

VIRTUAL PROMISE

Are charities making the most of the internet revolution?

By Joe Saxton, Future Foundation
and Stephen Game, Horwath Consulting



www.virtualpromise.net

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More copies of this report can be downloaded from the website. You can also download a copy of the Future Foundation's briefing on *Government policy and the voluntary sector's use of the internet*. Alternatively, you can obtain a copy of the briefing by emailing Joe Saxton at: joes@futurefoundation.net

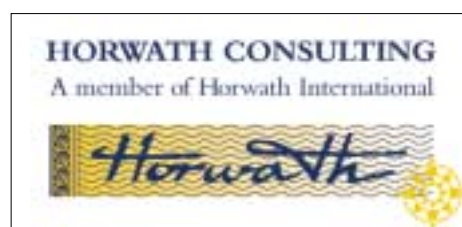
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1: Introduction

It is hard to avoid the internet. Even the most technophobic individual will have noticed that the internet is penetrating almost every aspect of our lives. Advertising is now peppered with website addresses. The daily news analyses internet flotations or falls in the share price of technology stocks. TV programmes tell viewers to find out more on their websites – even allowing them to use the net to vote on *Stars in their eyes* or *Sports personality of the year*.

A whole language has developed and peppers everyday speech: dotcom, surfer, web, net, email, and many more. Using the internet is part of people's everyday life. The Future Foundation's research¹ shows that the number of internet sites in Europe has reached 10m, and that 22m people in the UK have accessed the internet in the last six months, 70% of them once a week or more.

In the UK and the US, books and CDs are the most common internet purchases, but people are also using the web as a source of information for major purchases which are then made in person.

Real changes

The impact of the internet is not just a product of media frenzy or popular culture; real changes are happening below the surface in the way that companies do business. The internet is changing business-to-business (B2B) and business-to-consumer relationships (B2C) in a whole range of ways: allowing customers to buy online, giving customers unparalleled volumes of information about products, allowing customers to compare prices, and tying in customers to a real-time information service on stock availability. For anybody who doubts the internet's impact on business, read some of the publications listed in the appendix (p30)².

However, the changes are not complete. The internet is still growing at an incredible pace. Accountancy firm KPMG estimates that 20% of revenue for the UK's top 100 companies came from e-commerce in 2000. There will be 67m internet users in Europe by 2001³

with growth expected to continue. The Future Foundation forecasts that between 70% and 90% of the population will use the internet on a regular basis by 2005, depending on social class and age.

But the internet is not a universal panacea for society's ills. Nor is it even a panacea for business. Between the hype and counter-hype on the internet's benefits, it is clear there are limits. Even teenagers grow tired of surfing ('They came, they surfed, they went back to the beach' as one writer put it) and not everybody can get affordable access. The average couch potato has to work far too hard on the internet for it to replace TV.

As with all new technologies, society is exaggerating the short-term benefits and underestimating the long-term benefits. Historically it has only gradually found the most appropriate use of technology.

Charities and the internet

As the debate about the overall benefit to businesses and consumers goes on, this report looks at a different area of society. This report is not about the business world and e-com-

merce, but about how voluntary organisations (a term used interchangeably with 'charities' in this report) are using the internet.

The internet revolution for business is well-documented but the impact of the internet is much less clear on organisations driven by a cause and not by a bottom line. Indeed, in researching this report it has been hard to find meaningful information about what is happening in the charity world. The last major report in the UK was researched in 1997 and only the summary data was released⁴.

It was to address this lack of detailed research and guidance that the Future Foundation and Horwath Consulting teamed up



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in the summer of 2000 to put together a comprehensive research programme on the internet and voluntary organisations. Four separate pieces of research have been carried out for the report: a questionnaire survey of 150 lead-

It has been hard to find meaningful information about the impact of the internet on the charity world

ing charities, an online analysis of the functions on 50 charity websites, a road-test of how to make a donation online and a review of the effectiveness of using search engines to find charity sites. We have also interviewed around 15 leading internet authorities, either from charities or with a particular perspective on the sector.

What impact?

Our aim has always been to publish a practical report that would be of value in helping charities understand how the sector is using the internet (including websites, email and intranets), backed up with case studies and

providing insights into cutting-edge practice. This is not a technical document for the people that run websites (though we believe they will find it of great value), but a report which looks at the potential and actual impact of the internet on all aspects of the work of a charity. It is aimed at anybody who is interested in how charities can do a more effective job.

What this report contains

The structure is as follows:

Section 2 – The internet: the power to perform? (pp5-6) looks at those characteristics of the internet that make it particularly suitable for charities.

Section 3 – The reality of internet use by charities (pp7-10) analyses the results from the questionnaire survey carried out for this report and covers marketing, budgets, attitudes to the internet and development plans.

Section 4 – From blunt instrument to cutting



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edge: using the internet as a strategic weapon (pp11-17) looks at how different charities are using the range of functions available on websites and provides illustrations of organisations using the internet effectively.

Section 5 – Maximising the power of the internet in a charity (pp19-23) pulls together the threads of the research and sets out guidelines for how charities can maximise the impact of the internet for their organisation.

Section 6 – Making it better: revolutionising voluntary sector use of the internet (pp25-26) analyses what changes are needed if the sector is to build internet use and maximise its potential, particularly for small organisations and those with limited budgets.

Section 7 – Conclusion (pp27-28) analyses how internet use is developing in the sector; we predict the three most important ways that voluntary organisations' internet use will develop over the coming decade.

Future Foundation

The Future Foundation is a client-funded think tank founded in 1996. It aims to bring a better understanding of the impact of social and technological trends on planning for the future: and, where possible, to promote increased corporate social responsibility through better understanding.

In the not-for-profit sector, The Future Foundation offers two specific subscription services:

- *Charity Awareness Monitor*. Providing quarterly research and analysis on the public's awareness of charities, levels of giving and recall of charity communications
- *Charity Parliamentary Monitor*. Providing twice-yearly research and analysis on MPs attitudes to charities, recall of specific campaigns and evaluation of charity effectiveness.

In addition, we undertake specific projects on issues that affect charities as whole, such as the internet. Over the next 18 months there will be projects on branding, governance, and voluntary sector trends and forecasts. Visit the Future Foundation website on www.futurefoundation.net/notforprofit for more information.

Any comments on this report, requests for our factsheet on running a charity website, or requests for further information please call Joe Saxton on 020 7250 3343 or email him at joes@futurefoundation.net

Joe Saxton, co-author of this report, is head of not-for-profit sector services at the Future Foundation



2: The internet: the power to perform?

It is not by chance that the internet is revolutionising the world of business. Other technologies have arrived in the last decade which have changed the way business is done, but not changed the nature of business itself. Faxes and mobile phones have both played a major role in speeding up business and making communications easier, but have had much less impact over the nature of business itself.

The internet's power is as a processor of information. It allows people to access and sort information. In an era when the growth of information is faster than ever, the internet not only provides access to much of that information but also fuels even faster growth. A number of its key features make it a powerful communications tool.

Accessibility and equality

In the UK, anybody with a PC and a modem has access to the internet with millions of websites and universal email for the price of a local phone call. Every website is accessible to every user (unless its creators choose it not to be). When searching for information, the website of the smallest environmental group is as easy to access as that of the largest company.

Only a decade ago, most access to information was through libraries and print or broadcast media. Now the internet gives equality of access to far greater numbers than ever before, although many sections of society and most people in the third world will remain outside the loop for the foreseeable future.

Global reach

The internet is a global communications tool. Set up your website in your front bedroom and your visitors will come from around the world. Even the smallest charity can spread its ideas and experiences to other organisations and individuals in a way that wasn't possible even as recently as when Bill Clinton became president in 1993. The mother of a disabled child in Aberdeen can search the web for information on alternative treatments and find it in a website

set up by a parent support group in Arizona. Email has replaced letter-writing or phone calls as the way to keep in touch with friends and relatives around the world.

No intermediaries

For most charities that want to communicate a message to a mass audience, the traditional choice has been between paying for an advertising campaign or hoping that the media will publicise a particular issue. An advertising campaign needs deep pockets, and effective media coverage usually means relinquishing control of your message to newspaper journalists and TV reporters. The internet provides a mass communications tool which does not rely on intermediaries and costs a fraction of an advertising campaign. This puts the power to communicate back in the hands of charities and away from those who all too often don't share the same perspective on the importance of a story.

New audiences at a low cost

The internet is an excellent combination of targeting (providing your audiences are



A website can reduce the pressure on a charity's helpline staff

reaching new audiences of thousands of people. Yet the average annual cost for a charity website is just £26,000. Better still most of the costs of a website are fixed, so each extra person who visits a charity website costs virtually nothing. If a charity's website visitors doubled tomorrow, the extra cost would be negligible (providing the server could handle

In an era when the growth of information is faster than ever, the internet provides access to that information and fuels even faster growth

online) and cost-effectiveness. Unlike print or broadcast media, where editors decide what is communicated, on the internet it is the surfer who decides what sites he or she visits. So the only people who visit a charity's website are people who want to (even if they don't like what they see).

Whether visitors stay a few seconds or a number of hours, they make up an active audience potentially interested in what a charity has to say.

Many of the charities that responded to the questionnaire for this report are each month

it). Thousands more people are getting the message of choice from a charity at little extra cost. That's enough to make even the most cash-strapped finance director smile.

Limitless size

If the telephone calls to a charity switchboard or helpline doubled overnight, the organisation would have problems coping, let alone maintaining a high-quality and rapid response. The internet has a high capacity for dealing with rapidly changing demand and a website (with enough server power) can easily cope with

3: The reality of internet use by charities

A survey of how the largest charities use the internet was carried out for this report. Chief executives of 150 charities were mailed with the questionnaire in July 2000 and reminders were sent out in August. More than 75 questionnaires were received and analysed.

The purpose of the questionnaire was to get a quantitative snapshot of how charities were using the internet and their plans for the future. A number of the organisations that responded were then interviewed in more detail and many became case studies for the report.

Charities still setting up websites

Figure 1 shows the year in which respondents first established their website. Start-ups hit a peak in 1998, but it was surprising how early some charities were establishing websites. Some websites are still being established and developed. Only one organisation that completed the questionnaire didn't have a website.

It can be assumed that any organisation that didn't have a website was less likely to reply to the survey out of embarrassment and having little to say. This makes the result of the survey likely to be biased towards the most advanced (and usually largest charities), rather than being representative of all charities, regardless of size and sophistication. In this respect the questionnaire results are likely to paint an overly positive picture compared with the vol-

untary sector as a whole.

The data analysis shows that the older the website, the more likely it was that a charity would have a separate budget for its website and the more functions its website was likely to have. However, a number of the oldest websites appear to have developed little since they started and some of the newcomers have developed rapidly.

Hits are most popular measure of usage

The most popular measurement method for the use of a website was hits (see glossary) used by 66%, followed by page impressions used by 44% and unique visitors used by 48%. Many organisations used more than one mechanism for measuring traffic and a number of respondents commented, legitimately, on the relative imperfection of measurement methods, particularly hits.

Developing more sophisticated measurement techniques is a feature of the age of a website. Sixty-two percent of websites set up before 1997 measure unique visitors, compared with 40% of websites set up after 1996. This trend was even more pronounced for

method and so the picture is inconclusive.

The absolute volume of traffic is relatively meaningless because the design of the website has such a high influence on traffic, and makes comparison difficult. However, the relative increase in traffic for individual websites is a much better indicator. Across the board, website traffic has increased over the last year with 20% of respondents reporting an increase of more than 100% and only 3% saying it is the same as a year ago.

Most popular website applications are news and information

The single most important issue for this survey is to understand how charities are currently using their websites and the potential for future development. The survey asked respondents for four pieces of information:

- the current functions they had on their websites;
- the functions they planned to develop over the next six months (most questionnaires were completed in July and August 2000);
- the three most popular areas in terms of usage;
- the three top priorities for development.

