

Sending out an SMS

The potential of mobile phones and text messaging for charities and non-profit organisations

Published by nfpSynergy, CAF, and the Institute of Fundraising

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Section 1: Introduction

This report is the result of nearly a year's work by nfpSynergy, CAF and the Institute of Fundraising.

The aim of the report is simple: to encourage greater use of mobile phones and text messages as a fundraising and communications tool for charities and non-profits. For some time fundraisers have known that the cost of making a donation by text message was putting off the public from giving and fundraisers from using the technique. However the issues surrounding text messaging (or SMS – the two terms are used interchangeably in this report) run deeper than the cost of text donations.

Our fear is that non-profit organisations as a whole are failing to make the most of mobile phones and text messaging as a whole. So while the three organisations behind this report are engaged in discussion with the industry about the cost of text donations (for more details see section 5), we also wanted to provide some inspiration and ideas so that people could make better use of mobiles and SMS.

This report has been created through a mixture of original quantitative research with the public, young people and the charity sector. We have also carried out interviews with organisations and agencies who have experience of text messaging, providing us with case studies that has deepened the level of our insights.

The structure of the report is as follows:

Section 2 outlines the use of mobiles by society as a whole and sets out the host of ways in which mobiles have become indispensable in so many people's lives.

Section 3 outlines how charities are using mobiles at present and the potential charities see for mobile use. In addition, we set out the results of research with the public and with young people on their attitudes to giving by text.

Section 4 synthesises our ideas on the way in which we think that charities and non-profits could be making more of mobile phones and SMS.

Section 5 sets out the barriers, as we see them, to the development of the use of mobile phones and text messages across the sector.

The purpose of the report is to give people ideas about the potential of the mobile phone and SMS for non-profits, as well as giving examples of how other organisations have used the technique. In addition we wanted to set out some background reference information about the mobile and its functionality and role in our lives today.

We hope you enjoy the report.

Section 2: The importance of the mobile phone in our lives today

"The mobile is actually a better way to reach people than print or even the internet. It's versatile, immediate, travels and is just as compelling"

Art Howe, CEO, Verve Wireless, The New York Times

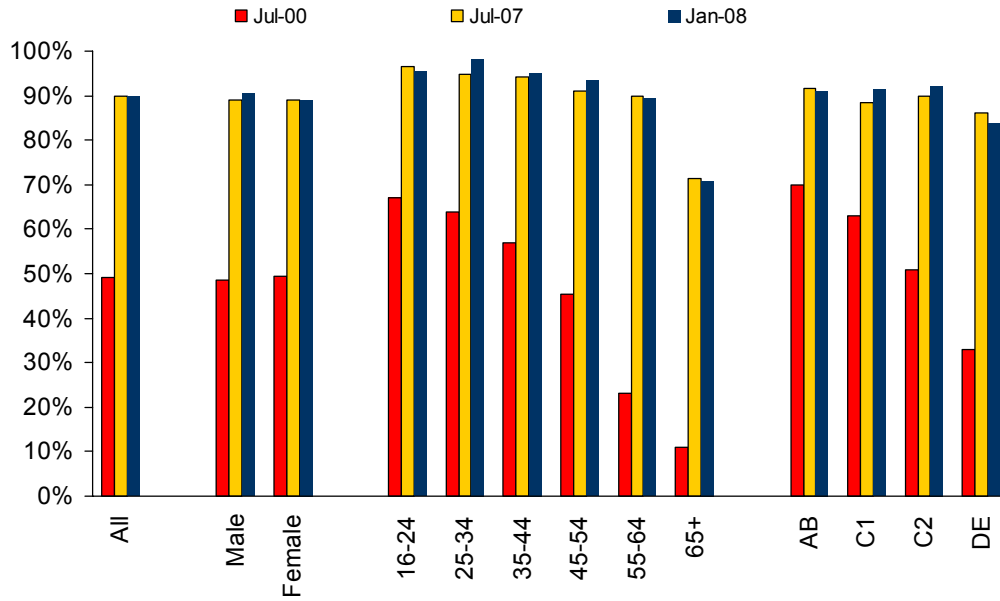
The ubiquity of the mobile phone

The mobile phone has a dominating presence in all of our lives today, with almost 90% of the adult population in Britain owning one. Unusually, mobile phone ownership is very evenly spread across the different group categorisations of age, gender and social grade. People are using their mobile phones all the time, in and outside of work, mainly for calling and texting people. However, other uses for the mobile phone are emerging and becoming more popular all the time. This is particularly apparent with internet use. Therefore the mobile phone has the ability to reach mass audiences in a way that no other technology has had the potential to do before now. Indeed, in many parts of the world mass communication is leaping straight to mobile phones and bypassing both the internet and landlines (see case study 1 on text messaging and development in Pakistan).

When considering mobile phone ownership amongst different age ranges (see chart 1), it is interesting to consider that 90% of people from sixteen to sixty-five year olds own a mobile, while 9 years ago there was a much larger differentiation gap between ages. As one might expect, mobile phone ownership in the early years was higher within younger generations, most dominantly 16-34 year olds. The highest ownership at this point was 70%, with a steady decline for ownership amongst older people, going down to 20% for 55-64 year olds.

Mobile phone ownership is also evenly spread across social grades, serving to emphasise further the ubiquity of the mobile phone, a piece of technology that is needed and wanted amongst a wide range of people. This makes the audience that mobile phones can reach vast, and incomparable to anything else. It is an interesting differentiation from the internet where use does differ according to age and social grade, with AB households significantly more likely than DE households to have an internet connection (83% compared to 50%).

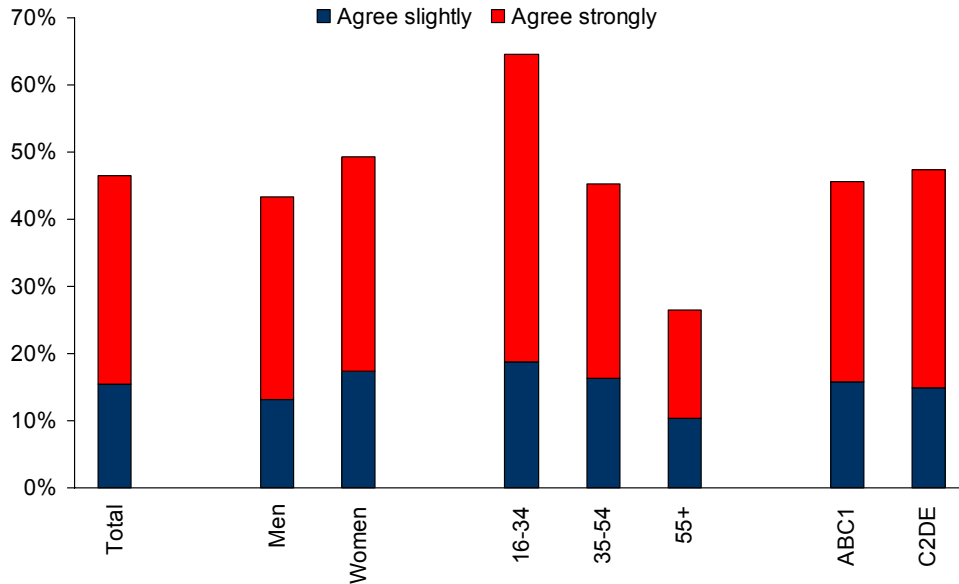
Chart 1: Mobile phone ownership by age gender and social class



Source: nVision Research
 Base: 1,200 respondents aged 15+, GB

The mobile phone has become a necessity in people’s lives. People carry their phone around with them at all times, and they feel lost when they do not have it. As the Future Foundation points out *‘alongside a set of keys and wallet or purse - the mobile phone is one of the three items most people are likely to take out with them’*. The majority of people use their mobile phone for personal use; however, there is also a large proportion of people who use it for both work and personal use. When questioned if they agree with the statement *‘I cannot imagine life without my mobile phone’*, almost 70% of people in the age range of 16 – 34 said that they either agree or strongly agree with this statement (See chart 2). 50% of people in the age range of 35 – 54 said that they agreed or strongly agreed with this statement and 30% of those aged 55 or older agreed.

Chart 2: "I cannot imagine life without my mobile phone" % who slightly / agree strongly, by gender, age and social grade



Source: Future Foundation/Entertainment Futures Consortium
 Base: 1,133 mobile phone users (among 1,249 respondents) aged 16+, UK, 2007

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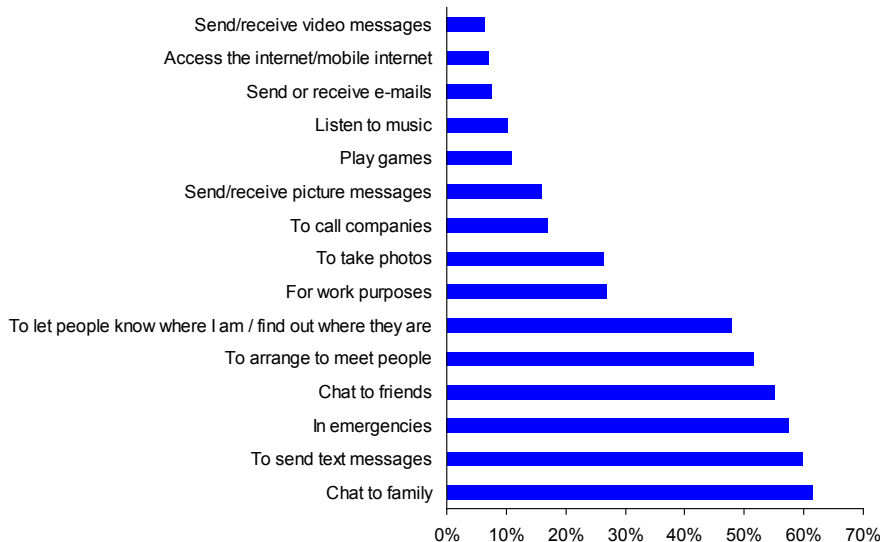
The range of different ways that you can use a mobile

Every year, mobile phones keep evolving, emerging onto the market with sleeker designs and new gadgets that make the device able to do so many different things for us. As a result people are using their mobile phones in all sorts of ways: it can be a diary, an alarm clock, we can use it to set reminders, access the internet, play games, participate in instant messaging, listen to music, take photos, watch videos, use it as a torch, access blue tooth, donate money to charities...the list goes on and on.

Perhaps most importantly the mobile phone allows us to feel contactable and in contact with people at all times, regardless of where we are, what we are doing or what time of day it is through calling and standard text messaging. As you can see from Chart 3, despite all the different gadgets that have emerged on the mobile phone, chatting and texting remain the most popular uses.

Chart 3: Uses of a mobile phone for various purposes

"Which of these apply to the way you ever use your mobile phone...?"



Source: nVision Research
 Base: 1,053 mobile phone owners among 1,200 respondents aged 15+, GB, 2006

The growth of the text message

The text message function on the mobile phone is what experts are advising marketers to watch. It is predicted that there is set to be a continued rise in the number of text messages sent and growth in the way that text messages are used, while the popularity of phone calling remains popular, but constant.

In a report released by Richard K Miller & Associates on the *Consumer Use Of The Internet & Mobile Web 2009*, Nic Covery, Director of Insights Nielsen Mobile discussed recent research on the consistent popularity of phone calling and text messages, 'though the number of calls has remained relatively steady, the number of text messages is up to 450% from two years prior' (2008).

The same report quoted the following US figures: 'More than half a trillion text messages were sent in 2008. According to CITA, the Wireless Association, 75 billion text messages were sent in the US during June 2008 alone, a 160% increase from the 29 billion that were sent in June 2007'.

Case study 1: Stimulusorg helps charities and NGO's reach out to the poor in Pakistan and improve lives

Stimulusorg, a leading social development consulting firm, is currently developing a new communication product to help the development sector in Pakistan communicate their services mandate to the community.

It has brought together a range of stakeholders in the public and private sector in Pakistan, including the government and the major telecommunications providers as part of a strategy to reach people in Pakistan using mobile phone messaging services.

As Faraz Khan, the co-founder explains:

"One aim is to enable charities in the country to target particular segments of the population they want to reach using mobile phone messaging to communicate their mandates, to assess the quality of service is up to the desired level and quantify the impact and response of their respective mandates."

