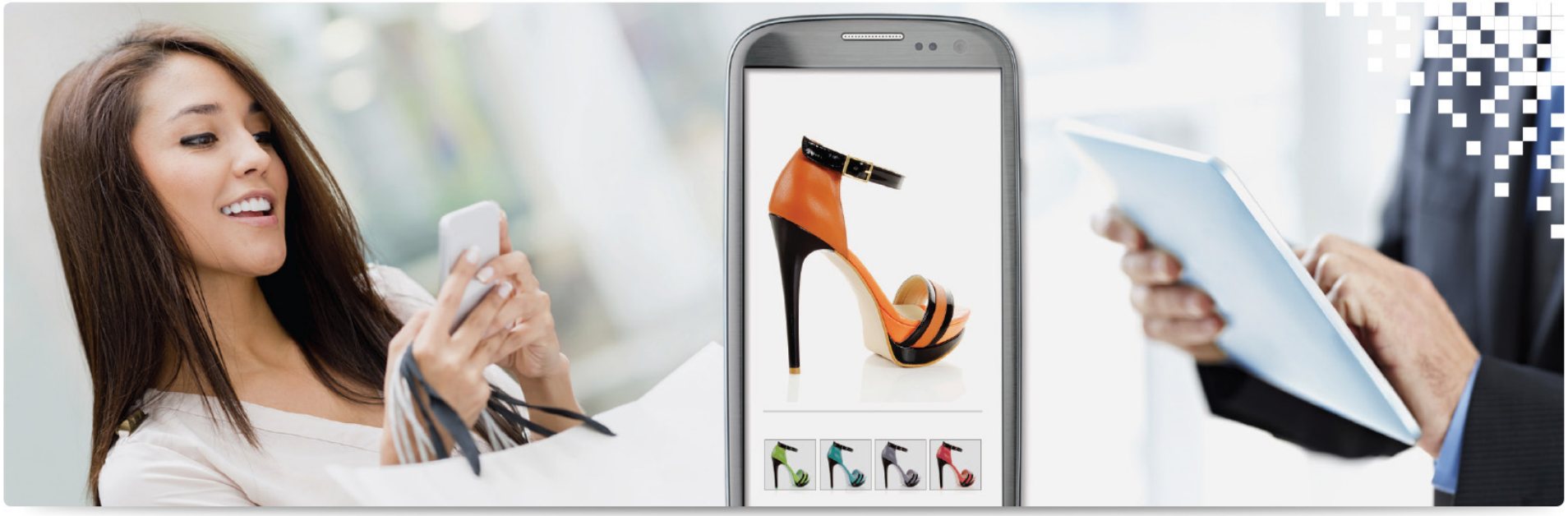


UTILIZING MARKET RESEARCH EFFECTIVELY

Shannon Knock
Assistant Research Director

LUTH research

WHEN POTENTIAL DONORS SEEK GUIDANCE ON HOW TO CHOOSE A CHARITY…

GUIDESTAR®

BBB ACCREDITED CHARITY

GiveWell
REAL CHANGE FOR YOUR DOLLAR

Google
how to choose a charity

CHARITY NAVIGATOR
Your Guide To Intelligent Giving

GREAT Nonprofits
VOLUNTEER. DONATE. REVIEW.

CHARITY WATCH

PHILANTHROPEDIA
COME TOGETHER. GIVE BETTER.

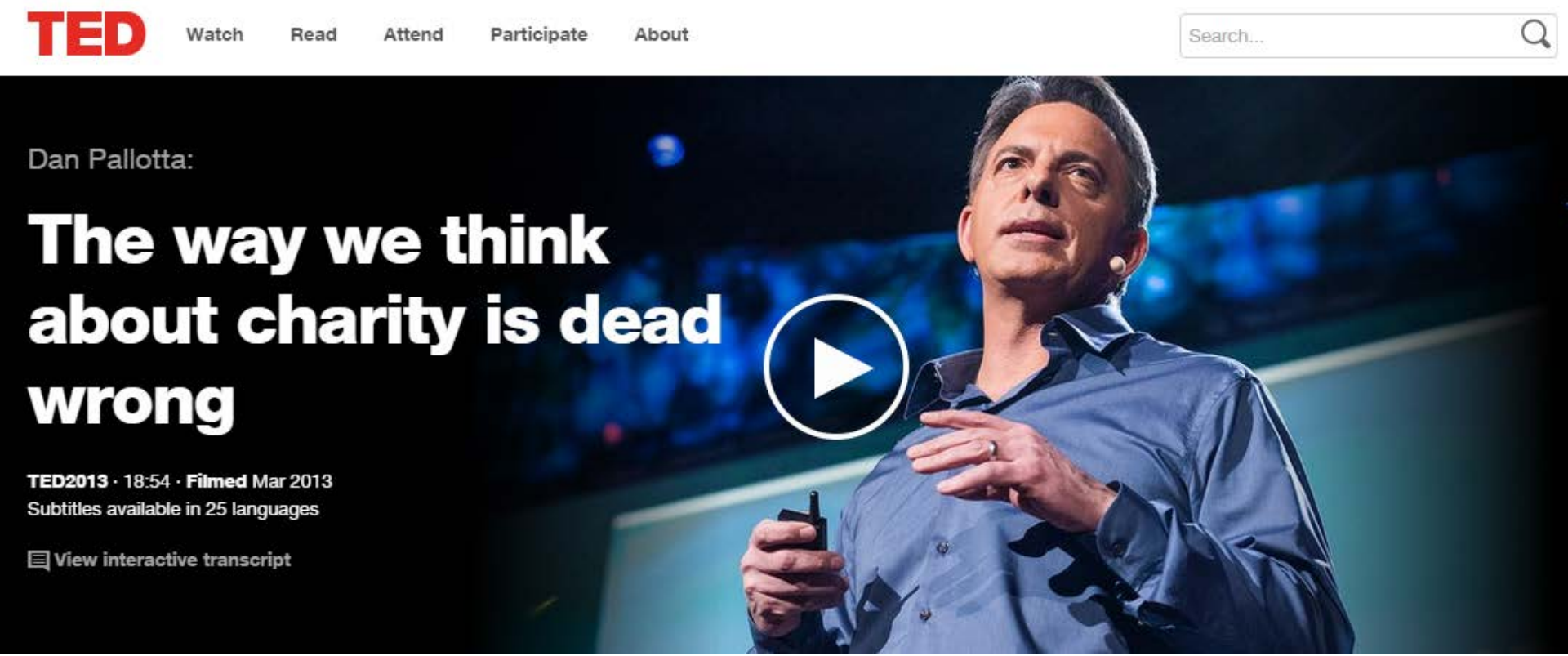
LUTH research

MOST OF THESE RESOURCES PROVIDE RATINGS LARGELY BASED ON A SINGLE NUMBER…

Percentage of funds allocated to overhead

LUTH research

THE TIDE IS (SLOWLY) CHANGING…



LUTH research

HOW DO WE GET POTENTIAL DONORS TO GO FROM…

Percentage of funds allocated to overhead

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USE MARKET RESEARCH TO INFORM RESOURCE PLANNING AND APPLICATION

New Product Development

- Concept Testing
- Usability Testing
- Pricing
- Product Composition

Segmentation

- Market Segmentation
- Customer Segmentation

Branding/ Advertising

- Awareness & Brand Equity
- Ad/Marketing Effectiveness
- Media Audience Measurement

Customer Satisfaction

- Key Driver
- Net Promoter Score
- Customer Experience Mapping
- Loyalty/Voice of Customer

Advanced Analytics

- Choice-Based Analysis
- Perceptual Mapping
- Statistical Analysis

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OUTCOMES

How can I maintain/ increase involvement?	Who is my target donor?
What motivates my target donor?	How/where can I reach my target?

