



**Humanitarian
Online Funding**

**HUMANITARIAN
LEADERSHIP**

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Leonie Bleiker and Bettina Schwab

Keywords

Online Fundraising, Donation Process, Inertia, Dual Process Theory, Nudges

Traditionally, funding for the International Committee of the Red Cross (ICRC) is issued by governments and a few large corporate donors. However, according to prognoses, the percentage of private donations made over the internet will increase immensely over the next years. At the same time, there is a risk that the overall financial means at the ICRC's disposal will decrease due to a potential decline of government spending as many states are heavily in debts. Against this background, the concern of this paper is to analyse the fundraising strategy of the ICRC with the aim to give helpful suggestions for improvements. The invention of the internet has initiated the establishment of online fundraising, which differs from traditional fundraising. First, we elaborate on the differences between these kinds of fundraising. Our comparison will be based on a fundraising model whose generic terms function as an aid to orientation. Based on the comparison, we will point out that the advantages of the internet cause an increasing use of this medium by possible donors and therefore bring about a shift from traditional donation to online donation.

leonie.bleiker@posteo.de
bettina.schwab@gmx.net

1. Introduction

The mission of the International Committee of the Red Cross (ICRC) is to protect the lives and dignity of victims of conflicts and other situations of violence around the world. The International Red Cross and Red Crescent Movement form the biggest humanitarian organisation worldwide.¹ The need for money to accomplish its mission is high. In 2011, for example, the expenditure of the ICRC accounted for more than 1,206 million US dollar (cf. ICRC 2011). To defray these expenses, the ICRC raises money through donations. With governments contributing 83% to the total number of donations, the constitution of donors has been highly homogenous over the last decades. Governments, as the biggest group of donors, are followed by the European Commission, which contributed 9%, national societies, which contributed 5% and lastly private sources, which contributed only 2% to the total amount of donations received by the ICRC in 2011 (ibid.). As a consequence, the accomplishment of the ICRC's mission is largely dependent on the generosity of governments.

This dependence on governments' generosity is likely to cause difficulties for the ICRC in the future. If the budgets of governments decrease, they will cut their contributions for the ICRC. This will cause a direct lack of money in the budgets of the ICRC. The ICRC can react to this situation in two ways: either by cutting short the expenses and thereby reducing the need for money or by searching for other sources of money to maintain the budget. However, in consideration of the current global economic depression and the increase in global conflicts (cf. Heidelberger Institut für Internationale Konfliktforschung 2016), the demand for money needed by the ICRC to accomplish its mission is more likely to increase than to decrease. Therefore to cut back on expenses might hinder the ICRC from accomplishing its mission. If the ICRC consequently aims to maintain the current height of budget, it has to take actions to compensate for the decrease of government donations by trying to increase the donation volume of the remaining donor types mentioned above.

As a consequence, the question arises as to which potential of the remaining donor types is underachieved. Where are the opportunities to increase the volume of contributions? To answer this question, we compare the percentile distribution of income of other internationally operating humanitarian organisations to that of the ICRC. The biggest difference lies between the percentages private donors contribute to the total income of the organisation. As stated above, private

¹ For further details, see <http://www.icrc.org/eng/who-we-are/movement/index.jsp> (accessed: 10.01.2016).

sources contribute only around 2% to the total amount of donations received by the ICRC. Save The Children, by contrast, receives 48%² of its donations from private sources, a difference of 46%. UNICEF received 32% of its financial aid from private sources in 2012 (cf. UNICEF 2012), which is still a difference of 30% compared to the ICRC. We therefore see the biggest potential to increase the volume of donation in the private sector. Thus our paper focuses on how to achieve this goal.

There are two main possibilities to increase private donations: Either the volume of donations can be increased by acquiring new donors, or one-time donors need to be turned into long-term donors. A good fundraising strategy, therefore, should catch the attention of possible new donors, but also build up the relationship with its former donors. Consequently, we will analyse the fundraising strategy of the ICRC on the basis of two criteria: Whether the strategy motivates possible donors to donate and whether the strategy improves the quality of the relationship with the donor and thereby motivates him to commit himself longer to the organisation.

During the last decades, the invention of the internet has given rise to new ways of private fundraising, which differ from the traditional ways. We will distinguish between traditional fundraising and online fundraising in our analysis. In chapter 2, we contrast these two methods of fundraising on the basis of the criteria stated above. We come to the conclusion that online fundraising has a lot of advantages compared to traditional fundraising, because it provides better tools to achieve the aims of acquiring new donations and turning one-time donors into long-term donors than traditional fundraising does. The advantages of donating online have also become known to donors, since empirical evidence shows that the percentage of online donations is increasing.

