Digital transformation in European fundraising non-profits.

Is the new normal digital?

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1. **Abstract**

The digitisation and digitisation of life and work processes have significantly impacted our lives in the last three decades. Today digital transformation is encouraged by the public and private sectors to simplify the work processes and interact with the end user more efficiently. The Covid-19 pandemic forced organisations to overcome the obstacles of social distancing by implementing digital tools in a more user-friendly way. The non-profit organisations (NPO) were in no way excluded but managed to find their way to help the beneficiaries in the field and adapt their activities to the new normal. Many NPOs have adapted digital tools to secure funds through many available digital channels. The proposed research wants to shed light on the digital transformation of fundraising non-profits in Europe over the last three years. The available scientific research findings and the abundant grey literature, some already using big data, are included. A better overview of this diverse sector is presented with the findings of in-depth interviews with nine digital experts from nine European fundraising non-profits. It enhances the understanding of what changes the digital transformation brought to the organisations and their donors as their key stakeholders.

1. **Introduction**

Digital transformation has provoked an important change in society. Due to the crises, humankind has faced in the last three years, digital tools have accelerated our work and lives. Although digital transformation is used predominantly in business, its impact extends to other (government, non-government, international) organisations (Gorenšek & Kohont, 2019). We enquired about the European non-profit sector organisations' adaptation to the s.c. *New normal*, accelerated by digital transformation.

To explore the state and the trends in digital transformation in Europe, we reviewed scientific work as well as the reports of many companies conducting their own market research with their client's data. We also found some answers about the available tools for fundraising non-profits. Examining the literature and the market research results, it became obvious that a new profession emerged with digital fundraising tasks in non-profits. We seek the definition of the skills of the digital fundraising expert needed to perform the demanded tasks.

We performed qualitative research from April 19 to May 10 on an expert sample of 9 digital experts from 9 European countries. We succeeded in getting an in-depth insight into the state of digital fundraising in these countries.

The results show the incredible diversity of the sector's approaches to digital fundraising. At the same time, their skills match. They even use the same computer jargon – their *lingua franca*.

In discussion, we propose an interpretation of the results and extract some key findings the practitioners and researchers in the field could find applicable to their future research.

* 1. *Demands for Digital Transformation processes*

The appearance of the internet in 1993 (European Organization for Nuclear Research (CERN), 1993) changed the world's connectivity, which was its original goal. The abundance of digital tools allows us to work faster as the computer does the work instead of us. In the 1990's decade, the internet was still available only through the squeaky cacophonous sounds of dial-up internet connection, and the computer apps in DOS (disk operating system) already allowed accountants to work faster, shopkeepers to mark their stock and teenagers to play games recorded on an audio cassette.

The school curricula included computer skills for the next generations to be prepared for the wave of digital transformation. Some had learned, bought a PC, and still use the skills. Meanwhile, others could not adapt, lack the skills, and still function without them. However, Generation Z and Millennials, also called Digital Natives (Prensky, 2001; TechSlang Glossary, 2023), take these computer skills for granted.

The myth that computers are only meant for young people has been debunked in the last three decades. Governments and businesses digitalise their work processes (Mergel et al., 2019). Digital transformation brought humankind many changes, not only in the infrastructure, hardware, and software but also in competencies demanded to function as an employee or a citizen. Consequently, the expression "survival of the fittest" (Cunningham, 2020) in this era gets another meaning. Being fit today means being aware, digitally mature, and savvy enough to use many digital tools in our daily life and work.

"The borders related to time and space would be abolished through the transition to advanced technology in the future, and that whoever uses technology would be able to make contact, exchange news, and share with others in the same common ground disregarding their location in the world."

The digital transformation will be the transition to advanced technology, as McLuhan described in his forecast in 1989 (Ayhan, 2017, 94). Generally, we detect three general terms frequently appearing in the discussion. The first term is *digitisation* – the process of changing from analogue to digital form, also known as digital enablement. Digitisation takes an analogue process and changes it to a digital form without any changes to the process itself. The second is *digitalisation* – using digital technologies to change a business model and provide new revenue and value-producing opportunities. The last is the definition of our focal topic – *digital transformation*. The Gartner IT glossary (Gartner, n.d.) serves us with this explanation - Digital transformation can refer to anything from IT modernisation (for example, cloud computing), to digital optimisation, to the invention of new digital business models (Gartner, n.d.).

Consequently, we got apps for booking, cooking, hiring flats, shopping, buying stock, and losing weight. We use social media to stay in contact and exhibit our personal life to people in our networks worldwide. They impact work efficiency and effectiveness while boosting the user experience (Siebel, 2019, p. 36). However, digital transformation is a more caterpillar-to-butterfly process as this disruptive evolution into an entirely new way of working and thinking requires a complete transformation of corporate body parts for new ways of functioning. (Siebel 2019, p. 38).

