

**FACTORS AFFECTING THE ADOPTION OF NON PROFIT CHARITY WEBSITES
IN SAUDI ARABIA**

NOUF ALABDULKARIM¹
OTHMAN ALSALLOUM²

¹Wipro Arabia Ltd, Riyadh, Saudi Arabia

²Professor, MIS Department, King Saud University, Riyadh, Saudi Arabia

Abstract

In today's technology-driven world, most organizations are transitioning from an offline to an online business environment, where all transactions and interactions are conducted virtually. Although e-commerce in the for-profit sector has been extensively studied, few studies have examined e-commerce in the non profit sector. This study assesses the factors affecting the adoption of non profit donation websites in Saudi Arabia, focusing on donor attitudes. A survey was used comprising a self-completion online questionnaire. The results reveal that most respondents have never donated via charity websites. We explore why non profit websites are not being adopted in Saudi Arabia and recommend measures for attracting potential online donors.

Keywords: Non profit, Charity, Payment Transactions, E Business, Donations, E Commerce, Websites

Introduction

Studying non profit organizations is important because they serve as the foundation of many societies. They have four basic functions: (1) delivering goods and services to the underprivileged; (2) helping individuals serve their society; (3) advancing social issues by offering a voice to underrepresented perspectives; and (4) empowering citizens to participate in social welfare (Salamon& Anheier, 1998).

Feeding the poor and supporting orphans, relatives, and travelers are considered ways of spending according to the will of Allahin predominantly Muslim countries. Charity is important for all Muslims. It is thus not surprising that Saudi Arabia pays much attention to the non profit sector. Saudi Arabia's number of non profit organizations is increasing. The Ministry of Labor and Social Development claims that there were 807 charities across the country in 2015, of which 47 were woman-specific. These organizations provide a wide range of services and activities to those in need, such as rehabilitation programs for low-income families, housing, healthcare, medical centers for the disabled and elderly, care for

orphans, scholarships for underprivileged students, and loans to small businesses (Saudi Arabia Ministry of Labor and Social Development, 2015).

In today's technology-driven world, most organizations are transitioning from an offline to an online business environment, where all transactions and interactions are conducted virtually. Although e-commerce in the for-profit sector has been extensively studied, few studies have examined e-commerce in the nonprofit sector. Nonprofit organizations can also benefit from expanding online. The advantages include new service delivery methods, more revenue generation, expanded volunteer recruitment, stronger relationship building, and enhanced online accountability (Lee & Bhattacharjee, 2011).

A Timetric report shows that Saudi Arabia's e-commerce market is expected to stimulate growth in Saudi's electronic payment industry. The report claims that e-commerce transactions in the country increased rapidly between 2010 and 2014, going from US\$459.9 million (SAR1.7 billion) to US\$2.0 billion (SAR7.5 billion). Overall electronic transactions were valued at US\$2.6 billion (SAR9.8 billion) in 2015. The report predicts that electronic transactions will increase dramatically to reach US\$5.2 billion (SAR19.5 billion) by 2019. This rapid development will encourage the Saudi population to shift to online payment methods (Payments Intelligence Center, 2016). Although online payment transactions are increasing in Saudi Arabia, the nation's nonprofit e-commerce sector is attracting little attention.

Alkhair Alshamil is Saudi Arabia's official online donating website, providing a portal through which donors may donate to any cause, charity, or project. To date, only US\$2.1 million (SAR7.9 million) has been donated through this portal (Alkhair Alshamil, 2016), a low total relative to the overall volume of offline donations and electronic transactions in the country.

In this paper, we assess online donor attitudes affecting the decision to use nonprofit websites in Saudi Arabia using a survey composed of a self-completion online questionnaire. We explore why nonprofit websites are not being adopted in Saudi Arabia and recommend measures for attracting potential online donors. The results of this study should clarify why Saudi Arabians are not donating online as much as they are purchasing goods and services online. The study offers recommendations to help nonprofit organizations better position their websites and take advantage of today's virtual world.

Research Methodology

Research Design and Data Collection

A web-based survey was conducted to collect data on the factors affecting donors' use of non profit organization websites in Saudi Arabia. The online questionnaire was shared both individually and across social media platforms, by providing the URL on which the survey was hosted to make it easier for people to access and respond to the survey. The sample comprised 208 respondents, of whom 194 remained after responses with incomplete or missing information were excluded. Survey Monkey was used as the online questionnaire instrument, and SPSS was used to analyze the results. The questionnaire had three main parts: demographic questions, general information questions, and five-point Likert scale questions on online donation habits and preferences to evaluate the respondents' adoption of online non profit websites. To determine the length of the 5-point Likert scale cells (minimum and maximum) used in the study, the range was calculated ($5-1 = 4$) and then divided by the number of cells to obtain the correct cell length ($4/5 = 0.80$). This value was added to the lowest value in scale (1) to determine the minimum limit of each cell. The cell lengths are as follows:

