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# AmazonSmile Program Leaves Some Nonprofits Frowning

By Eden Stiffman



DAVID PAUL MORRIS, BLOOMBERG, GETTY IMAGES

The online shopping site's gigantic customer base is tantalizing for charities, but many say tiny financial returns and the company's refusal to share data make it a dubious effort.

Tata Traore-Rogers is an enthusiastic Amazon shopper. So when the nonprofit leader learned of AmazonSmile, a program that allows a customer to donate half a percent of the value of a purchase to a nonprofit, she pulled out all the stops.

Ms. Traore-Rogers encouraged her staff at Turning Point Brooklyn, her 13-member board, and their families to shop through the Smile platform. Her social-service organization promotes it on social media and via emails blasts. Ms. Traore-Rogers has a link to AmazonSmile in her email signature, and she enabled a feature that posts to her personal Facebook page each time she makes a purchase. She even mounted a sign in her condo building's lobby encouraging neighbors to select Turning Point as their charity of choice.

The one-year yield: \$210.

Adding to Ms. Traore-Rogers' disappointment: AmazonSmile doesn't share data that could help the nonprofit, including the number of contributions, the amount customers spent, and donor contact information.

With its 285 million active customer accounts, Amazon has the reach to make any charity drool. But as customers flock to the site for their holiday shopping, the e-commerce giant with \$75 billion in annual sales has remained tight-lipped about the specifics of its nonprofit donation program.

Amazon declined to make someone available for an interview during more than two months of reporting for this story. A company spokeswoman responded to some questions by email, saying that the program will soon have given "tens of millions of dollars" to more than 100,000 charities.

While some charities see AmazonSmile as an easy way to raise additional money, others say the program isn't worth the effort. More than anything, charities and their supporter-shoppers say they are dismayed by the lack of transparency from a corporation that is a virtual treasure trove of consumer data.

"It feels like both we and the nonprofits we favor are basically treated like supplicants," says Felix Kramer, a customer who spent thousands of dollars on AmazonSmile following its 2013 launch. "We're not given any helpful information, and we're supposed to be grateful for whatever crumbs we get."

## A Check-Out Donation

Launched in October 2013, the program allows U.S. customers to do their Amazon shopping on a parallel site, Smile.Amazon.com. There they select a charity to receive a donation from the corporation worth half a percent of the value of their purchases. Charities get quarterly payments from the AmazonSmile Foundation.

"We thought customers would love having Amazon donate a percentage of their purchase prices to their favorite charitable organizations every time they shopped," the spokeswoman told *The Chronicle* in an email. "Two years in, we're really excited by what we've heard from customers: They tell us they love having such a simple, automatic way of giving back — at no cost to them."

The half a percentage point donation amount is low enough that the company doesn't have to raise its prices to compensate, the spokeswoman says.

Charities can apply to be featured by the site. When selecting charities to spotlight, Amazon considers the cause and the number of customers already supporting that group. The Breast Cancer Research Foundation, for example, was featured in October, Breast Cancer Awareness Month. The charity, which has received close to \$2,500 in the past year, has not marketed AmazonSmile to its supporters.

The Amazon spokeswoman says the selection criteria for spotlighting charities are "loose guidelines" and that the company "will experiment both with individual charities and with new rationale for choosing among them."

Doctors Without Borders has been registered on AmazonSmile since October 2014 and has been featured as a "spotlight charity." The organization received a total of \$244,000 through the third quarter of 2015, says Thomas Kurmann, the group's director of development.

"It's a great opportunity for us to receive funding without having too much of a burden," Mr. Kurmann says. "I imagine that this channel will grow over time."

The charity does promote buying through AmazonSmile on social media. While the charity has other corporate partnerships, the one with AmazonSmile is "the most serious," he says.

Other large nonprofits that have been featured as spotlight charities have seen varying returns. The American Red Cross has been an AmazonSmile beneficiary since it first launched, receiving more than \$532,000 to date. In a little more than a year, Save the Children received nearly \$8,000 from AmazonSmile, which it highlights, along with other "shop for good" partnerships in its e-newsletter, on its website and through social media.

### **Charities Left in the Dark**

While some nonprofits are talking about their experience with the program, AmazonSmile is not. Aside from the private AmazonSmile Foundation's 2013 Form 990-PF filing, which covers just a few months of the organization's existence, Amazon has released little information about its performance. Unknown are exactly how many charities have registered to benefit, how many customers are shopping through the AmazonSmile site, and exactly how much those customers' purchases are triggering in charitable donations. Individual customers say they have no way of knowing whether the nonprofit they select ultimately received the money.