"In a country where many people living on the poverty line own mobile phones but are unable to read or write the messaging service would enable them to give their feedback by listening to the message and then responding by pressing a button on their phone."

"It would enable charities to target segments of the population in their own language and dialect through data provided by telecommunications providers. It would be possible, for example, to target a Pashto-speaking community in a certain part of the country in their own language and dialect in a certain socio-economic category."

Stimulus with a software partner is developing the software, the telecommunication companies the data – between them they reach a base of 90 million users - and the charities are developing the message.

The information contained on the databases of the telecommunications companies would help charities build profiles of users and target those below or close to the poverty line to help reduce poverty.

They could then open up a dialogue with people they want to reach at minimal cost. A call centre would then follow up responses with a phone call.

Faraz says:

"This will overcome a range of problems currently facing the development sector in Pakistan relating to the cost of communicating with people spread over wide areas through conventional mediums, and provide a sustainable method of communicating with people and doing outreach work. It would also provide a 100% quantifiable way to determine who got the message and who responded. It could be used for fundraising, complaint registration and problem solving. It could also be applied to poverty reduction, improving health and sanitation, responding to emergency situations and disasters, empowering women and helping disabled people".

Faraz Khan is the co-founder of Stimulusorg – a leading developing sector consultancy in South Asia and a Pakistani social entrepreneur based in London.

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<http://www.linkedin.com/in/farazprofile>
www.stimulusorg.com

The growth of the mobile internet

Over the last decade, the internet has become a crucial form of everyday communication, work, information retrieval and entertainment for people worldwide. The use of the internet in the UK has risen dramatically. Access to the internet in the UK has increased from 25% in 1998 to 70% in 2007 and is expected to reach 80% in the next five years. With this continuing increase and popularity in internet use, it is no surprise that there is also a growing demand by more and more mobile phone users to access the internet directly from their phones, giving internet use in general a new phase of growth.

As mentioned earlier, there is far less of a social grade difference among the distribution of mobile phones and potentially this offers an opportunity to access the internet for groups of people who are not already using it. Although advanced mobile phone use is still most popular amongst a young audience using them for entertainment functions, this is set to change as mobile phones become increasingly as capable as normal computers.

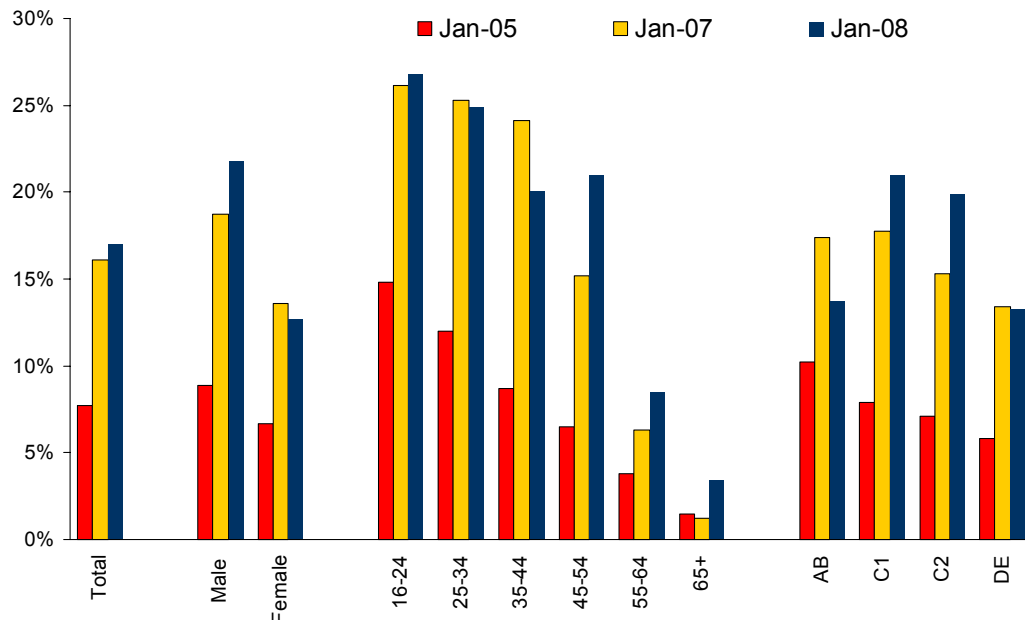
The use of the internet on mobile phones is a function that is evolving fast. Although the mobile internet is still not used by the majority of mobile phone users, it is predicted to take off in the future, as internet speeds and connections continue to improve with technology and the demand for access to the internet increases. Third Generation mobile phones (3G phones) were the first to offer mobile phone users easy internet access because of improved spectral efficiency.

Richard K Miller & Associates report on the *Consumer Use Of The Internet & Mobile Web 2009* explains that '3G networks enable network operators to offer users a wider range of more advanced services at speeds of up to 14.4 megabits per second'. Services include wide-area wireless, voice telephony, video calls and wireless data, all in the mobile environment. Mobile phones utilising the 3G network have been termed 'Smartphones'. Again Richard K Miller & Associates' report quotes that 'According to a September 2008 survey by Azuki Systems, 62% of mobile users either already own a smartphone or plan to own one in the future'.

Chart 4 illustrates the massive uptake of 3G phones over the last 3 years growing from 7.5% in 2005 to 17.5% in 2008. It also shows how the gap is closing between ownership in the different categories of age, gender and social grade. It is, however, still more popular among men and younger people.

Chart 4: 3G mobile phone ownership

% who claim to own one, by gender, age and social grade



Source: nVision Research
Base: 1,200 respondents aged 15+, GB

The mobile phone compliments Web 2.0 perfectly

The concepts behind Web 2.0 fit very well with the concepts behind the mobile phone: both have a focus on interactivity and interconnectivity. Social networking sites, blogs and video-sharing define what Web 2.0 is all about. They all involve using the internet as an interactive social media, encouraging users to participate actively and share content, making it different from conventional online applications.

MySpace and Facebook are two examples of the most highly trafficked Web 2.0 sites on the internet. Both sites are forms of content sharing and participation, where users join networks according to where they live and what they do, adding friends to their online community and updating their own personal profile with information about themselves. Users can upload videos and photographs, tag their friends in them and send friends messages. While the focus initially has been on the larger social networking sites, it is predicted that smaller, niche, user-targeted product sites will increasingly attract traffic also.

There is now a social networking site designed for everyone from Bebo for teenagers to LinkedIn for professionals to aSmallWorld aimed at the rich and exclusive. Other Web 2.0 sites include Amazon and eBay, these are examples of online shopping as a communal experience, giving the customer control of writing reviews and recommendations of users and products. Wikipedia, the online encyclopaedia, with information on almost everything you can think of, is a site that anyone can add

to or edit. YouTube is a video sharing website where anyone can upload, view and share video clips.

The increasing popularity of the Web 2.0 and the idea of participation and content sharing is increasing the desire for users to be able to access Web 2.0 sites at all times, including when people are not at their computer. It seems a very natural shift, therefore, for the Web 2.0 to be used increasingly on the mobile phone, a device that 90% of the population own and have access to all day and every day, wherever they are. An example of a Web 2.0 site that sits very well with the mobile phone is Twitter.

What is Twitter?

Twitter is a social networking site that enables its users to send and receive other user's status updates, which are known as 'tweets'. These are short, text based posts of up to 140 characters in length. Updates are displayed on the user's profile page and delivered to other users who have signed up to receive them. Users can send and receive updates on the twitter website or via text messaging, using their mobile phones. As well as text based updates, there is also a service called Twitpic, which allows users to easily post pictures onto the Twitter site. Twitter is the latest social networking fad to take off, perhaps the main reason being, because it is so accessible, short message updates take no time at all, you can be in touch with people wherever you are and know what everyone else is up to, no matter where they are.

People are using Twitter both professionally and personally. It has been spoken about widely as a social networking site that is helping to 'break the news' in the journalism world. An example of this is the Hudson plane crash in January 2009; a US airways flight experienced multiple bird strikes and had to be ditched in the Hudson River after take-off from LaGuardia Airport in New York City. A person going to help those involved in the crash took a picture of the plane in the river as passengers were still evacuating and tweeted it via tweetpic before the traditional media had arrived at the scene. Similarly the Mumbai attacks in November 2008 were covered by several people on Twitter, continually updating followers with the latest information from the ground. It has been estimated that 80 tweets came through every five seconds during the tragedy.

Twitter has also become widely spoken about because of the popularity that it has incurred amongst celebrities. The recent Barack Obama presidential campaign had a high presence on lots of the social networking sites including Twitter, where he had a following of over 120,000. This was an excellent way of keeping Obama at the forefront of people's thoughts and a way for people to feel directly in touch with the campaign and join in with discussion and debate, personalising contact with supporters in their day to day life.

Case study 2: The National Trust for Scotland and Twitter

Campaign to raise funds for a Robert Burns museum

In January 2009 the National Trust for Scotland became the first UK charity to use Twitter as part of its campaign to raise funds for a new museum for the poet Robert Burns.

The main appeal of Twitter was the low cost of setting the campaign up. The Trust also liked the fact that donations resulting from the campaign would go directly to them.

The campaign surpassed the National Trust's expectations both in terms of the funds it raised and the awareness it generated across the globe.

Describing the impact the campaign made, Scottish Digital PR expert Craig McGill said:

"We had thousands of people contact us as a result of the campaign across a much wider demographic than we anticipated. We envisaged the campaign would skew largely towards people under 24 but got a lot of feedback from people much older than this, especially in the States".

Twitter proved the ideal campaigning tool for the charity for a number of reasons. It helped them reach a young audience; it used technology accessible to anyone with a phone or computer; it was popular with people not keen on texting or email, and it was easy for supporters to set up a Twitter account.

It also provided the additional benefit of enabling the National Trust to monitor anyone doing an online search for Burns and tell them about the campaign.

The National Trust also raised more funds from the campaign than it expected. It surmises this could have been due to the fact that people in the UK feel more comfortable donating via PayPal than by text.

The Trust found another big advantage of using Twitter was the small set-up and running costs.

As Craig McGill explains:

"It takes a few keyboard strokes to set up an account and merely involves paying the cost of WiFi access. From then on it's a case of managing the account and spotting opportunities to fundraise and raise awareness and generating content accordingly."

<http://www.nts.org.uk/>
<http://twitter.com/ayrshirebard>

The scope of possibility for mobile phone functions goes on and on!

With the growing interest in mobile phone access to the internet, the scope of possibilities for mobile phone functions keeps getting larger and new inventions keep hitting the market. Examples include:

- **Watching television on mobile phones**
Watching television from mobile phone handsets through a service provider is becoming an increasingly popular function. South Korea and Japan were the first countries to use this service, but it is now a concept that is being introduced to Europe and America. The BBC, for example, has unveiled a new service that allows people to watch live TV from their mobile phones, accessing channels such as BBC One, BBC Four, CBeebies and BBC News over a Wi-Fi connection.
- **Mobile games**
Games on mobile phones have always been a popular feature, with connections to the internet and mobile phone technology improving all the time, more up to speed and high tech games are becoming more accessible and popular. Richard K Miller & Associates' report quotes *'31 million mobile customers downloaded and paid for a mobile game in 2008, according to eMarketer, spending \$550 million for mobile games'*.
- **Mobile friendly reading materials from the internet**
Websites are using applications and services to make their sites accessible and easily readable on the mobile phone. Newspaper content such as weather, news, politics, city guides, sports and entertainment are becoming increasingly popular reading material on mobile phones. Richard K Miller & Associates' report quotes *'After portal sites and email services, newspaper content – weather, news, politics, city guides, sports, and entertainment is most popular among mobile users, Verve Wireless provides mobile versions of 4,000 newspapers from 140 publishers'*.
- **Mobile banking**
This is a service used for performing bank balance checks, bank account transactions and bank payments using the mobile internet. With the introduction of online banking in the 1990s and the popularity behind this, mobile phone banking has become increasingly popular, as it is so convenient for people and they trust it. Richard K Miller & Associates' report quotes, *'According to the Online Banking Report, an April 2008 report by comScore, one quarter of those who use online banking are also interested in mobile banking'*.
- **Marketing and advertising opportunities on the mobile phone**
The continuing increase in mobile phone ownership and the flourish of different things you can use a mobile phone for has been recognised by marketing and communication teams in most industries today. Mobile phone marketing is an industry in itself, with agencies dedicated to it, providing a whole array of ideas and uses for mobile

phone advertising and commercial use. Here are some examples of the different services available:

- **Bluetooth**

As an organisation, you can invest in a Bluetooth server that identifies Bluetooth IDs on mobile phones passing by your location or specified hot-spots. There are lots of different kinds of content that can be picked up by Bluetooth users, when they are identified by servers. These include text messages, images, audio messages and video messages. For example, if you owned a shop you could use an audio message to speak to Bluetooth users passing by to encourage them to come in, by perhaps offering them a discount.