Some industries succeeded in adapting; others failed. While the threat of missing the digital transformation opportunity is existential, the rewards for embarking on a strategic, organisation-wide transformation will be genuinely game-changing (Siebel, 2019, p. 130).

For this, digital competence is necessary. Vieru (2014) states that it is the ability to adopt and use new or existing information technology to analyse, select and critically evaluate digital information to investigate and solve work-related problems and develop a collaborative knowledge body while engaging in organisational practices within a specific context. According to a conceptual model proposed by Calvani et al. (2008) the co-existence of dimensions on the technological, cognitive, and ethical levels should be emphasised, as well as their integration. The digitally savvy should be able to explore and face problems and new technological contexts in a flexible way (technological level), being able to read, select, interpret, and evaluate data and information taking into account their pertinence and reliability (cognitive level); and be able to interact with other individuals constructively and with a sense of responsibility using available technologies (ethical level). These levels are followed by the integration among all three of them, which brings an understanding of the potential offered by technologies which enable individuals to share information and collaboratively build new knowledge.

The skills and competencies that ensure digital transformation in an organisation are presented by Andriole (2018). He stresses that managers need teams with the right skills and competencies, especially ones that enable digital transformation. At the very least, teams need skills and competencies in the following areas: Business analysis modelling, simulation and automation, Emerging technologies, Statistical and augmented analytics, Cloud computing, Performance metrics, Remote, agile project and Program management, Competitive vendor management, Digital security and security management, Internal and external communications skills. Digital transformation is, for Andriole (2018), a unique call to action, a survival tactic and a long-term strategy. The managers must identify the skills and competencies necessary to remain competitive. They must educate, re-educate, train, retrain, replace, and rent the necessary skills and competencies quickly and effectively and continue to assure competitiveness through digital transformation (Andriole, 2018).

* 1. *Digital Transformation in the Non-profit Sector*

Like other sectors, the third sector adapted to the information era demands. Limited budgets and the need to incorporate the non-profits in this new space gave rise to the internet being an additional tool for promoting their mission, vision, values, and everyday operations, as well as giving the opportunity of a new space to meet with people for fundraising purposes (Quintana Pujalte, 2022).

Salamon & Sokolowski, renowned researchers of the global non-profit sector, claim that the third sector should stand out of the shadows and into the limelight of public awareness (Salamon & Sokolowski, 2014, 164). Due to the digital transformation, the sector may already stand in the limelight as ideas and good practices are easily shared globally. However, as Quintana Pujalte (2022) mentions, one should not observe only the presence or the absence of non-governmental organisations in the digital space but also how they communicate in these places (Quintana Pujalte 2022, p. 18). Value creation is different for organisations tackling societal challenges: the main objective is to tackle a social problem and create value for the wider society and/or the environment. Less focus is set on appropriating large amounts of the value created for private gains (Wolf, 2020).

The Twilio.org report shows that the non-profit sector already leads the industry in digital customer engagement. The percentage of digital engagement with program participants is 65%, while B2C reach only 55% (Twilio.org, 2022, p. 8).

The reason may be the pandemic the world has experienced recently. The emergency that arose by the changed, unexpected conditions have demanded quick and effective solutions from every member of society. Sociologists and humanists have wondered what impact the measures to stop the spread of the virus have on society, the individual and different types of organisations. The research shows that the epidemic has caused less harm to non-profits staffed with digital skills and using digital tools effectively. They used technology as a coping tool to stay informed and connected with others (Lee et al., 2021). The Covid-19 outburst prompted a new attitude to digitisation, digitalisation, and digital transformation (Kamal, 2020).

Meanwhile, the recent permacrisis (Bushby, 2022) of health, gas, energy and inflation issues, the response of the third sector with user-focused activities and encouraging data on the scope and level of digitalisation calls for serious consideration of the advanced digital transformation. It should bring more frequent usage of digital tools and education for digital skills for the non-profits to be able to offer their services and goods to the beneficiaries. Using digital tools that can efficiently inform the wider public and execute their programmes online enables a more precise and more measurable picture of the needs of people not yet served by the welfare state (Datta et al., 2019).

* 1. *Insights into Digital Transformation and Fundraising in the Non-profit Sector*

We have studied scientific work and many available reports to explore how the work has changed for the third sector organisations. Many institutions, OECD (OECD, 2023), EU (European Commission, 2022), Harvard Business Review (Harvard Business Review Analytic Services, 2022) and companies (Red Hat, 2022) provide findings on the digital transformation in companies, people's lives, some also in the non-profit sector.

