

BEST PRACTICE COMMUNICATIONS IN THE THIRD SECTOR

AND WHAT BUSINESSES CAN LEARN

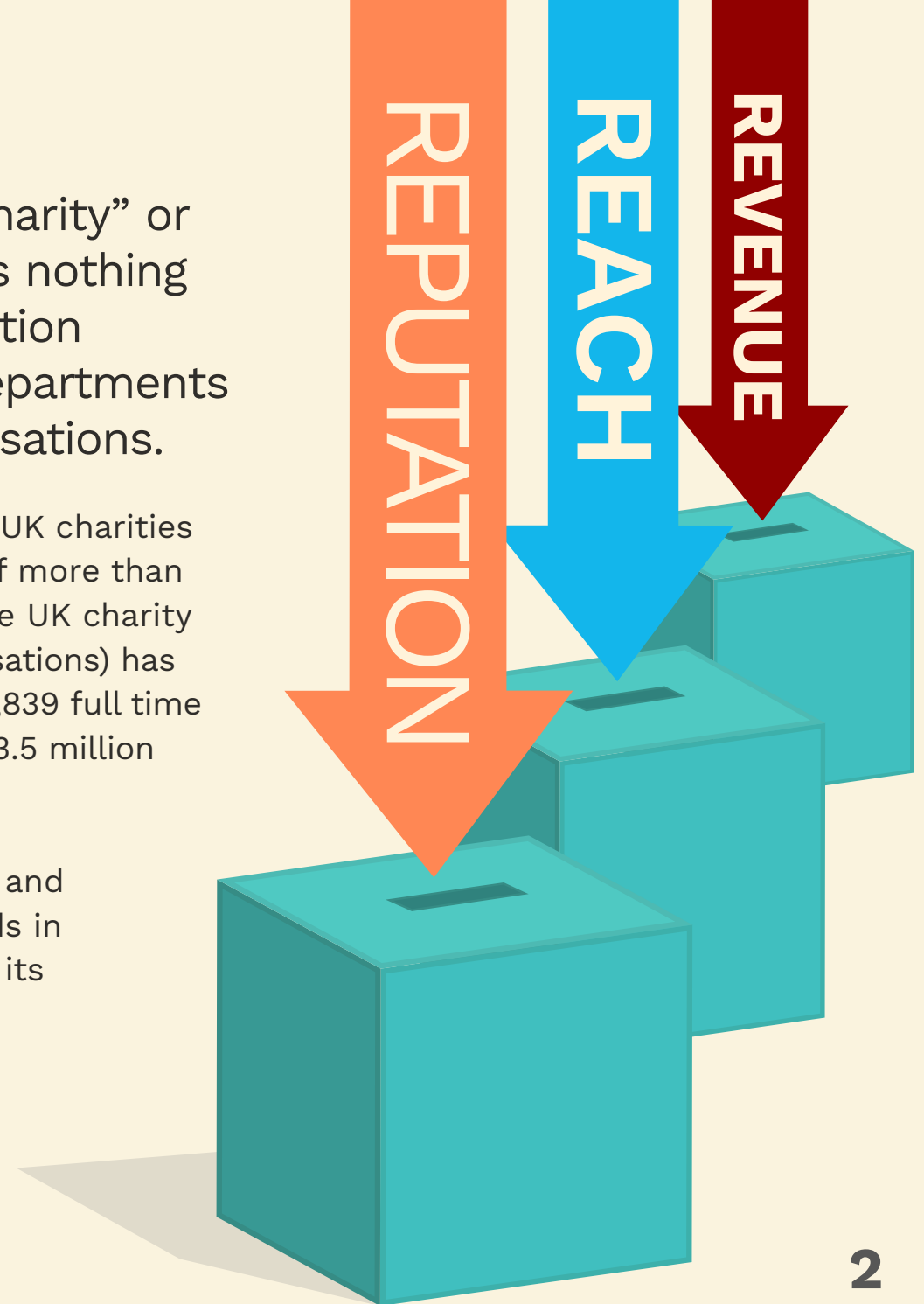


[WHITE PAPER]

Don't let naming conventions like "charity" or "not-for-profit" mislead you. There is nothing quaint about the levels of sophistication employed in the communications departments of today's leading third sector organisations.