- **Mobile Commerce**

This allows people to pay for products and services using their mobile phone, whereby the cost of their purchases are added onto their phone bill. This is a service that is already in use in Japan and parts of Europe, Richard K Miller & Associates' report quotes 'it can involve tapping or waving a cellphone against a kiosk to make a purchase'.

*"As more mobile commerce services become available and consumers develop a greater trust for phone-based transactions, we expect commerce to be an increasingly important part of the mobile experience next year and beyond",
Nic Covey, Director of Insights, Nielsen Mobile 2008*

- **Mobile Coupons**

The Mobile Marketing Association produced a report entitled 'Introduction to Mobile Coupons', in which they explain what mobile coupons are and how they can be used:

'A mobile coupon is an electronic ticket solicited and or delivered by mobile phone that can be exchanged for a financial discount or rebate when purchasing a product or service. Customarily, coupons are issued by manufacturers of consumer packaged goods or by retailers, to be used in retail stores as a part of sales promotions. They can also be used to attract customers to entertainment attractions and services. They are often distributed through SMS, MMS, Bluetooth and other mobile means. The customer redeems the coupon at store or online. In some cases the retailer could forward it to a clearinghouse, or directly to the issuer for reimbursement'.

- **Location based services**

This is a service offered by mobile phone networks as a way of marketing to certain groups of phone users, based on their current location. The mobile phone service provider gets the location from a GPS chip built into the phone, or using radiolocation and trilateration based on the signal-strength of the closest cell phone towers.

- **Text message voting**

This is a service which is used massively within reality TV such as 'Big Brother' and 'X Factor'. TV programmers are using mobile phones as a way of engaging with their audiences, turning reality TV into an interactive event. Viewers can use their phone to vote for their favourite singer on X Factor or their least favourite contestant on Big Brother.

How is mobile advertising being received? Some facts and figures

Nielsen Mobile reported that 58 million US mobile subscribers, or 23% of all subscribers, viewed an ad on their mobile phone in February 2008 alone; 28 million responded at least once to a mobile ad'.

The Mobile Advertising Report, by GfK NOP Research reported that the following percentages of mobile phone users saw an ad on their mobile phone in 2007:

- SMS 17%
- MMS 9%
- WAP 8%
- Mobile TV or video 5%
- Mobile radio 3%

According to a November 2007 survey by the Mobile Marketing Association about 25% of US mobile users have opted in for some type of mobile marketing. Among this group, the types of marketing programs have been as follows:

- Participated interactively in sweepstakes or voting campaigns: 45%
- Received status alerts about account or products purchased: 33%
- Received advertisements for products or services: 24%
- Received information about new products or services: 23%
- Downloaded ringtones, wallpaper, or games based on new book, recording artists etc 21%
- Received alerts for special sales or discounts on products or services 16%
- Obtained mobile coupons that could be redeemed at stores or restaurants 10%

According to a survey by Harris Interactive conducted in June 2008, 56% of teen and 37% of adult cell phone users would be willing to accept incentive-based advertisements. Among these groups preferences are as follows:

• Financial incentives, cash	70% (teens)	80% (adults)
• Free minutes	53%	49%
• Entertainment downloads	61%	31%
• Music downloads	57%	24%
• Discount coupons	44%	37%

All information is taken from Richard K Miller & Associates' report 'Consumer Use of the Internet & Mobile Web 2009'

Section 3: The mobile phone, public attitudes and the charity sector

Introduction

The last decade has seen a massive increase in the use of mobile phones. Personally, professionally and commercially, the mobile phone has become the dominant communication device in our lives today. Has the charity sector embraced the mobile phone in the same way that everybody else has? Has the mobile phone become central to the lives of charity sector communicators, marketers and fundraisers? The answer is no, not yet.

However, the potential for mobile phone use has been recognised within the sector and the forecast is set for change as charities become more aware and informed of the services that are available and useful to them.

This chapter will consider mobile phone trends amongst charities, regarding their use of the mobile phone for communicating and fundraising, as well as their outlook on the concept of using mobile phones. This information is based on responses received to an online survey that nfpSynergy carried out in Autumn 2008, titled 'How are charities using text messages and mobile phones?'. A selection of UK charities responded to this, a representation of those in the sector who are particularly interested in the use of the mobile phone within the charity world.

Using information collected from nfpSynergy's Charity Awareness Monitor (CAM) and Youth Engagement Monitor (YEM), the public's perception of using mobile phones for charity work will also be considered, with an added focus on the attitudes of the younger generation of 11-25 year olds, the most familiar generation with mobile phones amongst us all.

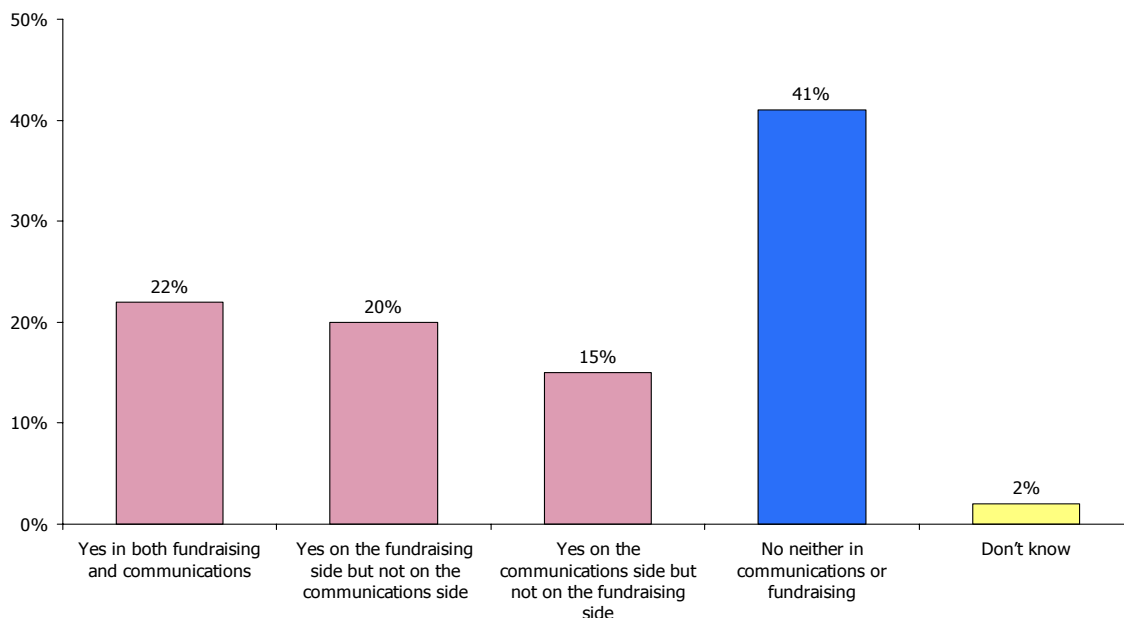
A large proportion of charities are not using mobile phones in their communications and fundraising work

The charity sector has not yet been convinced by the mobile phone services available for fundraising and communications work. Out of the group of charities who took part in this survey - and it is worth emphasising here that those who responded are probably among the most interested in the concept of mobile phone use within the charity sector - only 22% of the respondents are using mobile phones in both fundraising and communications, 20% are using it just in their fundraising work and only 15% are using it solely in communications.

This leaves a large proportion (41%) of charities, not using mobile phones in their communications or fundraising work in any way at all. This is a large number of charities to be dismissing the concept of the mobile phone. So while mobile phone use is a technique that has infiltrated the charity sector to an extent, there is still massive opportunity for it to grow and expand in use.

Chart 5: Use of mobile phones by charities in communications and fundraising

Are you using or have you used mobile phone or text messaging in the following areas of your communications/fundraising work?



Base: 54

Source: Charity sector usage of mobile phones, December 08, nfpSynergy

The majority of the charity sector recognises the potential of using mobile phones but haven't yet taken the plunge

There is optimism within the charity sector regarding the possibilities for communications and fundraising that the mobile phone provides. 78% of the survey respondents informed us that they collect mobile phone numbers from their contacts to store in their database.

Chart 5 illustrates the perceptions of those currently not using mobile phones in their communications or fundraising work. When asked if they are looking into the potential of doing so, 48% answered that they were looking at the potential of mobile phone use in both communications and fundraising, 15% are enthusiastic about using it solely in fundraising and 8% just in communications. Combining these answers together allows us to see that in total, 71% of the respondents recognise the potential of using the mobile phone within their charity work in one way or another. Amongst those who are using mobiles and those who are considering it for the future, both parties hold more optimism about the idea of using mobile phones for fundraising than for communications.

Case Study 3: The London Symphony Orchestra and text messaging strategies to increase revenue and access young audiences

The London Symphony Orchestra (LSO) is one of the world's leading orchestras. As well as this it has a ground-breaking education and community programme and its own record company.

The orchestra has an innovative approach to how it uses technology to reach new audiences. It was, for example, one of the first orchestras to have its own website and the first in the UK to allow concert-goers to buy tickets online.

As early as 2003 it had considerable success promoting its productions using downloadable mobile ringtones.

It is now keen to develop its use of mobile phones to increase revenue and reach new audiences.

It has introduced a student ticketing service which allows students to purchase tickets to LSO concerts for just £5 via a text message which it has found to be a very effective way to reach young audiences.

It has also launched a text alert system to tell people when tickets to sell-out concerts become available.

As a result Jo Johnson, the LSO's Online Marketing Manager says:

"We are seeing returned tickets getting snapped up in less than three minutes, so it works really well".

Looking to how it will engage new audiences in the future it plans to promote its work overseas using video footage that people can view on their mobiles, something it sees as a growing trend.

<http://lso.co.uk/ambassadors>

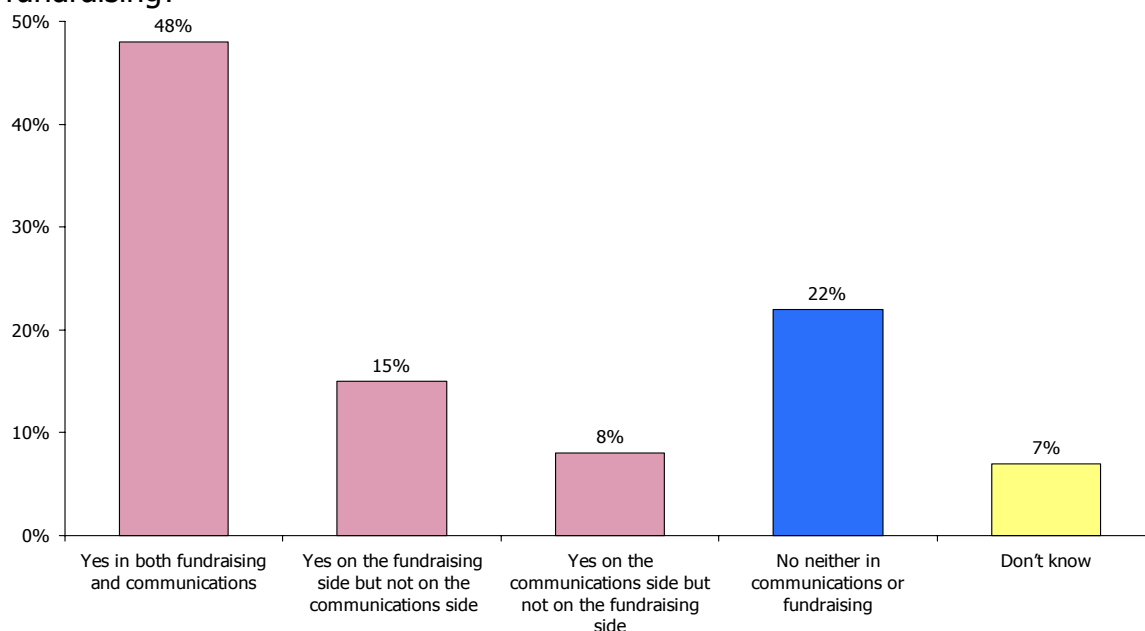
What is it about the mobile phone that appeals to charities?