LUTH research

ABOUT LUTH RESEARCH

Foundation

- Established in 1977
- Headquartered in San Diego, California
- Certified Women's Business Enterprise
- Adheres to industry regulations as outlined by AMA, MRA, ESOMAR, CASRO, and ARF

Data Collection

All data collection methodologies in-house:

- In-Person
- Telephone
- Online
- Digital Behavioral Tracking

Proprietary Panel

- Own one of the largest, highest quality panels available
- Established in 1999
- 1000-2000 new sign ups daily
- 3.5 million members globally, 1+ million in the US

LUTH research

CATEGORY EXPERIENCE

LUTH research

CASE STUDIES

1. **Brand Awareness and Segmentation**
2. **Market Opportunity Analysis**
3. **Program Effectiveness**
4. **Key Driver Analysis**

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Case Study 1

BRAND AWARENESS AND SEGMENTATION

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OBJECTIVES

- Gauge the awareness and conversion rate of [NATIONAL BRAND] and [LOCAL BRAND] as compared to key competitors in San Diego County
- Discover effective channels to promote awareness
- Evaluate satisfaction of [NATIONAL BRAND] and [LOCAL BRAND] as compared to key competitors in San Diego County
- Understand what motivates people to donate
- Identify key segments of the general population and stakeholders as it pertains to motivations for giving

METHODOLOGY

1. **Dual-mode online and phone surveys**
   - Target audience:
     - General population in San Diego County
     - 400 Completes (300 online and 100 phone)
     - Key demographics (age, gender, ethnicity) set according to the San Diego County Census data

2. **Online survey of Stakeholders**
   - Target audience:
     - Stakeholders of [LOCAL BRAND]
     - 222 Completes

LUTH research

KEY FINDINGS: AWARENESS

- **Awareness** was the key bottleneck in the donation involvement funnel as both [NATIONAL BRAND] and [LOCAL BRAND] had relatively low awareness rates among the residents of San Diego County.
- [COMPETITOR 1], [COMPETITOR 2], and [COMPETITOR 3] enjoyed relatively higher awareness at the beginning of their involvement funnels.

Donation Involvement Funnel	[NATIONAL BRAND]		[LOCAL BRAND]		[COMPETITOR 1]		[COMPETITOR 2]		[COMPETITOR 3]	
	%	Con-version	%	Con-version	%	Con-version	%	Con-version	%	Con-version
Aware	28%		22%		65%		80%		82%	
		25%		27%		25%		18%		23%
Consider	7%		6%		16%		14%		19%	
		57%		50%		63%		43%		53%
Donate	4%		3%		10%		6%		10%	
		50%		33%		50%		50%		50%
Give Most	2%		1%		5%		3%		5%	

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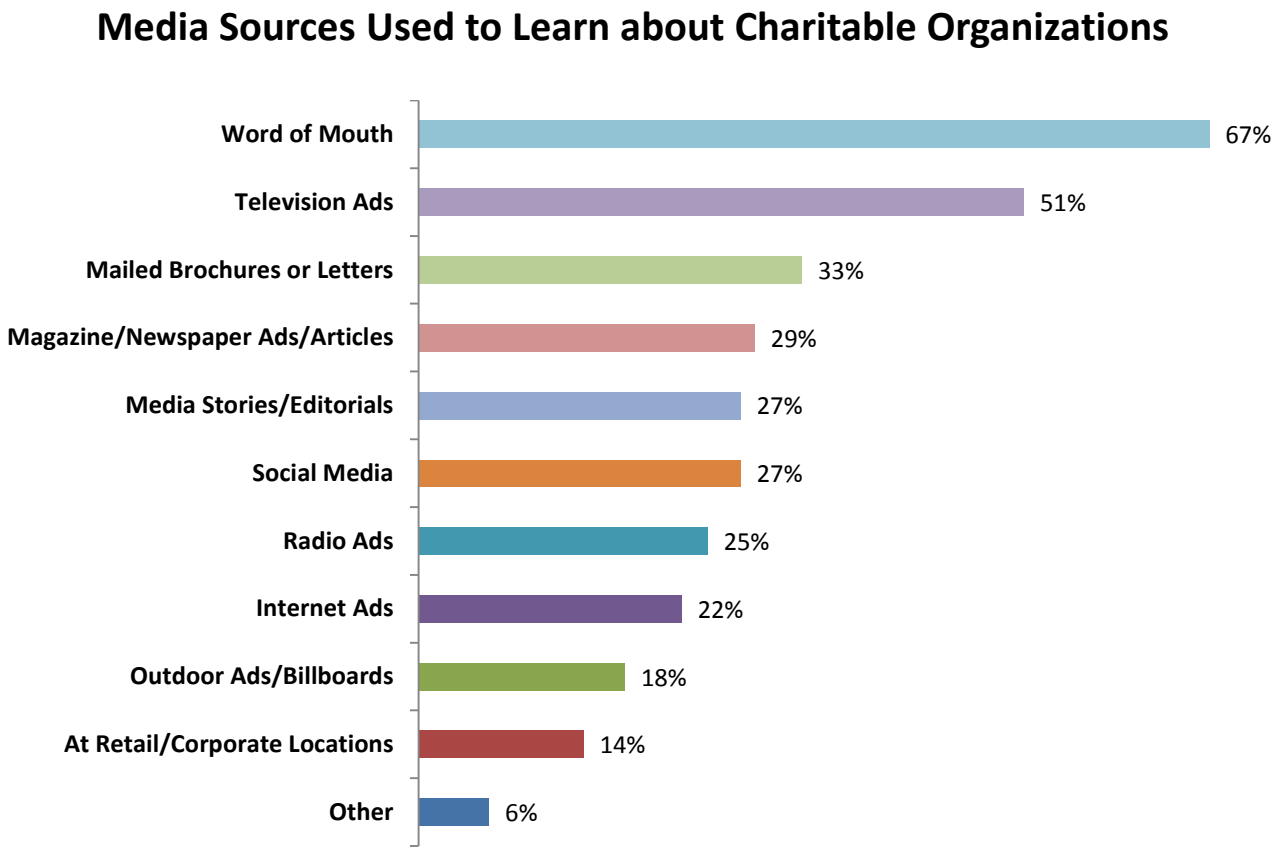
KEY FINDINGS: INFORMATION SOURCES

- Word of mouth (67%) was found to be the most effective way to learn about Charitable Organizations among the residents of San Diego County. TV (51%) was the next most popular, followed by mailed brochures or letters (33%).



LUTH research

KEY FINDINGS: LIKELY TO RECOMMEND

- About one in three would highly recommend [LOCAL BRAND] or [NATIONAL BRAND] (38% and 29%, respectively).
- However, [NATIONAL BRAND] had more Detractors than Promoters, indicating that any positive word of mouth might be drowned out by negative word of mouth.

