

# Can Nonprofits Really Raise Money on the Internet?

*Are you missing the boat if you're not collecting donations and selling services online? We combed the Internet to see what other nonprofits are doing and to pick up some tips.*

BY MIKE ROUFA

**T**hese days, everybody's talking about "e-commerce"—the idea that on the Internet you can sell products and services around the clock, or in Net parlance 24/7 (24 hours a day, seven days a week). Look in the business section of any newspaper and you'll find predictions that e-commerce will be a multi-billion dollar industry by the year 2001. And on Wall Street the so-called Internet stocks are making a killing on the mere potential of it. But just what is e-commerce, and, more important, can it help your nonprofit?

In this column, the first of a two-part series, we'll explain what e-commerce is and survey some of the nonprofits that are using the Internet to raise funds online. In our next issue, we'll discuss

budget-conscious ways the Internet can help your organization raise money.

## What is E-Commerce?

E-commerce is the ability to spend (and collect) money on the Internet. When you go to a Web site to make a purchase, such as a book from Amazon.com, and you enter your credit card number, you are taking part in an e-commerce transaction. E-commerce offers you the benefit of seeing something you like online and making an immediate purchase, which can then be shipped directly to your home or office. It is this type of convenience that has companies very excited about the economic potential of the Internet.

Why is this so special? After all, when you want to spend money, you can just as easily place a credit card order over the phone. You could also have an order form on your site that a person could print out and mail back to you. However, e-commerce *is* different. Here are some reasons why it makes sense for you to consider it for your Web site:

**1. People who visit your Web site are already there!** Web surfers who visit your site do so because your cause relates to them in some way. They were searching the vast number of sites on the Internet and decided to visit you. Maybe they heard about one of your programs

and were looking for more information on how to participate. Maybe they were just surfing the Web, saw a link to your site, and wanted to know more. If you regularly update your site, these people may be a repeat audience that relies on the information and services your organization provides on-line. In any case, just by being there, these people are going to be more amenable to your cause than anybody else.

Sending a credit card number halfway around the world via the Internet is just as easy as sending it next door.

A few smaller nonprofits are proving that you don't have to be a household name to have e-commerce on your site.

**2. Your audience is global.** Unlike traditional advertising, which costs a fortune just to reach a limited audience, a Web site is available to anybody with Internet access all over the world. Of course, the entire world isn't going to march straight to your site and plop down \$5,000 just because you're on-line,



but the people who are interested in your organization will make the effort. Evidence is growing that there may be as many as 150 million people on-line. Where else can you access an audience that large?

**3. Online ordering is convenient.**

Getting people to spend money is enough of a challenge as it is. If your site makes a person excited about your programs and projects, and that person wants to make a contribution, it is in your best interest to make it as easy as possible for them to do so—all at the click of a mouse. For some people in your global audience, e-commerce may be the only reasonable option. People aren't going to become members of your organization if they have to make an intercontinental long-distance phone call or send you a check via airmail. Sending a credit card number halfway around the world via the Internet, on the other hand, is just as easy as sending it next door.

Of course, e-commerce does have one requirement that normal commerce does not: It requires the use of credit cards. In the real world, you can spend cash or write checks to pay for anything, but online these methods of payment won't work. If your organization isn't able to process a credit card for a new membership or donation, you're not going to

be able to add e-commerce to your Web site. On the other hand, if your nonprofit is currently processing credit card payments, e-commerce is a great way to leverage your existing investment into a whole new realm.

**How Are Nonprofits Using E-Commerce?**

Still skeptical? We combed the Internet for some shining examples of nonprofits using e-commerce to increase the value of their online presence. Though most of these organizations are large, well-known operations, a few smaller nonprofits are proving that you don't have to be a household name to have e-commerce on your site.

**The Museum of Modern Art** (www.MoMA.org) features an extensive use of e-commerce on its Web site. MoMA offers an online version of its complete product catalog and lets visitors add products to a virtual shopping cart as they browse through the site. One neat feature is that you can also add a membership to MoMA to your total before placing

held at the door. The site also offers the ability to add on a tax-free donation to Carnegie Hall when ordering.

Giving to **Amnesty International USA** (www.igc.org/amnesty) is easy using their online ordering system. You can become a new member, renew an old membership, or make a donation to this well-known organization, all without leaving their Web site.

**The Rape, Abuse, and Incest National Network** (www.RAINN.org) uses its Web site to help survivors of sexual assault find counseling, and to edu-



*Dia's online form may be simple, but it makes joining their organization even simpler.*

**Absolutely need to own that PBS video? Order it online at Pbs.com.**



a final order. **PBS Online** (www.Pbs.org), the Web site for our Public Broadcasting System, offers a similar shopping system so that site visitors can buy their favorite programs on videotape.

**Carnegie Hall** (www.carnegiehall.org) allows visitors to browse its entire calendar of concerts, then order tickets online for a concert. The Web site even informs you of the availability of tickets in each section of the Hall before you order and lets you specify whether your tickets should be mailed to you or

cate the general public about the problem of sexual abuse. Its monthly newsletter is available for download, as are lists of crisis centers organized by state. A visitor wishing to support this cause can purchase T-shirts and keychains with the RAINN logo from their online ordering section, or by making a donation.

