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STRATEGY GUIDE #3

USING MOBILE PHONES IN FUNDRAISING CAMPAIGNS

by Michael Stein
Edited by Katrin Verclas

MobileActive
is a project of Green Media Toolshed and NTEN: The Nonprofit Technology Network.

About the MobileActive.org Strategy Guide Series

MobileActive is a global community of strategists, activists, and technologists who are using mobile phones in their social change work. This series of Strategy Guides examines the effectiveness of nonprofits using mobile phones to build their constituent lists, influence political causes, and raise money. Our goal is to aggregate strategies, case studies and lessons learned as a means to encourage the adoption of mobile phones use by nonprofits.

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MobileActive is directed by Martin Kearns of Green Media Toolshed who is the catalyst and inspiration behind MobileActive; and by Katrin Verclas.

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MOBILE PHONES IN FUNDRAISING CAMPAIGNS

"Don't you wish your city was cleaner and greener? Begin by planting free saplings offered by Greenpeace. Reply GREEN to 6363 to get your sapling."

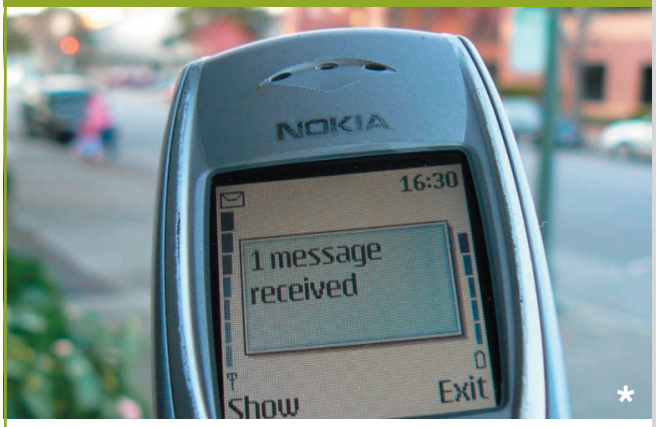
This SMS text message greeted 40,000 mobile phone subscribers in the cities of Bangalore and Pune in India in July 2005. It was part of a pilot project of Greenpeace India to test the viability of mobile membership recruitment. Conducted over a five-week period, the campaign's goal was to acquire 200 new supporters, and would take advantage of the fact that mobile phone numbers are for sale in India. 937 people (2.3%) texted back their interest and Greenpeace dispatched "direct dialogue" members to their homes to deliver the saplings and make a membership appeal. The result? 149 new supporters (16% of the leads).[1]

At the forefront of mobile culture and business with one million new mobile phone subscribers a week[2], India is perfect terrain for this type of experiment by one of the world's best-known non-governmental organizations (NGO). Greenpeace India's attempt to tap the potential of mobile phones for membership recruitment by taking advantage of local business practices (buying lists of mobile phone numbers) and customs (sending unsolicited text messages) is an example of the innovative savvy of NGOs.

Fundraising is a core activity at most NGOs which strive daily to serve their constituencies, deploy new programs, influence public policy, and generate revenue to pay for it all. The potential of mobile phones as a fundraising tool offers new possibilities for organizations that have relied on techniques such as direct mail, telemarketing, events, and the Internet.

And yet, while mobile fundraising is making inroads in many places around the world, the potential of mobile phones as a fundraising tool for social causes is still in its infancy, particularly in North America.

ARE MOBILE PHONES RIGHT FOR YOU ?



*

➔ Read case studies from other organizations, participate in live mobile campaigns to see how it works, connect with mobile vendors to learn about tools and costs, and discuss strategy with other mobile phone campaigners at **MobileActive.org**

1: Interview with Nick Allen, President, Donordigital, December 2006, www.donordigital.com

2: "India's mobile phone users increasing by 1m a week," by Tony Glover, The Business, March 9, 2006, www.thebusinessonline.com/Document.aspx?id=A32F3CE1-09C5-4A43-8722-A78ACDA6B817

* Image courtesy of kiwanja.net

People and organizations are increasingly using text messaging, ringtones, mobile Web browsing, and even mobile video for advancing causes and organizations. However, mobile fundraising is still new and untapped. As in the early years of Internet fundraising, mobile fundraising has to become more familiar and trusted before it is adopted widely. After all, it took a decade for Internet fundraising to gain a solid foothold in even smaller NGO's fundraising mix.[3]

MOBILE FUNDRAISING

➔ Mobile phones are used across the world to raise money for social causes such as disaster relief, poverty relief, cancer research, rescuing abandoned animals, and supporting other human needs. Combined with other fundraising techniques, mobile fundraising is emerging as a new tool for organizations to identify potential donors and raise money.