The most popular function of mobile phones that charities are putting to use is calling and speaking to their contacts directly about their work. 35% of charities are using this method of marketing with great or moderate success. This function reflects an old fashioned approach to communications, which is familiar, safe and does not involve any complicated technology. Other popular uses include using mobiles as a response mechanism for an integrated campaign (22% have used this method with great or moderate success) and sending supporters a text message about key events as a form of notification, for example to remind supporters of a fundraising event happening that evening (16% of charities claiming great or moderate success with this method).

One of the most notable aspects of Chart 6 is that almost 78% of the respondents have not used the mobile phone to try and engage with a younger generation of donors. Research shows that this is the age group who are most active on mobile phones and most familiar with the advanced technology. The charity sector are missing out on a big audience by not systematically approaching them through this medium. Chart 7 also highlights the negative approach that charities have towards text message donations. 70% of charities have not tried using text message donations in their fundraising work. 20% have tried, but with little success, 10% tried with moderate success and sadly, no one who has given it a go did so with great success.

Chart 6: Potential of mobile phones for communications and fundraising

Are you looking at the potential of mobile phones for communications and fundraising?



Base: 40

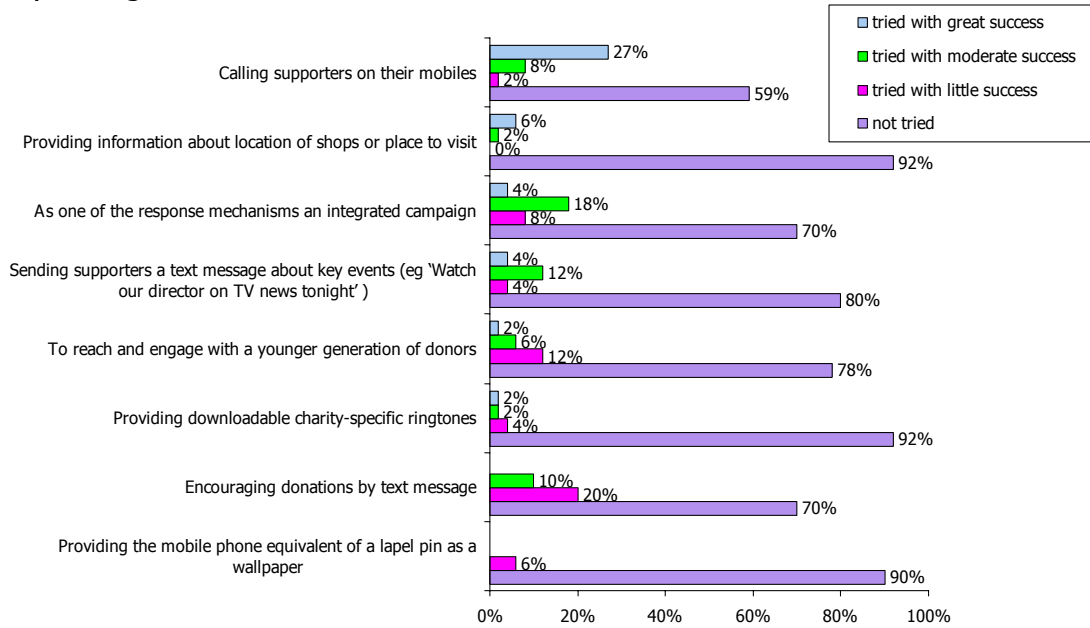
Source: Charity sector usage of mobile phones, December 08, nfpSynergy

Charities not using the mobile phone in their work recognise its huge potential, what is holding them back from taking action?

Those in the charity sector not yet using the mobile phone hold high interest in mobile phone specific concepts. Chart 8 illustrates this enthusiasm, 90% of charities see a big or moderate potential in targeting young people through mobile phones. 87% see a big or moderate potential for alerting supporters about key messages. 82% see big or moderate potential in using the mobile phone as a response mechanism for an integrated campaign and 70% see a big or moderate potential in using text messages for donations. With this amount of interest, what is preventing people from moving forward and using these techniques?

Chart 7: Take up of text message/mobile phone uses

Have you tried using the following aspects of text messaging/mobile telephony for your organisation?

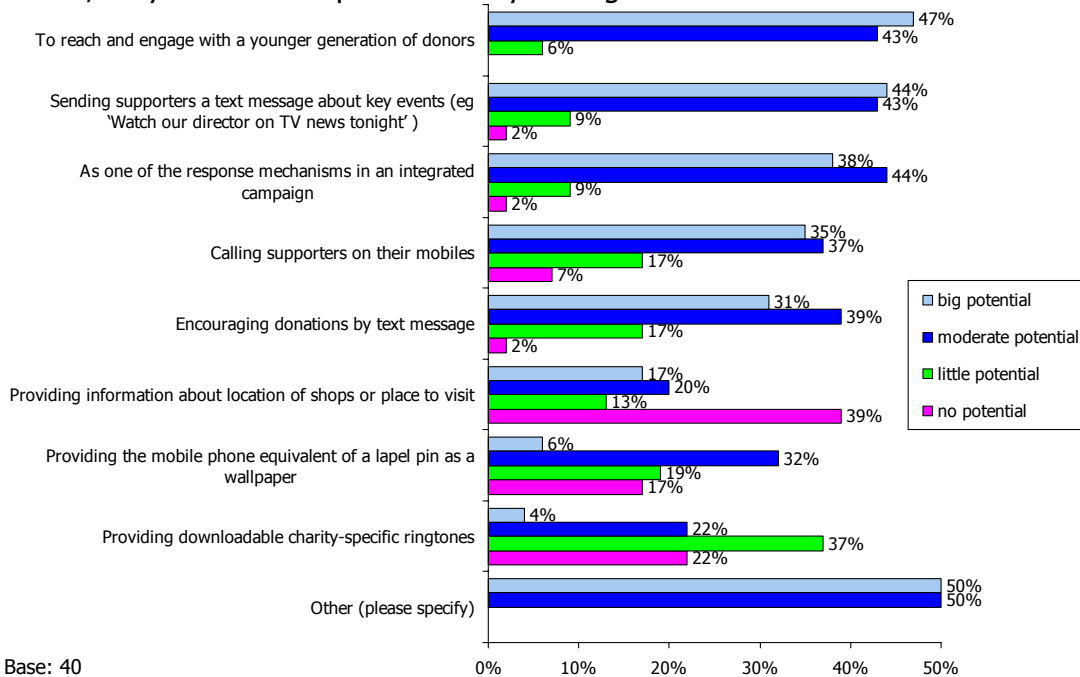


Base: 40

Source: Charity sector usage of mobile phones, December 08, nfpSynergy

Chart 8 Potential of text message/mobile phone uses

Which aspects of text messaging/mobile telephony, which you have not to date used, do you think has potential for your organisation?



Base: 40

Source: Charity sector usage of mobile phones, December 08, nfpSynergy

Text message donations – a benefit for charities?

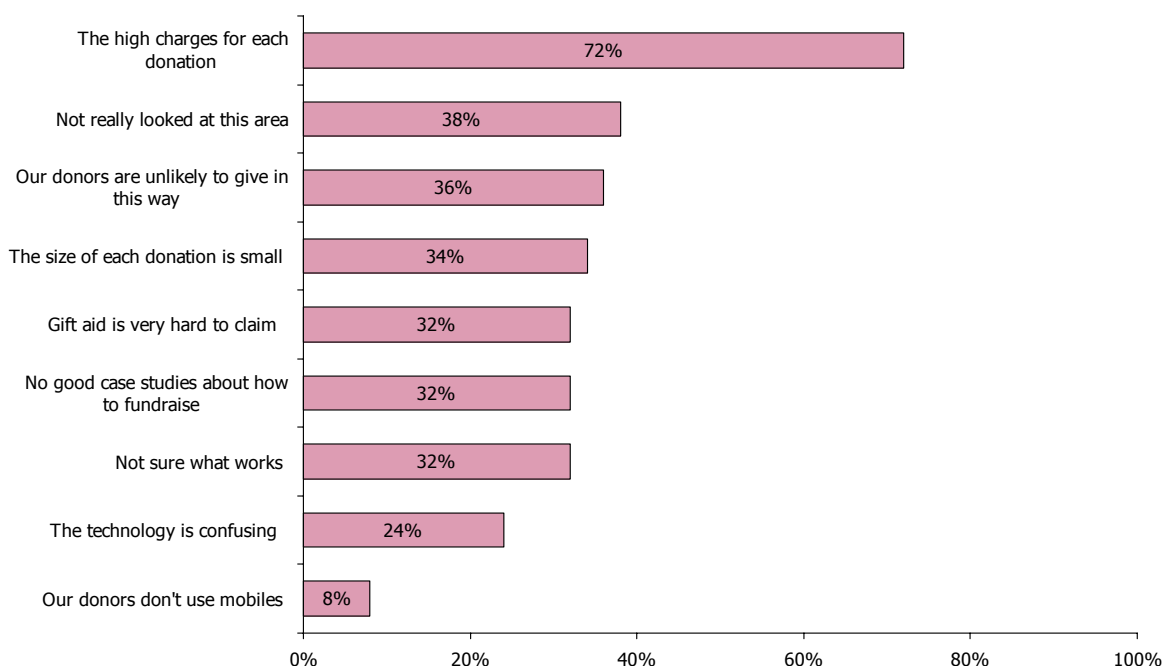
Donating money to charities via text message is easy, quick and efficient. A method of giving that literally takes seconds and avoids wasting time filling in forms with card details on paper, online or over the phone. Surely this is exactly what fundraising departments in charities would encourage? Research indicates this is not the case, however, so what is holding the sector back?

The main reasons are linked to a lack of knowledge in the sector about how to use this service. Chart 9 shows how 38% of charities have not really looked into this area, suggesting that a large proportion of the sector are choosing to remain ignorant about this form of fundraising, with an attitude that there is no point in finding out about it. Charities have expressed a lack of knowledge on text message donating, this could be due to a lack of literature and case-studies with information and instructions on how best to use the service, because it is still a relatively new concept within the sector. Hopefully this report will change this set-back and allow charities to feel more informed.

Text message fundraising is seen as a great leap from more traditional and tested fundraising methods. Charities are not prepared to take the risk with 24% of charities stating that the text message donation technology is confusing and off-putting. 32% are put off by the fact that gift-aid is very difficult to claim back. 70% of charities who have used text message donations with any success have not attempted to get their gift-aid back, while only 6% have had any success with getting it back at all. The biggest barrier of all, however, is the huge tariffs that mobile phone operators are charging on text message donations, Chart 9 shows that this puts 72% of charities off using this service at all.

Chart 9: Barriers to fundraising by mobile phone

Which of the following do you think are barriers for raising money by text message?



Base: 50

Source: Charity sector usage of mobile phones, December 08, nfpSynergy

The high tariffs charged by mobile phone operators for text message donations is the biggest barrier for charities wanting to use this method of fundraising

At present, an average of 50-60p is taken by mobile phone operators in charges and VAT from a £1.50 text message donation to charities. Not only is this a massive loss to the charity receiving the donation, but it is also putting off donors from giving money in the first place. If mobile phone operator charges for text message donations were at a low enough level, 85% of charities, currently not using mobile phones in their work claim that it is either 'quite likely' or 'very likely' that they would start using the function to fundraise.

The concept of mobile phone operators charging at this level is deemed more understandable for uses outside of the charity sector, but this large tariff deducted from donations going to charitable causes is viewed to be particularly wrong. 50% of charities believe that the mobile phone operators should waive the fee for charities. Chart 10 demonstrates the views of the charity sector, the public and the younger generation of 16-25 year olds on this topic. Only 4% of charities believe it is acceptable to take more than 50p from a £1 donation. 40% of charities think that 10p is the most acceptable tariff taken from a £1 donation and 29% of charities believe the tariff should be lowered down to 5p. 72% of the public and 55% of the younger generation think that the tariff should be lowered to 5p.

