

SOCIAL MARKETING, WEB 2.0 AND DONATION-BASED CROWDFUNDING IN SPAIN: "MICRODONACIONES" AND "HACESFALTA" DIGITAL PLATFORMS AS A CASE STUDY¹

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Resumen:

“Microdonaciones” y “Hacesfalta” son plataformas digitales impulsadas desde la Fundación Hazlo posible en el año 2012 y 2000 respectivamente en España. El objetivo de ambas plataformas es atraer recursos hacia las campañas benéficas impulsadas por organizaciones no lucrativas, a través de la convocatoria de donaciones de carácter dinerario, en especie, de tiempo o experiencia en búsqueda de beneficio social.

El objetivo principal de este estudio de caso es contextualizar el empleo de plataformas digitales dentro de las estrategias de marketing social que utilizan las organizaciones no lucrativas para fomentar la participación ciudadana –mediante la donación o el voluntariado– en campañas de crowdfunding solidario.

Abstract:

“Microdonaciones” and “Hacesfalta” are digital platforms launched by Fundacion Hazlo posible in Spain in 2012 and 2000, respectively, with the objective of supporting charitable campaigns promoted by nonprofit organizations. These campaigns aim at attracting altruistic contributions of money, in-kind, time or expertise for public benefit causes.

The main objective of this case study is to contextualize the use of digital platforms within the social marketing strategies employed by nonprofit organizations in order to encourage individual civic participation –through monetary donations or volunteering– in donation-based crowdfunding campaigns.

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1. Introduction

During the last decades nonprofit organizations (NPOs) have increasingly adopted the approaches and values of the business sector to guide policy creation, management improvement and fundraising (Eikenberry & Drapal, 2004; Pope et al., 2009). Kotler & Lee (2008) define social marketing as a process that applies marketing principles and techniques to create, communicate and deliver value in order to influence target audience behaviors that benefit society as well as the target audience.

This case study focuses on online social marketing tools that are basically oriented to influence giving and other pro-social behaviors towards NPOs. In this context, donation-based crowd funding through the Web is emerging as a social innovation practice that is growing rapidly among NPOs, social innovation being defined as “new ideas (products, services and models) that simultaneously meet social needs and create new social relationships or collaborations” (Murray, Calulier-Grice & Mulgan, 2010, p. 3). In addition, crowd funding is consolidating as an alternative tool to guarantee the development of a larger number of small-scale campaigns by NPOs, in response to the significant reduction of access to traditional funding sources due to the current economic strains.

Belleflamme, Lambert and Schwienbacher (2014) define crowd funding as an open call, essentially through the Internet, for the provision of financial resources either in the form of donation or in exchange for some form of reward and/or voting rights in order to support initiatives for specific purposes. Participation in crowd funding campaigns, despite of being mostly related to monetary resources, is also possible by offering products or services (De Buysere et al., 2012). Main crowd funding models are based on equity, lending, reward and donation².

The development of Web 2.0 is seen as a prerequisite to the significant current growth of crowd funding, since it has facilitated the access “to the crowd” (Brabham, 2008; Kleemann et al., 2008). Web 2.0 thus sets up a suitable digital context where the development of crowd funding projects is frequently channeled through digital platforms, i.e. an online portal, where users authentication is required, that handles the commercial or noncommercial transactions within the parties involved, providing in many cases other kind of services such as media hosting or social networking, and facilitating contact with contributors (Danmayr, 2014).

NPOs in particular are becoming aware of the opportunities derived from utilization of Web 2.0 tools such as social media and digital platforms to assist with fundraising, volunteer recruitment, and to foster interaction with their community. These tools complement traditional social marketing and fundraising instruments (Bortree & Seltzer, 2009; Hackler & Saxton, 2007; McNutt & Menon, 2008; Rey et al., 2013; Rybalko & Seltzer, 2010; Waters, 2007; Waters & Jamal, 2011). Our case precisely focuses on two online platforms owned by a Spanish private foundation and utilized by NPOs in the country to promote their donation-based crowd funding campaigns, aimed towards attracting monetary donations and volunteers.

2. Case developmen

FundacionHazloposible

Microdonaciones and Hacesfalta are digital platforms launched by the FundacionHazloposible in Spain.

