



Greek Non-Profit Organizations and Crowdfunding

Report 02

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Contents

1. Introduction	3
2. Main Research.....	4
2.1. Specific features.....	7
2.2. Conclusion.....	10
3. Research on organizations and platforms	11
4. Appendix - Methodology	17

1. Introduction

During the last few decades, the massive expansion of social media has significantly changed the way people act. Needless to say, that the “digital disruption” influences all human activities, including NGOs activities. Thanks to the wide use of the Internet, especially social media like Facebook and Instagram, crowdfunding, as a channel of funding has been enhanced. Crowdfunding has been used by many organisations to secure funds for the implementation of their projects and strengthen their finances. In the past crowdfunding was mainly related to setting up lotteries. These, still utilized, practices are highly depend on how many kilometres one covers and how many people one reaches. Nonetheless, in the last decade the Internet and social media have triggered a mini-revolution in crowdfunding. Contemporary crowdfunding allows one to secure funds by simply posting a campaign on one of the thousands of relevant online platforms (in 2012 672 active platforms were recorded in just 18 countries).

Until recently the relevant platforms were used mainly by start-ups but also by initiatives related to creating games, culture and art. Today, these platforms are also used for public benefit initiatives. Many platforms have created special subcategories for relevant campaigns, such as Generosity by Indiegogo in the past, NGOs&Charity by GIVE&FUND. At the same time, specialized platforms have also been created, such as Act4Greece, Philanthropoli.com, etc.

HIGGS, having as its mission to provide Greek Non-profits with continuous support, conducted **the first survey on crowdfunding and NGOs in Greece**. The research was conducted to **record** and **disseminate best practices**. We believe it is very important to enhance the ecosystem’s understanding of crowdfunding as a potential fundraising mechanism. Indeed, many NGOs have already launched several campaigns. The goal of this research is to analyse this channel through the past attempts of Greek NGOs **for potentially revealing the factors leading to a successful campaign**.

This research was based in mapping and analysing past crowdfunding campaigns initiated by Greek NGOs while we broadened our activities through:

- (a) A questionnaire-based research on crowdfunding platforms.
- (b) A questionnaire-based research for NGOs that had launched crowdfunding campaigns.
- (c) Views expressed during an event on crowdfunding organized during the 1st of June 2017 by our team and in which several NGOs and platforms’ representatives participated.

These 3 parallel activities aimed at exploring *qualitative aspects* of crowdfunding in Greece.

Furthermore, we also got first-hand experience with various platforms, acting as potential donors, and this testing their user-friendliness. Please note that this section can only be assessed in Greek.

Finally, we asked a specialist’s opinion on legal issues to shed light on the legal framework of crowdfunding in Greece.

2. Main Research

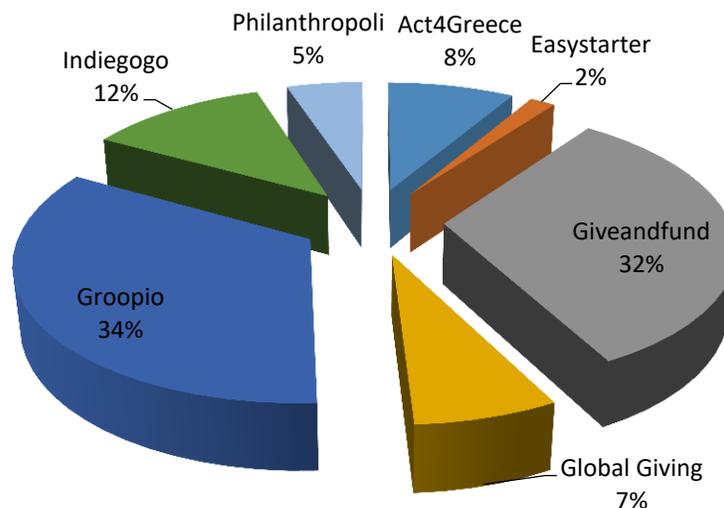
As stated above, crowdfunding is a relatively new practice for securing funds. In Greece a relevant ecosystem has already started taking form. Not only there has been a dramatic increase in the number of campaigns launched by or for Greek NGOs, but also new Greek platforms have been created.

