PERSUASIVE BUSINESS MODELS

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Abstract

This paper will look into how persuasive technologies can be applied into business models in specific business models that apply change in social, society and ecological behavior. We look at which of these business models succeed and which do not and address what abilities and triggers we might increase to change not only attitude but also behavior, when applying business models based on positive ecological, social and society behavior. Focusing on a well-established step-wise persuasion innovation process we start out by identifying past experiences with these types of business model and micro-payments introduced to support change in ecological, social and society behavior.

The pivotal question being, how we get people to make a micro-payment when supporting Business Model’s applying positivesocial, society and ecological behavior. Finally we will brush-upon, how the suggested persuasive business models in a business model context, might also be adapted into other business models and lines of behavior with similar feats. In context of the latter, it is suggested, that there is a potential new business model eco-system on the rise in this field. In order to counteract these effects and create leverage the idea of performing a bundle of business models – a multi business model approach - with persuasive technology embedded is introduced.

Keywords: Persuasive business models, Multi business models Business Models and micro-payments, Business Models and social capital, business model eco-system, persuasive technology
1. **INTRODUCTION - WHY BUSINESS MODEL INNOVATE?**

In the past ten years the number of persuasive technologies in our everyday life, have increased many-fold. The study of these technologies, and how they affect our lives and routines, has become a study of great interest (Fogg 2012). Industry and public players alike are keenly devoting themselves to understanding how different persuasive technologies might be designed, so that desirable behaviors are obtained. Consider, for example, how your GPS kindly warns you not to use while driving. This is good behavior - to you, and your fellow road users. Or think of, how fitness APPs (you surely have one) might help squeeze that little extra effort out of you, not to speak of, how online social networks can generate vast real life changes, ranging from romantic relationships (memories could bring a smile to your lips) to overthrowing corrupt governments (remember the Arab spring). In other words, tremendous impact can be obtained, if the desired message is transmitted, accepted and carried out as a new behavioral pattern. However, getting this right from the beginning is far from easy and forefront business model researchers and practitioners in the area are therefore very much devoting themselves to the design question.

In this matter we shall draw on B.J. Fogg’s eight step design process to creating persuasive behavior (Fogg, 2009) and relate this to Business Models and Business Model innovation focusing on changing social, society and ecological behavior. Simply listed the eight steps involved in Fogg’s model are:

1) choose a simple behavior to target
2) choose a receptive audience
3) find what is preventing the target behavior
4) choose an appropriate technology channel
5) find relevant examples of persuasive technology
6) imitate successful examples
7) test and iterate quickly
8) expand on success.

As, explained by Fogg the eight steps are not intended to be used as a rigid formula, and corners are meant to be cut. For instance, there is very little flexibility concerning the technology channel, as there is already in most cases designed a fixed system to use in the use cases we focused on and studied. On the other hand there is a lot of flexibility concerning target behavior and audience.

Digging into the details, in this paper we will look into how persuasive technologies can be applied to change behavior related to business models. Working with Fogg’s approach we accept that climbing Mount Everest is done one step at the time, which means that our challenge is divided into a number of smaller steps. The very first is to study the “simple behavior” the business models target to change. This targeting tie in with the technology at hand, which can be a piece of integrated software allowing people to make micro payments when e.g. pushing a “green” button in our printer console (Karnøe et al, 2012) or a “charity button” in a bottle automat (Charity Button Case appendix 1). This in effect means that when handing in used bottles for recycling we are all able to make
micro-payments that will be allocated to saving wild animals, re-foresting or/and other social and society programs, so that the overarching and global social, society and ecological consequences of man’s act be leveraged. A piece of integrated technology in a recycling bottle automat, which allow us to make micro-donation that will be allocated to help well-being projects in WWF – (www.wwf.dk) and Red Barnet – (www.savethechild.dk). About 1100 bottle automat have this persuasive technology installed in their BM, which make it possible to customers to donate the whole or part of the recycling bottle money by pushing “the charity button”.

2. DESIGN/METHODOLOGY/APPROACH

The behavior we will target, is simply, how we make people “push the button”? How can we persuade someone to adopt a certain behavior and “buy” a Business Model? And, when doing so, what will the most perspective persuasive business models look like? And how can we build in the persuasive technology in the business models. To come to grips with this challenge, we will start out by looking at previous successes and failures in relations to business models and micro-payments related to social, society and environmental issues. We will then evaluate, and try to identify the biggest barriers to the target behavior and persuasive business models as such. We will address the issues of ability and hot triggers and then try to identify what the optimum set-up in terms of these persuasive business models would be. The framework of this article is then in the “save the world” category and scale, but our goal is much simpler, as we hope to generate a better understanding of what might persuade people in their everyday life to “push the button” and create environmental, social and/or societal leverage.

3. BUSINESS CASES - EXAMPLES TO LEARN FROM

Addressing the challenge of making people do micro-payments in relations to such business models have been brushed upon before and in this chapter we focus on putting some examples to the front. We will dig into the detail of each case, and try to identify, what worked and what was not successful.

<table>
<thead>
<tr>
<th>Purpose and scopes of persuasive business models</th>
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<tbody>
<tr>
<td><strong>Life aid</strong> – helping and supporting people to get out of poverty, illness, clean water</td>
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<tr>
<td><strong>Health care</strong> – helping people to better healthcare, fighting diseases, getting medicine</td>
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<tr>
<td><strong>Education</strong> – helping and supporting people to education</td>
<td></td>
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<tr>
<td><strong>Investment in things</strong> – helping people to clean water equipment, energy- and lighting equipment, community and cultural building and equipment, schools</td>
<td></td>
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<tr>
<td><strong>Business development</strong> – helping entrepreneurs or small enterprises to develop business</td>
<td></td>
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<tr>
<td><strong>Environmental protection</strong> – Carbon reduction, energy efficiency and renewable energy</td>
<td></td>
</tr>
<tr>
<td><strong>Society development</strong> – supporting people to rebuild, build up communities, infrastructure</td>
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</table>
Persuasive Business Models with Micro payment and Micro financing is carried out in many forms. They are also related to many different purpose and scopes.

The list is properly larger however through our case study we found that some overall groups of persuasive business models exist. Some business models address some very specific areas and are very clear in objectives and structure. Others are more blurred in their focus and give donators more opportunities – but also more difficulties to understand and track to their donators. Some business models projects we therefore had to place in more than one group of persuasive business models. In the following we take out one and in some cases two use case to exemplify each group. For a more detailed use case description this can be seen in appendix 1.

3.1. **Group 1: Life and healthcare issues (Simpa, CBM, TCE, KB, PCBD, RAD, CSA, HSJD, SOS)**

These BM’s have their main focus on life aid due to hunger, war, earthquake, decease e.g. or generally focus at health care as preventing or diminishing AIDS, Cancer e.g. In this group we also placed business models which address more indirectly life and healthcare purpose by preventing people from using unhealthy energy sources.

The objective of these BM’s e.g. the TCE use case, as one representing this group, is to reach total control with AIDS in Southern Africa. TCE builds upon the belief that people by them self can win the battle of AIDS and prevent the HIV infection, while all people can participate via micro donation in “this battle”. TCE is micro financed via sales of a special TCE newspaper either by paper or electronically. The overhead of the business models is used for the project.

