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**LEVERUS ANNUAL INTERNET SURVEY FOR ASSOCIATIONS AND
NOT-FOR-PROFIT ORGANIZATIONS: 2004**

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1. Introduction

Leverus' annual survey of the non-profit sector presents a "snapshot" of the impact of the Internet on non-profit organizations and how they have integrated the technology into their unique operational and strategic frameworks.

There are a few key general findings from the survey:

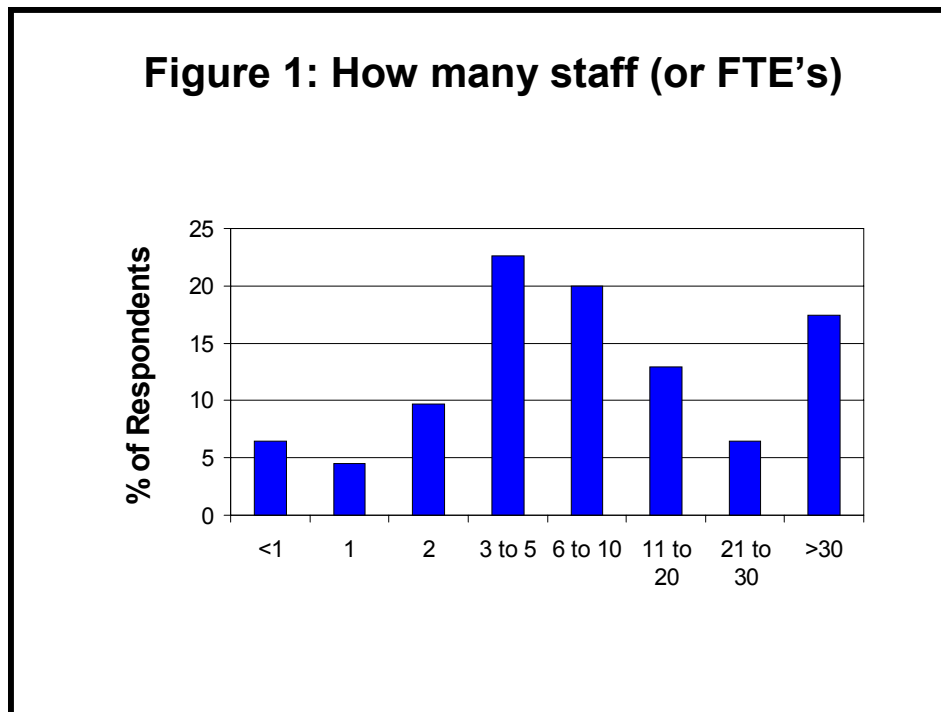
- Web usage is pervasive in the Non-profit sector
- Virtually all established organizations have had a website for a number of years and are likely on their second or third "generations" of those sites
- In-house management of websites is common and self-administration of websites through form driven tools is growing
- Many communications activities are migrating to the web or at least being duplicated on websites. Virtually all organizations continue to offer some print communications.
- Interactive technologies that create a more dynamic presence on a website are being adopted
- There is a growing recognition of the need for good design and navigation. It is not enough to simply put up a website; it must be informative, compelling and encourage repeat visits.

Leverus' Internet Usage survey was e-mailed directly to over 2,000 organizations in Canada and a link to the survey was published in a number of key Non-profit related newsletters. For the first time, respondents in the United States were also offered the opportunity to respond.

There were a total of 163 responses to the survey. Participants ranged from large organizations, 17% of respondents had more than 30 employees, to smaller organizations with 14% of respondents that had 2 or less staff. In terms of regional representation, 50% of respondents are from Ontario and 22% from the United States with the remainder from various regions across Canada. There was a broad representation of "classifications" of NPO's, with charitable groups representing about 35% of respondents, professional associations close to 25%, industry associations about 18% and those defining themselves as "other" at close to 20%. Public interest groups and social awareness groups collectively accounted for about 2% of respondents.

This report addresses a number of the key strategic and operational functions of non-profit organizations and discusses the respective impact

and potential benefits of Internet technologies as it relates to the various activities.



2. Strategic Planning

Organizations that fail to apply a strategic approach to website development risk alienating their users, building a weak foundation to their website, missing opportunities to take advantage of the latest web technologies and missing opportunities to apply web technology to fulfil mission critical goals for the organization.

