

## Fundraising in Cyberspace

*By Marc Green*

Despite all the hype surrounding the Internet, "virtual" fundraising still appears to be more dream than reality. According to Howard Lake, an Amnesty International fundraiser who tracks developments in the field, "Very little fundraising is being conducted on nonprofit Web pages and gopher sites."

Nonetheless, explosive change is the norm in Cyberspace, and in less than a year, the state of the art could be radically different. In the meantime, what do those who have already ventured into this brave new world have to tell us?

For one thing, it's not as hard as it might seem to develop an online presence. Writing in the September 1995 issue of the *British Journal of Professional Fundraising*, consultant Michael Johnston points out that most nonprofits are already using computers for database management and desktop publishing. "They already have the physical resources to use the Internet for fundraising and the opportunity to build a new, younger, wealthier constituency," he notes.

As Johnston indicates, a special virtue of the Internet is that it connects with a younger demographic segment - one that may not now be in the habit of giving large sums of money, but one that fundraisers can be cultivating for long-term relationships.

College and university fundraisers appear to be ahead of the pack in this regard. They work in institutions that were among the first to be "wired" for the new technology, and they have a constituency of recent alumni who became hooked on the Internet for communication and research as undergraduates.

Fundraisers for public radio and TV stations also have an edge, partly because they work in an environment where advanced technology and communication are taken for granted. They can use the Internet to expand their traditional membership, which is older and less computer savvy.

That's the view of Jon Miskowski, Membership Manager for Wisconsin Public Television. Miskowski believes that all public stations should have a

— Page 1 of 10 —

*Copyright © 2005, The Grantsmanship Center.*

*This article may not be reprinted, reproduced, or retransmitted in whole or in part without express written consent of The Grantsmanship Center.*

<http://www.tgci.com> (800) 421-9512 [Join Our Mailing List](#)

presence on the World Wide Web (the easy-to-use part of the Internet that lets users click onto a series of magazine-style pages). "It's a logical extension of our program guides," Miskowski said. "It also helps to build relationships with funders, since the Web site can serve as a kind of electronic "billboard" to highlight their participation."

Another public station, KUHF in Houston, builds relationships with its corporate funders by offering to construct World Wide Web home pages for them. It's a "value-added service" that helps to solidify the bond with important donors.

Other nonprofits with experience in constructing their own Web sites are also learning how to market the service. For example, teenagers at Plugged In, a California nonprofit which introduces disadvantaged youngsters to technology, will design Web pages for businesses and individuals in return for a suggested donation, 60 percent of which is tax-deductible. The Plugged In home page (<http://www.pluggedin.org/>) explains the process.

As for actual cash contributions, the Internet is still better suited to making pledges than collecting donations. "Until online fundraisers figure out how to make the act of giving easier and more impulsive, it probably won't work very well," said Putnam Barber, who manages the "soc.org.nonprofit" newsgroup, a forum for discussing nonprofit issues online. "Right now the Net is still more of a public relations vehicle than a transaction vehicle."

One major obstacle facing fundraisers is the lack of safe, widely available mechanisms for making cash transactions via the Net. Most transaction schemes work by scrambling e-mail messages through "encryption" of a donor's credit card number, then decoding the number on the other end. But encryption can be cumbersome, and the codes could be cracked by hackers. "Donors just don't feel comfortable with it," Barber said.

First Virtual Holdings, a San Diego-based company which has developed a unique system for circumventing this problem by storing customers' credit card numbers in an off-line computer, has started to set up payment systems for several charities. The charities "cross-link" their home pages with First Virtual's, so that visitors to either site can find out about the other. This arrangement facilitates online donations for the charities, and helps build a customer base for First Virtual.

Linking Web sites this way is integral to the success of those groups that use the Internet effectively, according to Steve Glikbarg of Impact Online, a

nonprofit group that assists other nonprofits with electronic technology. "After all, there's no walk-by traffic on the Web," Glikbarg points out.

Impact Online's own home page is what Glikbarg calls a "high-traffic site," not just because it is linked to so many other sites, but because it has been actively promoted. "We're on Netscape's 'What's Cool'list, and that has made a huge difference in the number of people who visit our site," Glikbarg said.

Nova Spivack of ReliefNet, another organization that has pioneered the use of the Internet for fundraising, also believes that a site has to be actively promoted in order to survive. "Putting up a site on the Internet can be like planting a tree in the Rain Forest," he said "It's a total waste unless you're willing to promote it."

One of the most promising aspects of online fundraising has to do with prospect follow-up. Software programs can be written for keeping track of the URL "return addresses" of those who visit an organization's Web site. By compiling lists of these addresses, a fundraiser could theoretically contact those people via e-mail. "That could be a big help to fundraisers who need to mobilize emergency support," said Jon Miskowski.