3.2. **Group 2: Projects and things (Schools, buildings, issues (Simpa))**

These BM’s have their main focus on supporting projects, financing things, co-financing projects and things.

Simpa Networks saw that worldwide, approximately 1.6 billion people have no access to electricity and another 1 billion have extremely unreliable access. Without ready access to electricity, the poor depend on kerosene lanterns and battery-powered flashlights for light. Kerosene lanterns are dangerous, dirty, and dim. Worse, they are very expensive to operate. And yet, in most markets, kerosene lanterns are the preferred lighting system. For a person with little or no savings, no access to formal credit, and low and uncertain income, the selection of kerosene lighting is eminently rational. Simpa developed a solar based micro payment light system and business model, where the consumer pays via mobile connection pr. Use of the system.

3.3. **Group 3: Community, social responsibility and society issues (Simpa, CCA, KB, SOS)**

These BM’s have their main focus on supporting initiatives related to community development, personal and social support to people suffering from decease or supporting their relative, helping poor children to education.

The Church Cross Army collects “stuff” that people do not any longer want to keep and then sell these items in special CCA shops. The money collect is then donated for certain social and community projects or send to rural areas for help and support. The products are sold by volunteers and then small money donation from each product is then used for donation. The system has a kind of double donation purpose as people come with
their stuff and give it to CCA and then other people can come and buy “the stuff” for a low price. The system further has a recycling impact on society as old “stuff” is reused.

3.4. **Group 4: Environmental and nature – (BA, CBM)**

These BM’s have their focus at environmental issues and protection of nature as e.g. reduction of carbon, water protection, nature protection, protection of places of importance to human beings.

By pushing a “charity button” at the bottle automat (Appendix x) at the largest retail chain in Denmark Coop (www.coop.dk) it is possible to donate bottle recycling money to wellbeing projects in WWF – (www.wwf.dk) and Red Barnet – (www.savethechild.dk). About 1100 bottle automats have this extra button in Denmark. It is possible to donate the whole or part of the recycling bottle money. This is done by pushing “the charity button” first, and when the customer reaches the amount they want to donate then they push the charity button. Afterwards the rest of the bottles and cans are delivered and the pay button is pushed and a cash ticket can then be changed to cash at the cash register.

British Airways’ is another example in this group as they decided in 2008 to establish a “unique One Destination Carbon Fund” where they take customers flight ticket donations and used them to support energy efficiency and renewable energy projects in communities in UK. BA was targeting parts of UK that BA thought needed the most help to improve their economic and social well-being. The funds were managed a not-for-profit charity fund, using the UK Carbon Reporting Framework as quality insurance. The donation funded a range of projects from helping install solar hot water in community swimming pools, small scale wind turbines for schools or energy efficiency measures in social housing.

3.5. **Group 5: Business Development – (IBS, SBT, GB)**

These BM’s have their focus at business development and/or making it possible for people in general, poor people to establish new business or businesses based on social capital and social benefits.

Cell phone banking have revolutionizes financial services for the poor. A woman manages e.g. a village from one cell phone for a project in rural Bangladesh. Another woman manage equally in rural area in South Africa food supply and banking. SKS, Indias biggest microfinance institution (MFI) expects that an infusion of private capital will spur even greater growth in credit to India's rural poor, where nearly estimated 27m of whom are already microfinance clients (MFI 2010). Banks and cell phone companies are taking advantage this expansion of cell phone use in developing economies to extend financial services to roughly 2 billion people, who use cell phones but lack bank accounts.

3.6. **Group 6: Entertainment (Flatr, RAD, CSA)**

These BM’s have a focus on entertainment as driver to sponsoring, donating and micro financing of a business as such, a project or organizations activities.

The latest years there has grown a new world filled with entertainment, news and tools made by everyone, that can support social interaction and community development. Social micropayments projects of this type, that let you support bloggers, developers and other creators and enjoy their contributions to the net, are increasing. Click on buttons to reward great web content or add Flattr to your site is one example of this. Customers to Flatr pick how much they like to spend per month on this activity. Then, whenever they
see an e.g. Flattr button on any website, that they like, they click it. When they click the Flickr button they get any types of entertainment – gimmick, small play, joke tailor made to the customer. Flickr then count up all of their clicks at the end of each month and distribute monthly spend between everything they clicked on. Flattr - http://flattr.com/ Big change through small donations

L.O.C.’s famous artists new CD – (http://www.rodekors.dk/kampagner/loc ) was sold via the Red Cross website – (www.rodekors.dk) . By bying this the buyer supported Red Cross work. All the profit from the sales was promised to go directly to Red Cross work. The Artist is hereby used as a platform to sponsor aid. Red Cross is dependent of the aid the citizen gives and this is a new initiative to the organization. L.O.C. claimed he wanted to help people suffering.

3.7. **Group 7: Energy supply and alternative energy supply (Simpa)**

These BM’s have a focus on helping people to energy supply or alternative energy supply. Especially poor people is in focus.

One-line Pitch - Portable solar charging and light through mobile micro-payments for rural African families was introduced to the market by Simpa. Micro payment-control venture formed after 3 years of direct pay-per-use solar energy trials in rural Kenya. 30 combined related-years of mobile-micro payment and rural outreach experience, operating against a proven way to profitably brought affordable power & light to those who could pay with mobile micro-payment.

3.8. **Group 8: Science donation (KB, PCBD)**

These BM’s have a focus on donation for science especially in health care or it could also be science in other areas as e.g. culture, where there is a strong need for financing or too little resources for science.

More and more retailers are making social responsibility a key component of their standard business practices. The sale of “Red” and "pink" merchandise to benefit breast cancer research has become familiar to shoppers in a Pavlovian kind of way: Consumers see the now ubiquitous pink products and their brains immediately associate the branding with the Susan G. Komen for the Cure global breast cancer movement.

Likewise, big-box retailers such as Gap, Apple Computers, and Hallmark make their customers see red. Make that (Red), as in (Product) Red, a movement dedicated to eliminating AIDS in Africa. At Gap, half the profits from sales of Gap (Product) Red merchandise go to the Global Fund to help finance AIDS treatment and prevention programs on that continent.

The Danish cancer fond runs a lottery with more than 20.000 winners in the lottery pr. year. Hereof 10 winners will have 1 mill. Dkr. It is not possible yet possible to sell the lots online. Therefore those who want to donate and join the lottery must pay by bank transfer or payment at the local post office. The profit from the lottery goes to 3 main areas: Research, Information and Support to patients and relatives.

4. **FINDINGS AND DISCUSSION**

We now turn to our findings and discussion of persuasive business models.
Table 2 Examples of Persuasive Business models “bundle” of value propositions

<table>
<thead>
<tr>
<th>Combinations</th>
<th>Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Environment and social community focus</td>
<td>British Airways,</td>
</tr>
<tr>
<td>2. Business development and social community focus</td>
<td>SBT, Gramham Bank</td>
</tr>
<tr>
<td>3. Entertainment and social community focus</td>
<td>Flatr, Red Cross, Kræftens Bekæmpelse,</td>
</tr>
<tr>
<td>4. Donation and a physical product</td>
<td>PBCD, Red Cross, TCE, Simpa</td>
</tr>
<tr>
<td>5. Donation and a Service</td>
<td>SOS</td>
</tr>
<tr>
<td>6. Donation and tax reduction</td>
<td>Red Cross, SOS, CSA</td>
</tr>
<tr>
<td>7. None</td>
<td>IMS</td>
</tr>
</tbody>
</table>

4.1. Combination of different value propositions

Instead of focusing just on one value proposition e.g. life, business development and gaming we found that that several of the use cases we studied used a kind of combination BM’s strategy to attract and “persuade” the micropayment. They “bundle” different value propositions and BM’s. We found the following value proposition combinations as shown in Table 2.