Based on these findings, we analyse the ICRC's online fundraising strategy and in chapter 3 we point out that the ICRC makes use of all the different advantages the internet provides to achieve the two aims of fundraising. Yet there is still one obstacle remaining, which is the inertia of a possible donor. This can cause him to stop the process of acting out his intention to donate, when the method of donating is not easy to follow. To keep the possibility of rising inertia as small as possible, we suggest two changes in the ICRC's online fundraising strategy in chapter 4 by making the process of donation smoother. We suggest the integration of a "donate now" button into social networks and the offer for donors to commit themselves to donate more frequently. In chapter 5 we conclude that the ICRC has adapted well to the changes of framework (for this term see figure 1), but will need to continue the development of its online funding strategy.

2 See http://www.savethechildren.org/site/c.8rKLIXMGIpI4E/b.6229505/k.5C4E/Financial_Information.htm (accessed: 10.01.2016).

2. Online Fundraising

2.1 General Fundraising Model

Before we start with our analysis, we want to elaborate the differences between two kinds of fundraising. Our comparison is based on a general fundraising model, whose generic terms function as an aid to orientation. Fundraising is defined as the organised activity of soliciting money for charitable organisations. Fundraising activities can be modelled as follows: There are two different agents participating in them. On one side, there is an organisation whose fundraising strategy aims to solicit money. On the other side, there is a possible donor, who the organisation aims to motivate to donate money. The framework of the fundraising activities is composed by the media. The different media determine the possible ways in which the organisation and the donor can get into touch with each other. The fundraising activity itself is based on two different exchange processes. First, there is an exchange of information via information channels such as newspapers, television or the internet. The information channel is mainly used by the organisation to inform the potential donor and to motivate him to donate, but can also be used by the donor to ask questions or to give feedback. If the use of the information channel has been successful and the possible donor is motivated to donate money to the organisation, then the second exchange takes place, which is the exchange of money. Money is exchanged via donation channels such as bank transfer. The difference between the information channel and the donation channel lies in

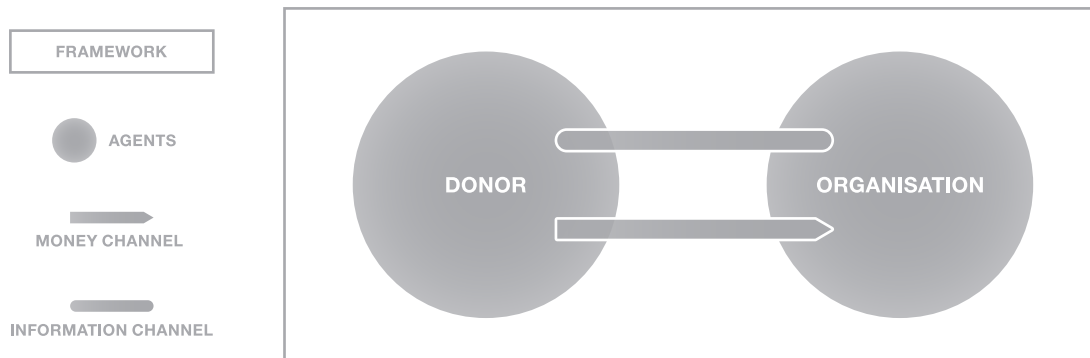


FIGURE 1: GENERAL FUNDRAISING MODEL (SOURCE: OWN ILLUSTRATION)

the fact that the information channel can be used in both directions, whereas the donation channel is only used in one direction.

2.2 *Traditional Fundraising and Online Fundraising*

Based on this general fundraising model, we will now differentiate between traditional fundraising and online fundraising. We define traditional fundraising as all fundraising activities which are independent from the invention of the internet and therefore take place in the offline world. Online fundraising are all fundraising activities depending on the use of the internet. Since the invention of the internet has brought about many new features, the framework within fundraising activities take place is what makes the main difference between these two kinds of fundraising. The traditional framework of fundraising activities is composed by media such as direct mail, print media, radio or television. These media function as information channels and are mainly used by the organisation to catch the attention of a possible donor and then provide information that motivates him to donate money. If a potential donor has been successfully motivated to donate, he can use the donation channel to provide money for the organisation. To do so, he has to use a medium which enables him to transfer a donation, for example, a donation form. Other ways to transfer money are cheques or a transfer via a bank account. The crucial point in this is the necessity of switching the medium in order to get from the information channel to the donation channel. This can be a hindering impediment in a donation process. We will elaborate further on this point in chapter 3.

