Sharitive Debrief

An In-depth Review of Sharitive's 8-Month Pilot

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Overview & Outline

The purpose of this document is to provide a comprehensive overview of Sharitive's 8-month pilot and beta web-app. Sharitive, a nonprofit whose mission it is to mobilize communities around local need, launched its beta web-app at Crema Cafe on May 1st, 2013. Leading up to Sharitive's pilot launch, Sharitive worked with Crema Cafe to identify nonprofit partners that aligned both with Crema's interests and with Sharitive's local criteria. This effort resulted in the recruitment of four nonprofit partners that work in and serve the local Harvard Square and greater Cambridge community. The inaugural nonprofit partners are:

- The Possible Project – a youth entrepreneurship center that teaches high school students to start and run their own businesses. [1]
- Girls' LEAP – an after school self defense and empowerment program for 8 – 18 year olds in high-risk communities.
- Cambridge School Volunteers – a nonprofit that supports the academic and personal success of Cambridge public school children by matching caring and competent adults with students of all needs and levels.
- Harvard Square Homeless Shelter – a student run shelter that operates during the 5 coldest months of the year.

During its 8-month pilot, Sharitive encountered challenges that impacted the pilot's long-term sustainability. Embedded in these challenges are questions about how to efficiently raise capital and how to scale the pilot. These questions also have implications that directly relate to the viability of Sharitive's initial value propositions for both users and business partners. The challenges and the chosen strategies used to resolve them are articulated in detail in Section I. Separately, Sharitive's beta application experienced a variety of technical difficulties; these will also be discussed in Section I.

Sharitive also achieved success over the course of the pilot, both in its operations and in the community. On the operational side, Sharitive reached critical milestones such as the successful transition of Crema Cafe from a free pilot into a full pilot, and surpassing the $1,000 raised mark. On the community side, Sharitive established new channels of giving and relationships within the local area, as well as hosted a variety of offline community events designed to bring Sharitive users, Crema customers, and local nonprofits together in one place. These achievements, and Sharitive's larger community impact, will be discussed in Section II.

Finally, Section III will present a forward-looking vision for Sharitive 2.0, drawn from internal expertise and operational experience, as well as third-party research and reports.

[1] Crema Cafe had an established relationship with The Possible Project and was able to introduce the Sharitive.

Section I:

To address the challenges Sharitive faced during operations and to test the validity of Sharitive's value propositions, the Sharitive team executed three different strategies in the order established below:

1. Drive new user growth through adjusted in store marketing, education, and positioning in order to reach critical mass.
2. Recruit 5 new pilot partners to demonstrate scalability and use partners to raise funds.
3. Evaluate web-based application's shortcomings and use case through operations, usability testing, and user interviews; if needed, push through new user experience and user interface updates.

Sharitive's pilot results are inherently biased towards the customer base of our business partner, Crema Cafe, as well as the general population of Harvard Square.

User Growth & Activation

THE CHALLENGE

One of the biggest challenges Sharitive needed to overcome during the pilot was acquiring the number of users needed to create a community groundswell and demonstrate to potential investors/philanthropists that Sharitive was a viral concept worthy of investment. The success or failure of Sharitive's ability to scale user growth directly tested the initial user value proposition. The user value proposition suggests that users will value the product because it connects them with their communities and empowers them to distribute funds raised from businesses directly to local nonprofits of their choice. Ultimately the end result of using Sharitive for the user is lower barriers to entry to community engagement, and supplemented giving capacity.

To prepare for the pilot, Sharitive conducted a donor survey designed to validate or rebut our initial assumption that users faced time and financial barriers to community engagement. This survey was circulated online as broadly as possible; however, the majority of respondents were friends, family or otherwise related to Sharitive. As such, the age range (22 – 30 years old) and the sample size (54) are smaller and less representative of the overall demographic than intended. Despite the limitations present in the survey, the results demonstrated that this demographic experienced a time barrier to philanthropic behavior, and had an eager interest in getting further involved with the community.

Results from the survey showed that respondents felt time in general (30.77%), time to volunteer (44.23%), and financial capacity (46.15%) were the three primary obstacles that prevented involvement with charities. In addition, 88.46% of respondents noted that they would use a mobile app that rewarded their patronage of a local business with the ability to donate. With a baseline indication that Sharitive's user value proposition was in line with user need, Sharitive launched the beta app and pilot on May 1st.[2]

Though Sharitive had a successful launch with high user acquisition in May, it was followed by a quick dip in June that eventually evened out over time to an average acquisition of 44.9 new users a month (average of July – December). Of this group, only 18.6 users check in more than once a month (average of July – December). With fluctuating user growth and retention, Sharitive conducted a deep dive into user behavior and user experience.

LEARNINGS

To better understand both user and market motivations for the web-app, and what the overall user experience was for our beta users, Sharitive conducted a series of user interviews and additional surveys.

Through these we discovered that:

- Sharitive's user base is slightly older than the targeted Millennial demographic.
    - The average birth year of active users is approximately 1981 as of December, indicating that Sharitive's appeal may be broader than anticipated.
- Active users tended to have preexisting charitable tendencies – in a wide range of causes – and were looking to supplement or augment their giving.[3]
- The most frequently mentioned area for improvement was the application's speed; specifically, users complained about how slow Sharitive was to load as well as how difficult it was too check in.
    - Other user feedback centered on Sharitive's relevancy; many users noted that because Sharitive was only live in one location, the program was not as convenient or compelling as it could be.
- Sharitive users were on the go.
    - This mobile tendency made it difficult for some users to fully grasp the Sharitive's concept within the time frame they had.
- In general, most users had a very positive response to Sharitive:

[2] It is worth noting that this data may be skewed towards a self-selected pool of respondents. This survey intended to answer questions pertaining to charitable intentions and respondents may also have responded in an aspirational, rather than accurately. In fact, a study conducted in the fall of 2013 for Sharitive found that though respondents are both interested in the philanthropic endeavors of businesses and trying new mobile apps, many customers in practice make decisions based on factors such as Wi-Fi and price/quality. This study shows that customers actually veer away from using applications in store; its findings are discussed further in Section I.