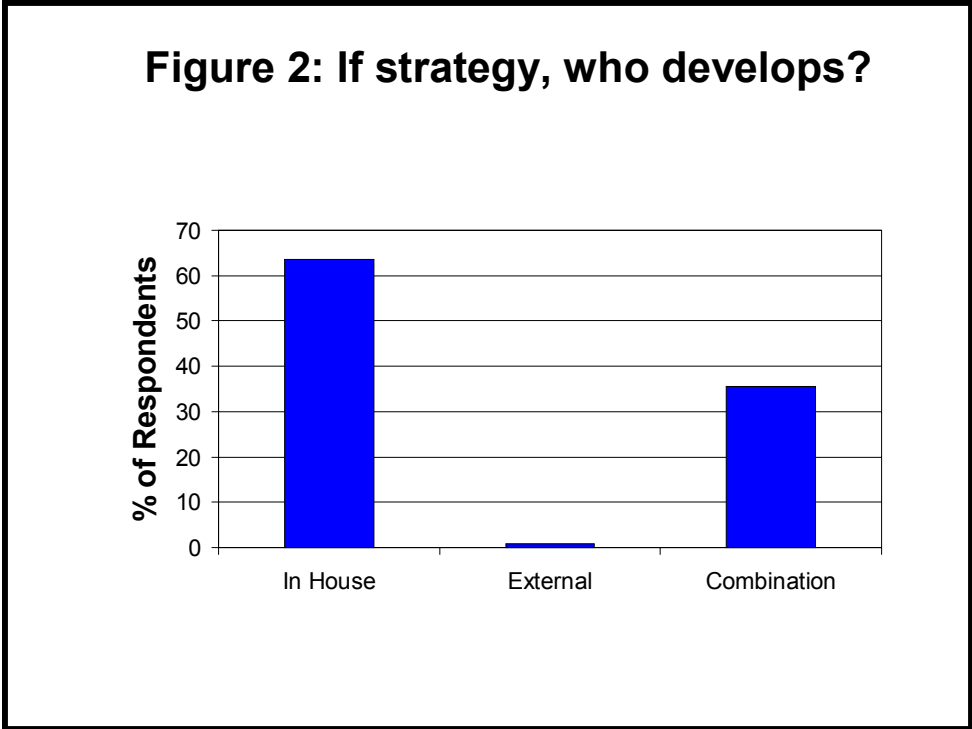
Key findings include:

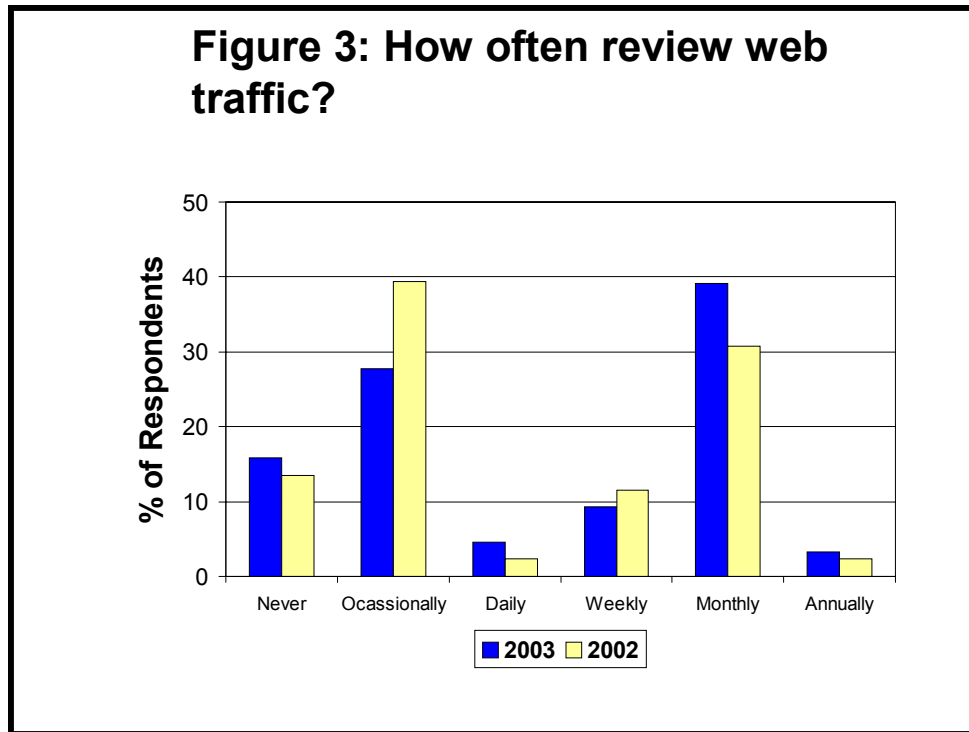
- More than 60% of web strategies/planning efforts continue to be prepared in-house exclusively. Given the complex and dynamic nature of web technology it would appear that more NPO's could benefit from external support in this area. Close to 35% of organizations use a mix of internal and external support and about 1% rely on external sources exclusively.
- More organizations are regularly evaluating their web traffic - e.g. 39% review traffic on a monthly basis, versus 31% in 2002. Occasional review has dropped from 39% to 28%. Unfortunately just over 15% continue to report never reviewing their website traffic. The dynamic nature of a website demands that content be updated,

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new services introduced, etc. Evaluation of the site, including previous traffic usage is critical for understanding those areas of the site that are frequently visited and those less so.

- More than 45% of respondents report website traffic of less than 1,000 visitors per month. Even for a small organization this could be considered somewhat low. There would appear to be opportunities for organizations to reach out to their respective constituents further. (For example by updating their websites more frequently and/or by informing their potential user of the value of the content of their websites)





Content Management

In many respects "Content is King." It is paramount that organizations maintain the currency, depth, and audience focus of their website content. There are few quicker methods to discourage repeated use of the site by a visitor than dated, hard to find, or irrelevant information.

Developing processes and policies related to the posting of new content and archiving old content is an important step for any non-profit organization. There should be transparency within an organization related to who can approve new content to be posted, who prepares any new content and who can actually post the content, etc.

