

# digital influence in social cause

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### About Sparxoo

Sparxoo is leading a new generation of business—one that prioritizes deeper customer engagement, harnesses the power of social media, and strives for purposeful, sustainable, social impact.

Founded in 2007 with over 20 years of digital media, strategy, and creative experience, the Sparxoo team leads strategic initiatives in branding, digital marketing, and business development. We fuse left and right brain thinking to inspire creativity, innovation, and ultimately to achieve breakthrough results.

We have led digital projects in news, sports, education, lifestyle, travel, and shopping, including our projects across ad networks, video, and mobile. Our clients include industry leaders Habitat for Humanity, NBC, Comcast, Newsweek, and Lifetime. We are proud of our collaboration with digital and social entrepreneur teams at TOMS, Snipi, Next Step, and Clean Plates. Beyond achieving ambitious goals, we seek to build meaningful relationships and inspire a sustainable community of entrepreneurship and corporate leadership.

Please visit our blog at [Sparxoo.com](http://Sparxoo.com) to learn more about our ambitious team of creatively strategic entrepreneurs.



## digital influence in social cause

### Report Background

Never before have so many tools been available to analyze and clarify digital influence. The 2009 Digital Influence in Social Cause Report leverages these tools to measure the influence of those best-in-class charities in the digital sphere.

Sparxoo identified and ranked the top 50 new and established leaders in social cause in a comprehensive study of digital efforts, engagement and stretch.

The Report concludes that established leaders, such as the American Red Cross (#1), are joined by newcomers such as Kiva (#3). Surprisingly, the controversial PETA organization ranked #2 while much-hyped organizations like Charity Water lagged behind (#20). The Digital Influence in Social Cause takes aim at the digital efforts of established leaders and new entrants to find the best-in-class, digital-savvy organizations.

# letter of introduction



Charitable giving has been on the decline since the onset of the recession. Total US gifts and pledges decreased 5.7% on an inflation-adjusted basis to \$308 billion in 2008 according to Giving USA Foundation. More than half of charities are experiencing a downturn in contributions so far this year compared to the same time in 2008, according to an informal poll by the Association of Fundraising Professionals. In the face of these challenges, nearly three in ten of the leaders of the nation's biggest charities and foundations have taken pay cuts in the past year, according to the Chronicle of Philanthropy.

Given overall challenges, non-profits are increasingly searching for new ways to grow the impact of their organizations. In 2009, there have been several social causes successes in the digital world, led by the

Twestival phenomenon. Allison Jones reports, "Last year people in over 150 cities used Twitter to raise money and awareness for charity:water, a nonprofit that builds wells for communities throughout Africa. Giving the overwhelming amount of support and money raised (over \$1 million!), Twestival is back this year but with a new twist—each city is supporting a local charity." With the growth of Facebook, Twitter and other social platforms,

the digital landscape is changing quickly. There are new opportunities to engage audiences to raise the visibility of social causes, deepen existing donor relationships, and inspire a new generation of philanthropists. Our team at Sparxoo embarked on this study, "Digital Influence in Social Cause," to evaluate how the landscape is shifting. We define digital influence in social cause based on overall impact of efforts, audience engagement, and digital stretch. Our team scoured for data that show the breadth and depth of consumer interaction with social cause leaders, including total charitable donations, web site traffic, YouTube presence, Twitter followers, Facebook fans, and Tumblr presence. We considered over 100 different charitable organizations ranging from household names such as American Red Cross and United Way to lesser known charities such as Smile Train and Farm Aid (please see methodology for more details).

As we compiled the results, we wondered if the much-hyped Charity Water had surpassed the established leaders and just how much influence Kiva had accumulated since its founding in 2005. We were surprised by the results and believe there are significant learnings to be found in these rankings.

The established charitable leaders still have influence, but need to accelerate their digital efforts in the face of significant competition from emerging upstarts and organizations focusing on environmental causes. American Red Cross ranks as the #1 digital influencer in social cause. More surprising, is that you have to go to #28 on the list before you get to United Way. The Top 20 includes 3 newer members to social cause: Kiva (#3), Lance Armstrong Foundation (#9), and Charity: Water (#20). The Top 20 also includes 3 organizations focused on animals, nature, and the environment: PETA (#2), Greenpeace (#4), and World Wildlife Fund (#11).

At Sparxoo, we believe that social cause is going mainstream. Through our work with Habitat for Humanity, TOMS and Clean Plates we have seen the power of a social mission. Through our blog, we have tracked the acceleration of digital development, which affords new opportunities to upstarts such as Charity: Water. While it is tempting to devote all of our attention to new entrants, we also recognize the potential rewards for established organizations such as the American Red Cross (founded in 1881) that embrace today's digital world and attempt to reinvent themselves. As we emerge into a new economy, forward thinking leaders will survive and thrive.