Namely, reports, with their limitations, can contribute to the review and unpublished data provision of interest for non-profit practitioners and researchers. The main limitation of such reports is the lack of a peer-review process rather than availability to interested parties (De Castro, 2006; Schöpfel & Prost, 2021)

Heather Mansfield, as well as Sargeant (Mansfield, 2014; Sargeant & Shang, 2017), provide a great selection of reports to be checked annually by all the practitioners in the non-profit business. We have added a few more for a broader picture of the actual state. The reports studied were published 18 months before writing this article. All are easily accessible online and free for practitioners to be downloaded. However, selecting these reports does not imply that no other research is available or that the interesting facts from other reports and scientific articles will be excluded.

Table 1. The core reports on digital transformation in non-profit organisations and their availability online

|  |  |  |
| --- | --- | --- |
| Name of the report | Available on | Sign-in obligatory |
| *Non-profit Trends Report* (Salesforce, 2022) | <https://www.salesforce.org/resources/report/nonprofit-trends-report-fifth-edition/> | Yes |
| The *State of Non-profit Digital Engagement Report 2022* (Twilio.org, 2022) | <https://twilio.org/reports/sonder-2022> | Yes |
| *2023 Non-profit Tech for Good Report* (Non-profit Tech for Good, 2023) | <https://www.nptechforgood.com/wp-content/uploads/2023/02/Nonprofit-Tech-for-Good-Report-Final2-2023.pdf> | No |
| *2022 Non-profit Pulse: Tracking change in Europe* (European Fundraising Association & Salesforce.org, 2023) | <https://efa-net.eu/wp-content/uploads/2023/01/EFA-Salesforce-Nonprofit-Pulse-2022.pdf> | No |
| *M + R Benchmarks Study* (M + R, 2022) | <https://mrbenchmarks.com/> | Yes |
| *Charitable Giving Report: Using 2021 Data to Transform your Strategy* (MacLaughlin et al., 2022) | <https://www.blackbaud.com/industry-insights/resources/nonprofit-organizations/charitable-giving-report-using-2021-data-to-transform-your-strategy> | Yes |
| 2023 Non-profit Communications Trends Report (Leroux Miller, 2023) | <https://www.nonprofitmarketingguide.com/the-nonprofit-communications-trends-report/> | Yes |

Digital fundraising is the process of raising funds for non-profit organisations through digital channels, such as websites, social media, email, mobile apps, and other online platforms. It demands the utilisation of technology to connect with donors, build relationships and solicit donations more efficiently and cost-effectively (Shah, 2023).

As Higgins (2022) claims, organisations still tend to use antiquated marketing techniques dating back to the 1920-1940s. The effectiveness of such fundraisers is waning, and in his opinion, many non-profit organisations will fade away because they did not pivot to online fundraising. Therefore, to be able to raise funds through digital channels, non-profits must acquire the tools and staff with skills to know how to use them.

In the discussion about digital transformation, Bennet states that fundraising non-profits will need to retool for the digital age (Bennett, 2020, p. 100). With the digital transformation process, the non-profits implement donation platforms that would allow them to collect donations to fund their missions (Roullier, 2022). According to Steven Rathgeb Smith, non-profits must be adaptive and flexible in responding to an increasingly diverse web of external funders and constituencies (Smith, 2018).

The acceleration in the use of digital for online fundraising, events, and delivery, driven by the pandemic, continues; in Europe, 70% of non-profits increased their use of digital to reach and engage supporters and 14% of European non-profits raise more money through digital channels than non-digital channels (European Fundraising Association & Salesforce.org, 2023). As it turns out, the charities that persisted and were resilient in Covid-19 are now rewarded with higher donations. Overall giving in 2021 grew by 9% on a year-over-year basis for the 8635 non-profit organisations in the analysis of the Charitable Giving Report: Using 2021 Data to Transform Your Strategy (Original Research) (MacLaughlin et al., 2022).

The same report states that 12% of all donations collected came from giving online. They estimate that 28% of these donations were done via mobile devices. For this purpose, the websites of the organisations should be mobile-friendly, and email and donation forms should be well-prepared and thought through to maximise supporters giving experience. The technology provides all the necessary to route the donor into a fundraising funnel (Bosredon, 2022; Higgins, 2022; Horvath, 2022; Roullier, 2022).

Only 24% of European non-profits are increasing their focus on online and mobile payment options. 50% of non-profits still rely on mail and telephone (European Fundraising Association & Salesforce.org, 2023). European non-profits are lagging; digital transformation is still in its developmental phase.

The findings of the M+R Benchmarks Study (M + R 2022) should be mentioned here. They reviewed the impact of 5,875,566,206 email messages, over $119 million in digital ad spending, millions of social media interactions, and nearly 27 million donations totalling over $1 billion to present the data and the analysis and their insights on their website. With this load of big data, they analyse the messaging, digital ads, social media, fundraising, membership, tickets, and website performance.

teuAs we are interested in the changes that occurred because of digital transformation, we have selected the most fascinating data, considering digital fundraising.