[3] When prototyping the program, the Sharitive team thought that the application would be most used by those consumers who are not already philanthropic. Discovering that the predominant user base had pre-existing philanthropic habits was a surprise.

- "I loved the idea; I'm always trying to get involved in the non-profit world." – Laura
- When I learned about it, I was like this is really interesting, because it allows people to just keep doing what they're doing. It's an on-the-go sort of thing." - Andrew

With varied responses and unexpected use cases coming to light, it was clear that Sharitive's understanding of how its program would be used was more complicated than initially anticipated.

SHARITIVE'S REACTION

To address this, Sharitive adjusted in store marketing materials and in store education.[4] The Sharitive infographic copy was rewritten to simplify the three-step process; a tagline and call to action were added to the postcard; nonprofit partner logos were added to the in store poster; table stands were designed and placed throughout the store; The code sticker was redesigned to pique the interest of users with copy such as "Congratulations! You've just earned $1," and to feature a QR code as well as a numeric code to make check in more accessible; cashiers were re-trained on how to use Sharitive, and the in store education team adjusted how Sharitive was pitched and presented to make it as engaging and simple as possible.

CONCLUSIONS

After the first two months, Sharitive's user acquisition, retention, and activation rates remained generally unchanged despite the change in marketing and positioning. The failure of the initiative to shift user momentum indicates that the user value proposition needed to be more intimately reassessed. In early November, Sharitive brought on a team of Harvard students to conduct a third-party survey of how users interact with businesses' mobile apps and what their motivations are. The team ran two surveys that received responses from 195 and 264 respondents. These surveys are biased towards the responses of 18 – 24 year olds.

The surveys found that while users are supportive of mission driven businesses and philanthropic actions that businesses take, they are not motivated to make purchase choices based on those factors. Instead, respondents noted that they predominantly make decisions of where to shop based on cost of product, proximity of a store, and Wi-Fi availability. The survey also noted that though 61% of respondents say that they are somewhat likely to very likely to download an app, only 36% of respondents say they sometimes (25%) to pretty frequently (11%) use such an app.[5] These facts indicate that our baseline user survey may have been biased by aspirational notions, rather than

[4] Sharitive's lack of funding and lack of developer are the two primary reasons that deterred Sharitive from quickly iterating and improving some of the emerging flaws with its application, which would have been one strategy for addressing the user concerns.

[5] Value Proposition Analysis, 'Innovation and Entrepreneurship,' Harvard Business School, Cambridge, MA.

realistic behaviors.[6]

Finally, the surveys also demonstrated that while users site an interest in philanthropic behaviors, they are largely unaware of a company's philanthropic actions. The lack of communication surrounding local giving represented a loss of value for local businesses that were making the effort and financial investment to give back, but missing out on the good will and social capital that could be captured. This situation led the Sharitive team to consider a new potential opportunity discussed in Section II.

Interestingly, the surveys' findings were presented at the same time that Sharitive began to notice an emerging trend in the user data; as the program's active user rate dropped, its donation to total raised percentage and check in frequency increased. This indicated that a core group of very active Sharitive users and Crema customers, approximately 70 users, have become loyal users and supporters of the Sharitive giving cycle. On average they check in 3.42 times a month (as of December).

The evidence gathered during pilot operations and research raised questions about how social good motivates, and the use of mobile apps for social good. In particular, the survey demonstrated that social good may not be enough to motivate consumers to use a new application. This insight led Sharitive to consider shifting from a B2C model to a B2B model. This conclusion will be discussed further in Section III.

[6] This bias may be caused because people believe they are more dedicated than they actually are in practice; as well, it may be the case that people will adopt and use an application in the numbers reported only if the application is as streamlined and perfect as they imagine it will be. The bar is set high in the application sphere because there are so many products that have a very clean user flow and design.

BUSINESS DEVELOPMENT

THE CHALLENGE

To achieve Sharitive's intended social impact, it was imperative that Sharitive scale its program. After launching at Crema Cafe in May, Sharitive anticipated launching a second partner in Harvard Square in July followed by the launch of 3 more partners by the end of fall 2013. By early June, Sharitive was on track to launch a second partner mid-summer, though that ultimately fell through. Despite the setback, Sharitive remained committed to its ambitious 5-partner goal. To reach it, Sharitive shifted its priority from user acquisition to business partner outreach.[7]

PROCESS & RESULTS

Sharitive's initial value proposition for business partners was its ability to connect businesses with their customers and generate good will. From conversations with proprietors and our business partner, Crema Cafe, we knew that businesses are often swamped with requests for charitable gifts, yet don't have the time to field them all, let alone communicate the aggregate impact they have on the community. We began to consider a new value proposition that focused on helping businesses both manage and communicate their giving easily. Sharitive began cooking up a new version of its product that would provide businesses with a seamless platform to manage, process, track, and communicate charitable requests and actions.[8] The delivered value to businesses would be engaged customers, local positioning, less time spent fielding requests, and new social capital earned through communication of charitable gifts.

With new confidence in its value proposition, Sharitive launched a business development campaign. We shifted our tagline from 'Redefine Your Impact' to 'Communicate Your Impact.' We joined the Harvard Square Business Association to better connect with local business owners. However despite an announcement, attendance at events, and personal introductions to and follow up with HSBA business owners, Sharitive was unable to secure additional partners via the HSBA network. At the same time that we leveraged our HSBA connections, Sharitive was conducting cold call outreach to other businesses in Harvard Square and Greater Boston. While some leads did develop, Sharitive was unsuccessful at converting those leads into partnerships.[9]

With a struggling recruitment campaign, Sharitive re-approached our outreach strategy in early fall. We recruited a volunteer brand associate with sales experience to help us prepare outreach assets tailored to business needs. Sharitive compiled a list of over 200 businesses in the greater Boston area as well as Metropolitan New York. The majority of

[7] Acquiring and launching new partners would help increase relevancy of Sharitive's program, would expand the customer base from which Sharitive draws, and allow Sharitive to leverage its scalability.
[8] The charitable management platform is discussed in detail in Section II.
[9] Sharitive had several conversations and meetings with businesses such as Diesel Cafe, Life Alive, and Gym It.

this outreach was cold call. Sharitive's team of two within a month and a half had completed approximately 150 calls. While there were a handful of responses, ultimately only three leads were significant – City Feed in Jamaica Plains, Joe Coffee in New York City, and Brooklyn Boulders in Somerville. Unfortunately, due to timing, capacity, and ultimately a lack of interest, none of those leads converted to partnerships.