A. Our research recorded 59 completed campaigns, which have been organised and conducted by Greek NGOs and which have been used as a base for our analysis on best practices. It is worth mentioning that we did not insert in our study campaigns organised by third parties, such as private actors.

B. Many initiatives concerning the creation and management of platforms to launch NGOs' campaigns have been recorded. Many platforms have stopped operating (e.g. Groupio, Philanthropoli), while other specialised platforms, such as Act4Greece, (which is supported by institutional bodies such as banks and public benefit foundations) have been created, on which posting campaigns is not open but rather controlled through an evaluation process.

A first interesting fact derived from our survey is the distribution of campaigns to the several platforms available. Even though a Greek NGO can actually choose from hundreds of platforms available at an international level in order to upload its campaign, Greek platforms have been used for 79% of the campaigns that have been launched up until March 2017.

Campaigns allocation per platform



NGOs Sector

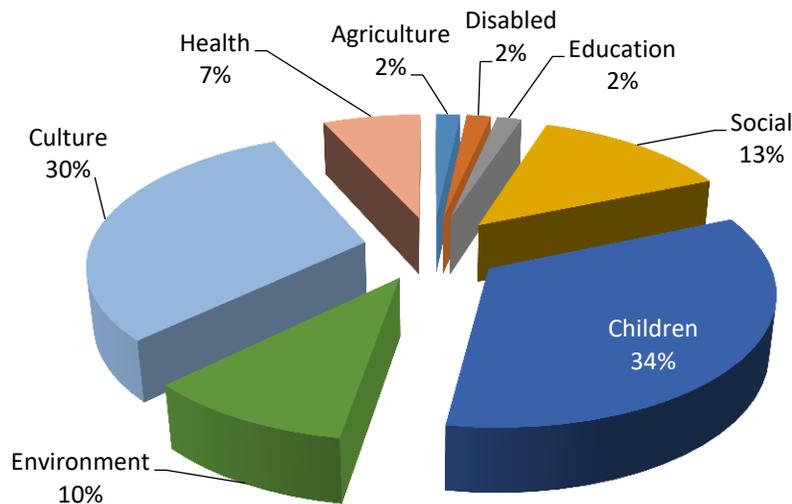
Each NGO was allocated to one of the following categories according to the sector they are operating in or the object of their campaign:

- Children
- Culture

- **Social**
(This category includes NGOs which aimed at the development of the society as a whole. Such projects can include combatting unemployment, vulnerable people integration, providing goods and services to vulnerable groups and combatting poverty).
- **Environment**
- **Health**
- **Agriculture**
- **Disabled**
- **Education**

We observed that approximately on third of the campaigns (34%) addressed issues related to “Children”, whereas only few were related to “Education”.

Sectorial breakdown of campaigns



As far as success rates are concerned, “Disabled”, then “Children” and “Culture” had the highest ones.

Sector	Success Rate
Agriculture	0%
Disabled	100%
Education	0%
Social	25%
Children	35%
Environment	17%
Culture	33%
Health	25%

From the recorded campaigns **280,815 euros** were collected in total (with the exception of institutional donations) out of the 795,673 euros being the target (35% of the total), with 139,988 euros (50% of the

total amount) in the “**Children**” category. It must be noted though that there is a relevant statistical distortion on findings due to the campaigns on Act4Greece platform where most of the successful campaigns refer to the “**Culture**” category, while the average collected amount was significantly higher than the respective one in other campaigns (+790%), as well. Taking Act4Greece campaigns out of our sample, the “**Children**” category comes first with a 54% of the total amount collected.