The lack of transparency is problematic for a number of reasons, according to some nonprofit leaders.

Joann Freel, executive director of the National Association of EMS Educators, says her group started using AmazonSmile this year to test how its 3,000 members would respond. The nonprofit has received a total of \$11 in donations.

Ms. Freel closely tracks what her office orders but otherwise has no idea how many individuals are supporting the organization. That's because groups like hers can check their cumulative donations through their online account but do not have access to other data.

"I'm not feeling very positive about this initiative and giving them free advertising when I can't even get a report from them," she says. "If you run an aboveboard organization, you're going to want to have the infrastructure to provide your customers that information."

### **Big Anticipation**

The creation of AmazonSmile was highly anticipated at the Cause Marketing Forum, which works to increase the number of successful alliances between companies and nonprofit causes. Officials there were excited about the size of Amazon's customer base and how it might serve as an example for other corporations.

"That first year, we asked them repeatedly for information, and they just wouldn't share it at all," says Megan Strand, the forum's director of communications.

That lack of public reporting in a consumer campaign is disheartening, she says.

"Without that communication back to me, I don't care if you're prompting people to shop on the Smile platform. I may not do it because you're not communicating to me why I should."

Jeff Shuck, chief executive of Plenty, a consulting group for nonprofits, calls campaigns like AmazonSmile a distraction for fundraisers.

"It's really cool that Amazon feels compelled to do something, but at the end of the day we're vacuuming up money from the couch," he says. "It's a great gimmick, but at the end of the day it's a gimmick. We need to put our time and energy into true fundraising, which is about building relationships."

## 2 Years of Questions

Charities aren't the only ones looking for answers.

Mr. Kramer, a clean-energy technology entrepreneur, had been shopping on AmazonSmile since its early days. He selected the climate-change advocacy group 350.org to receive donations from his purchases.

But when he tried to figure out how much in donations his purchases created, Mr. Kramer got only surface deep. He downloaded his 2014-15 order history — 263 entries totaling \$6,695 — and determined which were eligible for Smile donations. That should have meant Amazon paid out around \$35 to 350.org in the previous 20 months. But aside from calculating the half percent himself, there was no way to get an accounting statement.

"It was pretty opaque," he says.

Over the past year, 350.org received over \$1,000 in the third quarter of 2015 from AmazonSmile, according to a development assistant at the organization.

"If Amazon is serious about wanting to help people donate to the organizations they believe in and by offering this program increase their customer retention, I think they owe it to everyone to provide a lot more information and move away from this idea that they're the big sugar daddy in the sky and we need to trust them and whatever we get we should be grateful," Mr. Kramer says.

His frustrations reflect those expressed by other AmazonSmile shoppers on an Amazon customer discussion board dating back to November 2013.

On December 8, a customer named Anthony M. wrote, "I want to see a tally of how much I have raised for my charity. It would encourage me to spend more." And on December 11, a customer named John Faughnan wrote, "It is weird and disturbing that we can't see how much our AmazonSmile donations add up to and that we can't validate that they are actually going to our charity of choice. Looking at this discussion thread, most of it consists of this frequently asked question that is conspicuously absent from Amazon's FAQ."

## Changes Sought

Changes may be under way at AmazonSmile.

The company is "always exploring ways to provide customers with more information about their AmazonSmile activity," the Amazon spokeswoman wrote in the email, adding that the company "may provide charities with additional insight" in the future.

It already has a new general manager. In October, Sachin Shah replaced Ian McAllister, who helped launch AmazonSmile and now works for the home rental company Airbnb.

And AmazonSmile hosted a roundtable of Seattle-area charities to gather feedback earlier this year, according to the Seattle Humane Society, a nonprofit in Amazon's backyard, which sent a staff member to attend.

During the session, some charity leaders told Amazon officials that they wished Amazon would allow customers to link their accounts to AmazonSmile so that even purchases made on Amazon.com could potentially benefit charity. At the moment, customers must check out on the AmazonSmile site and retrain themselves to make purchases there.

For her part, Ms. Traore-Rogers of Turning Point Brooklyn says she plans to re-evaluate her organization's participation in the program.

"In our field, we are so used to being thankful for anything we get that we don't calculate the amount of time it takes and the amount effort it takes to actually promote this," she says. "For us, that cost is more than \$210."

*Send an email to Eden Stiffman.*