Case Study 4: Save the Children's successful Gaza campaign was all about keeping the message simple

The familiar sight on the news earlier this year of the plight of Gazans undergoing serial bombardment left many people in the UK desperate to help but not certain how.

Save the Children launched a campaign that successfully seized upon this opportunity to mobilise mass protest to the bombing of Gaza. It used a text-messaging-based campaign to get people to sign a petition asking the government to bring about a ceasefire.

The campaign succeeded in getting more than 250,000 signatures in a matter of days.

SCUK booked adverts in all the main newspapers on a weekday and over a weekend which said "if you think the war is wrong text us and we'll take your petition entry to Downing Street. Just text the word ceasefire to this number". As Jonathan Bass, spokesperson of SCUK says "The key to the success of this campaign was the simple message: 'if you back this idea text us and tell us'".

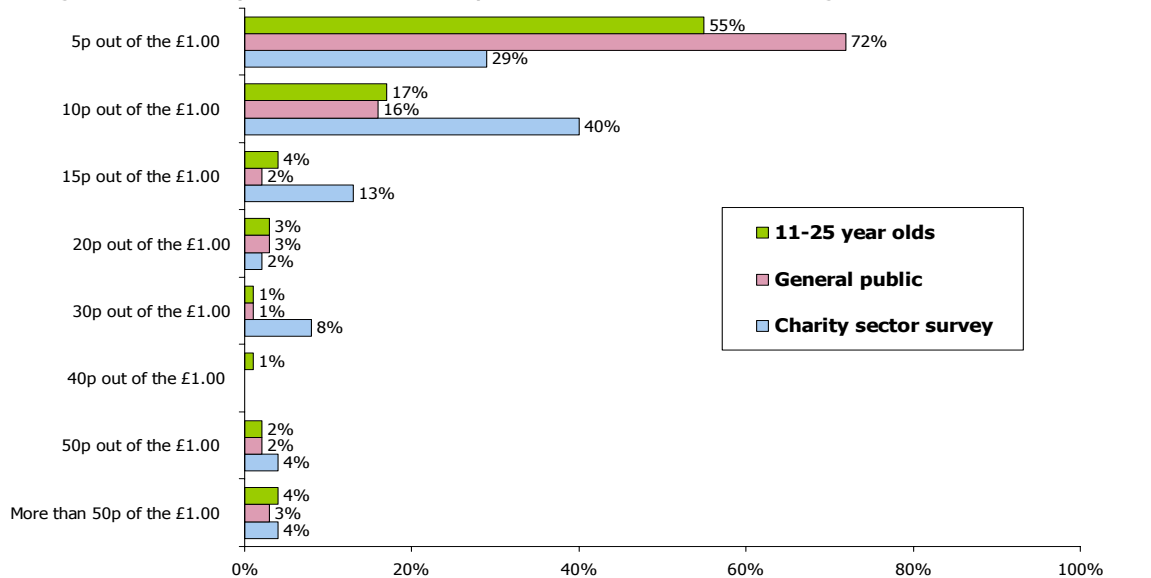
SCUK then capitalised on the success of the campaign very effectively by texting everyone who had responded to thank them for taking action. It also informed them that their signature had been taken to Downing Street and asked them to watch the news that evening. SCUK then dispatched photographers to Gaza and got them to send pictures of the devastation to supporters' mobile phones.

The charity backed these pictures up with text messages telling them about events in the Gaza and inviting them to make a donation. The technology used involved multimedia messaging and multimedia picture messaging to send a slide show of images taken by the photographers.

The technology resulted in a successful campaign run to a very tight schedule, a time frame that would have been too much of an obstacle for most other media.

Chart 10: Acceptable size of charge for text

donations Thinking about text message donations, if the size of the donation you were asking members of the public to give was £1.00, what would be the largest amount you consider acceptable to be taken in charges?



Base: All mobile phone owners (964) among 1,000 adults 16+, Britain. Source: Charity Awareness Monitor, Sep 08, nfpSynergy

Base: 48 Source: December 08, nfpSynergy

Base: All respondents – 955 11-25 year-olds, Nov 08

Are charities correct in thinking that there is a potential for the use of mobile phones amongst the public?

Nearly a fifth of the public are willing to use their mobile phones for correspondence with charities. As shown on Chart 11, 18% of the public claim it is 'likely' or 'quite likely' that they would make a donation to their favourite charity via their mobile phone, while you can see on Chart 8 that 16% of the public are interested in receiving charity information or updates via their mobile phone.

The demographic segmentation for those likely to donate via mobile phone and for those with an interest in receiving charity updates or charity information on their mobile phone mirror the demographics for mobile phone ownership and use in general, highlighting that mobile phone use is most popular among a younger audience. As shown on Chart 11, 25 – 34 year olds are the most likely to donate money to charity via mobile phone with 38% claiming it is 'likely' or 'quite likely' that they will do so, overtaking the younger age bracket of 16 – 24 year olds, who are still relatively likely to donate, with 31% claiming the same.

Case Study 5: Health Sector charity finds mobile phone banners and downloadable wallpaper a big success in driving traffic to its website

This organisation is one of the UK's leading health sector charities.

In 2008 the charity launched its first mobile phone website as part of a health awareness-raising campaign. The aims were to bring people to its mobile website to get health information and bring in revenue by donating whilst there.

It used mobile phone banners, displayed across the top of people's mobile phone screens. One driver to the website was free downloadable wallpaper for mobile phones. There was also relevant health information and contact numbers. Although the campaign failed to bring in the millions, the charity found the banners and wallpaper a successful way of driving traffic to its website.

"The banners worked really well, probably because they are new and people cannot miss them and we got loads of people going to the site and downloading wallpapers",

a spokesperson said.

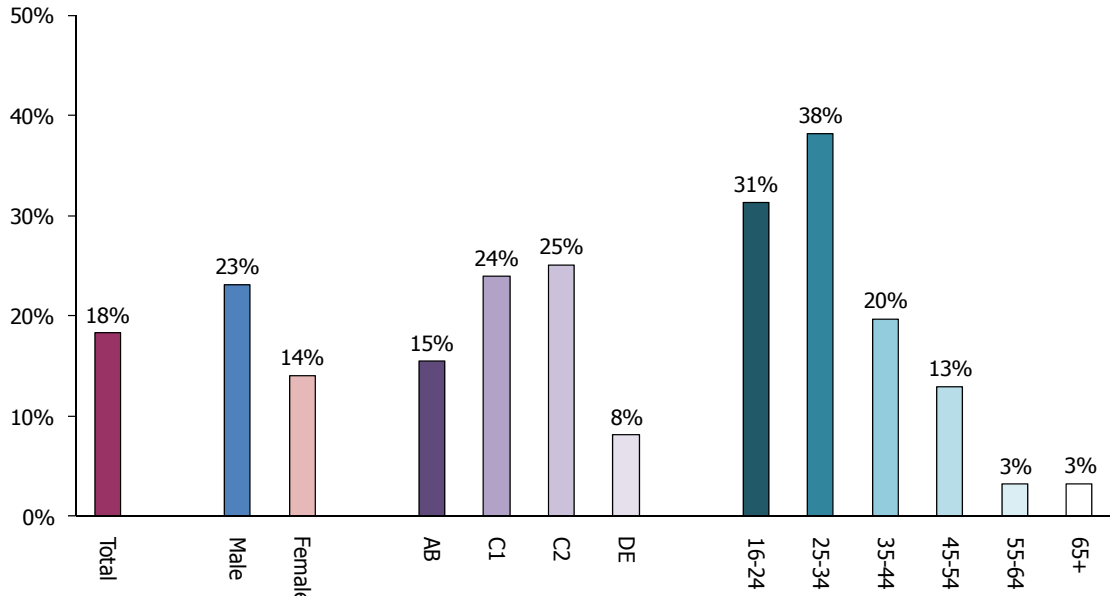
The charity is keen to use this technology again but now that it has some experience would go about it in a different way. Their advice to other charities thinking of using mobile phone banners is to purchase a 'cost per click' package from a mobile phone provider. This way the costs involved only relate to the number of people who click on the advert.

This limits the risk and is a better deal than a package which charges whether or not people click on the advert.

This point is further emphasised in Chart 12, which illustrates that 16-24 year olds and 25-34 years old are more likely to be interested in receiving free information and updates by text message, provided they had given their permission to the charity.

Similar to the charity sectors' outlook on mobile phones, it is taking a while for the older audiences to get on board and show enthusiasm for receiving charity information by text message or actively make donations through their mobile phone. Perhaps the older groups of the public are put off by the technology and view it as complicated and unfamiliar in the same way that the charity sector does. Furthermore, perhaps the public picks up on the attitudes and outlook of the charity sector itself and sees that mobile phone techniques are not being viewed with enthusiasm.

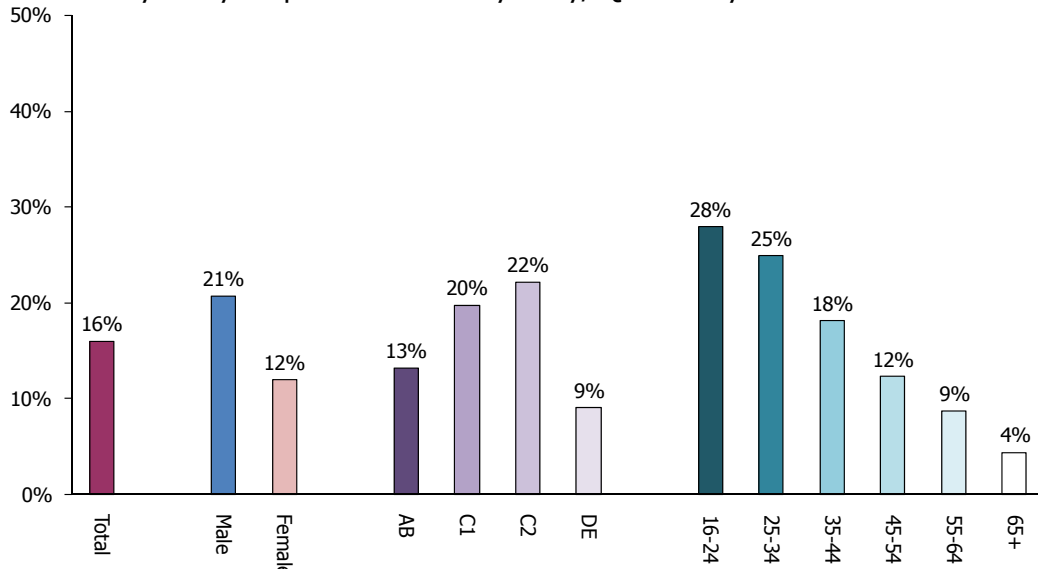
Chart 11: Demographics of those likely to give by mobile phone If you were asked to make a donation to a charity via your mobile phone, how likely might you be to give this way (providing you were interested in the charity)?” Very likely/ Quite likely



Base: All mobile phone owners (964) among 1,000 adults 16+, Britain.
 Source: Charity Awareness Monitor, Sep 08, nfpSynergy

Chart 12: Demographics of those interested in receiving information or updates by mobile phone

“Would you be likely to receive free information/updates from a charity by text provided they had your permission?” Very likely/ Quite likely



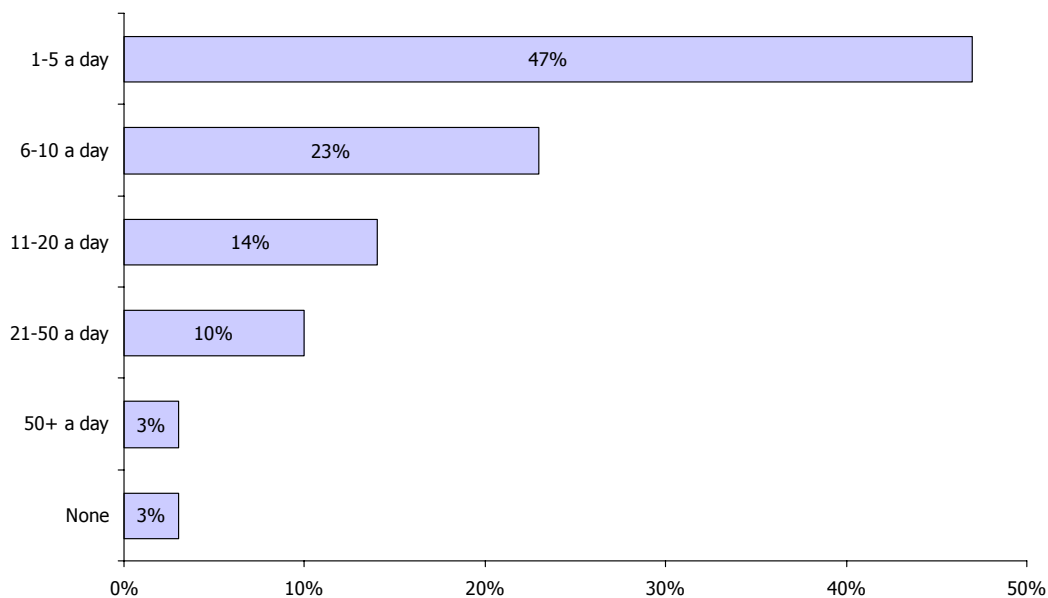
Base: All mobile phone owners (964) among 1,000 adults 16+, Britain.
 Source: Charity Awareness Monitor, Sep 08, nfpSynergy

16-25 year olds: a generation fully engaged with the mobile phone

The youngest generation considered in this research is 16-25 year olds. As we have already seen in some of the conclusions drawn so far, this is a generation that is extremely mobile active. However, it is a generation that has not been considered enough by the charity sector as an audience to target through mobile phone campaigning. Research from nfpSynergy’s Youth Engagement Monitor highlights important facts to emphasise how active this generation are in the use of mobile phones. 95% of 16-25 year olds own a mobile phone and 98% of 16-25 year olds send or receive text messages using their mobile phone.