But ReliefNet's Spivack cautions against using this technique too freely. "The best thing about the Web is that it's a non-intrusive, non-threatening format," he said. "When you start sending out unsolicited e-mail - what's known in the computer world as 'spamming' - people become very resentful. It could create a backlash against your organization."

"There are people out there who believe it's their duty to police the Net, and they can be relentless if they think you've broken the rules," Spivack said. Nor are these self-appointed "enforcers" simply paranoid. The Net may be virgin territory for legitimate fundraisers, but it can also be fertile ground for scam artists, which is why any charity that intends to solicit donations online must be prepared to prove its bona fides, Spivack said.

Another aspect of "Net culture" that can get in the way of online fundraising is the feeling that computer junkies may be too detached and self-involved to be philanthropic. Such apprehension about unfamiliar prospects is nothing new in fundraising circles. As Steve Glikbarg points out, "When direct mail was first introduced as a way to reach prospective donors, it was considered quite revolutionary. People wanted to know, 'Who are all these disconnected people we're writing to? And why would strangers want to support us

anyway?' Now it's a very mainstream way of fundraising. Eventually, fundraising on the Net will be mainstream too."

So what's the bottom line? In the following pages, you can read about the innovative ways that several nonprofits are already using the Internet for fundraising purposes. So far their financial payoffs have been relatively meager. But as every professional fundraiser knows, successful fundraising is a long-term proposition. No one can expect to recoup an investment at the very beginning of a fundraising campaign, or in the earliest stages of a fundraising plan. Fundraising on the Internet, like the Internet itself, is still in its infancy.

When it comes to forecasting future applications of the emerging technology, no less an authority than Microsoft founder Bill Gates professes to be somewhat baffled. In a recent interview with Fortune magazine he expressed his own amazement at how unpredictable the uses of electronic communication can be.

And finally, while it's true that computers have probably accelerated the "depersonalization" of relationships, a little-known fact about Gates' own rise can serve as a reminder of just how important old-fashioned, face-to-face contacts still are - for nonprofit fundraisers, or for anyone else who needs to find support.

The crucial connection Gates had to make to get his fledgling company off the ground came not just because he had a brilliant idea, but because his mother had exceptional "people skills." While her introverted son toiled over arcane software programs in splendid isolation, Mary Gates - a banker and gregarious civic leader - was out schmoozing on his behalf. One of the many boards that Mary served on was that of the United Way, and one of her fellow board members was an important executive with IBM.

It was Mary Gates who introduced the fellow to Bill - and the rest, as they say, is history.

## **Convoy Bosnia: Mobilizing Support Through Cyberspace**

According to peace activist Nalini Lasiewicz, "Much well-intended charity can go awry due to lack of accurate information, inadequate supervision, and the logistical difficulties of getting aid through to those who need it." Having established her own nonprofit organization to confront those issues, she

— Page 4 of 10 —

*Copyright © 2005, The Grantsmanship Center.*

*This article may not be reprinted, reproduced, or retransmitted in whole or in part without express written consent of The Grantsmanship Center.*

<http://www.tgci.com> (800) 421-9512 [Join Our Mailing List](#)

wanted to create a mechanism for connecting willing donors in the U.S. with humanitarian aid targets in war-torn areas of the former Yugoslavia.

Convoy Bosnia, a project of her Lasiewicz Foundation, works with a coalition of humanitarian aid organizations in Europe. It uses the Internet to solicit donations from individuals which are then matched by corporations, church groups, and public agencies. Once sufficient cash has been collected to finance a truckload of emergency supplies, Lasiewicz makes arrangements with relief organizations operating in Bosnia and Herzegovina to deliver the aid.

The Convoy Bosnia home page provides an 800 number that people can call to make a donation by credit card. There's also a link to "Bosnia Briefings," a continuously updated collection of press reports and news analysis culled from various sources around the world.

After three months of operating the Convoy Bosnia site, Nalini Lasiewicz reported that she had received about 300 responses from people willing to donate food, medicine, or money. But she also noted that the Internet can be a mixed blessing. "Unfortunately, it can have the effect of turning us into armchair activists," she said. "Reaching people with vital information doesn't necessarily motivate them to action, especially if they're used to Web surfing as a form of entertainment."

"The real down side of World Wide Web publishing is that it's so hard to get noticed," Lasiewicz said. "You have to mount a comprehensive advertising campaign just to let people know you're there. And then you have to make your site so compelling and captivating that they will want to come back."

"It's nice to have your own shelf on the library, so to speak, but it doesn't mean anything if nobody's actually browsing there," Lasiewicz said. She recommends that any nonprofit with a new Web site get linked to other sites. "You have to be very aggressive about marketing yourself, and you have to make sure that all the online indexing programs know about your existence," she said. "The biggest challenge is simply getting people to pay attention."

