



Giving: a new landscape

How technology is changing the charity sector



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About the research

This report is based upon bespoke market research conducted by MaruMatchbox. The research covered both consumers and charities in the UK. Two thousand adults completed an online survey focused on giving behaviour, donation levels, and barriers to giving, in Q4 of 2021. In Q1 of 2022, 75 senior managers from charities with a turnover of £4m and above, completed a telephone interview focused on implementing new technologies and donor engagement methods. The findings of this research have been collated with two in-depth interviews with organisational leaders in the charity sector: Barclaycard, Zoe Amar Digital and Islamic Relief Worldwide.

Key takeaways

Embracing digital

Technology is rewiring the future of giving

- ✓ The charity sector is going digital. Although traditional methods of donating and communicating remain important, from the consumers surveyed, 48% donated predominately through digital channels, while 47% preferred to donate using cash.
- ✓ 18-34 year-olds remain the most frequent donors to charitable organisations. They are tech savvy, digitally native and eager to make a powerful impact in today's world, reinforcing the importance of embracing digital trends and donation channels.
- ✓ The impact of the pandemic has been wide-ranging and complex, affecting disposable income and giving behaviour in general. Distrust in charities remains a significant challenge, but financial constraints are the top barrier to charitable giving.
- ✓ Overall, there has only been a slight decline in donation levels from 2017, down by around 5%, despite growing fears about the cost of living, higher bills and rising inflation. 84% of consumers surveyed have had some charity involvement in the last 12 months.
- ✓ Three in four charities have implemented new technologies to improve almost every aspect of operations, from internal efficiency to fundraising and online user experiences, with further changes planned in the next 12 months.
- ✓ Charities are looking for support and advice, keen to seize new opportunities and implement smarter technology going forward. There are opportunities to support charities in this significant period of change.

Technology is rewiring the future of giving

48%
digital donors

47%
cash donors

Innovation is here for good

Charities are shifting to digital in the wake of Covid-19

Charities across the UK are shifting to digital in the wake of Covid-19, transforming their fundraising strategies, adopting new technologies, and embracing innovation across a broader range of platforms.

Despite the huge amount of economic uncertainty created by the pandemic and the cost-of-living crisis, donations to charities have, according to our latest research, remained steady.

The pandemic shone a light on just how valuable charities are to everyday life across the UK. But Covid-19 also created uncertainty for charitable organisations which had to quickly find new ways to fundraise and deliver services to those in need.

Adopting fresh alternatives

Compared to 2017, digital channels have overtaken cash in popularity. Charities have seen increases in donations made via their websites (78%), debit/credit cards (68%) and contactless payments (16%).



Executive summary

"A combination of technology with an emotive touch will ensure charities stay ahead of the pack."

Comparatively, there has been a decline in the popularity of traditional donation channels since 2017; particularly the use of cheques (96%) and telephone donations (63%).

Technological solutions became a necessity, rather than a nice-to-have, amid charities' efforts to continue to function during the pandemic. However, while the journey to digital may have started out of necessity, charities and donors have continued to embrace the benefits of this shift, even as social restrictions have eased. Our payments teams are now supporting a variety of alternative digital payment technologies, including e-wallet options such as Google and Apple Pay. These channels help the charity sector to target a younger demographic.

Donor engagement is now predominately digitised – 48% of consumers now donate through digital channels, with 47% preferring to donate using cash. Technology can drive donating even further, making it easier and more efficient for donors to contribute on a regular basis.

Technology through a wider lens

Supplying supporters with the tools needed to donate digitally was the focus at the start of the pandemic, but it's now clear technology has a wider role to play. For example, our payments team can give you data and insights about payments in and out of your organisation that can help you take informed, decisive action that could improve the efficiency of your charity.

Running charitable organisations requires consistent communication with donors, beneficiaries, supporters, employees, and volunteers – all areas where technology can boost results.

With smarter technology, charities have the potential to improve every aspect of their operations, from internal efficiencies to marketing, fundraising, and online user experiences, particularly considering younger, more tech-literate age groups donate most frequently – and tend to be high users of all donation channels.

Executive summary

Emotive connections

Giving behaviours across different generations are complex and vary depending on demographic. According to our research emotive messaging with a personal connection is cited as the biggest driver of consumer support to a charity. A combination of technology with an emotive touch will ensure charities put their best foot forward, at a time where their value is beyond doubt.

Hybrid giving

In the physical world, with restrictions lifted, the charity shop now has an opportunity to become the pinnacle of the high street, providing affordable goods that tap into today's sustainability concerns. Our survey also reveals an increasing interest in practical, active giving – such as buying from a charity shop, donating to food banks, and volunteering time and skills.

Technology is a great enabler, but the future of charitable giving will be hybrid, with digital and physical solutions running side by side to maximise fundraising efforts. Charities will need to continually adapt to this changing landscape, leveraging technologies to find better ways to fundraise, connect with audiences, and operate efficiently.

Encouragingly, a good number of charities already have digital fundraising solutions in place. Our survey shows that three in four have implemented new technologies to improve almost every aspect of operations, with further changes planned in the next 12 months.

Evolve and prosper

Clearly, digital transformation provides plenty of opportunities, but it can also feel daunting, with the introduction of new processes that seemingly require lots of time, money, and energy. However, the outcomes are profoundly beneficial.

To succeed, the charity sector's adoption of digital should be collective and co-ordinated to minimise expense and maximise impact. Above all, it will be essential to anticipate the most disruptive digital trends and stay ahead of the curve.

Barclays is here to support the charity sector with the adoption of new technology, and help with financing longer-term strategic goals. Our teams can provide payment support, protection and opportunities, for charitable organisations looking to implement emerging technologies.

We also partner with innovative organisations such as Fintech for International Development (F4ID), created in collaboration with Save the Children and Standard Chartered Bank. F4ID bring technology solutions to the humanitarian aid and development ecosystem, reducing risk, empowering individuals and improving transparency for donors.

There's no doubt as new technologies are developed, we'll see a more digitally mature charity sector that is ready to embrace new ways to generate income and support.



Nazreen Visram
Head of Charities,
Public Sector Team
Barclays Corporate Banking

Generosity prevails

Despite difficulties, the UK keeps on giving

As the nation continues to navigate challenging times, UK consumers have remained determinedly charitable.

Many households have seen significant reductions in their disposable income as a result of a maelstrom of global events, including the lasting impact of the Covid-19 pandemic, rising energy prices, and the consequent rising cost of living.

And yet, donation levels have remained mostly steady. According to findings in Barclays' Future of Giving Research 2022, 80% of UK adults have donated money to charity in the past 12 months – down just 5% from 2017. As the realities of changes to the cost of living take hold, we might expect further declines in the future. However, for the moment, it seems the UK has demonstrated its commitment to charitable giving.



Giving Behaviours

Slight fluctuations

While overall donation levels have, for the most part, remained consistent, the survey found some fluctuations between different demographics. Nearly one in three respondents donate more to charity today than they did two years ago. This shift is most common among younger people, with 53% of 18-24 year-olds, and 44% of 25-34 year-olds likely to donate more than they did previously. Comparatively, only one-in-five people are donating less than they did two years ago.