People familiar with the politics of freedom in cyberspace are well aware of the **Electronic Frontier Foundation** (www.eff.org). This organization strives to protect freedom of speech and the right to privacy online. At its Web site, you can read about the attempts of governments to regulate the Internet, how these attempts have harmed civil rights, and what legal action EFF has taken to



prevent laws from being enacted. You may join the organization or offer a donation to the CyberRights Defense Fund through a secure online connection. This is a prime example of how the immediacy and simplicity of e-commerce makes a Web site more valuable by allowing people to participate in a cause while they read about it.

Located in New York City, **Dia Center for the Arts** ([www.diacenter.org](http://www.diacenter.org)) lets artists show exceptional works that, because of size, time frame, or other limiting factors, can't be displayed in a traditional gallery setting. Dia's Web site consists of several online art projects, information about the organization, and an online bookstore. Dia began taking online orders for its publications, using a simple form, in 1995. "Our simple approach paid for itself with one hot item we sold—the Komar & Melamid Most Wanted Music CD," says Sara Tucker, Dia's director of digital media. "I'd estimate we sold around 100 of those over the Web." With the aid of a grant, Dia recently expanded its bookstore to use a database, which will make updates easier.

For those people who have much "smaller" concerns, **Foresight Institute** ([www.foresight.org](http://www.foresight.org)) is also accepting membership dues online. This nonprofit aims to prepare society for nanotechnology—the science of molecule-sized

**Check Out These E-Commerce Examples**

PBS Online: [www.Pbs.org](http://www.Pbs.org)  
 Museum of Modern Art: [www.MoMA.org](http://www.MoMA.org)  
 Carnegie Hall: [www.carnegiehall.org](http://www.carnegiehall.org)  
 Amnesty International USA: [www.igc.org/amnesty](http://www.igc.org/amnesty)  
 Rape, Abuse, and Incest National Network: [www.rainn.org](http://www.rainn.org)  
 Dia Center for the Arts: [www.diacenter.org](http://www.diacenter.org)  
 Electronic Frontier Foundation: [www.eff.org](http://www.eff.org)  
 Center for Science in the Public Interest: [www.cspinet.org](http://www.cspinet.org)  
 Foresight Institute: [www.foresight.org](http://www.foresight.org)

machines. Its site is a repository of information on the topic, ranging from transcripts of speeches to renderings of atomic machinery. Through an arrangement with Amazon.com, the highly publicized on-line bookseller, a Web surfer can purchase books on nanotechnology online as well. This is a good example of a nonprofit leveraging a relationship with a for-profit that has already invested the resources necessary to develop e-commerce.

Finally, **Center for Science in the Public Interest** (<http://www.cspinet.org/index.html>) is a nonprofit advocacy group that provides information on nutrition and alcohol abuse. Its Web site is filled with evocative articles such as "Right Stuff vs. Food Porn," which separates the truly healthy products on the market from those that merely claim to be, and exposés on the latest drug fads like St. John's Wort and echinacea. Their complete monthly newsletter, *Nutrition Action Healthletter*, can be ordered online.

Our brief survey of nonprofit e-commerce reveals that organizations selling products or memberships online have only two things in common: (1) they are nonprofits, and (2) they have a Web site. Neither the size of the organization nor the scope of its mission are limiting factors in setting up an e-commerce site. While

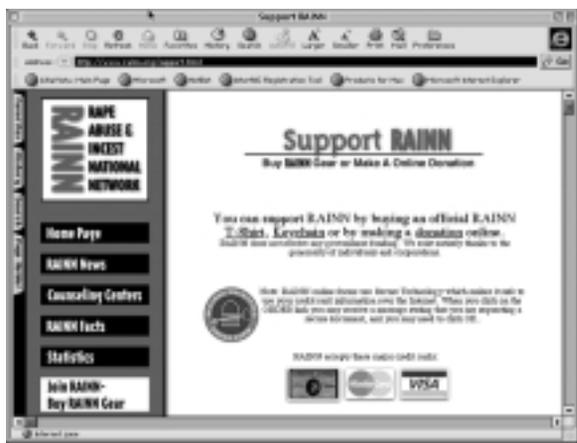
**Any Questions?**

If you have a question or comment you'd like to see covered in future columns send an e-mail to [jpfrenza@earthpledge.org](mailto:jpfrenza@earthpledge.org), or contact JP Frenza c/o *Nonprofit World*, 6314 Odana Road, Suite 1, Madison, Wisconsin 53719.

larger organizations may have a more involved online commerce experience, they aren't the only ones who can take an online order.

Armed with our understanding of what e-commerce is, and how nonprofits are taking advantage of raising funds on line, in our next column we'll discuss cost-effective strategies for implementing an e-commerce solution for your organization's Web site. ■

***Making a donation to the Rape, Abuse, and Incest National Network is easy and secure at their Web site (RAINN.org).***



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