### **Relief Rock: Benefit Concerts at "Virtual Venues"**

Several years ago, while he was still a student at Oberlin, Nova Spivack helped to organize an online discussion group to debate America's involvement in the Iraq-Kuwait war. "It was a way to make activism less 'radical' and more mainstream," Spivack said. Building on the lessons

learned from that early experience, Spivack went on to found ReliefNet (<http://www.reliefnet.org>), a nonprofit corporation "dedicated to helping humanitarian organizations raise global awareness and encourage support for relief efforts via the Internet."

ReliefNet designs Web sites free of charge for these groups, if they don't already have one of their own. These sites allow the organizations to describe their efforts to provide humanitarian relief. They also link computer users to a contribution form that they can fill out and make a pledge via e-mail.

Promotional and production support is provided pro bono to ReliefNet by Spivack's for-profit corporation, EarthWeb, LLC, which develops high-end Internet production and marketing services for leading companies nationwide. Interestingly, Spivack's nonprofit efforts are what spawned the for-profit business. "During the crisis in Rwanda, we began experimenting with ways to use the Internet for communicating information," Spivack explained. "One thing we found was that there was no information online about how individuals could send money to help. So we built a gopher site and put together a rudimentary pledge system, which is how ReliefNet was born. You have to remember that when we started doing this, there was no such thing as a Web site development company. EarthWeb as a for-profit company grew out of our experience working on ReliefNet."

A special advantage of ReliefNet is that it opens up a whole new group of fundraising prospects for traditional relief organizations like the American Red Cross, Oxfam, Care, the American Jewish Joint Distribution Committee, Lutheran World Relief, and the YMCA, all of which participate in ReliefNet. Most of these groups' support comes from older donors. Internet users, on the other hand, tend to be younger. While they may not be in the habit of giving large sums of money now, they are likely to be the major donors of tomorrow. "We're like the charities' front end. We're helping them generate important new leads from a new demographic segment," Spivack said. "We provide a vehicle for new donors to make pledges. Then it's up to the groups themselves to collect the money and - most importantly - cultivate the relationships."

To pique the interest of these young donors, Spivack came up with the idea of online benefit concerts. Internet users with a sound card in their computers can access ReliefRock from the ReliefNet home page and listen to a variety of sound clips donated by Warner Bros. Records and other sponsors. The concert series is organized into a number of "virtual venues," featuring various musical genres and catering to different musical tastes (rock, underground, jazz, etc.) Another link on the ReliefRock home page connects users to a

contribution form that they can use to make a pledge to any of the participating relief organizations.

"At its height, we estimate that ReliefRock had about 30,000 visits per month," Spivack said. "It's down to about 1200 now, so we're looking for ways to bring in new visitors and to bring back the old ones." Among the options being considered are cutting-edge examples of online animation, quiz shows, or other high-tech games.

So far, ReliefRock has generated about \$10,000 in cash donations. "At first we were disappointed in the amount of money we actually raised," Spivack said. "But we did manage to get a lot of attention for the participating organizations. We hope that that will pay off for them with ongoing support in the future. Keep in mind that this way of fundraising is still very new. We think of it as an experiment, and we're all learning how to do it better."

### **"Cookin' on the Net": An Online Fundraising Event**

"Cookin' on the Net" was designed to raise funds for organizations that help bring technology to children in poorer communities. It is the brainchild of Steve Glikbarg and Cindy Shove, co-founders of Impact Online, a new group which describes its mission as "helping people get involved with nonprofits nationwide."

One way that Glikbarg and Shove have already done this is to create a mechanism for technophiles to engage in "virtual volunteering." The Impact Online home page <http://www.impactonline.org/> links computer users to a "Community Center" where organizations can post information about their specific needs for online technical assistance, as well as in-person support. In addition, there's a link to a directory of "Service Learning on the Internet," which gives information on academic institutions that encourage community service throughout the United States.

To demonstrate that the Internet isn't just a playground for the privileged but can "do tangible good for the world," Glikbarg and Shove wanted to develop a fundraising event that not only tapped into the resources of the new technology, but actually supported its own "grass-roots growth and diversity." Their "Cookin' on the Net" project asks Internet users to donate money to selected charities that support computer education for inner-city youth.

The initial phase of the project, which was launched in September, features recipes from five prominent chefs, each representing a local organization that helps bring together kids and computers. Chef Jody Adams of Rialto in Boston represents Computer Clubhouse; Chef Charlie Trotter of Charlie Trotter's in Chicago represents the Community Television Network; Chefs Mark Peel and Nancy Silverton of Campanile in Los Angeles represent the Computer Access Center; Chef Michael Romano of Union Square Cafe in New York represents Playing to Win; and Chef Jeremiah Tower of Stars in San Francisco represents Plugged In.

For a minimum contribution of \$12, donors receive one recipe from each of the five chefs. During this inaugural phase of the event ("The First Course"), all the recipes are for appetizers. To sustain donors' interest, Glikbarg said, future "Cookin' on the Net" fundraisers will feature recipes for entrees and desserts.