Chart 13 shows the extent to which text messages are used by this generation, 47% send 1-5 text messages a day, 23% send 6-10 text messages a day, 14% send 11-20 text messages a day, 10% send 21-50 a day and 3% send more than 50 text messages a day. Unlike any other generation, 16-25 year olds are familiar with the mobile phone, the device plays a central part in their daily life and communication. This is a generation that is not put off by technology, in fact they embrace it.

Chart 13: Number of text messages sent by young people How many text messages would you estimate you send on a daily basis?



Base: All respondents – 940, 11-25 year-olds, Nov 08
 Source: Youth Engagement Monitor (YEM), November 2008, nfpSynergy

Charities are missing out on gaining supporters by not targeting younger audiences through the mobile phone

Similar to all the other research findings, the potential is there for charities to find supporters and donors through the younger generations by using mobile phone concepts. However, it seems that this generation has not yet been actively targeted

by charities. Opportunities to sign up to charity updates or donate money via text message seem not to have been advertised to them. As you can see from Chart 14, only 1% of 16-25 year olds claimed to have made a donation to charity using their mobile phone. Activities such as voting in TV shows and entering competitions however, seem popular and are functions that this generation are using, most probably because they are directly targeted and advertised to.

Case Study 6: Plan UK – how it engages supporters and develops their relationship with its work through mobile

Plan International is one of the largest child-centred community development organisations in the world, helping children and their families in 49 of the poorest countries to break the cycle of poverty.

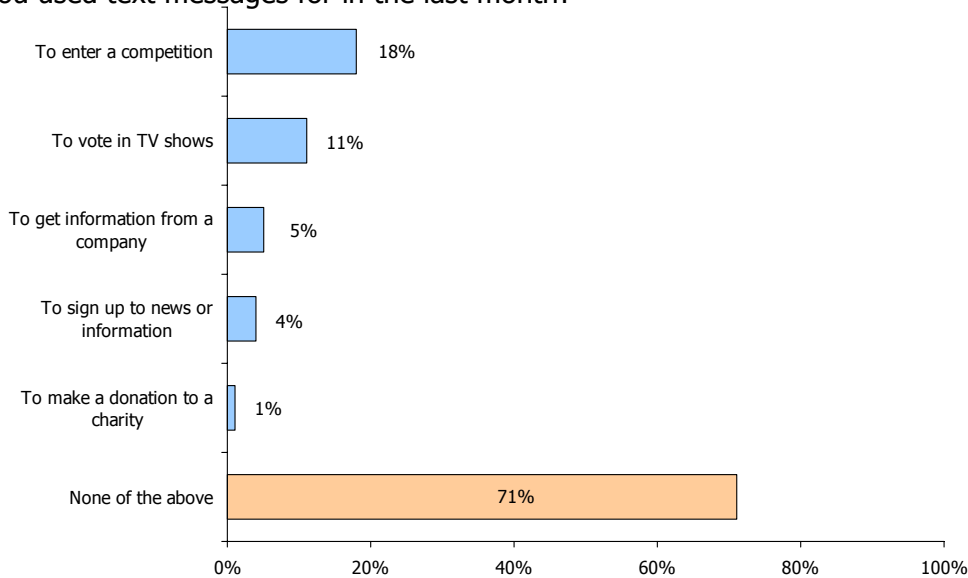
In many of the rural communities where Plan works there is often limited internet access, low computer ownership and lack of internet cafes. Mobile penetration is however high in comparison and over the years Plan has been able to adapt the use of mobile technology to keep communities updated, distribute urgent messages in times of emergencies and disasters and distribute important health messages. “Because of the geographic distribution of people even within the same country, Plan has harnessed the local use of mobile to alert members of staff and communities leaders in the most remote and unreachable parts within minutes, contributing to improving their lives”, says Katharine Dorset, New Media Manager at Plan UK.

Of course the situation in the UK is different – most households now have internet connection/broadband and Plan UK’s use of mobile in this country reflects the personal preference of supporters and the general feeling that mobile communication is often perceived to be more personal and invasive.

“We follow strict guidelines when it comes to communicating via SMS with our supporters in the UK. Of course we encourage its use throughout all of our advertising, yet we only engage in it once supporters have expressly chosen mobile as their preferred method of communication, have signed up to emergencies alerts, have taken part in action-driven advocacy campaigns or simply requested information packs”, adds Katharine.

“We’ve had positive response and feedback from our supporters on our use of mobile (communication) – and I believe our next challenge is making mobile engagement the link between the countries and communities where we work with UK and global supporters, adapting mobile as a tool to enable global change”, says Katharine.

Chart 14: Uses of mobile phone other than contact with friends and family 'Other than to contact friends and family, what else have you used text messages for in the last month?'

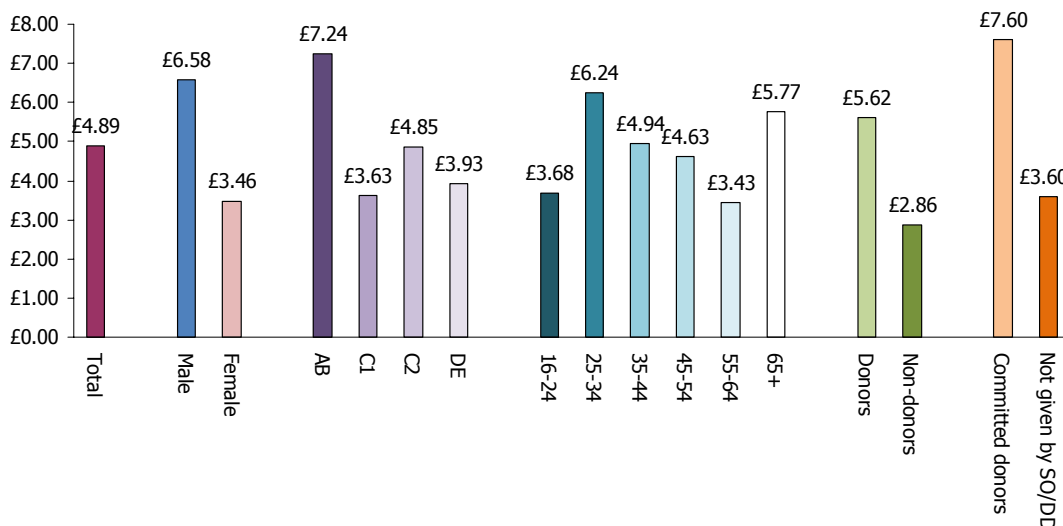


Base: All respondents – 940, 11-25 year-olds, Nov 08
 Source: Youth Engagement Monitor (YEM), November 2008, nfpSynergy

1

Chart 15: Average maximum donation by demographic group 'How much would you be prepared to donate to charity in one single text?'

Mean amount



Base: All mobile phone owners (964) among 1,000 adults 16+, Britain.
 Source: Charity Awareness Monitor, Sep 08, nfpSynergy

How much money are the public prepared to donate via a text message? Small donations should not be viewed as negative.

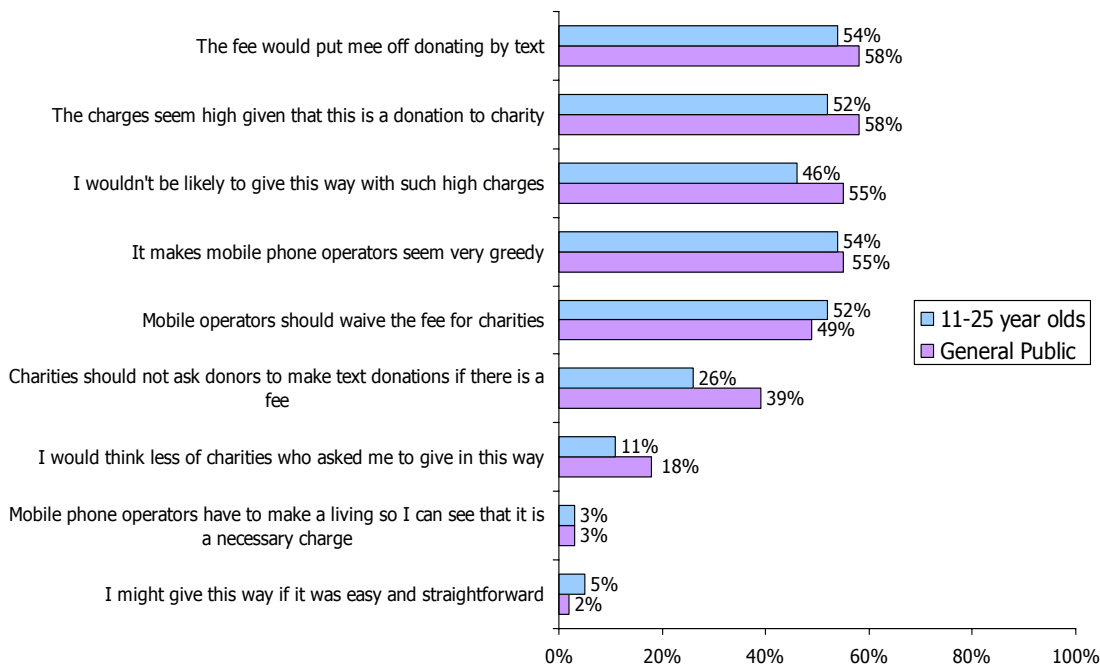
It is likely that text message donations will always be small amounts of money. The research with the public shows that the likely donation size varies between £1-£8 (see chart 15). On average, the public are prepared to give £4.89 per text message donation. Due to these small donation amounts, it could be viewed that text message donating opens up donating opportunities to groups of people who do not usually give money to charity, for fear that it is not within their financial realms. People who feel unable to commit to monthly direct debits or large one off donations might see text message donating as a more accessible option. Again, it is a form of giving that younger generations of people are more likely to be drawn to.

Attitude towards the mobile phone operator tariffs

Despite the positives behind using text message donations for charities, there is still a huge barrier which is off-putting for all parties involved: the mobile phone operator tariff charged for every text message donation. The small amount of money donated by text message quickly becomes even smaller once the tariff charge is deducted. In the same way that this is off-putting for charities, the public and the youth see this as an opposing barrier also. Chart 15 illustrates this point.

The tariff puts people off donating all together as it appears slightly corrupt to people that this amount of money is taken from mobile phone operators off a donation for a good cause to not-for-profit organisations. The tariff also appears to work against the charities themselves, with members of the public thinking badly of charities who request that people donate in this way, when they know there is such a large charge.

Chart 16: Attitudes towards cost of mobile phone donations. "If we told you that, at present, mobile phone operators take between 50p-60p on average from a £1.50 donation, what would your reaction be?"