Key findings Include:

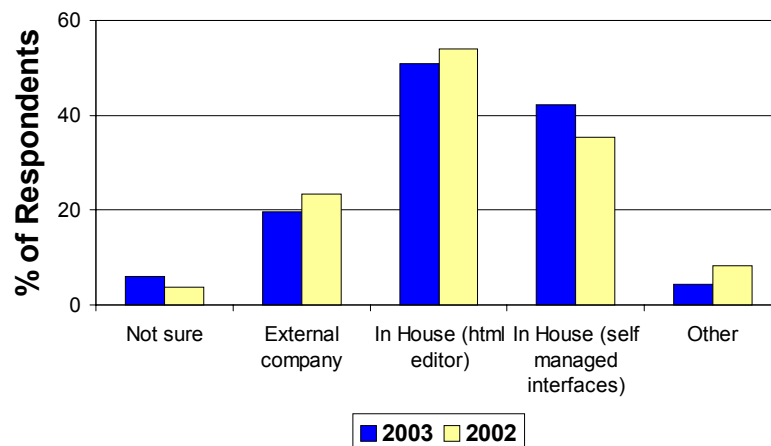
- Close to 40% of organizations continue to state they decide to post content to the website on an ad-hoc basis while more than 45% post content according to informal guidelines. More than 10% of organizations have adopted well-advised strategies with formal guidelines for posting of content. This promotes transparency and reduces uncertainty amongst staff. Leverus recommends formal guidelines.
- Organizations are taking further ownership of the management of posting content - some 67% of organizations post new content in-

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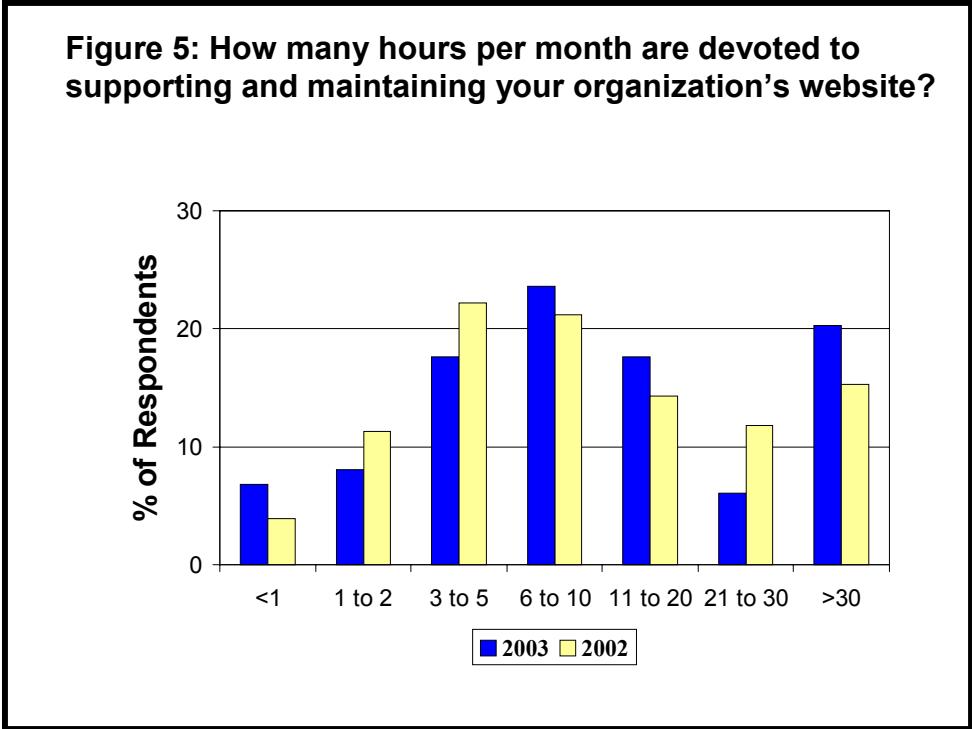
house and more than 20% utilize some combination of in-house and external resources.

- While the use of an html editor continues to be the primary method for uploading new content by those posting in-house - 51% in 2003 versus 54% in 2002 - the adoption of self-administered techniques amongst organizations is encouraging. Close to 42% of organizations reported using some sort of self-management tool to post content on their website in 2003 while in 2002 only 35% of organizations reported the use of these tools.
- Nearly a third of organizations are devoting 5 hours or less per month to updating their website. Many organizations, 24% are spending 6 to 10 hours per month maintaining their website and 20% devote more than 30 hours per month to updating their website.

Figure 4: How is content posted?*



*Note: More than one method may be used.



