

The Big Society online: harnessing technology for social change

By Nick Aldridge, CEO, MissionFish



Nick is CEO of MissionFish (UK), which helps charities raise funds online. We aim to make it possible for any charity to benefit from any gift from any donor. MissionFish's major initiative is eBay for Charity, a unique programme that has helped UK charities raise over £21m from buyers and sellers on eBay. MissionFish is itself a registered charity (No. 1110538). Nick chairs Empty Homes, a national charity working to bring empty homes back into use, and is a trustee of Global Giving (UK). He holds the Institute of Directors qualification in Company Directorship and a first class Philosophy degree from Cambridge. Nick is married with two children and lives in London.

The bewildering pace of change in the online world has left charities and voluntary organisations racing to engage with younger audiences in new ways. Many are struggling to harness online communication in connecting with potential supporters, and in cultivating the donors and volunteers of the future. Progress will require a concerted effort by charities and businesses (with government support) to make social change a more central part of everyday life online. In particular, a stronger, simpler and more flexible culture and infrastructure for giving online will be crucial over the coming decade.

Online transactions are increasingly mainstream, with more than half of UK adults shopping online, and online transactions accounting for more than 10 per cent of total retailⁱ. Media businesses themselves have not kept pace with technological change: print media occupy 12 per cent of people's media time, but account for 26 per cent of spending on adverts. The internet occupies 28 per cent of media time, but only 13 per cent of ad spending, leaving a global gap or opportunity estimated at \$50bn. Nonprofit organisations are perhaps further behind than businesses. While charitable donations in total are worth £11.6bnⁱⁱ, most estimates place online donations at a few percentage points of the total. No nonprofits feature in the Top 20 brands on leading social networksⁱⁱⁱ, despite being amongst the most respected, loved and trusted by the public^{iv}.

Until recently charities' websites resembled annual reports: corporate announcements that didn't facilitate public involvement. "Donate Now" buttons brought wild expectations for online fundraising, through which futuristic algorithms would generate countless new donors without any need for engaging content or relationship-building, which have been disappointed. Growth in the basics of online communication has recently stagnated, with many charities remaining reluctant to invest. Only 32 per cent of small charities offer online donations, and 37 per cent of charities use emails for fundraising, with 30 per cent using video. Some 24 per cent of charities haven't redesigned

their websites for over three years^v. Meanwhile the last six years have shown no increase in the proportion of people giving to charities, and longer-term studies^{vi} suggest a pattern of decline.

Technology presents a more fundamental opportunity for the sector and society: to look once again at why people give time or money to good causes, and reduce the barriers that prevent people from becoming givers. Supporters need to be identified, courted, and responded to, not simply “harvested” from the online world. Online social networks have made it infinitely easier to take the first step – spreading awareness of a cause by encouraging people to share information with friends and contacts. The fundraising website Justgiving now receives 59 per cent of its traffic from Facebook, with each post bringing six people to the site: a third of charities also use Facebook in an effort to engage with supporters directly^{vii}.

Complex and specialist interactions are also facilitated by online platforms. Sparked.com developed as a micro-volunteering interface in response to the Haiti earthquake, encouraging volunteers with mobile phones to tag images of survivors, facilitating search and rescue by their families and aid workers. The platform is now being used by Global Giving in collaboration with Aegis Group plc, so that grass-roots projects around the world can post bite-sized challenges for volunteers from the marketing communications group to complete online. The volunteers connect directly with the organisations, receiving thanks and feedback on the work they do. Campaigning charity Empty Homes cuts down the time needed for citizens to deal with local authorities over problem empty homes in their areas, by automatically relaying their reports to the responsible officials, and monitoring the action taken to bring the homes back into use.

Many charities are more concerned about securing the resources to train and manage volunteers, rather than striving to recruit ever higher numbers. Technology could do more to encourage, screen, and manage volunteers automatically, increasing the management capacity of volunteers. Do-it already provides a national database of volunteering opportunities, to which Timebank has added an online feedback and ratings system. The mentoring website Horses Mouth enables 30,000 mentors, half of them under 25 years old, to engage with an average of six mentees every month, developing an online reputation through “m-factor” ratings.

Larger charities such as the Prince’s Trust, which often require face-to-face training for volunteers, nevertheless recognise they could dramatically reduce the costs of managing volunteers by providing refresher training online. Almost half of UK employees have now undertaken e-learning^{viii}, but charities have been slow to understand and develop the business case for streamlining their training in this way.