The costs for conducting mobile fundraising campaigns are high, primarily due to the pricing models of mobile phone carriers. This has deterred many NGOs from participating – many prefer to stay with fundraising techniques that have proven returns on investment, namely direct mail, telemarketing, events, and online and email solicitations.

And yet, the evolution of the mobile phone in modern society is all about finding ways to make it relevant and useful in everyday life. As a portable and ubiquitous device, mobile phones are heralded not just as a tool for communications, but also for commerce. In many parts of the world, mobile phone are already used as a payment device to make payments at stores[4] , vending machines[5] and parking meters[6] through partnerships between specific national carriers and various banking institutions[7].

COSTS OF MOBILE FUNDRAISING CAMPAIGNS

➔ You'll need to keep the following costs in mind when planning a mobile fundraising campaign.

- Staff time to plan, manage and market your campaign.
- Setup and campaign management fees with a vendor or mobile aggregator to create a campaign.
- Setup fees with a mobile carrier.
- Mobile carrier fees to send and receive SMS messages.
- Financial transaction fees to process mobile gifts (via phone bills, aggregator billing, or calling centers).
- Marketing costs to promote your mobile campaign.

3: "A Decade of Online Fundraising," by Michael Stein and John Kenyon, The Nonprofit Quarterly, Winter 2004. Article PDF available at http://michaelstein.typepad.com/michael_stein/files/05feb_decade_online_fundraising_NPQ_stein.pdf

4: Japan has the most extensive system of mobile phone payments for railway ticketing and stores, and the providers of these services are aggressively marketing these services to merchants and consumers ("Japan e-money providers agree on common terminal," Infoworld Nederland, Sept 27, 2006, http://www.infoworld.nl/idgns/bericht.phtml?id=002570DE00740E18002571F60021B498)

5: Businesses worldwide have begun offering vending machines that accept payments via mobile phone for products such as drinks and snacks in Spain (http://www.textually.org/textually/archives/2005/01/006736.htm), ice cream in France (http://www.textually.org/textually/archives/2003/12/002629.htm), and Coca Cola in Switzerland and Japan (http://www.textually.org/textually/archives/2003/09/001579.htm).

6: Municipalities either actively using or doing trials with mobile phones and parking meters include Sydney (Australia), University of California Santa Barbara (United States), Coral Gables, Florida (United States), Wellington (New Zealand), and Vienna (Austria), http://www.textually.org/textually/archives/2005/06/008729.htm

7: "Visa, Nokia turn cell phones into credit cards," Reuters, January 10, 2007.

MOBILE FUNDRAISING FOR HUMANITARIAN RELIEF

Mobile fundraising has been most notably used for rapid and broad fundraising appeals for disaster relief after major emergencies. Mobile fundraising offers the potential of near-instant fundraising, as individuals receive an SMS text message appeal on their mobile phone and make an immediate donation. Numerous mobile fundraising efforts in the wake of the Asian Tsunami in December 2004, the Katrina Hurricane in October 2005, and Israel's military campaign in Lebanon in August 2006, demonstrate that donors will make mobile donations to help a cause. A key factor in these cases was the urgent humanitarian need, pointing to the specific role mobile phones play in reaching donors quickly to solicit immediate financial support.

While it's difficult to quantify precisely the total amount raised via mobile fundraising for humanitarian relief related to the December 2004 Asian tsunami (some fundraising details are available through links at Textually.org[8]), a notable fact is that many of these campaigns were conducted by the mobile carriers themselves, or in collaboration with national NGOs.

In the United Kingdom, for example, mobile carriers Fresh, O2, Orange, T-Mobile, Tesco Mobile, Virgin Mobile and Vodafone banded together to provide a single mobile short code for customers to make donations for tsunami relief that was automatically applied to their phone bill. In this specific case, the carriers chose to waive their service fees for processing the donations[9], and raised about one million pounds Sterling[10]. Other documented efforts described mobile fundraising campaigns that raised two million Euros in Greece[11], $5.9 million in Spain[12], $2.2 million in The Netherlands[13], and 14 million Euros in Italy[14].