Likelihood to Recommend that Others Donate to These Charitable Organizations

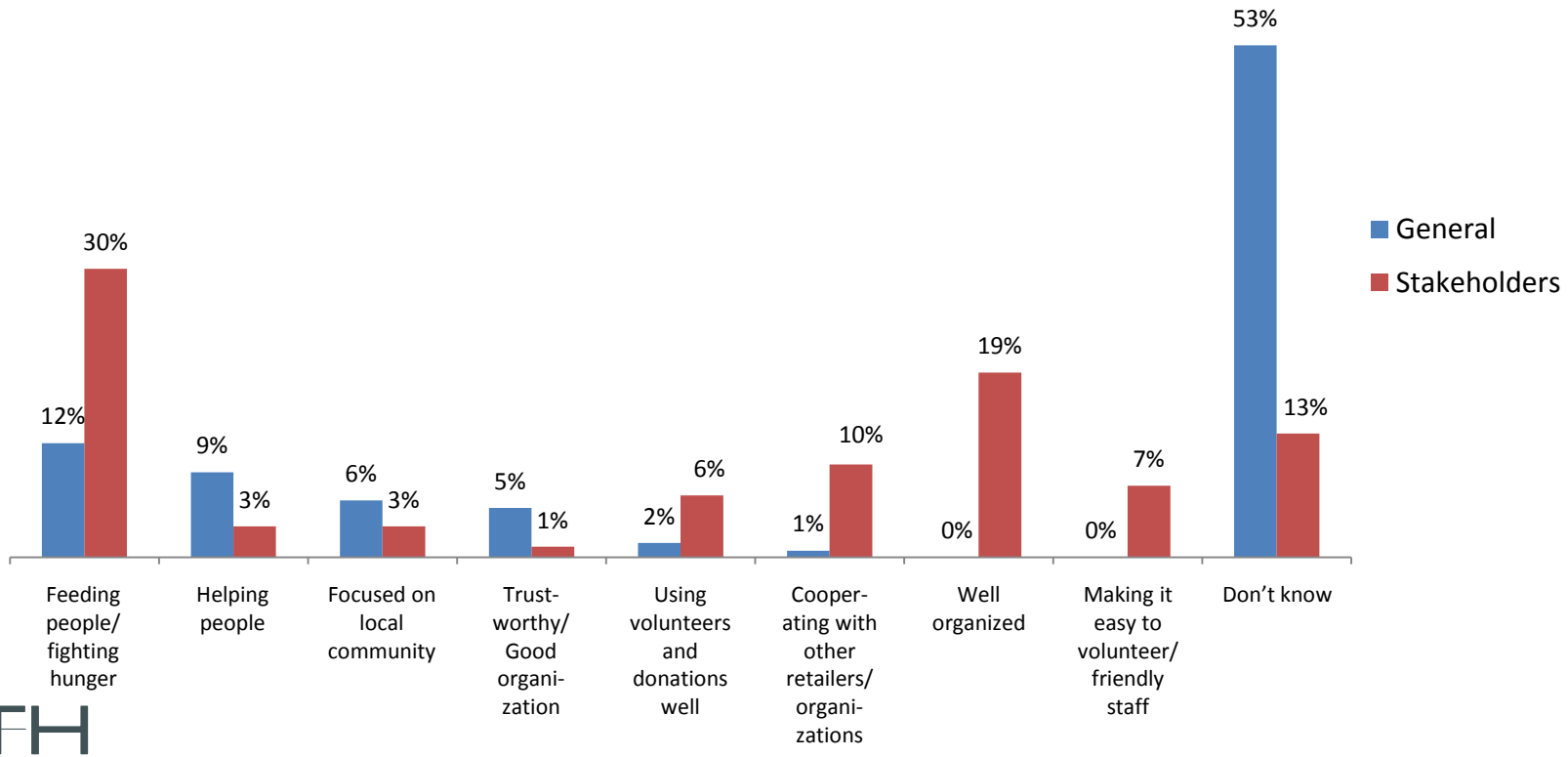
	[NATIONAL BRAND]	[LOCAL BRAND]	[COMPETITOR 1]	[COMPETITOR 2]	[COMPETITOR 3]
Promoter (9-10)	29%	38%	32%	27%	30%
Passive (7-8)	24%	28%	24%	25%	21%
Detractor (0-6)	47%	34%	43%	48%	49%
NPS	-18	4	-11	-21	-19

LUTH research

KEY FINDINGS: KNOWN FOR

- Half of the residents of San Diego County did not know what [NATIONAL BRAND] was known for.
- Stakeholders thought that [NATIONAL BRAND] did well in feeding people and fighting hunger, and was well organized.

Unaided Perceptions of What [NATIONAL BRAND] is Known For

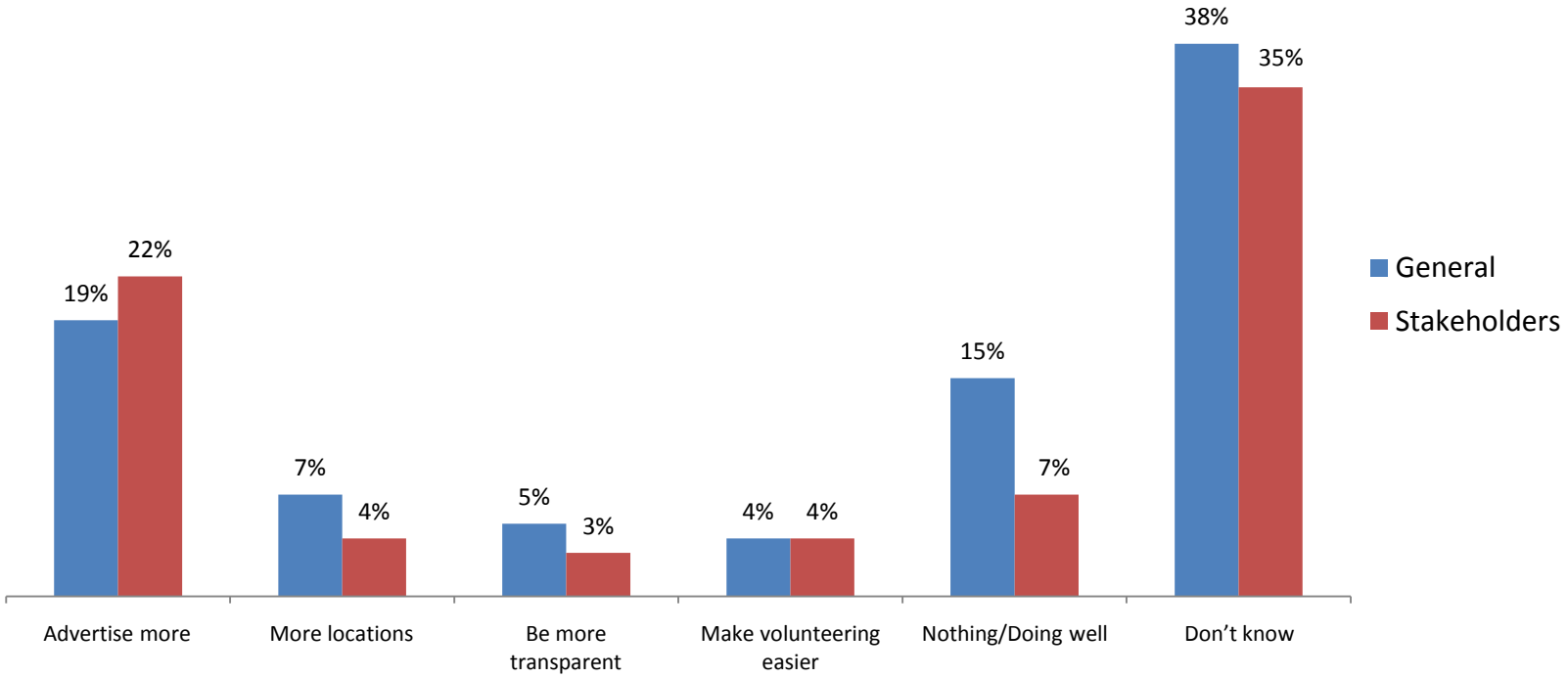


LUTH research

KEY FINDINGS: NEEDS TO IMPROVE

- Both residents of San Diego County and stakeholders that [NATIONAL BRAND] needed to advertise more and raise awareness (19% and 22%, respectively).
- Even a third of stakeholders (35%) did not have any suggestions as to what [NATIONAL BRAND] could do to improve.

