Infographics and Annual Reports for Nonprofit Organizations

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In recent years, the readership of annual reports has been steadily declining. Nonprofit organizations are investigating new solutions to refresh their reports and make them more appealing. The purpose of this study was to test whether or not infographics is a more effective way for nonprofit organizations to present their annual reports than traditional means.

The study investigated possible causes for the diminishing readership of annual reports and how to best address those causes. Shortening attention spans and people’s desire for briefer engagements points to the advantages of infographics. Over a hundred surveys were conducted where people were shown a traditional annual report alongside an infographic annual report. The respondents were asked questions regarding the level of comprehension between the traditional and infographic annual report gauging their preference between the two.

The results of the survey indicated that a higher percent of the younger generation favored the infographic annual report while the older generation favored the
traditional annual report in almost every instance. Therefore nonprofit organizations should not switch their annual reports to infographics since the older generation makes up the largest percent of their support. During this time nonprofits can create both a traditional and an infographic annual report to most effectively reach their audiences.
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Chapter One

Introduction

**Statement of the Problem**

Implementing a successful marketing and branding strategy is pivotal in any successful organization. Nonprofit organizations are no exception to this. However, the way nonprofits go about marketing and branding themselves is different than a traditional for-profit company. Instead of pushing to sell a certain product, nonprofits are pushing for awareness and reaching out for support and donors. A nonprofit’s marketing outcome is to generate empathy for their cause and prompt people to support it. Most if not all nonprofits are philanthropic in some way, so it is important that they differentiate their cause from other organizations in the way they market themselves. Also, since the success of nonprofits is based on the support of others, it is important that the organization avoids misrepresenting itself in their marketing ensuring their supporters stay loyal to them. All the marketing should convey a consistent brand identity throughout so that there is better brand association and familiarization.

A nonprofit organization’s annual report is a year end marketing piece that is designed to highlight the previous year, give vision for the upcoming year, and raise support for the year ahead. In recent years due to the rise of technology and the ease of information, people’s attention spans have steadily decreased. The shortened attention spans results in people spending less time reading the annual reports. Nonprofit organizations need to come up with new techniques to captivate their
audience and get people to read their reports. Information graphics, better known as infographics, are heavily graphics based with some words included. They are used to tell a story and allow for more information to be interpreted in less time. They are a possible solution to increase the readership and understanding of nonprofit organization’s annual reports.

**Significance of the Problem**

Raising support is necessary for every nonprofit organization to be successful. It is also important to supporters and donors that the organization be transparent and keep them updated on what the organization is doing and the direction they are moving. An organization’s annual report is the best way for people to get informed on an organization, see what they have done with the resources they have been giving and what they plan on doing. The annual reports sum up the financial statements of the organization into one document. However, in today’s society there are many other organizations and ads that are competing for people’s attention. It is hard enough to get people to spend time viewing an ad, let alone get people to donate or support the cause. But getting a consumer’s attention isn’t enough anymore. Statistics show that people have shorter attention spans now than in years past, so once the attention is grabbed the information needs to be quickly conveyed in a way that keeps the interests of viewers. That is why compelling marketing and excellent branding is essential and brevity is important. In my senior project, I will be exploring how infographics can be used to improve the reach and readership of nonprofit’s annual reports.
The audiences of these annual reports are supporters and potential supporters of the organization. The age range of the audience is young adults and up. Nonprofit organization’s largest supporters are people 40 and older who have more of a disposable income for charitable giving. Young adults are generally more likely to adopt a cause; however, they usually do not have as much money to give. There needs to be a balance in the marketing campaign to appeal to both the younger adult generation as well as the older adult generation, which is often difficult to accomplish.