Furthermore, the increased convenience and lower costs involved in online transactions have enabled innovations in the field of micro-donations, removing the affordability barrier. Besides creating a significant new source of income for charities, the product can engage donors who might normally consider charitable donations unaffordable. eBay Give at Checkout, for instance, enables

millions of shoppers each year to add a small donation to their online purchases with a single click. The product has raised over \$10m worldwide, and over £2m in the UK last year. The expansion of micro-donations to other online shopping platforms could create a new social norm in which people who do not have deep relationships with charities can “give as they go”.

A significant proportion of (potential) donors want to see the difference their donations make to lives and the world around them. These donors give “through”, rather than “to”, charitable organisations. Technology can meet their requirements by providing greater transparency concerning the use of donations, and more immediacy in the relationship between donor and beneficiary. Done properly, this reduces a sometimes excessive focus on organisational administration and overhead costs as a measure of effectiveness, and a concurrent feeling that money must be wasted inside charities.

Donors Choose in the US has made this direct contact and transparency its central tenet. Teachers and librarians post requests for materials on the Donors Choose website, which are then supplied by the organization after collecting the necessary donations from the public. The teachers and their students must send thanks to the donor in return, while Donors Choose provides a report on how every dollar was spent. The charity’s donations grew 70 per cent to \$17m in 2008/09. Similarly Kiva, another fundraising success from the US, motivates the public to provide social loans by connecting potential lenders with immediate stories on how borrowers have benefited.

UK organizations are now heading the same way: Cancer Research UK’s “My Projects” beta website enables group funding of research projects into particular types of cancer, catering for donors who would like to specify how their money is spent. A major UK children’s charity is currently developing a direct funding model in which donors can buy materials for their local family centre. Donations are restricted to the tangible item bought, and donors receive a thank you direct from the people who benefit.

Meanwhile the shape of online interaction is changing, with mobile devices rapidly coming to the fore. The adoption of Apple’s iPhone and iPad devices took place at four times the speed of comparable online innovations in previous years, now boasting over 120 million subscribers^{ix}. Japan’s leading social network, Mixi, now receives 84 per cent of its page view from mobile devices rather than desktops. In 2010, 6.25 per cent of the £800m processed by PayPal for BBC Children in Need came from mobile devices.

The growth of mobile platforms is also bringing GPS and geotagging to greater prominence, enabling users to share and utilize their locations in mobile communication. Such data provide a colossal opportunity to link people with charities in their local areas. Testing with a large sample of eBay users in 2010 suggested that donors are 25 per cent more likely to donate (when prompted) to local causes than national ones, indicating that many charities would benefit from localized online fundraising, even on national or global platforms.

Vinspired has already enabled iPhone users to search for and contact organizations offering volunteering opportunities from their mobile phones. A parallel joint venture between PayPal and MissionFish, which enabled iPhone users to donate to nearby charities from an iPhone using PayPal, was blocked by Apple's universal policy against donations from within Apps. Charities are exploring other platforms, such as Google's Android, for App-based donations, but will not receive many donations from iPhone users until Apple's policy changes.

While the majority of charities have had little success in generating text message donations^x, recent innovations provide encouragement. A concerted campaign led by Joe Saxton recently convinced mobile operators to lower their charges to an acceptable level, and the agency Open Fundraising has developed a regular SMS donation product, "Connected," through which people can confirm or skip a monthly donation to charity by responding to a text.

Through better use of technology, charities are developing the ability to offer their supporters the immediate rewards that come from direct connections with beneficiaries, the dynamism and rapid information exchange embodied in digital networks, and the convenience, speed and efficiency of online transactions. What can government, business and the sector as a whole contribute to this process?

First, those who hold valuable and engaging data on charities should make a concerted effort to open it up. The Opencharities initiative has "screenscaped" a vast quantity of data from the Charity Commission and repackaged it in a reusable format. This process could be strengthened and simplified for other developers. In the payments world, MissionFish and PayPal's "Donations as a Service" initiative opens up charitable donations by enabling them to be incorporated in any PayPal transaction. These types of interface will provide some building blocks for innovations, so that developers can build new ways for the public to get involved in giving.