Base: All mobile phone owners (964) among 1,000 adults 16+, Britain. Source: Charity Awareness Monitor, Sep 08, nfpSynergy

Base: All respondents – 955, 11-25 year-olds, Nov 08

Case study 7: Shelter explains how it uses text messaging to reach a young audience

Shelter is a charity that supports people without a home or who live in bad housing. It advocates on their behalf and campaigns for political solutions to end the housing crisis for good. It has an annual income of around £47 million.

Shelter has been using mobile communication as part of its campaigning and fundraising work since 2004. Text messaging is an essential part of its communications strategy because it is the channel of choice for a large proportion of the population, including its supporters.

SMS is used as a retention tool to thank and update supporters, in particular its regular givers. Each text contains a URL which takes recipients to a dedicated mobile internet website, called Shelter extra.

For acquisition, SMS is often used as the main response mechanism for ambient media (e.g. video screens at festivals) or alternatively in environments where texting is more appropriate than using the phone (advertising on buses and trains or at the cinema for example). Shelter then contacts the individual within 24 hours, to sign them up to an event, campaign or direct debit, dependant on the original call to action.

As Matt Goody, Head of Direct Marketing says: *"We have found mobile to be an effective channel and it's a great way to engage with a younger audience, but like any other marketing activity it has to be integrated carefully with other media for it to be successful"*.

And in summary

To conclude, there seem to be two main barriers which are putting charities off using mobile phones within their fundraising and communications work. The first is the lack of knowledge within the sector regarding the mobile phone. Charities are put off by the technology, they are confused by the different potential uses that are available to them and are unsure of the best way to go about using them to get the best results. This lack of knowledge comes from the sector, as charities have not heard enough about how other charities are using the mobile phone and what does and doesn't work well. Within this report there is a whole set of case studies from different charities and top tips on how to use the mobile phone, which should serve to inspire and inform the sector.

The second major set-back is the net charges from the mobile phone operators, taken from every text message donation to charities. This has made small donation amounts from the public even smaller. Both the public and charity sector are put-off by this fact. The charity gets much less of a donation and the public begin to feel negatively towards the charity asking them to donate in this way.

As a result of these barriers, the charity sector are choosing not to use the mobile phone, which in turn means that charities are not targeting potential supporters

and donors. Specifically, the younger generation are being missed out of charity communications and fundraising opportunities. It is predicted that mobile phone use amongst all ages and sections of society will continue to rise. The younger generation's use of the mobile phone can be seen as a representation of how it could potentially be used by all generations in the future.

Case study 8: Capital Radio reveals how it uses text messaging to raise funds for charity and to engage with its listeners

Capital Radio is London's number one hit music radio station. It has been using text messaging as a way to involve listeners in its radio shows for years. Its popularity with audiences has prompted the radio station to develop the medium to raise money for charity, engage audiences more and increase the size of their database, a key element for them.

It has now run a number of successful charity fundraising appeals using text messaging. The radio station feels it has developed a good understanding along the way of what works well and why.

Its 2007 Christmas appeal on behalf of a children's hospice got 5,000 responses by text, each costing £1.50. An appeal it did the following Christmas on behalf of young homeless people and missing children achieved similar success.

Capital Radio attributes the success of both campaigns to a number of factors. According to Tamsyn Clark, Head of Fundraising and Communications: "It's all about getting the timing of the campaign right, choosing a cause that listeners identify with and at times, getting the right celebrity to endorse the campaign".

It also helps to offer something in exchange for making a donation, such as a downloadable mobile wallpaper or a ringtone.

Capital's 2007 campaign, for instance, was endorsed by top disc jockey Johnny Vaughan and the HRH Duke of York was a guest on the day that they launched the campaign. Each listener who texted received a free downloadable mobile phone wallpaper.

Its 2008 campaign, also publicised by Johnny Vaughan, gave donors a free humorous mobile phone ringtone containing a message by Ray Winstone.

"We had a great response and raised a lot of money for both charity appeals which was great", says Clark. "We also engaged with our audience which, at the end of the day, is what we're all about".

Section 4: How can charities utilise the potential of mobile phones and text messages.

1. See mobiles and text messages as the words between friends and lovers that build relationships

What is the best way to imagine the kind of communications that texts and mobile can deliver? We like to think of them as akin to the little intimate words between friends and families. Texts are the sweet nothings of relationship building. They tell people they are remembered not forgotten. They tell people where to be or what to remember. Texts are the most personal, most immediate, least wordy forms of communications in human history bar perhaps direct speech. It is this that gives texts and mobile phones their power. They build relationships. They say 'thank you' and 'don't forget', they say 'I got the job' and 'Baby girl born at....'. Contrast the role of texts, which are all about timing and interaction, with the role of websites, which are all about telling and being definitive. While websites are impersonal and reactive, text messages are personal and proactive. While emails are all too often obviously mass communications and spam, texts are rarely spam and almost always just for one person.

So any organisation who wants to use text message has to follow these conventions: personal and relevant to the receiver, short and with a purpose, requiring action not just imparting information and above all building relationships.

2. Appoint a mobile phone/SMS czar

Charities and non-profits have not always been the quickest to take up the potential of new technology. They have been slow to make the most of the internet. Their use of digital TV is all but non-existent. Even the lowly telephone is still regarded with hostility in some charities.

Yet the mobile phone and text are rich with potential as we hope we have shown in this report. So how does an organisation change its attitude to mobile phones and text messages? Our experience over years of carrying out research on charities and the internet is that new technologies need a champion. They need somebody who is passionate about the potential of the mobile and who has the role of seeing how an organisation can make better use of the mobile. We call this kind of a person a mobile phone czar (but you can call them what-ever you like!). The czar should be somebody with enough knowledge about new technology to understand the potential and enough seniority to get things to happen. It's probably helpful if this person does not have an entire closet of anoraks as well.

We would also recommend the creation of a steering group drawn from across the organisation who will champion mobile technology in their own part of the organisation.

Whoever is the mobile czar for the organisation should also report to the senior management team on a regular basis. For the kind of cultural change we are proposing, the organisation needs to be able to see that the senior management team has made the use of text messages and mobiles a priority.

3. Use text messages to join up communication campaigns

One of the most powerful uses of text messages is their ability to act as the glue which helps join together all other aspects of a communication campaign. So a shortcode can appear on TV ads, on posters, on a website, on T-shirts and so on. Shortcodes have the benefit of being instant, private and useable anywhere, compared to a telephone number or website address which are both slower, less ubiquitous and less spontaneous (how many of us would ring a call centre on a train journey?).

So text messages can be the route to a universal contact mechanism for a charity campaign.

4. Thank supporters and volunteers with a text message

Thanking people is good. But too much thanking by charities is all too often contrived or the cue for something else (as when any charity rings to thank you for a recent donation, and explains how much it is valued – you know a request for money is just around the corner).

So imagine a simple text message thanking a supporter for setting up a direct debit. Or a thank you to a supporter after their first session of volunteering. A plain simple act of relationship building from an organisation to an individual.

The challenge is how to make these kinds of personal and individual communications relevant and timely. It's no good thanking somebody the day before they start volunteering or thanking somebody who has just cancelled their direct debit rather than just starting one. However, for organisations that are only sending out a low volume of text messages, a laptop with a mobile data card is an easy starting place.

5. Make runners and other community fundraisers feel valued with texts and Twitter

Texts are the perfect form of communication for runners and people taking part in fundraising events. Anybody who has committed to run a marathon can regularly receive texts of encouragement which update them on how other runners are doing and on the amount of money raised overall. Twitter can have much the same benefits. If Ralph Fiennes is climbing Everest for your charity (or your celebrity patron is just running the Royal Parks Half Marathon) then a regular text or tweet from him is a great way to help people stay in touch.

The cost of these kinds of mass non-fundraising texts can be very low (the same or less than an individual subscriber would pay). Not every text is at a premium rate.

Regular texts don't just have to be about fundraising. Imagine if somebody has just agreed to drink less or exercise more or live more environmentally friendly, then a text encouraging them to stay on course is totally relevant to them as an individual and hopefully a way of keeping them on track.

It goes without saying that all of these texts need to be opt-in rather than opt-out. If somebody hands over their mobile number to a charity, it needs to be clear how it might be used by the charity.

6. Remind people about appeals with a text message

One of the things that annoys people about direct marketing more than other facets of it, is a reminder message asking them to give to an appeal that they have already given to weeks earlier. The reason for this is that appeal mailing lists take time to produce, almost inevitably people will be asked to donate again to a cause, even if they have already given.

In contrast, a text message has a much shorter lead time than a paper mailing. It is an instant update, that is also more likely to be read. 'So far we have raised £4000 towards our total of £6000, so if you haven't had a chance to make a donation – please respond to our mailing or text xxxxx'.

A text message doesn't just have to remind people about donating, it can also give them advance warning of an appeal or a raffle or a catalogue or an impending phone call and give them the chance to opt-out.

7. Let people vote with their text

The Save the Children Gaza case study shows how text messaging can be a campaigning tool. While Gaza is a higher profile example than most, it does illustrate how the instantaneousness of text can be used to good effect.

Petitions on papers have lost much of their lustre. They are slow, unwieldy and usually ineffective in political terms. Petitions on the internet are now more common with even the Number 10 website using them.

But much of the power of petitions are more for their ability to stir the thought processes of the signer as opposed to changing the political establishment. Text messaging can be used to ask supporters what they think about particular issues. Should the National Trust make all of its farms organic? Should Oxfam continue to work in Afghanistan? Should the RSPCA take hunters to court if they break the law?

Text petitions and text votes can act as a quick, simple way to both gather support and understand what supporters, volunteers or staff are thinking.

8. Create engagement devices for use on a mobile

As we have already discussed in section 2 and 3 the mobile is a fantastic way to develop interactivity in the way that web 2.0 envisages. Text messages can be sent to contribute to the commentary on sports events (perhaps alongside the voting ideas outlined in no 7).

Interactivity can also be developed by creating ways that supporters can demonstrate their support. Wildlife charities have already created animal sounds ringtones. The Royal British Legion has provided poppy desktops for PC and mobiles.

Charities can also provide quizzes for mobiles. Indeed TV and radio have already demonstrated how text messages can provide the fuel for

interactivity as even though the income from such activity may be minimal, it keeps listeners and viewers engaged and allows them to express their desires. Charities can do the same.

9. Use text messages as a 'heads up' for stakeholders

We all like to feel special. We like to think we are part of an inner circle. So charities should use their inside information to make stakeholders (and this really does mean staff, volunteers and donors) feel special. So when an organisation is launching a new advertising campaign or their CEO is going to be on the news or a TV programme or a major donor or patron is going to be announced then a text to stakeholders is a low cost way of making them feel special. It also gives those stakeholders the chance to watch the news or look out for the advertising, and even if they don't see the programme they will still, almost certainly, appreciate being told.

10. Use text messages for spontaneous donations

We have deliberately left the issue of text donations till last. At the moment there is no doubt that the cost (VAT and the mobile network charge) for making a donation by text is prohibitive. All the evidence we have is that it puts off donors from giving and charities from asking. We will outline our plans for reducing this barrier in the next section.

One of the reasons that text donations are of such interest is that they perhaps represent the ultimate in spontaneous, yet trackable donation. While many spontaneous donations (collecting boxes, collection envelopes, etc) can be made very simply, these methods suffer from having no way for charities to start a fundraising relationship, as the donor remains anonymous. In addition, it is probably the case that text donations feel less like they are handing over money than actually parting with cash from their hand into a collection box or envelope.

For all these reasons we believe that donations by text have huge potential for giving (once the cost issue has been resolved). In particular we believe that text donations will attract new younger audiences to giving. In time we may see entire cohorts of supporters whose only contact with a charity is through the mobile phone.

This will represent significant logistical challenges for charities particularly around database and ongoing communications. But the question is when this will start to happen, not if.

Section 5 – Removing the barriers to the use of mobiles and text messaging

The purpose of this report is to inspire more non-profit organisations to use mobile phones and particularly SMS/text messages as part of their communications and fundraising toolkit.

However there are a number of barriers to greater usage of mobile phones by charities. The four most important of these in our view are set out below, as well as where relevant what we think is the route to reducing those barriers.