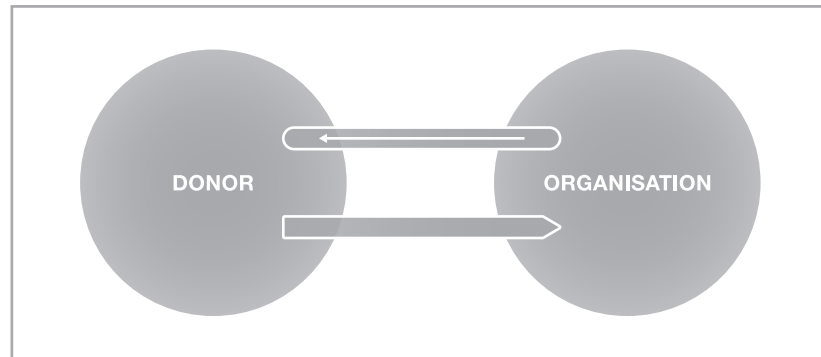


FIGURE 2: TRADITIONAL FUNDRAISING MODEL (SOURCE: OWN ILLUSTRATION)

The invention of the internet introduced many new features that can be used for fundraising. The online framework of fundraising activities is composed by such new ways of communication as email, websites, social media or mobile applications. These services are used to catch the attention of the possible donor and to provide information that motivates him to donate. Two main characteristics distinguish online communication from traditional media in terms of fundraising. First of all, some of the features can be used as an information channel to the same extent for both, organisation and donor. Social networks, for example, offer the possibility for the donor to directly give feedback to the information provided by the organisation. Furthermore the donor can also use social media to spread information about an organisation he supports to his circle of acquaintances, for example via the button “share” on Facebook. Thereby third parties are incorporated in the fundraising process. Second, also the donation channel has changed. The internet makes it possible to transfer a donation within the same medium in which the motivational information has been received. Donors can fill in an online donation form or use their online banking account to transfer money. This all takes place in the internet. A switch of media gets unnecessary and therefore the donation process is simplified.

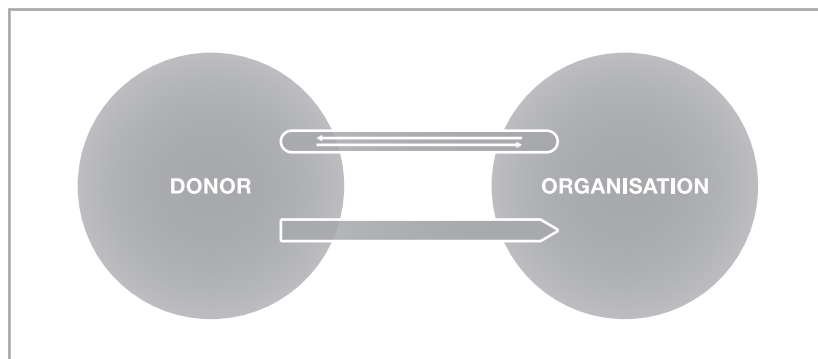


FIGURE 3: ONLINE FUNDRAISING MODEL (SOURCE: OWN ILLUSTRATION)

Certainly, there is no strict and necessary separation between traditional fundraising and online fundraising. Donors, who have received information via traditional media, can use the internet to transfer their donation and the other way around. Consequently, both kinds of fundraising exist next to each other. Yet using the internet is advantageous when it comes to fundraising.

2.3 Advantages of the Internet

We have identified five advantages of using the internet to solicit donations: the possibility to create a network between donors; the absence of a communication time lag; the encouragement of interactivity between the donor and the organisation; the increase of transparency; and finally, the possibility of combining media materials. In the following, we will exemplify these advantages with reference to the aims of fundraising.

The first advantage of the internet is that the donors can connect to each other. Communication in traditional media such as newspaper or television is restricted to a small number of people. But nearly everybody in the world has access to the internet which abolishes this restriction. A donor does not stand alone anymore, but can communicate with like-minded people from around the globe.