Practical giving

When it comes to charity involvement, our research revealed a number of interesting trends.

Charity shops have come out on top; purchasing and donating goods are the most common method of practical giving among UK consumers. Some 58% of those surveyed have donated goods to charity within the past 12 months, while 49% have spent money in a charity shop over the same period.

Other common activities include signing a petition (38%), sponsoring someone for charity (26%), and volunteering unpaid time (16%).

These results suggest consumers are now seeking ways to give that don't depend entirely on monetary donations; opting instead for practical charity involvement, with a clear focus on time and goods. This trend is perhaps unsurprising, considering the increased squeeze on household budgets.

As highlighted by Barclays' Head of Charities, Nazreen Visram, the charity shop is fast becoming a cornerstone of the high street. And, considering the survey findings, the near future could present an opportunity for the charity shop's ongoing proliferation. Tighter purse strings may account for both a reduction in monetary donations, as well as an increase in the purchase of lower-priced goods from charity stores.

Our research also found that, overall, 84% of people had some charity involvement in the last 12 months; the equivalent of four in five adults. This marks a slight decline in participation since 2017, when involvement reached 91%.



84% vs. 91%

The proportion of people who say they had some charity involvement in the past 12 months has declined slightly since 2017.



In the past 12 months

84%

of UK adults have had some charity involvement

80%

of UK adults have donated money to charity.

Is business doing enough?

Our research also sought the views of those operating charities, and a considerable 80% said the majority of their donations still come from consumers, while 12% receive the majority from businesses. Of the charities surveyed, 5% recorded an equal split between consumer and business.

Business donation levels are more likely to have remained stable, with consumer donations showing comparatively more fluctuation over the last two years.

Giving behaviour remains complex, however, and varies depending on age and demographic. Regardless, and despite the impact that ongoing global events are having on spending, UK adults have, in general, remained charitable. Declines in donation levels and charity involvement are slight, and it appears that consumers are finding alternative approaches to giving, based upon donating goods and volunteering time.

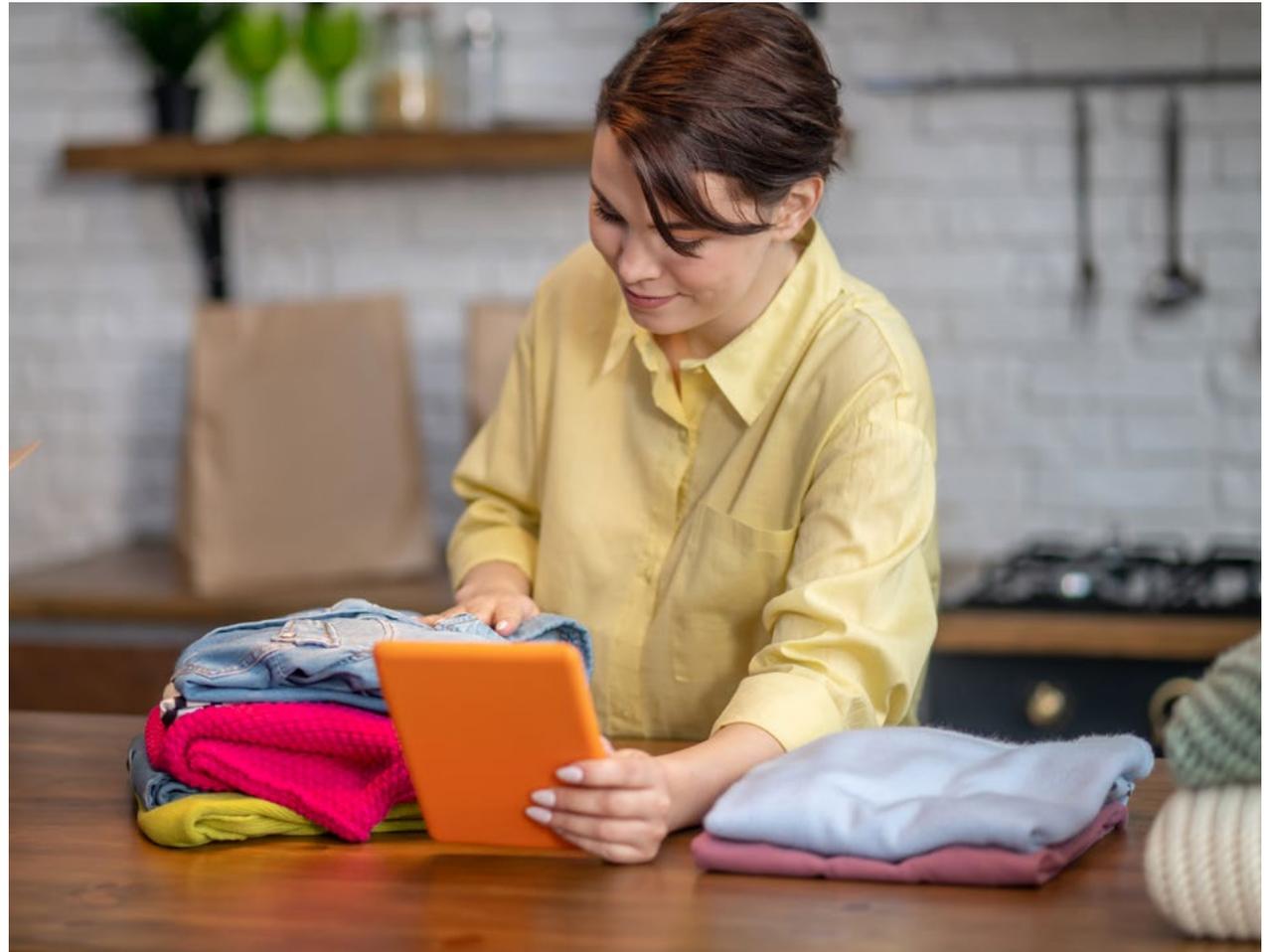
Marketing matters

Charities must build emotive connections with their supporters

This is the age of the influencer; the era of paid digital advertising and social media marketing. So, how is the charity sector faring in today's technology-orientated world? And what factors are driving (or deterring) consumer charity involvement?

What keeps consumers away?

Financial constraints are the key barrier to charitable donations, with 55% of consumers stating that a lack of money was the primary factor in preventing their support, marking a small rise from 53% in 2017. Some 24% also stated that charitable giving was no longer a priority. Both of these barriers should be considered carefully by the charity sector, as it is possible that the ongoing impact of the cost-of-living crisis could push these numbers further upwards.



Driving consumer support

Interestingly, 32% of consumers stated that a 'lack of trust' was the main factor preventing them from supporting charities, making this the second-highest reason recorded. Following a number of high-profile scandals over recent years, this suggests charities should consider their approach to financial transparency, ensuring clarity is at the heart of their communications. Consumers are seeking reassurance that their donations are going to a worthwhile cause, and that no part of their contribution is being misused. In fact, 27% of consumers flagged that they felt they had a lack of knowledge about how their donations were being used, which acted as a deterrent.

