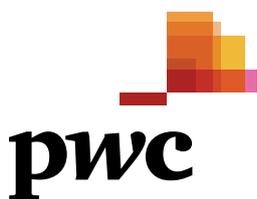


RESEARCH SERIES

FINANCING FOR DEVELOPMENT

IN FOR A PENNY

CAN MICRO-DONATIONS
BENEFIT GLOBAL ROAD SAFETY?



FIA FOUNDATION RESEARCH SERIES, PAPER 4

July 2015

The FIA Foundation is an independent UK registered charity which supports an international programme of activities promoting road safety, the environment and sustainable mobility, as well as funding motor sport safety research. Our aim is to ensure 'Safe, Clean, Fair and Green' mobility for all, playing our part to ensure a sustainable future.

The FIA Foundation Research Paper series seeks to provide interesting insights into current issues, using rigorous data analysis to generate conclusions which are highly relevant to current global and local policy debates.

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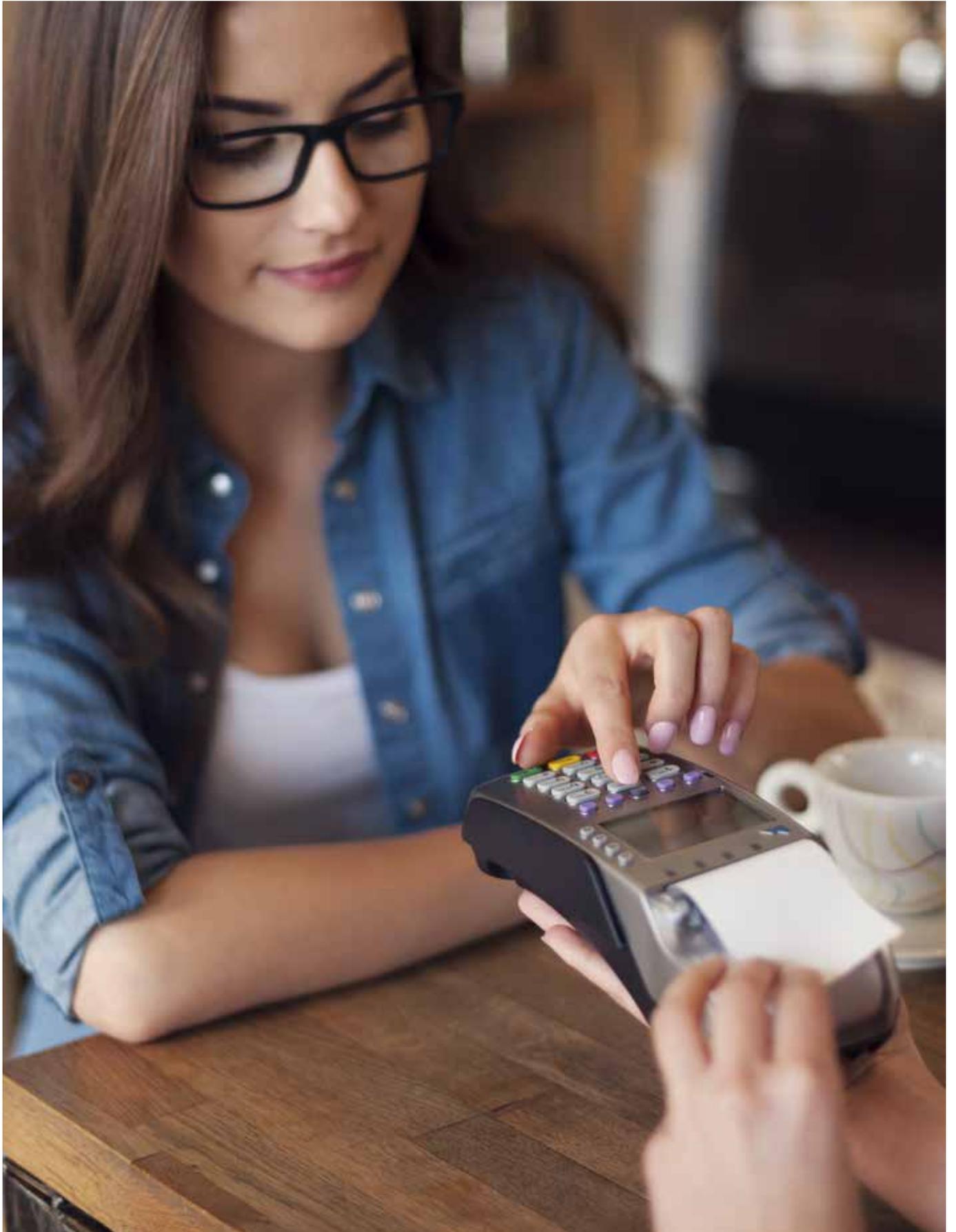
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IN FOR A PENNY

