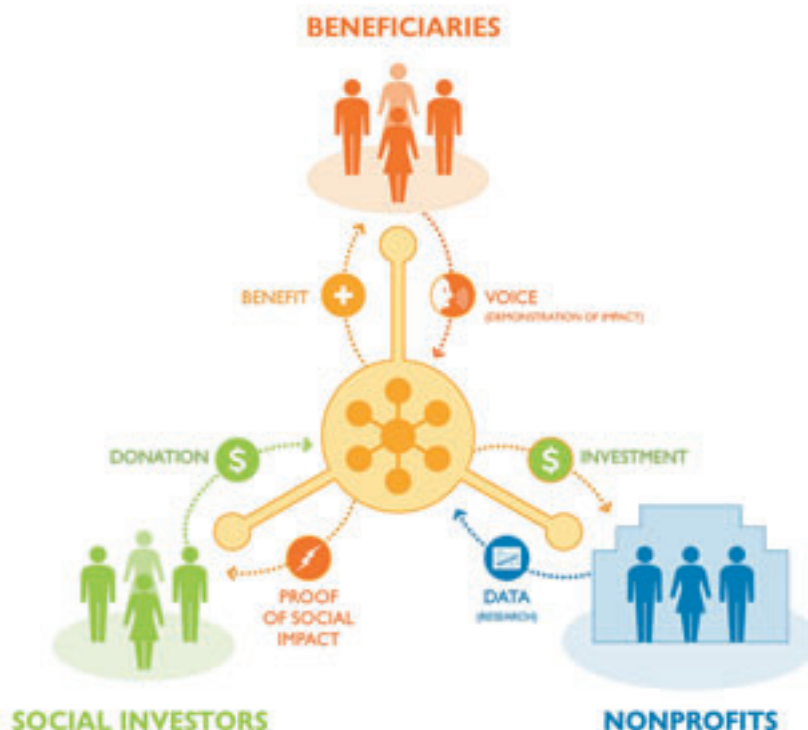
Shop Local, Eat Local and ... Give Local

Local nonprofits also can take advantage of the “shop local” movement. Consumer behavior has begun to change, showing a preference for spending locally—think, shop and buy local (for example, see <http://thinkshopbuylocal.com>). The shop local movement has capitalized on the sense of community pride and obligation. Since the beginning of the shop local movement in 2006, with only 41 participating cities in the United States, the trend has picked up momentum to encompass more than 130 cities and 30,000 businesses (*BusinessWeek*, 2009). The retailers who participate in the shop local movement report up to a 9 percent increase in revenue. Facebook, Twitter, Google, Foursquare and Yelp are stepping up their local business products. Local ad revenues are expected to reach \$144.9 billion in 2014.

Local shopping draws upon people’s sense of membership in a community and their sense of obligation to do their fair share to support local businesses. Consumers seem to agree that being a part of the community comes with community obligations.

Local charities also can consider banding together to create a “give local” movement similar to the shop local movement. Nonprofits can build on this sense of communal obligation and harness their local volunteers to spread the word that their neighborhoods are better because of local nonprofits.

Community foundations are now helping create this kind of awareness and community membership through “Match Days.” PittsburghGives (www.pittsburghgives.org) and GiveMinnesota (<http://givemn.razoo.com>), for example, are helping create a sense of community pride and obligation. They also are creating platforms where nonprofits can be stronger advocates for themselves. Tracy Certo, publisher of PopCity, a popular blog in Pittsburgh (www.popcitymedia.com), says





What If I Get a Negative Tweet or Comment?

A negative comment about your organization deserves immediate attention. What was the cause, and what needs to be done to remedy the situation? Is it really a legitimate observation? Consider the following options:

- Alert the moderator, if applicable.
- Respond: post a comment or tweet.
- Remember that people are used to reading reviews and to sorting out which ones are credible.
- Take the negative comment as constructive criticism. No one expects you to be perfect, but if there is a problem, fix it.

that PittsburghGives has “had tremendous impact on the awareness of nonprofits.”

Let Others Tell Your Story

Do you have at least one story about a constituent or project that you tell to potential donors? Does everyone in your organization—board members, volunteers and staff—know that story or other stories? Have you asked them to share those stories? At the same time, don’t be afraid to ask your donors, board members, volunteers and constituents to tell their own story about your organization. If they don’t tell your story, who will? Use the stories in multiple formats—on your website, in your newsletters and brochures, and via social media.

“A couple months ago my house burned down and I lost all of my babies. I had a puppy, a bunny, two mice and my kitty, Wizard. When the fire department got there, the only one they could revive was Wizard. They sent him to a vet’s office, but being that we had everything in our house, we had no money and Wizard needed tons of IV’s, medicine and was placed in an oxygen therapy tank for three days. A friend on Facebook told us to try RedRover. I filled out my application and not even 15 minutes later, I got a phone call telling me that I had a \$300 grant coming my way! But even then, my vet bills exceeded the amount of money that we had, and realizing that, they also put a picture of Wizard on their website with a number to text to send donations! And as if that weren’t enough, they also agreed to match the donations made within 24 hours! They helped me so much in my time of utter despair, and

Social media are leveling the playing field for smaller nonprofits that do not have the marketing and advertising budgets that larger nonprofits have.

now my family is rebuilding, and I have one very happy and healthy kitty who is a blessing to us every day! Every day I thank God that RedRover is around, and I will be volunteering/spreading the word about them!”

—Leah, client served

Reviews such as this, which was posted on Greatnonprofits.org, show the huge on-the-ground impact that local organizations have on a daily basis in the lives of those in their communities.

“No one ever marched on Washington because of a pie-chart,” says Andy Goodman, the well-known Los Angeles-based storytelling guru, author and consultant (www.agoodmanonline.com). He advocates telling a story about your work because stories show the work you do vividly, authentically, clearly and with conviction.

“When I came to Goodwill in August 2007, I was on parole, homeless and hardly involved with my two children. I was like a part-time father that wandered in and out of their lives. I did Goodwill’s training program while working in the warehouse. Now my finances are in order, I’m off of parole and I can provide for my sons the right way. I can be a positive role model for them.”


—M. Solomon, client of Goodwill Industries
San Francisco, San Mateo

This story speaks powerfully and concretely about the impact of Goodwill, not only rebuilding this one person’s life but also the lives of his children, both financially and emotionally.

The Society of Singers (www.singers.org) in Calabasas, Calif., which provides financial support to professional singers whose careers are in jeopardy due to illness or other emergencies, raised nearly \$45,000 as a result of the following story, which was first posted on Greatnonprofits.org and then shared in the organization’s e-newsletter to donors:

“After Hurricane Katrina, I needed financial help to begin rebuilding my career in another city. The city was Chicago. It was bigger, scarier and colder for an unknown singer like myself. SOS was able assist me with some of my utilities when the work just wasn’t there for me.”

—tovikhali, client of Society of Singers

Stories of your clients, stories of your donors and stories of your volunteers can help immensely in effectively communicating your nonprofit’s impact to donors. 

Perla Ni is CEO of GreatNonprofits (www.greatnonprofits.org) in Menlo Park, Calif.