After months of conducting outreach without success, it was clear to our team that the value add we assumed was compelling was in fact, not. The two biggest responses we received from potential partners was a lack of capacity to vet or operate a system like ours, or simply, a lack of interest in engaging customers in this capacity. Below are a handful of responses received during outreach:

- "We would never want to pay a monthly fee to manage our donations. In addition, right now I am too busy to even use a system like this." – Joe Coffee, New York
- "This sounds like an exciting project. Is there any chance that you can correspond with us again about this in the New Year? Presently, we are maxed out in regards to our ability to evaluate new projects." – City Feed and Supply, Jamaica Plain, MA.
- "I've just forwarded the packet to our COO, Brett, and if he's interested I'll be happy to set up a meeting with you." No response received from COO. No response received from follow up. – Life Alive, Cambridge, MA.
- "Sharitive sounds amazing! I love the customer engagement part especially. Let me check in with my District Manager about this, and also with Starbucks Media as any partnerships such as these need to be approved by the corporation, and not at the store level." – Starbucks, Harvard Square, MA
- "I think your program has a lot of potential to do much good and that is very exciting. However at this point, I really don't think that we can commit, simply for the reason that all of our energies are beyond spoken for through the foreseeable future." – Diesel Café, Cambridge, MA

The responses gathered during outreach demonstrated a theoretical interest in Sharitive's concept, but not an interest in the product. Sharitive began to explore what the true value of its program was and whether it was compelling enough to not only use, but also to pay for. The same student group that conducted user surveys began research on the business value proposition. Specifically, Sharitive asked the group to focus on what a proprietor valued about their business and how they felt about a program such as Sharitive's. This group surveyed three categories of businesses:

1. Hyper local – one independent store or less than five stores in one city
2. Local Franchise – Multiple stores existing predominantly in one state/geographic region
3. National/Multinational Franchise – multiple stores existing countrywide/worldwide[10]

[10] The group interviewed 10 different businesses. The results may be skewed because of the small sample size and geographic similarities – all businesses are located in Harvard Square.

From their interviews, the group found that local positioning was not compelling to most businesses, especially businesses that are or consider themselves to be already local. In particular, this feeling was strongest at the extremes – hyper-local businesses or national franchises. Hyper local businesses felt that their location and community ties spoke for themselves, while national franchises actually considered local positioning to be detrimental to their business, as they believed that customers valued the consistency of their national product. Of the businesses surveyed, local franchises were the most open to the idea that giving and supporting local could enhance their brand and their bottom line.

Interviewees also raised a concern about the ability of a third party brand to raise good will for the business's brand. To some, the structure of Sharitive's program in which it partners with businesses and promotes its application to a business' customers posed competition rather than value add to our partners' brand. This point also aligns with customers' behaviors with apps – they may be likely to use one business' proprietary application, but they are much less likely to use the other 3 applications that the store has partnered with.

Business owners do not believe philanthropy drives traffic, and therefore is not a business concern. This point is a major concern for Sharitive's value proposition; it was clear that if Sharitive was going to make a compelling case for its program, it needed to quantitatively prove that there is an economic benefit for businesses to use it.

CONCLUSION

Sharitive's experience with business development, though it did not lead to conversions, did in fact generate an enormous amount of knowledge for the organization about the value (or lack thereof) of local positioning, customer engagement, third-party partnerships, and philanthropy as business strategy. The research validated the Sharitive team's belief that there was a better method of deployment for Sharitive's program, as well as a need to re-evaluate the program itself (discussed below in Technology). In addition, most of the feedback gathered through surveys indicated that it may be best for Sharitive to make a product pivot towards integrated functionality rather than a third-party application as well as a target pivot towards local franchises, which presented an interesting opportunity for partnerships. The choice to pivot will be further discussed in Section III.

TECHNOLOGY

THE CHALLENGE

Self-funded, Sharitive decided to develop a web-based application for its flexibility and competitive price. Sharitive consciously prioritized functionality over design with the expectation that after proof of concept was established philanthropic investment would follow and iteration of the product could take place.

Sharitive worked with a contract developer because we did not have a CTO or in house developer. Sharitive's President worked with this developer to wireframe the initial user flow. Sharitive launched its beta web-app on May 1st and quickly learned what the strengths and weaknesses of the product were. Below is a review of the most significant features of the application, beginning with barriers and ending with the application's success.

BARRIERS

Clicks & Flow

According to an analysis of our application conducted by the Startup Institute Boston, Sharitive's web app required over 40 clicks to complete one cycle of the application. As a baseline reference, most applications aim to complete their designated task in as few clicks as possible, often 3.[11]

The conclusion of Sharitive's click analysis was confirmed by Sharitive's operating data; we had an almost 90% drop off rate from sign up to check in. This meant that users created accounts and never used them again or users never completed the donation cycle.[12]

Entry to Program

Sharitive's web app allows users to 'save' pledged dollars in their account. Because of this, it requires an account creation. Account creation also helps Sharitive to manage fraud since the current check in mechanism is not affiliated to a POS system, purchase, or location. Though the account creation section was designed to be as easy as possible, it is still a barrier that must be completed before experiencing Sharitive's programming. In fact, it is the first step a new user must take. In effect, this sign up becomes a strong deterrent to those users who may be interested in Sharitive, but do not want to sign up, do not want to provide personal information, or simply don't have the time. This barrier to entry may have strongly impacted Sharitive's adoption rates.

[11] In mobile, users are by nature on the go and busy. Maintaining their attention and motivation is difficult if there are too many clicks or too much time spent waiting for screens to load.

[12] Just under half (45%) of users have created accounts and never checked in; 43.6% of funds raised are contained in inactive accounts or active accounts that have not yet been donated.