Doctors Without Borders in Austria collaborated with wireless company Mobilkom to send 500,000 text messages to wireless customers asking if they could be contacted by telephone to contribute funds for Asian tsunami relief. 60% of SMS recipients opted to participate in the telephone solicitation, with 50% converting to a monthly

8: http://www.textually.org/textually/archives/2005/01/006593.htm
9: "SMS tsunami donations reach £1m," Textuallyorg, Jan 25, 2005, http://www.textually.org/textually/archives/2005/01/006857.htm
10: "SMS tsunami donations reach £1m," by Iain Thomson, ComputerActive UK, January 5, 2005, http://www.computeractive.co.uk/vnunet/news/2126581/sms-tsunami-donations-reach
11: "Tsunami 2005: Greece - SMS donations," Textually.org, Jan 19, 2005, http://www.textually.org/textually/archives/2005/01/006780.htm
12: "Spanish Tsunami SMS Campaign raises $5.9 million in 2 days," Textually.org, Jan 8, 2005, http://www.textually.org/textually/archives/2005/01/006675.htm
13: "Netherlands raises 2.2 million in Tsunami SMS campaign," Textually.org, Jan 7, 2005, http://www.textually.org/textually/archives/2005/01/006671.htm
14: "Tsunami Relief SMS Donations," Textually.org, Jan 1, 2005, http://www.textually.org/textually/archives/2005/01/006584.htm

giving plan, which raised 282,000 Euros in gifts directly billed to customer phone bills.[15]

In most of these cases the mobile carriers took the unusual step of proactively appealing to their mobile phone customers asking for donations. While technically a form of unsolicited fundraising that carriers would usually frown upon when conducted by NGOs or businesses, the urgent nature of the appeal allowed this practice to take place.

Other mobile fundraising disaster relief efforts since then also involved mobile carriers proactively contacting customers and waiving their processing fees. In October 2005, the American Red Cross raised funds via mobile phone solicitation in the wake of Hurricane Katrina in the south of the United States. The American Red Cross has its own mobile short code 24357 or 2HELP that adds $5 to a customer's monthly bill when it receives the message give. Many U.S.-based mobile carriers such as Alltel[16] and Verizon Wireless[17] promoted the service to its customers via direct – and unsolicited – text messaging. This Red Cross service has now been institutionalized in the U.S. In the event of a major disaster, the Red Cross will collaborate with the CTIA – the international association for the wireless industry – to officially activate and promote mobile fundraising campaigns among carriers.[18]

More recently, mobile fundraising campaigns were conducted in August 2006 in the Middle East by mobile carriers in Kuwait and Bahrain for Lebanese community relief via Red Crescent in the wake of the war between Lebanon and Israel.[19]

PARTNERSHIPS BETWEEN CHARITIES AND COMMERCIAL ENTITIES

Aside from the humanitarian relief efforts that tapped into the emotional appeal of major disasters and the need for urgent support, the worldwide Live 8 concerts in July 2005 are the largest known events of its kind that used SMS text messaging fundraising. The concerts, aimed at highlighting world poverty at venues around the world, involved over 150 bands and 1,200 musicians and a broad multimedia campaign and used print, television, Internet and mobile phones.

At the July 2 concert in London's Hyde Park, an SMS "ticket lottery" was held where people could apply for a ticket by sending an SMS text message to a designated short code. The resulting media frenzy generated over 2.1 million text messages for the lottery, which raised £3 million ($5.4 million) for Live 8 designated projects in the U.K., making it the most successful mobile fundraiser to date.[20]

15: Email interviews with Mike Johnston, President, Hewitt and Johnston Consultants, (http://www.hjc.ca), Toronto, Canada, and George Irish (online campaign, fundraising and marketing consultant), January 12, 2007.
16: "Alltel Customers Can Text Donations to Hurricane Katrina Relief," Textually.org, Sept 4, 2005, http://www.textually.org/textually/archives/2005/09/009793.htm
17: "Web companies and Verizon Wireless channel aid to Louisiana and Mississippi," Textually.org, Sept 4, 2005, textually.org/textually/archives/2005/09/009788.htm
18: "CTIA Wireless Foundation Launches Text2Help For The American Red Cross," by Justin Oberman, Personal Democracy Forum, Sept 19, 2006, www.personaldemocracy.com/node/1014
19: "MTC Group of Companies launches donation campaigns for Lebanon," by Janeta Novakovic, AME Info, July 26, 2006, www.ameinfo.com/92460.html
20: "Nearly 2.1m text Live 8 to make it most successful SMS push," Brand Republic, June 13, 2005, www.brandrepublic.com/bulletins/digital/article/479891/nearly-21m-text-live-8-successful-sms-push/