According to the Charity Commission, the top 10 UK charities (ranked in terms of income) recorded revenues of more than £6.6 billion¹ over the last financial year. The entire UK charity sector (made up of approximately 182,500 organisations) has annual revenues of £71 billion, employs some 964,839 full time staff, 943,944 trustees and enjoys the support of 3.5 million volunteers.

The third sector might have very different values and objectives to their more corporate-minded friends in industry and commerce but there is no doubting its "big business" credentials.



Charities and not-for-profit organisations are incredibly focused on revenue acquisition and retention, product/service development, cost reduction and harnessing the power of the communities that support them. Their success and the good works they commit to on the back of this success are very much at the mercy of their reputation and the general public's perception of their (and their clients') needs. As such, there are many lessons PR professionals from the business community can learn from the third sector in terms of reputation management, media outreach and social engagement.

In this whitepaper we will explore how charities and not-for-profit organisations are able to build brand, drive campaign awareness, harness the power of communities and extend their reach in order for them to meet their objectives – and examine how the business community can learn from and adopt their practices.



Hard Learned Lessons

Charity status does not make an organisation immune from criticism. In recent years the sector has faced its own PR crisis following accusations of aggressive fundraising tactics, lack of transparency, poor management and financial governance.

According to a recent report², public trust in charities is at its lowest point since the Charity Commission started recording the data in 2005. This follows high profile news coverage of events including the tragic death of a 92-year-old poppy-seller who faced an “uncontrollable deluge of charity letters and fundraising cold calls and direct mail campaigns”, direct debit “donations” taken from the bank account of an Alzheimer sufferer and the personal details of other vulnerable people being sold for the purpose of fund raising.



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Charities faced further criticism following the 2015 collapse of **The Kids Company**³ which had received more the £46 million of public money despite numerous concerns about how the charity was managed. The charity's founder, the charismatic and media-friendly Camila Batmanghelidjh, and trustees led by the BBC's Alan Yentob faced particular criticism, perhaps demonstrating how glossy, media-savvy presentation will only protect an organisation's reputation so far when it is mismanaged.

The public backlash, fuelled by acres of media coverage, saw questions raised in parliament, prompted a number of local authorities to restrict street fundraising activities and provided a real wake-up call to sector. A number of high profile charities including the **NSPCC**, **British Red Cross**, **Oxfam** and **Macmillan Cancer Support** (all of which had faced criticism) made commitments to turn their backs on "boiler room" fundraising practices and implement new industry standards.






You could argue that the charity sector was facing similar criticisms to those levelled at the press following the phone hacking scandal which led to the Leveson enquiry. The third sector had to make a real commitment to cleaning up their act and regulate themselves or face stricter, government-sanctioned regulations.

Contracts were removed from call-centres (which quickly closed down), the use of sensitive data re-evaluated and hard-sell strategies adopted by many leading organisations were watered down or abandoned.

But the third sector is not out of the woods yet and needs to continue to make significant efforts to rebuild relationships with the media and the general public if it is to win back their support. In times of economic uncertainty, which places further pressures on fundraisers, restoring reputation is vital to their continued success.

Business Lessons: The general public have an enormous sense of fair play. Their trust is hard won and, when lost, incredibly difficult to claw back. Everyday business decisions can impact on a reputation. This means issues beyond the everyday customer service they experience, like executive pay, annual bonuses and offshore tax management, have the potential to sway public opinion against your organisation, tarnish reputations and damage revenues. **It's not just the way you treat customers at the point of sale or service, it's how you conduct your entire business operation that counts.** When non-public facing operations can impact on your public relations it is increasingly important that your communications team is represented at board level within your organisation to highlight potential opportunities and threats.