Successful vs unsuccessful campaigns

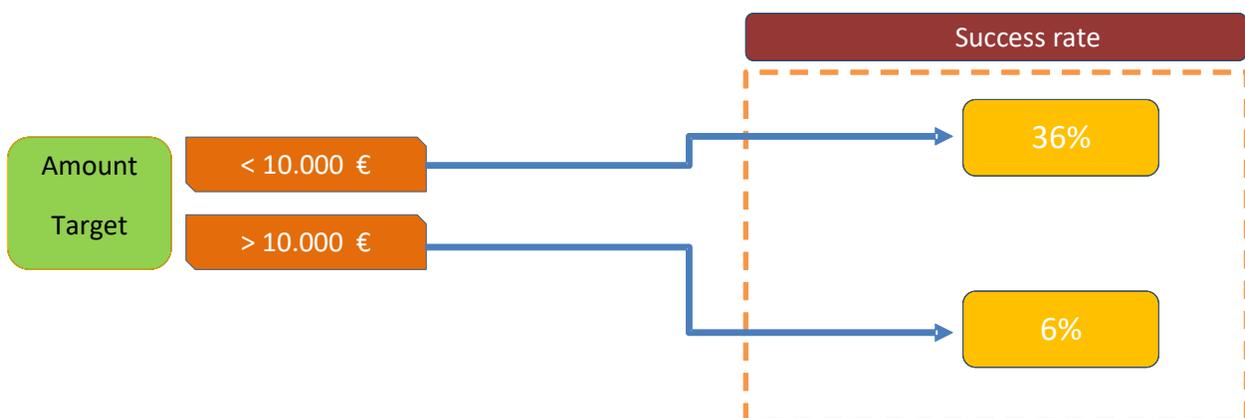
Campaigns were assessed as successful if they had reached their financial goal. Unsuccessful campaigns have been marked with an asterisk (*). These campaigns have not reached their goal, but they still received collected funds. Most crowdfunding platforms allow the beneficiary to receive the donations only if the target amount is reached. Nevertheless, there are certain platforms that allow the beneficiary to receive whichever amount is collected by the end of the campaign. Within our sample 71% of the cam

aigns (42 campaigns) failed to collect the targeted amount while 29% (17 campaigns) managed to collect the desired amount.

Campaign results	Number of campaigns	Percentage in relation to all campaigns
Unsuccessful	20	34%
Unsuccessful *	22	37%
Successful	17	29%

Successful and Unsuccessful campaigns

Interestingly very few campaigns over 10,000 euros were successful. Success rate seems to be depended on the level of targeted amount with those under 10,000 euros having a 36% chance of being successful as opposed to just 6% of other campaigns aiming higher. The results show that the crowdfunding channel in Greece is still in a premature state: indeed, most NGOs do not use this tool yet and large parts of the Greek society have limited experience in using online payment methods.