Second, businesses should increase the speed and effectiveness at which they enable their customers to engage with good causes. Partnerships between major charities and big businesses have become long-term and strategic: Tesco has partnered with "Race for Life" for over eight years, to the point that it will now be co-branded, while Sainsbury's and Comic Relief have worked together since 1999, raising over £48m. KPMG has extended their charity partnerships to several years, and encompass pro bono strategic business review support as well as local fundraising.

Many companies have been slow to bring their cause-related programmes into the transactional online world, but are growing in confidence. American Express is promoting "Small business Saturday", harnessing social and traditional media to promote local shopping at small shops alongside charitable donations. Recently Google announced a unique non-advertised, non-organic search result, in which users are encouraged to telephone the Samaritans if they are searching for the word "suicide". Other major online companies such as Apple, with access to a huge population of

committed customers, should be encouraged to develop (or at least permit) tools that allow their users to give securely and conveniently.

A further opportunity lies in making integrated partnerships more possible for the “long tail” of small online businesses and charities, which will need the benefits better quantified and the costs reduced. The complexities of managing fundraising relationships, and the legal infrastructure necessary for commercial relationships with charities can discourage organisations on both sides.

Columbia Business School has developed powerful data from the eBay for Charity platform showing the benefits of cause-related marketing for small businesses: eBay items have significantly higher sell-through-rates (by 34 per cent in the UK) when the seller pledges to make a charitable donation through the platform^{xi}. Further academic research supports the theory that such donations increase the buyer’s trust and confidence in the seller^{xii}. The platform also reduces the legal costs involved, by providing a scalable channel for charities and businesses to enter into light-touch, but binding, legal relationships for commercial collaboration.

Third, HMRC should explore simple changes of policy that would enable a far wider range of donations to be tax-effective. The single-click, impulse donations of the online world are far removed from the form-filling culture demanded by Gift Aid regulations. Simple innovations such as enabling phone numbers or email addresses to be used as unique identifiers for donors would spectacularly simplify the process of claiming Gift Aid on many digital donations. Allowing charities and companies to offer a “universal” Gift Aid declaration, in which donors could enable Gift Aid to be claimed across all eligible charities, would give the fundraising world the basis for exploring a more efficient and better adopted system.

Fourth, charities should make further efforts to engage technical entrepreneurs in solving their problems. PayPal’s Charityhack event connects a hundred developers with charities and fundraising organizations to build new platforms, products and applications in a 24 hour competition. The 2009 winners went on to develop fundraising technology for the UN World Food Programme, while several winners from 2010 have new micro-donations products in development. These kinds of interactions are rare, but can quickly change thinking and generate ideas in both sectors.

Finally, charities’ thinking could be helped to evolve more rapidly. Rather than simply developing a “digital fundraising strategy”, many should be revisiting their missions and considering how technical innovations could increase their effectiveness and reduce their costs. The leading organisations of the future will be the “networked nonprofits”^{xiii}, which connect flexibly, transparently, and efficiently, engaging the widest possible range of supporters in the business of delivering social change.

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- ⁱ Datamonitor Group Media bulletin, 2009
- ⁱⁱ NCVO & CAF 2010, UK Giving
- ⁱⁱⁱ Morgan Stanley (Nov 2010)
- ^{iv} See for example, the ICSA's reputation assessment survey in August 2010, cited by Third Sector at: <http://www.thirdsector.co.uk/news/Article/1024978/RNLI-given-best-ever-score-global-reputation-poll/>
- ^v NfpSynergy 2008, Virtual Promise
- ^{vi} Such as the Citizenship Survey conducted
- ^{vii} NfpSynergy 2008, Virtual Promise
- ^{viii} Chartered Institute of Personnel and Development, 2009
- ^{ix} Morgan Stanley (Nov 2010) Ten Questions Internet Execs Should Ask & Answer
- ^x NFPSynergy (2009) Sending out an SMS
- ^{xi} Daniel W. Elfenbein, Olin Business School, Washington University in St. Louis, Ray Fisman Columbia Business School and NBER, and Brian McManus University of North Carolina, Chapel Hill (2009): "Reputation, altruism, and the benefits of seller charity in an online marketplace" for US results. UK results used same methodology but are not yet published.
- ^{xii} For example Sebastian Fehrler (November 2010), "Charity as a Signal of Trustworthiness" in IZA DP No. 5299
- ^{xiii} Kanter, the Networked Nonprofit