Warm regards,

David Capece  
Managing Partner, Sparxoo



## top 50 digital influencers in social cause

Organization	Digital Influence Rank			
	OVERALL	Magnitude of Efforts	Social Engagement	Digital Stretch
American Red Cross	1	****	****	****
PETA	2	****	**	****
Kiva	3	**	****	****
Greenpeace Fund	4	***	****	****
American Cancer Society	5	****	****	**
AARP	6	****	**	***
Habitat for Humanity International	7	***	***	***
UNICEF	8	***	*	****
Lance Armstrong Foundation	9	*	****	***
American Heart Association	10	****	***	**
World Wildlife Fund	11	***	****	**
ACLU	12	****	*	****
Peace Corps	13	**	**	****
YMCA	14	*	*	****
Susan G. Komen Breast Cancer Foundation	15	**	****	**
St. Jude Children's Research Hospital	16	****	*	***
Boy Scouts of America	17	****	***	**
The Salvation Army	18	***	*	***
American Diabetes Association	19	***	**	**
Charity:Water	20	*	****	*
World Vision	21	***	*	***
To Write Love on Her Arms	22	*	***	***
Girl Scouts	23	***	*	**
The Nature Conservancy	24	**	***	**
The Humane Society of the United States	25	***	**	*

\* Star rating system: 4 stars is the highest ranking, 1 star is the lowest ranking. Please see the "Methodology" section for detailed descriptions of our overall and category rankings.



## top 50 digital influencers in social cause

Organization	Digital Influence Rank			
	OVERALL	Magnitude of Efforts	Social Engagement	Digital Stretch
Goodwill Industries	26	**	*	*
March of Dimes Foundation	27	**	***	*
United Way	28	*	**	***
Human Rights Campaign	29	*	***	*
Clinton Global Initiative	30	***	*	*
Planned Parenthood Federation of America	31	***	*	**
Special Olympics	32	*	*	**
Invisible Children	33	*	**	***
Bill and Melinda Gates Foundation	34	*	****	*
Teach For America	35	**	**	*
Make-A-Wish Foundation	36	*	***	*
The LAMP	37	*	*	****
CARE USA	38	**	**	*
One Campaign	39	*	**	*
Americorps	40	**	*	*
National Audubon Society	41	*	*	*
NAACP	42	*	*	***
Easter Seals	43	*	*	*
City of Hope	44	*	*	*
The Arc of the United States	45	*	*	*
Volunteers of America	46	**	*	*
Boys & Girls Club of America	47	*	*	*
The Rotary Foundation	48	*	***	*
Michael J. Fox Foundation	49	*	*	*
Acumen Fund	50	*	***	*

\* Star rating system: 4 stars is the highest ranking, 1 star is the lowest ranking. Please see the "Methodology" section for detailed descriptions of our overall and category rankings.

# environment and animals intersect as nature's cause

By David Capece, Managing Partner

More and more people are becoming aware of the importance of the natural world and the human impact on our planet. This discussion is growing politically, economically and culturally. The emergence of planetary cause, inclusive of animals and the environment, is being fueled online. While United Way and the Salvation Army may lead the way in total dollars, PETA, Greenpeace, and World Wildlife Fund are amassing significant digital influence with PETA claiming 2 million members and supporters, and all three closing in on 300,000 Facebook fans, or approximately 25x as many Facebook fans as United Way.

We were surprised to see PETA reach #2 on our list of Digital Influencers in Social Cause, so let's take a deeper look. According to PETA, "their organization focuses attention on the four areas in which the largest numbers of animals suffer the most intensely for the longest periods of time: on factory farms, in laboratories, in the clothing trade, and in the entertainment industry. They also work on a variety of other issues, including the cruel killing of beavers, birds and other pests, and the abuse of backyard dogs." PETA is constantly in the spotlight by stirring controversy and garnering the participation of celebrities. Among PETA's most recent initiatives is a campaign to save the seals, in which Holly Madison, Pam Anderson, Kelly Osbourne, and Perez Hilton are among the celebs speaking out against Canada's annual seal slaughter by posing for PETA's new 'Save the Seals' ad series. That's the latest in a series of campaigns that includes Pam Anderson fighting "Kentucky Fried Cruelty." While one might initially react that "campaigns are old media," PETA has done an outstanding job of incorporating these campaigns as overall content on their web site, and used them to fuel influence across platforms, including YouTube. If it weren't for some negative sentiment, PETA easily could have been #1 on our list. For example, in reaction to a campaign to persuade people to stop catching and eating fish,

Les Palmer of Morris News Alaska says "My first thought was: How stupid do they think we are? My second was: How ridiculous can they [PETA] get?"

Just a few notches below PETA, Greenpeace comes in at #4. While they too have some negative sentiment, overall Greenpeace has built a strong fan base. According to Greenpeace, "We bear witness to environmental destruction in a peaceful, non-violent manner. We use non-violent confrontation to raise the level and quality of public debate. In exposing threats to the environment and finding solutions we have no permanent allies or adversaries. We ensure our financial independence from political or commercial interests. We seek solutions for, and promote open, informed debate about society's environmental choices." What is most striking about Greenpeace is their ability to get attention for stunts. These offline stunts, such as the 24-hour occupation of a mining site to focus attention on the urgent need for action on climate change following an Obama-Harper meeting, are amplified online through an impressive PR machine. According to Nielsen, consumers see at least 1,600 messages in a typical day, so Greenpeace has used guerilla marketing to stand out.

World Wildlife Fund rounds out this impressive trio at #11. Unlike PETA and Greenpeace, they have generally garnered favorable attention. WWF offers opportunities to get involved through animal adoptions (the top 100 list is led by the polar bear) or traveling on the Wild Borneo eco-adventure. WWF's mission appears more grand and worldly than that of PETA or Greenpeace: "WWF's ultimate goal is to build a future where people live in harmony with nature."

## environment and animals intersect as nature's cause

Ironically, WWF's aspirational mission may explain why they trail in digital influence. There is an emerging activist nation that is used to always-on, accelerated action and accomplishment in our digital world. PETA and Greenpeace have demonstrated an entrepreneurial spirit, focus, and creativity in tackling major issues in the spotlight. While WWF has a positive digital voice for planetary cause, it lacks the raw firing power of its more aggressive counterparts who are using digital media as an opportunity to amplify their voice and influence. Cute pandas aren't enough. We are moved by Kelly Osbourne and the sight of slaughtered cows.