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1. FOREWORD

2015 sees two important processes for global road safety. The new Sustainable Development Goals (SDGs) are expected to include a stand-alone target aiming to reduce road traffic deaths by 50% by 2020¹. The Brasilia Global High Level Conference on Road Safety in November 2015 will mark the mid-point in the UN Decade of Action for Road Safety and efforts to stabilise global road fatalities by 2020 as well as the starting point for the delivery of the SDG road safety target².

Achieving these objectives will primarily depend on governments and local authorities putting in place the conditions for casualty reduction: safer roads, safer vehicles, safe and equitable access to mobility for pedestrians and cyclists, driver training and police enforcement regimes. But the private sector has a vital role to play too.

Major companies know that their workforces, especially in developing countries, face a serious risk exposure to road traffic injury. They also know that their operations, whether sales fleets or construction vehicles, can have a negative impact on local communities. Responsible companies take action to address these risks through: strict training and monitoring of drivers; education and awareness; and, fleet procurement policies that require purchase of the safest available vehicles³. Some companies are also investing in road safety for local communities by working with NGOs and government to improve laws and road conditions and to raise awareness.

But there is another way in which the private sector can and should make a major contribution. Many countries need help to put in place the conditions in which road safety can advance. Catalytic capacity building is an absolutely crucial ingredient: working with governments to review their road safety capacity; to develop their skills and staff resources; to design Safe System strategies, lead agencies and national funding models; to put in place effective and accurate data management systems; to prepare loan applications to multilateral lenders and, to provide technical assistance and establishing demonstration projects for a range of proven interventions. Delivering this help requires international coordination and funding.

The Commission for Global Road Safety, which has done much over the past decade to drive road safety up the international agenda, recommended in 2006 that a 'global action plan' to deliver this type of catalytic assistance would need resourcing of at least \$US 30 million a year⁴. Yet the main international road safety fund – the Global Road Safety Facility operated by the World Bank – has been working with, at most, 10% of this annual budget⁵. In 2011 the Commission floated the idea of exploring 'innovative financing' solutions to help fill this funding gap, suggesting major micro-donation schemes could raise significant funding – particularly from the automobile sector⁶.

As part of the FIA Foundation's 'Road Safety & the SDGs: Financing for Development' series of research and discussion papers, we commissioned PricewaterhouseCoopers LLP ('PwC') to review the potential of micro-donations for the global road safety cause. This paper, the result of several months of desk-based research and interviews with senior corporate representatives, seeks to understand the effectiveness of existing micro-donation schemes, the attitudes of companies to establishing them and alternative ways in which the private sector considers it could best contribute to road safety.

The FIA Foundation draws three main conclusions from the evidence provided by PwC's work:

- The research shows that micro-donations could have a role to play in financing global road safety and, although it may be ambitious to expect multiple companies to collaborate on one global scheme, the aggregate effect of several schemes might deliver fairly significant funding;
- Fundraisers for global road safety will face a real challenge, however, in persuading corporate donors to provide support. The actual and perceived complexity of micro-donation schemes are likely to discourage many companies from participating in such a scheme. On the other hand an early adopter – a company willing to try micro-donations at scale in the road safety context – may lead to a successful outcome (in terms of funds raised and associated PR and goodwill to the company concerned) which, in turn, might lead other companies to consider similar schemes; and,

- Companies value 'one-on-one' relationships with their charity partners, prefer opportunities for active employee engagement, expect visible and measurable outcomes and seek partners with strong reputations and high public recognition. For these reasons, corporate micro-donation schemes may not be the best approach for those seeking to fund-raise for a global road safety fund focused primarily on capacity building.