Product Nomenclature

General understanding of and how to bookmark a web app is limited. Sharitive's use of 'bookmark app to homepage' was confusing to users, creating immediate hesitation about using the application.[13] In addition, page language such as 'check in' and 'donate' were confusing at times. Though users who became familiar with the system or had the program explained to them by a member of the Sharitive team understood the flow and found it to be "easy," most individuals encountering Sharitive on their own did not think the terminology or the page flow/action was clear or intuitive [14]

Check In Mechanism

As addressed above, the term 'Check In' was often confusing to new Sharitive users. In contrast, when Sharitive tested new language during user interviews with existing Sharitive users, most respondents reported that they felt 'check in' was the most intuitive.

The check in mechanism itself, in addition to nomenclature, was reported to be difficult or time consuming. Users sited that they had difficulty remembering the code, finding the code, and/or typing the code. In addition, the 'check in' page call to action on the home page was not prioritized in the user flow, despite its high priority level as a function. To reach the 'check in' page, users had to launch Sharitive, click on 'check in', click in the code field, identify the code object, type the digits, press submit, and if incorrect, delete and retype. That is 5 clicks (if not longer) that take place at the register in a busy cafe. Some users also preferred a QR code, though Sharitive determined that not enough users were familiar with or used QR codes to make it the sole mechanism.[15]

Crema Cafe, Sharitive's business partner, also noted that the timing of the check in system was not ideal for their business. Sharitive did briefly look into using GPS, integrating with Foursquare or POS systems. However, it determined that an upgrade of that magnitude would require a development team if it was to be done properly. This required funding, which Sharitive felt could be best raised by acquiring new partnerships and demonstrating the program's scalability.

Concept

Crema Cafe noted, and the Sharitive team experienced, difficulty in communicating Sharitive's programming to customers. Often, users misunderstood the concept and thought they had to donate a dollar, or were confused about the flow of the system. This could be a result of the situation in which they were pitched – a coffee shop, which is often busy and an unconventional place to be solicited. While not purely technical, this confusion is in part a result of an overly complicated product and an unusual mission –

[13] The Harvard evaluation group conducted usability testing and found that confusion over language was one of the biggest challenges with new Sharitive users.

[14] Before launching, Sharitive prototyped its product and conducted usability testing with about 50 users. The findings from that initial usability testing did not indicate any major design or flow flaws. It was only in practice that Sharitive saw the impact its beta had on acquisition and retention rates.

[15] Sharitive determined that QR codes were not widely used, though those that do use them are quite loyal, through in depth user interviews.

mobilizing communities around local need; Sharitive realized that it must simplify its application and pitch.[16]

SUCCESS

Functionality

Once signed up, active users reported that the system is simple and easy-to-use. Though the above barriers are still valid, the application has processed over $600 in donations including some matched gifts, raised over $1,000 to be donated, extended the reach of four very local nonprofits to over 350 new supporters, and engaged Crema with over 350 of their customers.

SHARITIVE'S REACTIONS

After 12 different teams at the Startup Institute Boston conducted an intimate analysis of Sharitive's beta application, it was clear that the barriers to entering Sharitive were both value and technology driven. Though it's better to build technology to solve a specific need, the Sharitive team established a priority list of quick fixes that could be implemented to improve the existing system while we were in the midst of redeveloping our value propositions. Sharitive approached this project by addressing the biggest issue, the user flow, with primarily front-end fixes in order to minimize back-end structural changes.[17]

The new user flow would make user registration an option only after completing a full donation cycle. When Sharitive users visit www.sharitive.org/app (or launch the web-app from their Home screen), they would land immediately on the check in screen. After entering a check in code users would be directed to select a nonprofit to which they would like to allocate the pledged dollar. After selecting a nonprofit, users would be able to process the donation without a match (default) or choose to match their Sharitive gift. The whole cycle would be completed in a minimum of 4 clicks; this would have been a huge improvement.

Because Sharitive still did not have a CTO or in house developer, Sharitive was forced to continue work with our contract developer.[18] Sharitive's contractor, initially committing to the project was unexpectedly pulled onto a different project and unable to fulfill his commitment. Sharitive tried to secure another contract developer, however, we were

[16] Sharitive's strategies for simplifying the program/product are discussed in the chapters on User Acquisition and Business Development.
[17] This approach was chosen because it allowed Sharitive to improve the serious barriers such as the log in requirement, the 'savings' account, and clicks to complete the task, while minimizing cost.
[18] In general, it is preferred to work with a CTO or in house developer because those team members have a stake in the product they create and are more likely to be invested in what they build. In contrast, a contract developer is obligated only to complete a project – this complicates an iterative design process and often will result in product errors.

unsuccessful.[19] This unforeseen obstacle forced Sharitive to re-evaluate its technology strategy.

Though the updates to the user experience and flow would have helped improve access and usability to Sharitive's program immediately, updated technology would only have been a superficial fix. Sharitive needed to address in a comprehensive manner the issues the program was experiencing with its value propositions. To truly improve and usher Sharitive successfully into its next phase of operations, the Sharitive team decided that it cold best address these issues best out of store. The Sharitive team decided that it was necessary to take a temporary operational pause to allow for a thorough re-evaluation. This strategy ensures that Sharitive becomes a product users are compelled to use and businesses compelled to pay for.

Refining our value propositions into compelling and in some cases, quantifiable motivators is integral to Sharitive's success; this is especially true as sustainable revenue streams are now more than ever needed to support nonprofit institutions. Comprehensive conclusions and a long-term strategy, drawn from each of the three challenges articulated in the previous chapters, will be discussed in Section III.

Though operations uncovered several unexpected challenges, the pilot was quite successful in creating social impact. Section II articulates in detail the full scope of Sharitive's community value.

[19] It should also be noted that over the course of the pilot, the Sharitive team, though unsuccessful, had often tried to recruit a CTO/in house programmer.

Section II:

Pilot ROI: Community Impact

Sharitive's mission is to mobilize communities around local need and in the process create new relationships and funding channels for local giving. Sharitive's model focused on developing lasting relationships of support and new channels of awareness and funding among three players: customers, businesses, and nonprofits. For its proof of concept, Sharitive launched in Harvard Square and defined its community as greater Cambridge.[20]

The below section will address the ways in which Sharitive accomplished its social purpose over the course of its 8-month pilot. Specifically, this section will address how Sharitive achieved its proof of concept, how many funds were generated, what impact Sharitive's programming has had on its partners, and the types of relationships Sharitive established within the community.