Generally we saw that there is not used more than two value proposition combination in these BM’s. However in 2 cases it could be argued that there were to some extend up to 3 value propositions given. (PBCD, RAD). Having more than one value proposition combinations seems to be critical to the success of a persuasive BM because the business models can get blurred and fuzzy in the perception of the customer. However the choice of different donation possibilities can be favorable to persuasive business models because this can increase the involvement of the donator.

4.2. Profit and non profit

The micro finance BM studied shows a variety of profit and nonprofit BM projects. We found that 3 BMs were pure profit BM projects, 7 nonprofit and 4 BM projects which made a kind of combination of profit and nonprofit BM,s - a multi business model approach (Lindgren 2012).
5. **SUCCESS OF A PERSUASIVE BUSINESS MODEL**

We now turn to the question: How can you tell that a BM project combining micropayment ecological, social and/or society capital purpose is or has been a success? We line up some of the dimensions for evaluation, which could be considered as success criteria to such:

Table 4 Success factors of persuasive business models

<table>
<thead>
<tr>
<th>Success Factors</th>
<th>Achieved</th>
<th>Medium success</th>
<th>Not Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Technical success – the technical system in the BM’s works and operates with success</td>
<td>IBS, GB, Flatr, CSA, KB, SBT, TCE, SOS, CCA,HSJD BA, PBCD, RAD, Simpa, CBM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. User and customer success of those donating the money – they feel they get value for money they donate and/or spend</td>
<td>IBS, GB, Flatr, CSA, KB, SBT, TCE, SOS, CCA,HSJD PBCD, RAD, Simpa, CBM</td>
<td>BA,</td>
<td></td>
</tr>
<tr>
<td>3. Networkpartner success – all or most network partner fulfill their goals and achieve their business and business model intention.</td>
<td>IBS, GB, Flatr, CSA, KB, SBT, TCE, SOS, CCA,HSJD PBCD, RAD, Simpa, CBM</td>
<td>BA</td>
<td></td>
</tr>
<tr>
<td>4. Short term success – the BM project success fulfill a short term need – generating money or change for a specific purpose quickly – life aid e.g.</td>
<td>IBS, GB, Flatr, CSA, KB, SBT, TCE, SOS, CCA,HSJD BA, PBCD, RAD, Simpa, CBM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Long term success – the BM project runs for a long time – and creates sustainable and ongoing business and BM development, social and community BM projects.</td>
<td>Flatr, CSA, SBT, TCE, SOS, CCA, PBCD, Simpa, CBM</td>
<td>IBS, GB, KB, HSJD RAD</td>
<td>BA</td>
</tr>
<tr>
<td>6. Relations success – the project and organization builds up a long term relation to those donating the money. The donators keep on donating the BM</td>
<td>SOS, Simpa</td>
<td>IBS, GB, Flatr, CSA, KB, SBT, TCE, CCA,HSJD PBCD, RAD, CBM</td>
<td>BA,</td>
</tr>
<tr>
<td>7. Value success – the BM project generates value as profit to the business</td>
<td>IBS, GB, Flatr, SBT, PBCD, RAD, Simpa.</td>
<td></td>
<td>(Non Profit BM’s (TCE, CSA, KB, SOS, CCA,HSJD CBM BA (Combined with a Profit based BM)</td>
</tr>
<tr>
<td>8. Value success – the BM project generates value as ecological value – ecological success</td>
<td>Simpa, CBM</td>
<td>IBS, GB, Flatr, CSA, KB, SBT, TCE, SOS, CCA,HSJD BA, PBCD, RAD, Flatr.CBM</td>
<td></td>
</tr>
<tr>
<td>9. Value success – the BM project generates value as Social success</td>
<td>IBS, GB, CSA, KB, SBT, TCE, SOS, CCA,HSJD BA, PBCD, Simpa,RAD, Flatr.CBM</td>
<td>IBS, GB, Flatr, CSA, KB, SBT, TCE, SOS, CCA,HSJD BA, PBCD, RAD,</td>
<td></td>
</tr>
<tr>
<td>10. Value success – the BM project generates value as Society success</td>
<td>IBS, GB, CSA, KB, SBT, TCE, SOS, CCA,HSJD BA, PBCD, RAD, Simpa, CBM</td>
<td>Flatr,</td>
<td></td>
</tr>
</tbody>
</table>

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**Table 4 Success factors of persuasive business models**

- **Achieved**
- **Medium success**
- **Not Achieved**
As can be seen most of the persuasive business models we studied have been successful in most criteria. – Some have however had minor implementation difficulties in the very early stages. Only very few (BA, GB) and on very few success criteria did not succeed.

It is therefore interesting to have a closer look to how these business models are create, constructed to find out how they achieve their success.

5.1. How do persuasive BM’s get success and how did they change the behavior of people or organizations to donate money?

The different organizations and projects do their outmost to create and attract micro financing. In this work they try to support or change a behavior in favor of micro payment to a project. They try to relate the micro payment to the above mention list of environmental and social capital issues. They do this both as nonprofit and profit based projects. A cross analysis and summary of the BM projects we studied shows some major difference in scope and objectives as seen in Table 4. As can be seen beneath the persuasive BM´s can be related to different “persuasive tools” which they use to “persuade” donators to donate and change behavior.

As can be seen society, life Health and entertainment are the most used “persuading value proposition”. In this context we accept that our case material can be biased as we are primarily studying persuasive business models in social, society and ecological business model ecosystems (Lindgren 2012).

Most of the persuasive business models use a multi business model approach (Lindgren 2012), where they use a combination – bundle - between two or more business models to convince the donators to donate money to their business model. The Simpa and KB business even use more than 3 BM’s.

5.2. Microfinance and tangible value proposition

Most persuasive business models seem to come with a kind of “tangible” value proposition either a product, a service or a process of products and services. CCA e.g. sells stuff to customers and take the donation out of the profit. RAD use the CD, special coin and signed cd album and Simpa use the solar cell lamp. SOS give the “father” a child
which becomes healthcare service, education and the possibility to follow the child and even visit him or her. There is however a big variety in the products and services that is connected to the different micro finance business models. In appendix x we have given an overview of these. Initially there seems to be a strong relations tangible and intangible value propositions inside a BM and between BM’s.

5.3. Microfinance and intangible value proposition

Very few micro finance business model use intangible product and services. However BA used this related to saving carbon and supporting community initiatives, but the business model seemed to be a bit fuzzy and unclear both with relation to the saving carbon and to the support fund BM. Further the business model seemed to have difficulties to succeed. It seems as if there was some distance between the donation and the carbon saving together with the funding projects. Therefore it seems as if the donator hereby had some difficulties to relate to the value proposition offered by BA BM.

5.4. Microfinance and single or multi business model

Most micro finance BM projects are multi business models, which means that the customer really “buy” a bundle of business models. In BA case e.g. the customers buy a reduction in carbon but also support to a community – and then of course a ticket to a flight travel.