− 23% of fundraising email gets opened, but the click-through rate is only 0,7%.

− The donors do not respond as often as in 2020 (-11% change).

− The mobile list of email recipients grew by 5%.

− They found a 5% increase in gifts compared to 2020 and a 3% increase in online revenue.

− 0,11% of organic website visitors donated.

− 78$ were raised for every 1000 fundraising messages.

Using Big data is one aspect of digital transformation in fundraising, but we should not forget that AI application is also already used. It is called 'sympathy mining' (sentiment mining). It is the analysis of the content of social media messages posted online, intending to identify opinions and feelings with target donor segments. AI will enable interaction with donors to be completed faster, be more accurate and less expensive than humans. The "deep learning' by AI about donors' lifestyles, behaviour and preferences will help fundraisers to refine and better target appeals (Bennett, 2020).

Organisations often do not get support from donors and institutional funders to transform digitally and find themselves in dire straits due to the lack of technical tools and support from software developers who will play an increasingly important role (Twilio.org, 2022).

2.4. The Digital Fundraising Tools

The tools the non-profits use differ and depend on the organisation's activities. One way to find what apps the non-profits use is to see the offer of free or highly discounted applications, programmes, suites and platforms available on Techsoup.org (Techsoup.Org, 2023). TechSoup equips change-makers with transformative technology solutions and skills to improve lives globally and locally.

The non-profits have a vast choice. The catalogue offers antivirus, cloud computing, communication, data management, multimedia, and mass email tools, among many others. Through TechSoup, a non-profit organisation can access Google for Non-profits, including Google Workspace for Non-profits, Google Ad Grants, YouTube Non-profit Program and Google Earth and Maps. Google.org wants to help spread the word about the non-profit's mission, engage new supporters, and fundraise in more ways online.

Non-profits also use technology platforms that demand more technical knowledge for digital production. Along with the tools mentioned above, some tools facilitate the organisation's work, like Analytics, Performance, and SEO (Bosredon, 2022). All these tools require digitally savvy staff.

The 2023 Non-profit Tech for Good Report (Non-profit Tech for Good, 2023) is published biennially by the network Non-profit Tech for Good. Founded in 2005, the network focuses on non-profit organisations' use of technology in digital marketing and fundraising. Surveying 1732 non-profit professionals from 116 countries, they found out that:

− 91% of non-profits have a website; of these, 68% have redesigned it within the last three years.

− 68% of non-profits utilise email marketing, and 92% of non-profits that utilise email marketing send e-newsletters (41% send them monthly).

− 93% of non-profits that engage in online fundraising accept donations on their website.

− 79% of non-profits already use automation technology in online fundraising).

− 87% of non-profits regularly use social media in their digital marketing and fundraising.

− 53% of non-profits pay for social media ads. (Non-profit Tech for Good 2023, 1–14)

Following the first "Donate Now" button released in 1999 by Groundspring, two decades since non-profits have raised significant funds, yet the core fundraising tools of the early 2000s are still the most important, namely donation pages, monthly giving, and email marketing (Non-profit Tech for Good 2023).

To conclude, non-profits use many available tools and platforms to reach their audiences and help the beneficiaries more efficiently, so there is hope for technological optimism (Nordesjö et al., 2022). After all, it is their mission to help the vulnerable.

* 1. 2.5. Digital Fundraising Expert as a New Profession

Similarly, as with the digital transformation in profit organisations (Andriole, 2018; Royle & Laing, 2014), the digital experts specialising in digital fundraising, social media and communication appeared as overhead in non-profits. Schuyt (2013) describes that professions can be the product of functional uncertainty as specific actions require expertise that is not available, and society, in order to function, requires this action to be carried out. The same happened with digital fundraising specialists, who go by different names, but what they have in common is that they are skilled in content creation and digital tools. Many articles and books have been written on the topic (Basco, 2018; Higgins, 2022; Sargeant & Shang, 2017; Shah, 2023), but only a few mention the skills needed to perform well as a digital fundraising expert. In Mobile for Good (Mansfield, 2014), using the name New Media Manager for a digital expert, must-have skills are described: creative thinking, good writing skills, experience, photo and video editing ability, HTML knowledge, multitasking, flexibility, knowledge, community building and leadership.

The skills expected for a digital fundraiser are plenty and align with the digital competencies described by Andriole (2018). Being tech-savvy and creative when writing the content, they also have to decide which platforms and social media are the most appropriate for which content. Knowing the tools and bold decision-making allows them to plan strategically, and their openness to change and adaptation is remarkable. When explaining the skills of a digital marketer, Royle & Laing (2014) split the necessary skills into business management and technical skills, which significantly overlap with the skills of a digital fundraiser.