Internet Budgets

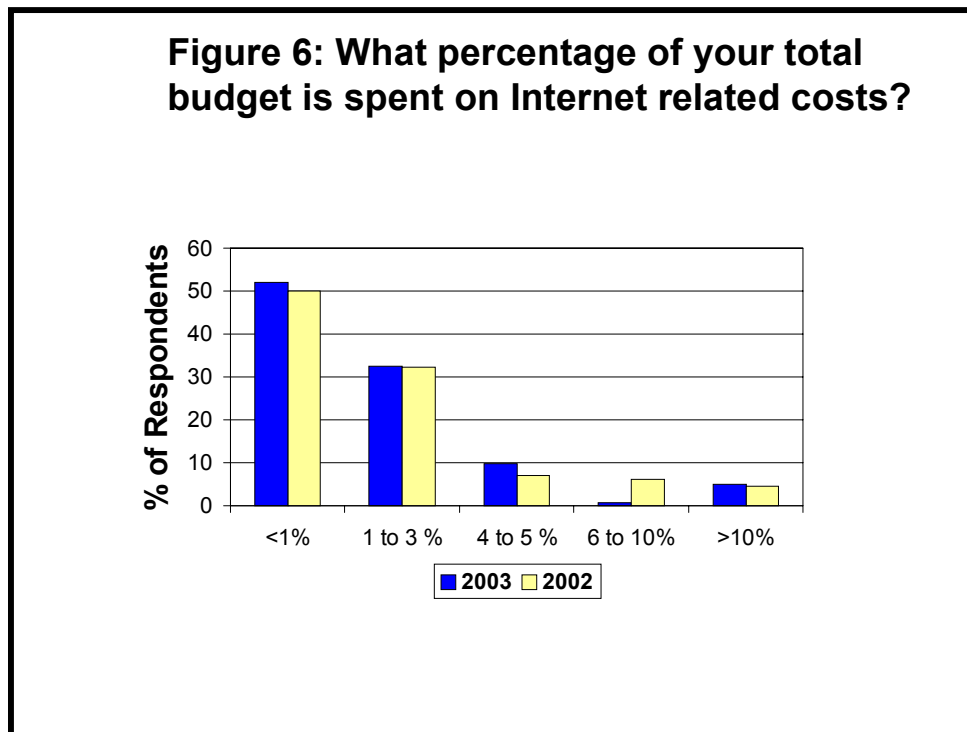
Non-profit organizations are typically resource challenged and need to carefully manage their funds. It remains difficult to assess whether non-profit organizations are optimizing their investments in Internet technology in order to receive their highest value returns. Given the breadth of organizations allocating less than 1% of their total budget or in many cases less than \$5,000 per year it would appear that these values are relatively low. In some instances it is likely that further investments in Internet technology would assist organizations to fulfill their communications objectives, engage their audience, etc.

Key findings include:

- Two-thirds of organizations allocate a specific budget amount to the Internet on an annual basis
- Similar to earlier survey results, just over 50% of organizations allocate less than 1% of their total budget to Internet related costs and 32% allocate between 1% and 3%. Almost 5% allocated more than 10% of their total budget to Internet related costs

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- Just under 50% of organizations spend, collectively on web hosting, external web support, internal web staff, and related internet costs, less than \$5,000 per year. Close to 15% spend between \$5,000 and \$10,000 and close to another 15% between \$10,000 and \$20,000. Almost 9% of organizations spend great than \$75,000 per year.



Website Design and Site Architecture

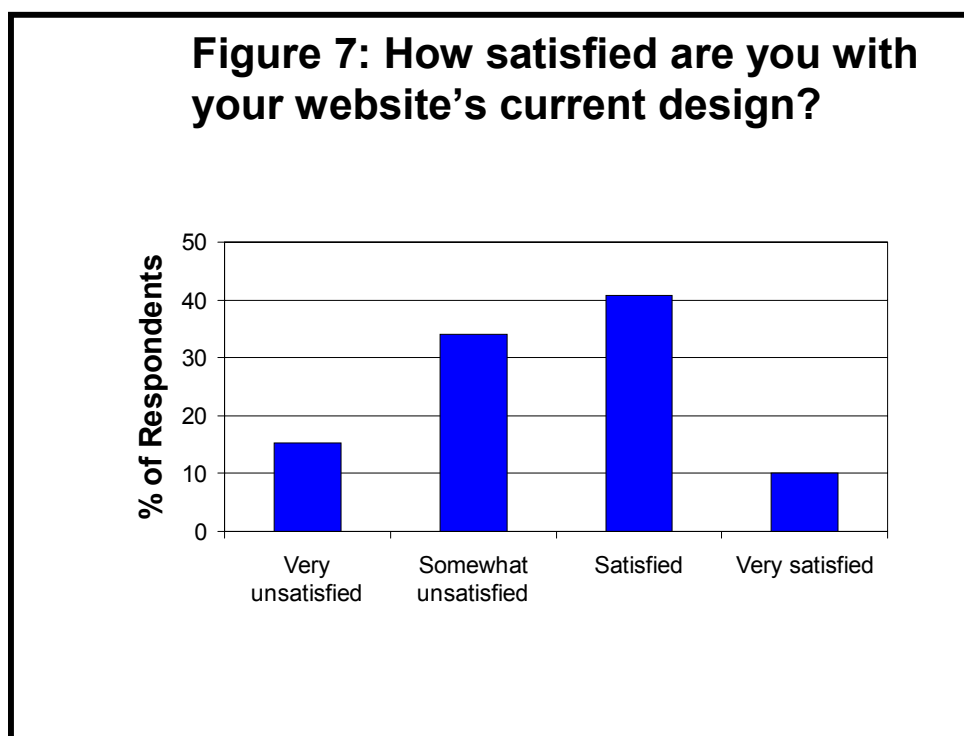
Next to poor content quality, poor site design and architecture that prohibits a website visitor from finding their information quickly and easily is the biggest mistake that can be made by an organization. Some simple tips for improving design and layout include making the navigation buttons large enough to be easily read, limiting the number of navigation buttons to 8 or fewer on any given level/section of the site, maintaining a shallow site (everything within a few clicks), colour palette that is attractive, not too many graphics and use of a dynamic home page that puts the most important information front and centre (can't be easier to find than if it's the first thing a website visitor sees!).

- 50% of organizations report being somewhat unsatisfied or very unsatisfied with their current design. Almost 40% of respondents

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report being satisfied with their current website design. Another 10% are very satisfied.