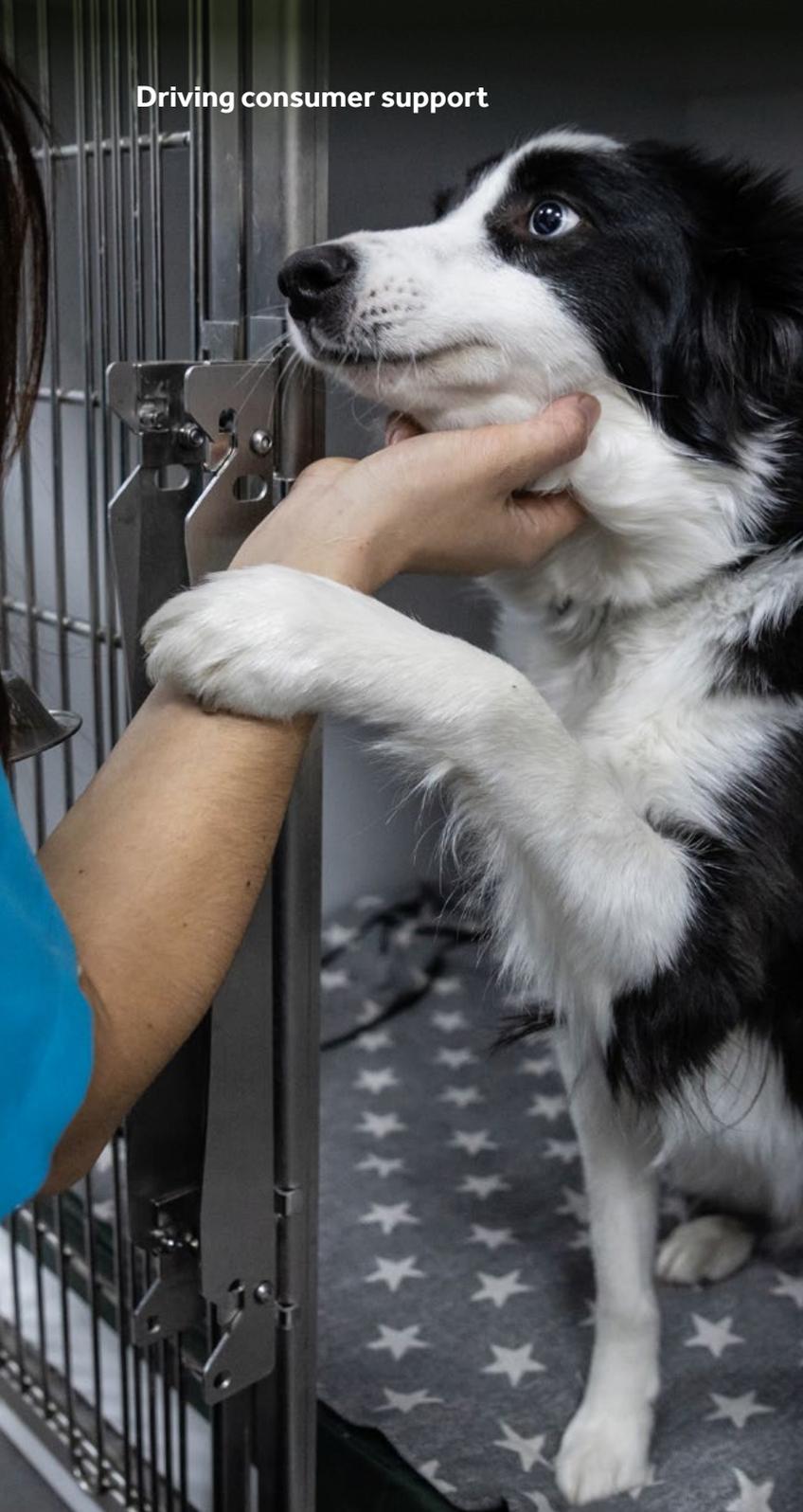
Other key barriers to charitable support highlighted by respondents included being overwhelmed by choice, with 'too many charities to choose from' (32%), and a lack of time (10%).

Causes count

When asked about which causes received their support over the last 12 months, human-focused charities remain consistently high across all demographics. Of the top five types of charities listed, three are medical or health-related, and two are tied to vulnerable groups. Causes related to children or young people topped the list, with 33% of donors giving their support to this group over the last year.



Driving consumer support



Animal welfare is one outlier to those groups, with the survey revealing 32% supported animal charities over the same period.

These findings appear to mirror wider drivers of support, with 28% citing that making 'a difference to someone's life' is a factor in their choice. Likewise, 25% hope to be able to 'give something back', and 24% support charities with the aim of helping 'others that are less fortunate'. The latter factor has become less widespread, compared with 54% listing it as a primary motivation in 2017, whereas the former has increased from 18% in 2017.

Interestingly, the causes accumulating the least support tended to be those related to arts, sports, education and religion – only 5% of survey respondents have supported either the arts or sports over the last 12 months. Perhaps consumers feel taxes or government schemes should be covering these areas, or that, arguably, these causes are considered less urgent during financially challenging times.

Tap into emotive messaging

Forging a personal connection between consumer and cause is crucial when it comes to successful charity messaging. Emotive causes with a personal association act as the main drivers of consumer support, and it is vital charities tap into this through their marketing and communication strategies.

Zoe Amar, founder of Zoe Amar Digital, an agency and social enterprise that works to support the charity sector's technology transition, notes that digital platforms provide a useful means to dig deeper into the driving factors of a charity's donors.

"If you're going to do just one thing, it should always be talking to your donors and supporters," she says. "Ask them about their motivations for supporting you... because this might have changed in recent years. The insight you glean will help you to differentiate your charity."

"If you're going to do just one thing, it should always be talking to your donors and supporters. Ask them about their motivations for supporting you."

*Zoe Amar,
Zoe Amar Digital*

The great digital transition

Cash is no longer king, but it remains vital

Money won't quit

Despite the rapid rise of technology in all aspects of society, traditional methods of donating to charity remain popular. Almost half of consumers prefer to donate using cash (47%), and 65% believe charities should retain traditional donation options.

In today's digital world, why have cash donations retained their appeal? Some 55% of respondents say they are driven to make cash donations due to ease and convenience: putting spare change in a bucket or purchasing goods in a charity shop offers a simple, one-step route to donation. No registration, account-creation, or passwords are needed. Possibly, there is also a heightened feeling of altruism tied to the physical nature of handing over a cash donation.