Although professional fundraising training in Europe is provided by members of the European Fundraising Association (European Fundraising Association, 2021), digital fundraising is considered a part of fundraising from individuals, where the topics considered include mostly digital communication and funnelling, but no technical skills which are of utmost importance for the successful execution of the digital fundraising campaign. This understated aspect of the profession of digital fundraising expert will probably be considered more seriously in future, along with providing the top data and cyber security solutions.

1. **Methodology**

This qualitative research aimed to select a sample of 6-10 digital experts focused on fundraising for European fundraising non-profits. The profile we looked for was a digital expert with more than ten years of experience in digital marketing/fundraising and an employee in a fundraising non-profit or outsourced by one. For this qualitative research, the non-probability purposive sample was used. For this expert sample, we contacted the leaders or members of fundraising associations throughout Europe (European Fundraising Association members) via LinkedIn and email. Many of them did not respond. Those who responded gave a contact of a person who met the criteria. In total, 13 suggestions were received, and two did not respond to our request; two apologised because their schedule did not allow them to participate.

Nevertheless, we insisted on presenting the diversity of European countries in the best possible way and succeeded in executing interviews with experts from nine European countries.

Table 1 displays the specifics of the participants, stating their region, according to the regional specifics of non-profits explained in *The third sector in Europe: Towards a consensus conceptualisation* by Salamon & Sokolowski (2014). The second column contains the actual state of origin, and the third column is the actual job title of the digital fundraising expert. The final column states the date of the interview.

Table 1: Region, country of expert participants with job titles

|  |  |  |  |
| --- | --- | --- | --- |
| Region | Country | Job title | Interview date |
| Anglo-Saxon Region | UK | Digital consultant | April 19, 2023 |
| Southern Europe | Italy | Digital fundraising specialist | May 8, 2023 |
| Southern Europe | France | Chief Product & Design Officer | May 5, 2023 |
| Central and Eastern Europe | Poland | Specialist of Communications & Fundraising | April 26, 2023 |
| Central and Eastern Europe | Lithuania | Brand Manager | April 25, 2023 |
| Central and Eastern Europe | Romania | Head of Communications | May 9, 2023 |
| Central and Eastern Europe | Croatia | Digital Marketing Resource Mobilization Officer | May 10, 2023 |
| Northern Europe | Germany | Senior Fundraising Officer Germany | May 10, 2023 |
| Northern Europe | Netherlands | Digital Director | May 5, 2023 |

There were five female and four male respondents.

The interviews were held for three weeks, between April 19 till May 10, 2023. Interviews were 30- to 45- minutes long. We meet via conferencing tool Zoom or Google Meet.

We tried to capture their professional opinion on the trends in digital fundraising in the country they represented. We must remark that the findings considering the country's name will present a particular country. It does not mean that the findings are valid for the entire country but that the representative from our sample reported on the presented results.

Before analysing the data, we transcribed the interviews and collected all their responses in an Excel sheet, sorted by EU country and topic. We analysed the answers of our nine interviewees to respond to the proposed research questions. We present the learnings in four chapters: The Fundraising Cultures Split between East and West, The Best Non-profits Invest in Tools and People, The State of Online Giving, and The Future is in Innovation.

The analysis of the results of this quantitative study will be presented in the most concise way possible. Namely, all the respondents were keen on sharing information about their work; consequently, a vast body of data was available to the researchers.

3.1. Research Questions

This research aimed to find the answer to the research question. *Did the non-profits that digitally transformed by acquiring new tools and skilled staff get more donations*? The claim was posited in the reviewed reports, and we wanted to know the opinions of digital experts across Europe. Consequently, we wanted to find proof that the new normal is, in fact, digital.

In the interviews, we talked about fundraising in their country in general, then digital fundraising and the main differences between approaches to digital fundraising in different European countries, especially in the last three years of the Permacrisis. We discussed donor support through digital channels, the adaptation of non-profits to digital tools, and their innovative approaches. We touched upon the use of big data in the predictions of future donations.

1. **The Fundraising Cultures split between East and West**

The more we head to the West of Europe more present the culture of giving. The UK exemplifies the deeply rooted culture of giving and high professionalism. Italy also has a tradition of generous giving stemming from the Middle Ages. Eastern countries are still teaching donors to give and support social causes. *'People were poor and did not have money for their survival. Now they are better off, and they can donate*,' the Polish expert explains the history of giving in Poland.

Romania, with its fastest internet connection in the EU, and Lithuania, which has skipped the classic traditional fundraising methods, now enjoy the public that is used to shopping and doing business online. For them, the organisations that are good at convincing donors get the donations faster. Even though many of Lithuania's non-profits still rely on corporate grants.