5.5. Micro finance and technology

The mobile telephone seems to become more and more important in the setup and operation of BM microfinance projects. Very few of the BM projects were not using the mobile to generate micro financing for their BM’s.

5.6. Single or Group microfinancing

Very few of the projects we studied were group funded projects. SBT project was however a group funded project, where the group behind shared the risk of micro financing different social business projects. This means that microfinance project primarily seems to be funded by individuals – “a bottom up approach”. However we found some micro finance projects where it was cooperate funded or group funded.

Micro payment and social capital projects is a variety of many individual and few group initiative and investments. Many of the initiatives are carried out by volunteers but others are highly organized and runs as professional businesses. The microfinance business can be focused very short term based aid – focusing at helping people to recover from a catastrophe, hunger – Haiti, Africa. Other initiatives are more long term based – business development, community development, reduction of carbon, reforesting. A lot of these are enabled via micro financing donation in which we give some examples of different type.

5.7. Micro financing and trust

We found that persuasive Business models do have to a high degree ti be related to trustfulness. It is therefore vital to the success of the business model that the technology and the organizational structure around the business model are trustful to the donator. If the organizational structure gets too “blurred” the donators will not be attracted. If the relations between more business models gets to complicated then the donator will loose confidence and trust to the business models and not donator to the BM.
5.8. Micro funding and ownership

It was also found that it is important that the donator feels a kind of ownership and involvement to the BM’s. This can be established via the BM is strongly matching and related to the values of the donator or the values of the donators business. The persuasive business models must therefore be able to analyze and create a BM which valuepropositions are related to the donators values – otherwise it will be very difficult to achieve success of the business model.

5.9. Micro financing, network and network construction

Persuasive business models are often constructed with a rather complicated network physical network (network of people), digital network (ICT network) and virtual network (network that turn up whenever there is a task or a valueproposition that the persuasive business model have to provide. These networks are often very blurred and not ease to the donator to “see”. We found that it is therefore very important to those bidding out the persuasive business models to visualize and communicate very precisely how the network is constructed and which network are involved. It seems to be more important these days as the competition and number of persuasive business models increase.

5.10. Microfunding and nonprofit/profit business model

As seen in model 1 more persuasive business models use the multi business model approach, where they combinat e a profit and a non profit business model. Most business we studied in the persuasive business model ecosystem are nonprofit oriented business. However it is often very difficult to see clearly how these so called nonprofit business really are functioning and if the nonprofit organization is just a smart way of doing business.

5.11. Microfunding and user-friendliness

In those cases we studied it was significant that the persuasive business models must be extremely userfriendly. Especially in the very moment when the donator takes and makes the desion to donate the technology, service and paying process must be very userfriendly, easy and clear.

6. The optimum set-up in terms of persuasive business models

Above we addressed some of the issues of ability and hot triggers to persuasive business models and we identify the construction and what characterize a persuasive business model target at changing ecological, social and society behavior.

We now discuss the optimum set-up in terms of these persuasive business models would be.

Our research shows that a persuasive business model at an optimum must adapt a multi business model approach combining different engridience from more than on business model. To illustrate this we use the 7 building block Business model framework (Lindgren 2012) showing two persuasive business model examples.
Figure 2 TCE bundle of Business models related to AIDS Disease.

TCE have in this business case chosen to bundle two business models – one with their TCE Newspaper which generate money and is bundle with their second business model – The TCE AIDS Decease fight Business model. The two business models are both offered to the same customer – the donator. In this bundle of business models the donator gets a thing – the news paper – and the promise of TCE fighting the aids disease in one district chosen by TCE. This is how they “persuade” their customers to donate money to their business.

As indicated in the model TCE could have bundle other BM to these two Business Models and TCE have other BM cases in their Business.
Figure 3 KB bundle of Business models related to KB Disease lottery BM, cancer research funding, cancer information activity, cancer patient support BM,s.
The KB persuasive business model is much more complicated in its structure than TCE. Firstly it bundles at least 4 business models – the lottery BM, The Cancer funding BM, the Cancer patient support BM and the Cancer Information BM. Although it is said by the KB business that donators like often play the KB lottery knowing that if they do not win then their donated money will be used to something that will be in the could of cancer research, cancer patient support and cancer information then it is much more “blurred” to the donator what his donation specifically go to. KB plays the multi business model approach by bundling more BM’s together and offered this to the donator.

7. **Barriers to “Jump” to the Target Behavior and to Persuasive Business Models Success As Such**

How many business models can You play or bundle?. Is there a maximum of business models and a maximum of a bundle of business models. This we have not been able to investigate in our research. However there seems to be a limit on how You bundle business models and how many business model You bundle.

Firstly it seems that persuasive business model bundle with society supporting business models e.g. ecology (Carbon, rainforest protection e.g.), pollution protection, society social issues face harder conditions to success than persuasive business models related to life and health persuasive business models. These persuasive business models could presumably jump barriers to change of behavior or rejection to donation by bundling their business models with other types of business models as entertainment, edutainment, life or health business models.

Secondly it seems that pervasive business models that have smart and easy to operate technology embedded have higher potential for success.

Thirdly it seems that pervasive business models that make the donator personally involved in the donation choice and the donation moment seems to have higher possibilities of success. The personal involvement can either be established via entertainment BM, choice of health care BM (HSJD case – make donator choose between 3 different health care BM’s),

All in all there is several barriers to jump and this is why the BJ Fogg behavior change model can be valuable to change the behavior of people with small steps.

8. **“Dark Sides” of Persuasive Business Models**

Through our analysis of the use cases we also came above some dark sides of persuasive business models

**Harnessing the social capital in small groups**

Persuasive Business models that focus on lending to the poor are e.g. often costly due to high screening, monitoring, and enforcement costs. Group lending advocates that the believe in individuals are able to select creditworthy peers, monitor the use of loan proceeds, and enforce repayment better than an outside lending organization can by harnessing the social capital in small groups. Using data collected from FINCA-Peru (Fiegenberg 2005) exploited the randomness inherent in formation of lending groups to identify the effect of social capital on group lending. She found that having more social capital results in higher repayment and higher savings. She however also found suggestive
evidence that in high social capital environments, group members are better able to
distinguish between default due to moral hazard and default due to true negative personal
shocks.

**Leapfrog of traditional banking services and moral**

Cell phones have allowed much of the developing world to forgo building an expensive
landline infrastructure in rural areas and could now be used to leapfrog traditional banking
services. A study by Vodafone suggests that "in a typical developing country, an increase
of 10 mobile phones per 100 people will boost GDP growth by 0.6 percentage points."
Notwithstanding the potential of mobile banking to expand financial services to the poor,
the proliferation of cell phones has had a positive impact on development but also in some
cases negative impact. A string of suicides has put micro lending under the spotlight .A
messy collision with the realities of local politics made the Indian MFIs think about
restriction in microfinancing and micro payment. However MFI finally decided not to and
instead focus on talking about something more basic: survival. However politicians from
the state of Andhra Pradesh (AP), where microfinance has made the deepest inroads and
where SKS has its headquarters – one of the big providers of micro finance- , have held
micro lenders responsible for the suicides of 57 people. It was alleged that these people
were hounded to their deaths by lenders' coercive recovery practices. MFIs deny
wrongdoing. Vikram Akula, SKS's founder, said that although 17 of the 57 women who
killed themselves were SKS clients, none was in default so there was “no scope for putting
any pressure”. Despite this, the state government passed an executive order on October
15th 2005 imposing curbs on MFIs. The order stopped short of capping interest rates, as
many had feared, though a subsequent statement by a senior bureaucrat suggested that this
remained an option. SKS voluntarily shaved two percentage points off its loan rates in AP,
where it had 2.2m borrowers. But it was barely functioning in the state anyway. A series of
arrests of so called “field workers” led the business to keep 6,000 staffers idle.