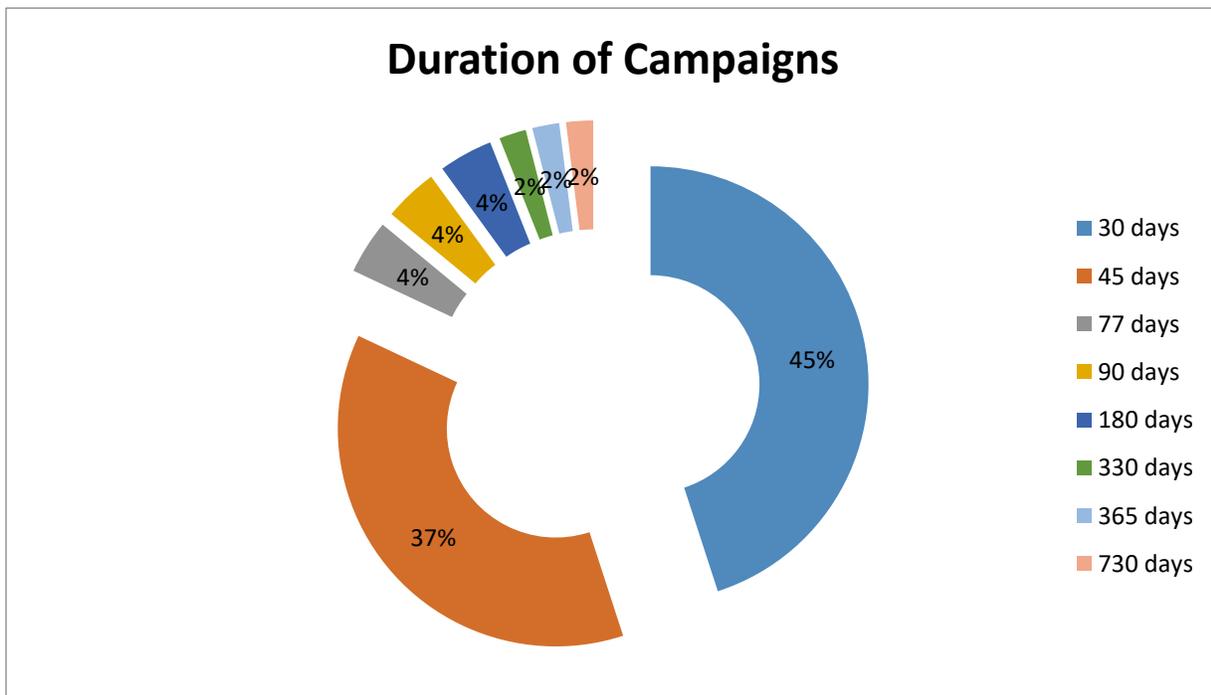


2.1. Specific features

In this section we assess our sample based on specific features highlighted in international bibliography as important ones for the success of crowdfunding campaigns.

Duration of the campaign

One of the decisive factors concerning the success or failure of a campaign is its duration. Every organization can define the duration of its campaign. Many organisations establish quite long campaigns to reach their targets, although according to many studies campaigns should be rather short. According to the following table, the vast majority of campaigns last up to one and a half month (82%), while 12% of the campaigns last from two to six months.



Perks to donors

Approximately half of the campaigns (44%) did not offer any perks to their potential donors. 7 of them were successful and 19 unsuccessful. 14% of the campaigns offered “not relevant” perks to donors. 2 of these campaigns were successful and 6 of them unsuccessful. “Not relevant perks” are considered those that are not linked to the campaign in any way. The remaining 42% of the campaigns offered donors perks that were relevant to the campaign. 8 of these campaigns were successful and 17 were unsuccessful.

We observed that offering perks relevant to the campaigns leads to better success rates, providing on average a +20%. Instead, providing not relevant perks seems not to have any positive impact on the campaign.

Perks / No perks	Unsuccessful	Successful	Total	Success rate
No perks	19	7	26	27%
Non related	6	2	8	25%
Related	17	8	25	32%

Perks and no perks offer (related or not)

English text

56% of the campaigns were written both in English and in Greek or just in English, 10 of which were successful, whereas 44% of the campaigns were just in Greek, 7 of which were successful. As expected, the use of English seems to increase the campaign’s success by 10%.

Campaign’s language	Unsuccessful	Successful	Total	Success rate
Greek and / or English text	23	10	33	30%
Greek text only	19	7	26	27%

Use or no use of English text

Video

76% (45 campaigns) of analysed campaigns included videos. Out of these campaigns, 14 were successful, while 57% of them had videos directly related to the campaigns. It is interesting to note that campaigns including a campaign-relevant video managed to collect approximately an average of 8,000 euros as opposed to those including a not relevant video which collected approximately 4,000 euros each.

Video use	Unsuccessful	Successful	Total	Average amount
Related	24	8	32	8.000
Non related	7	6	13	4.000

Amount collected by campaigns that used video

Successful campaigns included videos with shorter duration – **1,27'** as opposed to the general average of 2,27'

Use of Pictures

The vast majority of campaigns (93%) included pictures, 58% of them were directly related to the campaign and not just the organisation. Even though evidence does not suggest a direct increase in success rates if relevant pictures are included, the successful campaigns managed to attract a significantly larger number of supporters (687 to 201), as well as to collect an increased average amount of 240% for each campaign.

Use of Pictures	Unsuccessful	Successful	Total	Success rate	Average amount
Related	24	8	32	25%	8.237
Non related	16	7	23	30%	3.453

Use of pictures

Other data

Approximately half of the campaigns (51%) included a **description of the NGO**. Nevertheless, evidence does not suggest that the description had a positive impact on the campaign.