The longer the website has been running, the more likely it was that a charity would have a separate budget for its website and the more functions its website would have

Figure 1: Year when charity first established its website

Year	Number of charities	Per cent of all respondents
1994	3	4
1995	10	13
1996	13	17
1997	12	16
1998	16	21
1999	10	13
2000	7	9
not yet	6	8

page impressions (65% of pre-1997 websites used page impressions compared with half as many whose websites were established in 1997 or later).

Respondents were asked to give an indication of the volume of traffic on their websites using whatever method they favoured. The results ranged from 25,000 hits or less in a month (12%) to more than 500,000 hits per month (8%). However, more than 65% of respondents were unwilling or unable to provide relevant data via any measurement

Figure 2 sets out the results. The figures highlighted in bold are the top four responses in each category.

The range of functions currently being used by charities varies enormously. One charity was able to put ticks in 15 out of 17 boxes and one was able to tick only two out of the 17.

The most popular functions were the provision of information, news and regular updates and an email enquiry service. Charities are using their websites in one of the areas where the internet is strongest: the supply of text and

image materials. For most charities, this information remains in a fairly basic format. Only 31% have a searchable database and a meagre 6% have developed the interactivity of the internet to provide online training or quizzes. Mitigating this is the high percentage that have downloadable information (64%) and links to other sites (69%).

If information provision is the dominant use of charity websites, it appears that other functions (and by inference other departments' use of the internet in the average charity) are still in their infancy. Lots of charities provide job information (43%) but only 6% allow paperless job applications; the rest require applicants to ask for details or respond by post, or both. It is a common feature of responses to the questionnaire that, while an organisation may have adopted the internet at a basic level, it is failing to make the most of the power of the technology.

Website development plans are ambitious

Development priorities for charities appear to be more ambitious. The top priorities for the next six months include both information about



Looking for job vacancies is among the most popular uses of the internet

job vacancies and paperless job applications in large numbers, 42% and 36% respectively. In addition, the use of the website for enabling users to purchase goods or services is a top priority for the next six months (40%), while it is relatively uncommon at the moment (18%). It

is not clear whether these services will be outsourced or provided in-house.

A third area of planned development is the use of email as a marketing tool, with 43% of respondents planning an email newsletter and 35% planning email marketing or fundraising.

The developments that charities have planned for their websites and their top priorities are not one and the same. While the top planned developments are purchasing (40%), creating an email newsletter and marketing (43% and 35%) and jobs information (42%), the top absolute priorities are purchasing (31%), searchable online databases (21%) and fundraising via credit cards (22%). This suggests that charities' ambitions may be limited by budget or organisational buy-in, so that the planned developments are what they are able to do, with the top priorities what they would like to do.

Email and surfing are big hits with charities

Figure 3 shows the use of the internet apart from having a website. It will come as no surprise to anybody who works in the voluntary sector that both individual email (88%) and 'surfing the net' (97%) are very commonly performed by charities. Email has had a very high take-up because it matches so much of the voluntary sector culture: cheap, quick and simple.

Purchasing online has made a significant penetration, with 40% of organisations buying goods and services online and 35% buying

Figure 2: Functionality, usage and development priorities on charity websites: what facilities and functions are on charity websites?

	Currently on charity websites	Planned for development over next six months	Most popular in terms of usage	Top priorities for future development
<i>(all figures as percentages of responses)</i>				
News and regular updates	86	14	40	16
Information materials	94	13	55	13
Fundraising via credit cards	48	30	6	22
Information about job vacancies	43	42	12	5
Ability to make paperless job application	6	36	1	6
Links to other sites	69	23	6	5
Chatgroup/online community	13	29	5	16
Downloadable files (factsheets, releases, etc)	64	18	23	9
Searchable online database(s)	31	29	9	21
Email newsletter	14	43	1	12
Email marketing/fundraising	9	35	0	13
Purchase of goods or services via credit card	18	40	1	31
Campaigning and online activism	27	25	4	10
Online picture or video resource	12	21	0	5
Online grant application process	6	8	1	1
Specialist interactive training courses	6	8	0	3
Email enquiry service	83	9	14	3
Volunteering information	4	1	0	0
No answer	3	16	26	23

Figure 3: The range of internet use other than websites.
Apart from your website, how else does your charity use the internet?

	Currently do	Planned in next six months	Three most important uses for your charity
	<i>(all figures as percentages of responses)</i>		
Purchase of travel tickets online	35	5	4
Purchase of other supplies/goods/services	40	14	13
Use of online training courses eg Microsoft Word	10	9	3
Intranet [internal internet]	42	32	30
Email for each member of staff	88	5	51
Information/research on the internet	97	4	53
Extranet [secure area for external users]	3	0	1
No answer	1	56	44

travel tickets online. The real disappointment is that so few organisations are using online training courses. The benefits derived from these courses for even the smallest charity should make even the most technophobic chief executive sit up and take notice (see section 6, p25 for more details).

The development of charity intranets has been rapid over the last few years and the response to our survey bears this out. Forty-two percent of respondents already had an intranet and an amazing 32% planned to introduce one in the next six months. This is a very high figure given the enormous amount of energy and planning needed to introduce an organisation-wide communications tool.

It is worth noting that 56% of respondents didn't answer the development question in figure 3. This suggests that non-website development is not as high a priority as website development, since only 16% of people answered the equivalent question in figure 2.

Marketing websites is the real challenge

Anybody who believes that it is enough merely to have a website for traffic to grow will be sorely disappointed. While it is true that anybody with a telephone line and a PC can access any of the world's millions of websites at any time, that doesn't mean that they will. Surfers need not only a web address but a reason to visit.

Respondents to this survey are doing the most they can on a limited budget (see figure 4). Virtually all (96%) were putting their domain name on printed materials and many were also

using press advertising (73%) and posters (62%) as well as links to other sites from their own website (62%). However, much less common was any form of marketing which costs money. Only 17% of respondents have tried banner advertising on the web and only 16% have linked up with internet service providers. Slightly more respondents had tried direct marketing to target users (27%) and targeted marketing to specific audiences (26%).

Given that 70% of respondents had a dedicated budget, it is not the lack of a budget itself that is limiting the amount of marketing. However, with more than 52% of budgets under £25,000, the size of budgets may be a factor. Overall it does appear that while many organisations are marketing their web presence, only a relatively small proportion are prepared, or able, to pay to market their website.

The results of the questionnaire show that two areas of marketing may not be getting the attention they deserve. The first is the importance of the search engine and the second the

Figure 4: Methods of marketing websites

Domain name on printed materials	96
Tie-ups with companies	39
Domain name on press advertising	73
Tie-ups with internet providers	16
Domain name on TV advertising	17
Banner ads on the Web	17
Domain name on posters	62
Target campaigns at specific audiences	26
Hotlinks to other sites	62
Direct marketing to target users	27
Registration with search engines * (*not prompted)	8

need for user profiles.

Only 8% of respondents saw search engines as an important method of marketing (though it wasn't specifically prompted in the questions). The search engine research (see box on p22) demonstrates that even the largest website may be overlooked if search-engine registration and marketing isn't tuned to perfection.

The starting point for any marketing campaign is the needs of users. Yet 84% of respondents had no profile of their website visitors. Given the simplicity of creating an online questionnaire, this is a serious gap in charity's marketing plans.

New audiences and changing work practices are key benefits

It is in the areas of an organisation's attitude to the internet, and the impact that the web is having on organisations, that the most useful insights into charities' experiences and approaches can be uncovered. Figure 5 shows the responses to a series of statements on the internet ranked by the degree of agreement with each statement.

The fact that the highest ranked statement is 'The internet is helping us reach new audiences' is very encouraging. Across the spectrum of respondents, from the Royal British Legion to Diabetes UK, the internet is providing a mechanism for reaching new (and often younger) audiences. Linked to agreement that the internet was reaching new audiences was a high degree of agreement that it was changing the way that charities worked, though interestingly the most frequent response was 'agree slightly' (38%); 'agree strongly' (45%) was the most frequent response on reaching new audiences.

It is perhaps not surprising that most organisations thought senior staff were driving the use of the internet (35% strongly agree) since it was mostly senior staff that completed the questionnaire. It is, however, good to see that many organisations agreed (55%) with the statement that they 'had a strategic plan for use of the internet', though significantly 25% disagreed.

The message is loud and clear that trustees aren't getting involved in developing internet possibilities. Some 43% disagreed with the statement 'Our trustees are involved with our internet strategy', and a further 23% neither

Figure 5: The reality of internet strategy in charities.
How strongly do you agree with the following statements?

	Strongly agree (5)	Agree slightly (4)	Neither (3)	Disagree slightly (2)	Strongly disagree (1)	Don't know or n/a	Average score
<i>(all figures as percentages of responses)</i>							
The internet is helping us reach new audiences	45	35	6	1	6	5	4.18
The internet has changed the way our charity works	30	38	18	9	3	1	3.85
Senior staff are driving our strategy for the internet	35	27	12	14	8	1	3.70
We have a strategic plan for use of the internet	32	23	14	13	12	4	3.55
Our trustees are involved with our internet strategy	8	18	23	17	26	8	2.62
My charity is making the most of the internet	5	26	14	25	29	1	2.54
Our fundraisers are leading our use of the internet	5	8	27	26	21	10	2.48

agree nor disagreed.

Perhaps the most worrying feature of the response in Figure 5 is that such a high percentage of respondents disagreed with the statement 'Our charity is making the most of the internet'. More than half disagreed, including 29% strongly disagreeing. This compares with only 5% strongly agreeing and 26% slightly agreeing.

The results to the questionnaire paint a fairly depressing picture. Charities are using the internet to reach new audiences and it is changing the way they work. However, their small budgets, concentration on information provision and limited marketing activity mean that the impact of the internet is much lower than its potential. The capacity of the internet to help voluntary organisations deliver new

services, reach more beneficiaries, and attract more supporters for less cost than conventional methods remains huge.

The next section looks at some further research to see how well charities' use of the internet is faring in meeting specific organisational objectives, and some of the innovative and pioneering ways that organisations are using the internet to meet their goals.

Horwath Consulting

Horwath Consulting is the management consultancy specialists within Horwath Clark Whitehill, the UK's ninth largest accountants and business advisors and one of the fastest growing firms in the charity sector.

Horwath Consulting is one of the largest management consultancy firms in the voluntary sector, working with a wide variety of charity clients who make up 50% of our work.

Horwath Consulting provides a range of consultancy skills and is one of the forerunners in assisting voluntary sector clients in the area of eBusiness. We are passionate about the benefits the internet can bring to the sector and keen to debunk the hype and myths surrounding this new technology to help our clients to see the potential of this medium as just another, but very important, business tool and means of achieving their objectives.

Horwath Consulting won the Management Consultancy Associations prize for the Best use of eBusiness in 1999 following our work with Cards for Good Causes.

Stephen Game is a senior consultant with Horwath Consulting with a chemical engineering background. He has more than six years industry experience in project management, business analysis and strategic planning. This experience has been gained from employment in various locations including Australia, Southeast Asia and London. During this period he has worked for a multi-national mining company and a global public relations consultancy firm, prior to joining Horwath Consulting. Recently, Stephen has project managed several internet and intranet projects for a variety of clients within the corporate and not-for-profit sectors.