# crowdsourcing & community involvement in social cause



By Tara Lane, Staff Writer

Crowdsourcing, a trend sweeping social media right now, is not limited to coming up with new ideas or helping to write a book. In addition to creating buzz, non-profits use crowdsourcing to actually make a difference in the lives of others. Some of these organizations exist because of social media, while the others use it as a tool to further their work. No matter how it's done, there's no arguing that small and simple efforts are leading the way for social change around the world.

Countless numbers of Twitter followers or Facebook fans won't mean anything unless people become involved, taking the buzz off-screen and turning talk into action. For non-profits, it's often easy to get people aware, but harder to get them involved. The following examples have worked hard to change that, and are garnering support that makes a difference.

## Kiva

Blending microfinance with crowdsourcing, Kiva's entrepreneurs are connected to lenders, who have loaned more than \$100 millions dollars in less than four years to deserving families and businesses in poverty-stricken countries. In addition to helping others in need, Kiva has a strong sense of social media, and uses these networks to its advantage. With a strong blogging community, an iPhone application, and plugins for Wordpress users to display their support of the cause, Kiva gets the word out, and that's why they're one of the top social influencers. In addition, they have more inbound links to their site than any other, because the crowd is out there sending people their way in hopes of getting more donations. The organization keeps more than 100,000 people updated on Twitter daily, and more than 5,000 through Facebook.

## Habitat for Humanity

With a presence on nearly every major social network, Habitat for Humanity encourages users to help shape the content of each of these pages with

comments, photos, links and more. They want people these pages to be co-created and built by other users, so it becomes an environment for discussion and sharing, among volunteers and those who have benefited from the program, instead of a one-sided display. Videos of volunteer experiences, photos of events, and announcements are made through their most popular network on Facebook, which has more than 22,000 fans and is growing each day. Through these networks, people can become involved even if they aren't able to go help build a home, and stay connected with updates and stories from those they're supporting.

## Twestivals

What started as a local event in London has led to the widespread use of Twitter volunteers to rally groups together in cities across the world, raising money for charity, and showing the physical impact Twitter can have. Twestivals are organized in local communities, scheduling events that will happen at the same time all around the world. Local Twestival leaders volunteer thousands of hours to organize fundraising events, reach out to community leaders, publicize their event, and bring together people in their community who are focused on the same cause. Organizers select a cause for each year – 2010 will focus on education – and non-profits nominate themselves to be the charity of choice. Twestival Global aims to reach more than \$750,000 for their selected charity over the course of 2010.

## The Salvation Army

While bell ringers will forever play a vital role in The Salvation Army's fundraising efforts, the 140-year-old organization is turning to digital efforts as well. They've recently had their popular Angel Tree program go virtual, allowing volunteers to sign up and shop for their gifts online in one easy place. The program, which has been operating for more than 40 years, was previously limited to certain locations in a limited number of communities. Now, The Salvation Army can have a much greater impact with the help of digital media and the crowd. They have also

# crowdsourcing & community involvement in social cause



established themselves on Twitter, Facebook, and YouTube. Each network gives users unique insight into the organization, keeps them updated on news and events, and invites users to give back. With this online presence, they're able to reinvent the organization and give it new life, while maintaining their integrity and mission.

## Special Olympics

In the spring of 2009, Special Olympics turned to social media for their innovative campaign "Spread the Word to End the Word," and received an outpouring of support from every corner. The word in question was "retard," or "the r-word," and efforts were launched on Twitter and Facebook to raise awareness of the movement. More than 49,000 people pledged their support on the main Web site and through Facebook, and thousands used the official hashtag on Twitter to raise awareness. The cause really showed the reach of the organization and garnered support from people who may not have been aware of the campaign otherwise. Users were truly engaged, and have made a difference both off- and online.

In his book *The Wisdom of Crowds*, psychologist James Surowiecki argues that often, better decisions and predictions are made by way of large groups rather than by individuals alone. Crowdsourcing on a digital platform has given us solid proof of how social media tools are making that crowd as big as it can be, enabling people worldwide to participate; in turn, better decisions and sustainable impact are made.

# how charity newcomers are revolutionizing the non-profit sector



By Ethan Lyon, Senior Writer

Social cause is not just about writing a check and mailing it to your favorite charity every year. No, not for the newest wave of non-profits. This up-and-coming generation of charities is developing innovative financial structures, embracing the power new social technologies to engage audiences, taking big risks and changing the face of entrepreneurship and social cause in the process.

"At first, we had all of these naysayers." says Matt Flannery, founder of Kiva -- a microlending non-profit. "Experts said, 'That's an interesting idea for advertising, but that can't scale. How can thousands of people from Uganda, Cambodia and Tanzania-- random places where the Internet doesn't work so well--post their pictures and get people to lend to them?' The idea did seem crazy," Flannery noted. "But we weren't thinking it was going to be a multimillion-dollar business." Flannery's entrepreneurial spirit and fresh perspective defines the next generation of non-profits impacting change.

Kiva (founded in 2005), Charity Water (2006), To Write Love on Her Arms (2006), One Campaign (2004) are leading this new generation of charities. From micro-lending to Twestival to web applications, these charities are changing the game and in the process, revolutionizing the non-profit sector.