**Interest rates too high of persuasive business models**

Interest rates of 20-30% may seem high for Micro finance - but so are recovery and loan-
servicing costs in remote villages. According to Mary Ellen Iskenderian of the Women's
World Banking (Iskenderian 2010), a network of MFIs, a more pressing problem is likely
to be over-indebtedness, fuelled by rapid growth in a sector with no formal credit bureaus.
This led to that Indian MFIs are now sharing information, pledging not to lend to a person
who has already borrowed from three others and to keep total lending to a limit. However
smaller lenders have fewer qualms (The Economist 2010)

**Persuasive technology to easy to use in Persuasive Business Models**

Many persuasive business models have shown to be too easy to use and “too persuasive”
leading some donators into serious financial challenges. Above we comment on the easy to
lend money via micro loans but also when persuasive business models are related to games
and edutainment some donators forget about their economical ability and just “push the
button” with out taking their situation into consideration. They are so “persuaded” by the
donation situation that the forget about reality.
Persuasive business Models and ethical issues

As more and more persuasive business models move to bundle their business model with edutainment and “life and dead” then they fall into some ethical considerations about the real economical situation and ability of the donator. Still there is no rules to and very few guidelines to these business – how to manage “persuasive business models” in a social, society and ethical way.

9. CONCLUSION

Persuasive BM concept is increasingly gaining acceptance within the business world. The concept of persuasive business models is however not new and especially the church have since long been real experts on persuasive business models – to some extent maybe too clever to run these models.

The concept of persuasive business models has evolved within the increasingly globalized world and environment – however no one have yet defined the persuasive business model. Conversely, the evolution of persuasive business models and new persuasive business models is argued to be just on-going and possibly unstoppable in their process. Thus, this paper has been concerned with the relation between persuasive business models and their road to success we found that one of the main roads to their success is their ability to bundle more BM’s – the multi business model approach. However when the complexity in the bundle of business models increase the persuasive business models face the risk of “blurredness”, which can lead to unsuccessful results.

In the study we also looked for - How the suggested persuasive business models in a business model context might be adapted into other business models and lines of behavior with similar feats? In context of the latter, it is suggested, that there is a potential new business model eco-system on the rise and that other business not using persuasive business models could with preference learn from these and even adapt some of their approach to general business modeling.

In order to counteract these effects and create leverage the idea of performing a persuasive business model with persuasive technology was introduced and the significance of the persuasive business models was related to the huge possibilities. On the other hand, the increased competition and the rapidly developing persuasive business model ecosystem have forced businesses and their BMs to become more agile, dynamic and smart in bundling technics. In this context the persuasive business model is highly related to the evolution of ICT, evolution of network based business models, globalization of BM’s and their resources and opportunities availability - hereby involved. However, this raises significant challenges and ethical questions in relation to persuasive BM leadership and management.

10. FUTURE EXPECTED RESULTS/CONTRIBUTION

The study has enlightened a first theoretical attempt to persuasive business models. The next step is to initiate a more thorough and empirical based research to clarify the hypothesis, in order to be able to support and test the persuasive business models on a broader scale.
11. References


Appendix 1. Persuasive Business Model Use cases

1. **British Airways’ - Unique One Destination Carbon Fund (BA)**
   
   **Scope:** Environment and social responsibility – non profit, CSR and branding oriented related to BA
   
   **Objective:** Reduce Carbon, Environmental protection, Social welfare, social responsibility, community development, nonprofit, branding
   
   British Airways’ decided in 2008 to establish a “unique One Destination Carbon Fund” where they take customers flight ticket donations and used them to support energy efficiency and renewable energy projects in communities in UK. BA was targeting parts of UK that BA thought needed the most help to improve their economic and social well-being. The funds were managed a not-for-profit charity fund, using the UK Carbon Reporting Framework as quality insurance. The donation funded a range of projects from helping install solar hot water in community swimming pools, small scale wind turbines for schools or energy efficiency measures in social housing. BA ensured their customers donation money went to make projects that gave real difference in communities across the UK – via connecting each project to support saving carbon and so its was good for the environment as well as local communities too. BA hereby related carbon saving with social projects in local communities.
   
   **Comment:** Has not yet in particular been very successful in amount of donation, but to some extend on CO2 and social impact.

2. **Indian, Bangladesh and South African based Micro finance (IBS)**
   
   **Scope:** Mobile Micro financing business model to poor people at the bottom of the pyramid – profit oriented
   
   **Objective:** Business development, development of life, profit, new markets
   
   Access to capital and financial services is a problem with in developing countries. Lack of access to banking services hinders economic development and gives the poor no option other than the informal cash economy, leaving them vulnerable to risks and without any means to efficiently save or borrow money. Higher saving rates have proven to make more capital available for investment in development.
   
   "What we're finding from the evidence from economists is that actually greater access to financial services improves economic growth,"
   
   Jeremy Leach of FinMark Trust, an NGO that promotes financial services for the poor.
   
   "For many poor South Africans, the system offers a first step into a world that can help them save, send, and receive money. With a few key
Consultative Group to Assist the Poor (CGPA) estimated in 2008 that 80 percent of people in least developed countries are unbanked. The term unbanked refers to people who do not use simple banking services that the developed world takes for granted, such as checking and savings. Barriers to conventional methods of banking include lack of education, illiteracy, high fees, and proximity to banking facilities.

(Source.: GPFI http://gpfi.org/about-gpfi/partners/consultative-group-assist-poor)

Cell phone banking have revolutionizes financial services for the poor. A woman manages e.g. a village from one cell phone for a project in rural Bangladesh. Another woman manage equally in rural area in South Africa food supply and banking. SKS, Indias biggest microfinance institution (MFI) expects that an infusion of private capital will spur even greater growth in credit to India's rural poor, where nearly estimated 27m of whom are already microfinance clients (MFI 2010). Banks and cell phone companies are taking advantage this expansion of cell phone use in developing economies to extend financial services to roughly 2 billion people, who use cell phones but lack bank accounts. The "dark sides" are comment later.

Comment: Particularly successful in profit term and impact but with some “dark sides”

3. The Social Business Trust (SBT)

Scope: Micro financing business model to develop social businesses – profit oriented

Objective: Growing and developing social businesses, movement of philanthropy and socially responsibility investment

Social Business Trust (“SBT”) is a partnership of six world class businesses, who have come together to combine their resources and expertise to help accelerate the growth of social enterprises. SBT believes there are a number of social enterprises capable of scaling up their operations on a regional and national level and has a clear and ambitious goal: to help transform the impact of social enterprises and thereby improve the lives of up to a million people in the UK. SBT’s strengths and capability come from a combination of the partners’ commercial and industrial experience; their insights into the needs and sensitivities of social enterprises; and their operational expertise and access to growth capital.