A major factor in the success of mobile fundraising at the Live 8 concerts was the vast scale of the campaign, and the unique partnership between charities and commercial entities - the mobile carriers and the entertainment industry- to promote a unified media message and a unified mobile short code. As we've written in other MobileActive.org Strategy Guides (http://www.mobileactive.org/guides/) the other key success factor in the Live 8 example is the ability to tap into captive audiences at large-scale events such as rock concerts.

Other efforts follow the same model of partnerships between corporate and charitable organizations. U.K.-based charity **Breakthrough Breast Cancer** conducts year-round campaigns to raise money for research and education while car maker Nissan organized a thirteen city nationwide fleet of pink Nissan "Micra" cars to raise money and awareness for breast cancer awareness.[21] Passerbys were invited to enter into a "text to win" competition, each text raising money for the charity. Texters were entered into a raffle to win a car off the production line.

NGOs have partnered with mobile phone service providers as a means of financial support. In the United States, Planned Parenthood Federation of America (PPFA) is rolling out a new service in Spring 2007 with Working Assets, a progressive telecommunications provider, in an attempt to ride the mobile wave. Planned Parenthood Wireless will provide 10% of monthly phone charges to PPFA. Working Assets Wireless uses the Sprint® network which serves more than 250 million customers in the United States. Similar services are available to pro-life supporters.

21: "Nissan selects TAAP for text promo," NetImperative.com, March 11, 2005, http://www.netimperative.com/2005/11/03/Nissan_TAAP

HARNESSING MEDIA AND ENTERTAINMENT CONTENT

While corporate and media partnerships make a difference, a key factor behind the success of any mobile fundraising campaign is the richness of the interaction with the mobile constituency. A recent collaboration between two U.S.-based organizations devoted to advancing the needs of America's youth are an example of such an effort. **YouthNoise**, **StandUp For Kids**, and mobile carrier **Virgin Mobile USA**, launched an alliance in June 2006 to enable teens and young adults—and some popular recording artists—to play a more active role in combating team homelessness. The organizations work together to create engaging online and mobile content for youth, and tie into Virgin Mobile's services whenever possible. As a corporate partner of the alliance, Virgin Mobile USA contributes five percent of profits from sales of ringtones, games and graphics to the campaign. For now, the money being raised is coming from the corporate partner itself.

Innovative in this campaign is the content and community created to engage youth. Young people, of course, have flocked to the mobile medium.

BREAKTHROUGH BREAST CANCER

→ Breakthrough is the UK's leading charity committed to fighting breast cancer through research and education. → **www.breakthrough.org.uk**

YouthNoise is building a global network focused on social change that is targeting youth between 16 and 22. The website has registered about 113,000 young people from all fifty U.S. states and 170 countries.

A project called "Ghost Town" offered a serialized novella to Virgin Mobile customers about a teenage football player named Ghost who hides his homelessness. The "mobo-novella" was delivered via SMS text message in sixty segments to 12,000 Virgin Mobile subscribers. Another project invited youth contestants to submit designs for a mobile phone charm that attaches to a mobile phone, with a trip to Africa for the winner. 280 contestants submitted charm designs, and 18,000 people voted for the best designs. Both projects were promoted on Virgin Mobile's website.

YOUTH NOISE / STAND UP FOR KIDS

➔ YouthNoise's mission is to inspire and empower young people everywhere to catapult their passion and idealism into movements to sustain the planet.
➔ **www.youthnoise.com**

➔ The mission of Stand Up For Kids is to help homeless and street kids. We carry out our mission through our volunteers who go to the streets in order to find, stabilize and otherwise help homeless and street kids improve their lives. ➔ **www.standupforkids.org**

Another mobile fundraising technique is the practice of selling downloadable ringtones. As a fundraising tool, ringtones represent a gift or premium that can be delivered to donors in exchange for their support. U.S.-based charity **Sweet Relief** added mobile ringtones as part of their ongoing effort to provide financial assistance to all types of career musicians who are facing illness, disability, or age-related problems. Since Spring 2006, supporters can purchase exclusive ringtones for $4.99 each, though the mobile carriers keep about 50% of this fee. "What we were able to raise with ringtones was fairly modest," reflects Scott Dudelson, a music journalist and promoter who helped organize Sweet Relief's 10th anniversary concert series. "It's all about the call to action, getting the artist on stage in front of the audience telling people to pull out their cell phone now and download my ringtone, and that didn't always happen the way we hoped it would. Eventually it'll get to the point where it'll happen at every show."