These neophytes are facing many of the challenges freshly minted college students face: little experience, but have an innovative, driven spirit to change the world. This new generation is getting their foot in the door by embracing social media and other web 2.0 technologies. Accordingly, they are the most socially influential non-profits based on our findings in the Digital Influence in Social Cause Report.

Placing #3 among over 50 charities, Kiva is the

greenhorn superstar -- surpassing YMCA, The Salvation Army, Greenpeace and many other well-known organizations. Though Kiva is alone at the top of the list, the one shared element among all new entrants is social influence -- meaning Twitter, Tumblr, Facebook and links pointing to their .org site.

Kiva is a digital leader not only among non-profits but the web as a whole. This year, Kiva.org was named one of the 50 Best Websites of 2009 by TIME magazine. The microfinancing organization has created an API for web developers, developed blog badges and easily embedded banner ads in addition to Kiva donation groups and even an iPhone App. Forbes has called the microlending site "a cross between Google and Bono."

To create transparency and develop a community-rich environment around entrepreneurship and micro-lending, Kiva embraces many social media tools. This dedication to social media and blogging paid off when the Daily Kos picked up Kiva. Then, Opra came knocking and the rest is history.

Kiva is not the only innovative web-based non-profit. Charity Water launched Twestival -- where Twitter users Tweet, meet and give. In Feb. 2009, the Twestival reportedly raised \$250,000. "We came together at tweetups, we raised money, and together we funded 55 water projects. This means 17,000 people now have access to a new life with clean and disease-free water, and you can watch the impact this made here," writes Austin Twestival organizer Michelle Greer. "We can make brilliant things happen if we put our hearts behind them."

Newcomers such as Charity Water and Kiva are changing the game by rallying online community support for their social cause. Kiva ranks #1 in social influence followed by Charity Water at #3. Charity Water dominates the Twitter list, placing #1 with 1 million followers; Kiva ranks #2 with 77,800 followers; and TWOLHA #7 with 46,900 followers.

# how charity newcomers are revolutionizing the non-profit sector

This social movement engages new audiences while connecting like-minded people to impact change. This ahead-of-the-curve thinking is what makes these organizations have a leg to stand on. They are embracing the tectonic shifts in digital media and applying the most cutting edge concepts to charity and giving. If anything, the established leaders could learn something from the newcomers and embrace the changing tides by putting the social back into social cause.



# pushing the limits: a look at ACLU and PETA



By Ethan Lyon, Senior Writer

In 1981, Alex Pacheco conducted an undercover investigation at the Institute of Behavioral Research in Silver Spring Maryland. There he photographed the "dire" conditions many of the animals were living in. After he gathered sufficient evidence, he turned the images over to the police who then raided the lab -- leading to the arrest and conviction of researcher, Dr. Edward Taub.

It was during this event that the world first heard of the organization behind the controversy, PETA. Since then, PETA has graced the headlines on many occasions: "Nude PETA Women Shower at 7th and Penn." and "PETA profits from animal suffering" are only a few of the headlines that define the animal rights organization's marketing strategy.

PETA has been criticized for comparing animal cruelty to the Holocaust, euthanizing animals and staging elaborate demonstrations. Scientists, in particular, disapprove of PETA's extreme stance because "most life-saving procedures and medications in use today...would not have been possible without the ability to conduct prior research and training in animals," said John Howser, deputy director, Office of News & Public Affairs for Vanderbilt University Medical Center.

In our Digital Influence in Social Cause Report, we were surprised PETA exerted so much influence. The animal rights organization ranked #2 on our digital influencer list. We found many controversial organizations, such as the ACLU and Greenpeace, have generated a large core following. How do organizations surrounded with such intense controversy become a top digital influencers?

Organizations such as PETA and the ACLU take a firm stance and bend the law on several occasions -- often making news headlines. In many ways they polarize audiences by distributing emotionally

charged information or backing controversial groups. It's a very "you're with us, or you're against us" mentality and as such, they have grown strong followings.

Consider how the ACLU has stirred the pot. They often take a controversial stance when it comes to free speech. Their most notable clients are extremist groups like the Neo-Nazis and pro-terrorists, organizations like North American Man/Boy Love Association (NAMBLA) and even teenage exhibitionists. "Left-wing groups like the ACLU too often equate constitutional rights for their clients with there being no consequences for their clients' actions - whether for their teenage exhibitionist clients or for their far more dangerous terrorist suspect clients," writes Joseph Klein, from the NewsReal blog. This dedication to the preservation of speech has created a fierce criticism of the organization. However, such polarizing issues have created a core group following of the organization. They boast over half a million supporters.

As we've noted, PETA does not shy away from controversy. In fact they welcome it. According to Newssift -- a sentiment analysis tool -- more than half of PETA's mentions in the media are negative, while less than a quarter is positive. It's no surprise that much of this heat derives from newspaper headlines. With numerous elaborate demonstrations and civil justice actions, PETA graces newspaper headlines more often than blogs or magazines.

Other organizations follow a similar PR strategy. Greenpeace, though the organization takes a non-violent approach, ranks #4 in digital influence. Though Greenpeace takes a passive approach, the environmental organization has more negative sentiment than PETA. While PETA has 1,143 negative articles, Greenpeace takes the cake with 2,852 articles, followed by the ACLU (#12) with 2,575 negative articles. Such media attention shapes public opinion and defines these organizations.