Whether through micro-donations, other 'innovative financing' methods, large scale technical assistance or equipment provision, or simple corporate donations, the private sector must do more.

While the FIA Foundation recognises the real and substantial contribution, and sincere engagement, of a small number of companies, we believe the corporate sector as a whole must do much more to demonstrate solidarity with road traffic victims and must provide significantly up-scaled support for road safety globally, regionally and at national level. There is a particularly strong moral case for those companies directly profiting from the rapid motorisation taking place in developing countries – the automobile industry, the oil sector, automotive parts suppliers, the telecoms industry and others – to contribute to global efforts to reduce road traffic casualties. The dialogue to achieve this must start now.



2. INTRODUCTION

This report examines approaches to corporate fundraising by charities with a focus on consumer micro-donations. Commissioned by the FIA Foundation, our work was undertaken between February and May 2015 and included desk-based analysis of existing micro-donation schemes and interviews with 11 senior individuals from multi-national corporations.

2.1 The global road safety issue

Worldwide more than 1.2 million people die every year from road traffic injuries⁷. Road traffic collisions are the number-one global killer of young people aged 15 to 24 and the leading cause of death for boys and young men aged from 5 to 29 years old⁸. Many millions more people are disabled and injured. The economic cost to countries of road traffic death and injury is estimated at 1% to 5% of GDP⁹. Globally the cost of fatal and serious injuries is estimated to be US\$1.8 trillion a year¹⁰.

Almost 90% of road traffic casualties occur in middle and low-income countries¹¹. While most high-income nations have seen sustained success in reducing their road fatalities by between 50-70% since the 1970s in many emerging economies the opposite trend is evident. According to the most recent Global Status Report on Road Safety from the World Health Organization ('WHO') more than 80, predominantly middle- and low-income, countries are experiencing

rising road traffic fatalities. The principle reasons cited for this rise are rapid increases in motorisation combined with inadequate infrastructure, high levels of risk exposure (particularly to pedestrians) and weak road safety institutions and traffic enforcement regimes.

In 2011 the first United Nations Decade of Action for Road Safety¹² was launched with the goal of 'stabilising and reducing' road traffic deaths to around 1 million a year by 2020. An advisory Global Plan based on the 'Safe System' approach to road safety is guiding many national efforts and regional initiatives. This year the UN will agree new Sustainable Development Goals (SDGs)¹³ to replace the Millennium Development Goals (MDGs). Road safety is expected to be included for the first time with a specific target in the Health Goal to reduce, by 2020, road fatalities to half those of 2010 levels. Adequate financing at global, regional and national levels will be an essential factor in achieving this objective.

2.2 Fundraising for global road safety

In 2006 the Commission for Global Road Safety recommended that a minimum of US\$30million of annual funding was required to effectively resource a catalytic global action plan to tackle the key issues of road safety¹⁴. This was based upon an assessment of the current global road safety environment and recommendations provided by the WHO. Given that road traffic deaths and injuries have remained at a similar level it is reasonable to suggest this funding assessment remains relevant and particularly so if the proposed SDG targets are to be met.



Lord Robertson, Chairman of the Commission for Global Road Safety

Currently the key funding streams for catalytic action at a global level are:

- **The Global Road Safety Facility**, hosted at the World Bank, deploys around US\$2.5million a year. This funding, raised from a combination of bilateral and philanthropic donors, is principally used to fund interventions supporting national and regional capacity building and promoting the prioritisation of road safety within the lending programmes of multi-lateral development banks¹⁵;
- **Philanthropic public health donors** led by Bloomberg Philanthropies and including the FIA Foundation and MAPFRE Foundation. Combined, these donor contributions are estimated by the FIA Foundation to exceed US\$20 million a year and fund a range of regional and national initiatives as well as advocacy for improvements in road safety¹⁶.
- **The Road Safety Fund**, a collaboration between the FIA Foundation and the World Health Organization that raises around US\$1 million a year from private sector donations to support demonstration projects in developing countries¹⁷; and,
- **The Global Road Safety Initiative**, a consortium of several private sector companies hosted by the Global Road Safety Partnership (GRSP) that provides a similar level of funding as the Road Safety Fund, primarily for demonstration projects and capacity¹⁸.