PROOF OF CONCEPT

Sharitive launched its risk and cost free pilot on May 1st, 2013 at Crema Cafe in Harvard Square in Cambridge, Massachusetts. This meant that Sharitive covered both operation costs as well as outgoing donations raised by Crema Cafe customers. On August 1st, Sharitive attained its proof of concept when Crema Cafe assumed responsibility for payment of outgoing donations for the duration of the pilot; Crema also decided to allocate an annual budget for funds to be distributed through Sharitive's program. This commitment shows that Sharitive was delivering value to the cafe. Specifically, Crema noted that the most valuable benefit they have received as a result of our partnership is a solution to the problem of trying to decide which organization to donate to within the Cambridge community, as well as how much they should donate. Crema also noted that the application has provided them with another way to engage their customers and that there is a small group of people who use the application regularly and love it.[21]

TOTAL FUNDS RAISED

During the pilot, funds were generated through three sources: check ins at Crema Cafe, pledged by Crema, promotional and business development check ins, pledged by Sharitive, and matching donations, pledged by Crema customers. Each check in at Crema was valued at $1. Sharitive users raised $1,105, averaging 124.5 check ins (CIs) per

[20] Sharitive's definition of community is geographically based. Sharitive's program was designed to connect businesses and residents from within a local neighborhood (ex. Harvard Square, Chelsea, Upper West Side) in a cycle of giving that supported their community; in an affluent and university area such as Harvard Square, there are few nonprofits that work directly in that neighborhood. Because of this restriction, Sharitive sourced nonprofit partners whose programming served the greater Cambridge neighborhood and whenever possible, Cambridge neighborhood's with proximity to Harvard Square.

[21] Notes on the value delivered are transcribed from Value Proposition Analysis, Harvard University, Cambridge Ma, 2013.

month.[22] A significant milestone for Sharitive was breaking the $1,000 benchmark, which it accomplished in November. This milestone represents Sharitive's ability to motivate users, despite the technological failings of the beta application, the small size of our core user base, and single program location. This is a promising sign for Sharitive's underlying philanthropic concept as well as an indicator of the impact Sharitive could achieve at scale.

NONPROFIT IMPACT

Funding Impact

During the pilot, Sharitive users donated $623 in Sharitive funds, averaging $77.88 a month.[23] Sharitive users also matched $26. Because Sharitive is active in only one location, its capacity to raise funds is constrained. However, as with total funds raised, these numbers offer a promising sign about Sharitive's ability to open new or reinvigorate channels of giving, on a hyper local scale.

Sharitive's donations flow directly to the local nonprofit partners. Though these organizations range in size, budget, and age, Sharitive's impact can still be measured; the below chart shows the percent of each nonprofits' budget to which Sharitive contributed (from a projected 12-month raised value).

Nonprofit Partner	Sharitive Total Raised ($)	Sharitive Proj. Annual Total Raised ($)	Nonprofit Partner Annual Budget ($)	Sharitive Funds as Percentage of Budget (%)
Cambridge School Volunteers	$63.00	$126.00	$390,000	.03%
Girls' LEAP	$197.34	$296.01	$275,000	.11%
Harvard Square Homeless Shelter	$243.05	$364.58	$80,000	.46%
The One Fund	$14.00	$56.00	-	-
The Possible Project	$134.49	$201.74	$856,000	.02%

Though modest, our program's ability to channel any funds, let alone funds with a traceable impact is an indicator of the impact Sharitive can have at scale. When considering Sharitive's early-stage and size, it is easy to see how scale, powerful value

[22] As of December 31st.

[23] Caveat: as mentioned earlier, Sharitive's app allowed users to save earned funds until the users were ready to donate. We made this choice to give users options and to create a hook that would draw customers repeatedly into the application. However, over the course of the pilot, Sharitive discovered that users were employing a variety of giving strategies, which we were not initially expecting.[23] Because of inactive accounts and giving behaviors, Sharitive experienced discrepancies in funds raised versus funds donated.

propositions, and improved technology would quickly magnify Sharitive's community impact.[24]

From the time it took for funds to be donated and the varying size of donations made, Sharitive was able to gain some insight into user giving behaviors that is relevant to our nonprofit partners.[25] In general, Sharitive users were saving up to give donations they felt would have an impact on the nonprofit organizations.[26] For some, small donations that ranged between $1 and $5 were acceptable. For others, they aimed to raise and donate sums between $40 and $100. Because of the tenure of the pilot, this savings behavior culminated in October, November, and December when donation as a percentage of total funds raised skyrocketed to 89%, 85%, and 229% respectively.[27]

Advocacy & Reach

Another area of impact, and one that many of our nonporofit partners claim as the most valueable, is Sharitive's ability to increase awareness and advocacy of partners' programming. For each nonprofit partner, Sharitive created programming specific videos for each nonprofit partner, supported our nonprofits over our social media channels, and hosted community tailored events in which partners could participate (these events will be discussed below in detail). The impact of Sharitive's increased awareness and publicity on each partner is described below.

The Possible Project (TPP) initially signed on to partner with Sharitive because of Sharitive's community orientation, entrepreneurial nature, and relationship with Crema Cafe. The Possible Project has the largest budget of our four nonprofit partners and an established supporter base in Kendall Square. However, despite their proximity to Harvard Square, the organization is not well known in the neighborhood. Through their partnership with Sharitive, they received expanded exposure in an entrepreneurial community, access to a self-selecting group of aspiring philanthropists, and presence at local Sharitive events.[28]

Another nonprofit partner, Cambridge School Volunteers (CSV), is based in the Cambridge Rindge and Latin School, located in Harvard Square. They serve the Cambridge public school system with a variety of mentoring, tutoring, and college