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4: From blunt instrument to cutting edge: using the internet as a strategic weapon

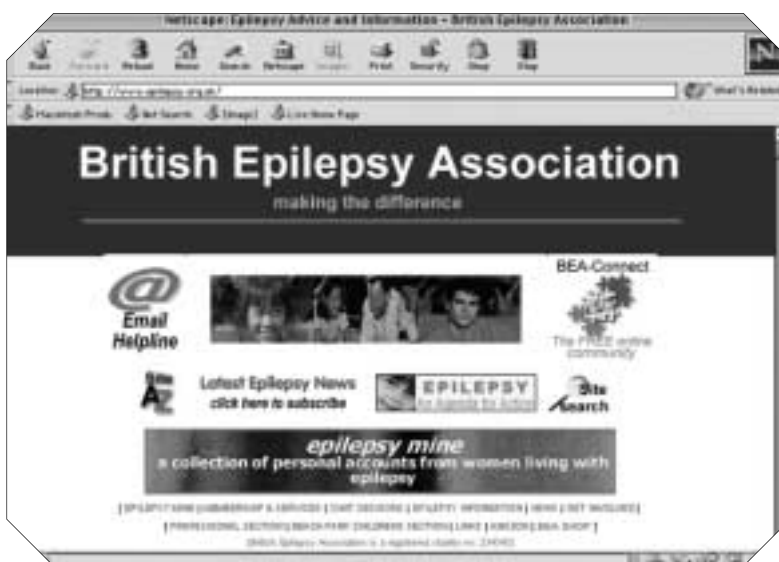
To supplement the questionnaire, we surveyed the websites of 50 leading charities, using a range of search criteria to understand the ways in which charities were using their website to further the work of the organisation. Six broad applications were identified and each website was evaluated for how it functioned in these areas:

- Raise awareness and influence
- Create an information resource
- Improve service delivery
- Develop income generation
- Mobilise and motivate people
- Improve operating efficiency.

The result was an analysis of the way that charities were using the potential of their websites.

Creating an information resource is most common application

Providing information is what the internet does best. Words, pictures, moving images and music can all be sent down a telephone line directly into people's homes. There is no physical product to deliver and yet the information provided can be life-changing. For many medical conditions, more knowledge means being more able to cope with an illness and perhaps even a better chance of survival.

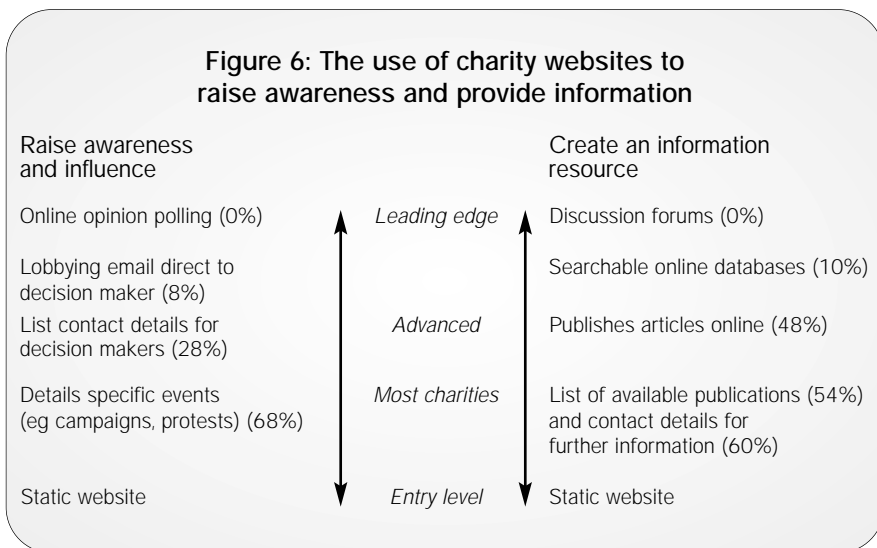


The BEA site provides a chat room in which service users can participate in discussions about subjects ranging from complementary therapies to surgery

It is not surprising that so many of the websites surveyed through the questionnaire and the online analysis provided information. The case study on the Terrence Higgins Trust Lighthouse (overleaf) shows an organisation that has put information over the internet at

the heart of its service delivery. Most of the charity websites analysed online (60%) provided contact details for research or other information, and more than half (54%) provided a list of available publications. Perhaps more surprising is that much of the information is provided in a way that doesn't make the most of the power of the internet.

Figure 6: The use of charity websites to raise awareness and provide information



Online communities and interaction remain elusive

Online discussion forums can contribute to the development of an information resource and are well established in a range of commercial websites. For example, Ford Motors (the one that makes cars) has a thriving online community for its own employees around the globe. They share files which might be mutually beneficial and discuss how to tackle problems with products or technical issues. Often a problem will be posted on a discussion forum, and answers, suggestions and queries can then be posted from around the globe.

None of the charities surveyed online

employed this technique, though many are actively considering implementing them. But some smaller charities, such as The British Epilepsy Association (www.epilepsy.org.uk), are using their discussion forum to great effect (www.bea-connect.dom). The site allows individuals to create a health record which they can then use with their doctor. The site also asks those registering to complete a few anonymous questions about their epilepsy to help with research. Once registered, individuals are able to join a chat room in which

they can participate in discussions about subjects ranging from complementary therapies to surgery.

Participants can also search the site to find other people of a similar age, seizure type, gender and medication. The BEA discussion forum is an excellent example of internet technology being harnessed to the advantage of a charity's beneficiaries.

One of the great benefits of online communities is they can allow the interchange of ideas that do not have to come directly from the

charity. If a new drug is having mixed results, a charity may want to be cautious or non-committal about the drug, but individuals in a chat room can sing its praises while others damn it. The online community allows a charity to provide its client group with access to new ideas, differing opinions, controversial views or alternative treatments, and can facilitate the exchange of these ideas without endorsing any of them.

Another particularly powerful use of web technology is the maintenance of databases which can be accessed online. Friends of the Earth provides a database which allows visitors to enter their postcode and get information about the polluting factories in their area and see the relevant local health information. This use of geographical databases makes the link between health and pollution much more relevant than national statistics can do. RNID has an online database (www.rnid.org.uk) which allows users to ask for local information on sign language classes or about resources for people with a hearing loss. The database which underpins the online resource is shared with the national helpline, so users of the website who do their own data investigations get the same information on their computer as they would over the helpline, while saving the RNID money – it is far more expensive to answer a helpline call than a website inquiry.

Case study: Terrence Higgins Trust Lighthouse (THTL)

Information on HIV and Aids for at-risk groups, notably gay men, has always been at the heart of THTL's services. It provides a helpline, publications, counselling services and campaigns to change attitudes and promote safer sex. The internet has been seen as a core mechanism for service delivery since THTL first launched a website in 1996. This is not just because it is so powerful for information delivery, but also because THTL research shows that a high percentage of gay men have internet access and are keen web surfers. The website grew like wildfire after it was launched and in early 2000 the decision was taken to appoint a dedicated webmaster and web development co-ordinator with the explicit task of adopting a more strategic approach to the internet and launching a completely new website (www.tht.org.uk).

The first task for the two new staff, Rob Burgess and Sunil Patel, was to gain a clear understanding of what a service-user would want from the website and to develop a plan. The balancing act in developing the plan was to create a website that channelled and enthused the rest of the organisation without creating unrealistic expectations of what could be achieved.

In order to make sure that the beta-site reflected what the organisation wanted, a number of key internal users were asked to find certain things on the site and asked for their feedback. The new website went live in late September at the Labour Party conference with a completely new design and structure. The result of the development process is a website strong on news and information and service information, with a gay chat room and online service provision in the pipeline, in addition to the existing signposting to other services.

No reasonable request for information to go on the site is refused and all updates are still channelled through the website team. The result of the decision to make the internet at the heart of service delivery strategy is a new site that has all of the passion of the old site but with a much clearer strategic direction and which is much easier to access and navigate.



Raising awareness and influence increases charities' leverage

Most of the websites surveyed (68%) provided details of events that were being organised to raise the charities' profile and/or awareness of related causes. Surprisingly, none of the websites surveyed used online opinion polling, a tool that can provide very valuable feedback concerning visitor's perceptions. Many commercial websites use this technique. WHSmith online (www.whsmithonline.co.uk) has a frequent online poll about all manner of issues. One recent poll, for example, asked whether Channel 5 was a worthwhile TV station (the mere suggestion...).

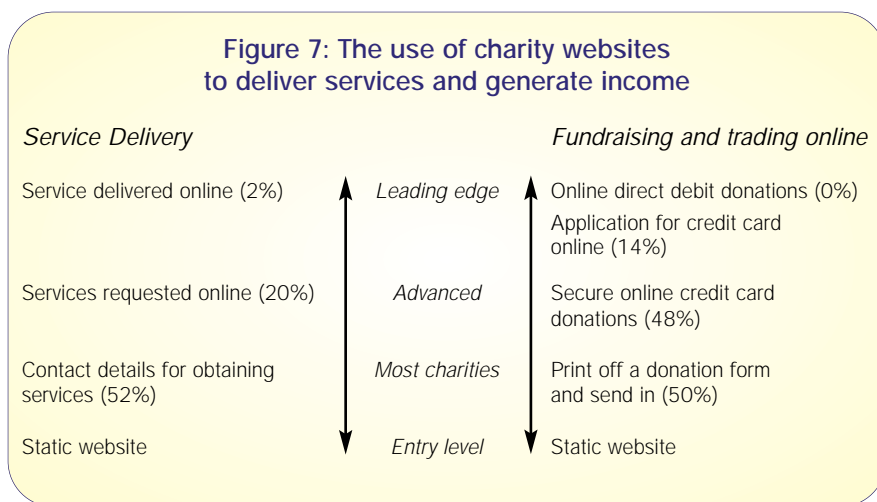
However, a number of sites in the online survey did use provide online email to key decision makers. For example, Gordon Brown and Tony Blair have had bulging email inboxes recently as overseas development organisations have targeted them as part of the cam-

campaign to reduce third world debt. The Jubilee 2000 website (www.jubilee2000.org.uk) gives a wealth of information on the campaign and gives a range of suggested emails that could be sent. Friends of the Earth (www.foe.co.uk) uses its website to provide local pollution information and highlight the factories that may have caused it. The website invites people to report damage to a site of special scientific interest as well as providing a wealth of campaigning information. There are few better examples of a campaigning website, particularly given the range of issues it covers.

In the early days, one of the arguments in favour of the internet as a campaign tool was that decision-makers were far more likely to read their own emails rather than open their own post, making it a more effective campaign tool. However, it's hard to believe that after the first 10,000 emails on third world debt, Tony Blair would still be assiduously reading every one.

The internet is a powerful tool for campaigning because it allows people to get information about a particular cause and take action immediately. Better still, the visitors to a campaigning website are self-selecting, and can be driven to visit by direct mail, press ads or media coverage. An ongoing campaigning relationship can then be established with emails about other campaign issues being sent out. The internet is also a much faster and cheaper communications tool than either snail mail or the telephone and can be targeted precisely.

The internet has been widely used to organ-



ise campaigning events. Perhaps the best known are the protests at the World Trade Organisation meetings in Seattle and Prague. Both email and websites have been used to discuss tactics and to organise. The more general aspects of the campaign against global capitalism are at www.reclaimthestreets.net

Promotion of services wide-spread – but few online

Our research showed that charities provide a range of online services of some description, ranging from information to physical products. Three-quarters of the charities surveyed list the services they provide and half provide contact details for obtaining these services.

Among the biggest costs in delivering serv-

ices are geography and human labour. For a person to be visited by a nurse or a social worker or talk over the phone to a counsellor is expensive. The internet lets discussions, observations and consultation take place at much lower cost using webcams, discussion groups or even email – though widespread internet service delivery is probably still a long way off. Most charities are still in their infancy in relation to service delivery (see figure 7) with only 2% delivering services online and only 20% enabling users to request services online (information provision excepted). But the potential for the delivery of services using the internet is huge.

The internet can help deliver more effective resource allocation by reducing the costs or improving the cost-effectiveness of service delivery. For example, the internet can be used to assess patients for suitability for bone marrow-type testing (see the Anthony Nolan Bone Marrow Trust: www.anthonynolan.org.uk, a good site which could be revolutionised by making its online register inquiry interactive). Disability charities could be providing an interactive guide to users' suitability for disability benefits.

