



Fundraising on the Internet: Three Easy Strategies for Nonprofits

Is it time for you to start raising money on the Web?

BY JP FRENZA AND LESLIE HOFFMAN

In our previous column, we discussed the idea that the Internet offers an unprecedented opportunity for nonprofits to raise money. With businesses expecting Web transactions to total more than \$66 billion by the year 2002, nonprofits can expect to raise more money on line as well.

But how?

In this column we take a look at three practical strategies nonprofits can use to kick-start their efforts to raise money on the Web.

Strategy One: Capitalize on For-Profit Web Commerce.

A recent article in the *New York Times* (Wednesday, March 31, 1999, p. 1) highlighted a new trend in for-profit Web commerce: Web sites that sell toys, books, and other items to consumers are donating a portion of the proceeds of each sale to charity. These “shop for a cause” Web sites, the *Times* reports, “claim together to have raised hundreds of thousands of dollars for groups from the Humane

Society to Hands on San Francisco, a volunteer group.”

It’s important to note that these Web sites haven’t all fulfilled their philanthropic aspirations. Such factors as low sales, high overhead, and technical glitches have combined to cause problems. However, Web commerce experts expect such setbacks to be only temporary.

For nonprofits, forging a relationship with one of these “shop for a cause” sites can be a great first step to establishing an e-commerce presence. Here’s how it works.

Suppose you want to buy a computer. You could visit any number of electronics stores on the Web, find what you want, and make a purchase. If you’re socially inclined, however, you would first visit a “shop for a cause” Web site. Such sites work two ways. With one approach, you make a selection, link to a supplier, and make your purchase. Part of your purchase price is collected by the “shop for a cause” site, which contributes a percentage to those nonprofits participating in the Web site’s revenue-shar-

ing program. In another approach, the site merely provides a referral to a vendor’s Web site and receives a sales commission. In either case, nonprofits add a “feel-good” philanthropic angle to Web commerce and as a result can be a direct beneficiary of a Web site’s proceeds.

Here’s a quick list of Web sites that raise money for nonprofits by collecting fees from retailers by referring Web customers to them (the percentages vary):

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www.4charity.com. On-line shoppers register and become a member of 4charity.com, pick their favorite organizations, and shop for books, music and videos, computer hardware and software, gifts (such as 1-800-Flowers), home office supplies, clothing, food, drink, and more. According to the site, the 20 nonprofits participating in the project receive 100% of all sales referrals.

www.charityweb.com. This Web site functions in a very simple manner. Web visitors choose from a list of retailers on the CharityWeb links section and proceed to shop as they normally would. The retailer gives a portion of each sale to charity. (CharityWeb claims this number to be as high as 25% per sale.) Proceeds from the sale are then split with a group of select participating nonprofits, such as Safe Haven and Kids Energy.

www.greatergood.com. Five percent of every purchase benefits selected nonprofits. This Web site places a real emphasis on showcasing nonprofits. Its core list of organizations includes Special Olympics, National Fund for the Blind, and Save the Children. Web shoppers pick their favorite charity from a list and then click to purchase books, CDs, videos,

food, and more. It's understandable that types of products are limited, given that books, CDs, and computer products make up the bulk of consumer Web purchases.

www.igive.com. This simple but elegant Web site promotes what it calls "techno-giving." It's based on the same model as the other Web sites but has a larger number of nonprofit beneficiaries than most, including churches and youth clubs. To date, igive.com claims to have raised more than \$300,000 for approximately 4,500 organizations.

www.mycause.com. This Web site limits the range of goods that can be purchased to books from Amazon.com, software from Beyond.com, hardware, magazines, and airline tickets. It includes more than 275,000 participating nonprofits from large national organizations to local charities.

www.shop2give.com. Contributions from on-line shopping centers such as J-Crew (5%), the Sports Store (5%), Barnes and Noble (3%), and Omaha Steaks (5%) go to leading nonprofits such as the American Lung Association and American Red Cross.