Respectively, a **description of the methodology of project** implementation was chosen in 39% of the cases, yet again without any obvious impact on the course of the campaign, besides a slight increase of the average donation (+2,5%).

2.2. Conclusion

From the analysis of collected data, a series of important findings emerges, most of which are confirmed by best practices, as highlighted in international bibliography.

The main conclusions drawn from this research are the following:

- The average target amount was 14,924 euros, while the average amount collected by each campaign was 5,105 euros.
- Each campaign attracted 93 donors on average, who offered an average of 45,5 euros each (while at an international level the amount of 88\$ is recorded as the average donation – approximately 78 euros).
- One campaign out of three was fully successful (the target amount was collected or surpassed), whereas the other 37% collected a significant amount of money which was allocated to the organisation even though the funding goal was not reached.
- The smaller the target, the easier is to reach it. It seems that those campaigns targeting more than 10,000 euros were not as successful as less optimistic campaigns. By examining the successful campaigns, we observed that the most common amount collected by each campaign is 2,800 euros. This shows that crowdfunding in Greece is not yet sufficiently developed.
- It seems that the combination of the “Children” and “Health” topics is a particularly successful one.
- The use of videos can lead to an increase of the success rate from 30% to 45%, as long as it is short and direct.
- Perks contribute positively, but they are not decisive to reach the financial goal of the campaign. Moreover, it seems that most of the NGOs offering perks have decided to link these perks to the cause of their campaign.
- It seems that perks are vital to reach the financial goal for the “Culture” category. The same does not apply to the “Children” category. In the “Health” category perks do not seem to play an important role, as the cause the campaign is already enough to raise awareness and motivate donors.
- English text play a positive role in whether a campaign will be successful or not.
- Pictures play a decisive role in the success of the campaign.
- The description of the NGO launching the campaign, along with the description of how the funds will be allocated, did not seem to play an important role in the success of the campaign.

3. Research on organizations and platforms

We conducted several interviews with people working within the Greek and foreign crowdfunding sector as well as in NGOs that have initiated crowdfunding campaigns.

We contacted Mr. Giannis Chatzibeis, **GIVE&FUND** founder, which is a Greek crowdfunding platform with the mission to assist people and organisations to secure funds for their projects and innovative entrepreneurial ideas.

According to Mr. Chatzibeis, even though attempts in crowdfunding were made in the last 5 years in Greece, these have not been evolved to the same degree as they have in other countries (especially the Anglo-Saxon world). This may partially be linked to our culture, or even to the lack of familiarity of Greeks with online payments. He thinks that this situation is slowly changing and has a positive perspective about the future.

He also mentioned that the success of the campaign depends on the project's form. One can surely spot several differences between Start-ups & Life Project (NGOs etc.). However, it is definitely important to include a brief and **well-organized presentation**, without mistakes or gaps. Furthermore, appropriate pictures or even very short videos can highly contribute to the success of the campaign. Mr Chatzibeis also underlined that the campaign should not only motivate, but also inspire. The choice of the topic, alongside the target amount, can be very important, as the goal should be realistic. In addition, it is important that before launching the campaign **contact lists** are already prepared, and those who are certainly going to support the campaign should be contacted first. Finally, it is mandatory that the creator of the campaign is well-prepared and active even before the project begins, especially during the first couple of weeks.

As to the difficulties and problems related to crowdfunding platforms, Mr. Chatzibeis mentioned that the creator of the project needs to have a PayPal account. Nevertheless, having a PayPal account may include several problems for an NGO, as obstacles related to capital controls may get in the way. At the same time the supporters of the campaign may have difficulties to use it, if they don't have any previous experience with online payments or if they don't have a debit or credit card.

We contacted Mrs. Elena Ginebreda – Frendel, Associate Manager of Communications at Indiegogo, which is an international crowdfunding platform. According to Mrs Ginebreda – Frendel, 3 basic factors can contribute to the success of the campaign.