An excellent example of interactivity is a self-assessment quiz which estimates how long respondents will live (www.beeson.org/Livingto100/quiz.htm) based on their lifestyle.

The NSPCC case study overleaf shows the breadth of ways that one organisation is helping deliver existing service provision more effectively and also changing the nature of service provision itself.



Jubilee 2000's website used an online link to deluge the Prime Minister and Chancellor with email urging them to drop the third world debt

Fundraising capability well developed

Fundraising is the most advanced of the six areas of internet use identified in our online study. Internet fundraising began in 1994 and is already generating millions of pounds per year for charities. However, like many dot-com ventures, the actual income secured by many charities via their websites remains significantly lower than the perceived income generation potential.

Most of the charities surveyed provided basic details of how donations can be made (72%), half outlined information concerning legacy donations and half included functions enabling people to print off a form to send in with donation.

The better websites for delivering income generation included additional criteria such as secure on-line credit card donation functionality (48%), detailed information on how to make regular donations (28%) and traded goods on-line (20%). Although the technology

is available, none of the websites included in the survey provided the facility for on-line direct debit donations, or indeed regular donation through credit card. Indeed, as figure 8, shows all too few of the charities surveyed provided a first-class fundraising service.

One organisation that has developed its internet fundraising is Greenpeace. Part of the

information extensively. Fundraising is a logical extension of that. Supporters can be emailed from operations anywhere in the world. Supporters can go online and quiz frontline staff in real-time chat.

Greenpeace International (www.greenpeace.co.uk), worked with consultant Lion (formerly Burnett Associates) to develop an

The income secured by charities through fundraising on their websites remains significantly lower than the perceived income generation potential

reason for this is that the internet is able to bypass slow, inefficient and expensive post and telephone systems in many countries in the world: 40 per cent of Greenpeace Argentina's income is now raised over the internet, for instance.

The internet has enabled Greenpeace's global operations to communicate news and

approach that integrates online fundraising with traditional advertising media. Between January and May 2000, a range of online fundraising initiatives, as well as the TV advert, were run. These were designed to generate online traffic and secure monthly gifts or donations. The result of the test was an increase in online income from US\$8,000 in 1999 to US\$200,000 in 2000. In addition, a range of questions were posed by visitors to the website, with an average inquiry rate between 20 and 30 a day.

The Save the Children website (www.savethechildren.org.uk) is one of the best UK sites for showing how the Internet can be used to support fundraising. In addition to the mentioned features, and its strong showing in the online donation review, visitors are able to apply on-line for their own affinity credit card. Recruiting and training staff and volunteers patchy

Most of the charities surveyed (see figure 9) detailed whom to contact regarding employment opportunities (72%). While less than a quarter of charities are currently advertising vacancies on-line through their own website, there has been a recent increase in the number of sites concentrating on the recruitment of staff and volunteers in the voluntary sector.

In the commercial world, there has been an explosion of sites which provide recruitment opportunities (see www.stepstone.com for a straight commercial site, or www.jobsunlimited.co.uk, which has many charity jobs on it as the spin-off from the *Guardian's* recruitment pages).

The growth in recruitment sites is rooted in good business and strong consumer interest. Recruitment websites allow individuals to

Case study: Facilitating service provision at the NSPCC

The NSPCC (www.nspcc.org.uk) put IT at the heart of many of its business processes during most of the 1990s. The development of the internet has created opportunities to facilitate the delivery of services. The simplest of these new activities is to provide access to an intranet for all staff, including a staff directory and email. The intranet also provides access to the specialist library of reference materials, many of which are extremely useful to front-line child protection staff who have previously had to travel to London to get access.

The intranet has been used to make geography irrelevant in the development of specialist training programmes for staff. For example, previously a child protection officer in Sunderland would have had to travel to Wrexham for the specialist seminar on child witness support. Now much of that training and ongoing support and discussion is done over the intranet, removing the differences in access to training and ongoing support that geography had created.

The most ambitious use of the web for service delivery by the NSPCC is the creation of a virtual children's centre. Children and teenagers are among the most avid users of the internet. Research by Unesco shows that, while online, children are likely to be braver and more brazen, to lie about their age, name and background and to be less inhibited than they would be face-to-face. This makes them particularly likely to enter into inappropriate dialogue online, since they are technically proficient but socially inept.

The virtual children's centre will be a unique online environment, developed with the help of Microsoft UK, where youngsters can go and talk to an NSPCC counsellor about whatever issue is worrying them. They will pick the counsellor they want to talk to, but the counsellor won't know their real identity. New mechanisms have been found to allow email, online chat and user registration to be used which don't leave a footprint on the PC, so the centre will be completely confidential.

Young people have been the NSPCC's key partners in developing this site from its early stages. Children don't see the internet as an advertising vehicle for non-internet communications, for example, but as a complete communications tool in its own right.

Through the virtual children's centre, the NSPCC, for the first time, will be available to develop one-to-one online relationships with children. The integration of the virtual children's centre into existing NSPCC services will not be easy since it will work in a completely different way from other services. However, as a service it will put children in control, in a medium with which they feel very comfortable, to discuss the issues that concern them.

Figure 8: Online donation review

In order to put the efficiency of leading charity websites to the test we tried to make a donation to a range of leading charities using their websites. We are looking for a number of features: how simple was it find the donation opportunity, based on the number of screens after the homepage (row A), what software was used (row B), whether Gift Aid was offered as an option (row C), whether there was an auto thank you confirming the donation on the website (row D), whether a reference number was given so that the donation could be followed up (row E), whether there was a thank you e-mail after leaving the website (row F) and whether the email was personalised (row G). Each charity was given £5. We were unable to make donations to the following charities because we could find no donation facility (they either didn't have one or they hid it very cleverly): People's Dispensary for Sick Animals, RSPB, Woodland Trust, British Museum, Natural History Museum, Sense and ActionAid

Organisation	Barnardo's	Help the Aged	Save the Children Fund	Christian Aid	Tearfund	Arthritis Research Campaign	National Schizophrenia Fellowship	Oxfam	RSPCA	Shelter
a) No. of screens after home page to make donation	4	3	3	5	3	4	3	3	3	2
b) Software used	Netbanx	Secure worldpay.com	Secure trading.net	Secure worldpay.com	Tearfund	ARC	NSF	Secure worldpay.com	RSPCA	Shelter
c) Gift aid option included	No	Yes	No	Yes	No	No	No	Yes	No	Yes
d) Auto thank-you message	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
e) Electronic reference no.	Yes	Yes	No	Yes	No	No	No	Yes	No	No
f) Thankyou email after leaving website	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	No
g) Thankyou e-mail is tailored or personalised	No	No	No	No	No	No	Yes	No	No	No

search for jobs anytime they like while the job is available: not just when a newspaper is published on a given day. Recruitment websites can be searched for on a website by any number of criteria and an automatic email can be sent when an appropriate new job arrives.

For the recruiting organisation, there is no need for a personnel department to stuff envelopes with job details and post them. Nor do completed applications need to be opened and stored. All of these processes can now be done via the recruitment and the charity websites. Application forms and equal opportuni-

ties forms can be downloaded and completed, job descriptions instantly updated and any inquirer can be directed to the website for

of 30 is not just likely to be used to using the internet this way, but expects to be able to do so. Organisations that still insist on paper appli-

Organisations that insist on paper job applications completed by hand will seem old-fashioned and out of touch to an internet-literate generation

more information about the organisation.

The cost savings are dramatic, but perhaps more importantly any applicant under the age

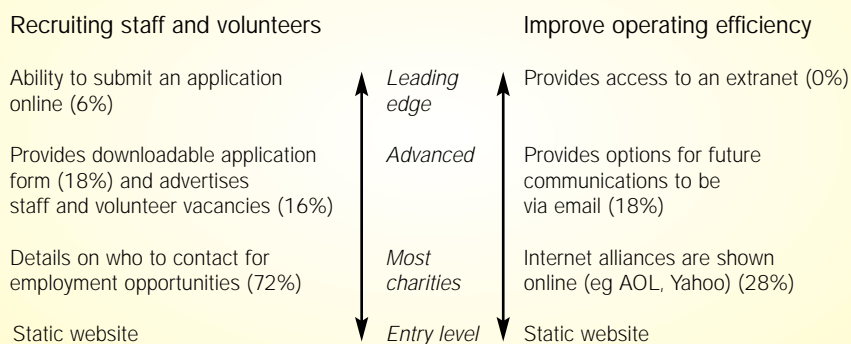
cations, completed by hand, and posted back to headquarters will seem more and more old-fashioned and out of touch to an internet-literate generation.

Many charities are taking advantage of this new technology, particular international NGOs who may get applications from any country in the world. Care International UK's website (www.care.org) represents a leading edge example of website use to mobilise and motivate people. From their site, staff and volunteer roles are advertised and it is possible to apply on-line for specific roles.

In the course of research for this report, we were given three reasons why charities chose not to advertise jobs on the internet

- It would attract paedophiles to apply for jobs
- We couldn't afford to fly in interview candidates from the United States
- The personnel director doesn't have a PC

Figure 9: The use of charity websites for recruiting people and improving efficiency



Volunteers are increasingly being incorporated into the internet recruitment process. The charity youthnet (www.the-site.org.uk) has an alleged 100,000 volunteering opportunities on its website and will happily let charities register their volunteering opportunities thanks to an Active Community Unit grant.

It is not just the recruitment of staff or volunteers that can be effective over the internet; people can be trained using the new technology too. E-training (as it is called) uses interactive training courses which are pulled down from training websites or portals, or delivered over a company intranet. The market is already worth \$300m a year worldwide and will reach \$1bn by 2003⁶.

E-training offers massive benefits

The advantages of e-training to any company are numerous. Each course is much cheaper to deliver than putting people in the same room together. Not just because a trainer doesn't need to be paid, but because individuals can learn at the speed that suits them, not at the speed of the slowest. If somebody completes the course in three hours, not eight, they can be working again, not bored on a training course. Better still individuals can repeat bits of the course till they are happy, or do the whole course in bite-sized chunks, rather than all at once.

Every course can be assessed and the results recorded on the intranet (see the *Manpoweronline* case study). IT courses in particular are well suited to e-training, and it is baffling why any organisation still delivers Microsoft Office, Windows or internet training in the classroom. There are a wide range of recognised training service deliverers (www.blueyou.com; www.brandonthall.com; www.smartforce.com) which are all worth investigating.



The internet has enabled Greenpeace's global operations to communicate news and information extensively

E-training still has some glitches to iron out, such as download times, browser compatibility and universal standardisation of protocols. Over the next few years, e-training will deliver better-trained people on more and more courses, at a dramatically lower cost. Can any charity afford to miss out?

Improve operating efficiency

This strategic objective was the least well supported by the charities' websites. Even so, there were some good examples of how the

internet is being used to improve the operating efficiency of some charities.

directly into their information systems. For example, an online sale will automatically update the sales and inventory ledgers in an accounting system. This improves the current recording process in three ways – cost-effectiveness, accuracy, and greater ability to access updated information.

The Royal National Lifeboat Institute's website (www.rnli.org.uk) enables visitors to opt for future communication with the charity via email, generating savings compared with traditional snail-mail channels. The website can be personalised, whereby visitors specify their particular interests so any new content that matches their areas of interest will be 'pushed' to them next time they visit.

Internal communications can be transformed through an internal e-mail system and an intranet. The benefits of an Intranet (an internal website) are proportional to the number of employees/volunteers and the number of geographical locations from which a charity operates.

An intranet can provide information as simple as an up-to-date telephone directory, a list of new employees, a list of job vacancies, a library of key policies and procedures, and the latest press releases. It can also provide a window for online purchases of travel tickets or stationery, automatically securing the cheapest price and being credited to the correct budget. Expense claims can be completed online (and some companies now insist on this as the only way to make claims), reducing paperwork and mistakes.