Current funding is, therefore, principally drawn from foundations and bilateral donors. Many in the road safety community, while welcoming the engagement and funding contributions of some leading companies, argue that the private sector as a whole can and should do more. In its 2011 report, *Time for Action*, the Commission for Global Road Safety argued that automobile-related corporations should join a ‘major funding initiative for the Decade of Action’ and floated the idea of using micro-donations as an ‘innovative’ funding stream¹⁹. There is limited publicly available evidence, however, of whether or not, in the context of road safety, consumer micro-donations would prove effective as a potential tool for building further engagement with corporate supporters. Consequently FIA Foundation commissioned us to draw lessons from other sector micro-donation schemes and to assess the appetite towards such schemes from a sample of related organisations.

2.3 Research

We undertook a desk based review of three existing schemes and interviewed a senior individual at an organisation running a high profile micro-donation scheme. Section 3 of this report provides an overview of these schemes.

We subsequently interviewed 11 senior individuals at global corporates with an interest in global road safety. The interviews sought to understand their views on micro-donation schemes and wider objectives in their partnerships with charitable organisations. A summary of our findings and conclusions is provided at sections 4 and 5 of this report.



3. MICRO DONATION SCHEMES

3.1 Introduction

Micro donation schemes, the collection of small donated amounts, are perhaps most well-known through the cash boxes found near shop tills aimed at capturing consumer's loose change. There are, however, a number of charity-corporate partnerships that have effectively utilised micro donations to successfully raise considerable sums by including small donations within or in addition to purchase transactions.

More recently, with the ubiquity of digital technologies and the reduction in the number of people carrying loose change²⁰, there have been a number of innovations to traditional micro-donation approaches. These adaptations have typically targeted online or payment card transactions and aim to reduce the impact of an increasingly 'cashless' society on donations and make it easy for the modern consumer to micro-donate in a private, transparent and simple way²¹.

3.2 Types of micro-donation and notable existing schemes

Based on a high-level review of the market and relevant research papers there appears to be three main types of micro-donation schemes involving customer/corporate transactions:

- **'Round-up' based:** consumers choose to make an optional extra payment at the point of purchase;
- **Product based:** donations form part of the purchase price; and,
- **Service based:** a donation is made if customer participates in an affiliated service package.

We provide further detail below of each type of scheme and examples of their use.

3.2.1 ROUND UP BASED MICRO DONATION SCHEMES

A round up scheme provides consumers the option to make an additional small donation at the point of purchase typically by adding on a few pence or by rounding up to the nearest pound.

A consumer may choose to either make a donation each time they make a particular type of transaction, such as buying a coffee at a participating retailer, or make donations on a one-off discretionary basis. Donations are typically capped over a certain time period. This provides the consumer with simplicity and control.

A corporate benefits from the cost of donation being borne by the consumer - meaning that the corporate can connect themselves with a brand and a cause that may improve their image while incurring relatively little financial cost themselves.

In a similar manner (and where successful in a mutually beneficial and re-enforcing manner) charities, as with all micro-donation methods considered, are provided the opportunity to target a particular subset of consumers (i.e. those most likely to buy a particular product). This allows them to align their cause and messaging with a particular demographic more likely to empathise and, therefore, more likely to want to donate.

3.2.1.1 Example: Penny for London

Penny for London allows consumers to donate a small amount, between 1 to 10p, each time they use their registered contactless payment card at a participating retailer. Total donations are capped at 99p each month. If donors are UK taxpayers they are able to gift aid their donations (agreed on sign up) to increase donated amounts by 25% (which is not possible if the donation forms part of the purchase price as per below).

The donations are focused on supporting: “young Londoners living in areas of economic disadvantage in communities across Greater London”²². The scheme is targeted geographically so that donors are likely to be funding a cause local to where they work and/or live.

Funds are administered by the Mayor’s Fund for London and donations are split between the Mayor’s Fund for London, The Evening Standard’s Dispossessed Fund and a number of other charities.

The scheme is a partnership between the Mayor’s Fund for London, Transport for London, Barclaycard Global Payment Acceptance and the Greater London Authority. It is supported by companies including: the Evening Standard, Magic 104.5 and Kiss FM.