**Interest in the Problem**

Two summers ago I interned with a nonprofit organization called Preemptive Love Coalition which is based in Iraq. I spent the whole summer designing their annual reports for 2010 and 2011 as well as creating a template for future annual reports. I want my senior project to make an impact. Doing a project for Preemptive Love Coalition would not only fulfill my senior project requirements but also help an organization that I am passionate about. I am very interested in the marketing and branding side of graphic communication so I feel this project would be a good opportunity for me to explore and dive deeper in this area. I know firsthand how much effort organizations put into their annual reports and how important they are, so it is important that people read them. After realizing how few people actually read the annual reports I want to find a more effective way of designing them so people will take more interest in them. I am very interested in data visualization as
well as infographics and believe that they can be used to increase the readership of annual reports.
Chapter Two
Lit Review

Introduction

The annual report is an important marketing piece for nonprofit organizations. Nonprofits need the help of supporters to survive, but people will only give their support to the organization if they trust that organization, believe in the cause and the organization’s actions are consistent with their own values and attitudes. The annual report is an informative document that tells what the organization believes and what they are doing about it. However, it is becoming more difficult to get people to read annual reports and like any marketing, if no one sees it, it is useless. Marketing has been around for a long time, but how marketing is used is always evolving. Society is constantly changing so organizations are forced to change the way in which they approach marketing.

Organizations use marketing to convey information in hopes of encouraging a specific response from the onlooker. This information can come in many forms and marketing can occur in a variety of facets. One marketing technique that is becoming more widely used is called information graphics or better known as infographics. Infographics have proven to be an effective form of marketing but have not yet reached the potential that they are capable of. Infographics can be a beneficial marketing tool to help further the reach and recognition of nonprofits’ annual reports.
Information Age

The amount of information in the world has grown exponentially. In this age of information there is so much that is easily accessible that people will rarely dive deep into a single topic but rather explore a vast range merely scratching the surface. With the Internet it is very easy to search for the exact content desired rather than in the past when the library was the key source of information. In a library one would have to sift through a large amount of content to pinpoint what they were looking for. With increase of mobile phones along with other technologies the Internet has become even more accessible. Technology writer Carr (2008) says that the immediacy of information that the Internet brings has negatively affected our attention spans. Brain Statistic reported (as cited by the Research at the National Center for Biotechnology Information, 2014), that the attention span of an adult in 2000 was 12 seconds and dropped to an average of eight seconds by 2012. However, with short attention spans even on the Internet if the information takes too long to load a person will abandon that search and move on to another site. Mozilla Firefox conducted a study showing that 32% of people will abandon a webpage between one and five seconds if the page is slow to load (Cutler, 2010). So with the attention spans of consumers dwindling, it has become more important for anyone trying to convey a message to be as concise and to the point as possible. On top of that, there must be something that catches the attention of the consumer to first bring them in. Brent Leary, the co-founder of CRM Essentials said, “The attention economy is not growing, which means we have to grab the attention that someone else has today (Mishra, 2012).” There are a lot of media out there calling
for the consumer’s attention, so marketers have had to come up with new ways to reach their audiences, ways that will differentiate themselves from the rest.

**Marketing**

The marketing approach of nonprofit organizations differs from a traditional business. Successful marketing needs to be compelling enough to motivate people to voluntarily exchange either their time or money for benefits they see as more valuable (Holland, 2013, p. 18). However, this can be difficult for nonprofits because instead of promoting goods or services, they are promoting a cause. Nonprofits’ marketing has to convince people that they have a cause worth supporting. Tailoring the marketing to the intended audiences’ points of view, needs and interests are vital for success (Holland, Ph.D., 2013, p. 7). Marketing needs to be appealing, engaging a voluntary audience (Lankow, Ross, Ritchie, 2012, p. 30). With social media becoming more prevalent organizations have had to develop marketing to fit the online trends. People who use social media as they come across a nonprofit organizations annual report do not want to spend a lot of time reading the multiple pages. Marketing should have quicker interactions while still conveying the information effectively. Another important factor of marketing for social media is that it needs to be easily shareable. Community plays a big role in social media so if people have something they support they want to easily repost it, share it, tweet it, and so on to the rest of their community. The more active the marketing piece is to sharing, the more it will occur.
Data Visualization

People are moving towards more concise and often visual information. This can be seen in the latest trends in social media. Facebook experienced negative three percent growth in active users this past year while Instagram experienced a twenty-three percent growth in active users in the year of 2013 (Knibbs, 2014). Instead of reading about people's lives through a written status, people would rather see someone's life as pictures. The often-used maxim “a picture speaks a thousand words” comes to mind. Visual communication is a very effective form of communication. People can see an image and can interpret the story from that image much faster than if they read the story.