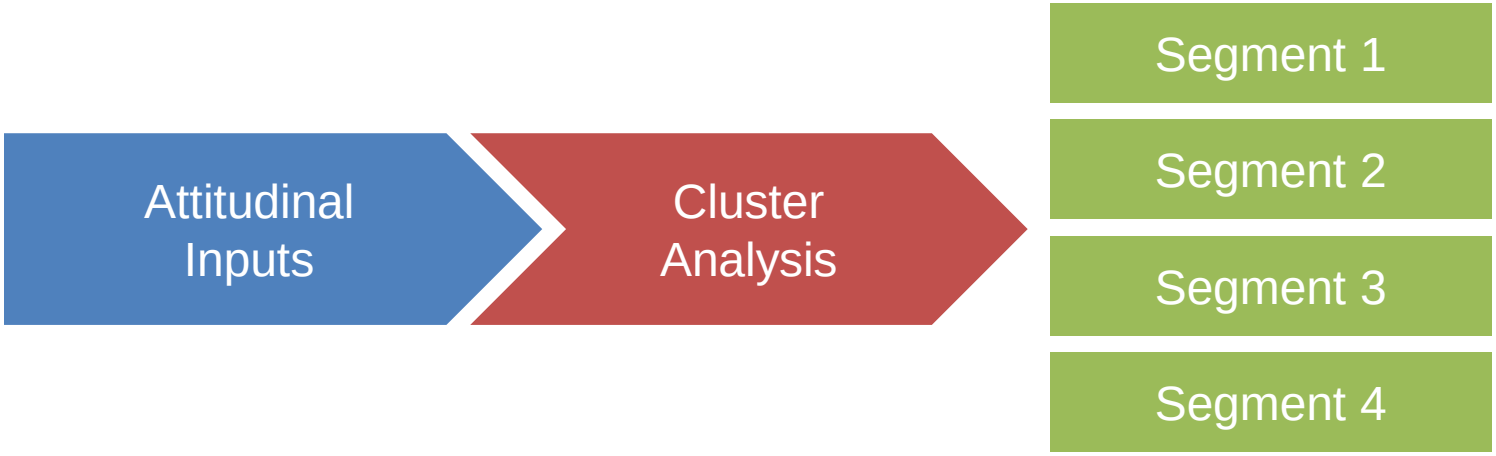
Unaided Perceptions of What [NATIONAL BRAND] Needs to Improve



LUTH research

KEY FINDINGS: SEGMENTATION

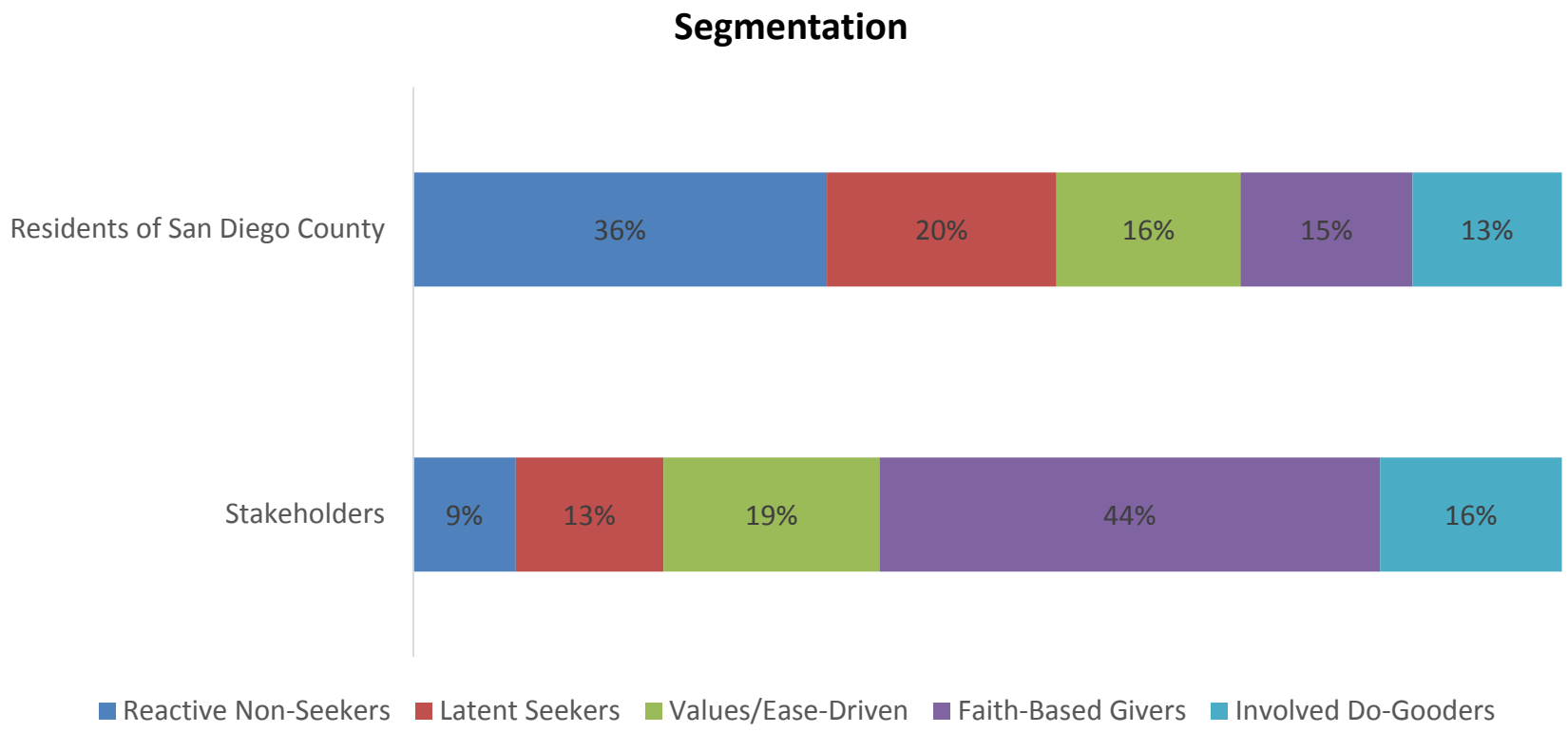
- Using cluster analysis, segmentation brings to light the key attitudinal differences between a given population. In addition to attitudes, each segment has unique demographics, perceptions of charity, and giving behaviors which will allow [NATIONAL BRAND] and [LOCAL BRAND] to better tailor their efforts to reach target segments. Analyzing segments will help [NATIONAL BRAND] and [LOCAL BRAND] understand the composition of their respective populations in order to customize approaches to increase giving.



LUTH research

KEY FINDINGS: SEGMENTATION

- The largest segment among residents of San Diego County was Reactive Non-Seekers (36%). However, stakeholders were more likely to be Faith-Based Givers (44%, vs. 25% for residents), indicating a potential disconnect between [LOCAL BRAND]'s potential donor base and motivations behind giving.