SBT give out “small micro grants” and pro-bono support, with the aim of rapidly growing more than 20 social businesses. The management team behind Bain & Company had initially worked together, supporting social business to scale up. – (http://www.socialbusinesstrust.org/about-us)

Comment: Very succesfull in profit term and impact

Since inception, SBT has made six investments in UK based social business:
4. **Grameen Bank (GB)**

**Scope:** Mobile micro financing business model - Profit oriented

**Objective:** Fight against poverty, homelessness, destitution and inequality

Microfinance made headlines when Grameen Bank – one of the first microfinance bank - founder Muhammad Yunus won the 2006 Nobel Peace Prize. The cost of the small transactions involved in microfinance— savings accounts, money transfers, and loans to the poor—have been an obstacle. The use of cell phones has verified to cut the cost of such transactions, making widespread microfinance more efficient. A CGAP study funded by the Bill and Melinda Gates Foundation, found that cell phone banking was potentially six times cheaper for routine banking transactions.

“Grameen Bank is a message of hope, a programme for putting homelessness and destitution in a museum so that one day our children will visit it and ask how we could have allowed such a terrible thing to go on for so long”, he said. Source: http://www.grameencreativelab.com/events/worldwide-social-business-day-2012.html

**Comment:** Very successful both in profit term and in impact.

Muhammad Yunus, winner of the 2006 Nobel Peace Prize and Managing Director of the Grameen Bank since 1985, has been widely recognized as the originator of the use of microcredit as a powerful tool in the fight against poverty and inequality. The Bangladesh-born Fulbright Fellow has a vision of the global eradication of poverty.

5. **Flatr (FLA)**

**Scope:** Entertainment micro financing business model

**Objective:** Entertainment, social capital

The latest years there has grown a new world filled with entertainment, news and tools made by everyone, that can support social interaction and community development. Social micropayments that let you support bloggers, developers and other creators. Click on buttons to reward great web content or add Flattr to your site. Customers to Flatr pick how much they like to spend per month on this activity. Then, whenever they see a e.g. Flatr button on any website, that they like, they click it. When they click the Flickr button they get any types of entertainment – gimmick, small play, joke tailor made to the customer. Flickr then count up all of their clicks at the end of each month and distribute monthly spend between everything they clicked on. Flatr - http://flattr.com/ Big change through small donations

**Comment:** Successful to some extend on profit and impact.
6. Simpa Networks (Simpa)

Scope: Energy saving business model to poor people – profit oriented

Objective: Energy access to Poor people, safer energy, cheaper energy, healthier energy

Simpa Networks was founded by Paul Needham, InfoTech entrepreneur with two successful exits and a dozen years senior leadership experience, most recently at Microsoft Corp. Jacob Winiecki, recognized thought-leader on energy access and former operational specialist with Arc Finance, with over 5 years experience in microfinance and energy access across India, Sub-Saharan Africa and East Asia, and Michael MacHarg, MBA, former micropayments advisor to Arc Finance and former Acumen Fund consultant with over a decade of experience leading global social enterprises across the spheres of energy, finance and health joined the Simpa Networks. Simpa Networks saw that worldwide, approximately 1.6 billion people have no access to electricity and another 1 billion have extremely unreliable access. Without ready access to electricity, the poor depend on kerosene lanterns and battery-powered flashlights for light. Kerosene lanterns are dangerous, dirty, and dim. Worse, they are very expensive to operate. And yet, in most markets, kerosene lanterns are the preferred lighting system. For a person with little or no savings, no access to formal credit, and low and uncertain income, the selection of kerosene lighting is eminently rational. Kerosene lighting has a low initial purchase price and offers a flexible pattern of expenditures over time. The consumer can choose how often and how bright to burn the lantern, and often chooses to forego light entirely for periods when income is unavailable. The kerosene light – with its high operating costs, its many dangers to health and home, its poor quality light and noxious fumes – has been the best choice available. The poor people can’t break the cycle of poverty because they can’t take advantage of the myriad productive uses of energy. Access to energy is essential for a family’s economic livelihood, health, safety, educational achievement, and quality of life – “It’s Expensive to be Poor”.

Many individual consumers in many emerging markets are making less than $10/day, with the poorest spending up to 30% of their income on inefficient and expensive means of providing light and accessing electricity. Worldwide, low income consumers spend about $38 Billion per year on kerosene for light, another $10 Billion on cell phone charging. Simpa estimates that there is likely a $100B global opportunity for small scale distributed energy solutions, with no clear market leader.

Modern energy systems that meet these lighting and basic electrification needs are on the market for $200-$400 retail. These systems typically include a solar panel, battery, charge controller, at least 3-4 lighting points, a mobile phone charging port and power for charging or powering small DC devices. These solar home systems have proven to be very desirable to consumers who immediately recognize the health, educational, and income generating benefits. Yet households cannot afford the high upfront cost of a quality solar energy system and thus remain locked into expensive fuel-based lighting and battery charging fees. Over the 10 year useful life of a quality SHS, households will spend $1500-$2000 on kerosene, candles, batteries and phone charging. They are paying more than they need to, because they are poor and because their incomes are low and unpredictable. Underscore this fact: In our launch market, India, as in most developing country markets, the low income consumer can actually afford a small solar home system if only they could.
pay for such a system over time, in small, irregular, and user-defined increments. That is, if the pricing model matched the pricing model they are already using for kerosene, candles, batteries, and phone charging.

**Comment:** Very successful both on profit and impact.

One-line Pitch - Portable solar charging and light through mobile micro-payments for rural African families was introduced to the market. Micro payment-control venture formed after 3 years of direct pay-per-use solar energy trials in rural Kenya and 30 combined related-years of mobile-micro payment and rural outreach experience, operating against a proven way to profitably bring affordable power & light to those who can only pay with cash-on-hand.

7. **The charity button machine (CBM)**

**Scope:** Donation Business Model – non profit

**Objective:** Saving nature, Environment protection, Social responsibility, nonprofit, branding

By pushing on the charity button at the bottle automat (Appendix x) at the largest retail chain in Denmark Coop (www.coop.dk) it is possible to donate bottle recycling money to wellbeing projects in WWF – (www.wwf.dk) and Red Barnet – (www.savethechild.dk).

About 1100 bottle automats have this extra button in Denmark. It is possible to donate the whole or part of the recycling bottle money. This is done by pushing the Wellbeing button first, and when the customer reaches the amount they want to donate then they push the charity button. Afterwards the rest of the bottles and cans are delivered and the pay button is pushed and a cash ticket can then be changed to cash at the cash register.

**Comment:** Very successful related to donation.

The system was tested in 2007 and from September 2008 it has been up and running in all Coop’s retail shops. The donation to Red Barnet and WWF Verdensnaturfonden was in 2010: 7,980,644 Dkr. And in 2011: 7,722,483 DkR.