PENNY FOR LONDON

The scheme was launched in 2014 and the initial aim is for 100,000 people to sign up with the suggestion that reaching this target could raise more than £1m a year²³.

3.2.2 PRODUCT BASED MICRO DONATION SCHEMES

A product based scheme incorporates a set donation amount within the purchase price of a product (e.g. 1p per item) and, therefore, a consumer triggers a donation each time a purchase is made. These schemes may be used as a permanent part of a product offering or as part of a particular campaign (e.g. donations on all purchases of a product over a Christmas period).



Consumers do not bear the cost of donation under this scheme (i.e. no additional cost is incurred compared to a typical purchase of the item) and may enjoy knowing their action has led to a donation to charity while also appreciating the corporate they purchase from is supporting a particular cause.

For a corporate the donation will affect profit margins but this may be set off by increased sales. A 2013 study undertaken by Echo Research and Cone Communications found 91% of global consumers surveyed stated they were likely to switch brands to one associated with a good cause²⁴. The example below highlights the potential effect on sales from an association with a positively viewed brand. The effect may be particularly beneficial to a corporate selling a relatively homogenous product.

Similarly to round up schemes a charity is able to align its messaging to appeal to the demographic most likely to buy a particular product.

3.2.2.1 Example: Pampers / UNICEF: 1 pack = 1 vaccine

Established in 2006, '1 pack = 1 vaccine' is a global partnership between Pampers and UNICEF. Each time a consumer purchases a specially branded product in Western Europe, USA or Canada, Pampers will donate to UNICEF the cost of one tetanus vaccine (c. 8p) to help protect mothers and their babies in developing countries.



Emma Bunton supporting the Pampers/UNICEF partnership. ©UNICEF UK

The most likely purchasers of pampers products are parents or carers of a recently born child and, therefore, the scheme targets consumers who are more likely than the average consumer to relate to the beneficiaries of the programme. This is effective targeting for UNICEF while also allowing Pampers to demonstrate support for a cause likely to matter to their core market. For the consumer the use of "1 pack=1 vaccine" creates an easily imaginable associated image that may have more impact than focusing on the monetary value of donation (i.e. 1 pack = c.8 pence).

At a 2014 conference at UNICEF House it was announced that the campaign had provided: "funds for over 300 million vaccines and during that time [helped] eliminate the threat of maternal and newborn tetanus in 15 countries"²⁵.

Nappies are a relatively homogenous product and the scheme provides Pampers the opportunity to differentiate their product in a crowded market. UNICEF has a strong brand name with consumers, in particular on areas such as ethics, community and giving back to society²⁶, and Pampers looked to benefit from an association with these values.

Pampers note that their sales have increased year-on-year since the launch of the initiative²⁷. The

scheme has received considerable media coverage and in 2011 the Pampers/UNICEF team was honored by the Clinton Global Initiative. In a 2011 case study by Cambridge University it was demonstrated the perception of Pampers amongst consumers surveyed improved in each year since 2006 launch²⁸.

In terms of employee engagement Pampers note the Pampers/UNICEF campaign was one of the most popular assignments within the Procter & Gamble Group and the business unit had one of the highest satisfaction rates within the company when surveyed at 2011²⁹. In addition the Procter & Gamble Group designed an additional employee engagement programme providing their staff the opportunity to train UNICEF employees in areas of expertise such as marketing.

This initiative presents a strong example of a micro-donation scheme that successfully raises funds for a cause while also benefiting a corporate by providing the customers with the opportunity to harness their purchasing power to make an impact with a group of beneficiaries these customers are likely to empathise with.

3.2.3 SERVICE BASED MICRO DONATION SCHEMES

A service based scheme can be either round up or product based (though it is typically the latter) and utilises donations as reward for customer loyalty. A consumer triggers a donation under a service based scheme through participating in a service package with donations typically made upon sign up and/or at set intervals dependent on continued customer participation.

Similarly to the product based example above the scheme is commonly used as a differentiating factor in competitive markets with a relatively homogenous product and low switching costs.