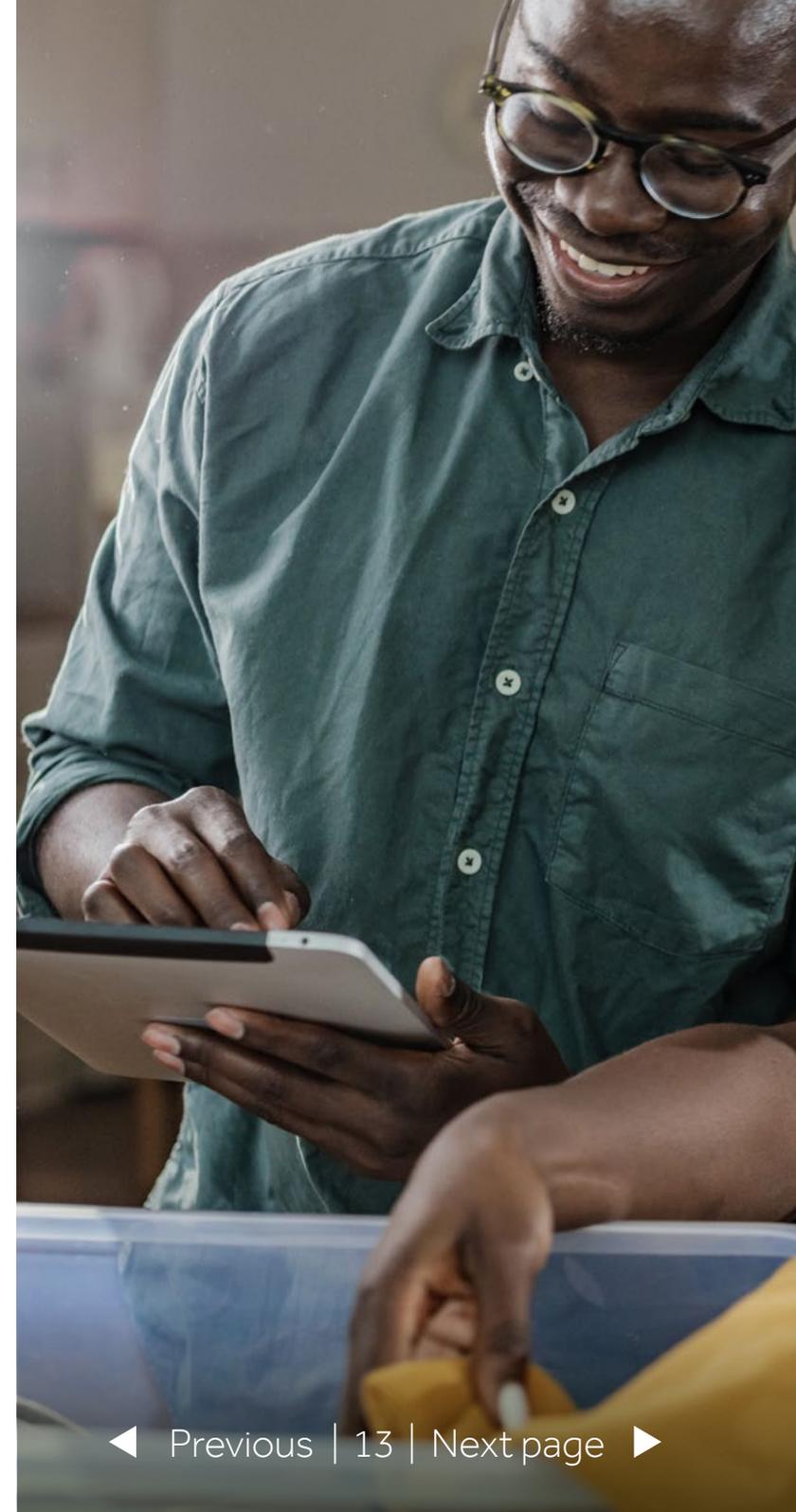
A sizeable 38% also suggest that security concerns can incentivise cash donations. Consumers have been left increasingly wary by the risks of digital scams and financial fraud. By sticking to cash, the perception of these risks is reduced. This is of particular concern among older age groups.

Adnan Hafiz looks after the network resource development division of Islamic Relief Worldwide. This faith-based organisation funds charitable projects in countries around the globe.

For Islamic Relief, retaining cash-based donation channels is important.

"Maintaining the cash avenue is important, particularly for our supporters in older generations, who typically aren't as digitally active as the younger generation. But, the space is slowly becoming smaller, in terms of total funds raised and overall engagement," says Adnan.

Charities have noticed a decline in the popularity of some other traditional methods, including 'on the street donations' and charity raffle ticket purchases (which are down from 46% in 2017, to 24% in 2022). However, there are further examples, which demonstrate the lingering importance of traditional channels – such as the revelation that 88% of charities have received donations via cheque over the past 12 months.





A digital rewiring

While cash remains important, digital donation methods have taken the lead across the charity sector, and have overtaken cash in popularity for the first time. Some 75% of charities have noticed a significant increase in digital donations since before the pandemic, and 33% of consumers say they are more likely to donate if a charity offers a digital method.

According to Mark Handley, Senior Business Development Manager, Barclaycard, there has been a drastic shift towards digital over the past two years.

“In terms of the digital arena, one size doesn't fit all. It's a theme we were seeing pre-pandemic, which has definitely accelerated over the past couple of years. In a conversation I had with a charity last week, they stated that two years ago they were seeing a split of around 70% cash and 30% cards; that's now flipped around.”

Some 43% of consumers also believe that, without digital options, charities may miss out on potential donations. Younger consumers, such as those in the 18-24 bracket, are most likely to opt for digital methods, although overall openness to new digital channels tends to be quite even across age groups.