1. Creating an attractive story. This means that the campaign must not only be well-written, but it should also **include photos and video(s)**. However, these photos must be relevant to the project and few in number. All the same, the video(s) must not be too long. Moreover, it is necessary to inform our target group about the reason behind the creation of the project, what makes it so important, **why we need the funds** and how we intend to use them. We have to present our idea in a way that will prompt others to support it. She advises to include the most important information (**who, what, where, when**) at the beginning and the end of the video.



Furthermore, it is highly important that we ask our supporters to contribute to our project by promoting our campaign on their social media.

Of course, we must not forget passing our campaign to someone, so that he/she checks it for mistakes.

2. Giveaway perks to supporters of the campaign. Perks contribute to attract a wider target group and, of course to thank the supporters by making them feel important. The audience prefers gifts that are unique and related to the campaign. The perks should be only available during the campaign. Perks can take the following forms:
 - A) Material: It can be the product we want to create through the campaign (a game, a film) or items, such as t-shirts, caps and sunglasses.
 - B) Personal: It can be a thank-you note or a telephone call to the supporter of our campaign.
 - C) Experiential: It can take the form of tickets for an event, a volunteering opportunity at the NGO launching the campaign or even participating in the movie the organization is making. Pictures of the perks during the campaign may be useful. Finally, we should take into account both the creation and delivery costs and the budget needed for the completion of the project.

3. Connecting with the audience at a personal level. It is vital to prepare an e-mail list before launching the campaign. Indiegogo suggests that one follows the steps below:

Creating a group that will be responsible for launching the campaign: this will not only help to better spread the workload, but it will also allow to increase the number of contacts, as each member of the group can share his/her network.

Creating the promotion list for your campaign: We can achieve this through a network of supporters, deriving from the campaign's target group and their Gmail, Facebook, Twitter or other social media contacts. It is also useful to divide the network into groups. One including all those who have expressed great interest in the project and have committed to promote our campaign and the other one including anyone who may become interested in the project. Finally, it may be useful to create a media list, which we can find from sources used in other campaigns.

Designing a template: Three different templates must be created, corresponding to each of the three lists. Each template should include: a) an introduction with the name of the person that we are addressing and a welcome note, b) our story, at this point we explain why the project is important to us and mention the landmarks which led us to create the campaign, c) an invitation in which we state our values and how these are related to the project, d) an invitation to take action with which we clearly present what steps one can follow in order to help, including the appropriate link, template or any necessary information which might be helpful for the audience, e) a chart, which even though is not mandatory, can help to explain the most complicated piece of information of the project.

Planning the promotion of the campaign: Indiegogo suggests that the people who have expressed a strong interest in the project should be contacted a few weeks in advance in order to ask them to support the campaign and help promote the campaign when it is going to be launched. It is also advisable to contact again the people who might support the campaign a few days before the launch of the campaign as well as when the campaign is already launched. When the number of supporters is large enough, the media should be contacted, as reporters

are more likely to publish our story when they are convinced we have succeeded. Finally, marketing tools, such as mailchimp can help to promote the campaign, but remember that personal e-mail will be more appreciated.

According to Indiegogo deciding the target amount is one of the most important aspects of the campaign. This is the reason why one should be very careful when dealing with it. The goal should be realistic, as it cannot be changed at a later stage. This will also boost the credibility of the campaign. The minimum target should cover the costs to implement the project and buy the perks and deliver them. The first 30% of the funds gathered comes from one's network, such as relatives, friends and supporters. It is important that people see that others have already trusted the campaign, as this will help them to contribute as well.

From the NGOs ecosystem we contacted Arcturos and SOS Children's Villages

Mr. Panos Stephanou, Communication Manager at **ARCTUROS** told us about crowdfunding inspired by his experience related to the two campaigns launched by the NGO: 1) "Zoe, the orphan bear cub" and 2) "Help ARCTUROS raise Patrick".

Mr. Stephanou stated during the interview that the audience responded positively to their call, because the **project and the goal were clear**. A specific target amount was established to reach a precise goal and make the project successful. He also mentioned that donors trust ARCTUROS, as they believe it uses the funds properly to deliver the desired results.

