

What is a text donation?

Text donation is the simplest, fastest and arguably one of the most efficient way for supporters to give a one off payment to charity.



Supporters simply texts your charity's keyword to one of our charity short codes and the Vir2 system responds with a "thank you" text message. The message that Vir2 sends tells the donor's mobile network to deduct an amount of money from their mobile phone account and pay that amount less the network's fees (if any) to the charity.

Most experts agree that in the future more and more interaction with the web will be via mobile devices. Comic Relief raised about £7.8m from text donations in 2009 and Children in Need £1.75m.

How do the costs compare to other payment methods?

Text donation can be the most efficient way to collect spontaneous off-line donations. Currently a £5 donation costs about 50p to process on most networks, but we expect all networks to reduce their charges over the next 12 months.

Typically a debit card costs about 25p and a cheque 60p per transaction, but with text donation you don't need to pay a call centre or charity collector.

Text donation also provides

- Instant operation in any place and at any time
- Real time online reporting and CRM integration
- A means of contacting the donor after the donation
- Easy to use, automated Gift Aid declaration collection
- A way to access new markets

Who gives via text donation?

There are more mobile handsets in the UK than people. The proportion of people that access broadband via their mobile phones is slightly higher than those that use a home connection. The average mobile phone user sent 99 texts a month last year¹.

In our experience the typical text donor is more likely to be younger, a first time donor and unlikely to give in any other way.

Why use Vir2?

We are a specialist, ethical, professional fundraising business.

Our business model is simple – we charge a monthly fee per keyword. We don't take a "cut" from the donation. Our clients always get our best rates.

We have plenty of experience in the sector we work with approximately 200 charities including many of the top 100 charities. Our clients include charities like ActionAid, The Brooke, UNHCR, Age UK (Age Concern), The Woodland Trust and RNLI. We also work with local authorities and quasi-governmental organisations.

We have a good relationship with the regulator (www.phonepayplus.org), the charities Aid Foundation, the Mobile Data Association and the Institute of Fundraising. We were the originators of the campaign to remove VAT from text donations through our lobbying of Parliament.

Gift Aid & Donor Care



We provide a link in the reply message to a Mobile Internet site that allows Gift Aid to be claimed by the donor. Clicking the link opens a mobile internet site that is specially repurposed so that it displays regardless of the phone type. The user enters their declaration and the Charity can access a report that may be downloaded from the web.

We do not process the Gift Aid requests for the charity – the charity must process the claims using the reports we provide.

¹ Source Ofcom Telecoms Market Report Aug 09: Approximately 110 handsets/100 people. The figure for broadband usage is about 30%

How much is received by the charity?

For big TV campaigns the networks will often offer a "free donation" service – however these are really reserved for telethon events like Children-In-Need and Comic Relief.

The network payments to charities are expected to improve over time.

Text Donation

Network	Millions of Handsets	Market Share	Donor Payment				
			1.00	1.50	3.00	5.00	10.00
O2	21.5	28%	0.90	1.35 90%	2.70 90%	4.50 90%	9.00 90%
Orange	16.4	21%	0.74	1.14 76%	2.31 77%	3.97 79%	7.93 79%
#3	4.5	6%	0.80	1.12 75%	2.38 79%	4.51 90%	9.02 90%
T-Mobile	12.1	16%	0.77	1.15 77%	2.43 81%	4.50 90%	9.00 90%
Virgin Mobile	4.7	6%	0.54	0.81 54%	1.61 54%	2.69 54%	5.38 54%
Vodafone	17.7	23%	0.90	1.35 90%	2.70 90%	4.50 90%	9.00 90%
Weighted average (inc Virgin Mobile)	76.9		0.82 82%	1.23 82%	2.49 83%	4.28 86%	8.55 86%
Weighted Average (exc Virgin Mobile)	72.2		0.84 84%	1.25 84%	2.55 85%	4.38 88%	8.76 88%

User figures are Vir2 estimates based on Ofcom reports

All rates current at 23/2/10 & exclude Gift Aid. Figures exclude Virgin Mobile. Donor payment excluded the cost of the original text containing the keyword which will vary by tariff and may be part of a "free text bundle".

How long will it take to set up?

It takes from 6 hours to 2 weeks for most services to be set up.

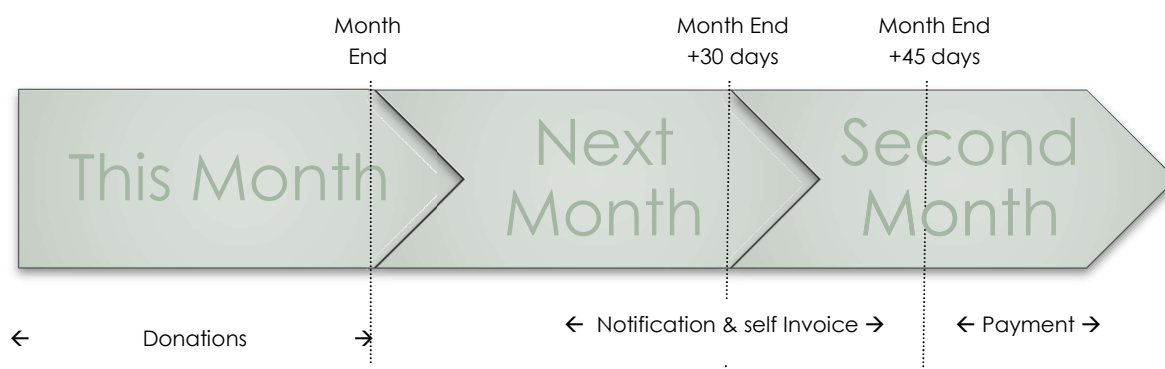
If your organisation is not listed on the HMRC website then that list is only updated once every 6 months so you need to apply ASAP to get included by HMRC.

Do I need a new keyword for each campaign?

Anything written after the keyword can be used to gather information from donors e.g. text the keyword followed by your email address. You can also use it to distinguish between campaigns by adding a simple A, B,C code.

You will need a different keyword if you plan to charge more than one amount or to use a campaign type – for example if you plan to set up a subscription service.

How quickly will the charity be paid?



Vir2 are informed by the networks how much is owed to the charity within a month of the month end in which the donation was made. We reconcile and inform our clients between 30 and 45 days after the month end and the charity can invoice us straight away or we can generate a self invoice on behalf of the charity and pay straight away. We pay between 45 and 60 days after the month end to which the donation relates. All monies received by us are processed through a clients account in favour of our charity clients.

Next Steps

1. Contact Vir2 on 08450 947 958 or web@vir2.co.uk
2. Obtain & sign a copy of the contract
3. Agree
 - a. Rates
 - b. Keywords
 - c. Donation amount
4. Approve outline marketing plans & material