Donation Channels

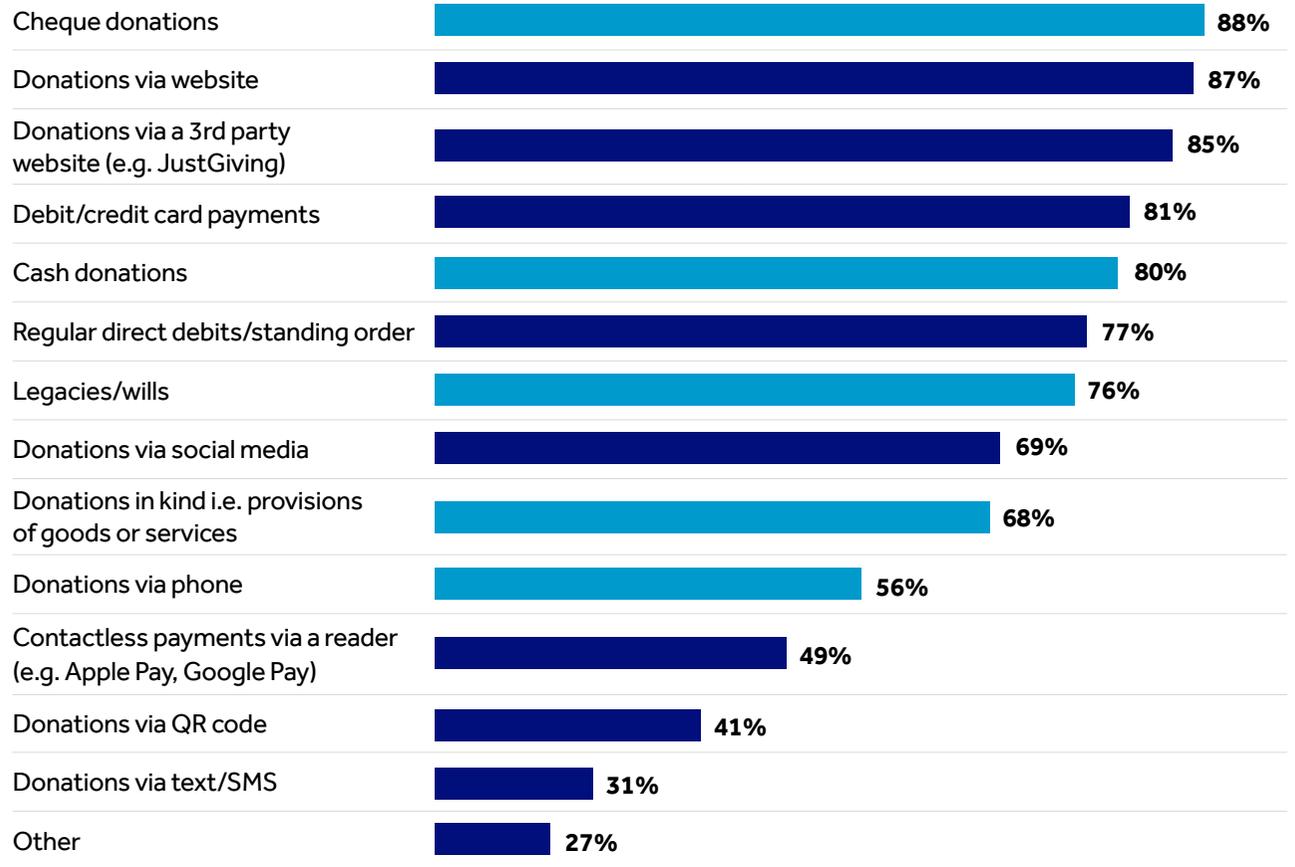
When comparing the current digital landscape to more traditional methods of donating, there is a far wider breakdown of potential channels to consider. From quick response (QR) codes to SMS messaging, there is a breadth of digital platforms for charities to explore – and master. Over the last 12 months, 22% of respondents have donated by fundraising websites, such as JustGiving; 16% have used social media platforms; 9% report donating using contactless payments; and 8% have given money via text.

Consumer attitudes to donating channels reflect the digital journey we are on as a society – 44% carry less cash, so find digital donation easier and more convenient.

Overall, there are seeming advantages to both digital and traditional giving. Charities must consider the demographics of their donors when making decisions around technological investment and accessibility. On one hand, it is vital the charity sector embraces modernity, and does not fall behind society's digital transition. On the other hand, the research clearly indicates the persisting popularity of cash donation options.

As Zoe Amar summarises: "Ultimately, we may end up in a cashless society, but for now there are still concerns about digital inclusion. So, charities need to look at a mixed economy, making it as easy as possible for everyone to give."

Donation channels: % of charities that have received donations from each channel



■ Cash/non-digital methods ■ Digital methods

Younger people give most often

Donation levels differ between demographics

Assessing donor demographics can provide the charity sector with valuable insights into the types of consumers they're appealing to most successfully. Through careful consideration of this data, charities are able to make informed decisions about marketing spend and approach – adjusting messaging and methods where appropriate. While targeted charity-by-charity analysis is advised, if an organisation is looking to maximise its marketing approach, our research has also revealed some interesting general findings, which could prove useful for the sector as a whole.

Youth save the day

Young people donate the most often to charity overall. They are the highest users of all donation channels. The 18-24 group come out on top, with 90% of this demographic donating to charity over the last 12 months compared with 80% overall.



Donation demographics

Considering a significant proportion of this age group is likely to be students; working in lower-paid jobs or in the case of those under 23, legally entitled to only a lower minimum wage threshold, these findings are perhaps surprising.

The 18-24 year-olds are most likely to opt for digital donation methods, such as contactless payments, texts or QR codes. But, they also give the highest levels of street donations: 31% of this demographic has donated cash in the street compared with 25% of consumers overall.

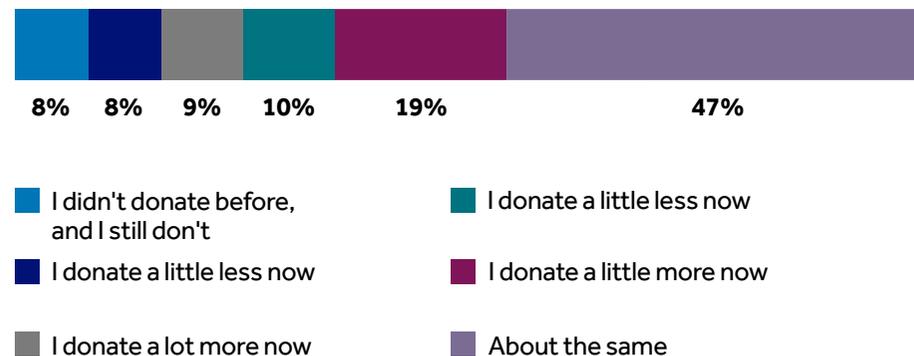
Comparatively, 55-64 year-olds are found to donate the least. Some 72% of this demographic have donated to charity in the last year, 8% below overall levels and 18% below younger consumers.

Sub-sector demographics, such as the religious sector, can also play a role in donation habits, as highlighted by Islamic Relief's Adnan Hafiz.

"Giving to charity is one of the pillars of Islam; it's a duty for Muslims to give a certain percentage of their wealth to charity. So, that's a service we provide. Generally, our primary demographic is young British Muslims."



Changes to donation levels



Donation demographics



Responding to these results, charities should make it a priority to contemplate their communications with both demographics. How can the sector maximise the generosity of younger groups while also encouraging heightened giving behaviour in older consumers?

Are donations a one-off?

Frequency is another important factor in assessing donation behaviour. Establishing regular support from consumers can provide charities with dependable income. Yet of those surveyed, it was found that most donors give to charity on an ad hoc basis.

However, one in three have a direct debit set up, and there has been an increase in the overall proportion of those donating monthly, or more often. A further one in three donated multiple times in a year. Again, 18-24 year-olds are most likely to donate more frequently, with 16% donating weekly, compared to 9% overall.

While the shift towards regular donation activity is slight, undoubtedly it is an area the sector might be well-placed to maximise, particularly in light of the changing technological landscape. Digital channels can help facilitate convenient regular donations, something that perhaps explains the dominance of younger age groups in this area.