## pushing the limits: a look at ACLU and PETA



Though we do not endorse taking the law into your own hands, there is something to be said about taking a stance and drawing a line in the sand. According to our digital influencer study, rallying your followers to get involved and taking an emotional investment into your cause is a valuable asset. PETA, Greenpeace and the ACLU are examples of how stirring the emotional pot -- whether it's sit-ins or nude protests -- can command attention and consequently gain the support of a loyal following.

# best digital practices in the health industry

By Katherine Parsons, Strategy Director

Healthcare insurance, reform, H1N1, food contamination and countless stories that pull on our heartstrings are daily discussion topics in newsrooms, blogs and dining room tables across the nation. It should come as no surprise that many of the top 50 digital social-cause influencers are related to health.

Health is clearly on the American mind. Now the question is why have these health causes made it to our digital influencers ranking? Why so much buzz around them and why are people so willing to endorse seemingly personal health related causes on public social media? We turn here to examine what makes the health social cause companies on our list the most influential. In assessing the success of these health companies, we learn universal lessons that extend to brands in other categories:

## Lesson 1: Tell me a story.

When you think of a social cause “health” company like those on our Digital Influencer list, the last brand association you want to have is “sickness”, “sadness” or “isolation”. These health associations are sterile and negative. However, the health companies on our social cause list realize that health anything BUT impersonal; health is human, alive, and dynamic. Health is about connections and people, so utilizing social media should be natural for the category. Of course one’s health is serious and tenuous, but why dwell on the negative when you can try to move forward with recovery. Indeed, these health social cause companies are partially on our digital influencer list because they are so successful at personalizing their brand and creating that warm fuzzy feel. They are able to do this through the stories they tell. By sharing stories of the patients they help, supporters can connect to the brand in a warm and meaningful way. We see this in the case of our companies’ strong presence on Facebook and other social media. Komen, for example, prominently features a “share a story”

function. The American Cancer Society also effectively gathers its following with its upbeat “circle of sharing” and “stories of hope” tools. This emotional bond will then encourage more sharing and word of mouth support.

## Lesson 2: Mobilize a community

Komen Breast Cancer Walk has been called a “global movement”. Indeed, one can call it a movement because of the mass support financially and emotionally for the cause, and also literally because of the mass physical movement it mobilizes. The Komen Breast Cancer walk encourages supporters to hit the road in active support of the cause—while encouraging physical exercise to stay healthy. Indeed, it has been said that those who do good, feel good. With over a million participants since 2005, the Komen walk makes a whole lot of people feel good. Besides, gaining press coverage and honoring the survivors and the deceased, the walk raises significant funds for the company. The walk leads to a lot of referrals in recruiting people to sponsor the walkers. This activity often takes place online. The digital influence continues after the walk, as participants proudly display their Komen badge of honor for completing the walk and, in doing so, further endorse the brand and extend its digital influence.

## Lesson 3: Define your market

AARP deserves its spot on the digital influencer list because it has managed to re-frame perceptions around its target audience and, in doing so, create intense loyalty. Instead of the “old people” brand, AARP rebranded itself to be more of a club for those mature enough to be “in the know”. AARP’s communication also reflects this: “feeling groovy” language now makes it cool and influential to be a member of this club “leading positive social change”. Moreover, while being a member of AARP still offers health tips and advice for aging, it offers more than that and has become a lifestyle brand. And did we mention the savings and other special membership

# best digital practices in the health industry

benefits and perks?! Pass on the good news.

## Lesson 4: Respond timely

It's been said that much of life is about being in the right place at the right time. The American Red Cross realizes this and is able to quickly mobilize to action in an emergency. The American Red Cross manages to effectively navigate between smaller local community events and national disasters. The key link between them both is that they act timely and efficiently, mobilizing a network of personal and corporate support and getting appropriate press coverage. The American Red Cross has a network of millions of Americans who donate their time, money and blood to emergencies. It's no wonder with so many grateful recipients of aid in a time of need and so many dedicated volunteers, The American Red Cross has a network of over 91,000 fans on Facebook

## Lesson 5: Lead with purpose... and partners.

St. Jude's Children Hospital leads with a purpose. St. Jude's is not afraid to take on this impressive and noble mission to treat kids regardless of their ability to pay. Nor is St. Jude's afraid to accept for help. In fact, St. Jude's relies heavily on

fund raising events such as the Stanford PGA Tour and Dream Home Giveaway to support its mission. At various college campuses, some student organizations, fraternities and sororities raise funds in a program called Up 'til Dawn. This heavy reliance on fundraising has actually helped St. Jude reach its digital influencer ranking as there is always consumer generated buzz driven by the various events.



# Kiva case study: background



loans that change lives

LEND

ABOUT

COMMUNITY

JOURNALS

By Ethan Lyon, Senior Writer

## About Kiva

Kiva launched the first person-to-person microfinancing website in 2005 with the mission of alleviating poverty through lending. Since its inception, Kiva has made significant strides in actualizing their goal. As of October 2009, Kiva has distributed \$100 million in loans from over 249,000 lenders in 185 countries.

## How it Works

Through strategic domestic partnerships, Kiva identifies those entrepreneurs in need and connects them with the Kiva lending community. The Kiva lending community then donates to the entrepreneurs that most interest them. Through journals and financial feedback, lenders can see the impact of their investment while the entrepreneur creates a sustainable business to support family and community members. After the typical 6-12 month lending period, the entrepreneurs then pay back the loan and the lenders receive their initial contribution.

## Market Trends

**Pay Forward** -- Passing on the chance for opportunity and prosperity through entrepreneurship and microfinancing, Kiva embodies many elements of the pay forward trend.