- From 1 to 1.80: "Strongly Disagree"
- From 1.81 to 2.60: "Disagree"
- From 2.61 to 3.40: "Neutral"
- From 3.41 to 4.20: "Agree"
- From 4.21 to 5: "Strongly Agree"

Statistical Analysis

To analyze the data, several statistical methods were applied using Statistical Packages for Social Sciences (SPSS) software. Frequencies and percentages were calculated to identify the personal and functional characteristics of the sample. The following statistical measures were used to assess the responses to the main items of the study:

- Mean: to determine the main tendency of the data
- Standard deviation: to measure the dispersion of a set of data from the mean.
- Cronbach's alpha: to test the scale's reliability.
- Kaiser–Meyer–Olkin (KMO): to test the sampling adequacy of each variable in the model.

Results

Demographic and General Characteristics of Respondents

Descriptive statistics for the respondents' demographics and general characteristics are presented in table 1.

Table 1 *General Characteristics of Respondents*

Variable	Frequency	Percentage
Age		
Younger than 20	23	12%
From 20 to < 30	126	65%
From 30 to < 40	37	19%
From 40 to 50	5	3%
Older than 50	3	2%
Gender		
Male	96	50%
Female	98	51%
Education		
High school or less	17	9%
Diploma	24	12%
Bachelor degree	132	68%
Master's degree or higher	21	11%
Occupation		
Unemployed	24	12%
Student	49	25%
Employee	118	61%
Freelancer	2	1%
Retired	1	1%
How much money have you donated in the past year (in Saudi riyal)		
Less than 500	131	64%
500–3000	58	28%
3000–5000	10	5%
5000–10,000	6	3%
More than 10000	1	1%
How do you usually donate?		
People in need directly asking you for support	58	30%
Personal relationship	70	36%
Personal search of people in need	54	28%
Nonprofit org. advertisement	57	29%
Social media announcements	46	24%
How do you usually pay for your donations?		

Hand-to-handcash	81	42%
Through friends and family	48	25%
Bank transfer	51	26%
Through donation websites	14	7%
Have you donated before through the below websites?		
Albr charity	30	16%
World Assembly of Muslim Youth	16	8%
Ensan nonprofit org	19	10%
Alkhair Alshamil	1	1%
I have not donated through online websites before	126	65%
Other	31	16%

Note. Percentages are rounded up.

As shown in table 1, most respondents (65%) are between 20 and 30 years old; 19% are between 30 and 40; 12% are under 20; and only a few are over 40. Females account for 51% of the respondents; 68% have a bachelor's degree; 12% have a diploma; and 11% have completed higher education. More than 60% are working, 25% are students, 12% are unemployed, and a few are retired or freelancers. Most respondents (64%) have donated less than 500 Saudi riyals in the past year; 28% have donated between 500 and 3000 riyals, and a few have donated larger amounts. More than half the respondents (55%) say they donated to people in need through friends and family (multiple answers were possible); 36% donated through personal relationships, and 30% donated to people who asked for help directly. Those who paid cash directly to the beneficiary represent 42% of respondents; only 7% donated online. Finally, 65% of respondents say they have never used a non profit website.

Factors Affecting the Adoption of Non profit Websites

The factors hindering the respondents' use of donor websites were measured using a five-point Likert scale. The frequency, percentage, average rating, standard deviation, and degree of each factor are shown in table 2.

Table 2 Factors Affecting the Adoption of Nonprofit Websites

#	Axis phrase	Strongly Agree		Agree		I don't Know		Disagree		Strongly Disagree		Average	Standard Deviation	Degree of acceptance
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%			
1	Not knowing how to use the internet to donate	31	15.98%	70	36.08%	26	13.40%	49	25.26%	18	9.28%	3.24	1.25424	Neutral
2	Not trusting the work of non profit organizations	75	38.66%	62	31.96%	23	11.86%	23	11.86%	11	5.67%	3.86	1.21571	Agree
3	No convenient payment methods used by the websites	73	37.63%	67	34.54%	37	19.07%	12	6.19%	5	2.58%	3.98	1.02546	Agree
4	Not enough marketing campaigns	55	28.35%	69	35.57%	25	12.89%	35	18.04%	10	5.15%	3.64	1.21464	Agree
5	No frequent updates on the cases in need on online donation websites	68	35.05%	61	31.44%	54	27.84%	8	4.12%	3	1.55%	3.94	0.96674	Agree

Nearly all the factors (except the first) affecting the adoption of non profit organization website donations obtained an “Agree” degree of acceptance, ranging from 3.64 to 3.98. The first factor (not understanding how to use the internet to donate) received a “Neutral” degree of acceptance. The highest rating went to the “no convenient online payment methods” factor.