The second and the third advantage are closely connected. Whereas the communication within traditional media is always affected by time lags, communication within the internet is fast and direct. In case of an emergency, the call for help via traditional media can waste valuable time. The time needed to inform potential donors should be kept as short as possible. The internet and especially social networks enable the spread of information around the globe in a virus-like manner. A call for help reaches the supporters of an organisation directly and without a time lag. In addition, the absence of a time lag simplifies the interactivity between the organisation and the donor, since donors can react directly to the information provided. These direct reactions can have different expressions. Possible donors can react by giving feedback, by donating or by spreading the information to internet users who are not yet involved in the fundraising activity. As a consequence, the supporters of an organisation become more involved.

The fourth advantage of the internet is that it can help to increase transparency. In traditional media, the donor only receives a selected extract of information, which the organisation makes available, while the internet provides a wide range of information, for example, on a webpage. The possible donor can decide in which information he is interested. Furthermore, the donor can also use other sources, such as experiences from other donors, to collect information about an organisation. Transparency increases the trust in an organisation and therefore also the willingness of people to give money to that organisation. As a side effect, this way of providing information is even cheaper than sending direct mails or advertising in newspapers.

Lastly, we see a fifth advantage of the internet in the possibility to combine different kinds of media materials with each other. Texts, pictures, sounds and videos can be used to present

information vividly. The presentation thus becomes more interesting and it is easier to catch the attention of possible donors which is the first step to a donation.

2.4 Implications for Fundraising

Our assumption that more and more people will donate online is also supported by scientific studies, which show that the percentage of online donations has increased from 7% in 2007 to 10% in 2012. For first time donors, the increase was even higher from 9% in 2007 to 16% in 2012.³ In addition, the amount of money of one donation is also higher online than offline.

We further assume that people are not only aware of the advantages of the internet, but that they start to expect organisations to make use of them. The donor expects to find organisations represented in social media. He expects to find a webpage, and he expects to be offered the possibility to donate online. Based on this consideration and on the fact that more and more people donate online, our further analysis will focus on the ICRC's online fundraising strategy. We will investigate whether the ICRC makes use of the different advantages of the internet and whether its online fundraising strategy is expedient to the aims of acquiring new donors and making one-time donors into long-term donors.

3. Analysis and Evaluation of the Current Situation

3.1 Classification of ICRC's organisation structures

The ICRC is a large and traditional organisation. This characterisation brings along specific challenges. The betterplace lab, a think tank that tries to describe and evaluate trends in the online fundraising business, released a study about non-governmental organisations (NGOs) and their online fundraising habits. According to this publication, three types of NGOs can be distinguished when it comes to online fundraising: experimental, communicative and hesitating organisations.

The experimental NGOs are small organisations with fewer than 10 employees, which use many channels to raise money online. They often use external platforms. Their biggest problems

³ See <http://trendreport.betterplace-lab.org/trend/online-fundraising> (accessed: 10.01.2016).

are usually a shortage of time and know-how. The communicative category contains slightly bigger organisations with 11 to 50 employees. These organisations also make use of many channels to communicate with the interested public. They have potential concerning online funding, which could especially be improved through more knowledge about how it works and what its regulations are.

Though not categorised as a NGO, from its fundraising characteristics, the ICRC belongs to the group of hesitating organisations. The two main features of hesitating organisations are that they have a fairly great number of employees (more than 50) and raise the majority of their budgets offline. Nevertheless, most of the hesitating organisations have a website and also use e-mails to get into touch with donors. All of these characteristics apply to the ICRC. It has many employees (900 in the headquarters in Geneva, 1600 on missions and many locals who support the teams⁴). Since only 2% of the ICRC's funds are raised through private donations, the percentage of online donations cannot be higher than that. Government support is raised through different channels. The ICRC also has launched online fundraising instruments as shown in the former chapters.

The main problem the study sees for organisations as the ICRC is that they have such well-established structures. Even though clear structures can be seen as strength, they can also make an organisation rather inflexible, especially in comparison to smaller NGOs which are usually more open to change. But why did the ICRC develop such firm structures and a centralised way of communication? The reason for this lies in the special mission of the ICRC.

3.2 Special Mission

The International Committee of the Red Cross (ICRC) is an impartial, neutral and in-dependent Organisation whose exclusively humanitarian mission is to protect the lives and dignity of victims of armed conflict and other situations of violence and to provide them with assistance.⁵

The special mission of the ICRC to protect the lives and dignity of victims of conflicts has to be kept in mind at all times. Before changes are being made, it is important to investigate whether they may endanger the mission of the ICRC. As we have shown in chapter 2, the process of donation

⁴ See <http://www.icrc.org/eng/resources/documents/misc/5r4j73.htm> (accessed: 10.01.2016).