**The Real Deal** -- From the average, real-time users delinquency rates to the average amount lost to the number of defaulting entrepreneurs, Kiva strives to create transparency and cultivate an honest, giving community.

**Private Eye** -- Kiva speaks in numbers. Whether it's an "impact scrollbar" or an entire Kiva data application, the microfinancing site aims to help users understand the real, tangible impact of the Kiva community.

## Background on Microfinancing

Microfinancing shares many principles with

crowdsourcing -- a small amount of money is gathered from many contributors to create a large impact. Though the microfinancing movement was born in the 1970s, it is gaining momentum as online payments and banking become more pervasive, free online tools make community-building initiatives more accessible for webmasters and there is a renewed sense of innovation in philanthropy.

## Key Statistics

- In total, the World Bank estimates microfinancing has helped an estimated 500 million people.
- Among 704 microfinancing institutions in 2006, there were 52 million borrowers with a mere 0.9% delinquency rate after 30 days.
- In 2007, there was \$25 billion in microfinancing loans according to Deutsche Bank.

## Key Competitor

**Grameen Foundation** -- The Grameen Foundation was founded by Nobel Prize recipient, Muhammad Yunus in 1997. The Grameen Foundation's mission is to empower the world's poorest people through information and microfinancing assistance. Since its inception, it has made over one million microloans.

**Distinguishing Elements** -- Grameen's website is very well-designed. The main distinguishing element between the two microfinancing websites are community development tools and tangible impact. In addition to images and stories of the people the support, Kiva takes it a step beyond Grameen by featuring community members (both lenders and entrepreneurs) and providing a developer API (that indexes all of Kiva's data), and numerous blog promotion tools to spread the Kiva message. This tech-savvy approach has significantly increased Kiva's digital influence to make it one of the most successful new entrants in the non-profit sector.

# Kiva case study: strategic approach



## Situation

In 2005, when Kiva entered the non-profit microfinance market, Grameen Foundation was an established leader. Kiva's approach was much different than that of the Grameen Foundation. The newcomer took a more creative approach while embracing social technology. Furthermore, Kiva adopted many of the core principles that define Web 2.0. Transparency, community involvement and tangible impact are central components of the Kiva web development strategy that have worked towards achieving significant milestones -- such as raising \$100 million in just over four years.

## Approach

**Transparency** -- "We are constantly working to make the system more transparent to show how money flows throughout the entire cycle, and what effect it has on the people and institutions lending it, borrowing it, and managing it along the way." Kiva has developed a strong, loyal bond with its lenders and entrepreneurs by creating an honest, transparent environment. By reporting refunded loans, real-time delinquency rates and many other aspects of the company, Kiva strives to build trust between the organization, entrepreneurs and lenders to develop meaningful, long-term relationships.

**Community Involvement** -- Kiva takes digital community development a step beyond other organizations by incorporating and providing an array social media tools. Kiva does not just stop at automatic Kiva Tweet apps; they provide tools for bloggers to show their support for the microlending non-profit. Opening the door to bloggers has paid off: "We are big supporters of the microlending system. Many of us TreeHugger writers have invested funds in Kiva." This support from the blogger community could reflect our findings that Kiva has more links to their site than any other charity.

**Tangible Impact** -- Most non-profit organizations speak to the right brain. With images of the people

they support -- whether it's a smiling Haitian carrying a bucket of water or an animal saved from an abusive environment -- organization websites tap into the audience's emotional core. Kiva takes a right and left brain approach. The website features pictures of the entrepreneurs and lenders in addition to key statistics. The site speaks in numbers, whether it's a scrollbar of key statistics ("910 Gift Certificates Purchased," "1 Loan Every 14 Seconds") or the average donation amount. This dual approach is much different than most other organizations that mostly use visuals to speak with their audience.

## Accomplishments

This year, Kiva.org was named one of the 50 Best Websites of 2009 by TIME magazine. Kiva.org was recognized by TiE50 as one of the hottest start ups of 2009. Kiva team members, Matt Flannery and Premal Shah were recognized on the Fortune 40 Under 40 list. Team member, Premal Shah was recognized by The World Economic Forum as a 2009 Young Global Leader. Medinge Group listed Kiva.org as one of the year's Brands With A Conscience. Over 585,000 people have loaned more than \$100 million to 249,000 entrepreneurs in 49 countries. Kiva's Digital Influence

As new entrant in the non-profit sector, Kiva has made significant progress since its inception in 2005. Kiva ranks #3 on Sparxoo's Digital Influence in Social Cause Report. The microfinancing organization surpasses established leaders such as United Way (#28), WWF (#11) and The Salvation Army (#18) in addition much hyped social media superstars such as Charity Water (#20), TWOHLA (#22) and The LAMP (#37). The microfinancing organization places #1 in the digital engagement category. With more links to the Kiva.org website than any other non-profit and placing #2 on Twitter (approximately 78,000 followers), Kiva has grown its user-base through multiple community engagement initiatives.

# Kiva case study: lessons learned

## *Simplify your Message*

The first visual touch point on the Kiva website is an image that illustrates how Kiva works. Kiva connects you, the lender to the entrepreneur to alleviate poverty. Through simple visuals, users immediately understand the microfinancing concept and might therefore be more likely to participate. By visualizing your process, you can add depth and purpose to your efforts -- essential to connect with your audience.