Figure 1

Figure 1 is an example of how a story can be interpreted quicker by a picture then through writing (Cardillo, 2014). The story can be interpreted almost instantly by looking at the picture rather than reading the right. Eric Jensen, a member of the
Society for Neuroscience, reports that 90% of all information that comes to the brain is visual (2008). David McCandless, a data journalist, says, “data visualization allows us to focus on the information that is important” (TED Conferences, 2014). Nicole Wallace from The Chronicle of Philanthropy (2012) writes about a nonprofit organization called A Child’s Right, which provides clean drinking water in developing countries. This organization hired a graphic designer to implement a visual representation of their data.

Nicole Wallace quotes Eric Stowe, founder of A Child’s Right, “For a lot of people it is just really hard to hear that we have a 0.015 micron filter and it removes anything below a 0.2 micron biological contaminant,” says Mr. Stowe. “A graphic can show those same things and impart that same message with a level of depth that still retains the technical knowledge but is not so wonky” (2012).

If done well, data Visualization can be used to convey complex ideas effectively all while leaving something more memorable with the consumer. In addition, data visualization is universal (Cardillo, 2014). There are not any language barriers when it comes to a picture.

**Infographics**

Infographics go beyond data visualization. It is characterized by illustrations and large typography that tell a story using visual cues to communicate information (Lankow, Ross, & Ritchie, 2012, p 20). Nathan Bellato (2013) describes them as “concise, easily digestible and aesthetically appealing, incorporating clever visual
elements to highlight key information.” Figure 2 is an example of an infographic from A Child’s Right nonprofit organization (A Child’s Right, 2012). The infographics explains to potential donors that a recent gift of $10-million will help the organization expand their impact to other countries but how they still need more support to complete all they have envisioned. The infographics clearly illustrates what the organization is doing and what they plan to do while encouraging people to come along side A Child’s Right and support them. The key of infographics is to appeal to people visually allowing them to quickly interpret the message without having to spend a lot of time reading unnecessary and unattractive text. Infographics can be incredibly effective in this time of information overload and shortened attention spans.

With a massive amount of content being created and distributed daily on the web, it has become much more challenging to catch and keep the attention of viewers.
Infographics provide a format that utilizes engaging visuals that not only appeal to an audience hungry for information, but also aid in the comprehension and retention of that material (Lankow, Ross, & Ritchie, 2012, p. 12).

Annual Report

Annual reports for nonprofit organizations sum up accomplishments and failures over the past year, identify goals for the future, and clearly present the organization’s financial statements. They are the final marketing piece of the year that lets supporters know what they helped accomplish. This thereby excites existing donors to continue donating as well as encourages new donors. However, if the annual report does not convey the information well, donors may lose interest and no longer support the nonprofit organization. Creating an interesting and compelling annual report for the donors and volunteers is especially important because they are the primary source of the resources necessary for the organization to survive. However annual reports have been going through changes in the past decade. “Annual reports are being shortened due to the growing recognition of the need to meet readers where they are: online and with little time to read long reports” (National Council of Nonprofits, 2013). Annual reports have been moving towards being online accessible rather than being printed. Finding the right length and amount of content given in a report can be difficult for any designer. The National Council of Nonprofits (2013) says that there needs to be a balance between “too much information” and “not enough content.” This push for shorter annual
reports is in direct result of the shortening of people’s attention spans. The Chronicle of Philanthropy (as cited by the National Council of Nonprofits, 2013) found that the average reader spends 90 seconds reading an annual report. With more web browsing occurring on mobile devices, the amount of content people can take in is decreasing. Holland says that people want more brief engagements when it comes to annual reports (2013, p. 5). Infographics can allow for annual reports to be more appealing and have a quicker engagement.

**Infographics for nonprofit organizations**

There are three main aspects necessary for an infographic to be successful with nonprofit organizations. Joe Cardillo, head of marketing and content for Visual.ly says infographics need to tell a story, have good data and analysis from a reliable source, and have a quality design (2014). The story needs to convey the information in a way that allows users to recognize trends, patterns and correlations (Lankow, Ross, & Ritchie, 2012, p. 185). With any marketing piece it is important to look at the audience that the nonprofit is trying to reach and come up with a strategy to best convey their content. Lankow, Ross and Ritchie define this as audience and content appropriateness (2012, p.206). Successful marketing needs to be engaging and infographics allow for this more engaging interaction. Infographics are also great marketing tools because they are easily shareable. It is far easier to share a single picture than a traditional multipage annual report. An infographic created by Charity: Water went viral on the Internet and was viewed over 500,000 times (Wallace, 2012). This resulted in a large increase in donations to Charity:
Due to the ease of sharing the infographic, many people saw it that would not have otherwise been exposed to the Charity: Water.