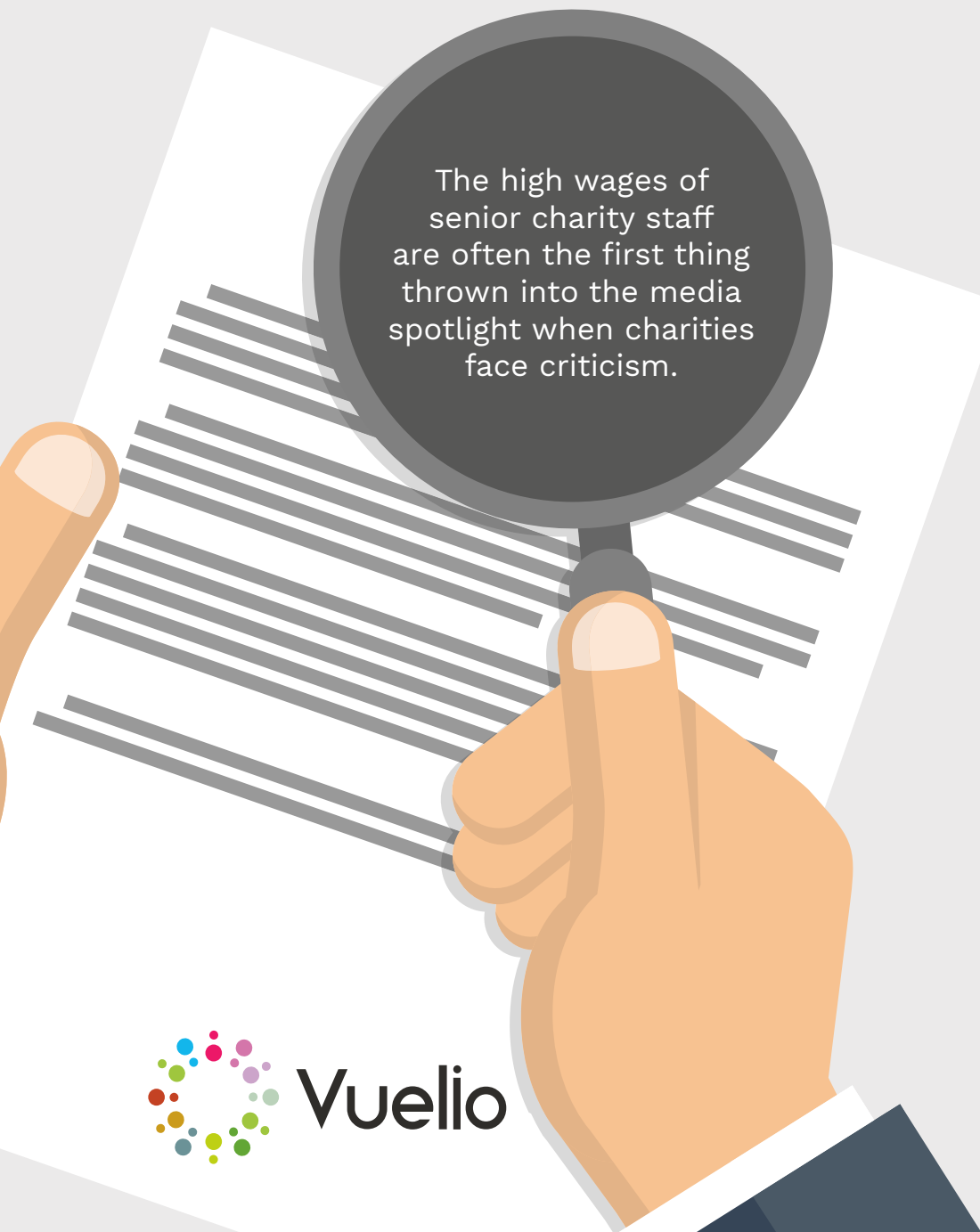


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New Levels of Transparency & Trust

The media, government and wider general public demand greater levels of transparency and trust from the third sector. Simply having good intentions and attempting to act on them is not enough if an organisation is to win hearts, minds and financial support of their various publics. This means they must operate to the highest of standards (as would be expected in more corporate environments): publishing detailed revenue and expenditure reports, highlighting how money is raised, spent and how the organisation's charitable aims have been met. Anecdotal evidence is not enough; the public wants to see their investment in charitable giving and support delivering real results. In many respects the third sector faces similar challenges to those faced by political organisations in terms of public demands for a more authentic and value-based service.