3.2.3.1 Example: Scottish Power / Cancer Research UK

If a consumer signs up to Scottish Power's 'Help Beat Cancer' three year tariff £10 is donated upon sign up and £10 per year provided a customer remains on the tariff.

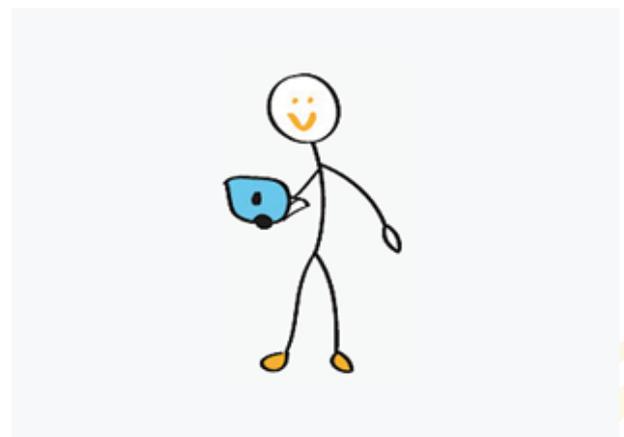
While the link between Cancer Research UK and an energy company is perhaps not as straight forward as other examples mentioned, finding a cure for cancer is a cause that touches a large number of people, while Cancer Research UK itself is a well-known brand. The cause is, therefore, likely to appeal to a large number of consumers while Scottish Power's reputation may improve with customers through association with a strong social brand.

The scheme forms part of a wider corporate charity relationship between the two organisations which has raised over £6m in the three and half years to January 2015³⁰.

3.2.4 EXAMPLE OF OTHER SCHEMES

In addition to the examples provided above, we looked at a number of other schemes, which includes but is not limited to:

- The Pennies Foundation³¹.** Pennies gives customers the option to round-up or top-up a micro-donation to charity when paying for goods or services by card. At time of writing, over 50 retailers had partnered with The Pennies Foundation, including large corporates such as Domino's Pizza, Monarch Airlines, Screwfix, and a number of independent online and in store retailers. Donations are distributed to a variety of charities and 5% of donations is retained to support operating costs. At time of writing The Pennies Foundation report over £4m has been raised for charities.
- eBay for Charity³²:** this scheme allows sellers to donate a chosen percentage (10%-100%) of their sale proceeds to a chosen charity. In addition, eBay waive a percentage of seller fees equal to the percentage of sale value donated. Charities received 100% of the funds raised. Performance metrics of scheme were not available at the time of writing. eBay report their total charity fundraising initiatives have raised over £85m.
- Givingabit.com:** if a consumer has signed up to the scheme a donation is made to charity each time they make a purchase a participating online retailer. The cost of donation is borne by the retailer who also determines the level of donation that will be made on each purchase. Charities receive donations on a monthly basis provided a minimum of £5 has been accrued. The site generates its fees through directing consumers to retailer websites. At the time of writing there were over 100 participating retailers including John Lewis, Amazon and O2.



4. SUMMARY OF FINDINGS

4.1 Introduction

This section presents the key findings from the interviews conducted with 11 senior individuals involved in employee safety and/or fundraising at large multinational organisations. These interviews were conducted between February to May 2015.

Participants were selected in conjunction with FIA Foundation on the basis of corporates with a global reach and those with involvement in the road safety cause or those whose commercial activities involved heavy road use. Interviews were undertaken by PwC utilising set questions as agreed with the FIA Foundation.

4.2 Headline 1: corporates have a wide variety of objectives for partnerships with charities

While the majority of organisations we spoke to had an affinity for the road safety cause they also had particular requirements for charity partnerships that dictated the type of approach most likely to succeed with them. Provided our sample group is representative this suggests approaching a number of corporates with a common, narrow approach is likely to be less successful than undertaking a tailored approach to each individual corporate.

Key success factors:

- **Clarity of fit:** in the competitive market of charity-corporate partnerships, answering the question of why a charity or fund is the right fit for a particular corporate is crucial. A partnership is a two way process and the benefits to both parties need to be clearly set out. Being clear on a charity's own objectives for the partnership and trying to understand the fit with any given corporates objectives is critical in understanding what each can and is willing to offer to each other.
- **Research:** the more information that is known about a corporate (e.g. CSR objectives, current partnerships, business model, strategic goals) the better aligned a charity's approach can be with a corporate's motivations³³. In the context

of consumer micro-donation models and broader brand positioning the motivations of customers should also not be forgotten.