## *Illustrate Impact*

Illustrate your impact through emotionally-charged images to appeal to the right-brain, then use numbers and facts to target the left-brain. The "Impact This Week" is located on the homepage and scrolls through facts and figures to showcase Kiva's tangible impact -- whether it's "910 Gift Certificates Purchased" or "1 Loan Every 14 Seconds."

### Impact This Week

3,164 entrepreneurs funded.

## *Set Tangible Goals*

Setting tangible goals aligns your donor community with you objective. Often times, there is a macro objective -- \$10,000 by Feb. 1, or 1,000 turkeys this Thanksgiving. As macro goals are often very large, it's difficult for donors to wrap their brains around it. Kiva avoids this pitfall by making micro goals for each of their entrepreneurs. Each entrepreneur needs X funds and they are X% away from reaching their goal.

## *Provide Sharing Tools*

Beyond connecting through popular social networks like LinkedIn, Facebook, Twitter and MySpace, Kiva provides many tools for bloggers. Above is a banner ad that can be embedded into blogs just like a YouTube video. In addition, the Kiva WordPress plugin allows bloggers to embed their Kiva profile into their blog and Kiva Tweets automatically updates your Twitter account on a daily or weekly basis. These are only several of the many web-based applications for Kiva users.

# top 10 digital influencers in social cause

1



The American Red Cross is one of the most historic organizations on our influencer list, having been founded in 1881. However, that does not mean they are not digitally savvy. According to Google, the American Red Cross does A+ work.

The American Red Cross has an impressive 9/10 Google pagerank and ranks #4 in the number of links to their website. Not many organizations can reach such a prized rank. Maybe their sizable revenue has something to do with it. The American Red Cross has the third largest revenue stream (over \$3.2 B), only surpassed by the Salvation Army (#1) and Goodwill (#2).

2



PETA certainly knows how to generate buzz. That might explain why the animal rights organization ranks #1 in the cross platform category. PETA utilizes media, particularly video to distribute their message -- ranking #2 in Google video search volume. They are only outpaced by the YMCA.

And the animal rights organization has quite the following. PETA ranks #3 in the Facebook fans category with nearly 300,000 fans. In addition to Facebook and search, PETA generates some buzz on Tumblr as well. The animal rights group comes in #3 in mentions on the microblogging site.

Surprisingly, PETA ranks #2 in the YTD fundraising category according to GoodSearch. Though the American Red Cross, Salvation Army traditionally raise enormous funds, PETA is gaining momentum.

3



Kiva's leadership in social influence helps define the next generation of non-profits. The micro-lending organization is changing the game through social technology.

The microfinancing organization ranks #2 in Twitter followers -- only surpassed by Twitter guru, Charity Water. Kiva boasts an impressive 78,000 followers.

Where Kiva really excels is in the blogging community. With embeddable banner ads and Kiva profile badges for bloggers, Kiva strives to provide an array of tools for internet users to spread their message. This focus on digital community development might explain why more sites link to the microfinancing non-profit than any other charity. Kiva 12,300 links pointing to their site -- followed by the ACLU (9,300) and the American Cancer Society (9,000).

# top 10 digital influencers in social cause

4



Greenpeace is a well-oiled multimedia machine. Very much like PETA, Greenpeace uses video and images to spread their message.

The eco non-profit excels in Google image and video search volume. Greenpeace ranks #3 in Google image search volume, outpaced only by UNICEF (#1) and YMCA (#2). Greenpeace ranks #4 in Google video search volume, surpassed by YMCA (#1), PETA (#2) and UNICEF (#3).

For companies that utilize multimedia to spread their message, the Facebook platform presents a lot of opportunity. That might be why Greenpeace ranks #2 in the Facebook fan category with nearly 300,000 Facebook fans -- closely followed by their animal rights counterparts, PETA with 282,000 Facebook Fans. Livestrong ranks #1 with 657,000 Facebook fans.

5



The American Cancer Society (ACS) is a digital leader in the health sector -- putting significant distance between them others such as the Lance Armstrong Foundation and the American Heart Association.

The American Cancer Society has an edge in the Magnitude of Efforts (#3) and Social Influence (#5) categories. Surprisingly, for the amount of hype the Livestrong campaign garnered with the Livestrong bracelets, the Lance Armstrong Foundation is surpassed by the American Cancer Society.

The ACS takes the #3 position in the number of uniques in a month, with 890,000 visitors, according to Compete.com.

Cancer.org is only outpaced by AARP with 2.5 million monthly uniques. The bright spot in the social influence category is the number of links to cancer.org. The ACS ranks #3 with 9,000 links to the homepage.

6



While Kiva takes the lead in the social influence category and PETA in cross platform, AARP is #1 in the magnitude of efforts category.

This success can be attributed to claiming the #1 spot in monthly uniques. AARP has 2.5 million uniques a month, according to Compete.com.

AARP is followed by the American Heart Association (#2) with 1.2 million monthly uniques and the American Cancer Society (#3) with 890,000. Also, the organization has a Google pagerank of 8/10 -- a highly prized position.

# top 10 digital influencers in social cause

7



Habitat for Humanity performs best in social influence, coming in at #11.

The home building organization has high marks in the Newsift sentiment category, ranking #11. Compared to the other organizations ahead in digital influence, Habitat is surpassed only by Kiva, ranking #8.

Beyond social influence, Habitat for Humanity breaks the top ten in two categories in Cross Platform. In the Google image search volume category, Habitat takes the #9 spot, and comes in at #10 in the Google video search volume category.

8



Unicef ranks #2 in the international category -- outpaced only by Kiva.