[FundacionHazloposible](#) originated in 2010 from the Fundacion Chandra, a nonprofit organization created in 1999. Its aim is to foster innovative forms of social participation of citizens, NPOs and companies in charitable causes through the use of ICTs. In order to achieve its goal, this organizations part of numerous alliances and networks (i.e. European Volunteer Centre or CSR360 Global Partners Network).

FundacionHazloposible currently channels a broad number of social projects, categorized under a portfolio of digital platforms (see Table 1), different in terms of both focus and areas of activity and specific targets; but always related to NPOs' needs.

²Equity - funders receive compensation in the form of fundraiser's equity-based or revenue or profit-share arrangements -; Lending - funders receive fixed periodic income and expect repayment of the original principal investment -; Reward - funders' primary objective for funding is to gain a nonfinancial benefit or reward in return (token or first edition of a product) - and Donation - funders donate to causes just for the sake of supporting them, with no expected compensation - (Massolution, 2012).

Table 1. Digital platforms launched by FundacionHazloposible

Platform	Objective
Hacesfalta.org	Donation-based crowdfunding for charitable campaigns (<i>time contributions: volunteering</i>)
Microdonaciones.net	Donation-based crowd funding for charitable campaigns (<i>monetary contributions: giving</i>)
Probono.net	Legal <i>pro bono</i> coordination
Solucionesong.org	Professional advice service for NPOs management
Tucodigovaacambiarel mundo.org	Request computer experts to volunteer
Voluntariadocolombia.org	Volunteering opportunities in Colombia
Voluntariadocorporativo.org	Corporate advice service to organize volunteering programs

Source: Authors' elaboration

According to the increasing significance of the activities performed, FundacionHazloposible has lately become a relevant organization in the Third Sector context in Spain (see Table 2).

Table 2. Corporate data of FundacionHazloposible (2009-2014)

Fundación hazloposible	2013-2014	2011-2012	2009-2010
Basic characteristics of the organization			
Number of employees	18	18	18
Distribution of funding sources			
Private funds	58,1%	47%	53%
Public funds	31,5%	43%	27%
Own funds	10,4%	11%	20%
Input and output indicators			
Number of contacts between people and NPOs	6.600.000	4.850.000	3.500.000
Number of volunteering and job opportunities in NPOs	97.600	77.500	60.000
Number of participating NPOs	8.500	7.600	6.100
Number of NPOs queries solved	12.200	9.000	5.600
Number of employees of companies with access to corporate volunteering opportunities	240.000	187.000	115.000
Number of companies involved in corporate volunteering opportunities	18	11	n/c
Number of recipients of information on charitable causes	565.500	628.000	580.000

Source: Authors' elaboration from FundacionHazloposible Annual Reports 2013-2014; 2011-2012; 2009-2010

Microdonaciones

Microdonaciones is a specialist, national and external³ donation-based crowd funding digital platform created in 2012. This digital platform promotes contributions of small amounts of money in order to encourage individual donors' participation in charitable campaigns fostered by NPOs.

Figure 1. Charitable campaign fostered by Fundacion PRODEAN through Microdonaciones

Source: [http://microdonaciones.hazloposible.org/proyectos/detalle/?idProyecto=194], as available at 20/11/2014

The areas of activity of the campaigns are education, social exclusion, childhood, environment and health. Campaigns are available online for 5 weeks in order to raise the target amount requested. Microdonaciones has an all or nothing model; there is therefore no opportunity for partial funding

³In terms of the variety of campaign categories promoted, crowdfunding platforms can be *specialists* - hosting campaigns from a same category (i.e. social, culture or research) or *general* - hosting campaigns of a wide variety of categories -. According to the geographical scope of the owner, crowd funding platforms can be *national* or *franchises* of global or international platforms. Taking into consideration who is behind the promotion of the crowd funding platform, they can be *own platforms* -launched by promoters themselves (i.e. individuals, entities or companies) - or *external* - acting as intermediaries between promoters and funders.

relative to target. This platform allows for reviewing all the campaigns promoted, from the first to the last ones.

The volume of donations raised until November 15, 2014 has resulted from 126 successful charitable campaigns attracting approximately 4.500 online donations via the platform (see Table 3). Donors have either contributed to an ad-hoc specific campaign, or through regular and monthly contributions to a portfolio of campaigns. The majority of successful campaigns belong to health and social exclusion– 35 and 32, respectively -.