The potential for partnering with famous musicians is a practice that works, and has been replicated throughout the world. Former ABBA band member Benny Andersson composed a ringtone that was sent to people who donated money to the Swedish Red Cross' annual Christmas collection drive in 2005. To get the ringtone, Swedes donated about $6 by sending a text message from their mobile phones to a special number set up by the Red Cross[22].

> "Imagine being at a concert or sporting event and the lead singer or team captain asks you to get out your phone and donate $10 right now to an organization. In addition to putting your Web addresses on everything, soon you'll put your short code on everything."
>
> — Nick Allen,
> CEO, Donordigital

22: "Ringtone as a gift - after a donation to the Red Cross," Textually.org, Nov 21, 2005, www.textually.org/textually/archives/2005/11/010688.htm

Comments **George Irish**, an online campaign, fundraising and marketing consultant who works primarily with social change organizations: "Merchandising formats for revenue generation are possibly the most widely available stream right now, such as downloadable multimedia content like videos, MP3s and ringtones. Most carriers now have transaction gateways to support this, so the potential exists for media partnerships with mobile carriers, particularly for NGOs with connections to celebrities and music groups." He's worked with organizations such as Greenpeace, Amnesty and Oxfam to help them make the most of the digital mediums, and points to **Amnesty International's global "Make Some Noise"** campaign that began in 2004 that has mobile downloads (for a fee) of John Lennon covers by current hot bands as a revenue stream, in addition to the sales of compact discs.

USES OF MOBILE PHONES

➔ **SMS:** Send up to 160 character text messages to the mobile phones of supporters.

➔ **Ringtones:** Offer politically-themed ringtone sounds for you or your callers to hear.

➔ **Short codes:** A six-digit "mobile short code" that connects to a mobile campaign – the 'URL or address" for a campaign. Example: Text to 22244 with the keyword "save" to save the whales.

➔ **Fundraising:** Raise money from supporters at concerts and events with your short code by charging instant donations to their phone bill, PayPal or deduct a payment from a previously stored credit card number.

➔ **Forward-to-a-Friend:** Encourage supporters to forward text messages, ringtones and short codes to friends and family.

INTERPLAY BETWEEN DONORS AND ACTIVISTS

There are some important lessons learned about integrating mobile communications into the various activities at an NGO. Most of the vendors, consultants, and NGO staff that we interviewed stressed the importance of this synergy, so that mobile tools can serve the needs of campaigners and fundraisers alike. We've explored in other MobileActive.org Guides (http://www.mobileactive.org/guides/) how mobile phones help organizations build lists of supporters, who can then be activated both to act and to give. Viewing mobile phones merely as a tool to solicit money is clearly limiting, and also not effective.

AMNESTY INTERNATIONAL "MAKE SOME NOISE"

➔ This ground-breaking venture from Amnesty International mixes music, celebration and action to protect individuals wherever justice, freedom and equality are denied. ➔ **www.amnesty.org/noise/**

Several factors are at play. Donors still have little to no experience in making charitable contributions over their mobile phone, and donors around the world are only now becoming comfortable making gifts as a result of an email appeal. This factor will change over time as people get used to using their phones for other types of payments (at stores, vending machines, and parking meters). Secondly, the current pricing models of the mobile carriers for processing mobile donations make it a difficult proposition for NGO fundraisers. With fees for Internet gifts processing as low as 3%, adopting a 35 to 50% fee structure for mobile funds processing is a hard pill to swallow.

Consultant George Irish says: "What I tell non-profits right now is that the best use for mobile fundraising is for acquisition, just to get the first donation, or for building your lists, and then switch those donors over to email or phone or direct mail as soon as possible."

POLITXT / RIGHTS GROUP

➔ Rights Group builds and manages Mobile Action Networks: a powerful tool to reach your existing constituents and enlist new supporters—all on their most personal device. ➔ **www.rights-group.com**

This opinion was shared by Nick Allen of **Donordigital** and Jed Alpert of **Rights Group** who stressed that the current mobile carrier pricing has created a disincentive for NGOs to use mobile phones other than for small donations.