Donors can send an e-mail to [info@cooknet.org](mailto:info@cooknet.org) or they can access the event on the World Wide Web at <http://www.cooknet.org>. The actual cash transactions are made possible through First Virtual Holdings <http://www.fv.com>, which has pioneered an online system for making secure payments via the Internet.

Glikbarg and Shove have lined up an impressive list of corporate sponsors for the event. First Virtual is donating all the cost of online commerce (in return for which it gains new visibility and attracts new customers). Sally's Place, an information service for the restaurant industry, helped secure the chefs. Niehaus Ryan Haller, a public relations firm that specializes in high-tech applications, has written press materials and helped track down major corporate donors. Silicon Reef, a Web publishing and consulting firm, designed the graphics.

Major support has also come from Yahoo, the popular online search engine. Yahoo has been donating one week of free advertising per month for "Cookin' on the Net," ad space which Glikbarg estimated to be worth \$40,000. Yahoo users are linked to the event instantaneously by clicking on a graphic that urges them to "make a difference."

The novelty of the event has generated considerable press attention. "We've gotten coverage in papers around the country, including the Boston Globe and the San Jose Mercury," Glikbarg said. "It's always in the food section," he added, noting that it is usually easier to pitch a story to an editor if it can be tailored to the interests of a specialized readership.

In its first three weeks on the Web, "Cookin' on the Net" raised \$1500 - about half of which came in as checks through the mail. The rest is being collected by First Virtual. All the moneys received will be split equally among the five charities involved. With a computer-screen equivalent of the conventional telethon's "big board," Web surfers can click onto a running tally of the money raised by visiting the "Cookin' on the Net" home page. Glikbarg acknowledges that it is still early to assess the financial success of the project, but he hopes that it can serve as a prototype for similar efforts in the future.

### **Frank Lloyd Wright in Wisconsin: Global Visibility for a Local Group**

The Frank Lloyd Wright Wisconsin Heritage Association celebrates the famed architect's birthday on June 8 with a week of special tours to eight Wright-designed buildings. This year the group added their Internet address <http://www.wrightinwisconsin.org/> to the advertising materials for the event and created an online tour that has so far been visited by more than seven million viewers worldwide.

Volunteer Don Bednarek placed the presentation on the World Wide Web on April 15. "Even before it was listed in any indexes, it was visited by about 16,000 viewers who found it by themselves," Bednarek reported. "After being included in two important 'What's New' indexes on April 16, more than 161,000 visitors read at least one page in the next 60 hours."

The birthday celebration ended in June, but Bednarek's online version of the tour, which combines text, photos, site maps, and movies of Wright, continues to be accessible on the World Wide Web. Bednarek estimates that 300,000 people are now viewing some part of the presentation each week.

"The more people know about these buildings, the deeper their support will be," Bednarek said. "They can give money, influence their legislators, and influence developers. Through the Internet, 30 to 50 million people can get this information, learn that these buildings need protection, and join with us to help support, and perhaps save, the Wright buildings."

An engineer, photographer, and Frank Lloyd Wright enthusiast, Bednarek designed the presentation strictly as a volunteer effort. "My interest was to learn just how good you could make it and spend no money at all," he said. In addition to producing the various pages and hypertext links, Bednarek tracks the number of online visitors with a special computer script he has written. Now he's in the process of adapting the presentation for three-dimensional

viewing, using a new VRML (Virtual Reality Markup Language) format that could be available to the public as soon as next year.

Besides identifying potential supporters for future preservation campaigns, the Web site has enabled the Frank Lloyd Wright Wisconsin Heritage Association to expand its membership. An e-mail form for joining the group is available to viewers, letting them sign up instantaneously. Or they can use their computer's printer to print out an application form and send it back by "snail mail."

### **Sources for More Information**

For up-to-date ideas and information about fundraising on the Internet, the best place to go is the Internet itself. And the best place to start is a site called UK Fundraising <http://www.fundraising.co.uk/>. It is maintained by Howard Lake of Amnesty International British Section Charitable Trust. Lake keeps his eye out for examples of online fundraising around the world, and his site has links to home pages that illustrate the phenomenon.

At the UK Fundraising site, you may also access the text of "Fundraising and the Internet" by Michael Johnston, an article that appeared in the British journal *Professional Fundraising*. Lake's own dissertation on electronic sources of fundraising information will be posted in November.

In addition, there are several electronic mailing lists that focus on the subject from time to time. Two to consider subscribing to are "fundlist" [listserv@jhuvvm.hcf.jhu.edu](mailto:listserv@jhuvvm.hcf.jhu.edu) and "fundsvcs" [majordomo@acpub.duke.edu](mailto:majordomo@acpub.duke.edu).