Table 3. Microdonaciones activity effects to date November, 15 2014

Number of Campaigns	Total requested (€)	Total raised (€)	Number of donors	Number of recipients	Number of successful campaigns	%	Number of unsuccessful campaigns	%
174	337.478	257.817	4.381	49.472	126	72,4	48	27,6

Source: Authors' own elaboration from Microdonaciones website

Most of a campaign's success, as gleaned from the information gathered via personal interviews with members of Microdonaciones in spring 2014, comes from the fact that the campaigns are suitably formulated and peppered with effective communication actions to enhance online circulation. Whereas Microdonaciones is an open digital platform hosting charitable campaigns, it is nevertheless the promoters who are ultimately responsible for spreading, and energizing them through their own communication channels to members and supporters and, where applicable, also running the campaigns correctly, i.e. giving donors all kinds of information and details requested. Offering *user experience* through personalized contact between NPOs and donors (via thank you emails or direct requests for campaign details and information about the financed campaigns) is one of the most relevant advantages of using digital platforms as social marketing tools for NPOs, since not only are they useful for funding their campaigns but they also help to extend and strengthen their community relations.

Microdonaciones puts the promoting NPOs - which are seeking financing - in touch with contributors who wish to participate, without charging the NPOs. However, it is important to point out that due to the small and medium size of most promoting NPOs and the fact that their information and communication technology (ICT) skills may be minimal, it is Microdonaciones itself that provides advice on energizing the campaigns to enhance online dissemination. Microdonaciones develops communication actions focused on spreading the campaigns through the Fundacion Hazlo posible newsletters and the Microdonaciones profiles in social networks such as Facebook and Twitter.

Hacesfalta

The second case analyzed, [Hacesfalta](#), is innovative in the framework of social marketing strategies employed by Spanish NPOs in order to influence the behavior of potential volunteers through the use of ICTs. It should be noted that, in terms of social and internal marketing strategies employed by NPOs, those directed to improve volunteer management (from recruitment to retention) are as relevant as underdeveloped. Despite the fact that volunteers are identified as a crucial resource (Wymer, 2003), most of these organizations still do not recognize volunteer recruitment as a marketing function. Therefore, NPOs frequently have trouble finding, recruiting and keeping the right volunteers at the right organizations (Pope et al., 2009).

Related to this, and specifically to the Spanish NPOs context, the Spanish Platform of Social Action Nonprofits used a series of interviews, work groups and questionnaires to elaborate a diagnosis on the situation of the social action third sector that served as a basis for the drafting of its strategic plan (Plataforma de ONG de Acción Social, 2012). It points out a series of trends that require new and specific strategies for recruiting, deriving and managing volunteers: an increase in the number of volunteers derived of high unemployment rates (more free time, "therapeutic volunteering"); a decrease in the number of paid staff as a result of diminished public funding; volunteering by and for elderly people; corporate volunteering (associated to CSR strategies); volunteering as a result of new service-learning initiatives; and to a less extent tele- and cyber-volunteering (ICTs-based) (Rey et al. 2014).

Hacesfalta originated in 2000 to promote volunteering in third sector organizations through a general and external platform. Hacesfalta channels online and offline volunteering opportunities as well as job opportunities, and allows for accessing only the active opportunities at each moment.

Figura 2. Initial screen from the official website of Hacesfalta



Source: [<http://www.hacesfalta.org/>], as available at 20/11/2014

In particular, the volunteering section promotes the donation of time and expertise through volunteering in charitable campaigns fostered by NPOs. Giving time and expertise can be online, when the contribution is possible just through the Internet. It is offline, both nationally and internationally, when volunteers and experts need physical contact with the NPO or its beneficiaries to make their contribution. Hacesfalta also receives volunteering offers from individual donors. Volunteering is therefore a two-way process, facilitating contact for both sides.

The areas of activity of the volunteering opportunities are related to 25 specific categories: *addictions; advising; humanitarian assistance; cyber actions; responsible consumption; development cooperation; culture and social art; sports; human rights; design; childhood, youth and family; computing; immigration, refuge and asylum; elderly people; environment; ethnic minorities; women; people with disabilities; people at risk of social exclusion; people in prison; homeless people; animals' protection; health; sexual diversity and ICTs.*

Hacesfalta main defining feature as an innovative donation-based crowd funding digital platform is that, technically, it can fine-tune the search for volunteering opportunities depending on the preferences of potential contributors. It is therefore a social marketing tool that provides NPOs with volunteer profiles in line with the opportunities offered in terms of availability, time, geographical location or interests. When the volunteering activities are performed online, they can be filtered just in terms of dates and frequency of participation (i.e. one-time or continuous). Options for filtering volunteering opportunities performed offline - both nationally and internationally - are larger (see Table 4).