⁵ <http://www.icrc.org/eng/resources/documents/misc/icrc-mission-190608.htm> (accessed: 10.01.2016).

is initiated by the exchange of information. Before talking about changes in the ICRC's online fundraising concept itself, we therefore have to evaluate the way information exchanges are managed first. This is done with consideration of the ICRC's mission. So far the communication of the ICRC has been centralised: all information is collected and evaluated in the ICRC's headquarters before it is published. This is necessary to ensure that the principles are not violated and to avoid secret information from becoming public. Another reason for the centralisation of the information is the worldwide trust the ICRC enjoys. Due to its impartiality, its unique stance empowers the ICRC to help even in areas where usually no strangers are accepted. To preserve this impartiality, it is necessary to evaluate and filter information about the ICRC's work before it is published. However, the internet established a process of decentralised communication via social networks and e-mail. The question here is whether the ICRC should change its communication management in order to improve transparency and the relationship towards the donor. For example, delegates could report their work on projects directly towards the donor via Facebook without first sending information to the headquarters. Such bottom-up changes can be very successful, but are also risky because the messages that reach the public cannot be controlled. Unfortunately, the risks described indicate that it is more reasonable to keep a rather centralised information policy. Such a top-down control of the online strategy is more suitable and already done quite well.

3.3 ICRC's Online Performance

On its website, the ICRC provides access to a wide range of information. People can directly look up what they are interested in. However, many pieces of information presented on the front page are not divided into categories but are linked directly, so that visitors have the possibility to click on about 40 continuative links. This restricts the clarity of the web page and thus increases the difficulty for visitors to orientate themselves and to find the information they are looking for. Complexity in the way information is presented can lower transparency. To decrease complexity, we recommend a clear and simple array of information, which can be achieved through subsuming information under different categories. Apart from this, the ICRC uses the website to combine different media such as photo and films. Furthermore, the presentation of information is linked with a "Donate Now" button. This simplifies the process of donation for possible donors since they can donate in the same channel in which they received information.

Besides offering a website, the ICRC is also represented in different social networks such as Facebook, Twitter and Google+. The ICRC uses these networks as additional online information channels by posting videos and photos about different projects of the ICRC. However, the information channels of social networks differ from that of a webpage, since the information is not only presented to users, but the users have the possibility to react to it by pressing buttons which express like/dislike feelings, by commenting on posts or by sharing posts with their friends. The ICRC makes use of these possibilities by giving people incentives to engage in interaction with the organisation. These incentives can be photos or videos on which people can comment, but they can also be more creative. On the 150 birthday of Henry Dunant, for example, people were encouraged to send a photo to the ICRC, which shows them with the beard of Henry Dunant. These photos were then assembled in a collage that was posted on Facebook. This example shows that the ICRC uses social networks in order to get into contact with possible donors, to engage them and to interconnect supporters of the ICRC.

All in all, the ICRC uses the potential of social networks to improve the relationship to its supporters fairly well. But when we recall the aims of online fundraising stated in chapter 1, namely to acquire new donors and motivate people to donate more frequently, the question remains why the ICRC does not use social media to call for donations. Since the ICRC is mainly financed through government contributions, there was no necessity for private donations in the past. This explains why the ICRC has not made use of social networks to ask for donations. Because of their range, social networks provide ideal conditions to call people's attention to the need for money of the ICRC and through that turn supporters into donors. On Facebook, for example, over 1,100,000 people (as of 01.01.16) were connected to the ICRC via the "like"-button and the number is still growing. All of these people are in some way or another connected to the ICRC and can be asked for financial help to fulfil the mission of the ICRC.

In summary it can be said that the ICRC's online fundraising strategy makes use of the advantages of the internet. The information provided on the website is very comprehensive and therefore increases transparency, although transparency can be further improved by dividing information into subcategories. Social networks are used to create a network of supporters of the ICRC and interact with them. Here, a call for donations could raise the awareness of supporters for the ICRC's need for money. In addition to the website and social networks, e-mails and mobile applications are also used to exchange information. All of these tools make it possible to communicate with supporters of the ICRC from around the world, without time lags or media power playing a restrictive role.

The ICRC's online fundraising strategy, therefore, has the potential to acquire new donations due to a better exchange of information and to make one-time donors into long-term donors due to a better relationship with the donor.