- **Openness:** taking a prescriptive and narrow approach presents the risk that wider opportunities a corporate may be interested in are missed. Adding a degree of openness to an approach will help in determining whether such opportunities are mutually beneficial. Even if the partnership is not agreed an open approach may assist in better understanding the reasons why.



Product (RED) has raised millions for the Global Fund

4.3 Headline 2: micro-donation interest was moderate with majority of interviewees

There was reticence amongst those interviewed towards micro-donation schemes which most frequently stemmed from perceived complexity. Franchise businesses highlighted the difficulty in reaching separate agreements with each franchisee while corporates, with large business-to-business contracts, cited the difficulty in adding further complexity to contracts which already had specific discounts and pricing models. There was individual references to effects on pricing margins, the potential for consumer fatigue, and doubts raised over the longevity of micro-donation schemes.

Interviewees highlighted clarity of messaging to consumers, transparency of donation mechanics, and having the 'right brand' as the most important factors to any future successful implementation and in particular factors such as:

- **A simple transaction:** the set up and management of a scheme will be easier for

transactions involving fewer parties and with simple pricing models. It may, therefore, be easier to agree a micro-donation scheme with, for example, a chain store operating model or with a business-to-business seller of a relatively stable-priced product, for example, a vehicle leaser.

- **Clarity of impact story:** a clear and transparent impact story will help build trust with consumers and make an emotional connection to a given cause. '1 pack = 1 vaccine'³⁴ is, for example, concise and allows a consumer and corporate to easily visualise the impact of their donation.
- **Branding:** A well-known charity brand can instill trust in consumers and appeal to corporates wishing to benefit from positive social associations. If the cause / brand is not well known consideration may be given to partnering with a brand that is.

4.4 Headline 3: the most common desire for a charity partnership was opportunities of staff involvement

The majority of interviewees highlighted staff involvement as the most important objective for a partnership with a charity or fund. It was noted by a number of interviewees that charitable giving is a personal activity and as corporates they look for a cause staff were likely to connect with and have opportunities to actively become involved with.

A number of corporates had existing partnership with charities with donations principally made through employee giving (usually matched) and a variety of staff fundraising activities. It was noted that it can be easier for large corporates to offer time and resource rather than straight cash donations. Put simply it is key to:

- **Think beyond financial input:** Based on our research a corporate is likely to wish to engage on

more than a financial basis. Activities mentioned by interviewees included mentoring, corporate hospitality, fundraising events and site visits;

- **Provide a personal connection:** a number of interviewees mentioned the importance of connecting with organisations and with their staff on a personal level in order to gain traction. Staff involvement in activities that demonstrate the importance of the cause and the impact of their support provides an opportunity to do so; and,
- **Enable Skills-based volunteering:** Providing opportunities that are targeted to the skills sets of potential volunteers should mean both parties gain more from the experience by personalising the approach to the particular corporate staff.

5. CONCLUSIONS

Our desk based research highlights that micro-donations can in certain circumstances be an effective fundraising tool. The Pampers-UNICEF example demonstrates the mobilisation of donations from a target customer base more likely to empathise with a cause (maternal and newborn tetanus in developing countries) than the average consumer. The strong PR generated for Pampers from this initiative suggests that given suitable conditions a micro-donation scheme can generate benefits for the three main stakeholders - customers, the corporate and the charity.

Our discussions with corporates that may have interest in road safety highlighted potential difficulties in implementing this type of scheme in terms of

principally the perceived complexity of setting up and managing a scheme and in relation to their business models. Discussions also highlighted that corporates would typically look for more from a charity partnership than a single scheme - the most common requirement being the potential for staff involvement.

Our research also suggests that if a consumer micro-donation scheme is a focus for corporate approaches careful targeting and research will be critical. This may include identifying corporates with simple, repetitive transactions, chain store operating models, road safety conscious consumers and a strong brand. In addition a clear and concise impact story of the donation remains as critical a success factor for micro-donations as it does for all fundraising.