The high wages of senior charity staff are often the first thing thrown into the media spotlight when charities face criticism.

This puts the sector in a difficult position, especially when justifying the costs of running their organisation. A charity may argue that in order to deliver the best possible results it must employ the best possible people and this means competing with the commercial sector in terms of wages and employment perks. Despite third sector wages being on average 40% lower than comparable jobs in the private sector, the high wages of senior charity staff are often the first thing thrown into the media spotlight when charities face criticism.

While many third sector PR professionals would prefer to focus on good works or upcoming projects, having a complete understanding of and the willingness to share details regarding the financial workings of an organisation has never been more important.

Business Lessons: The days of burying bad news or ignoring public sentiment are long gone, particularly now that a single spark on social media can quickly turn into a wildfire. While it might have been possible to influence and steer the opinions of a handful of journalists, social media is a completely different animal (with no filter, editorial chain of command or strictly governed agenda). Therefore, problems need to be addressed quickly and resolved publically. Because it just takes a second for someone to share a negative comment on social media and a couple of minutes for that comment to go viral, organisations must invest in a solid programme of social listening and engagement. Yes, the public might be very quick to criticise via social media but they are also willing to forgive and forget (and even endorse your services) if they are engaged in a timely and professional manner.



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Addressing Real Problems and Putting People First

The most visible aspect of a charity's work is very often their fundraising activities. The general public rarely get to see the cutting edge medical research or investments in distant communities their donations support and this can be problematic.

If your only experience of a charity is being pounced on by a street fundraiser (chugger) or ignoring a piece of direct mail encouraging you to set up a direct debit, it's easy to see how even the most charitable person can begin to suffer from compassion fatigue.

The most successful charities now focus on humanising their campaigns by attempting to connect more directly with their supporters, helping them to build community around their organisation and make fundraising more personal and fun.



A great example of this approach can be found in **Cancer Research UK's Race for Life** campaign, which seeks to empower women to help fund research into developing cures for cancer, support people living with the disease, remember those who lost their battles with the illness and bring people together to celebrate life and encourage healthy lifestyle choices. The Race for Life “uniform” of pink t-shirts often accompanied by outlandish accessories (ballet tutus, oversized sunglasses, etc.) shows an army of women who take cancer very seriously, but are willing to laugh at themselves.

With a community of more than 8 million women actively supporting the cause, many who have been drawn to the campaign through a personal connection to cancer and who are only too willing to share their experiences, the stories almost write themselves. What's more, they are easily shared via the organisation's social media channels, such as Facebook where it currently has 658,000 likes and plugs directly into online fundraising platforms like **JustGiving**.



Thanks to the community it has built around the **Race for Life** campaign, **Cancer Research** has raised more than £547 million over its 20-year history and hopes to add another £50 million to its war chest in 2016.

When charities are able to build such a strong community of support, fund raising becomes less obtrusive and even fun.

However, not all charities can expect to enjoy the same high levels of public support. Charities supporting more difficult issues (drug abuse, homelessness, ex-offenders, etc.) have a very difficult job on their hands to raise their profile, sell their proposition and fund their activities. In such cases, the support of high profile influencers or celebrities and extensive use of low cost, high potential communication channels (such as email, social media, etc) can have significant results. In many cases, it's not the quantity but the quality of support that makes all the difference.

Note: In today's fragmented media landscape, media influence extends well beyond traditional print and broadcast journalism. An army of bloggers, vloggers and social media influencers can help organisations reach huge, potentially lucrative audiences. Having the ability to discover and engage these influencers should be a key objective for any modern charity or not-for-profit's communications team.

