



## The Social Marketplace (Romania)

### Summary

Fostering stakeholders' interest in community projects and increasing their civic involvement are at the core of the Social Marketplace. The project reinvents partnerships between NGOs, individuals and corporate donors by allowing the different stakeholders to get together during the "social stock exchange" day. It brings an innovative solution to NGO's funding issues, while enabling investors to develop their CSR portfolio and to become "community investors".

### The project

The practice aims at developing the civic interest of individuals and businesses as well as presenting opportunities for different stakeholders such as NGOs, businesses and citizens to work together and solve community problems. As such, the main target groups are NGOs, citizens and businesses.

The core objective of the project is to help Romanian NGOs to refine and enhance their communication and fundraising strategies. Romanian NGOs have developed adequate fundraising strategies vis-à-vis institutional donors, however the number of opportunities and funds in this sector are diminishing. As a result, NGOs have to redesign their strategy and start a dialogue with corporate and individual donors. By creating a communication platform NGOs can publicly present their work to companies and individuals who wish to become their supporters.

#### Sector(s) covered

##### Main Sector

Society: NGOs development

##### Other Sectors

Business and Entrepreneurship:

CSR

Public Administration: governance

### Approach

The Social Market Place was initiated by selecting 25 NGOs from different activity areas. Selected NGOs received training to design and develop an effective fundraising relationship with companies and individuals. A catalogue presenting each NGO and its activities was developed in partnership with the selected NGOs and was disseminated to companies. Companies could then familiarise with the various NGOs and the mechanisms of the campaign.

The kick off of the campaign was a two-hour event emulating a typical day at the stock exchange where all 25 NGO and corporate donors participated. The mechanism of the Social Marketplace is designed in such a way that each project is transformed into stocks (1 stock=10€). Investors could buy all the stocks of an NGO or create a portfolio of social stocks by buying a number of shares in several projects.

Significant media coverage has been organised to give high visibility to the project. The event was broadcast live by a TV channel. The media campaign (e.g. ads in printed media, street billboards, online banners and editorials) targeted individuals and other companies interested in investing in the remaining projects, so that projects which did not receive funding during the "social stock exchange" event could also benefit. A dedicated website featuring NGO projects was developed in order to encourage online donations.



## Element of innovation – the process

The Social Marketplace provides a creative approach to NGO's funding issues. It encourages NGOs to think "outside the box" when developing their fundraising and communicating strategies. For individual and corporate investors, it also constitutes a way to better understand their role in the community as "community investors" and not only as supplier of funds.

The Social Marketplace campaign brings together NGOs, citizens and businesses into a new framework: an interesting and dynamic stock exchange "situation" where stakeholders are given the opportunity to discuss social issues, while making investment decisions under pressure and competition. The Social Marketplace translates social projects into business language. The catalogue presenting the various NGOs provides businesses or individuals interested in social issues as well as detailed background information about competing NGOs (e.g. financial data, social impact of its projects, and so on). Individual and corporate investors can effectively support social projects by buying shares in the selected NGOs. In doing so, the relationship is based on trust and NGOs can enter an equal relation with donors.

## Key successes

### (outcomes, results, impacts)

The Social Marketplace event helped raise €70,000, with eight NGOs receiving funding for their projects. At least eight new partnerships were created between NGOs and companies. 200,000 high net-worth individuals were reached by the campaign, while 2,500 medium and large companies in Romania received information on the campaign. Some NGOs who received funding noted that they could not have fundraised on their own and it would have been extremely challenging to get access to such a broad spectrum of businesses. In addition, the media campaign benefited from the support of a business TV channel, Money Channel TV, which agreed to broadcast the event live and dedicate a series of interviews in order to foster participation amongst potential donors. As a follow-up of the event, a report was published and sent to all investors, while the latter were given an investment certificate.

The Social marketplace has been instrumental in providing NGOs with new ways of attracting media coverage, as it offers an original type of event, the "social stock exchange" day, which is neither a charity ball nor another type of traditional fundraising event. In the longer run, the Social Marketplace will support future partnerships between NGOs and potential donors, basing their relationship on trust, financial transparency and common interests in community issues.

Moreover, selected NGOs benefited from tailored made coaching, which provided them with guidelines in order to design and improve their communication and fundraising strategies. These guidelines can be further disseminated by NGOs themselves to the wider charity sector. Over 30 leaders in the business and media world were involved in the campaign and are now promoting social involvement and are familiar with the approach.

## Challenges

Developing a new type of communication strategy targeting businesses and not institutional donors constituted an important challenge for NGOs. Another challenge was to bring together companies with an interest in the campaign. Despite an intensive media campaign, businesses do not trust the online payment system. This challenge has not yet been overcome.



## Transferability and sustainability

The NGOs participating in the event were selected based on their financial transparency and their impact at community level. Selected NGOs are highly committed to implementing and developing projects, thus giving investors a “community” return on investment. The initiation of a long-term relationship between selected NGOs and businesses ensures financial viability of Romanian NGOs.

It should be noted that a similar event is scheduled to take place in 2009 and three media companies are interested in becoming involved as partners.

## Special Highlights

The Social Marketplace reinvents the relationship between NGOs and donors.

It encourages viable partnerships between NGOs and businesses, based on trust, transparency and a “community” return on investments. While offering businesses the opportunity to develop their CSR portfolio, it also increases funding opportunities for NGOs.

The “social stock exchange” event creates a forum where social and business stakeholders discuss social issues and increase their civic involvement through “community stock investments”.

## Key characteristics

<b>General purpose of the practice</b>	Implements an innovative/creative solution to society problems
<b>Target group</b>	NGOs, Businesses
<b>Type of learning</b>	
<b>Level of implementation</b>	National
<b>Funding</b>	EU and private funding
<b>Time frame</b>	6 months in 2007
<b>Leading organisations</b>	ARC (Association for Community Relations)

## Further information

### Website of the project

<http://www.bursaimplicarii.ro/>

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