



JUMPIN': Sales of donor gift cards are rising. The cards allow people to give others money to donate to charities and causes of their choice.

Donation gift card freebie

TisBest plans to give away 50,000 of its charity gift cards in marketing push to highlight the new way to give — via plastic

By CLAY HOLTZMAN
STAFF WRITER

A fledgling Seattle nonprofit organization that created the concept of donation gift cards is rolling out a holiday marketing campaign worth up to \$50,000 as part of an expansion strategy that includes an added retail presence, localized giving options and reduced customer fees.

TisBest says it hopes that by the end of its fiscal year in June 2010 it can grow the number of gift cards sold to more than 25,000, up from fewer than 15,000 last year. The cards are similar to merchant gift cards, but recipients give them to an approved charity.

The nonprofit's expansion strategy will be led by a campaign to give away up to 50,000 \$1 donation cards around the Thanksgiving holiday to customers of four grocery co-operatives in four states, including Washington's PCC Natural Markets, the nation's largest such co-op. The giveaway is a blend of marketing and program work, said Jon Siegel, who was hired in March as TisBest's first executive director.

"It really boils down to exposure and increasing awareness of the concept. I cannot control demand very much, but if I can increase awareness, that would be a good thing," Siegel said.

The marketing campaign will be paid for, in part, with cash reserves that TisBest has accumulated from unused gift cards, called "breakage" in the industry. TisBest collects a \$1.95 fee from each card it sells — a cost that it recently cut in half because its volume is growing — and it uses 3 percent of each card to cover merchant processing fees.

That means for a \$50 donation card, \$46.55 goes to the charity recipient. The average donation purchase is \$38, and the average purchaser buys 1.5 cards at a time, and 3.8 at a time during the holiday season, according to the organization's founder, Erik Marks.

TisBest primarily earns income from the sale of its donation cards, so meeting consumer demand over the holidays is critical, according to the organization.

TisBest is also partnering with a San Jose, Calif.-based greeting card company to distribute its donation cards. And it is compiling a list of local charities for 16 metropolitan areas, starting with Seattle, to give its users a local option for their donation, Siegel said.

Now in its third year, TisBest was started by Marks while studying law at Harvard University. The Seattle attorney struggled with finding a gift for his financially comfortable uncle, and he didn't like the idea of giving baubles. So he created a charity gift card that gives recipients the power to choose the charity to receive funds.

Marks says TisBest is more like a social enterprise than a nonprofit. "Social change doesn't come from the top or the new president. It comes from people wanting something better."

Marks and Siegel said they also plan to market their donation gift cards to corporate clients, who represent a large market as they look to give away recession-year appropriate gifts.

"I think it can be enormous," Siegel said.



Marks



Siegel