Conclusion

In today’s quick paced society it has become apparent that traditional lengthy annual reports aren’t as effective as they once were. With the information age at hand and the boom in technology it is more difficult for nonprofit organizations to catch the attention of the public and even harder to maintain that attention. Infographics have proven to be an effective marketing tool that enables the audience to be more engaged with quicker interactions. Nonprofits can utilize infographics to make their annual reports more effective.
Chapter Three
Research Methods and Procedures

Methodology

The purpose of this study was to determine how infographics could be used by nonprofit organizations to create more effective annual reports. Readership of traditional annual reports are declining. Nonprofits are forced to come up with new methods of displaying information so that their supporters can stay informed as well as to attract new supporters. My experiment was to conduct and gather data to determine how effective an infographic based report is compared with a traditional annual report. Specific research objectives include the following:

- Conduct a survey with both a traditional annual report and an infographic annual report that convey the same information. Ask questions pertaining to the two reports and let people choose which one they think is better for each instance.

Data Collection Plan

The plan involved first asking people whether they support a nonprofit organization. From there they were asked if they knew what an annual report was and if so, if they read them. If they didn’t read them, they were prompted to say the cause for their lack of readership. People were then showed a segment from both an infographic annual report and a traditional annual report. A set of questions was asked in response to the two annual reports asking for people to pick which report
they like best for each instance. At least 100 people will be surveyed from all ages, both male and female.

Data Analysis Plan

After sufficient data was collected, both the infographic and the traditional annual report were compared to see which one people preferred. The data was put into graphs so the trends could be easily seen comparing the two. The results were compared across age groups to see how the trends were related to age.
Chapter Four

Results

Infographics and Annual Reports of Nonprofits Survey

The survey was taken by 115 participants of various ages. The purpose of the survey was to gain a better understanding of how people react to the annual reports of nonprofit organizations. The survey looked at both infographic annual reports as well as traditional styled annual reports and explored the responses people have to both.

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<tr>
<th>Age Group</th>
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<tr>
<td>&lt;18</td>
<td>0</td>
</tr>
<tr>
<td>18-24</td>
<td>48</td>
</tr>
<tr>
<td>25-34</td>
<td>8</td>
</tr>
<tr>
<td>35-44</td>
<td>10</td>
</tr>
<tr>
<td>45-54</td>
<td>28</td>
</tr>
<tr>
<td>55-61</td>
<td>14</td>
</tr>
<tr>
<td>65 or older</td>
<td>7</td>
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People in the age group of 35 and older are more likely to support nonprofit organizations than younger people. About 70% of people ages 18-34 said they support nonprofit organizations while close to 89% of people over the age of 35 said they support nonprofit organizations. This difference can be attributed to people over the age of 35 being better established financially and have more disposable income. Since they typically have more of a disposable income than a college student
or a young professional, they often give more financially which makes this group more lucrative for nonprofit organizations.

When asked if they know what an annual report is, a higher percent of the older generation knows what they are. Of the age group 18-34, about 80% know what an annual report is while closer to 95% of people over the age of 35 know. However across all ages, less than 30% of people read the annual reports of the organizations they support.

This is due to a number of reasons; in the survey the two most prevalent causes that people indicated for the low readership are lack of interest and the length of the annual reports. The third most popular reason that people gave for not reading annual reports was that they found them boring. As discussed in previous chapters the trend of shortened attention spans is causing people to be less interested in lengthy reports. People want more brief engagements. This clearly shows that nonprofit organizations need to rethink the way in which they present their annual reports.
In the survey people were given an example of both a traditional annual report as well as an infographic (As seen above). Both reports displayed the exact same content just in different ways. The example of the traditional annual report is on the left while the infographic annual report is on the right. A few questions were asked that had the participant relate back to both examples of annual reports and they chose which one they preferred. About 90% of people of the age of 18-34 found the infographic more appealing then the traditional annual report while the older generation had a much different response. Of the people 35 and older only about 55% thought the infographic was more appealing. This disparity between the two age groups shows that the older generation finds familiarity more appealing while the younger generation is more comfortable with change. Although 60.4% of people stated that the infographic was easier to read, not as many people thought it was as easy to understand. When asked which style of annual report was easier to understand, 53.3% chose the traditional annual report while 46.7% thought that the infographic was easier to understand.
Which one is easier to understand?