However the internet doesn't just help the nuts and bolts of internal communications work better; it affects the big picture as well.

Jac Nasser, the chief executive of Ford Motor Co, uses the company Intranet and email to send a weekly email to every member of staff

Over the next few years, e-training will deliver better-trained people on more and more courses at a dramatically lower cost

internet is being used to improve the operating efficiency of some charities.

An extranet is an externally accessible part of an intranet, and can allow 'members' or indeed key stakeholders to access an area of the website set aside for their use. This could include an area for trustees, which might include items for discussion at their next meeting or indeed detailed accounting information.

A great opportunity exists to use this technology more effectively. Internet technology is fast becoming an integral part of a business's operating system, linking external functionality

However the internet doesn't just help the nuts and bolts of internal communications work better; it affects the big picture as well. Jac Nasser, the chief executive of Ford Motor Co, uses the company Intranet and email to send a weekly email to every member of staff

highlighting the big issues facing the company along with news and updates. One computer company, Cisco, sends staff an online video and then monitors who watches it and who doesn't. Staff who don't watch it may get a call from the regional president telling them how important the video is! Dell Computers uses an intranet to deliver 60% of all its training, which they aim to increase to 90% within three years.

Staff not based in offices or always on the road can receive an hour's training in a hotel room when it suits them. The tragedy is that

charities, which pride themselves on consultative, participative, management, should find the internet a perfect communications tool, yet the only case studies we could find for this report are from companies.

Information is the commonest function, but much more is on offer

The majority of voluntary organisations are primarily using the internet to raise awareness, to provide information about their cause, and to support fundraising efforts. This is achieved by

providing the following information on their website:

- Details of specific events
- Contact details for research listed
- Available publications listed if not available online
- Basic 'how to donate' details listed
- Secure credit card donations
- Contact details for employment opportunities listed

The best charity websites have incorporated some, but not all, of the functionality detailed below:

- Lobbying of decision makers
- Online opinion polling
- Ability to interrogate information database
- Password protected areas
- Discussion forums
- Selling goods, services and publications
- Advertising employment opportunities
- Apply online for employment opportunities (staff and volunteer)

This study complements the questionnaire based information found in section xxx, acting as a different way to find similar information. It shows a broadly similar picture, though it is noticeable that the online survey paints a worse picture than the questionnaire survey. This suggests that the worst-performing charities were less likely to return their questionnaire (but they would have been included in the online survey) or questionnaire respondents were more likely to exaggerate the capabilities of their website – or both.

To sum up, charities most frequently use their websites in fundraising and the provision of information, but many are not using the potential of internet technology to the full even in these areas, let alone in the provision of services or to provide differential access to groups of stakeholders.

If charities are to maximise their use of their websites, they must make the internet an integral route to the delivery of their objectives across the breadth of the organisation rather than in a few areas.

The next section provides some simple guidelines for maximising the power of the internet for an individual charity. It also suggests some key issues that the voluntary sector as a whole needs to tackle if individual organisations are to help maximise the value of the internet.

Case study: Manpoweronline.net

Manpower is the world's largest employer with 2m employees, mostly temporary staff. Its staff works in tens of thousands of locations across the world. The better that Manpower staff are trained, the greater the range of assignments they can perform and the more the staff member will be paid.

However, with staff based in client offices, training either necessitated a client paying, Manpower paying, or staff giving up income to train on a course – all of which had their drawbacks. The solution has been the development of a global learning centre as part of a dedicated training and careers website: www.manpoweronline.net.

On this site are a thousand courses for Manpower employees (and seven free courses for anybody), who can also do whatever courses they like in their own time. Indeed, since the Manpoweronline website opened, Manpower UK has shut its 10 regional training centres at a considerable saving and opened a London training centre, in which staff can access the training courses seven days a week (with Saturday and Sunday being particularly busy). Staff see it as a competitive advantage to be better trained and therefore pursue courses in their own time. Each training course completed is logged by Manpower and so a record of each individual's training is kept.

The website also has online seminars of issues of particular relevance to employees, such as the latest developments in Windows, new web technologies or Excel. These are then archived and can be rerun at anytime. As a global company, Manpower is using the internet to run a 24-hours-a-day, seven-days-a-week learning tool for any of their employees worldwide, which not only helps individual employees improve their own skills but gives the company itself an advantage in a highly competitive marketplace.



5: Maximising the power of the internet in a charity

As part of the research process we asked the many individuals we talked to what they felt they had learned about internet development. This section pulls these experiences together, combined with our own work with a range of organisations, and sets out some of the building blocks for success in developing internet use in a not-for-profit organisation. These are not intended as tablets of stone: merely common threads that appear to run through many of the successful charities that feature in this report.

Have a clear and agreed strategy

The most important guideline is the most simple: plan an organisation's internet development. Many of the organisations we talked to confessed that their development had been organic. The development of their first website had been driven more by 'us too' than by a clear plan for how the organisation could maximise its value.

The reasons for having a plan are more than just strategic housekeeping. There was no organisation in the study that thought its budget was sufficient, and very few felt their organisations were making the most of the internet. A clear and agreed plan reduces the capacity for disagreement as different parts of the organisation incorporate the internet into their planning. It sets out the objectives for the internet and how success will be measured.

For example, the Motor Neurone Disease Association (MND Association) set out their website development in three phases. The first phase was to establish an internet site and this was launched in September 1999. The second phase is the current development of the richness and depth of the information on the site, and the third phase is the development of functionality and content which utilises the potential of the internet to the full. All along, however, the key target audiences for the website have been people with motor neurone disease, their friends and family, as well as health and social

care professionals (dieticians, physiotherapists, etc). The secondary audiences are the media and the general public. This clear prioritisation of audiences and phased development has allowed the MND Association to be make the best use of the limited resources they are able to commit at any given time.

Make sure the internet is part of existing strategies

It sounds so simple, but it is all too rare. While many of the organisations we talked to had done some very powerful work on the internet, those who had taken the development furthest had integrated the internet into their overall strategy. The internet should not be planned separately from the overall communications or fundraising strategy. If the goal is to provide information or to campaign, then the strategy needs to set out where the internet fits into those objectives. A good example of integra-

tion is the way in which CAF has used the internet as an extension of its Charity Account activities (see box).

Make sure there is an internet evangelist and a senior champion

If there is a single factor that helps an organisation revolutionise its use of the internet it is a champion to make it happen. Many of the people we talked to for this report were clearly the driving force behind their organisation's internet success. Many of them were the website managers themselves, others were the head of IT, or the head of communications – it really doesn't matter where they sit. What matters is that they have an infectious passion for the internet, they have the power to unblock the organisational politics and they have the personality to charm and woo the doubters.

Very few of the evangelists we talked to

Case study: RNLI

One of the most difficult tasks for any web co-ordinator is to get the organisation to realise the potential of the internet for its own organisation. To make matters more complicated at the RNLI, the website (www.lifeboats.org.uk) has a number of distinct audiences: supporters and members, volunteers, water users, the media and members of staff (in lieu of an intranet). Two years ago the website tended to be an electronic version of paper information, rather than using the functionality of the web to the full.

James Vaughan's role at RNLI is to search continually for ideas and stories within the organisation that would translate effectively onto the website. Part of the task is to persuade people to 'adapt their ideas to the web, not just acknowledge it'. To do this he has developed advocates across the organisation who continually source information. This structure has developed from a previous structure with a more formal group which became too cumbersome. He also spends much time evangelising inside HQ and across the country to persuade staff, volunteers and branch activists to develop their own content for regular updates.

The result of this evangelical spirit is that RNLI has one of the most sophisticated and visited websites of any charity. It recently won an award in the not-for-profit sector, nominated by the website's users. It will soon be possible to see which crews are at sea at any point in time. The site has an interactive seafaring game which is both educational and fun.

As a large organisation with over 200 lifeboats stations and 4,000 branches the potential for independent websites is enormous. One hundred of the lifeboat stations already have their own website and many are using this creatively. On the Falmouth lifeboat site (www.falmouth-lifeboat.org.uk) there are reports of recent launches posted on the site and these are also emailed to key supporters.

The challenge now that the evangelising has paid off and the organisation is getting the internet under its skin is to maintain quality and the overall image of the RNLI conveyed in each of the new numerous new lifeboat sites without stifling innovation or creativity. A webmaster's life is not an easy one!

Case Study: CAF's charity cards and giving online

CAF's internet principles are simple. They aim to include stakeholders in their websites and encourage others by passing on free information, advice and sometimes tools. They avoid duplication of effort wherever possible and work to create sustainable sites that will survive and thrive.

More importantly CAF's websites are an extension of the work it has been doing for many years, which is to help individuals and companies to give to charity. The CAF account through which individual donors can make their giving more tax-effective has existed for more than 20 years and now numbers 70,000 individuals. In the early nineties, the Charity Card was introduced to make giving easier over the telephone. The internet has proved to be an excellent medium for increasing the choice and flexibility of giving for account holders.

To facilitate these aims CAF has developed the following websites:

All About Giving is backed up by CAF's staple web service for Charity Card donors, www.charitycard.org. Of the 70,000 donors that give to charity using their tax-effective card today, 6% are already using the web to make donations. And a further 48% say they intend to in the future (CAF client survey, March 2000). In the past two years, more than £850,000 has been donated through the site to charities of all shapes and sizes. And at times of national appeal or disaster, the number of donors visiting the site triples.

So for charities still hesitant about online donations, All About Giving and Charity Card are an easy way to learn about web fundraising with the backing, safety and support of CAF.

www.GiveAsYouEarn.org

Ever since the Charities Tax review in 1999, CAF has been working closely with government and others to maximise the benefits of tax-effective giving. Payroll giving is being given particular attention due to the 10% government boost.

CAF's Give As You Earn (GAYE) website is a useful place for charities to visit to take away a wide range of free online tools and information that they can incorporate into their own fundraising campaigns, whether online or in print. Companies and their staff tend use the site for similar reasons.

Charities can download donor joining forms, frequently asked questions, a wide range of literature, and poster and email templates. There is also plenty of simple, free advice on the site, from explaining how professional fundraising organisations work to how to form a consortium to promote the scheme. Like Charity Card, there is the facility to incorporate the GAYE logo into a charity's site and literature. Both the Charity Card site and the GAYE site will be incorporated into the All About Giving site during 2001 to provide one centralised service.



www.allaboutgiving.org

Launched in autumn 2000, All About Giving is designed as one-stop-shop for information on every aspect of tax-effective giving for individuals, companies and charities. It brings together the largest ever online community of charities, CAF donors and brand new prospects. It is backed by CAF's own marketing campaign alongside the planned national government campaign to promote giving in the new tax climate. Most importantly, it allows donors to give online and it puts charities in control of the relationship.

More than 40,000 charities will soon be on All About Giving, with charities invited to take ownership of their listings themselves, including using their own password to access the site and add additional information about their work or campaigns, create their own donation thank you, or email donors who give permission to use their email address – that's all part of the online 'Fundraising Toolkit' for charities.

New donors can sign up online to any of CAF giving services – from Give As You Earn right through to giving stocks and shares. Donors can make immediate Charity Card gifts to charities and view their web statements online; employees can sign up to select charities to which they wish make regular payments direct-ly from their pay.