[24] Additional pilot partners could create new users and increase relevancy for existing users; this would increase the activity rate of Sharitive's user base.
[25] Initially, the Sharitive team had anticipated giving to happen more frequently in smaller increments resulting in a high percentage of funds donated to funds raised; however, by the end of September, Sharitive users had donated only 38% of total funds raised.
[26] Sharitive had always considered impact to be an important motivator. The beta application included recommended donation targets (ex. $4 donated to a nonprofit provides socks for a guest). However, through user interviews, Sharitive better understood that the definition of impact varied user to user. This realization initiated a deeper analysis of how to best communicate, qualify, and standardize subjective criteria such as impact. This analysis is not included in the document; however, we can provide the information upon request.
[27] This was a significant jump from the 5 months prior in which donation as a percentage of total funds raised stayed relatively constant, ranging between 24% to 56%.
[28] Sharitive's user base is self-selecting in part because of barriers to entry to the application – users have to really want to use the program to persevere through the clicks.

prepartion programming. For CSV, their programming relies heavily on volunteers and they are constantly in need of new recruits. Sharitive provided CSV with social media support, a tailored marketing video, and brand and programming placement in store, in the application, and at special events. Through these opportunities, CSV was able to extend the reach of their recruitment efforts to high-potential markets such as Harvard University and Central Square.

Girls' LEAP, a self-defense program based in Dorchester but with programming throughout Greater Boston, especially benefitted from Sharitive's advocacy in Harvard Square. This was a fairly new market for them, and as with the other partners, gaining access to an entrepreneurial and affluent neighborhood was beneficial. In addition, through Sharitive's application, a Sharitive user became a loyal supporter of Girls' LEAP's programming; Lisbeth, a Sharitive user since May, has supported Girls' LEAP each month. In total, she has donated $84 to the organization. Before using Sharitive, she was unaware of the organization. In an interview with Lisbeth, she mentioned that if it were not for Sharitive, she would most likely not have known or supported Girls' LEAP as she and her husband are very specific about which organizations they give to personally. To Lisbeth, Sharitive offers an unique way of getting involved and extending her capacity to give, to the benefit of Sharitive Partner, Girls' LEAP.

Finally for Sharitive's most local nonprofit partner, Harvard Square Homeless Shelter, Sharitive provided them with an immediate ability to leverage their supporter base – primarily students – and build brand recognition and awareness in their neighborhood.

IMPACT ON CREMA CAFE

Sharitive's impact on its business partner has been two fold: Sharitive has enhanced its brand perception as a community partner, and Sharitive helped resolve its ask fatigue.

Brand perception

Crema Cafe already has a strong, local brand. They are a beloved, buzzing café in the heart of Harvard Sqaure. Because their brand and customer loyalty is strong, Sharitive initially expected to be limited in how well it could improve Crema's brand perception within the community. However, user interviews revealed that Crema's adoption of Sharitive's programming in fact increased the community's perception of Crema as a community partner, good citizen and innovator. When asked if Sharitive had changed their perception of Crema Cafe, users overwhelmingly responded that Sharitive had positively affected their view; a sampling of responses are included below:

> "Definitely. You know it makes me think more highly of them as a business seeing as they're willing to contribute to supporting local nonprofits."
>
> "It reinforces that local image. I already go there, but the fact that Sharitive is there makes me like it more."
>
> "It improves how I feel about them. I like their risk and daring. It shows their willingness to bring people together and to give peple a chance that are trying to do good in the community."

> "It makes me feel better about them. I had a sense they were sort of a 'good citizen' but it made me feel that more strongly."
>
> "Had there been room for growth, Sharitive would have improved my feeling of them."
>
> "Sharitive definitely makes me want to continue to support Crema."

While these statements suggest that Sharitive increases brand good will, it is difficult to determine the ROI of improved brand perception with only one pilot partner.[29]

Resolving Ask Fatigue

Through early operations and numerous conversations with Cambridge local businesses, the Sharitive team identified a common burden faced by business owners: Ask fatigue. Ask fatigue is the time investment required to field all incoming charitable requests. Businesses feel as though they do not have the time to field all the requests they receive and don't have a system to vet or prioritize them. Crema's experience with ask fatigue is caused by an abundance of requests. Below is an account of Crema's experience with charitable requests taken from an interview with Crema Cafe conducted by a group of Harvard students.

> {Crema is} flooded with more solicitations than they even have time to answer...The mobile app takes the burden off the business… Sharitive acts as yet another way for Crema to engage its customers, and it "solves the headache" of trying to take time out of their already busy schedules to organize and strategize their philanthropic efforts.[30]

Even in this early-stage, Sharitive successfully delivered a solution to donation management and philanthropic engagement. Half way through the pilot, Sharitive began experimenting with an idea for a Charitable Management Platform. This B2B platform would streamline giving in one place and provide real time analysis and infographics designed to make the sharing of philanthropic actions with customers as easy as possible. This solution was based on the fact that most consumers are unaware of the philanthropic actions, though report an interest in knowing more. This idea also came out of the need to resolve ask fatigue. Eventually, Sharitive envisions that the resolution of ask fatigue will save businesses time and money, and will revolutionize the way Small-to-Medium businesses perceive their philanthropic endeavors.

RELATIONSHIPS ESTABLISHED

One of Sharitive's central goals, as articulated in its mission, is to mobilize people around local need. Sharitive's web-app is designed to break down the time and financial barriers (articulated in Section I) in order to increase social awareness and resources to local high-

[29] Sharitive users are almost all previously loyal Crema customers. To be able to measure increase in customer loyalty, Sharitive would have benefited from having at least one other pilot in Harvard Square, as well as sales information to gauge if there were any fluctuations during the pilot tenure.
[30] 'Innovation and Entrepreneurship,' Value Proposition Analysis. Harvard Business School, Cambridge, MA.

impact nonprofits, all while creating a web of supporters including local businesses and residents. Throughout the pilot, Sharitive has used three avenues for creating and mantaining community relationships; the web-app, partnerships/projects, and community events.

The Web App

The web-app was designed to breakdown time and financial barriers to charitable giving; specifically, by vetting its nonprofit partners and compiling donation information in the app, Sharitive aimed to increase social awareness and support of local, quality causes. Sharitive successfully acquired 350 users. Of that group, Sharitive has 25 users who have checked in 10 or more times. This group drives the giving cycle, earning an impressive $739 dollars or 71% of the total raised funds.