Business Lessons: The best advocates for your business are the people you serve. **If a customer or client is happy to speak or act on your behalf and shed a positive light on your business, the value of that message is potentially many times greater than a carefully crafted communication from within your organisation.** It is therefore vital to build relationships with a number of influencers who can be called on to speak to the media and potential clients, and endorse your products or services via their own outlets (blogs, vlogs, podcasts, social media, etc.).

There is also an argument for humanising your business by providing greater access to the senior leadership team via social media. People buy from people they like and trust. Hiding behind a corporate logo or sitting in a ivory tower is no longer an acceptable business practice if you want to win friends and influence people.



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Reach

Technology plays a huge role in helping charities distribute their message quickly and efficiently, finding a wider audience and helping to secure new funds.

Fundraising has moved from collection tins and sponsor forms to online platforms like **JustGiving** and **VirginMoneyGiving** and text donation services like **JustTextGiving** by **Vodafone**. The speed at which these services can be set-up and shared via social media, along with the convenience and security offered to supporters (the money goes directly to the charity) brings fundraising into the ecommerce age. Why would you want to stand on a street corner, shaking a tin and asking strangers for donations when you can let the social web do all the work for you and let your friends and wider social circle know what a compassionate and caring individual you really are.

And it's not just the huge reach of socially enabled online and mobile platforms that appeal to third sector communications specialists. The low operation costs are also very attractive.



Who can forget the **ALS Ice Bucket Challenge**, a celebrity endorsed, publically embraced, viral mega hit? The campaign, which had zero set-up costs, was run exclusively on social media channels like Facebook and YouTube, and required nothing more from participants than a bucket of cold water and a friend with a smart phone, went on to raise more than \$100 million dollars. This was very much a story that developed on social media, with the traditional press only taking notice after the campaign had truly grabbed the public's attention.

Although traditional media contacts are still very important, the fact that news stories often break on social media before being picked up by mainstream press and broadcast journalists means that charities and not-for-profit organisations can have greater control over how they distribute their news and, in some cases, actually influence the wider news agenda.



Note: Consider how the general public's level of sympathy towards the Mediterranean refugee crisis changed following the widespread sharing of images via social media of three-year-old Aylan Kurdi's body washed up on a Turkish beach. The impact of these images forced traditional media houses to follow suit and run images that they may have not otherwise featured.

Business Lessons: Businesses can no longer operate in "walled garden" environments. They need to reach out to their customer base via a variety of channels. This might mean they lose some control over how their campaigns are distributed and consumed and how data is collected. However, this multi-channel approach will enable them to reach a much wider audience and facilitate greater engagement, developing new opportunities to develop relationships and create new revenue opportunities.