- Somewhat surprisingly, only 8% of respondents feel their website is not easy to navigate while another 34% feel their websites are somewhat easy to navigate. 47% of respondents feel their sites are easy to navigate and another 11% feel their sites are very easy to navigate. In Leverus' experience ease of navigation seems to be one of the biggest challenges facing many non-profit organizations. The perception of ease of navigation should be reinforced by organizations asking the question of their constituent.
- Most organizations are considering re-designing their websites over the next few years. 60% of respondents plan to re-design their site over the next year and 80% expect they will re-design their site over the next 3 years.



Importance and Effectiveness of Websites

Most non-profit organizations consider their web presence as a very important contributing factor to achieving their organizational objectives. Almost a third feel their websites are very important for assisting them to respond to their respective objectives. However, with 46% of respondents indicating that their website is somewhat effective or not effective, many

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organizations continue to have some challenges ahead of them to create effective websites that respond to their goals and the needs of their constituent.

Key findings include:

- NPO's continue to view their websites as important to their success at achieving overall organizational objectives. There are 41% of respondents that feel the websites are important while 33% would deem their website to be very important. Very few organizations, 3%, feel their website is not important and 23% feel they are somewhat important.
- While 54% of organizations feel their websites are effective or very effective (11%) at contributing to their success at meeting overall organizations objectives, the remaining 46% of respondents feel their websites are only somewhat effective or not effective.



Website Usage

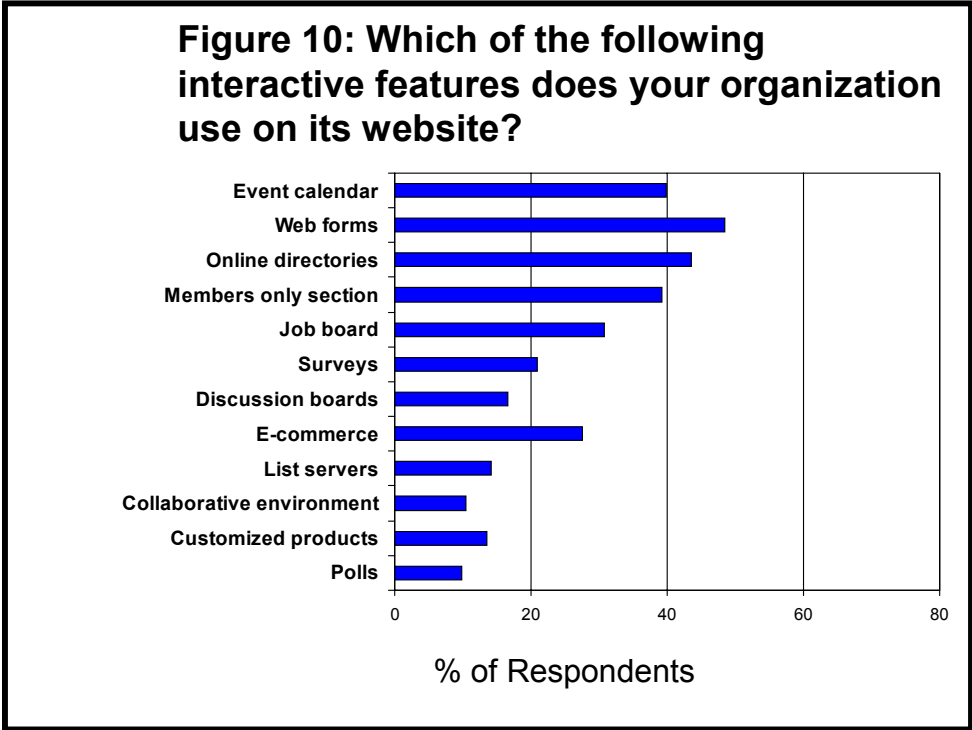
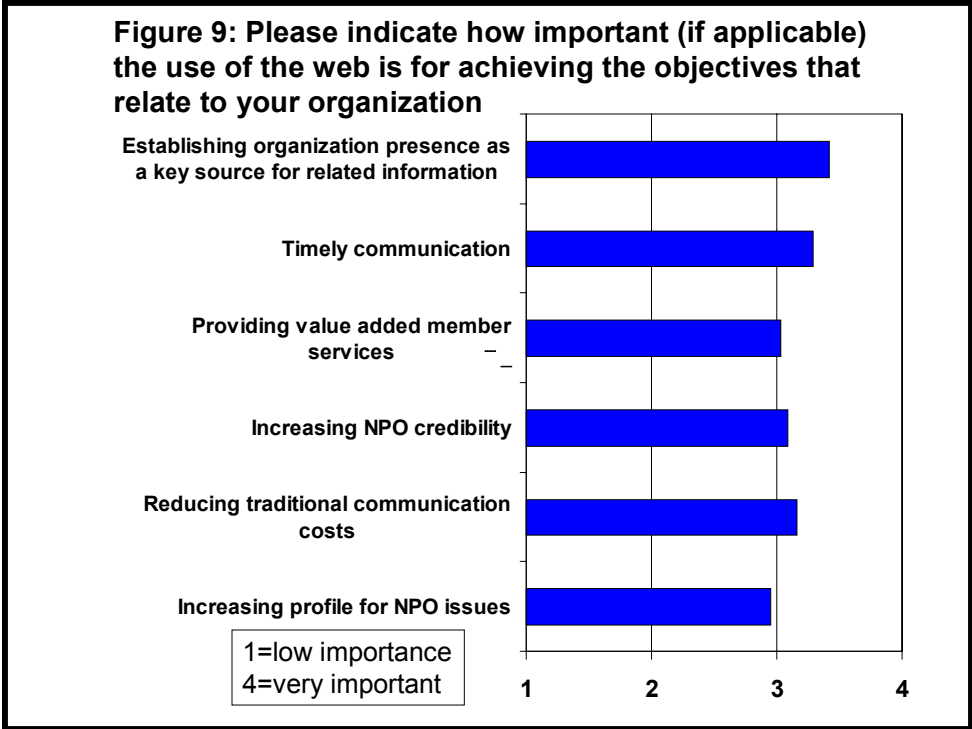
Non-profit organizations continue to value the information dissemination capabilities of the web. They rate the use of the web to establish themselves as a key source for related information as the most valued benefit that developing a web presence offers their organization. They