Nick Allen from Donordigital: "Mobile activism can help organizations recruit younger people who are most comfortable with mobile and SMS text messaging. Using mobiles for a cause also gets people used to using their mobiles to relate to the organizations they care about, encouraging the transition to donating on their phones once it's more feasible. In the meantime, we're setting up mobile action networks for several of our clients. This will make it easy for activists to phone members of Congress or corporate targets with one click on an SMS message, and a call can be more effective than an e-mail."

DONORDIGITAL

➔ Donordigital is a full-service online fundraising, advocacy, and marketing company.
➔ **www.donordigital.com**

It makes more economic sense in the current pricing environment for NGOs to identify new donors and activists through the mobile medium, and then to transition them to more traditional engagement and fundraising channels such as email, phone or direct mail where the communications techniques and costs are better understood, more reasonably priced, and part of a well-oiled machine.

Some NGOs have combined fundraising and activism to good effect. Amnesty Norway operates an SMS activism program that includes fundraising, and takes advantage of the widespread adoption both of mobile phones and SMS text messaging in that country. The organization has signed up 25,000 people to receive urgent action alerts twice a month on human rights issues. Every time an alert is sent out, each subscriber pays 0.25 Euros, so it costs about 0.50 Euros each month, or about 6 Euros a year to stay on the list. Each time that someone responds to an urgent action alert – about 10,000 do each time –they pay another 0.25 Euros. Amnesty Norway receives about 50% of all the SMS fees, so this program not only generates signatures on Amnesty's urgent action petitions but also regular income to fund Amnesty's ongoing programs – about 100,000 Euros per year. "It's a real example of the cumulative nature of small (in this case, micro) donations," comment George Irish.[23]

23 "SMS Activism - a model from Amnesty Norway," by George Irish, http://www.shakethepillars.com/?p=32

SHAKE THE PILLARS / GEORGE IRISH

➔ Online campaigning, fundraising and marketing for social change and activist organizations including Amnesty, Greenpeace, Oxfam and progressive political parties. ➔ **www.shakethepillars.com**

It is these factors that have brought companies such as **PayPal Mobile** into the marketplace, which currently offers its mobile payment service in the United States, Canada and the United Kingdom. Offered at a price point (under 3%) that matches its other online payment service offerings, PayPal Mobile is an attractive option, though its lack of widespread adoption limits its practical use in mobile fundraising campaigns. People who already use PayPal accounts for Web commerce (123 million people worldwide) can quickly enable their phones for mobile use, while others have to go through a multi-stage signup process. This deters prospective donors from completing a transaction. PayPal Mobile has been used by numerous NGOs including U.S.-based Starlight Starbright Children's Foundation, VH1 Foundation, Global Giving, and Amnesty International, and the UK charities Oxfam and Children in Need (that country's largest).

PAYPAL MOBILE

➔ PayPal mobile allows you to make purchases, to send money, and to donate to charities using your mobile phone. ➔ **www.paypal.com/mobile**

Perhaps the most interesting aspect of using PayPal Mobile to enable donor transactions is that NGOs are able to obtain complete donor information because it's already stored in the donor's PayPal account. This convenience is not available with Premium SMS services, where NGOs must attempt to acquire a donor's email address and then follow up with them to obtain complete donor details.

The noted shortcomings in PayPal's adoption rate has led to some interesting practices by NGOs when deploying a mobile fundraising campaign in the real world. A 2006 AIDS Walk event in Los Angeles, California, included posters along the walk route and had walkers wear shirts advertising the mobile short code (which connected to a PayPal Mobile account). To help compensate for inexperience with mobile tools, walk organizers distributed volunteers along the walk route to educate donors about short codes and about how to respond to the PayPal Mobile text messages, since most people would not have PayPal accounts and would require them to go online on their personal computer to complete the transaction. Despite these hurdles, event organizers felt the pilot was fairly successful and will be repeating it again in 2007, though they will add additional "mobile volunteers" along the walk route to hand out flyers and educate new mobile fundraising converts.[24]

The costs have also led to the emergence of other services and techniques for collecting funds. Alpert of Rights Groups has been involved in several NGO mobile fundraising campaigns that direct people to phone into a donation call center to make a gift. While donors would have to be highly motivated to contact a call center, this demonstrates the creative energy that is being deployed to find out what works best. Call centers for donations also builds on what many people in the US and Europe are still used to using their phones for – namely, making phone calls.