As for the strategy and the material an organisation should adopt to make their campaign successful, ARCTUROS' Project Manager said that the project should have a very specific target, which should also be clearly communicated to the target group. The potential donors should **feel that their donation can actually have a positive impact** and deliver the desired results. In other words, it is important that the potential donor feels that they are doing something concrete.

As far as the duration of the campaign is concerned, Mr. Stephanou replied that there is no specific timeframe, as this varies according to the project. Nonetheless, the duration of the campaign should not give the target group the impression that they have unlimited time to make their donation, as donations should be done as soon as possible. Furthermore, Mr. Stephanou stated that the amount of time required to prepare a campaign depends on the level of organisation within the group.

To promote its project an organisation should mainly communicate via e-mail and social media, as the campaign itself is on the Internet.

Finally, **crowdfunding campaigns are a window to the world**, they provide support that can result in further support.

Mrs. Maria Maniati, Communication & Social Media Manager at **SOS CHILDREN'S VILLAGES** shared with us the decisive factors for a campaign to be successful. According to her, the organization managed to raise the desired amount thanks to the promotion of the campaign via **several media such as Facebook and Twitter**. The message was also appealing: "Training mothers, supporting children. SOS Children's Villages". It was important to send e-mails to companies that were interested in contributing to

educational programs. At SOS Children’s Villages they wanted people to get to know better their organisation and receive help even via very small amounts.

When we asked her if they had adopted a specific strategy to plan the campaign, she answered they had not, but they used pictures and clearly described the project as well as the work of each organization, and this played an important role.

Mrs. Maniati also stated that is crucial for a campaign not to exceed the two-month duration, as there is the risk of the audience getting tired. As far as the preparation time is concerned, she believes that approximately 1 month to 1 month and a half is enough. She also underlined the importance of choosing the right communication channels, as they will help to promote the project.

Finally, in the question “why is it advisable for organisations to launch crowdfunding campaigns?” she replied that the goal of campaigns is to advertise the organization’s work, as well as to collect donations from citizens or companies for a very specific purpose.

Legal advisor’s point of view

Crowdfunding, also known as “funding by the crowd” or “collective funding”, is a new way to secure funds via the Internet.

Crowdfunding is based on the donation-rewards model, in which case citizens donate in favour of a project or an organization without receiving any financial or material reward or with the expectation of receiving some non-financial rewards, such as products and services. Donations are regulated by Article no. 122 of the Civil Law.

This crowdfunding model, in particular, is based on donations – rewards model, according to which people make donations to fund a project or an organization, without receiving any financial or material trade-off, nor an action of financial nature, such as receiving goods or services, as exchange for their contribution. A legal framework for making donations is provided under Article 122 of the Civil Code, on the Fundraising Committees and the 5101/1931 Law on fundraising action or the action related to lotteries or charity bazaars or by other laws, such as Article 19 of the 2889/2001 Law on fundraising for patients suffering from incurable diseases, etc.

Recently, though, crowdfunding has gained ground as a way to acquiring capital for newly-founded and innovative companies (start-ups) or other commercial endeavours. Due to the real estate crash and an ever-present need for liquidity that companies face, crowdfunding has proven to be an alternative and effective way of funding. In this way, one may avoid bank loans. Funding via crowdfunding, in Greece is hampered by several legal issues. Funding via crowdfunding is linked to the provision of investment services, for which authorization from the HCMC is needed, while the attraction of capital via crowdfunding is an invitation to the crowd to make an investment, for which the former publication of a newsletter or a bulletin is essential, which should also get the approval of the HCMC.

Law 4416/2016 (ΦΕΚ Α’ 160/06.09.2016) “Amendment of 4099/2012 law (Α’250) (incorporation of the EU directive 2014/91/EE/L 257 into national law) and other clauses” and more precisely in articles 23 and 24, effort is made to implement a legal framework concerning crowdfunding. The specific provisions



of the Law do not establish a separate special law on crowdfunding but are regulated indirectly, as Laws 3401/2005 (regarding the issuance of a prospectus) and 3606/2007 (for the provision of investment services) are amended.