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also tend to like that they can send out the information to a large audience quickly and cost effectively. NPO websites are also highly valued as tools to deliver members services, engage members and potential members, and increase the credibility of the organization (by offering a valued resource on the web).

Key findings include:

- In terms of identifying important uses for the website related to achieving particular organizational objectives - Establishing the organization as a key resource for related information rated the highest - followed by timely communications, reducing traditional communications costs, increasing the credibility of the organization and providing value added member services.
- More than 30% of respondents indicated they used their websites for education and training opportunities, publications sales and member directory listings. Close to 30% use the website for member registrations and just over 25% use the website for conference/tradeshaw attendance registrations.
- More than 60% of respondents use their websites to deliver member services and almost 40% of respondents use their websites to perform operational activities and administration. Over 30% are using their websites to create non-dues revenues opportunities.
- The most frequently used interactive features include web forms with nearly 50% of respondents using them, 44% of respondents using some kind of online directory, followed by event calendars, members only sections, job boards and e-commerce.
- Two-thirds of respondents indicate they'll be adding some kind of interactive service over the next year and 82% will be adding an interactive service over the next three years.

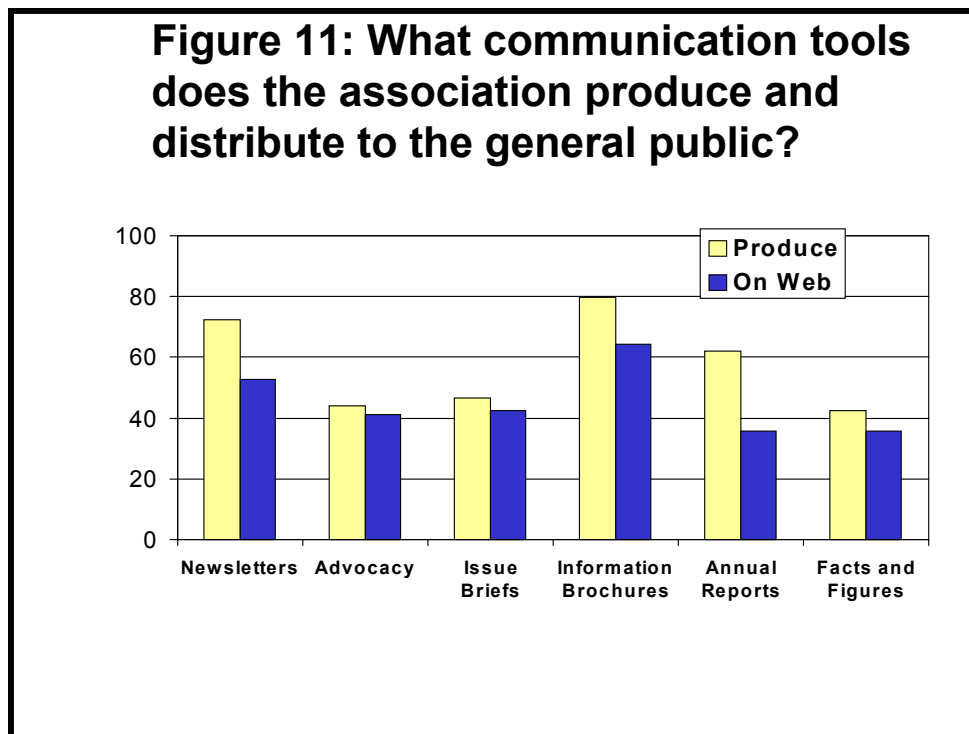


Communications

Non-profit organizations are migrating more and more of their communications to the web as the organizations continue to recognize the cost savings that can be realized by posting items to the web. The relative ease and speed with which information can be disseminated to a broad audience also demonstrates the efficacy of the Internet as medium for communications. While Internet communications have not and likely will never completely replace print communications - it does provide an exciting and powerful complement or alternative to print.