France and Croatia stand out because donors still expect the government to provide grants to non-profits to solve societal problems. The culture of giving is not as developed as it could be. The French government boosts donations via tax incentives and refunds for corporate and individual donors. For a tax refund for donors when donating online, the non-profits should adapt their software to produce digital donation tax receipts for online donors. At the same time, the Dutch sector is adapting to the government's decision to end the Giro accounts, encouraging people to go entirely digital. Much adaptation from non-profits as well as donors is needed.

The sector is significant in number in Italy and Poland, but the experts claim that only a few organisations raise funds professionally offline or online. In Croatia, big organisations are the best in fundraising, while in Lithuania and Poland, the platforms for collecting donations allow even small organisations to grow. The German expert sees many advantages for a non-profit to go digital: *'Digital is cost- and time-efficient. The young are online, so smaller organisations are flexible and take advantage of the digital world*.' In France also, the share of the donations gotten from digital is bigger for smaller organisations.

Germany has many new drivers on the market, and the approaches are various, but the donors are obstinate and distrustful and relatively slow in adopting digital tools. It is harder to convince them and get their trust. Similarly, in Poland, distrust is described as one of the major obstacles for fundraising organisations. Therefore, Poland does not stop fundraising through traditional methods, events, and in-person giving; in this manner, donors seem to get more evidence of the impact of their gift.

Digital fundraising accelerated during the Covid-19 crisis in Italy, but the organisation and donors often return to the classic fundraising methods. Italian donors feel more passionate when they donate in person or at events. Quite different from Lithuania, which started fundraising directly through platforms 13 years ago and the donor got used to this way of supporting organisations. Another interesting matter is that in Germany, the non-profits are aware of digital presence and have documented cases where major donors and corporations checked several digital channels to check whether the non-profits performed well and had an impact. So even major, not just minor, donations have resulted from good digital fundraising. At the same time, it is the other way around in the Netherlands. The donors meet non-profits offline and continue to support them online. To conclude, the cultures are different, but all the countries take advantage of the digital approach to fundraising, which is developed or being developed everywhere.

1. **The Best Non-profits Invest in Tools and People**

*'Knowledge plus technology is the formula for success'* for the Polish expert. All the respondents agree on this formula, but what happens when a lockdown occurs, and all life and work go online? The respondents were asked what had changed due to Covid-19 and other crises in the last three years and how non-profits adapted.

Many non-profits in the UK were digitalised before the situation, significantly accelerating the tools and staff skills development. In France, the non-profits became aware of the tools available, while in Poland, they set up everything available and started using it. The first tools to be used were mainly communication tools, landing page tools, and donation forms. In Italy, they developed them themselves, in Romania and Poland the staff learn how to use the existing ones. In Lithuania, they integrated all the tools to follow their conversion rates better, while in the UK, non-profits checked the market's offer of the tools that the non-profits could adjust to their needs.

Small organisations in Poland invested in learning the skills as their budgets usually do not allow significant investments into training, while in Germany, the teams also used other tools to enhance productivity and speed up their internal communication (Asana, Slack). According to our respondents, the spur-of-the-moment decision to invest in tools and staff paid off for each fundraising non-profit. The Romanian expert explained their situation: *'We were getting more donations, doing an excellent job in fundraising messages and being willing to grow and develop fundraising methods*'.

Croatian non-profits lack strategic thinking and people in communication and fundraising, even though they are paid to do their job, somehow get a smaller slice of the budget's pie, as they are a small country. Often digital experts have smaller budgets to invest in advertising, consequently, visibility on social media.

In the Netherlands, organisations invested in other channels, like DRTV and WhatsApp, while in Italy, non-profits still invested in donor care, using phone calls to thank the donors, which was an excellent investment for the smaller organisations. The UK took the time to plan on better donor journeys and rethink the communication with the existing donors. In Romania, small non-profits succeeded in extending their budget and got 50% of their income from digital sources. Similarly, the German expert mentions how some volunteer organisations succeeded in presenting themselves online and funding their local activities with the funds raised digitally.

* 1. External Help for Digital Fundraising

Professionalised organisations want to grow as well. They outsource external experts with the knowledge they need to transform digitally. Also, in this matter, European countries' approaches differ. In Croatia, they outsource an IT person to help integrate the tools. Meanwhile, the biggest INGOs have already set up an IT department to serve all county offices across the globe.

The technical part of the work is outsourced to 99% of French fundraising non-profits. In the Netherlands, non-profits develop their staff by learning from previously outsourced professionals. In Italy, the creative industry helps with digital campaigns; the organisations themselves do the technical part. Lithuania and Poland share their assessment that about one-third of non-profits outsource knowledge. Meanwhile, in Romania, the percentage is higher. Namely, 50% of non-profits take advantage of outsourced knowledge. In Germany, new positions opened for database management, and their outsourcing depends on the organisation's budget. If they can afford it, they obtain external knowledge.