53% of 18-24
44% of 25-34

Younger people are most likely to donate more than they did two years ago

1 in 5

**Donate less than they did two years ago;
higher among 55-64 year-olds**

Adapting to a new world

Charities embrace innovation, but the journey can be challenging

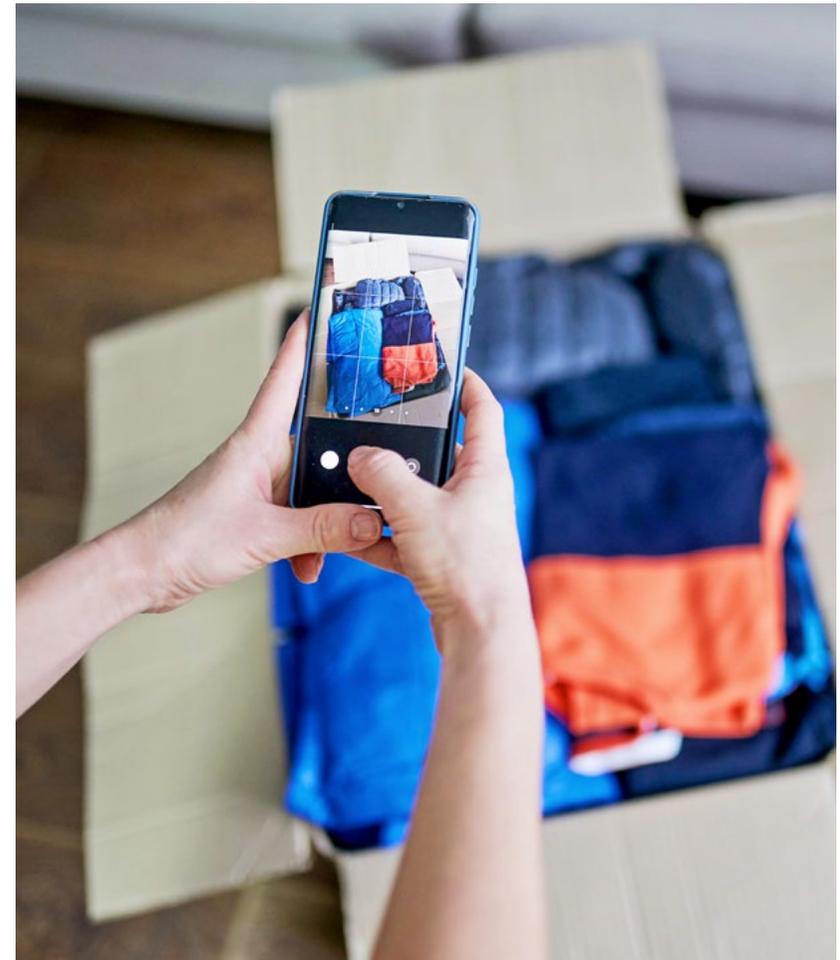
This is a time of transition. The UK is navigating the long-reaching and complex consequences of the Covid-19 pandemic and the rising cost of living, alongside global unrest and a growing climate emergency. Meanwhile, advances in technology are a catalyst for a fundamental shift from physical to digital. These considerations are having a significant impact on the future of the charity sector. When it comes to consumer giving behaviours, what do the trends of tomorrow look like? And what challenges do both consumers and charities face along the way?

Scaling obstacles

Digital donation channels pose technical challenges. Research found that a general lack of technical knowledge is a key barrier for consumers; an obstacle most common among the older age groups. Charities report that older supporters are most likely to struggle with digital channels, often preferring the safety and simplicity of cash or cheque donations.

Regarding embracing digital trends, the charity sector is experiencing a number of challenges in attempting to keep up to date with new products and systems. The cost of tech implementation has been a key challenge for 67% of charities surveyed, while 61% have struggled to integrate new systems with their existing processes. Some 41% have faced challenges training staff on new systems or tools, and the same percentage have found it difficult to select new technology that is best suited to their needs. Meanwhile, 39% of charities felt they simply lacked the technical know-how.

However, it is important to also highlight the disadvantages found within traditional donation methods. The cost of handling and processing cash donations is often high, and interestingly, a higher percentage of a digital donation is likely to go directly to the cause as a result of these costs.



Future trends & challenges

“Banking cash can prove arduous and problematic; having to securely transport it to a bank, for example, creates inefficiencies,” says Barclaycard’s Mark Handley. “Whereas contactless donations can be present in a charity’s bank account the following day. There can be a seamless transition from the point where the charity accepts that donation via card, to receiving the funds.”

Over the last two decades, there has also been a steady decline of bank and building society branches across the UK. The loss of these physical locations can make depositing cash donations more difficult.

Furthermore, as flagged by Barclays’ Head of Charities, Nazreen Visram, the sector must also consider the security risk of keeping physical money either in-store, or held on-person by a charity fundraiser.

Charities today

Charities are evolving, however. Some 75% of charities surveyed have implemented a new process, technology or channel in the past two years. Common examples of these include contactless payment methods, such as Barclaycard Apple Pay or Zettle; setting up QR codes for donations; developing a website; implementing a customer relationship management (CRM) system; and establishing text or Facebook donations.

Wider thoughts are that charities using donations need to make accurate decisions, so a data led approach can offer confidence in said decisions

However, these strategies need to be both targeted and considered. The demand is there – but determining the most efficient and best-suited approach is paramount. How can the sector best ensure it guarantees a return on its investment?

“Charities will get to the point where they will need to make bigger cases for digital investment as their volume of activity grows,” says Zoe Amar. “Some organisations have got to the point where investment is almost inevitable – they need to put in a new CRM system or website because the one they’ve soldiered on with for five years or so is just not fit for purpose.”

Islamic Relief’s Adnan Hafiz also emphasises the importance of creating a strategy, that can be broken down into smaller steps: “I don’t believe there is one event that changes things. It’s about taking a series of small steps, particularly on the digital marketing side. Rather than making a whole sale change, which impacts everyone in the organisation, start smaller. Finally, keep things as simple as possible. That is what supporters want.

And while the cost of digitisation can seem steep, the benefits go beyond donation opportunities alone. Some 70% of charities surveyed now use digital channels for more of their communications with supporters, compared with just two years ago – suggesting, perhaps, that technology is having a fundamental effect on multiple aspects of each organisation.

An alternative tomorrow

Charities are eager to embrace change, aware that the challenges faced by consumers can be somewhat mitigated by improving efficiency, convenience, and accessibility.

A significant 59% of charities are planning to make further improvements over the next 12 months. Of these, 41% plan to improve their online donor journey, 25% are implementing new payment channels, and 19% are enhancing security.

It’s clear that the sector is keen to take steps to advance their systems. But can the sector do enough, fast enough, to keep up with the immense pace of change in wider society?

Either way, when looking to the future, there appears to be a meaningful opportunity to provide support to charitable organisations as they undergo a momentous transition.

Think like a donor

Gain your supporters' perspective to launch your digital journey

When the leaders of one small national charity approached Zoe Amar for support, it was with the vague idea that it should be taking advantage of digital fundraising opportunities.

Shortly after that, Covid-19 struck. Immediately the charity's digital channels took on a more central role. Its annual, household-name campaign – previously conducted largely offline – shifted emphasis, with the result that its digital fundraising target was exceeded by 50%.