3.4 Dual Process Theory

As a consequence, we only see one obstacle for the ICRC to overcome in order to reach its aims of acquiring new donations and to make one-time donors into donate multiple times. This obstacle is the inertia of a possible donor which can prevent a donation when impediments occur. Here, the psychological conception of decision-making processes plays an important role. Human decision making processes are affected by different mechanisms working in the brain. These mechanisms can be categorized into cognitive and affective. Cognitive processes determine controlled and conscious behaviour and are characterised by their deliberative effort. Affective processes, by contrast, determine uncontrolled, automatic and unconscious behaviour and are characterised by their effortlessness and fastness. Most behaviour results from an interaction between these two processes: They can either collaborate or compete. If they collaborate, the resulting behaviour is very effective, whereas if the processes compete, a conflict arises. How the conflict is solved depends on different variables, for example, on the emotional state or the way a decision is modelled (cf. Camerer et al. 2005).

A conflict between the cognitive system and affective system can also arise when people want to donate money. The decision to donate money to a certain organisation can be the result of both cognitive mechanisms and affective mechanisms in the brain. If people decide to donate on the basis of a deliberative evaluation of information, then the underlying decision making mechanisms have been cognitive. When people decide to donate as a result of an emotional reaction, the underlying decision making mechanisms are affective. The underlying mechanisms can also stay in conflict. If, for example, organisations advertise for their mission with a picture of a very sad child, then the affective system reacts with pity, but at the same time, the cognitive system can react with anger about emotional manipulation. The same applies for the process of implementation of the intention to donate. Even if people decide to donate on the basis of a cognitive decision, the implementation can be affected by affective mechanisms. If, for example, a person intends to donate, but then obstacles during the implementation occur, which make the process of donation

more complicated and effortful, feelings of dislike and inertia can arise, which cause the possible donor to stop the process of donation.

Feelings, such as inertia, do not only interfere in the acquisition of one-time donations, but also play a crucial role in the effort to encourage people to donate regularly. We assume that many people have charitable impulses and further, that many people are also willing to donate frequently. The problem is that they have to follow the process from intending to donate to implementing this intention each time they want to donate. This implies that each time they are also susceptible to the influence of hindering feelings. People who are busy with their work, for example, often earn a lot of money and are also willing to give some of their money to charitable organisations, but fail to do so because they are too inert to take the time (cf. Thaler/Sunstein 2008: 227).

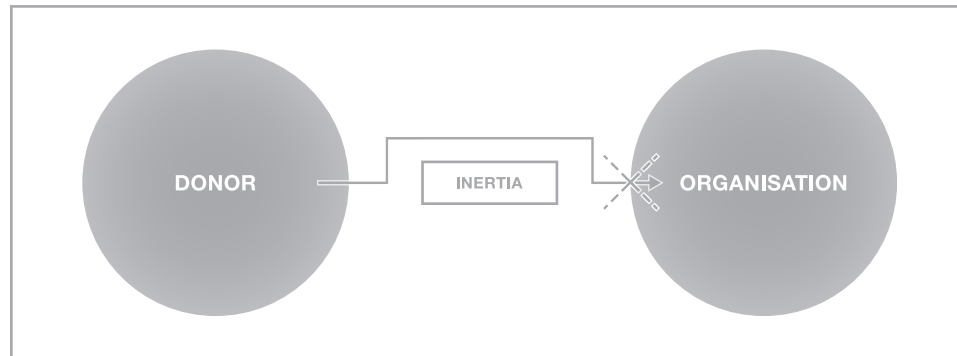


FIGURE 4: INERTIA AS IMPEDIMENT (SOURCE: OWN ILLUSTRATION)

For the ICRC's online fundraising strategy, the findings of the dual process theory imply that the process of the implementation of the intention to donate has to be created as smoothly as possible. Here, one huge advantage of the internet consists of the possibility to donate within the same channel as where the information is provided. This makes the process of donation easier in comparison to methods provided by traditional fundraising. However, the ICRC only partly makes use of this advantage. On the website of the ICRC, the ICRC provides a lot of information for interested people and at the same time offers the possibility to donate via a donation form. In social networks, by contrast, there is no direct possibility offered to donate. If a person receives interesting information about the ICRC in a social network and consequently wants to donate money, he has to leave the

social network and visit the homepage of the ICRC. This detour is problematic, since it can cause feelings of dislike or inertia. If, as a result of these feelings, people stop the process of donation, the organisation's aim to acquire new and more donations is not achieved adequately. To avoid these consequences, we therefore recommend creating a way to donate within social networks. We also recommend a tool which offers the possibility for donors to commit themselves to donate regularly.