In the UK, being the most advanced, there are tools created for fundraisers on the market that can be set up in one day. '*No expert knowledge is necessary*', according to the UK expert, who adds that the charities primarily outsource integration to CRM and the production of dashboards to measure the results. In Italy, the non-profits post job offers for digital experts, meaning they know their need for a professional, but the offered salary is half the salary in the profit sector.

Briefly, fundraising non-profit organisations in each country invest in tools and people. They are aware of the constantly changing digital world, so if they can afford it, they seek help externally and buy services from IT companies, creative, PR and digital marketing agencies.

**6. The State of Online Giving**

We were also interested in the change in the amounts and the number of donors in the last three years. In the following table, we include data about increases or decreases in donations and the causes supported most digitally, wherever it was possible to deduct them from the transcription.

Table 2. Increase/decrease of average donation and the number of donors and causes supported.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Country | Donation | Number of donors | Conversion to regular | Most supported causes |
| CROATIA | with the inflation, the donations dropped | growing |  | social cases for sure, nature, |
| FRANCE | the average donation is always higher on the internet; for the environment and animal rescue, the amounts are lower | more donors | converting one-time donors to regular is easier. | It depends on each organisation |
| GERMANY | slightly smaller amounts | the crisis with costs of living results in fewer donations | people tend to give regularly; major donors go digital | humanitarian aid - children, animals, but also local NGOs |
| ITALY | amounts went up for emergency (war in Ukraine) | numbers went up, especially because of the war |  | Cultural and emergency went up, and animal welfare down |
| LITHUANIA | amounts increased almost two times | growing in magical numbers |  | sick children, poverty, food banks |
| NETHERLANDS | amounts stayed small | donors 65+ stay |  | health and environment, wildlife and animal welfare and human rights |
| POLAND | they went up | Increased |  | Animal rescue or help projects, children, Ukraine refugees |
| ROMANIA | slightly up | the pool of supporters is larger | they donate more monthly | social campaigns - children and emergencies |
| UK | the average amount has increased | single donations increased | regular donations have decreased, but not for Christian charities | I do not see the difference. The digital fundraising plan is very similar. |

Every respondent agreed that the digitally transformed non-profits succeeded in getting more donations, which answers our main research question. According to the results in the table, the countries face growing numbers of donations and slightly lower amounts due to inflation.

At this point, a benefit for French online donors must be mentioned: donating online enables them to pay via different payment methods (credit cards, PayPal), which is well accepted. So digital fundraising share got more significant and is growing, but it is still not the primary income stream for French non-profits. In the opinion of our respondent, in two years, this kind of support of the non-profits will prevail.

Likewise, the UK specifies that the payment method available is essential, especially for younger generations; non-profits should give them the option to pay via ApplePay and GooglePay. In Romania, the non-profits were aware of their role in getting regular donations, so they successfully convinced the donors to support them monthly to ensure the sustainability of non-profits activities.

**7. The Future is in Innovation**

We wondered if the non-profits use big data. The majority disagreed. Meanwhile, Italy said that international organisations do. In discussions about getting information from data, Croatia said that the management might be interested in history and nothing more. Lithuania sees a problem in the lack of knowledge of what information big data can bring and expects that it will be used in future for predicting better conversions and calculation of Donor Lifetime Value, as their fundraising platform already provides some data. The Netherlands has only one experience with predictive modelling, but the input data were not prepared well enough. Romania mentions that they used such data to present them to their corporate supporters. While in Germany, the non-profits have started to understand its importance, they still see many obstacles in the UK due to data protection and UK GDPR.

Therefore, the strategic planning by management is poor in quality and may be done annually for Polish organisations, while the leaders in Germany do not even know how predictions would help them. However, France stresses the uniqueness of each organisation, *'You can have all the data, but each organisation is different. The same approach will not work for each organisation*.' The famous rule 'test test test' applies to every country. *'You get a hunch, and you try*', the Romanian expert described her modus operandi. The Croatian expert explains that there is always time for innovation, but the management often does not accept the test results, even if they function well on the operational level.

Speaking of innovation, Poland must be mentioned; even though they have tech-savvy young people, they realised their offline donors do not know how to use the donation page to be able to donate. In order to encourage their giving and consequently ensure more donations, they decided to educate the donors online. They prepared an extensive digital campaign with messages and short films demonstrating how the donor should fulfil the form on the donation landing page. All this resulted in success and a higher number of donors. The future will bring many new improvements resulting from such testing and trials done by experts, the teams or using big data. The non-profits will be able to perform better because of the advances in technology and changing the giving culture to digital.