8. **The TCE project (TCE)**

**Scope:** Donation Business Model - nonprofit

**Objective:** Health care, Social responsibility, community development, nonprofit

TCE was developed as a program by Humana People to People. TCE means Total control of the Epidemic (HIV/AIDS-epidemy). The objective of TCE is to reach total control with AIDS in Southern Africa. TCE builds upon the belief that people by them self can win the battle of AIDS and prevent the HIV infection, while all other people can participate in the battle via small donation. The battle against HIV/AIDS is carried out very systematically. A country is divided up into districts and then subareas. One subarea includes 100,000 people. In every subarea TCE employs 50 locale TCE Field Officers within 3 years. Their task is to free the area for more AIDS spreading. TCE Field Officers walks form person to person and inform about HIV/AIDS, and how people can be tested and protect themselves. The Field Officer develops healthcare programs for ill people, pregnant
women and children without parents. Further the Field Officer establish neighbour support groups, working groups and collaboration with health care organizations together with personal advice to families.

The scope is to fight HIV and AIDS with the “TCE army”, who do not work with weapons, but knowledge, innovation, persistence and sticking together. Money is collected for the program more times every year via small donation. This work is especially done by school pupils and teachers, and by selling the TCE-newspaper.

Comment: Successful to some extend in collecting money for the project. Successful related to the impact.

9. “The Church Cross Army” (CCA)

Scope: Donation Business Model - nonprofit

Objective: Social responsibility, community development, religious charity project, branding

The Church Cross Army collects stuff that people do not any longer want to keep and then sell these items in special shops. The money collect is then donated for certain social and community projects or send to rural areas for help and support. The products are sold by volunteers and then small money donation from each product is then used for donation. The system has a kind of double donation as people come with their stuff and give it to CCA. Then people can come and buy the stuff for a low price. The system also have a kind of recycling impact on society as old stuff is reused.

Comment: Successful on collecting money and impact.

10. Cancer reduction “Kræftens bekæmpelse”. (KB)

Scope: Donation via gaming Business Model – non profit

Objective: Health care – specific cancer, Social responsibility, nonprofit, …

The Danish cancer fond runs a lottery with more than 20,000 winners in the lottery. Hereof 10 winners will have 1 mill. Dkr. It is not possible yet possible to sell the lots online. Therefore those who want to donate and join the lottery must pay by bank transfer or payment at the local post office. The profit from the lottery goes to 3 main areas: Research, Information and Support to patients and relatives

Comment: Very successful and high impact

The big amount of money that the winners get makes a lot of people dreaming and interest to play/donate a large amount of money. The players get a feelling of a ‘win-win situation’. Although they don’t win, they are always sure, that cancer patients and their relatives will get advantage out of the lottery. In 2011 the lottery gave a total profit of 58,5 million Dkr.

Scope: Donation via product or “at the cash register” donation Business Model – non profit

Objective: Health care – specific cancer, Social responsibility, nonprofit, branding

More and more retailers are making social responsibility a key component of their standard business practices. The sale of “Red” and “pink” merchandise to benefit breast cancer research has become familiar to shoppers in a Pavlovian kind of way: Consumers see the now ubiquitous pink products and their brains immediately associate the branding with the Susan G. Komen for the Cure global breast cancer movement.

Likewise, big-box retailers such as Gap, Apple Computers, and Hallmark make their customers see red. Make that (Red), as in (Product) Red, a movement dedicated to eliminating AIDS in Africa. At Gap, half the profits from sales of Gap (Product) Red merchandise go to the Global Fund to help finance AIDS treatment and prevention programs on that continent.

Unlike pink breast cancer merchandise, (Red) products are not necessarily red. But they are hip, such as the popular girl's white angora-blend hoodie for sale at Gap. The word "ado(red)" is written in pink across the front, with a heart in place of the letter "o."

Pink week where another initiative were the retailers and their employees support the donation initiative. At the cash register before paying for the goods the customer is asked if they would donate some money for the breast cancer initiative.

Embracing Better Business Practices - Gap cites, as its reason for participating in the program, that companies in today's world should go beyond the basics of ethical business practices and embrace responsibility to people and to the planet.

It's just the right thing to do, according to Senior Vice President of Social Responsibility Dan Henkle, "it also unlocks new ways for us to do business better."

Comment: Successful on collecting money and impact.

12. Red Cross.: “Artist donation” (RAD)

Scope: Donation Business Model via an artist cd or concert tickets

Objective: Health care, Life aid, … nonprofit, profit, branding, …

L.O.C.’s famous artists new CD – (http://www.rodekors.dk/kampagener/loc ) was sold via the Red Cross website – (www.rodekors.dk) . By bying this the buyer supported Red Cross work. All the profit from the sales were promised to go directly to Red Cross work. The Artist is hereby used as a platform to sponser aid. Red Cross is dependent of the aid the citizen gives and this is a new initiative to the organization. L.O.C. claimed he wanted to help people suffering. By buying the album in a digital version each donation will give 30Dkr. To Red Cross. If one buys both album 1 and 2 in a dobbelt album they donate 100 Dkr. and if they buy for 500 Dkr. they get a unik Danish National Bank developed Red Cross/L.O.C: coint and a signednated dobbelt albumn. The coin is only produced in 500 pieces and the physical dobbeltalbum is also only published in a limited amount. The cooperation with L.O.C. runs for one month and can be bought via L.O.C.s and Red Cross
own webplatforms, in CD retail shops, both physical and digital streaming-service platforms.

13. Concerts – Save Africa. (CSA)

Scope: Donation Business Model via group of artist and concert event + cd

Objective: Health care, Life aid, …nonprofit, branding, …

Give a hand to Africa was the title of a popsong from 1985 written by Nanna and made in a studio together with 1980'ties most popular Danish pop- and rock musicians as an aid cd for hungry people in Africa. The inspiration came from Bob Geldorf and Midge Ure from 1984 and the American version We Are the World written by Michael Jackson and Lionel Richie. Nanna won the competition to wright the song as red cross had made a completion amongst pop- and rock song writers, who should have the opportunity to write the song. The song was played at television-transmitted support concerts Rock for Afrika.

Comment: Highly successful on collecting money and impact

14. HSJD – The Spanish Hospital

Scope: Donation Business Model via product sells

Objective: Health care, Life aid, nonprofit, branding, …

The hospital Hospital Saint Juan de Dieu (HSJD) belongs to the Hospitaller Order of Saint John of God and is a private, non-profit hospital. The order is represented in more than 50 countries and has almost 300 healthcare centers worldwide. HSJD is located in Barcelona, Spain, and is a children and maternity care center. HSJD is a university hospital connected to the University of Barcelona and they are also associated with the Hospital Clinic of Barcelona, which helps the hospital to provide top-level technological and human care. HSJD is 95 % financed by the Catalonian public system and the remaining 5 % comes from private investments. One of HSJD challenges relates to finance, because of the increased cutback in the revenue from the Catalonian public system, since the Spanish economic is under a significant pressure. In regard of that one of HSJD goal is to get a stronger foundation of finance and also be more efficient, which HSJD wants to enable though innovative solution and participate in innovative partnerships and networks – herunder micro payment.

In HSJD Hospital Saint Juan de Dieu – (www.hsjdbcn.org) it is possible to buy at the hospital shop several products with the logo of the hospital. When the customer is asked to pay they are also asked to decide whether the profit of the product should go to one of 3 healthcare project.

1. Help for Children from Somalia to be operated at the hospital in Barcelona Spain,
2. Help to children suffering a certain decease
3. Help to poor children in spain to go to dentist.

Comment: Successful on collecting money and impact
15. SOS - Children fond

Scope: Donation Business Model

Objective: Social responsibility, health care, new hope, education, nonprofit.