Table 4. Searching options for offline volunteering opportunities through Hacesfalta

Dates	Frequency	Recipients Age	Days of the week	Weekends	Involving Groups	Involving Families	Timetable
From...to	One-time	Children	Monday	Yes	Yes	Yes	Mornings
	Continuous	Adolescents	Tuesday	No	No	No	Afternoons
	Holidays	Adults	Wednesday				Other
		Elderly	Thursday				
			Friday				
			Saturday				
			Sunday				

Source: Authors' own elaboration from Hacesfalta website

This digital platform had on November 15, 2014 approximately 2.000 active volunteering opportunities, having facilitated about 6 million contacts between users and NPOs. It is the NPO, in the end, who recruits the most suitable profiles from the volunteering candidates.

3. Questions for discussion and conclusions

Question1. Can we use the same variables to characterize donation-based crowd funding campaigns through digital platforms as the ones used to characterize traditional fundraising campaigns for charitable causes?

National campaigns for charitable causes have been conceptualized as once-only events aimed at raising money for some charitable cause and having the potential to reach the entire population of a country, measuring their success by the amount of money raised (Wiepking, 2008). According to the literature, three are the variables for the characterization of traditional fundraising campaigns for charitable causes: 1) perceived characteristics of recipients, 2) characteristics of donors and 3) the structural characteristics of the giving regime (van Leeuwen & Wiepking, 2013).

Social media allow interactive possibilities through text messaging services or social networking, particularly with individual and portable last generation devices such as smart phones or tablets. These guarantee immediate and permanent access to a wide variety of opportunities for participation, not limited by time and space. Donation-based crowd funding campaigns, far from being once-only events, then become actual content within their digital platforms, guaranteeing the possibility of contributing permanently in an extensive offer where potential online donors will discriminate social causes according to their particular interests.

In addition to raising the target amount requested in the due date, other factors such as wide dissemination of the crowd funding campaign over the Internet (which sometimes goes viral) are also significant of campaign success, to the extent that they influence both the campaign's and the promoting NPO's visibility, and consequently the volume of potential donors to future campaigns (Ordanini et al. 2011; Martinez-Cañas et al. 2012; Hekman & Brusse, 2013; Kuppuswamy & Bayus, 2013; Lu et al. 2014). The Ice Bucket Challenge for promoting awareness of the amyotrophic lateral sclerosis (ALS) and encouraging donations towards research on the disease provides a case in hand.

Question 2. Is the degree of technological adoption by NPOs a determining factor in explaining the success of donation-based campaigns via digital platforms?

As far as NPOs in a digital environment are concerned, their general adoption of information technology is still limited and wanting, mainly focused on basic use of computers, e-mail, Internet access and websites. According to Hackler & Saxton (2007), only a minority of NPOs' websites contain the simplest of interactive features (newsletters to which one can subscribe or the possibility to update users' profiles and records online, for instance). In particular, less wealthy NPOs are less likely to have the organizational capacity to provide the strategic use of ICTs. Looking at the cases analyzed here, the Spanish NPOs promoting the crowd funding campaigns are mostly small and medium sized. As these NPO are responsible for encouraging and promoting their campaigns online to their members and supporters, in most cases they require advice and support to do. They may not have the minimal technological infrastructure available (computers, their own website, or basic knowledge about online communication activities, to name but a few). Thus, the role played by external digital platforms in the success of charitable campaigns seems to be determinant in the absence of technology adoption programs in NPOs.

4. Conclusions

Donation-based crowdfunding campaigns fostered by NPOs through digital platforms are a recent and growing example of social innovation in Spain, according to the volume of charitable campaigns, the number of active digital platforms, and the amount of funds raised.

As social innovation practices materialize, not only do ways and means of social participation and support for the public good arise, but also the ability of NPOs to adapt to the new technological context, to the extent that digital platforms are used as an innovative social marketing tools. This facilitates the promotion of campaign funding, volunteer recruitment and the boost of community relations, both online and offline.

This case study suggests a fruitful scenario to discuss the significance of social marketing alongside ICTs in the digital age, in the context of strategies fostered by NPOs to promote giving and volunteering as pro-social behaviors that also reinforce their resources and capabilities.

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