Web sites such as these are only a start. Remember, on the Internet anything is possible. Nonprofits can and should take the initiative when it comes to partnering with potential for-profit Web sites. For example, you could contact local businesses and exchange Web-site promotion and good will for an agreed-upon fundraising percentage. The possibilities are endless, and the community outreach often leads to unexpected benefits.

In the old days of the Internet (about two years ago), creating a Web shopping cart was a complicated affair.

Strategy Two: Offer a Simple, Secure Page.

If your nonprofit has modest on-line fundraising goals, you may be able to accomplish them with one simple, secure Web page. That page might contain a simple form letting your organization collect credit card information directly on line.

When Web surfers connect from their computer to a Web page, the connection usually isn't secure. That lack of security can be a problem if the site is requesting private information, such as credit card numbers.

For large Web sites with hundreds of items for sale, such as Amazon.com, creating a secure Web transaction requires powerful software and intensive programming. For a simple one page Web fundraising form, the task of creating a secure connection is much easier. Here's all there is to it.

When setting up your Web site, ask your Internet Service Provider (ISP) to establish a separate folder (in

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server vernacular, it's called a "directory") on the server and make that folder secure. Next, register your organization. You'll receive a verification that your organization is authorized to accept credit cards. Costs to register with a company that offers such services (the most popular being VeriSign) range in the area of \$300 to \$500.

Next, set up a one-page form on your Web site (or hire someone to do it for you). The page might have spaces for name, address, and credit card information. The Web surfers' browser (Netscape Navigator or Microsoft Internet Explorer) will indicate that a secure connection is taking place. After someone completes the form and presses "Send," the page is encrypted and the order sent to your Web site.

Keep in mind that creating a secure order form is fairly simple for experienced Web developers. Someone can probably do it for you for around \$1,000 to \$1,500. Since the page won't change, you can spread the cost over a year or more, making your site's Web commerce initiative all the more cost-effective.

Strategy Three: Fill That Shopping Cart.

If your nonprofit wants to sell merchandise, such as T-shirts, mugs, posters, or publications, on-line shopping carts may be the answer. Here's how they work. Web surfers browse a Web site catalog and click on items they find appealing. These items are stored in a digital shopping cart and tallied up at check out. Shoppers provide their credit card and billing information and voila! The order is complete.

In the old days of the Internet (about two years ago), creating a Web shopping cart was a complicated affair. In the recent drive for Web commerce, however, many Internet Service Providers are offering packages that make it easy to set up a shopping cart on line. Some will, for a very reasonable fee, even set up the whole system for your organization.

Yahoo Store, the electronic commerce component of Yahoo, the venerable search engine, will build an on-line catalog for businesses for around \$100 a month. There's no reason a Web-savvy nonprofit couldn't take advantage of this incredible offer.

According to a recent electronic commerce report in *The Industry Standard*, an Internet trade publication, the process is getting even easier and cheaper. EarthLink, the national Internet Service Provider, began offering an e-commerce component for approximately \$80 per month. MindSpring, another ISP, is offering a similar service for \$100 per month. A new service, Verio, claims to offer an e-commerce shopping cart that can hold 100 items for around \$75 per month. When it comes to on-line shopping carts, one thing is sure to be true: Prices will continue to drop, making it possible for many non-

Need Help?
For help with your Web questions, contact JP Frenza, c/o *Nonprofit World*, 6314 Odana Road, Madison, Wisconsin 53719.

profits to jump on the Web commerce bandwagon.

There's no shortage of creative ways to increase your funding sources by marketing on the Internet. As always, it's best to strategize like a business but think like a nonprofit. ■

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These publications are available through the Society for Nonprofit Organizations' Resource Center. For ordering information, see the Society's *Resource Center Catalog*, included in this issue, or contact the Society at 6314 Odana Road, Suite 1, Madison, Wisconsin 53719 (800-424-7367).

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