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Case Study 2

MARKET OPPORTUNITY ANALYSIS

LUTH research

OBJECTIVES

- Target population profiling, including demographics, interests, trends in the community/school/ home, and needs
  - Assessment of regulatory environments

- SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis for [CLIENT]'s current programs, competitive programs, and [CLIENT]'s council
  - Identification and evaluation of:
    - Primary: Key competitors
    - Secondary: Potential partners
  - Evidence-based analysis of the market opportunities
  - Optimization of emerging market strategies

LUTH research

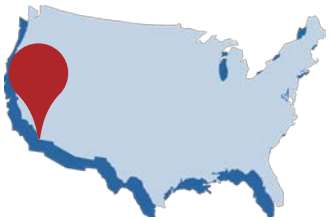
METHODOLOGY

Methodology

Quantitative online survey

Length of Survey

10 minutes



Screening Criteria

Ages 18+

Live in San Diego County

Have children ages 3-17

Sample Design/ Quotas

N=249 Total

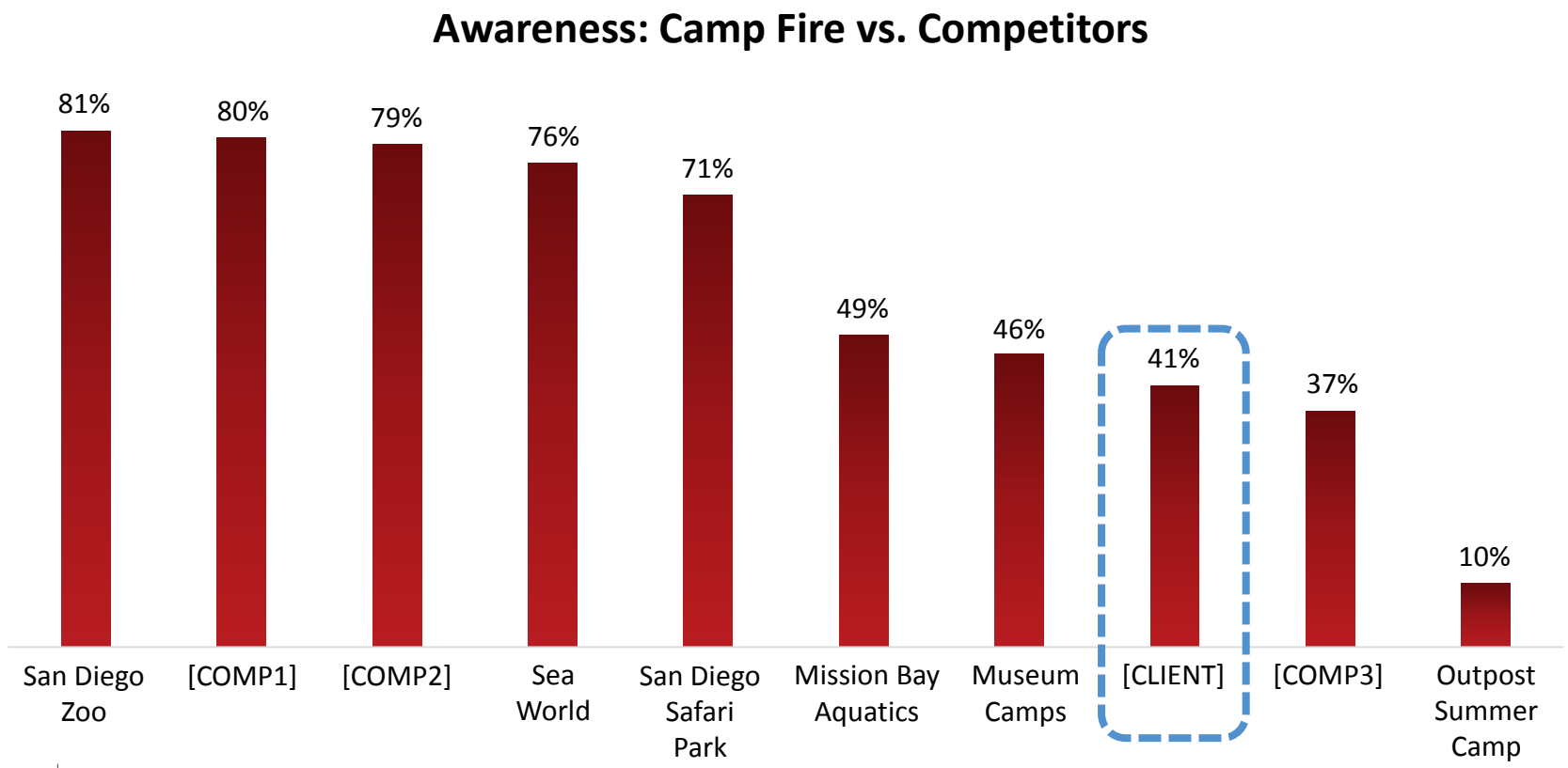
N≥100 Non-Rejecters of Kids Programs

N≥30 [CLIENT] Attendees

LUTH research

KEY FINDINGS: AWARENESS

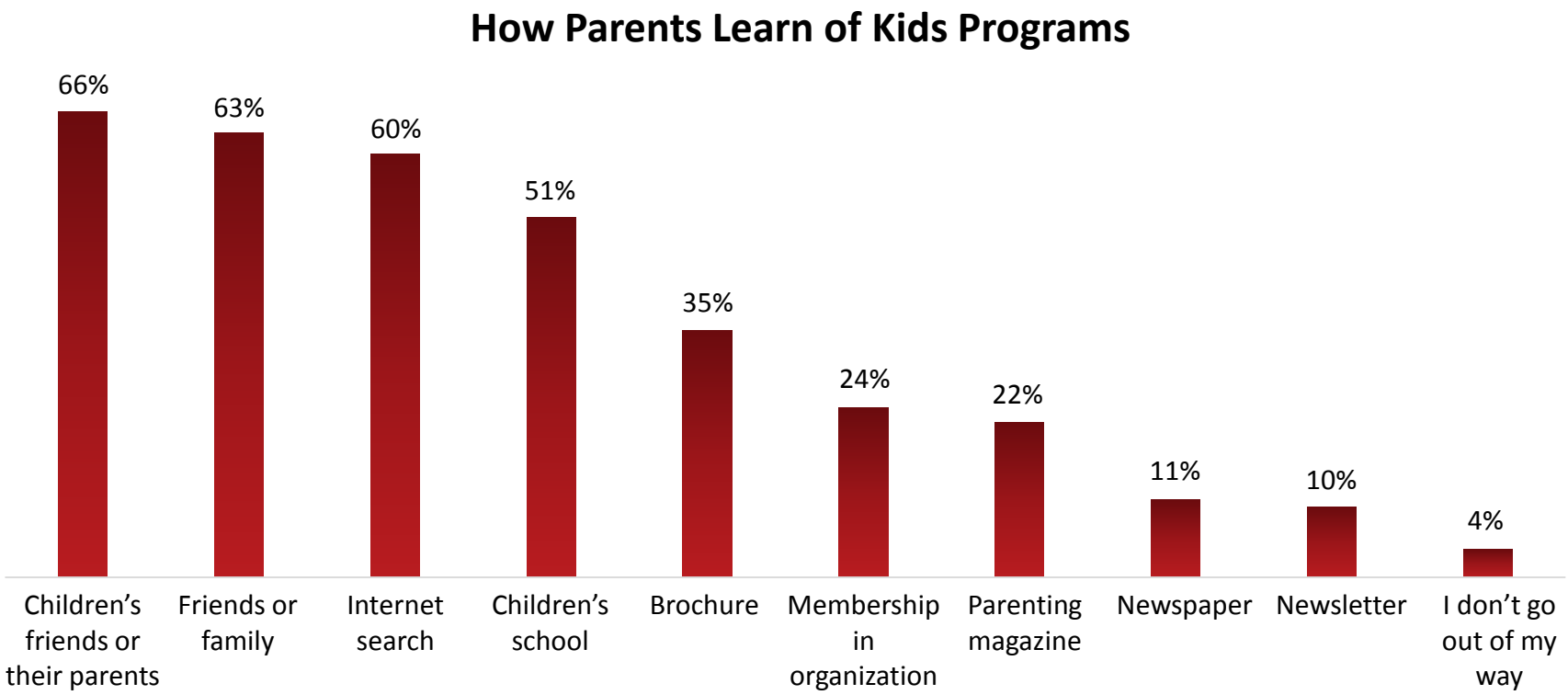
Most respondents are aware of San Diego Zoo programs, [COMP1], and [COMP2]. Less than half are aware of [CLIENT], which suggests that [CLIENT] needs to increase awareness with more promotional advertisements.