“We talked to donors, mapped user journeys, and created a better digital value proposition through use of that data,” recalls Zoe. “It was one of the most dramatic pivots to digital I have been part of – they’ve really embraced it.”

Not every charity is equipped or ready to make such a bold move, but getting closer to your donors online is a universal starting-point recommended by Zoe, whose digital agency specialises in supporting charities and non-profits.



Case study – Zoe Amar Digital

Online visibility

“Where most charities begin is by making sure they are visible – that they have a good case support presented on their website, that their SEO (search engine optimisation) is sound, and that they’re involving communities of warm supporters through social media,” she continues.

“Beyond that, if you’re going to do just one thing, it should always be talking to your donors and supporters. Find out how they’re using digital. What charities are they connecting with digitally – whose email newsletters have they signed up for? What do they like and dislike about them?”

“Asking them about their motivations for supporting you is really interesting, because this might have changed in recent years. The insight you glean will help you to differentiate your charity.”

Zoe acknowledges the trust and privacy issues that might make charities wary about launching this kind of exercise. She suggests framing the approach to supporters as an effort to ensure the charity is communicating with them in their preferred way, given how much has changed during the pandemic. “I find that’s actually music to the ears of many donors: it can be a very positive way to strengthen relationships,” she says.

Digital leaders

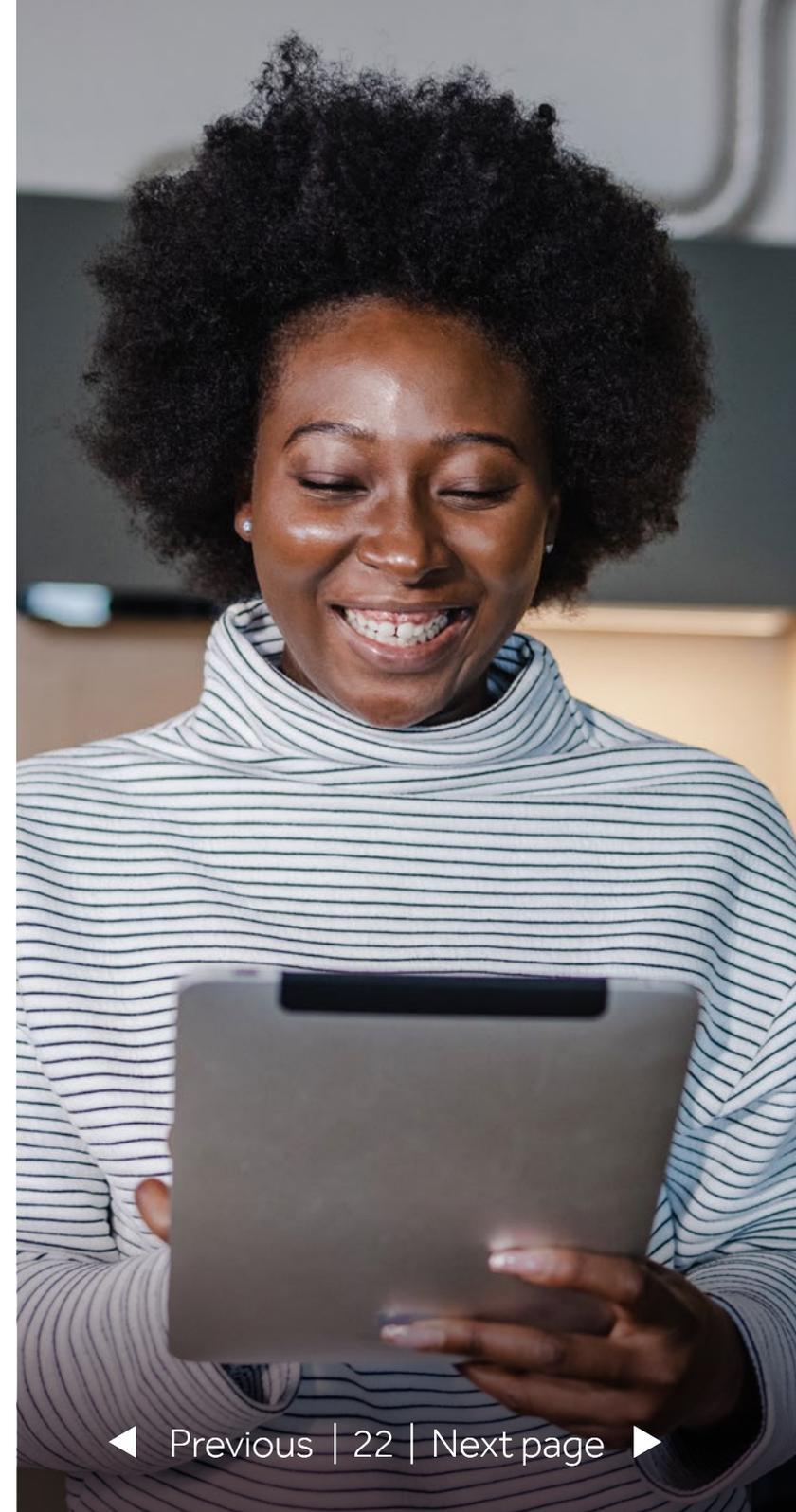
Besides calling on external expertise, every charity can benefit from some level of in-house knowledge. Committing to a dedicated fundraising manager can prove useful; in smaller charities, a volunteer could take on this role.

To ensure direction from the top, Zoe adds, it’s critical to appoint a ‘digital trustee’ who can ask challenging questions and inform their fellow leaders about the opportunities and risks.

“You get to a point where you will need to make bigger cases for digital investment as your volume of activity grows,” Zoe explains. “If your board is unable to make an informed decision, then your growth can plateau or drop off. Because digital fundraising is a really labour-intensive activity, you need that support at senior level.”

Tough climate

The current income squeeze may make it harder for charities to justify major investments, Zoe recognises. “Some organisations have got to the point where investment is almost inevitable – they need to put in a new CRM (customer relationship management) system or website because the ones they’ve soldiered on with for five years are just not fit for purpose.



Case study – Zoe Amar Digital

“In other cases, it may become harder to get investment cases through boards. Leaders will be asking a lot of tough questions, but that can be a good thing.”

Zoe has tracked charities’ burgeoning interest and confidence in this area through her organisation’s annual digital skills report. In the 2021 survey, two-thirds of respondents saw digital as a prime concern for their charities, while 60% had a digital strategy in place.

At the same time, Zoe fully accepts that charities need to keep investing in cash channels to meet all donors’ preferences. “Ultimately we may end up in a cashless society, but for now there are still concerns about digital inclusion. So charities need to look at a mixed economy, making it as easy as possible for everyone to give.”



A series of small steps

For Islamic Relief, keeping up with their digitally active supporters is a must



Charitable organisation Islamic Relief funds projects in countries around the globe. Since the charity's inception in 1984, donations have grown from just 20 pence, to over £180 million. In the UK, the charity works within local communities and across the mosque network, to target an audience consisting primarily of British Muslims, typically aged under 35.

