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Dollars & Sense

ABOUT THE AUTHOR...

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Redina is the Fundraising and Stewardship Consultant for McConkey-Johnston International based in the firm's UK office. For more than a decade she has extensively researched patterns and motivations for giving amongst individual Christians and churches and has spoken at fundraising and stewardship workshops in the UK, Australia and Europe. In 1998 Redina published the first report on giving trends amongst evangelicals in the UK which lead to the formation of the Stewardship Forum of the Evangelical Alliance UK. Since then Redina has conducted research projects focusing on the relationship between Christian organizations and churches, giving patterns of under 35's and the effects of socio-demographic factors on Christian charitable giving.

Redina has also designed and taught a variety of training courses for church leaders, treasurers and Christian ministry fundraisers who want to release more financial resources for ministry and mission. As the Stewardship Education Consultant for Stewardship Services Redina played a major role in developing the programs and marketing strategies for three consecutive M:Power – Christian national stewardship conferences.

"Know thine audience" is rule number one when it comes to crafting meaningful donor programs. But the fact is, too many ministries are unwilling to take the time and trouble to gain critical knowledge. That begs the question...

Market Research:

Friend or Foe to Christian Charities?

by Redina Kolaneci

"If you are ignorant of yourself, in addition to your constituents and competitors, you will fail every time."

Donald G. Krause in *Sun Tzu: The Art of War for Executives*

Now that you have dotted the i's and crossed the t's in your fundraising appeal or newsletter let me ask you a question: How do you know if your message is correctly targeted and will be understood in ways you want it to be?

The answer is you have to ask your audiences and you have to systematise the way you gather information. In other words, you have to provide opportunities wherever possible for people to let you know what they think of your charity's communications, how they want to relate to your work and use this information for developing meaningful relationships with them.

Good communication is a two way process. If you are to communicate effectively with your present and potential supporters you need to know what their interests and concerns are. And the best way for discovering your audience's interests and monitoring their reactions to what you are doing is to carry out market research.

What is market research?

Market research can be defined as an information management system that enables organisations to gather data from internal or external sources, process this data into information and use the outputs to shape future decision making.

Here **data** is defined as raw, undigested facts. An example of data is the number of donors who made a gift in response to your latest fundraising appeal. While **information** is data that has been processed, made sense of through a process of combining or comparing it with other data. For example, by comparing new participants in a regular giving programme with other types of donors, we can discern a trend in their giving patterns or age that might help us target potential donors for the regular giving programme.

In an age of information overload the real challenge for charities like yours is to determine what kind of information you really need, to know where to find it and how to use it once you have obtained it.

Case Study

Reaping the Benefits

In 2001 Food for the Hungry USA spent $15,000 on a telephone survey of present and potential donors. One of the interesting trends from this survey conducted with 500 respondents was that almost half of them stated that they listened to Christian radio stations several times a week. Grasping the marketing potential of this insight the vice president of ministry partnerships persuaded his superiors to divert $50,000 previously budgeted for other activities to a focused advertising campaign on Christian radio outlets. The outcome – a $500,000 rise in donations compared to the previous 12 months, which was attributed directly to these radio promotions. (Source: Wolverton, 2002)

Not all market research yields such great results, although many charities emphasise its usefulness in reconnecting with lapsed donors, learning what aspects of their work matter the most to the donors and how well their organisations rate compared to other charities in the same field.

Where do you start?

Any market research exercise starts with identifying key questions you want to answer. The next step is gathering the data you need from primary or secondary data sources.

Primary data is specifically collected to help with decision making (for example to test out a new donor acquisition package) whereas **secondary data** has already been gathered by another organisation or specialist group for their purposes (for example, research pertaining to religious attitudes and lifestyle choices conducted by Barna Research Group).

Obtaining secondary data is often called ‘desk’ or ‘library’ research and is likely to be easier and cheaper than obtaining primary data. Yet, gathering primary data is what most people would think of as market research. Analysis of primary data is likely to provide the best kind of information you need for evaluating your communications with specific audiences.

Secondary data can help you find answers to questions like: how women philanthropists would like to get involved with charities? or How to relate to under 35s and get them to support your cause? Insights about women philanthropists and young adults can be used to shape the content and style of your fundraising and communications pieces. While primary research can help you address specific questions about your own supporters and discover the reasons why they are involved with your organisation and how many times they would like to hear from you rather than from other charities in general.

Sources of primary data

Gathering primary data is a skilled process and many organisations often ask market research agencies to do it on their behalf. However, if you chose to conduct your own market research it is very important that you understand the questions to be asked and are very clear about how the resulting information would fit into your organisations future planning and operations.

Here are the three main sources of primary data:

- **Syndicated research.** Rather than commissioning primary research individually some organisations might choose to club together and share the costs. This kind of research is particularly useful if your organisation is trying to gain insights on giving patterns or attitudes of different groups (e.g., 18 - 25 yearolds, people who have a special interest in social justice or environmental issues, etc).