LUTH research

KEY FINDINGS: INFORMATION SOURCES

Most parents find out about kids programs through word of mouth or internet search. Start a referral-based promotional campaign and optimize search results to increase attendance.

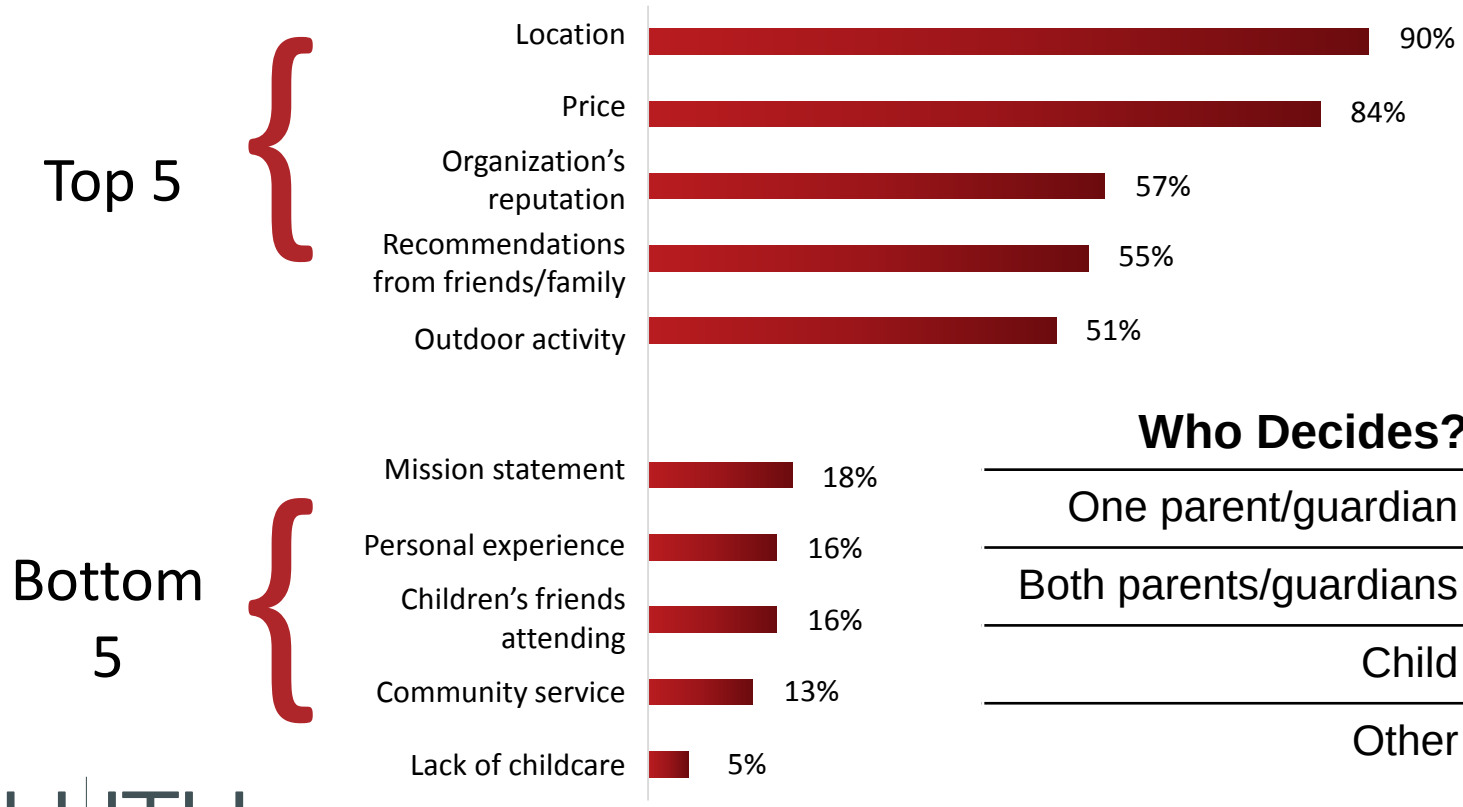


LUTH research

KEY FINDINGS: DECISION FACTORS

The most influential factors when considering having their children attend are location and price. Parents want camps that are close by and affordable. When it comes to making the decision, children don't have much say.

Influential Factors



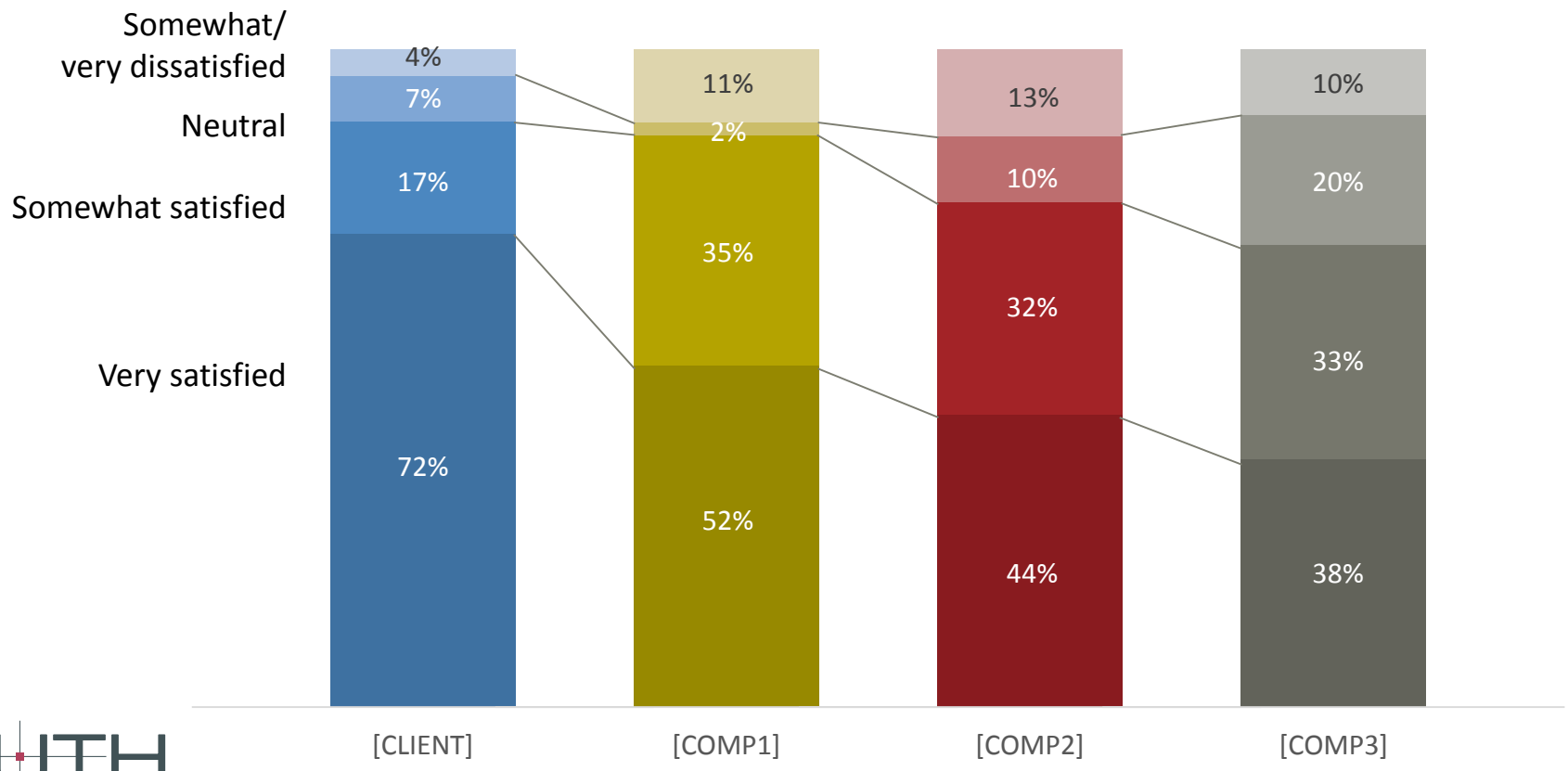
Who Decides?