Services Required from Non profit Websites by Potential Donors

Four services are required by respondents if they are to donate through non profit websites, as table 3 shows.

Table 3 Non profit Website Services Required by Respondents

#	Axis phrase	Strongly Agree		Agree		I don't Know		Disagree		Strongly Disagree		Average	Standard Deviation	Degree of acceptance
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%			
1	Provides a safe and direct payment transaction method.	133	68.56%	47	24.23%	8	4.12%	4	2.06%	2	1.03%	4.57	0.76004	Strongly Agree
2	Provides interactive pages that connect the charity with the donor.	123	63.40%	55	28.34%	10	5.15%	3	1.55%	3	1.55%	4.51	0.79667	Strongly Agree
3	Provides terms and conditions and a “how it works” page that is accredited by the Ministry of Labor and Social Development.	135	69.59%	45	23.20%	9	4.64%	2	1.03%	3	1.55%	4.58	0.76579	Strongly Agree
4	Personalizes the page according to what interests the user.	99	51.03%	70	36.08%	20	10.31%	3	1.55%	2	1.03%	4.35	0.80754	Strongly Agree

The services listed in table 3 all received a “Strongly Agree” degree of acceptance and are thus considered crucial for attracting the 194 respondents to online donation websites.

Reliability Analysis

We performed a reliability test to validate the model for the local market of Saudi Arabia. Cronbach’s alpha was utilized to test scale reliability, and the root of the Cronbach’s alpha was used to test for validity. The results are presented in table 4.

Table 4
Reliability Statistics

Cronbach's Alpha	N of Items
.543	18

All items have Cronbach’s alpha above 0.5, the accepted cutoff for reliability.

Sampling Adequacy Testing

We used the KMO, which measures the suitability of data for factor analysis, to test for sampling adequacy. The test measures sampling adequacy for both each variable in the model and for the complete model. The result is shown in table 5.

Table 5
KMO and Bartlett’s Test

Kaiser–Meyer–Olkin Measure of Sampling Adequacy	.641
Bartlett’s Test of Sphericity	Approx. chi square
	541.887
	Df
	153
	Sig.
	.000

The table shows that the KMO value is above 0.6, indicating that the sample is adequate.

Discussion and Recommendations

Nonprofit organizations are increasingly transforming into e-businesses (Kirk, Abrahams,& Ractham, 2016).Although the non profit sector in Saudi Arabia is improving, room for growth remains. This study assessed Saudi Arabians’ donor attitudes and the factors affecting their adoption of non profit websites. The results indicate that the non profit website adoption rate among Saudi Arabian donors is relatively low. To understand what would inspire donors to embrace this technology, the study asked donors about the factors affecting

their adoption of nonprofit donation websites. The most important factor is providing convenient means of donation. Most non profit websites in the kingdom offer only bank transfers, which take much time and effort. Instead, instant online payment methods should be offered such as SADAD, a Saudi Arabian electronic payment system used by many businesses. This could ease money transactions and make it easier for users to donate to causes and charities. More than two-thirds of the respondents mentioned that providing a direct and safe payment method would increase the chances of their donating online.

Another factor is that most of Saudi Arabia's nonprofit websites are for outdated causes and projects, which affects their use by potential donors. Charities need interactive websites in order to connect with potential donors. They must also provide up-to-date causes, instant interaction with non profit employees, and personalized user content that targets donors' interests.

Another important factor is that 38.66% of respondents mentioned that they do not trust the work of nonprofit organizations. This mistrust could be alleviated if the Ministry of Labor and Social Development approved non profit organizations and their websites. Websites should also provide a "terms and conditions" page and a "how it works" page certified by the ministry. This would encourage people to trust in and respond to the charity and donate through its website.

Finally, marketing is another important factor in the adoption of social media websites. Social media should be used not only for profit making but also for non profit organizations. Web 2.0 is a powerful medium for finding key consumer influencers, engaging them, and creating brand advocates (Miller & Lammas,2010). Charities could use it to engage and maintain relationships with existing donors and attract new ones as well.

Conclusion

Local charities appear to value the chance to widen the geographical presence of their work, in terms of both marketing their organization and furthering their cause. The Internet is seen as offering a relatively low-cost way to reach more people, allowing charities to operate and compete in away that would be impossible without such a medium(Goatman& Lewis, 2007).User acceptance of charities' online presence must be taken into consideration. This study sought to understand the factors in Saudi Arabian donors' acceptance of charity websites. To that end, 194 questionnaires were collected from respondents of various ages and regions. The data were analyzed and discussed with reference to the literature. The

results should assist in gaining a more holistic understanding of the factors affecting the adoption and use of charity websites.

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