- **Panel research.** This is a form of continuous market research where the same group of respondents, who represent various segments of a market as a whole, are asked a series of questions over time. This method is widely used in the for-profit sector to measure the use of various brands or TV viewing habits.
- **Custom research.** This is the most common activity of the market research industry. A specialist agency is commissioned by an organisation to do a specific piece of research and provide insights on donor demographics, behaviour, choice of communications, feedback on content and style of communications and much more.

There are two general sources of secondary data. The first is the internal data that is routinely collected from your charity's records (e.g., financial data about giving patterns, service users data, etc).

The second source of data is external – data collected by other organisations for their purposes. External secondary data is available from six general sources:

- Specialist databases and information providers
- Associations
- Published reports
- Government agencies
- Libraries
- The Media

When using secondary data, always evaluate the source and purpose for which the data was collected in order to determine the relevance of data to your questions. Furthermore, remember that the use of different data sources can make comparisons difficult.

Market research tools

Broadly speaking research techniques can be divided into two groups: qualitative and quantitative. **Qualitative techniques** can be used to discover aspects of people's views and opinions that are hard to quantify. They aim to capture people's feelings and reactions. The most common ways of gathering qualitative data are interviews and focus groups.

By contrast, **quantitative techniques** are based on the premise that various aspects of people's behaviour, attitudes and opinions can be categorised, measured and compared. The most common types of quantitative research are surveys, tests or experiments. Quantitative research enables you to gather information that can be readily quantified and to apply your findings to wider segments of your database.

Focus Groups

Focus groups are small groups with usually five to eight people carefully chosen to represent different segments of the organisation's audience. Each group is lead in a discussion by a skilled moderator who gathers information on the topics on which you want to find the group's opinions and perspectives. Discussions are recorded and transcripts are made. Later people's views are analysed by the moderator and key points are drawn and presented in the research report.

For many charities focus groups can be very helpful in getting audience reactions to new communications or promotional campaigns.

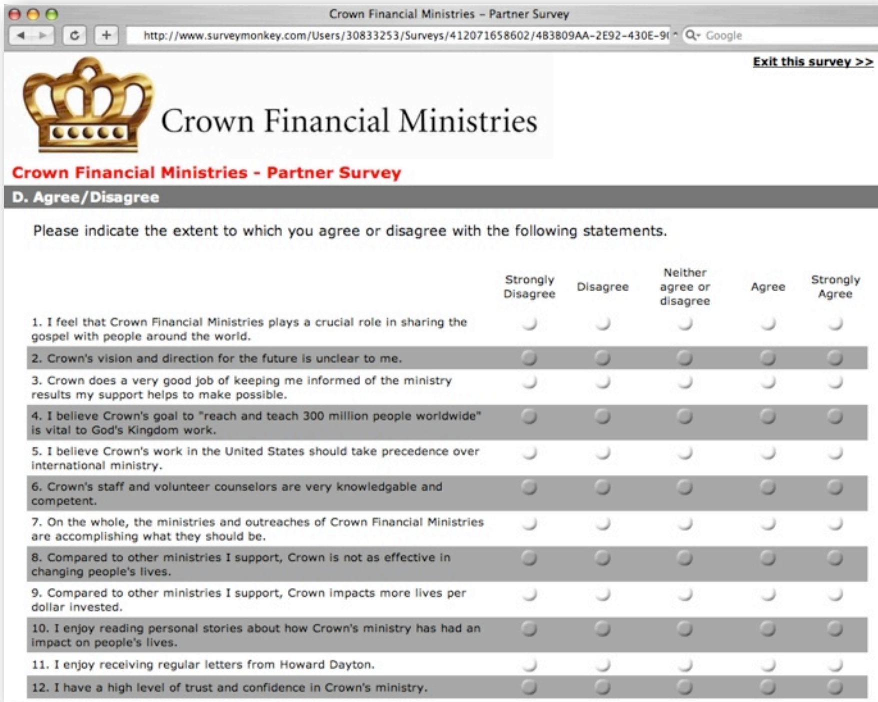
Case Study

When a marketing agency was commissioned to design TV advertising for Save the Children, focus groups were brought together to get reactions on the suggested ads. One ad showed a young mother and her sick child and the other showed a celebrity endorsing Save the Children. Focus groups were asked to evaluate the ads in terms of impact, information value, tone and effectiveness.

Outcomes from discussions revealed that the second ad showing a celebrity who cared was less powerful than the one which generated a direct sense of caring in the viewer. As a result the research agency suggested that Save the Children should utilise advertising paths that suggested substitution (putting oneself in another person's situation), transferral (putting the situation in familiar context) or comparison (drawing comparisons between different people).