The relief organization excels in the cross platform category, coming in at #2 -- closely following PETA. Unicef receives high marks in four out of the five sub categories under cross platform. It is the leader in Google image search volume -- nearly half a million results ahead of #2 YMCA.

Beyond images, Unicef spreads their message through videos. They do a fantastic job at multimedia, ranking #3 in the Google video search volume category -- just behind the YMCA (#1) and PETA (#2).

9



The trend-setting Lance Armstrong Foundation receives high marks in the social influence category.

Livestrong ranks #3, on par with the other new entrant, Charity Water.

Much of the Lance Armstrong Foundation's success is draw from their influence on Facebook. Livestrong takes the lead in the number of Facebook fans with 657,000. It is followed by Greenpeace (#2) with 295,000 fans and PETA (#3) with 282,000. It's incredible that Livestrong more than doubles the number of the #2.

Another source of social influence stems from Twitter. Livestrong breaks into the top 10 in the Twitter category with 43,000 followers.

# top 10 digital influencers in social cause



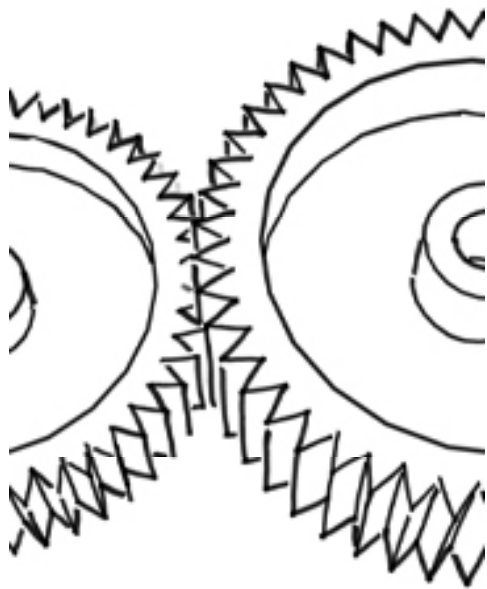
The American Heart Association (AHA) performs well in the magnitude of effort category -- coming in at #4.

The AHA is outpaced by AARP (#1), the American Red Cross (#2) and the American Cancer Society (#3). The AHA's success in the magnitudes category is marked by two bright spots: monthly uniques (#2) and pagerank (#2).

The AHA is only outpaced in the monthly uniques category by AARP. AARP boasts 2.5 million monthly unique visitors -- more than doubling the AHA at 1.2 million, according to Compete.com. However, the AHA and AARP are the only organizations to break the 1 million market in monthly uniques.

## methodology

Sparxoo considered many factors that contribute to digital influence by gathering over 1,000 statistical data points. After many debates, we honed-in our focus on efforts, engagement and digital stretch as key measures of today's influential digital leaders in social cause. We considered the magnitude of efforts as well as the depth of engagement and interaction across platforms. As we aggregated data, we considered several model fits and ultimately chose a hybrid model that took into account extreme performances. Our category analysis was based on the following statistical components.



**Magnitude of Efforts.** The efforts metric is a measure of organizational initiatives to increase visibility and financial strength. We considered revenue, the number of monthly uniques, search results and page rank.

**Social Influence.** Social influence is a measure of user and blog recognition that expands influence across a greater community. We considered Twitter followers, Facebook fans, links into site, and audience sentiment via Newssift.

**Digital Stretch.** Cross-platform presence is a measure of ability to engage users. We focused on Tumblr and Amazon.com mentions and Google video and image.

## about the authors



### **David Capece, Managing Partner**

David has 13 years of diverse management experience in strategy, corporate finance, venture capital, branding and marketing. David has worked with leading organizations such as ESPN, NBC, Comcast, Lifetime, USAA, and Habitat for Humanity, as well as many entrepreneurs. Prior to founding Sparxoo, David was a senior strategist at Interbrand, the world's largest branding agency. Previously, David was Senior Director of Marketing for ESPN.com. He also served as senior strategist and "acting CFO" for ESPN's Publishing and New Media business units. David graduated with an MBA from Wharton Business School and a BA from Johns Hopkins University.



### **Katherine Parsons, Strategy Director**

Katherine is a creatively strategic marketing professional with a passion for brand development and innovation. Her experience includes research, insights, idea generation, strategic writing and project management. Her passion industries include health and wellness, social entrepreneurship, luxury products, and food & beverage. Most recently, Katherine was a Senior Consultant in the Strategy department at Interbrand NY. Prior to that she worked at Faith Popcorn's BrainReserve and McKinsey. She holds a MSc from The London School of Economics in Organizational and Social Psychology and a BA from Wellesley College.



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Ethan is a creative writer whose talents stretch to brand development and even business strategy. Ethan has written Internet business plans, developed consumer product brand platforms, and has provided creative leadership to advertising campaign. Previously, Ethan was a creative writing intern at the advertising firm, Partners and Napier. He also contributed to the Democrat & Chronicle newspaper college publication, [The Loop](#) as a News and Politics Editor. He holds a BA in Communications and Journalism from St. John Fisher College.



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Tara is a creative writer with experience in editing, publicity and social media. Tara has led SEO initiatives at the Local Info Company in Pittsford, NY. She has also held multiple positions in the non-profit sector including writing and public relations strategy. Tara has worked at the National Association of Independent Colleges, Universities in Washington, DC and the Kay and Yvonne Whitmore Global Management Center in Provo, Utah. She holds a BA in Communications and Public Relations, and a minor in Business Management from Brigham Young University.

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