Future internet options from CAF

CAF's internet priorities are to use the medium to extend the ease and flexibility of giving. The internet is seen as a means of supporting or adding value to CAF's services wherever possible. But the sites are never intended as a replacement. Everything that CAF offers can also be accessed via normal channels, whether the phone, fax or in print. In the future, CAF would like to extend electronic services onto new channels such as digital TV. Online banking will be piloted during 2001.



found their role an easy one. All too often they were asked to do the impossible: transform their organisation's use of the internet single-handed and on a tight budget. Charities are slow to take on new ideas, averse to risk and too often highly bureaucratic. Worse still, many are riddled with internal politics. One webmaster described the 'warring factions' that she encountered when she joined the organisation which had resulted in two separate and parallel intranets. Another relayed how within two weeks of the director of communications leaving, the IT department made a play to take over the website by emailing the chief executive with a set of unfounded accusations of poor website management.

No matter how good the cross-departmental project group and the internet evangelist there needs to be a champion on the senior management team. This is not only to help



RNIB believes the web is as important to blind people now as the invention of Braille at the end of the 19th century

Different organisations tackled the issue of the cross-departmental project group in different ways. In some organisations the group was fairly formal and met regularly and in others a looser grouping of departmental advocates worked equally well. The dilemma for many organisations is that the sophistication and interest of different departments varies enor-

through which staff can communicate ideas, and also provides staff with updates on progress. Friends of the Earth established two internet groups in the early stages of its internet development: one to guide the operational side of the site and the other to deal with the strategic issues. Interestingly the strategic group rarely needs to meet now that the overall strategic direction for the website is clear and the operational group has proved effective at resolving any difficult issues.

Separate budget for internet activities

The evidence from the questionnaire shows that organisations with a separate budget for their internet activities were further developed than those without a separate budget. Organisations with a separate budget were more likely to have news and regular updates on their sites plus credit card fundraising, downloadable files, online databases, email inquiry services and online campaigning. Indeed, in every category except for the provision of information, organisations with a dedicated budget had more functions than those without a dedicated budget.

The reasons for this are fairly straightforward. If the website or the intranet has to battle with other priorities each year to add additional functionality or improve its data, then it is less likely to win. Without a separate budget, the timing and scope of developments becomes less certain, even if the organisation is committed to the internet. Interestingly, the response to the questionnaire indicates that the size of the budget makes little difference to the sophistication of the use of the internet.

Get marketing

When Kevin Costner built his baseball pitch in a corn field in the film *Field of dreams*, he had a premonition in which a voice whispered: 'If you build, they will come.' It worked for him and sadly many charities feel such a simple approach to internet marketing will work for

No organisation thought its IT budget was sufficient, and very few felt their organisations were making the most of the internet

make sure that the internet is on the strategic agenda of the organisation, but also to help resolve any disagreements or disputes that arise. At Help the Aged, for example, director general Mike Lake is the senior champion and this gives website manager Claire Cope the advantage of making the internet a much higher priority in the organisation's agenda and reduces the barriers to development.

Create a powerful cross-departmental project team

Even the best evangelists need a team to work with. Not just to help spread the message but also to help make sure that all the different parts of the organisation are represented and feel ownership of the internet development.

mously. Unfortunately, lack of departmental interest doesn't mean that the internet has no relevance to their work.

The role of the cross-departmental group is often to ensure that all parts of the organisation buy-in to the overall use of the internet, and that the internal 'digital divide' is minimised.

Help the Aged has created an internet development group with a representative from each division. Each division has its own agenda for the internet and so the website manager needs to ensure that the group remains focused on the overall strategic aims, keeping the bigger picture and 'customer' in mind at all times. The group agrees strategy and priorities for development, acts as a channel

The power of the search engine: road tests on 20 charities

As part of the research for this report we carried out a road test to find out how easy it was to discover well-known charities using 14 different search engines. The first search we did was by the name of the organisation and the second by a 'generic' charity name which we believed applied to the charity we were looking for. The table shows the results as a percentage of the search engines that came up with the charity website address. We looked in the top six search results in our name search and the top twelve results in our generic search. The columns labelled 'hit rate' show the results for the two searches. For all but one charity (Sense) it was easier to find them by name than by sector. Overall the name search results were much more successful than the generic search results: an average 89% hit rate for the name search versus an average 20% hit rate for the generic search. It is probable that the high success rate for finding a charity by name is down to the large number of idiosyncratic names or acronyms among the sector. The secret to a high generic hit rate is either a very limited niche, excellent search engine registration or both.

Organisation	Website	Phrase for name search	hit rate (per cent)	Phrase for generic search	hit rate (per cent)
ActionAid	www.actionaid.org	ActionAid	92	World poverty charity	14
Age Concern England	www.ageconcern.org.uk	Age Concern England	77	Age charity	29
Barnardo's	www.barnardos.org.uk	Barnardo's	85	Children charity	21
British Red Cross Society	www.redcross.org.uk	British Red Cross Society	92	Emergency help	14
Cats Protection League	www.cats.org.uk	Cats Protection League	100	Cat protection charity	57
Help the Aged	www.helptheaged.org.uk	Help the Aged	85	Age charity	0
Imperial Cancer Research Fund	www.icrf.org.uk	Imperial Cancer Research Fund	92	Cancer charity	50
Institute of Cancer Research	www.icr.ac.uk	Institute of Cancer Research	92	Cancer charity	0
NCH Action For Children	www.nchafc.org.uk	NCH Action For Children	85	Children charity	0
NSPCC	www.nspcc.org.uk	NSPCC	100	Children charity	0
Oxfam	www.oxfam.org.uk	Oxfam	92	World poverty charity	21
PDSA	www.pdsa.org.uk	PDSA	85	Animal protection charity	0
RNID	www.rnid.org.uk	RNID	85	Deaf charity	57
RNIB	www.rnib.org.uk	RNIB	69	Blind charity	57
RSPB	www.rspb.org.uk	RSPB	92	Bird protection charity	57
RSPCA	www.rspca.org.uk	RSPCA	100	Animal protection charity	0
Save the Children Fund	www.savethechildren.org.uk	Save the Children Fund	92	Children charity	93
Sense	www.sense.org.uk	Sense	0	Deafblind charity	36
Tearfund	www.tearfund.org	Tearfund	85	Christian charity	0

them too.

It is not enough to simply build a website, it must be marketed as well. The questionnaire results show that while 96% of organisations had their website address on their headed paper, only 26% carried out targeted campaigns to specific audiences. Only 17% of organisations had tried banner advertising, but an encouraging 62% had links to other sites.

Here are some simple ideas for marketing a website:

- Register a range of domain names. Imagine a surfer guessing what the website address of an organisation might be. By registering the most likely guesses more traffic will be driven to a homepage. Also it makes sense to register all the generic addresses that might be included in a charity's area of concern.
- Put the website address on everything. It is a waste to let a letter head, a business card, a poster, a mailshot, a job advert or a leaflet go out without a website address on it. Particularly since it is virtually free if done when a reprint is taking place.

• Reciprocal links to other sites. Hyperlinks are an easy way to drive traffic onto a site from others. Strike deals with as many other charities, government agencies and commercial companies as possible to provide reciprocal links. Many newspaper and TV websites will include a website address if they run a story related to the issues that concern the organisation.

- Know the target audience. The clearer a marketing plan is about the target audience the easier marketing becomes. With a clear audience in mind, it is easier to look for websites that the target audience might visit and arrange hyperlinks between them or ask them to carry information. For example, if GPs are a key audience then a campaign can be created to target them specifically using trade media and direct mail. It's also worth making sure that a website is accessible to the 1.7m people in the UK with serious sight problems (see box in next section) – this is a large potential audience that is all too easily excluded from the internet.

• Link up with an internet service provider (ISP) or portal. These can prove a relatively cheap way of letting large numbers of people see a charity's message. For example, in 1999 AOL provided a dedicated area on its service for the RNID which allowed many thousands of people to get information about deafness and hearing loss. RNID got its message across and AOL got more traffic and developed a positive image by working with a charity.

- Register with every search engine. Many people who visit a website for the first time will have used a search engine. Some will know the exact charity name and have done a specific search and others will have searched using keywords specific to the sector or charity.

It is vital that a search engine brings up the right names from a charity's point of view, because if they don't a surfer may go to a rival site or not find what they are looking for. See the box: 'The power of the search engine' to illustrate how important search engine registration is.

Form alliances

Many charities will not have all the expertise to create a cutting-edge website or use of the internet. The dilemma is compounded by the fact that in the commercial world the rate of change of internet technology is so fast that internet start-ups do the same in six months (or less) that the commercial world does in a year. The average charity may take 18 months (or more) to do what takes 12 months in the commercial world. The net result is that the internet is moving three times faster than the average charity.

One way to overcome this is to pool resources or to share expertise. A number of Aids charities have already pooled resources to create a joint website. Childline and AOL have swapped expertise. AOL has provided resources to develop Childline's internet expertise providing technical expertise relating to chat rooms and discussion groups. Childline has provided expertise on counselling children and the issues that children want to discuss.

The potential for alliances to create websites is also great. A number of animal chari-



RNID teamed up with service provider AOL to get its message across

ties are collaborating to create a rehoming website and information about available space in animal centres and homes.

Make other organisations do the work

One of the beauties of the internet is that it is very easy to get organisations to act seamlessly on another's behalf. Most organisations that ask for credit card payments over the internet need to use third-party software and websites to take secure payments. A number of giving portals will process donations and

only take a percentage commission (for example, www.justgiving.com).

Perhaps the most exciting way to get other organisations to do the work is in the area of books and publications. Amazon will give anybody who has registered as an associate 5% of the value of any book purchased through the associate's website. It will give 15% of the price of any book promoted on the associate's website.

An excellent example of this relationship in action is the Amazon store on the British Epilepsy Association website (www.epilepsy.org.uk: indeed this

website is one of the best examples of a charity of any size using the internet) This website combines fundraising with allowing the organisation's supporters to buy books about epilepsy. The charity earns money, empowers its supporters with information and is saved any hassle of stocking the books, dealing with the administration or the credit card payments. Moreover, it would be difficult to find many web deals where the affinity link is worth as much as 5%. Credit cards give just 0.25% on average and the credit card donation portals usually want to take a commission of 2%.

Websites should be accessible to people with serious sight problems.

With the help of 'assistive technologies' such as speech synthesis software and Braille displays, people with serious sight problems or blindness can use the internet to locate enormous amounts of information otherwise unavailable to them. Train timetables, TV listings, football results, welfare rights – everyday information readily available to sighted people can be impossible to find for people who cannot read print. RNIB believes the web is as important to blind people living at the beginning of the 21st century as the invention of Braille was to blind people living at the end of the 19th century.

However, web designers must give a little creative thought to the design of sites if the full potential of the web is to be realised. People with disabilities have a fundamental right to be able to read all websites, but this fact has not been recognised by many designers and a large number of UK sites are rendered useless to blind people simply because of poor design.

The majority of people with serious sight problems have some useful vision, and read websites the same way as fully sighted people: with their eyes. However, the needs of people with poor sight vary considerably, depending on how their eye condition affects their vision. Some people prefer large text, while others can only read smaller text. Most people need a highly contrasting colour scheme, while others can only read yellow text on a black background. To cater for everyone, websites should be flexible in design, enabling the user to select the text and colour settings to suit their needs.

People with very little or no vision read web pages with the help of 'assistive technology', which is installed on their own computer. 'Synthesised speech software' reads the content of web pages aloud through a speaker, and Braille software outputs the text to a retractable Braille display, so that the website can be read by touch. Careful website design is paramount for people reading websites in these ways as inappropriate use of HTML can render web pages unreadable.

In the UK, RNIB supports the work of the Worldwide Web consortium's Web Accessibility Initiative (WAI). In May 1999, WAI published the first recommendation for accessible website design. Websites that adhere to WAI guidelines are accessible to everyone, regardless of disability, technology or circumstance. RNIB actively encourages all website designers to consider the needs of the UK's 1.7m people with serious sight problems by referring to WAI guidelines when creating web-based resources. For more information visit www.rnib.org.uk

6: Making it better: revolutionising voluntary sector use of the internet

The last section looked at some principles about how charities can make the most of their internet activity. This section looks at what the sector needs to do to maximise the power of the internet by providing an ever better platform from which charities can launch their own internet activity.