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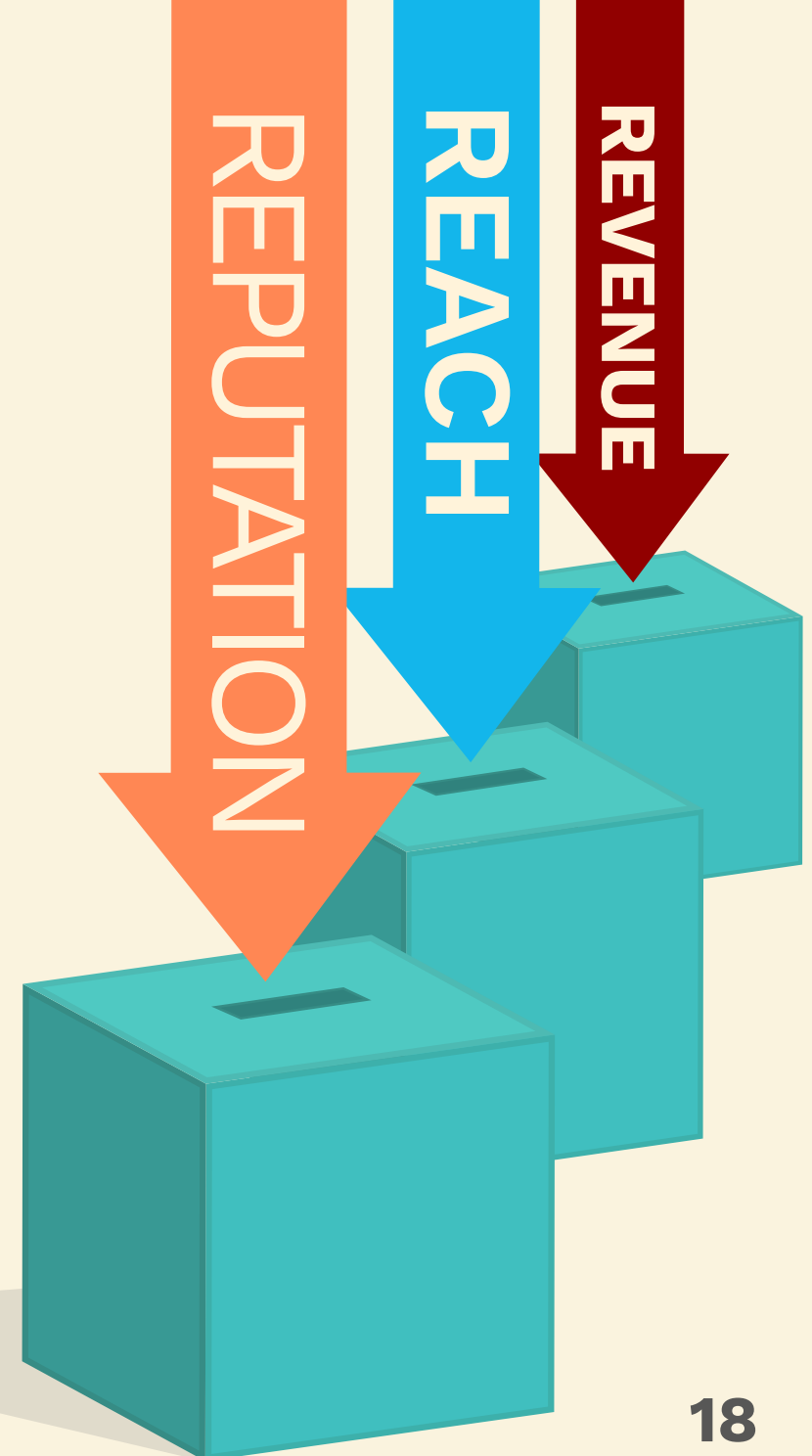
The Three Rs: Reputation, Reach & Revenue

Charities, not-for-profit organisations and business have more in common than divides them. In particular reputation, reach and revenue are critical to their ongoing success. In an uncertain business environment, constantly threatened by competition, digital disruption and political uncertainty, businesses can learn a lot from their third sector cousins about maximising revenue opportunities while keeping a careful eye on budgets and ROI.

Good deeds rarely go unrewarded. Isn't it time you learned from the people who specialise in the art?

NOTES:

1. <http://apps.charitycommission.gov.uk/Showcharity/RegisterOfCharities/SectorData/Top10Charities.aspx>
2. <http://www.managementtoday.co.uk/why-weve-lost-faith-charities/reputation-matters/article/1369094>
3. <http://www.bbc.co.uk/news/uk-35455157>



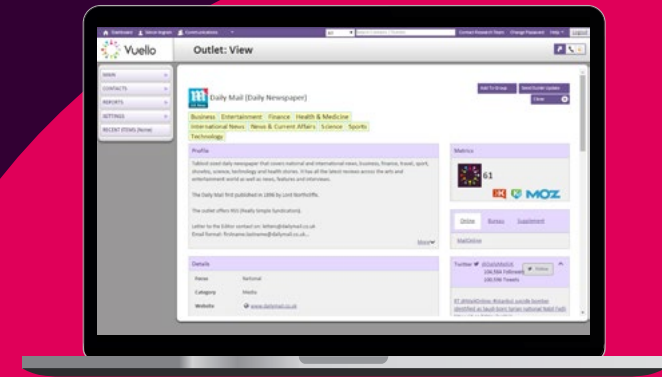
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