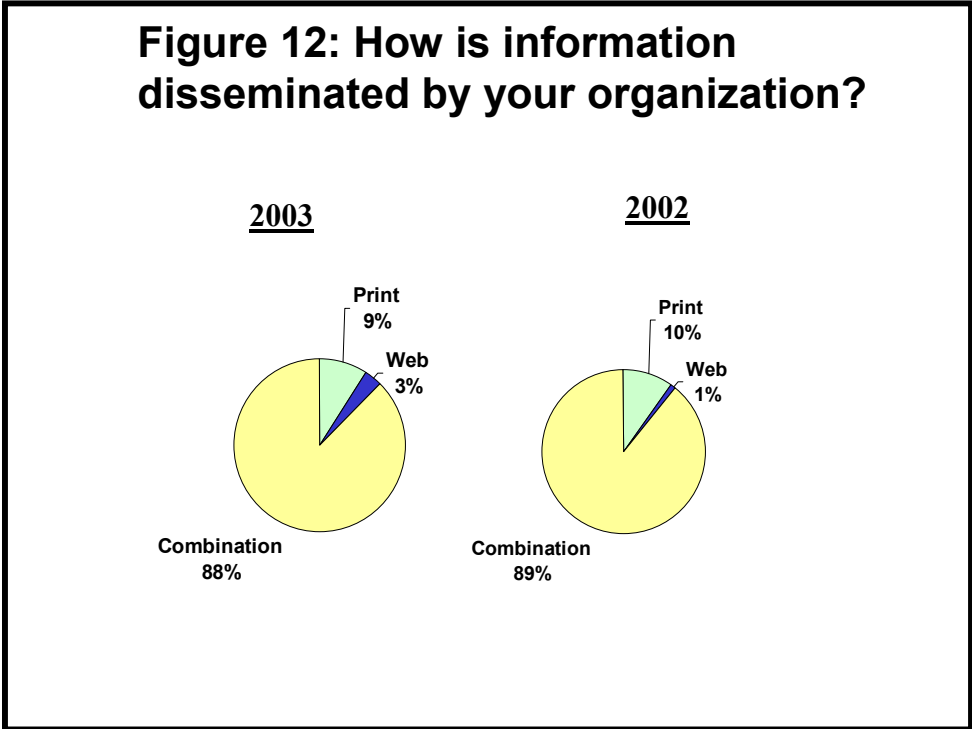
Key findings include:

- Non-profit organizations are migrating more communications to the web.
- A combination of print and web media continues to be prevalent amongst respondents with 88% indicating they use some combination - however now 3% indicated they employ web communications exclusively compared to 1% the previous year. Information brochures are the most commonly produced communications piece amongst respondents with 80% producing them and about 64% indicating they provide them on the web.



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- There is also a gap with newsletters - about 72% of respondents produce a newsletter, but only 53% put a newsletter online. Annual reports also have a fairly wide gap with 62% respondents producing an annual report but only 36% of respondents putting their annual report online. The gap narrows for advocacy pieces, issue briefs, and facts and figures pieces all of which are produced by around 40% of respondents.



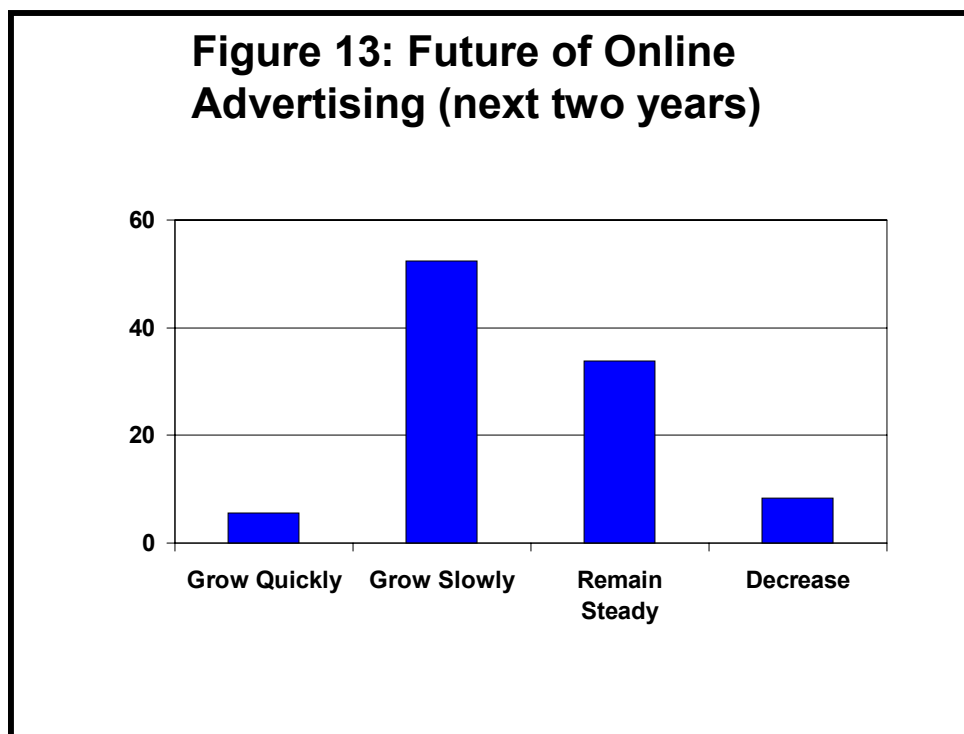
Web Advertising

There continues to be a relatively small portion of the NPO sector that is using their website to deliver web advertising. This could be related to a number of issues, for example, some organizations with a corporate or professional member base may not want to raise any issue of bias. Some organizations feel that web advertising detracts from the message that they are trying to communicate. In general, though, this may be a revenue source that is overlooked by resource challenged organizations and due further consideration.