It follows from the above that when a Non-Profit Organisation seeks donation through its crowdfunding tools, it will be regulated and taxed under the provisions of the fundraising commissions and the relevant law, which is particularly strict and cumbersome. However, if it seeks funding for the execution of a project or the provision of business services in general, the raising of this capital will be regulated by the recently amended provisions of Law 4416/2016.

HIGGS Opinion

During the last decade the interest of Greek Non-profits on generating revenues through crowdfunding has been enhanced. Though there is a substantive know-how, derived mostly from international bibliography, most Greek Non-profits do not seem to enclose in their attempts the utilization of best practices.

For example:

- (a) not all campaigns include English text – this limits the target-group to those that can read texts in Greek and may be a factor excluding a large part of Greek diaspora which is rather sensitive towards positive social impact initiatives in Greece,
- (b) not all include perks – decreasing the tendency for a bit larger donations from each donor,
- (c) do not program a series of waves of reminders, renewals, etc – decreasing initial donors engagement.

As far as the question on which platform to choose, our opinion is that taking out the issue of charges it does not actually matter. Indeed, international platforms are more well-known but it is rather difficult to gain a donor just because he/she was navigating in such a platform – in our research it was hard enough and time-consuming to identify all Greek campaigns among the various running ones across any given platform. International platforms also create a feeling of enhanced security among foreign donors but if one expects the platform to create a feeling of authenticity then we have failed in setting up our campaign correctly in the first place. Reality is that **we** will have to find donors, **we** have to drive them to the campaign for them to support us. Towards these the selection of the platform to use is almost irrelevant.

What should the target amount be? Exactly the amount required for implementing the project in addition to the costs of perks offered. Nothing more. Needless to stress that it is our web/social media presence and status that conditions our ability to attract e-donors.

In reality a successful crowdfunding campaign requires good planning and a lot of preparatory work. As a process it is quiet demanding during the preparation and implementation phase. In addition, a good practice is to start with a less costly project and move up from that, in a trial and error process. Acturos, for example, run a initial campaign with a small target amount and a year later made its second step.

Of course some research and training is also needed. Platforms mention that one need to check their tips&tricks pages and explore other campaigns for understanding how a campaign can work more properly. In Greece, you can check with **HIGGS which offers educational seminars and advisory support to any Greek non-profit in such need.**

Finally, it should be highlighted that expected benefits from a crowdfunding campaign are not limited to just the financial part, i.e. reaching the target set. Through a well-designed crowdfunding campaign one has upgraded its image towards third parties, especially as far as social media are concerned, while our social media followers have inevitably been increased.

4. Appendix - Methodology

Crowdfunding webpages were identified through web research. We googled using keywords such as "crowdfunding Greece", "what is crowdfunding", "crowdfunding EU" while we accessed numerous articles related to crowdfunding.

In addition, we analyzed all crowdfunding campaigns published in various related Greek webpages. We selected campaigns that were organized by Greek Non-profits. For methodological reasons we disregarded any campaigns were created by third parties in the name of Greek Non-profits.

The identification of international webpages was also based on googling using keywords such as "crowdfunding websites", "charity websites", "charity crowdfunding" and "philanthropy crowdfunding". We selected those platforms that were related to, among others or specifically, Non-profits and charity/philanthropy. Within these platforms we identified all campaigns under the keywords "Greece", "Greek NGO" and "Non-profit". Again only campaigns created by Greek Non-profits were analyzed.

We analyzed our sample of campaigns based on the following characteristics:

- a. Field of Activity
- b. Target amount
- c. Success/Failure to reach target amount
- d. Final amount collected
- e. Number of donors
- f. Perks to donors
- g. Language of texts in campaign and audiovisual material
- h. Audiovisual material quality and relation to the campaign's target
- i. Whether and to what degree the campaign's content was successful in presenting in a clear way the reason for the campaign, how the funding received will be utilized and who is the creator of the campaign.