Overall, mobile tools can play some unique roles for fundraising. Membership renewal by mobile phone is one idea whereby a mobile message is sent to a member as part of an integrated renewal plan, asking the member to give authorization for a repeat gift, or an invitation to view a website that is part of a renewal and upgrade campaign.[25]

24: Interview with Kevin Dulsky, General Manager, PayPal Mobile (http://www.paypal.com/mobile/), January 11, 2007.
25: Email interview with George Irish, January 12, 2007.

Other ideas harness the potential of peer-to-peer fundraising (or "friend-raising") whereby individuals could send a fundraising appeal to the mobile phones of friends, co-workers, fellow congregation members, or family via text message as part of a group effort in a school or nonprofit. Already this practice has begun to take shape on the Internet with the emergence of fundraising "widgets" that allow people to individualize campaigns and set their own personal fundraising goals as part of a larger fundraising campaign.[26]

The rapidly evolving landscape of mobile fundraising practices is what keeps this field dynamic and interesting to its practitioners. Similar to the early years of Internet fundraising, there is a passion to figuring out how to make mobile fundraising work in the real world of NGOs.

Comments George Irish: "Mobile fundraising fits right in as part of an integrated fundraising approach that combines elements of direct mail, telemarketing, web, email, TV, radio, print and other fundraising formats."

At a time when many NGOs are just coming to grips with the financial and organizational resources necessary to sustain an integrated communications strategy in the digital world, the mobile medium adds a new challenge and an opportunity to engage with donors and supporters in a way not done before.

26: "Using the ChipIn Fundraising Badge for a Personal Fundraising Campaign," by Beth Kanter, http://widgetfundraising.org/, January 2007.

DONATING VIA MOBILE PHONES

Premium SMS
Allows a charity to give out a mobile "short code" to donors, and once a message is sent to that short code, a fixed sum is charged directly to the customer's mobile phone bill or from a prepaid mobile account balance. Premium SMS is useful for collecting one-time donations, and selling ringtones, music and wallpapers.

Limited to micro payments ($10 is the maximum one-time charge in the U.S.). Most mobile phone carriers around the world take a substantial fee for handling the billing (50% in the United States; 35% in the United Kingdom).

Aggregators
These are firms that resell mobile carrier services to NGOs, usually with additional management services, and can be helpful in selecting the right carrier plan.

Donation Call Centers
Allows a charity to text a donor who can then initiate an immediate call on their mobile to a Call Center who will process their gift. Useful to encourage donors who don't yet trust (or have never heard of) making donations through their phone bill. NGOs can avoid the high mobile carrier fees for processing donations.

PayPal Mobile
Offers service in the United States, Canada and the United Kingdom. Reasonable fees (under 4% of transaction), though a donor must have a PayPal account or complete a multi-step signup process (on their personal computer) to enroll.

SEARCHING FOR RETURN ON INVESTMENT IN MOBILE FUNDRAISING

The cost to raise money from supporters is a critical factor in the adoption of any fundraising technique. While the costs of Internet fundraising have dropped to manageable levels after a decade of adoption, NGOs are understandably leery about taking the plunge with mobile fundraising.

Our interviews with vendors, firms and NGO staff in numerous countries led usually to comments about the high costs that mobile carriers are charging for services as the biggest obstacle to progress.

U.S.-based **Mobile Accord** – one of the vendors in the segment of the mobile industry that serves NGOs – is working with mobile carriers to create standards around mobile fundraising as part of an overall effort to encourage carriers to reduce their revenue share on charitable donations. "Early adopters need to build a business case with the mobile carriers," comments Dan Weaver, COO of Mobile Accord. "More nonprofits with name recognition need to get involved so that the carriers will see the benefit to modifying their billing systems and policies. We'll see lower rates, but it's a question of when."

The United Kingdom has seen the emergence of mobile aggregators ("middleware" companies that resell mobile services) that have found ways to lower the costs of carrier fees to NGOs. The company **Justgiving** successfully lobbied in 2005 to remove government taxes from SMS donations, thus ensuring that more of the donation reaches the recipient charity.[27]

Experiments such as those conducted by Greenpeace India or Jed Alpert at Rights Group to move fundraising from the mobile phone to door-to-door visits and calling centers are examples of attempts to assess different cost models.