Surveys

Surveys are used to ask questions to a sample of the population (in your case the audience you are interested


Crown Financial Ministries – Partner Survey

http://www.surveymonkey.com/Users/30833253/Surveys/412071658602/4B3B09AA-2E92-430E-9

Exit this survey >>

Crown Financial Ministries

Crown Financial Ministries - Partner Survey

D. Agree/Disagree

Please indicate the extent to which you agree or disagree with the following statements.

	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
1. I feel that Crown Financial Ministries plays a crucial role in sharing the gospel with people around the world.					
2. Crown's vision and direction for the future is unclear to me.					
3. Crown does a very good job of keeping me informed of the ministry results my support helps to make possible.					
4. I believe Crown's goal to "reach and teach 300 million people worldwide" is vital to God's Kingdom work.					
5. I believe Crown's work in the United States should take precedence over international ministry.					
6. Crown's staff and volunteer counselors are very knowledgable and competent.					
7. On the whole, the ministries and outreaches of Crown Financial Ministries are accomplishing what they should be.					
8. Compared to other ministries I support, Crown is not as effective in changing people's lives.					
9. Compared to other ministries I support, Crown impacts more lives per dollar invested.					
10. I enjoy reading personal stories about how Crown's ministry has had an impact on people's lives.					
11. I enjoy receiving regular letters from Howard Dayton.					
12. I have a high level of trust and confidence in Crown's ministry.					

in) concerning the issues you are trying to find out about. In order for the survey results to be statistically relevant the sample should be random and representative of the population.

The most commonly used questions in surveys are 'closed' questions with pre-defined ranges of possible answers such as 'yes' and 'no' or some sort of scales.

Other types of questions used in surveys are 'open-ended' questions where respondents are free to give their own answers.

Responses to 'closed' questions can be easily grouped and analysed statistically, while responses to 'open-ended' questions need to be recorded and interpreted carefully. Although this can be a time consuming activity 'open-ended' questions can be a valuable source of information.

Examples of questions included in surveys

A wide range of formats can be used in questionnaires. In case of 'open-ended' questions you can ask for a reply in two ways. For example:

- *Overall what do you like most about our drug rehabilitation programme? Please write your answer below:*

Alternatively

- *What I like the most about our drug rehabilitation programme is …*

Arguably, the second option is better since it involves the respondent more personally.

'Closed' response questions typically involve response options such as 'true/false' or 'yes/no/I don't know.' Use 'I don't know' only when you feel it is really necessary since otherwise it provides an easy let-out for the respondents who are probably too lazy to offer their own answers.

To offer a broad choice of responses it is advisable to use a closed response format containing specific units for the answers. For example:

Which aspect of our ministry motivates you to give? (check one)

1. *Helping young mothers learn to read and write*
2. *Providing worship resources in various languages*
3. *Running workshops on health and safety issues*
4. *Printing and distributing outreach booklets*

Alternatively, if assessing an attitude or value which can not easily be quantified, the format below can be used.:

Please express your strength of agreement and disagreement by circling the appropriate number on the scale.

The Baptist denomination has serious financial needs...

Strongly agree	*1*
Agree	*2*
Neutral	*3*
Disagree	*4*
Strongly disagree	*5*

At this point it is worth remembering that any survey is only as good as the questions asked. So you need to develop them skilfully and carefully. When designing survey questions there are three important issues to bear in mind:

Researcher bias. Do your questions allow people to respond in ways that reflect their opinions or behaviour or are they being unduly influenced by your preconceived ideas of what is important? To avoid bias you might want to carry out some interviews and focus groups in order to establish relevant questions and response categories.

Comprehension. Are the respondents likely to understand the questions in the ways they were intended? Does your survey contain jargon or unusual vocabulary and difficult sentences that could lead respondents to misinterpret them?

Coherence. Are your questions coherent? Can they be answered sensibly? Pre-testing the questions with a small group of people, similar to those participating in the survey can help identify problems with language, ambiguity and logic.

Finally, although quantitative surveys offer you results that can be applied to your audience at large, they lack the richness of information and subtlety that can be generated from qualitative research. That is why it is important to use both methods to complement each other and get the best results for shaping future decision making.

Issues and questions to consider:

1. Identify three sources of data within your organisation that you could access easily and that might provide useful market research information.

2. If your department or organisation was to use focus groups (or use them again), make a list of five topics to which you would like to get the group's reactions.

3. How else might you gather information on these topics if your organisation does not have the resources to pay for focus groups?

4. What, if any topics or issues do you think your department or organisation can usefully explore with a survey?

5. What do you think would be the likely benefits of this survey and how would you use its findings?

6. If your organisation couldn't afford a survey can you think of some other ways to collect the information you need for future decision making?

McConkey-Johnston provides a full range of market- and donor-base research solutions that can help your organization achieve better stewardship and improved fundraising. To learn more, talk to one of our consultants. Many organizations are glad they did!