These big players can provide insight into the potential Sharitive has if adoption rates increased. Sixteen of Sharitive's big contributors have donated $10 or more. Over the 8 months these 16 donated 68 times, averaging $7.53 per donation. 10 of the 16 have donated specifically to one nonprofit, indicating the development of a new relationship of support for that organization. Sharitive provides its nonprofit partners with Sharitive users' contacts in order to further the establishment of a donor-beneficiary relationship.

Glenn, a Sharitive user since May, is one example of this core group who has become a key supporter of local nonprofits. Though he had only heard of one of the nonprofit partners before using Sharitive, Glenn earned over $100 in Sharitive funds and donated $20 or more to each of the four nonprofit partners. After becoming familiar with their programming, Glenn said that each was "very worthy." Sergey, another Sharitive user, has supported the Harvard Square Homeless Shelter because he says he sees homelessness all around him in the square. Lisbeth, as previously mentioned in the Advocacy chapter, has become an avid supporter of both Girls' LEAP and Sharitive's programming in Crema Cafe.

The current web app has succeeded in establishing relationships between individuals, nonprofits, and local businesses – this is again a promising sign should Sharitive be able to scale its new iteration of the program.

Through Partnerships/Projects

Sharitive quickly discovered that in-store presence was not enough to educate the community about Sharitive. Although the team often spent up to two days a month in-store, individuals entering Crema often had never heard of Sharitive, had heard of it but did not understand what it was, or avidly avoided signing up for any new application. The Sharitive team decided to pursue a broader awareness campaign throughout the Cambridge community in order to increase the reach and ultimately, the impact of Sharitive's programming. By educating the broader community about Sharitive, we had the opportunity to establish relationships outside of Crema Cafe as well.

The initial awareness effort focused on Harvard Square. First, Sharitive collaborated with a Harvard Business School class 'Innovation and Entrepreneurship'; this class provided Sharitive with a team of 6 students who completed a deep dive analysis of Sharitive's

value propositions and application. Second, Sharitive reached out to 23 socially minded or technology focused Harvard Undergraduate and Graduate organizations to raise awareness and present opportunities for collaboration among the student body. Of the 23 groups Sharitive reached out to, the team received responses from 12 organizations. Those organizations distributed Sharitive's message to their distribution list (received by approximately 1,000 students). In addition, Sharitive succeeded in establishing relationships with one group, Women in Computer Science. This relationship resulted in Sharitive's participation in their conference in February. Sharitive also held office hours with the Harvard Graduate School of Arts and Sciences Business Club.

Sharitive has also made efforts to get to know the larger community in Cambridge. Through our partnership with The Possible Project, the team was introduced to the Startup Institute Boston. Because of the introduction, Sharitive was invited to participate in the Institute's kick-off hackathon. During the hackathon, the Startup Institute's students dissected Sharitive's value propositions and application. They largely focused on how to create scale in the program. The 12 teams provided Sharitive with an in-depth critique of the application, spurring Sharitive to launch its technology efforts (discussed in Section I). This relationship with the Startup Institute also resulted in an invitation to join their holiday event as their nonprofit partner. The Startup Institute event is discussed further below.

Sharitive's most significant relationships are between its partners. Though Crema already had a relationship with The Possible Project, its connection to Girls' LEAP, Harvard Square Homeless Shelter (had previously supported with in kind gifts), and Cambridge School Volunteers is new. Sharitive was able to coordinate a site visit to a Girls' LEAP community class for the owners of the cafe; because the pilot is only 8-months old, it is difficult to determine whether these relationships will endure into 2014. However, given the impact generated for Sharitive partners – see chapter on Nonprofit Impact and Crema Impact – it can be extrapolated that Crema may intend to continue their support of these institutions, even after Sharitive.

Through Events

As part of its mission to educate and mobilize ommunities about local need, Sharitive designed and hosted community events with our partner, Crema Cafe, as well as participated as partners in third party events. These events were designed as awareness opportunities for Sharitive's progam, Crema's efforts, and our nonprofit partners programming. However, these events also drummed up PR opportunities and created conversations with new audiences, which translates to good will for Crema and potential supporters for our nonprofit partners. A description of each event is included below:

1. Sharitive and Crema hosted a Pour Over Bar on August 20th. The goal of this event was to increase awareness of Sharitive's program at Crema Cafe and drive sign ups. George Howell donated coffee and Crema ran the brewing. To earn a free coffee, an individual had to sign up for Sharitive. During the 3 hour event, 17 people signed up for Sharitive. Sixteen of the 17 checked in at least once. Five of the 17 checked in 2+ times. Three of the 17 last checked in during November.

One of the 17 became one of our most loyal users, checking in 26 times as of end of December. Four of the 17 are still active users, resulting in a 24% adoption rate.

2. Sharitive kicked off its first Crema Community Breakfast on December 6th. The goal of this event was to directly connect active Sharitive users and Crema customers with the Sharitive nonprofit partners. There were approximately 20 people who attended the event including partners. For those that attended, the event provided a great opportunity to meet the people behind the partners and have intimate one-on-one conversations about programming and how to get involved.

3. As mentioned, Sharitive participated in the Startup Institute's hackathon. As a result of that partnership, the Startup Institute invited Sharitive to participate in a holiday event designed to gain awareness and funding for Sharitive's partners. This event was co-hosted by Boston Calendar and Workbar; the event sold out and raised approximately $500 for our nonprofit partners. In addition, Sharitive and its partners gained media coverage and exposure – tweets were seen by over 6,000 followers.

CONCLUSION

Sharitive is committed to mobilizing communities around support of their local nonprofits and their local need. From inception, this has taken shape in the form of education, advocacy, and of course, the Sharitive giving cycle. Sharitive's pilot demonstrated a myriad of successes that range from funds raised, donated, local impact on nonprofits, and the creation of a network of social-good-minded neighbors (including businesses and consumers). Sharitive is most proud of the relationships established through the pilot between customers and Crema, and customers and our nonprofit partners. Though individual, these relationships represent Sharitive's ultimate goal – to create relationships of support and advocacy within neighborhoods across the nation for local nonprofits committed to supporting the local community.