One parent/guardian	24%
Both parents/guardians	65%
Child	4%
Other	7%

LUTH research

KEY FINDINGS: PARENTS' SATISFACTION

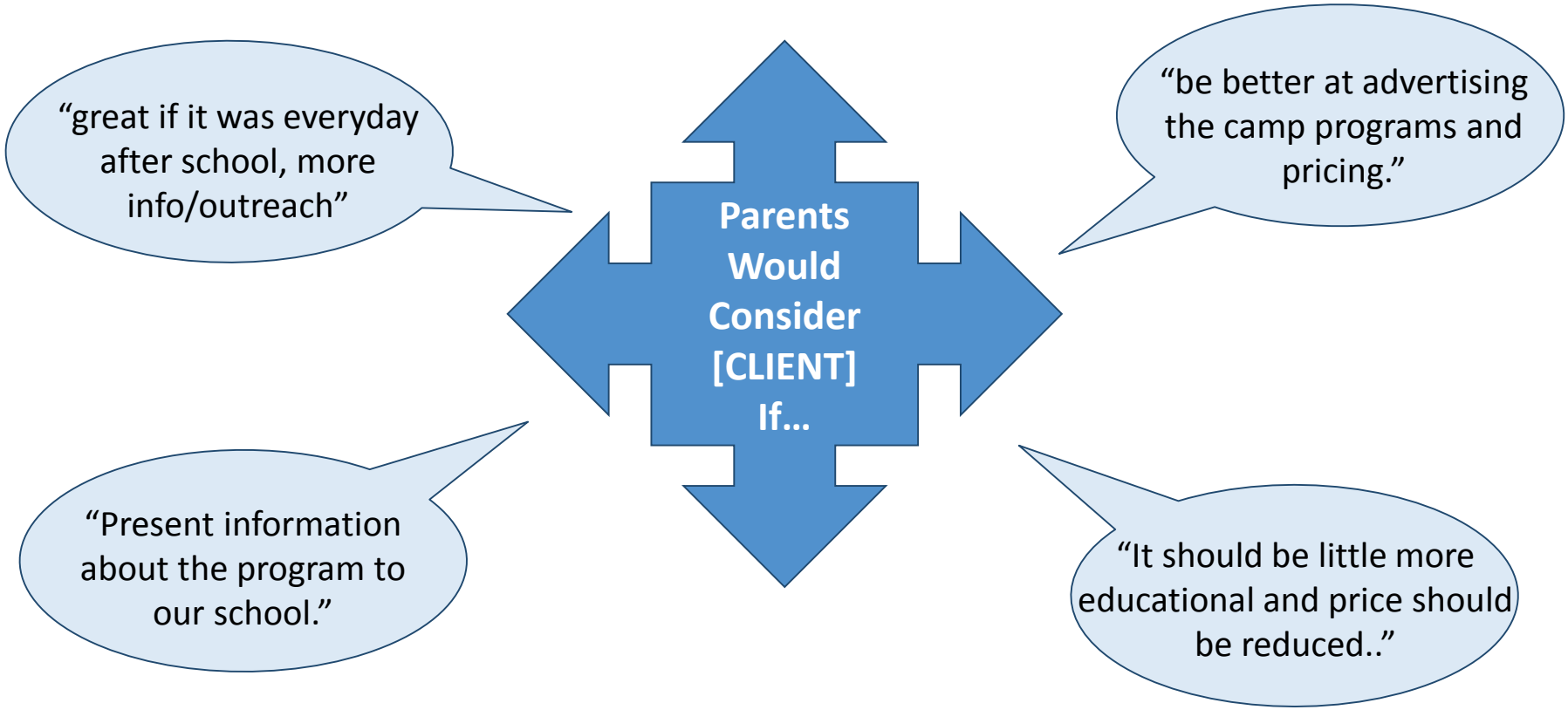
Almost three fourths of respondents who have their children attend [CLIENT] are very satisfied with the program, which is more than the other programs. Other programs have higher percentages for dissatisfaction.



LUTH research

KEY FINDINGS: FUTURE CONSIDERATION

The main issues preventing parents from having their kids attend [CLIENT] relate to a lack of information about the programs and affordability.



LUTH research

KEY FINDINGS: SWOT

S

- Parents love the level of outdoor activity in [CLIENT] programs
- The classic camp activities are a huge draw for parents and their children
- Children that attend the camp highly enjoy themselves

W

- According to parents, kids programs in San Diego lack educational content and enough community service
- Many parents think [CLIENT] is just for girls

O

- Get the word out – many parents were unaware of the types and varieties of [CLIENT] programs
- Offer promotions – parents are overwhelmingly concerned with cost, especially if they have more than one child
- Re-think hours & content – schedule camp hours to help working parents and include more educational content to fill a void in kids programs in San Diego

T

- Programs like [COMP2] and [COMP1] teach children important life and social skills that appeal to parents
- [COMP3] is able to offer a wide variety of camp themes that appeal to different interests of attendees

LUTH research

RECOMMENDATIONS

- Increase advertising efforts to improve awareness of [CLIENT].
- Create promotional programs for families with more than one child to drive down costs and increase attendance.
- Start a referral program to increase awareness and improve attendance numbers, while also rewarding loyal attendees.
- Offer more programs during working hours that feature educational content to fill a void in San Diego kids programs.

LUTH research

Case Study 3

PROGRAM EFFECTIVENESS

LUTH research

OBJECTIVES

- The goal of this study is to evaluate the impact the third through fifth grade program has on youth development, specifically with regards to:
  - Self-Esteem
  - Empowerment
  - Body Image
  - Eating Habits
  - Physical Activities