The potential benefits for collaborative action are huge. All but the very largest charities are limited in the resources they can invest in the internet. So any activity that makes website or intranet functionality available off the shelf, or increases the number of

portals that charities can use, can only be for the good.

Development of free or low-cost software

Charities are already able to access a number of packages that can make their life considerably easier in developing internet functionality. There are secure credit card donation programs, measurement packages and contact management systems. However, many of these are out of the price range of small and medium-sized charities and there-

fore by and large they are inaccessible.

In addition, sector-wide deals could be struck on the purchase of the online training programs that allow lower-cost access. A number of software developers and retailers would probably be delighted to offer special rates for the voluntary sector but the pressure needs to be created and the deals struck.

Development of national and regional training seminars

There is a shortage of training courses and seminars about the internet for charities, both at the national and regional levels. In the US, mentoring for the key staff in internet start-ups is common and a programme of mentoring for the relevant staff to help smaller charities learn from the experience of larger ones could be very powerful.

Development of portals

Venture capitalists appear to see the voluntary sector as a dark continent. They seem reluctant to get involved in a marketplace that works to different rules. Yet there are many opportunities for internet services that would benefit not-for-profit organisations where money can be made (as long as it's not another 'giving' website) and substantial benefits delivered for the sector.

The venture capitalists need to be encouraged to be braver and help to fund internet start-ups that will deliver long-term sustainable benefits for charities.

Higher priority with umbrella bodies

The sector umbrella bodies such as NCVO, CAF, Acevo and ICFM already have excellent websites. However, there is a lack of leadership when it comes to developing the overall standard of internet use outside of individual organisational websites. Yet the internet is clearly an area where concerted action is needed across the sector, particularly in respect of government policy.

Creation of the Voluntary Sector Internet Development Task Force

As one of the results of this report, we are proposing to create a task force of individuals and organisations that are interested in driving better use of the internet by not-for-profit organisations. The group aims to be a catalyst for development in a variety of ways: by cross-fertilising ideas, by lobbying key decision makers, by securing funding for key projects and by helping organisations collaborate on projects of common interest. Initially, the task force is to be co-chaired by Joe Saxton from the Future Foundation and Caroline Pile, director of the charities unit at Horwath Consulting. People who would like to get involved should email us at the address at the foot of this box.

The proposed purpose and goals are set out below.

Purpose: The task force exists to maximise the benefits of the internet for voluntary sector organisations

Our goal is that by the end of 2001:

- A full briefing will be available covering all the legal aspects of internet use, partnerships and alliances by not-for-profit organisations
- A code of practice and guidelines will be available to help organisations reduce the risks (such as inappropriate chat room dialogue or shopping sprees) to children and young people using their website
- We will agree deals with online training portals for cost-effective access to courses.

Our goal is that by 2005:

- 75 per cent of all voluntary sector jobs will be accessible over the internet
- 75 per cent of all charities will be using the internet to make savings equivalent to 5% of their annual income
- 50 per cent of all voluntary sector organisations will be using e-training as an integral part of their training programme
- More than 100 charities will receive more than 10% of their income from the internet
- The sector will have a competitive, thriving market for portals, helping charities use the web more cheaply and more effectively
- The sector will be seen as an equal partner by the public and private sectors in supplying dynamic, independent and authoritative information over the internet
- Cross-sector bodies will come to view sector development of the internet as an important part of their role
- Training courses, seminars and conferences to help develop the skills of charities in use of the internet will be easily available and at an affordable cost for small organisations.

For more information contact: joes@futurefoundation.net or pilec@horwathcw.co.uk

Clearer role for voluntary sector in government policy

The British government leads the world in concerted government action to co-ordinate and develop policy in order to reduce the barriers for e-commerce.

Sadly, the voluntary sector does not appear to play a significant part in their plans either as a beneficiary of better government policy or a deliverer of e-commerce. The only place where voluntary organisations feature is in the delivery of local access points for the new information service UK Online. The irony is that if voluntary organisations don't have a strong, up-to-date online presence, a surfer for information on a host of issues from benefits to cancer care will have to rely on commercial sites, whose primary aim is to make money or sell services. Commercial sites will rarely be independent, authoritative and credible – the strengths of voluntary organisations. However, commercial sites are always like to be highly attractive to use, well-marketed and well-funded. This imbalance can only heighten the digital divide and the inequality of access of users of the internet.

Useful sites for the voluntary sector

www.cafonline.org

Main site of the Charities Aid Foundation with links to its other sites including Charity Card

www.smartchange.org

An online 'social marketplace' with information about charities and social enterprises

www.thesite.org.uk

'Yoof' site with info on drugs, sex and relationships. Pet project of Martyn 'good news' Lewis. Also hosts 'do-it' – volunteering made cool

www.fundraising.co.uk

Sprawling site highlighting the latest fundraising news along with useful resources

www.nlcb.org.uk

Loads of details about the National Lottery Charities Board

www.icfm.org.uk

Easy to navigate homepage of the Institute of Charity Fundraising Managers

www.care4free.co.uk

ISP for charity donors

www.acevo.org.uk

Basic details about the Association of Chief Executives of Voluntary Organisations

www.ncvo-vol.org.uk

The technicolour site of the National Council for Voluntary Organisations

www.mediatruster.org

All about the organisation that matches volunteer media professionals with charities

www.justgiving.com

A new online donations service

www.advocacyonline.net

A campaign to persuade people to use the internet for online campaigning and activism

www.free2give.co.uk

Online shopping with a donation to charity

www.poptel.net

Co-operative ISP

www.charitycommission.org.uk

Highlights the work of the Commission

Websites which show the web at its most powerful

For those who never surfed the web or found anything of great interest, look again. Here's a list of the websites which show off the internet at its best, gathered by popular vote. There is something for everyone here, from the shopaholics to the philanthropic. Have fun.

www.amazon.co.uk

Online bookseller. Fun (or disturbing) that they suggest what you might like to buy next, on the basis of what you have bought before. Easy to use and efficient, with good after-sales support

www.amihotornot.com

This is a must for those rainy days when you want to be distracted by the plight of the very stupid and vain, who send in pictures of themselves and invite you to judge how attractive they are

www.ask.co.uk

A search engine for which you type in a full question, rather than a 'keyword'. It looks through a broad range of search engines as well as its own database, making a thorough search a quick and painless process

www.bbc.co.uk

Lively news site, in depth information, good graphics

societyguardian.co.uk

News and features on voluntary sector, health, social care, housing, local government and regeneration, online chats and talkboards

www.ananova.com

Good source of news from around the world, easy to navigate

www.bluemountain.com

Send birthday cards by email

www.confetti.co.uk

Anything and everything anyone involved in a wedding, including support and advice. Excellent at cross-sell marketing (the bride logs in, but soon the whole family is involved. The best man can even arrange the stag night online)

www.dilbert.com

Free website of the cartoon strip which brightens the day, but has some serious commercial objectives

www.easyjet.co.uk

Well laid out and highly functional site for booking and/or buying air tickets online. Fine examples of the use of the internet for commerce.

www.elephant.co.uk

Insurance (part of Admiral). Looks great, clean and simple, and excellently branded on the elephant theme throughout, including cute 'Trunkie' character.

www.enrononline.com

Turns over a billion quid a day, so must be doing something right

www.fool.co.uk

Everything from dealing with debt to the latest stock market news

www.moneysupermarket.com

Compare and contrast hundreds of products

7: Conclusion

If it is not already apparent, we are passionate about the potential of the internet for charities. Any charity chief executive should be excited about a new tool which can cut costs, reach new audiences, raise money, transform services and empower charities' users and beneficiaries across the world.

Indeed, the internet has a greater potential to deliver benefits for charities than faxes, mobile phones and the PC combined. So most chief executives would be delighted that such a potent weapon existed and delighted to embrace its use. Ironically, for most charity chief executives this is not the case. In our research we heard of a few chief executives who were personally involved in developing their organisation's vision for the internet. Sadly in most organisations, the tale of the chief executive of a medium-sized charity who didn't know what the web co-ordinator looked like after nine months in the post is more typical.

The gap between the 'where we are' and 'where we ought to be' is great. Much of the reason for this gap lies in the voluntary sector's culture and its approach to IT. Charities are risk averse. Money is invested in new products only when the returns are virtually certain and the risks at a minimum. Many trustees are far more comfortable with investing in bricks and mortar rather than IT systems or websites. Buildings are so much more tangible and last for decades: even if the projects they host are underperforming.

Charities are usually run by technophobes, and the exceptions are always a delight to encounter. Too many charity directors and chief executives have their assistants print off their emails, and many don't even have a PC. In this organisational climate securing the necessary strategic and budgetary support may be difficult, but rarely impossible.

It may even be that this risk aversion can be used to work in the voluntary sector's favour.

The frenzy of excitement about the impact of the internet has resulted in absurdly over-optimistic claims for its potential and equally ludicrous counter-claims. The recent volatility of high tech shares is a testament to the swings in the pendulum of opinion. The commercial sector is acting as an advance party and learning the lessons the hard way so that charities can use the internet to maximum advantage and minimum risk. The danger is that some charities will be scared off investing in the internet because of the news about redundancies, share price falls and doubts about e-commerce. The answer for most charities is to have ambitious but not absurd growth plans. Remember that the hare not the tortoise won the race.

If there is one single message which comes out of this report, it is that every charity needs to make sure that it is clear what the internet can do for its services and activities: and then make it happen. Understanding the e-potential

Every charity needs to make sure that it is clear exactly what the internet can do for its services and activities, and then make it happen

and raising the levels of excitement about how an organisation's activities can be transformed is the first step on the ladder to utilising the internet to the full.

Nor is it necessary to reach a state of the art internet presence overnight. From the research for this report a number of stages in internet development in a not-for-profit organisation can be identified:

Stage 1

Email is adopted (though not always to every staff member with a PC) and widely used and internet access provided from most PCs. A basic website is created and advertised using the organisation's existing communication channels. At this stage the information on a website is often the same as printed informa-

tion in an electronic form, and usually confined to information and news.

Stage 2

Procedures for use of email are usually produced and a rudimentary intranet is established. The website begins to incorporate more sophisticated functions such as credit card donations, online information databases and document downloads. The breadth of departments that appreciate the potential is growing (but human resources is still holding out against it).

Stage 3

An intranet is now fully established and many services, such as train tickets and stationery, are purchased online. The website provides an interactive training course as well as a discussion group and chat room. All the organisation's job vacancies are on the website with applications forms being completed online and emailed back. Service delivery is being developed specifically for online use, while video

clips and photo-stills have been emailed to supporters to encourage them to donate online.

These stages are not set in stone, and

the speed at which an organisation moves from stage to stage will be driven by budgets, strategy and its culture. However, the gaps between stages should be measured in months not years because even by the end of 2001 the best charity websites will be doing things not even developed today. And the gap between those at the cutting edge and the majority of charities will have widened still further.

The internet will increasingly give competitive advantage to those charities that use it well, particularly where it is integrated into their mainstream activities, allowing them to deliver more benefits, reduce costs and reach new audiences. We predict that there are three principal ways in which charities at the cutting edge will be gaining competitive advan-

tage: these are online communities, cost reduction and customer relationships

Building online communities

Online communities are ideal for not-for-profit organisations, yet it is commerce that has been quicker to exploit their benefits. The benefits of such communities for charities are numerous. They can reduce beneficiaries' sense of isolation, they provide additional advice and insights from a variety of perspectives, they strengthen the bond to the charity, and they are low-cost to run. From diabetes to cancer, from hearing loss to Parkinson's disease, from schoolchildren to volunteers, online communities can revolutionise relationships with an organisation and attitudes to an illness.