AIP Foundation's 'Helmets for Kids' is a highly successful NGO / corporate partnership for road safety

APPENDIX A

In this section we provide high level practical suggestions for a charity considering developing a micro-donation scheme. This is not a holistic guide and suggestions are based upon learnings from the research presented in this report.

A.1 Scheme type

Consideration is required of the type of micro-donation scheme, which we have split into round-up, product based, or service based. Key to this will be the perceived fit with corporate and consumers. It may help to present options to a corporate who is likely to have strong views on which scheme would be preferential to them. Some differences are noted below.

A round up scheme places the burden on the consumer to donate and thus does not affect the product profit margin. The 'opt in' element may require more marketing to encourage consumers to donate and could potentially lead to less donations than a built in element.

A product based donation scheme will impact on profit margins and may be complicated to implement

in complex transactions involving discounts etc. which may be off-putting to some corporates. Consumers may, however, appreciate the impact of their purchasing power and the PR for the corporate may improve relative to other schemes due to it making the donations out of its own profits. As highlighted in the Pampers-UNICEF example this can be particularly effective in markets with homogenous products and if sales increase this could offset the fall in profit margin.

A service based model is likely to be most relevant to corporates with a relatively homogenous product in a market with low switching costs that is looking to reward customer loyalty. It may be presented as either a round up or product based model and therefore the above considerations apply.

A.2 Accounting

A number of high profile scandals involving charities and use of funds in recent years have helped raise scrutiny of the charitable sector and the appropriate management of funds. Both corporates and consumers will wish to feel comfortable that donated funds will be used for their designated purposes.

An asset benefiting the Pampers-UNICEF partnership is the advanced fund management systems³⁵ operated by UNICEF. A system that can quickly generate accurate and timely information will ensure corporates and consumers feel comfort.

A.3 Technology

Incorporating micro-donations into transactions, be it online platforms, chip and pin terminals, mobile apps or company operating systems requires technological abilities to develop and implement. A company may rightly be sensitive about introducing elements which interfere with customer experience and a consumer may be put off donating if the process is difficult and/or time consuming.

If a charity is to offer these services itself a proven track record will be key. Alternatively a corporate may be willing to implement the systems themselves if they have the skills in house and are willing to take on the expense. If not run in-house, a charity may wish to make an approach alongside a specialist micro-donations technology provider such as The Pennies Foundation³⁶, or partner with an organization willing and able to provide technology solutions (e.g. Barclaycard in the case of Penny for London).

A.4 Messaging

A recent survey by the Charities Aid Foundation found the 70% of those surveyed felt they if they: “knew how money was directly helping” they: “would feel more inclined to give to charity”, demonstrating the importance of telling an effective impact story³⁷. The time available to tell this story and ‘sell’ a donation may be more limited than a typical donation discussion in a micro-donation transaction and, therefore, concise and clear messaging is key.

In addition to the ‘1 pack = 1 vaccine’ providing an easy to visualise impact story, the campaign is grounded in positive, non-monetary messaging such as: ‘partnering for healthy babies’ and achieving impacts: ‘with the help of mums’.

Consideration is needed as to suitable messaging that advertises a cause, connects with consumers and is in line with the marketing goals of the corporate.

A.5 Transaction costs

A consideration for micro-donation schemes is assessing the appropriateness of the transaction cost against the size of the donation. For example, transacting individual 1p donations between corporate and charity may be less efficient than, say, having a minimum donation threshold, or allowing for donations to accrue to a certain level before they are transacted.

APPENDIX B

What might a consumer micro-donation campaign for global road safety look like? The FIA Foundation commissioned award-winning brand agency The Partners to imagine the design and messages of a consumer-focused campaign engaging a number of different companies and outlets.

'If we all do a little extra, together we can make a big difference'. This is the pitch for 'The Extra

Mile', a campaign encouraging consumers to give a little extra for road safety by donating a dollar or rounding up to the nearest Euro when they buy petrol, shop at a bike store, purchase insurance or a new car, pay for online goods delivery or just do the weekly shopping at a participating supermarket. 'The Extra Mile: Let's all give a bit extra and make a big difference to keeping children save on the road'.





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