A (Traditional Annual Report): 53.3%
B (Infographic): 46.7%

Although the infographic may be more appealing, if people do not understand it than it is not a very effective marketing piece. Out of all the participants who took the survey, 72.6% agreed that the infographic annual report was more appealing than the traditional annual report. When asked which one they prefer, the response was split pretty evenly between both styles of annual reports.

Which one do you prefer?

A (Traditional Annual Report): 47.7%
B (Infographic): 52.3%

In the survey, the younger age groups tended to prefer the infographic and the older ages tend to prefer the traditional annual reports. Nonprofit organizations need to tailor their marketing material to best fit their audience. Maybe audiences aren’t quite ready for a change in annual reports however in ten years infographics
will be more preferable. Another option is during this period in time, nonprofit organizations can make both a traditional annual report as well as an infographic annual report and send them out to their supporters according to their age. By looking at the results of this survey nonprofit organizations can better understand what their audience wants to read and what will be the most effective way to communicate with them.
Chapter Five

Conclusion

Annual reports are a key marketing tool for nonprofit organizations. They give a summary of the year by outlining the organization's financials, highlighting significant events that took place over the year and formulate strategies for the coming years. In recent years the readership of annual reports has been declining. This is forcing nonprofit organizations to rethink the way in which they present their annual reports to their audience. The lack of readership can be attributed to several causes; one of which being that the technology of our day is pushing for shorter engagements. Studies have shown that in recent years attention spans have steadily been getting shorter. This is causing people to be disinterested in reading lengthy annual reports.

Data visualization has proven to be an effective method for displaying information in a concise and in a visually engaging manner. Data visualization gets to the heart of the information and presents only what is important. This allows information to be conveyed and digested much quicker. Infographics utilize data visualization by presenting the information in a story like manner, all on one page while using minimal text. Annual reports can be made as an infographic so that the report is more concise and visually appealing. This implementation of infographics can increase the appeal and the readership of nonprofit organizations’ annual reports. This could in turn increase support for organizations.
The use of infographics for annual reports was tested and their effectiveness was surveyed. The results of the survey found that the younger generation preferred the infographics and the older generation preferred the traditional annual reports. Since the older generation is often able to give more financially, it is my recommendation that it would be in the organization's best interest to continue producing the traditional annual reports for the time being. Switching the format of the reports completely to infographics may alienate the older audience and result in further lack of readership and eventually decreased support. During this period organizations can create both a traditional annual report as well as an infographic report and share them with the appropriate audience. These reports would most effectively reach both the older and the younger generation. In future years, a complete shift to infographics may be more suitable, but for now the audience as a whole still prefers traditional annual reports.
References


Survey Questions

1. What is your gender?
   a. Male
   b. Female

2. What is your age?
   a. 18 or below
   b. 19 – 22
   c. 23 – 30
   d. 31 – 40
   e. 41 – 60
   f. 61 or above

3. Do you support any nonprofit organizations?
   a. Yes
   b. No

4. Do you know what an Annual Report is?
   a. Yes
   b. No

5. If you answered yes for question 4, do you read the annual reports of any
   organizations?
   a. Yes
   b. No
6. If you answered no for question 5, why not?
   a. They don’t interest me
   b. They are too long
   c. The reports are boring
   d. They are difficult to follow
   e. I don’t know where to find them
   f. Other
7. Both of these pictures convey the same information, one uses traditional methods and the other is an infographic. Which one is easier to read?
   a. Traditional Annual Report
   b. Infographic Annual Report
6. Which one is easier to understand?
   a. Traditional Annual Report
   b. Infographic Annual Report
7. Which one is more appealing?
   a. Traditional Annual Report
   b. Infographic Annual Report
8. Which one do you prefer?
   a. Traditional Annual Report
   b. Infographic Annual Report
9. Rate the content from 1-6 that should be included in an annual report (1-most important, 6-least important)

-Stories
-Cool Events
-Statistics/numbers/graphs
-News
-Financials
-Pictures