4. Possible Improvements

4.1 Nudges – Smart Choice Architecture

Taking the special mission and the structures that developed on the basis of this mission into consideration, we conclude that vast changes are not suitable. Our suggestions aim at improving the ICRC's strategy by implementing changes that do not require a change in structure.

The overarching concept we have in mind is that the suggested changes should function as nudges. Nudges are little changes in the way choices are presented which push people in a favourable direction (ibid.: 6 ff.). Nudges are easy to implement and of low-cost. The nudges should influence the choices people make in their donation process positively and get more people to give their money to a good cause. Decision-making processes are highly influenced by circumstances. These can be inner circumstances (such as mood, lust, etc.) or a setting of the decision. Even though the inner conditions cannot be controlled directly, they are highly influenced by the outer circumstances. Modifications in the way decisions are presented are called choice architecture. These circumstances play a role in decision-making processes because our brain functions in the dual way we described in detail in chapter 3. As explained, small impediments can prevent a donation because inertia is at times stronger than the will to donate. This state is more likely to occur when the donation process is complicated in any way. We therefore suggest measures that simplify the process of donating for the donor. The decision to donate should not be spoiled by avoidable barriers such as detours to get to the donation form. Additionally, the measures are easy to implement.

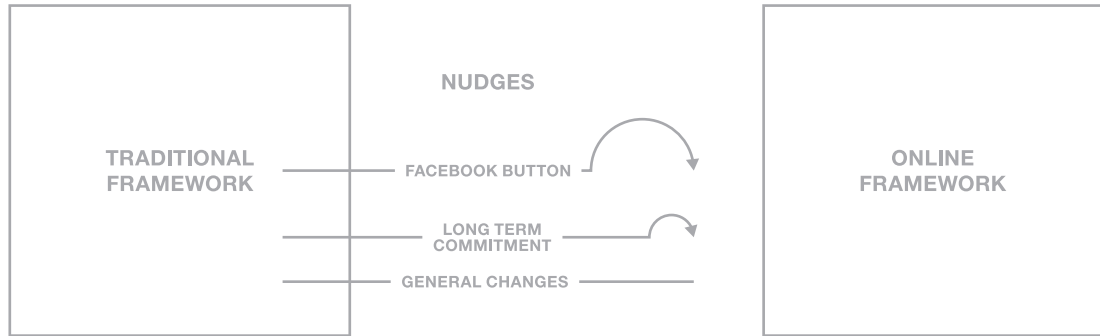


FIGURE 6: CONCEPT OF NUDGES (SOURCE: OWN ILLUSTRATION)

4.2 Social Network Integration

The ICRC uses all kinds of social networks (Facebook, Twitter, Flickr etc.) to get in touch with the interested public. This is done in a very professional way. Even though information on some topics of the mission of the ICRC is restricted because of the special nature of the mission, the picture drawn for example on the Facebook page is a vivid one that gives a good impression of the work of the organisation. So far, these channels have not been used to acquire donations.

We will focus in the following section on Facebook, as it is the largest and most influential social network at the moment. We searched for a possibility for organisations to present their projects and results in social networks and ask for donations at the same time. This call for donations should not restrict or disturb the presentation of a certain project in any way. If organisations post information on Facebook, they can attach a link which leads the user to a continuative webpage. But it is only possible to attach one continuative link to a post. If organisations intend to attract new donations by presenting a cause via Facebook posts, they need to decide whether to link to further information about the cause or to directly link to the donation form. One way of solving this problem of space restriction is the integration of an additional button to the interface of the Facebook page. The additional button could be named “get involved” or “donate now” and would provide a direct link to the donation form on the ICRC’s website besides the continuative link for further information about the cause. As a result, a single post can include a continuative link for further information and the connection to the donation form. Furthermore, the detour via the

main page of the website could be avoided which would make the donation process even smoother. It is a big issue in online fundraising that possible donors are often “lost” during the process of donation because difficulties come up. One of those barriers, the detour over the main page, can be avoided when using such a button. A smooth donation process also enables spontaneous and emotionally motivated donations (cf. Small 2010: 158). One product on the market for little tools to make online donation easier is the instrument developed by “elefunds”, a company specialised in online funding.⁶