We spoke to Adnan Hafiz, who looks after the network resource development division of Islamic Relief, about the charity's journey into the digital space – and how recent events affected the donation behaviours of their supporters.

Donation roadblocks

Like much of the charity sector, Islamic Relief has noticed a pattern of barriers affecting donation levels recently. According to Adnan, overall distrust in charities has become a notable issue.



A series of small steps

“There is a notion that charities are being dishonest with money, and this misconception is unfortunately quite prevailing. When we get a chance to explain to people how things work - that the bulk of a donation goes to the cause it is intended for - we are usually able to overcome that. But stories about charities not fulfilling their mandate are in the media all of the time,” says Adnan.

“The cost of living challenges are ongoing so we don't quite know what the impact of that will be. Anecdotally, we can see there is a difference in terms of giving levels. Obviously, when people are struggling, they're going to cut back. Giving to charity is often one of the first things to go. The long-term impact remains to be seen.”

Adapting and evolving

For Islamic Relief, while change was inevitable, the move towards digitisation was accelerated by the pandemic. As lockdown took hold, the team made some significant decisions around investing more into new technologies, in an attempt to overcome some of the challenges Covid-19 presented.

The organisation moved many fundraising and activity events online, developed their website, and began to explore new, digital donation tools – including investment into contactless machines.

While jumping into the unknown can feel daunting, the need to adapt was evident to Islamic Relief. “More often than not it is our supporters demanding change. We have, generally speaking, a young audience, so we need to keep up. Otherwise we'll get left behind!” explains Adnan, adding, “The UK is a pretty advanced digital economy. People are not carrying cash anymore.”

Working with Barclays

To ensure they can meet their organisational challenges and objectives, Adnan says it is important to have a banking partner that understands them and can tailor services to their needs. As Islamic Relief's main corporate bank, Barclays has supported them in their digital journey and assisted them in making digitalised payments to the international locations where they operate and where the most in need are typically based. These included payments to fund humanitarian aid work.

Barclays also supports Islamic Relief in the management of risk exposure resulting from foreign exchange fluctuations; in accepting donations via card and online in multiple currencies and in multiple countries; and in better managing their long-term cash and investments.





A series of small steps

Big challenges and big wins

Implementing new technology and exploring new digital tools poses some challenges, for even the largest of charities. Islamic Relief found some difficulties managing both costs and logistics.

“Primary challenges have been around internal systems and internal training. Any change causes some sort of friction. There’s the cost of developing the new system, training staff, and in some instances, an education piece for our supporters.”

In light of the latter point, Islamic Relief is keen to retain traditional cash-based donation channels, despite their digitally savvy average supporter.

“Maintaining the cash avenue is important, particularly for our older generation supporters, who aren’t as digitally active as the younger generation. But that space is slowly becoming smaller, in terms of funds raised and overall engagement.”

The organisation has had some big wins when it comes to their digital pivot. They’ve had good return on investment, and the use of new donation platforms has seen them increase their fundraising levels and overall growth.

Advice for your digital journey

Adnan has some solid advice for any charity looking to implement new technologies into their organisation.

“Start with small steps. Sometimes that can make the jump into the unknown easier. Our journey over the past few years has been a series of small steps. We’ve evolved from small changes online, to different donation avenues, improving the website, moving into social, and then moving into mobile giving.

“No one moment in itself was a big game changer, but collectively, a difference emerges.”

Adnan adds, “Don’t let the fear of a mistake prevent you from taking the steps needed for digitisation. The move has to happen, if it is not taking place already. Sometimes the fear of failure is what holds people back.”

“Finally, remember that supporters just want things to be as simple as possible.”

What our charity team can do for you

Payment ecosystem

The world is transitioning to digital technology at pace, but not everyone is there yet. Charities need to ensure, more than ever, that they offer a giving experience that suits the needs of all their donors – from contactless digital payments through to more traditional methods such as cash and cheques. Creating an inclusive payment experience, by offering choice, is key to recruiting and retaining your valuable donors.

We have been a leading provider in global payments solutions for decades. With our industry expertise and consultative approach, we can help you to build out the right payment strategy and support the development of a future-focused payment ecosystem that will maximise every donor engagement opportunity.

Charity expertise

Making payments	Taking payments	Optimising payments
 Urgent same day payments	 Cash/Cheques	 iPortal
 International payments	 Digital banking channels	 Digital banking channels
 Digital banking channels	 Mobile payment systems	 Barclaycard Payment Intelligence
 Barclaycard purchasing cards	 POS systems	 Payment Authorisation Optimisation
 Precisionpay virtual cards	 Smartpay Fuse and Advance gateways	 Dynamic currency conversion for receipts and payments
	 Bank Pay	 Bank transfers, standing orders and direct debits
	 Pay by link	 Transact

Strategies for success

Embrace technology

Society is undergoing a digital transition, affecting the behaviour of nearly every donor demographic. Keep up to date with contactless donation options and digital marketing tools to maximise giving.

Develop a strategy

New technologies won't work alone. Build a considered marketing campaign and donation strategy to help make the most of your investment into newer donation channels. Start with the data and go from there.

Think transparency

Distrust is one of the biggest barriers to consumer donations, so focus on ensuring there is clarity and transparency in your communications. Tell donors exactly where their money is being spent – and why.

Build connections

Consider developing your organisation's emotive messaging, and put the power of your cause at the centre of your marketing. Building real connections with consumers is a proven way to boost awareness and donations.

Keep it simple

Prioritise speed, efficiency, and simplicity. The convenience of using a contactless card machine is appealing to younger demographics, particularly. Make it easy for your donors to give.

About the author



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Nazreen joined Barclays in 2005 as a Relationship Director, managing a portfolio of clients within the Retail and Wholesale sector. Currently, Nazreen leads a national team of industry specialists, providing banking services to the charity sector. By developing innovative solutions and strengthening industry expertise Nazreen has helped maintain Barclay’s position as the most popular bank in the charity sector.

Nazreen has helped to develop products that have a positive impact on climate change and also delivered Barclays’ first-ever conference on modern slavery. In 2016, Nazreen was a finalist in the Barclays Woman of the Year Award, shortlisted for an Asian Woman of Achievement Award in 2017, listed in the Financial Times as an Ethnic Minority Role Model in 2018, 2019 and 2020, and The Guardian’s Investing in Ethnicity Awards – listed as an ethnic minority role model.

Nazreen has also co-chaired the Embrace Network, responsible for the multicultural diversity agenda. She is now deputy co-chair for Barclays Inspire - an employee resource group focusing on socioeconomic inclusion.

For further information and to find out how our sector specialist team can help your business respond to the issues outlined in this report, please contact [Nazreen Visram](#).

To find out more about how Barclays can support your business, please call 0800 015 42 42* or visit [barclayscorporate.com](https://www.barclayscorporate.com)

 [@BarclaysCorp](https://twitter.com/BarclaysCorp)

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*Calls to 0800 numbers are free from UK landlines and personal mobiles, otherwise call charges may apply. To maintain a quality service we may monitor or record phone calls.

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