Internet-based cost reduction

The benefits of internet cost reduction are only just beginning to be felt in many charities. One charity estimated it would save £1m by purchasing online over the next year. This is possible not by reducing internal services, but because at present it sends so many stationary orders at £5 each and no economies of scale are being achieved on basic items such as printing, rail tickets and mobile phones. The internet can also reduce costs in areas such as recruitment by allowing online applications and through moving routine helpline enquiries onto the website.

Ultimately, anything which can reduce the effect of geography will save money, whether it is fewer visits to HQ, online training or advice delivered by webcam, rather than face to face.

Customer relationships

Relationships lie at the heart of much of what charities do. Fundraising direct marketing is some of the most sophisticated in any sector, and if the internet can be used to allow people to have a relationship via email, website and extranet, then donors will be better informed and have a relationship based on their preferences. The combination of email and website allow charities to have relationships that are tailored to the individual and low-cost to maintain, irrespective of whether the relationship is



Government e-envoy Andrew Pinder has no specific plans for voluntary organisations

driven by information needs, service delivery or fundraising.

The potential is exhilarating, the possibilities are endless but the internet revolution for most charities is still in its infancy. In the future we may see virtual charities which will offer the nimbleness and flexibility that their larger relatives cannot hope to offer. If the revolution bites, charities may become increasingly global, with a web presence in many countries but with few staff. Amazon.com has used the internet to become a household name. If a

The government's aim to make Britain the best country in the world for e-commerce doesn't extend to making it number one for e-charity

charity was to take the same approach, in a decade it could have ousted some of Britain's best known names from their top spots.

If any of these bold futures are to become reality there is much that needs to happen. It is not simply individual charities that need to do more. Voluntary organisations have to work together to help individual charities achieve more with small budgets and limited internet expertise as at the moment many voluntary organisations are unable to devote sufficient resources to internet development to have an impact beyond their own online services.

Even the government's e-envoy's office doesn't have any specific activity or role in its

plans for not-for-profit organisations. Its aim to make Britain the best country in the world for e-commerce clearly doesn't extend into making it the best place in the world for e-charity. This is despite the fact that as services such as the government's UK Online develop, they will have 700 community access points which the e-envoy's office sees as similar to the community services that many charities offer.

We hope the new task force that is being created as a result of our research for this report will make an impact. But as long as this group is made of volunteers it will be constrained in how much it can do. Government policy will also need to realise the potential that voluntary organisations have in delivering its vision of an online society and in reducing the digital divide. However, charity websites will need to be among the best designed and most technically sophisticated as well as accurate and authoritative if the average 18 year-old is to use them. So government policy needs to incorporate e-charity as well as e-commerce if it is to ensure the internet revolution benefits all sectors of society.

Imagine a 75 year-old widowed pensioner searching for information on macular degeneration, looking for information on welfare benefits, donating to her favourite charities, or downloading information on the latest digital hearing aids on her PC or digital TV. Imagine an unemployed teenager in South Wales using the local charity website to looking for volunteering opportunities in his area. Imagine a busy executive using her PC late at night

to email her MP about the latest environmental campaign. Imagine children learning about cancer or third world debt or seeing if their missing kitten has been found using an animal charity website.

'If you have built your castles in the air, your work need not be lost; that is where they should be. Now put the foundations under them.'

– Walden, Henry David Thoreau

The vast potential of the internet to help voluntary organisations is not in doubt. Now we must make it happen.

Appendix

Glossary

This glossary is intended to give a brief explanation of terminology surfers might come across on the internet. Thanks to NTL's website (www.ntlworld.com) for saving us a lot of time.

- Ad clicks** The number of times an online advert has been used to access a company's website.
- Attachment** A file that is sent along with an email message (such as a picture).
- Bandwidth** Describes an internet connection's capacity to transfer data.
- Banner advertising** The usual style of online advertisement. Normally 460x60 pixels, banners usually sit at the top of a page.
- Beta-site** A test version of a website, released to a limited number of individuals to test in order to highlight any problems or errors.
- Bookmarks** The name given to websites that are marked for future reference. Also known as **favourites**.
- Bounce** The return of a piece of mail because of an error in the delivery process. Mail can be bounced for various reasons.
- Browser** A programme installed in a computer's memory that reads (or browses) web pages. A full internet connection is needed to browse the web.
- CD-Rom** (abbreviation of 'Compact disc – read only memory') Storage medium for data.
- Chatroom** An online area in which two or more people can meet and type messages to each other. As its name suggests, it is somewhere people can chat, so unlike newsgroups or email, conversations take place in 'real time'. A chatroom can be anything from two-dimensional text-based pages to three-dimensional virtual reality worlds.
- Cookie** Data that some sites use to keep track of visitors. The first time you visit such a site, your browser is sent a cookie which is used to identify you on subsequent visits. That allows the site to offer a more personalised experience the next time you visit it. Cookies also enable beneficial facilities to operate on certain websites – for example, shopping baskets in online stores could not work without cookies.
- Crash** When a program or operating system fails to respond or causes other programs to malfunction.
- Cyberspace** A term coined by William Gibson for the internet when it was purely a science-fictional concept. It refers to the lack of any real sense of physical location on the internet.
- Domain name** Each server has its very own IP (internet protocol) address, which is a long string of numbers and dots. However, since we humans have trouble remembering all these numbers, an alphabetical domain name was created. The domain name in <http://www.ntl.co.uk> is ntl.co.uk, and it acts as a substitute for the IP numbers.
- Downloading** When you copy a file from another computer to your own, you're downloading.
- E-commerce** Stands for electronic commerce, which refers to buying/selling of products/services from web sites.
- Email** Stands for electronic mail. Email is sent and received by millions of people worldwide.
- Extranet** This is a web-style computer network that extends beyond the boundaries of a single company, usually to include manufacturers, distributors or partner companies.
- FAQs** Frequently asked questions. A list of common problems and their solutions that has become a standard document with all forms of computer technology.
- Firewall** A system configuration that protects a private network or an intranet connected to the internet from unauthorised access or use.
- FTP** File transfer protocol is a simple way of transferring files from one computer to another.
- Hits** Measurement of how often a website has been visited.
- Homepage** This is the front door or entry page of a web site. Here you will normally find a welcome message or details of what you will find inside, with links to the various pages. When you enter the basic URL (sometimes just the domain name) of a web site into a browser, you arrive at the homepage.
- Host** A computer that allows users to communicate with other host computers on a network. Individual users communicate by using client programs, such as electronic mail, Telnet and FTP.
- HTML** Hyper text markup language. The universal language of the web, in which all pages are written.
- HTTP** This stands for Hypertext Transfer Protocol. Most URLs follow this format. It is always followed by a colon and a double slash (<http://www.name.com>).
- Icons** A main feature of graphical user interfaces (GUIs), icons reside on your computer's desktop and are images that intuitively represent a program, document, directory, hard drive, floppy disk, etc.
- Internet** The internet is a collection of independently owned and maintained networks. Each network connects computers to the internet, and each computer connected to the internet is capable of communicating with any other of the computers also connected.
- Intranet** A private network that is only accessible by authorised users. For example, a company could connect all its offices in different locations of the UK.
- ISP** Internet service provider. A company that sells connections to the internet.
- Links** A link, or **hyperlink**, acts as a bridge between separate web pages. By clicking on a link you are taken to another web page. Links can be indicated by a small graphic (icon) or by underlined text, usually of a different colour to the rest of the text on the page. If you move your mouse pointer over a link, the arrow will turn into a pointing finger. To move to the linked page, just click on the link.

Modem modulator/demodulator A piece of equipment that connects computers to each other for sending communications via telephone lines.

Newsgroups Discussion groups that are held over the internet. Also know as **Usenet**.

Page impressions A method of measuring website usage based on the number of times a page on a website is viewed

Search engine Websites that contain powerful search facilities which let the user find other pages on a specific subject.

Server A computer that makes services, such a website, available over the internet or within a local organisational network of PCs.

Surfing Informal term for exploring the internet (as in 'surfing the net'). Most often used in reference to accessing sites on the world wide web.

Unique visitors A method of measuring website usage based on the number of times a website is used by individual visitors.

Uploading When you copy a file from your computer to another, you're uploading.

URL This stands for uniform resource locator, a sequence of characters specifying the address of a resource on the web; for example, a web page (in the form of 'http://') more informally known as a website address.

Usenet A collection of notes on various subjects that have been posted to servers on a worldwide network. Each collection on a single subject is known as a newsgroup.

Webcam The web interface for displaying live digital images.

Webmaster The term given to the person responsible for looking a website in a charity or company and more formally called web development manager or equivalent.

Website A collection of pages and files located by the website address (www.something.co.uk) and usually created by, or belonging to, a single charity or company.

WWW The world wide web is the most accessible part of the internet, offering easy access to information in the form of text, sound, video and so on.

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In the end, the report is a product of our labours and the mistakes are certainly ours.

Notes

¹ For more details see the Future Foundation's nVision service on www.futurefoundation.net

² *The Economist* has published four excellent special surveys in 2000 (*E-commerce, Government and the internet, The new economy and E-management*); email: shop@economist.com. See also the Andersen Consulting report on *E-Europe: Connecting the dots?*

³ *Tomorrow's e-economy* from uunet (www.e-economy.uk.uu.net), 1999

⁴ See NCVO's *The Internet: A guide for voluntary organisations*, published in January 1998, and the free summary research report published the previous year

⁵ For a copy of a more detailed research report, email Stephen Game at: sgame@horwathcw.co.uk

⁶ Industrial society briefing in seminar on e-learning, May 2000

⁷ *Inside the machine, a survey of e-management, The Economist*, November 2000

Summary

- The internet is the single most powerful communications tool to be created since the television. It is revolutionising the business world not just by allowing existing businesses to cut costs, improve customer service, and reach new audiences but also by giving customers wider choice, better information and lower prices.
- The internet is growing at an incredible pace. KPMG's E-commerce report estimates that 20% of revenue for the UK's top 100 companies will come from e-commerce in 2000. There will be 67m internet users in Europe by 2001.
- This report is the most definitive study to date of the way that not-for-profit organisations are using the internet.
- The internet is particularly well-suited to the needs of not-for-profit organisations and charities. It is a flexible, low entry-cost media, easy to access with a global reach. It doesn't rely on newspapers or television to provide access, and has an almost limitless size.
- Research carried out for this report shows that the most popular uses of the internet by charities at the moment are information, news, links to other websites and email enquiry service. Very few charities are using the internet for online job applications or online training and relatively few are able to let users purchase goods or services online. The minority of charities purchase travel tickets and other services online. Compare this to the commercial world in which 70% of the 500 largest companies in the US use their website for online job applications, and some companies are cutting their costs by millions of dollars a year through online purchasing.
- The way to maximise the value of the internet in an organisation is to make sure that the trustees and directors fully understand the specific potential for that organisation and have agreed a strategy and detailed development plan with a separate budget. A senior champion is also a vital ingredient for success supported by an operational evangelical web co-ordinator. Many charities have an interdepartmental internet group to make sure that all the internal stakeholders are involved and feel ownership. Marketing of the website is easily overlooked by many charities once the website address is on the corporate stationery.
- The voluntary sector needs to act as a united force if it is to get the best from the internet. We need more websites that provide services to charities, as well as better training, more cheap or free software. More importantly, the internet needs of the sector must have a higher priority in government policy if the sector is to help deliver the government's internet ambitions.
- Charities can and should be using the internet to revolutionise the way they work, in the same way that companies are. Very few have seriously started to make change. The internet can cut purchasing costs and reduce overburdened helplines. It can make job opportunities more accessible and improve staff training. It can transform service provision and help fundraisers get closer to donors. It can empower clients and beneficiaries and reach new audiences.
- No charity is immune from the internet's opportunities. Every trustee, every chief executive and every director must make sure they are seizing those opportunities. This report will help them to do just that.