4.3 Long-term Commitment

Our second suggestion is also rooted in the problem of inertia. There are people who are willing to donate more money than they actually do (cf. Thaler/Sunstein 2008: 227). They are convinced that it is good to give money to a good cause and they also know that there are a great number of organisations out there who need their support. Nevertheless, the donation often does not happen for trivial reasons: Other things come along which appear to be more important at that moment (for example, the untidy living room, a comedy show on TV, etc.). Such cases are again ones in which inertia is stronger than willpower. Thaler and Sunstein came up with the idea of a long-term commitment to avert this problem. The idea is based on a program called “Save More Tomorrow” and is a nudge that motivates people to commit themselves to adjust the savings for their pension slowly in a step by step manner. The long-term commitment we have in mind would not be based on increasing the amount donated every year (even though this might be a possibility), but merely on donating on a regular basis. So far, the ICRC does not offer such a program. The idea is simple and turns donors automatically into long-term donors. Again, simplification is the key. The steps possible long-term donors have to go through need to be kept as limited as possible to avoid unnecessary barriers. It is also very important that the donors can leave the commitment without any trouble. The implementation of such a program can be done very easily. Integration in the regular donation process seems to be a good solution. Other organisations, including UNICEF and Misereor, have already established such an option.

⁶ See <https://elefunds.de> (accessed: 10.01.2016).

5. Conclusion

We showed what the specific challenges of the ICRC are concerning online fundraising, tried to identify a frame in which changes are efficient but unproblematic and suggested some nudges. Despite all the advantages elaborated in the former chapters, the internet does not only provide organisations like the ICRC with advantages. The new possibilities of the internet are also accompanied by new challenges.

We analysed the advantages the internet offers and pointed out how these advantages can benefit the acquisition process of new donors and the transformation of one-time donors to regular donors. We only pointed out the positive aspects of the internet. However, the invention of the internet also creates disadvantages for big and traditional Organisations concerning the acquisition of donations, which have to be considered in order to get a comprehensive understanding of online fundraising.

The invention of the internet also changed the framework of fundraising in terms of money. Since the internet is a medium, which itself is for free, there is very little budget needed to get started. This enables also smaller organisations to use the internet, because they can afford it. In the traditional framework, only organisations with a high budget could afford to communicate their causes, since advertising on television or in newspapers is very expensive. With online fundraising, any organisation can use the internet to raise money, irrespective of their size or budget. Small organisations can, for example, set up a website or present their cause on fundraising platforms. This development gives donors a broad range of organisations and projects to which they can give their money. Furthermore, in the online world, big organisations do not differ from small organisations in the way they are represented. With regard to the fact that there is a shift from traditional donation to online donation, this development increases the competition for money enormously. For this reason, it is even more important to optimise the online fundraising strategy of the ICRC.

We pointed out that the ICRC makes use of the advantages of the internet and therefore has a good online fundraising strategy, but that there is still the general obstacle of a donor's inertia. Since any inconveniences in the donation process promote inertia, we followed that it is necessary to make donating as simple as possible. The changes we suggest are small and easy to implement in the existing structures of the ICRC. This is of importance, since the ICRC is a traditional and large organisation with well-established structures and hierarchies, which indicates limited change capacities. The hierarchical structure of the ICRC arose from the need to protect impartiality and

the mission of the ICRC. The specific mission of the ICRC puts further constraints on possible changes. Our proposed changes focus on avoiding barriers in the donation process and influencing the behaviour of possible donors in a positive way by nudging them to act in a certain direction. We suggest a tool for better social network integration, a long-term commitment program and slight modifications in the donation form.

However, in the long run, the suggested changes will not suffice to optimise an online fundraising strategy, since the framework of fundraising will change constantly. These developments can be extensions. For example, Apple's App Store adds up to 400 new mobile apps every day. These developments can also be new innovations, such as Google glasses. Since no one can predict how these developments influence the framework of online fundraising or the behaviour of possible donors, it is important to watch these developments carefully in order to react to new trends appropriately. It is the main task of organisations like the ICRC, which want to strengthen the funds for their humanitarian work by raising private donations online, to adjust to such new developments in the framework. A well-organised and innovative approach to the task of online funding therefore can only be implemented with this constant change of framework in mind. The ICRC seems to be well prepared for that task. A new and improved donation form was recently introduced on the ICRC's webpage (summer 2013). Such improvements are necessary since the development of an online fundraising strategy is a neverending process.

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