Key findings include:

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- 25% of respondents offer some opportunities for online advertising through their websites
- The various methods through which non-dues revenue opportunities are used include (in their order of prevalence) banner ads, directory listings, website sponsors, job boards, and tradeshow sponsors.
- The majority of respondents expect some growth in online advertising over the next couple years with 52% expecting it to grow slowly and 6% expecting that it will grow quickly



Website Hosting and Other Technology Usage

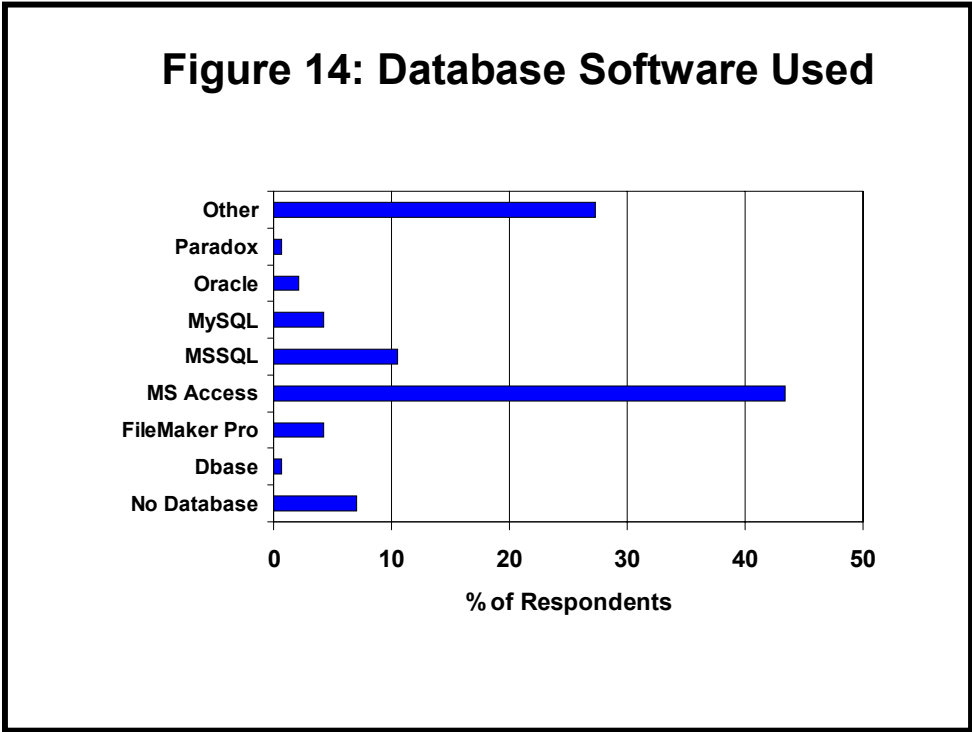
Many NPO's may wonder what kind of technology their peer groups are employing and how much they pay for those services. The following information provides details regarding common technology infrastructure amongst NPO's.

Key findings include:

- Most websites continue to be hosted on a Microsoft platform

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- Linux and Unix collectively account for 25% of respondent's website hosting environments
- Approximately 66% of organizations' websites are hosted with an Internet Service Provider. Other respondents either had a co-located server or an in-house managed server (17%) or some other hosting configuration.
- Many respondents, 50% pay \$50 or less per month for hosting and 25% pay \$15 or less. Although 25% pay \$200 or more per month.
- Virtually all non-profit organizations are connected to the Internet via some kind of high speed connection with less than 10% using a modem connection.
- Internet Explorer is the most commonly used browser and dominates with 96% of organizations using this browser
- MS Access is the most popular database used by non-profit organizations with 43% choosing it as their database. A selection of other databases including MS SQL, Filemaker Pro, MySQL and proprietary off the shelf solutions account for most of the other databases used. Oracle is used by just a few organizations and 7% indicate they use no database.



Concluding Comments

The advanced use of the Internet by many NPO's is to be applauded. Given that most organizations recognize the importance of their website for achieving their goals there are a number of activities that NPO's should consider undertaking if they are not already performing them.

Consider your own Web Presence:

- Establish regular routines for evaluating web traffic
- Assess the currency of content on the website and maintain a transparent policy amongst staff to ensure future currency of content
- Consider using external assistance when planning the website
- Re-examine the budget allocation for the Internet and consider whether this really reflects the importance of the contribution of the website in communications activities and delivering member services. How does it compare with other communications budget items, etc?
- Ensure that web content and services matches the desired audience for the website (is this the public, consumers, members, non-members, government, etc.)
- If you have been paying the same hosting fee for years, consider reviewing current market rates
- Are there other member services that could be migrated to the web?

About Leverus

Leverus is a web design and development company focused on solutions for not for profit organizations. The company leverages the interactive power of the Internet to enhance the service delivery capability of NPOs. Leverus' expertise in serving not for profit organizations in addition to its Internet technology leadership, position the company as the premier resource for organizations seeking to realize their potential in the developing technological environment.

Leverus offers a complete solution for not for profit organizations seeking services that range from website hosting, design, interactive technologies, custom web development, database services, system administration and many other Internet related services. The company has demonstrated the strength of its service offering through its successful design and website implementation for a number of clients that have witnessed operational improvements, increased web traffic, enhanced communication capabilities, and the opportunity to generate new revenue streams through online methods such as web advertising.

For Further Information:

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