Section III:

Conclusions & Sharitive 2.0

As demonstrated in Section II, Sharitive's success as a pilot extends far beyond just the amount of funds created; its most important impact lies in the creation of individual relationships within the community all founded on a hyper-local cycle of giving back. Though Sharitive also encountered its fair share of obstacles, each challenge unveiled new information and insight on human behavior, small business priorities, and giving motivation that can be used to re-position Sharitive as a powerful player in mobile giving and local advocacy.

When discussing both Sharitive's success and missteps, there are three specific takeaways worth reviewing: Sharitive's model, Sharitive's target partner, and Sharitive's mode of deployment. Each will be discussed in further detail below. Though they are discussed separately for clarity, these proposed changes are very much interwoven.

REVISITNG THE MODEL

Sharitive's mission was to educate communities about local need and provide a toolkit that allowed them to more effectively engage others and deploy funding and advocacy to those organizations that worked in and around their neighborhood. With that founding mission, Sharitive incorporated as a nonprofit because its sole purpose was to benefit public good. We secured pro-bono legal services in June of 2013, which allowed Sharitive to begin filing its 501 C3 application. However, the incorporation process was difficult because our model is unusual; in particular, Sharitive's legal team spent extra time focused on evaluating Massachusetts's Commercial Co-Venture regulation and its implications for Sharitive and its partners. They ultimately decided it was a de minimis risk, and that Sharitive could continue operations and incorporation as a nonprofit.

However, this experience forced Sharitive to consider the benefits of other legal structures such as incorporating as a for-profit or forming the nonprofit as a subsidiary of a for-profit. For-profit incorporation, especially with the existence of Benefit Corporation registration, would allow Sharitive to avoid the rigidness of nonprofit regulation while still maintaining its commitment to create social impact. In addition, for-profit status would open funding doors such as equity and venture capital investment that are not available to us as a nonprofit. Sharitive could also potentially be more creative with development of its value add, more responsive to needed development and potential pivots, and able to lighten its educational obligation.

At this point in time, Sharitive is evaluating all potential legal structures. As we do, understanding how to revise our value propositions to make use of our program not only compelling, but also revenue producing will be essential.

POTENTIAL NEW TARGETS

As demonstrated in the business value proposition analysis, local businesses value their local positioning, but would not consider paying for a program that positions them as further local. Though the analysis found that national chains may not be interested, Sharitive has had independent conversations with hospitality managers and franchise owners that indicate that large national brands may be interested in local positioning. Sharitive's belief is that national franchises, while they provide a very consistent product, struggle to differentiate themselves from other franchises. The incremental benefit of being positioned locally is much greater for them then it is for local businesses.

At the local and national franchise level, monetizing these business partnerships may be easier than monetizing mom and pop, small-to-medium sized business partnerships; however, this scale of partner also requires Sharitive to deliver quantifiable and measurable value. Partnering with franchises can also help deploy Sharitive's program quickly and efficiently, providing an easy mechanism for scale. Before moving forward with this potential new target, more research is required to validate their need, better understand what quantifiable value Sharitive would be able to deliver, and explore what the best way of serving that need is. Sharitive anticipates speaking with at least 25 companies' marketing managers or decision makers over the next few quarters.

B2B, SOFTWARE AS A SOLUTION (SaaS)

Throughout the pilot, it became clear that the technology powering Sharitive's programming, while functional, was not deployed as efficiently or compellingly as possible. Sharitive 2.0 will leverage the operational learnings gained, and refocus on solving a very specific need that will be identified via further research as mentioned in the previous sections. While early, one idea for a product pivot that has gained momentum given the supporting research laid out in this document is to convert Sharitive into a B2B Software as a Solution.

This potential solution was identified via operations in which the Sharitive team experienced difficulty with its B2C position, and conversations with business owners about third party brands and programs. After the dip in user acquisition in June, Sharitive understood how dependent its program was on in store presence and education. Beyond that, it realized during in store sales how challenging it would be to recruit and maintain users.[31] Even the users who joined and became loyal to Sharitive's program were not advocating for Sharitive as much as anticipated, refuting its anticipated viral growth.

Furthermore, Crema Cafe expressed difficulty in communicating Sharitive's concept to customers during check out, and noted that they purposefully asked their staff not to mention Sharitive at the register because of how confusing it was for customers.[32]

[31] Again, this is in part because of the web-app's technology.

[32] The Sharitive team also experienced difficulty in accurately communicating its concept during in store education as discussed in earlier sections. To aid the staff at Crema, Sharitive ran cashier training about its

Our difficulty relaying Sharitive's concept to customers is related to the confusion that surrounds a third party brand. As a B2C app, customers of Crema interfaced with Sharitive's brand, not Crema's. This is a major flaw in Sharitive's programming as one of its primary goals is to foster community relationships, not stand in the middle of them. In addition, as many businesses shift towards creating and launching their own proprietary applications, additional applications in store create confusion.

If Sharitive were to complete a B2B software as a solution pivot, Sharitive would provide businesses that have pre-existing applications or loyalty programs with a Sharitive SDK or API. These SaaS vehicles would integrate Sharitive's giving cycle into a business' proprietary application, allowing businesses to receive the goodwill associated with local positioning and philanthropic behaviors. This solution also removes the burden of program adoption from Sharitive; in this model, business owners become responsible for the success of the program as it now directly benefits them and is incorporated into their product.

Before moving forward with this solution, Sharitive needs to refine and validate the value propositions addressed in Section I.

LOOKING FORWARD

In conclusion, Sharitive's pilot allowed our team to develop research and field based insight into how users interact with loyalty and giving programs, how proprietors or managers perceive value in their business and what their true needs are, and what technology could best deploy social good in communities. Though the pilot ended as of December 31st, Sharitive is far from over. As demonstrated in the above chapters in Section III, there are three research questions that need to be answered in 2014: would corporations be interested in a program such as Sharitive; what do they need and value most in the success of their business; what new doors could Sharitive open as a for-profit that it cannot accomplish as a nonprofit. Sharitive must take a step back from operations in order to fully and cohesively understand the answers to these and the many additional questions articulated throughout this paper.

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program. However, turnover and constrained timing made maintenance of Sharitive knowledge and the communication of Sharitive's program difficult.