**8. Discussion and Conclusions**

This overview of the scientific work and non-profit market research reports has strived to show non-profits' state and digital transformation trends. Including the findings from the in-depth interviews, we find that despite the limited funds and staff, they move as fast as the companies and the public sector. The mission-focused organisations find their way in adapting to the situation and being there for their beneficiary. The effects and the impact will bring significant savings in the long term. Being skilled in data analysis, which is becoming almost obligatory for every successful fundraising process, they will have fewer problems with transparency, accountancy and privacy issues and easily report on their social impact.

Apparently, digital transformation is already a dream come true for all those who responded to the surveys of market research companies, the participants in our research and the considerable number of non-profits engaging digitally. They enjoy the technology in its entirety using advanced and open-source tools the tech companies offer. The non-profits are curious to learn, to know more and use the data to provide for their programme and not take the supporters of their programme for granted. For them, the new normal is already digital.

We have learned that the offline culture of giving mirrors the online culture of giving. The diversity of approaches in digital fundraising to supporters is remarkable all over Europe, even though there are many similarities in the use of the same tools, with the only goal to be cost and time-efficient in raising funds for those in need.

The Ukraine war, the inflation and the emergency cases gave the most significant push to online giving in the researched states. The crises lowered the amounts of donations, but fundraising non-profits gained more donors, and with a bigger pool of donors, there is more room to plan future activities as the funding should be secured.

Another finding is that internal or outsourced software developers will be increasingly crucial in non-profit program delivery, from digital engagement to data and cyber security. The organisations that can afford such help will be able to invest in and expand their technical expertise and hence contribute to organisational capacity to raise enough funds to provide sustainable programmes. With excellent data management and forecasting tools, this seems to be the future of every efficient and effective non-profit of tomorrow.

However, the organisations still do not use the enormous amounts of data available. They do not know how to connect the dots and see what the future holds for them. Strategic planning still seems to be the weak point of many fundraising non-profits' leaders. Meanwhile, the operational-level experts would like to innovate and see significant changes happen.

Digital development will not stop at this point, some will lag, but the most innovative will prevail and use big data to benefit from it. The digitally mature organisations will probably address the needs of the Digital Natives more efficiently, gain their support and thus enable the organisations' sustainability. Non-profit organisations should be prepared to capture this and focus more on planning.

We can conclude that the *new normal* is already digital to all who realise the change is vital. The others will follow and go through this caterpillar-to-butterfly process at their own pace.

8.1. Implications

The research presented included digital experts from 9 European countries, presenting almost half (355,7 Mio.) of the European population and two-thirds of the EU population. The opinions of people who are savvy in technology, funnelling, digital communication, and PR could stand for the majority of people of expertise in these countries. However, only research including every single digital fundraiser in Europe would show the entire picture. The approaches of the interviewed professional fundraisers will make their colleagues' work more cost and time-efficient in the long term, which is a win-win for organisations and the fundraising team.

The respondents showed great interest in the findings as they know the value of research in this constantly changing, innovative and developing field. Therefore, we believe this research will be a first step towards bridging the divide between practitioners and researchers. Some researchers may focus on the changing culture of online giving in some parts of Europe; some may inquire about the exact amounts of (average) donations received by organisations raising funds digitally. At the same time, some will find it challenging to propose the best possible strategy for digital fundraising in their country or do a competence model for a digital fundraising expert. Some may even study the influence of the top data security measures on a donor's decision to donate.

The research also supports organisations working with big data and suggests considering working on still mostly unexplored Central and Eastern European markets.

8.2. Limitations

The study was the first qualitative study of fundraising non-profits in Europe, focusing on the last three years. However, the sample size lacked Northern Europe (Sweden, Finland, Norway) representatives and representatives of other highly developed states fundraising-wise (Spain, Czech Republic). Nevertheless, we believe that the answers on digital transformation would not differ much from the answers we got from their colleagues in the researched countries.

However, the method we chose –qualitative research with in-depth interviews - was in every aspect better than quantitative research, which would never provide us which such a plethora of different views on the topic researched. We also believe that if the period of the research were longer, we would be able to find more digital experts, as two responded that their schedules were too full to be able to participate in the set period. Another aspect that we should mention is also that the experts were professionals, and they assessed the situation from their perspective. Some of them presented some data they checked before the interview to be able to represent the country's data. However, the smaller, grassroots organisations working voluntarily are still insufficiently represented. As professionals allot their time to observe the activities of others and learn about the constant updates of the tools and good practices, smaller organisations cannot afford to do so and consequently lag.

It is important to remark that any online activity always excludes people offline. Even though the Digital Natives are typically connected, this may not be true for members and leaders of grassroots fundraising non-profits who raise funds and serve their beneficiaries locally. Therefore, our impediment is how to assess the digital transformation if only those who are already digitally transformed to some point (at least use email to communicate) can contribute their opinions. Moreover, even if they use email, one cannot know if they read it or ignored it or if it was even routed to Spam or promotion folders and deleted.

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