Barrier 1 – Charging of VAT on donations

At the heart of why we think the use of SMS has not taken off for charities is that the cost of donations by premium rate text message has meant that the net for a charity from a £1.50 donation is less £1 (typically we are told around 90p to £1). This instant 'hit' on the value of a donation is hugely off putting for both charities and donors (see section 3).

The simple reason for this loss is often referred to as 'operator charges' and that is indeed a convenient shorthand. However the reality is that the amount taken by operators is made up of two components: VAT on the £1.50 (or whatever the amount of the donation is) and the charges from both the mobile network operators (MNOs - Vodafone, Orange, O2, etc) and the aggregators (who do all the logistical work of actually sending text messages to where they are meant to go).

HMRC has declared that VAT should not be paid on the donation element but only on the operator charges element of the £1.50. The difficulty is that although this ruling was made a couple of year ago the mobile operators and aggregators have had no easy way to identify text donations from any other kind of premium rate text message – since they all had identical types of shortcodes.

We have proposed to the mobile operators (through the MDA, the mobile data association) that a set of dedicated charity donation shortcodes is created which are free from VAT except for operators' charges.

The logistical, regulatory and legal issues that need to be overcome to implement this proposal are formidable. However the driving force behind making it happen is that at present the mobile operators are taking VAT from donations when they should not be. By not taking the VAT on a £1.50 text, the net for a charity should improve by around 20p.

Barrier 2 – High operator charges on text donations

Removing the VAT from the whole donation is but one step in the chain of improving the cost-effectiveness of text donations.

If (once?) the mobile operators agree to set up the new shortcodes all donations made by text will be easy to identify. The arguments made by the MNOs about not being able to identify donations made by text in the current system are also the barrier to any significant shift in the charging regime. If the new system of dedicated charity shortcodes is implemented then every operator will be able to identify every donation made by one of their customers.

This will allow us to enter discussions with individual network operators about the amount they charge for a donation. Our aim is clearly to get the operators charges reduced. It would be easy to argue that we want the mobile industry to be charitable. We don't. The simple fact is that with the charges as they stand the use of texts as a major giving mechanism will never take off. The sensitivity to charges is such that at current rates the revenue to mobile operators from text donations is tiny – even though they charge a high amount for each donation.

By lowering charges (to around 10p a donation or less) we believe that we will create a win/win in which text donations flourish and mobile operators increase their total revenue from this income stream. Put another way even if mobile operators' charge a quarter of their current rates we believe they will see their income increase substantially by more than quadruple from text donations.

Barrier 3 – Administrative and logistical burden of gift aid on text donations

Gift Aid adds around 25% to the value of a donation. However for gift aid to be reclaimed each donor needs to sign a gift aid reclaim for each charity they give to. So if we imagine our hypothetical £1.50 donation then gift aid would make that donation worth an extra 37p or £1.87 which is more than enough to cover the cost of current charges.

However the administrative and logistical barriers to reach this simple sounding nirvana are very high. Firstly are charities entitled to claim gift aid on the whole £1.50 (given that was what was donated) or just on the amount they receive. Secondly how does that gift aid declaration get made via a mobile phone? The current solution is to send a bounce-back to text donors with a link to an online declaration. The evidence to date is that the conversion rate for this is typically less than 10%.

There are two solutions to this situation: one comprehensive and one piecemeal. The piecemeal solution is to ask mobile operators to store information on a universal gift aid declaration for their monthly contract customers (for pay as you go there may be no personal details kept or even ever known). When a text donation comes through from a customer with a universal gift aid declaration this information is then passed onto the charity and a gift aid claim can be made for that donation. This solution is both messy as it isn't all clear how many text donations might actually come with a valid gift aid declaration and an administrative nightmare. The cost of gathering declarations and making a claim for thousands of tiny donations is almost certainly huge.

A far better solution we believe would be for the gift aid on text donations to be given exemption from the normal declaration process. Effectively this might be an agreement by HMRC that all text donations were deemed to have automatic gift aid declarations. The other option is that opt-out to gift aid is agreed universally then it will be possible to make cost-effective gift aid claims even for text donations.

Barrier 4 – The attitude of charities and non-profits

The final of our four barriers is the attitude of charities and non-profits themselves. In our research for this report we have found it difficult to find organisations who are using and embracing SMS and mobile phones. The number of organisations who responded to our survey was lower than we would normally expect. While we have some great case studies in the report we were not overwhelmed by the number of offers when we ask for people to tell us what they were up to.

Why is this?

Firstly there is a track record of the non-profit sector being slow to take up new technology. When nfpSynergy first started doing the Virtual Promise research on the use of the internet in 2000, we found it equally difficult to find organisations who were really embracing the internet. The situation has now changed beyond recognition, as has use of the internet by society more generally.

Secondly we think that the cost of text donations has resulted in a banner headline by charities that SMS is not cost-effective. This is despite the fact that many of the examples of how we believe texts can be used are about charities sending out messages not receiving them. However the cost of SMS donations has, we speculate, resulted in a response on the part of many organisations that SMS communications are not worth investigating.

Our solution to these cultural barriers is partly this report. We hope to excite people with the potential of SMS by the examples and research that this report contains. nfpSynergy will also be publishing a second edition of this report in 2010 to try and capture the latest uses and examples of SMS in the sector. We hope to expand our section on resources and agencies, as well as repeat our research in the sector that is covered in section 3.

Is your charity realising the joy of text? Take our Cosmo quiz and find out.....

- Do you collect your supporters, staff and volunteers mobile phone numbers and store them on a database?
- Do you have your own shortcode for your organisation?
- Can supporters' text their comments or complaints to a designated number?
- Are supporters thanked or communicated with in any way by text message?
- Are employees thanked or communicated with in any way by text message?
- Are volunteers thanked or communicated with in any way by text message?
- Does your organisation remind supporters about forthcoming events such as an AGM, charity shop sales or fundraising events?
- Do you have a person responsible for co-ordinating and stimulating communications by text and mobile?
- Does your CEO know what a text message is?
- Do you have a group of supporters or volunteers whose primary method of communications with you is text message or mobile?

Give yourself one point for every 'Yes'. What is your score out of a possible 10?

- 0-3 – Oh dear. You need some text therapy
- 4-6 – Not bad at all. You are just beginning to find out what the joy of text is really all about
- 7-9 – Great style. You are a text expert and your organisation is using shortcodes in a wealth of positions
- 10 – Astonishing score. You are clearly a Zen master of tantric text

Texting without barriers – how big can it get and how might it be used

So what is the potential for the mobile phone and particularly text messaging in the UK? We believe that five years from now text donations could be raising nearly £100 million a year (£96 million to be precise). We have reached this figure through multiplying the likelihood of different age groups giving by text by the amount that age group said they would be likely to give. We have then assumed that half those giving will only give once, 25% will give twice, 15% will give three times a year, 10% five times a year and 5% ten times a year. The details of this calculation are shown in a box in the appendices. If we take inflation in account and gift aid reclaim in account the total will be even higher.

Is this figure realistic?

Text giving is probably the ultimate spontaneous donation mechanism. So we envisage that text donations will transform a number of ways and places that people give:

- On TV in response to telethons such as Children in Need and Comic Relief (For example Red Nose Day 2009 raised £7.8 million through text donations¹ after the negotiation of a free text donation facility). As well as telethons we predict a growth in TV ads using text donation shortcode to encourage donations.
- In response to emergencies appeal such as the DEC Gaza appeal. Text donations can be used to encourage donations through all mediums, radio, TV and newspaper. Indeed a text donation is much simpler and easier than making a credit card donation by phone or online.
- For radio ads both local and national the use of shortcodes to encourage response will be a key route for radio stations to interact with their audiences and raise money.
- Most paid for forms of advertising (TV, radio, print, posters, cinema,) will be boosted by text donation shortcodes as they facilitate donations. It is likely that bigger charities will have a raft of shortcodes so they can understand which medium and what size of donation are the most effective.
- It is likely that charities will use donations shortcodes at events and the media. So expect to see T-shirts with shortcodes (particularly on publicity pictures) as well as a host of other publicity materials.

In other words our prediction is that the advent of low-cost/no-cost text donations could open up a renaissance of direct response public advertising for charities as more and more ways are found to use shortcodes to defray the costs of awareness raising work, and the public familiarity with giving through this route increases.

1 Incentivated e-newsletter April 2009

However this report is not just about text donations. We also expect to see more and more ways in which text messages are used both from the charity to the individual (outbound), and from the individual to the charity (inbound). These requests can all be about giving. So charities will need to develop ways to encourage response from supporters and stakeholders. This might be encouraging people to take part in a news debate or a respond to a blog. It could be telling people that there is a really interesting programme about the charity's cause or the latest development in a campaign.

Case study 9: Booktrust and Bookstart emphasise the importance of making the call to action big and clear

Booktrust is a charity dedicated to encouraging people of all ages and cultures to engage with books and the written word. It is a national programme that encourages parents and carers to enjoy books with their children from as early an age as possible.

When Booktrust launched a campaign using text messaging in 2008 aimed at getting parents of pre-school children to read more to their children, they were blown away by the response.

The award-winning campaign resulted in 300,000 responses by text from the public. How did they do it? Through a call to action at the end of a TV advert that said simply 'Text your name, house number and postcode to receive a free book in the post'.

"This shows that people will respond to a campaign by text as long as the call to action is big and clear" says Jonathan Bass, the campaign organiser, adding "if you don't communicate what people need to do then it won't work. That's not the technology failing, that's the call to action failing".

The key to a successful text messaging campaign according to Jonathan is to run the call to action along the bottom of the TV screen throughout the advert, as a ticker tape or footer, or as an overlay on the TV. A tiny call to action or one that appears for just a couple of seconds will simply get buried.

Appendix 1: References and further reading

Section 2 references and source material

- 'Mobile Technology'
nVision UK Future Foundation survey research
- 'The Future of Digital Communication' and other associated slides
nVision UK Future Foundation survey research
- 'Passion, persistence and partnership: the secrets of earning more online'
nfpSynergy report
Sarah Hughes, Sarah Lincoln and Joe Saxton, May 2008
- 'Introduction to Mobile Coupons'
Mobile Marketing Association
<http://mmaglobal.com/mobilecoupons.pdf>
- 'Consumer Use of The Internet & Mobile Web 2009'
Richard K Millier & Associates
www.rkma.com

Section 3 sources:

- **'How are charities using text messaging and mobile phones',**
The Institute of Fundraising, CAF and nfpSynergy teamed up to create an online survey to see what the potential is for mobile phones for charities in November 2008.
- **Youth Engagement Monitor (YEM), nfpSynergy**
Youth Engagement Monitor (YEM) is a syndicated research monitor tracking younger people's (11-25 year-olds) involvement in, attitudes to and awareness of charities or pressure groups, as well as more general social topics and areas of interest in the United Kingdom.
- **Charity Awareness Monitor (CAM), nfpSynergy**
The Charity Awareness Monitor (CAM) is a syndicated awareness tracking service for charities. CAM is our oldest and biggest monitor - it's been running for ten years, and has over 50 members.

Appendix 2: Calculation for potential of text donations

No in each age group (000s)	Age group	Average donation	Likelihood of donating	Total from each age group
7498	16-24	3.68	0.31	£18,818
8062	25-34	6.24	0.38	£42,057
9029	35-44	4.94	0.2	£19,625
8337	45-54	4.63	0.13	£11,040
7301	55-64	3.43	0.03	£1,653
9685	65+	5.77	0.03	£3,688
Total overall				£96,881

The calculations assumed that all those giving, give at least once, another 25% give twice, another 15% give three times, another 5% give five times and another 5% give ten times. No adjustment for inflation has been made. Nor has gift aid reclaim been

Glossary

MMS Messaging

Multimedia Messaging Service is like SMS (short messaging service) where you have the ability to send a message from one mobile to another. The difference with MMS is that you can include sound, images and video. It is also possible to send MMS from a mobile to an email address

Short Code

5 digit text number for SMS marketing promotions and campaigns

SMS

Short message service is a communications protocol allowing the interchange of short text messages between mobile telephone devices.

Text Messaging

The common term for sending instant text messages taken into account.

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If you have any comments or queries about this report please send them to: joe.saxton@nfpsynergy.net



Sending out an SMS - The potential of mobile phones and text messaging for charities and non-profit organisations

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