Many children that have lost their parents through war, illness, hunger e.g. lives alone in deep poverty without any possibility to get education, food or some chariness. As a so-called SOS-father donators can help a child for only 7 Dkr. Pr. day. Hereby the child will get a new home, family, healthcare and education. The fond promise that only 10% will be used for administration and no one will be tied up to the agreement forever. This means that the SOS-father can stop payment at any time. The full amount of money can be used as tax reduction. Further it is possible to follow at a website what the money is used for. Further the SOS-Father will receive a SOS-news magazine.

A. Product, service and process related to micro finance business models.

<table>
<thead>
<tr>
<th>Project</th>
<th>Product</th>
<th>Product</th>
<th>Product</th>
<th>Service</th>
<th>Service</th>
<th>Service</th>
<th>Process of product and service</th>
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<tbody>
<tr>
<td></td>
<td>Physical</td>
<td>Digital</td>
<td>Virtual</td>
<td>Physical</td>
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<tr>
<td>1. BA (BA)</td>
<td>Ticket</td>
<td>Ticket</td>
<td>CO₂ reduction</td>
<td>Community investment</td>
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<td>2. IBS (IBS)</td>
<td>Money</td>
<td>Bank account</td>
<td>Bank service</td>
<td>Money and bank service</td>
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<tr>
<td>3. The Social Business Trust (SBT)</td>
<td>Venture Money for micro Social capital project investment</td>
<td>Board membership and professional help to set up business</td>
<td>Support during the process of setting up and running the business</td>
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<td>4. Grameen Bank (GB)</td>
<td>Money</td>
<td>Bank account</td>
<td>Bank service</td>
<td>Money and Bank service</td>
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<td>5. Flatr (FLA)</td>
<td>Money to social capital responsible business, products and projects</td>
<td>Flatr logo on the vendors website to click on Track of clicks and accounting</td>
<td>Entertainment Track of clicks and accounting</td>
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<td>6. Simpa Networks (Simpa)</td>
<td>Solar cell lamp and source operated by mobile telephone</td>
<td>Mobile lightning Track of use and accounting</td>
<td>Lightning</td>
<td>Track of clicks and accounting</td>
<td>Mobile service and light</td>
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<td>7. The charity button machine (CBM)</td>
<td>Get rid of bottles and cans</td>
<td>Money back from bottle and cans</td>
<td>Money will be sent to the WWF and Red Cross</td>
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<tr>
<td>No.</td>
<td>Program Name</td>
<td>Description</td>
<td>TCE Operation – Information, Workshops E.G. In The TCE Areas</td>
<td>TCE Process of “Fighting the AIDS”</td>
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<td>8.</td>
<td>The TCE Project (TCE)</td>
<td>Newspaper Money send and used by The TCE project</td>
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<td>9.</td>
<td>“The Churchs cross army” (CCA)</td>
<td>Get rid of old and unwanted stuff</td>
<td>Handling and taking care of the old “stuff” and sending the “profit” to the projects</td>
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<td>10.</td>
<td>“Kraftens bekæmpelse” (KB)</td>
<td>Lottery lot if winning Money Promise that the money will be spend according to the aim of the lottery and KB’s statements</td>
<td>Funding service to researchers, support groups and information service activities</td>
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<tr>
<td>11.</td>
<td>“Pink breast cancer donation” (PBCD)</td>
<td>Products if RED action Possibility to donate via the cash register if Pink action. Security that the money will be donated according to the objectives and purpose</td>
<td>Digital donation and Payment service</td>
<td>Taking care of the money handling so that the money falls in to the right hands according to the purpose of the “red” and “the Pink” project</td>
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<td>12.</td>
<td>Red Cross: “Artist donation” (RAD)</td>
<td>CD, Special coin, Special signed Album</td>
<td>Digital ordering and Payment service</td>
<td>Having LC to sign the albums Transfer the money to the right purpose and organization</td>
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<tr>
<td>13.</td>
<td>Concerts – Save Africa. (CSA)</td>
<td>Concert, Concert tickets</td>
<td>Digital ordering and Payment service</td>
<td>Transfer the money to the right purpose and organization</td>
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<td>14.</td>
<td>HSJD – The Spanish Hospital</td>
<td>A product in form of a HSJD moscot, a book</td>
<td>Taking care of the money handling so</td>
<td></td>
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for children, and other products from the HSJD shop that the money falls in to the right projects of the 3 projects

| 15. SOS | A certificate that the donator is a “Father” | Digital ordering and Payment service Track and trace of the money flow | Taking care of the money handling so that the money is given to the child sponsored | Track and trace of the how it is going with the child sponsored |
| Children fond (SOS) | | | | |

**BIOGRAPHIES**

**Peter Lindgren** is Associate Professor of Innovation and New Business Development at the Center for Industrial Production, Aalborg University, Denmark. He holds B.Sc in Business Administration, M.Sc in Foreign Trade and a Ph.D in Network-based High Speed Innovation. He has (co-)authored numerous articles and several books on subjects such as product development in network, electronic product development, new global business development, innovation management and leadership, and high speed innovation. His current research interest is in new global business models, i.e. the typology and generic types of business models and how to innovate them.

**Morten Karnøe** is Professor in humanistic knowledge processes and culture-driven innovation at the Department of Learning and Philosophy at Aalborg University, where he also is Director of the Interregional Centre for Knowledge and Educational Studies. His research is primarily focused on technology, innovation and culture. In recent years his major area of research has been culture-driven innovation, facilitating mergers between cultural knowledge and specific innovative areas. He has published widely, both nationally and internationally, on a number of areas such as innovation, technology diffusion and economic development. Furthermore Morten has extensive experience in project management and guidance at both national and international level. From 2008 (initiated 2009) to 2010, Morten build, secured funding for, and took leadership on an EU Interreg IVA project – IKON - incorporating 48 institutional partners, and more than 300 individuals, in Norway, Denmark and Sweden (see: http://www.ikon-eu.org/). Management tasks involved all aspects from accounting over HR to research leadership. Morten has in recent years built partnerships with several international companies. He has been visiting professor at Stanford University in 2011 and 2012, and was also in 2011 appointed Aalborg University expert in innovation.

**Mark Nelson** is a senior researcher at the Persuasive Technology and Peace Innovation Labs at Stanford University. Mark Nelson is project lead at EPIC Global Challenge, researcher and practitioner at Stanford University's Persuasive Technology Lab, and founding member of Stanford's Peace Innovation Lab. In addition, Nelson is founder of
Peace Markets and advisor at Gumball Capital. He was previously advisor at Vipani.org and Panango.org and an independent business consultant.

**B. J. Fogg** is a Professor at Stanford University. Dr. BJ Fogg directs the Persuasive Tech Lab at Stanford University. A psychologist and innovator, he devotes half of his time to industry projects. His work empowers people to think clearly about the psychology of persuasion and then to convert those insights into real-world outcomes. BJ has created a new model of human behavior change, which guides research and design. Drawing on these principles, his students created Facebook Apps that motivated over 16 million user installations in 10 weeks. He is the author of Persuasive Technology: Using Computers to Change What We Think and Do, a book that explains how computers can motivate and influence people. BJ is also the co-editor of Mobile Persuasion, as well as Texting 4 Health. His upcoming book is entitled The Psychology of Facebook. Fortune Magazine selected BJ Fogg as one of the “10 New Gurus You Should Know”.