Again George Irish: "I don't even talk about return on investment when it comes to mobile fundraising in North America -- there's too much uncertainty to make any useful predictions. What I talk about is acceptable risk and piloting -- i.e. how much of your budget are you willing to risk, and what would constitute a useful pilot to get some lessons learned, work out the processes and deal with obstacles, and what would constitute a successful "test" that could support a larger, follow-on project. It's very much like the early days of online giving where the more convincing arguments for moving ahead were about opening new channels, reaching new audiences, getting learning under our belts and introducing the idea to everyone (staff, campaigners, supporters, donors) as something that will be coming down the tracks. Using that approach a 1:1 ROI (cost recovery) is what I would usually be aiming for."[28]

MOBILE ACCORD

➔ Mobile Accord helps Corporate Marketers, Agencies and Nonprofits develop mobile content, deliver it effectively to its intended audience and establish an end-to-end billing platform. ➔ **www.mobileaccord.com**

27: "Justgiving offers new SMS giving service for free to first 100 charities," by Howard Lake, UK Fundraising, Oct 27, 2005, http://www.fundraising.co.uk/news/5793
28: Email interview with George Irish, January 12, 2007.

JUSTGIVING

➔ Justgiving is the leading charity fundraising website, enabling ordinary people to raise extraordinary amounts of money for the causes they care about.
➔ **www.justgiving.com**

Many NGOs have high hopes that mobile fundraising will take its rightful place alongside direct mail, event, telephone and online fundraising. While disaster relief, corporate partnerships, concert appeals and other pilots have blazed a path in introducing the practice of giving on the mobile handset, the hope of many in the NGO sector is that mobile fundraising can somehow become part of the fundraising mix.

DONATING TO AMNESTY AND UNICEF WITH PAYPAL MOBILE

➔ For readers in the United States, Canada, and United Kingdom, you can text the word "AMNESTY" to short code 78787 or text "WATER" to short code 78787 and you'll be prompted to donate $10 to Amnesty International and UNICEF respectively through PayPal Mobile. Donors without PayPal or PayPal Mobile accounts will be prompted to create one.

LESSONS LEARNED

Here's a summary of what the field has learned to date, and how NGOs can harness this emerging trend:

1 Mobile carriers worldwide need to be pressured to lower their fees to charities.

Lower fees will result in more rapid adoption among NGOs, more money raised for the charities, and more enthusiasm among fundraising firms to recommend the strategy to their NGO clients.

2 NGOs should pilot mobile fundraising among existing donors.

To get started NGOs can survey their members and donors to learn if mobile services and mobile fundraising is of interest to them. NGOs can identify and work with a mobile service vendor who can help them research and budget for mobile fundraising campaigns. Eventually, every NGO will need a short code, just like everyone now needs a website address.

3 NGOs should pilot selling mobile content among existing supporters.

With many NGOs already publishing free timely content via website, email and RSS feeds, mobile content could find a niche among people who want content while on the move.

4 Mobile fundraising is a unique tool for urgent fundraising appeals.

NGOs that do urgent advocacy and fundraising campaigns should research mobile phones as a fundraising option.

LESSONS LEARNED (CONTINUED)

5 Mobile fundraising is a unique tool for fundraising in places where people are away from their computers, such as at music concerts, political rallies, and sporting events.

NGOs that organize and participate in these types of events should experiment with the use of mobile phones as a recruitment and fundraising technique. Organizations should pay specific attention to the signup call to action, and look at way to maximize announcement from the state by musicians and additional signage.

6 Corporate and media partnerships are proving extremely valuable to maximize the success of mobile fundraising campaigns.

NGOs should identify potential partners that have either already begun using mobile tools, or would be willing to fund them.

7 Mobile phone users should try out mobile fundraising when it is presented to them as a giving option either by a carrier or a charity.

It's valuable to gain a personal understanding for how mobile fundraising works and to see a charge on your phone bill. Mobile phone users that are excited about the practice should encourage charities they support to research the practice.

8 Fundraising professionals need to learn about the potential of mobile phones to impact giving.

Fundraising professionals should be exploring the potential now by talking with donors and organizations in an effort to understand this emerging giving trend. Two blogs that are "must-reads" for fundraising professionals are http://www.mobileactive.org and http://www.mopocket.com.