LUTH research

METHODOLOGY

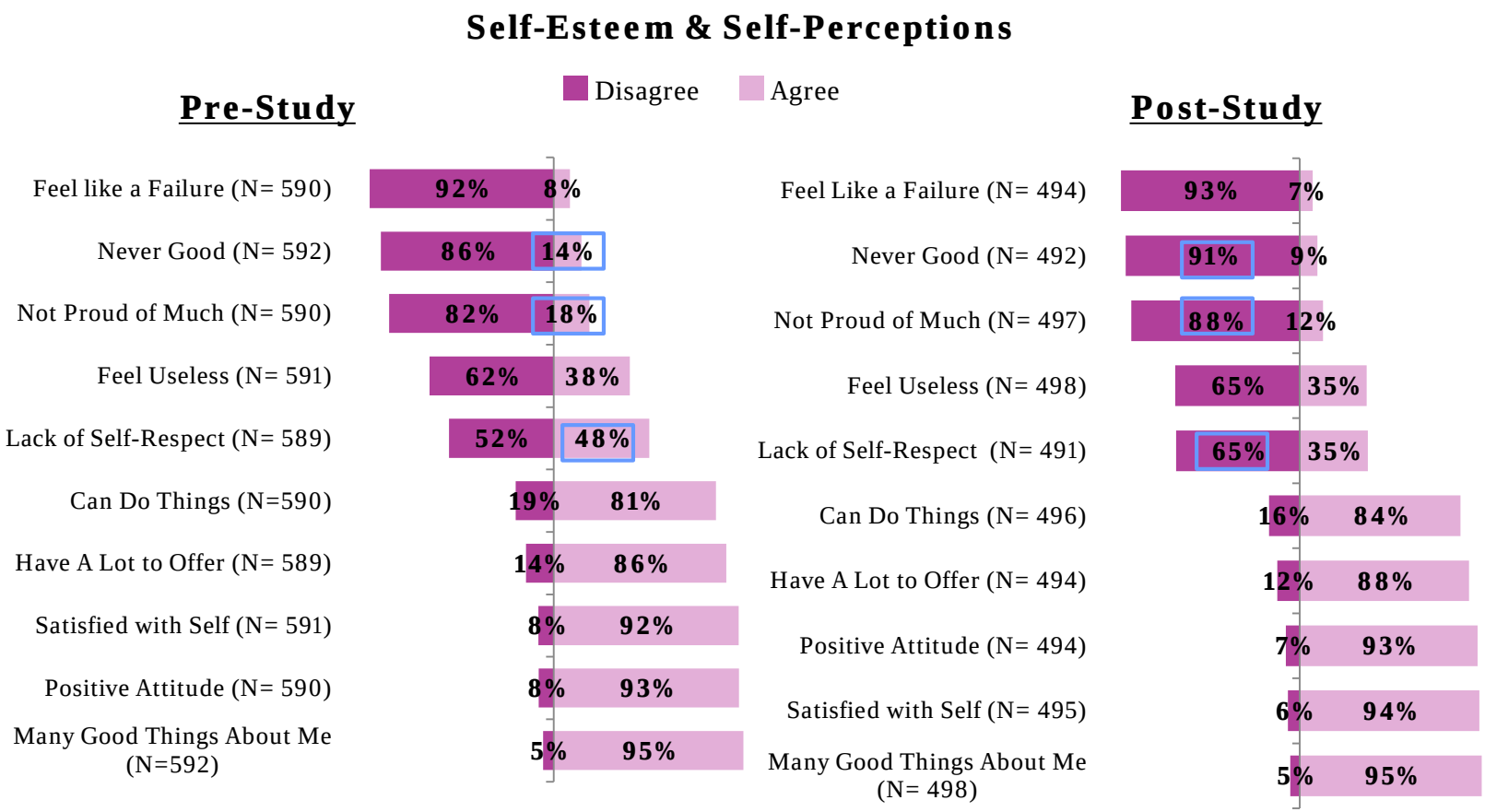
- Girls answered a survey on the first day of practice, and the same survey on the last day of practice
- 78 sites throughout Kansas City were surveyed (1035 girls enrolled)
- Valid surveys:
  - Pre-Study: n=593
  - Post-Study: n=499

Pre Survey | 12 Week Program | Post Survey

LUTH research

KEY FINDINGS: SELF-ESTEEM

- In general, negative self-perceptions were reduced significantly as a result of the [CLIENT]'s program. Specifically, there were significant decreases in girls who think they're never good, who feel like they don't have much to be proud of, and those wishing they could have more respect for themselves.



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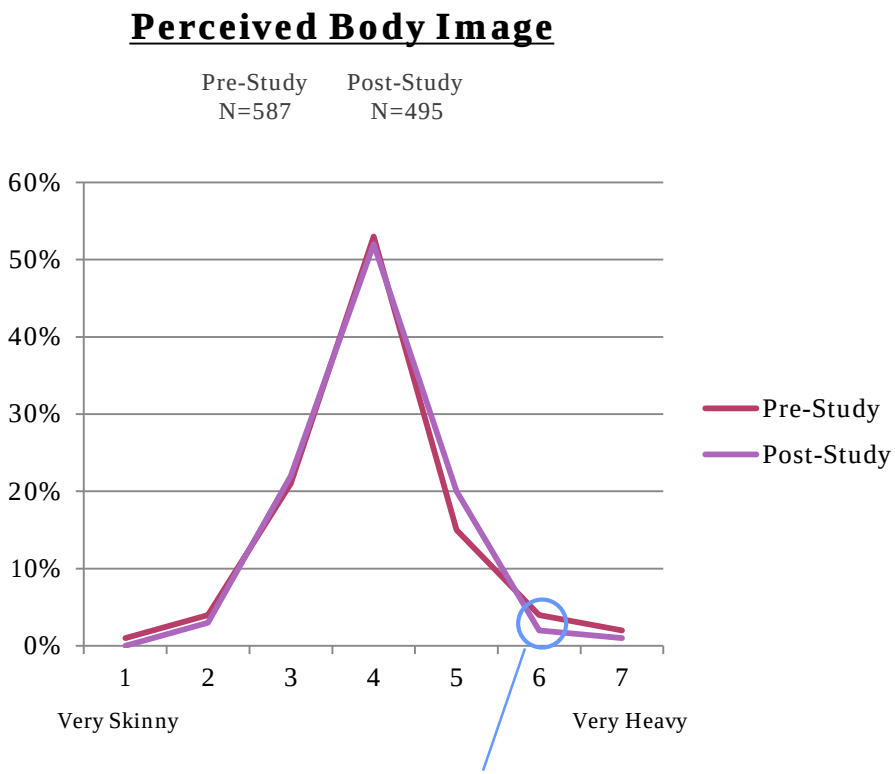
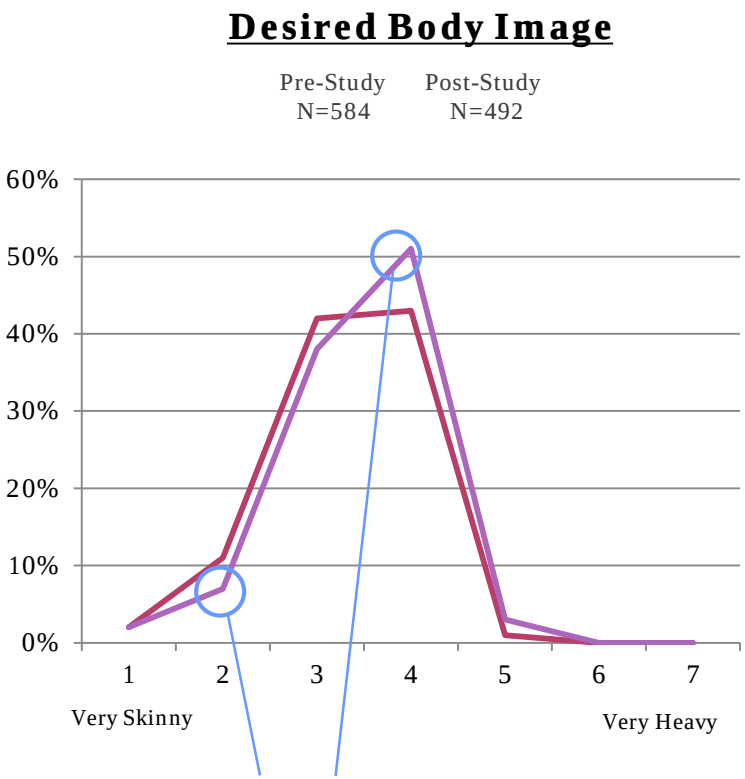
KEY FINDINGS: BODY IMAGE



A significantly lower number of girls perceived their body image to be a “6” at the end of the program.

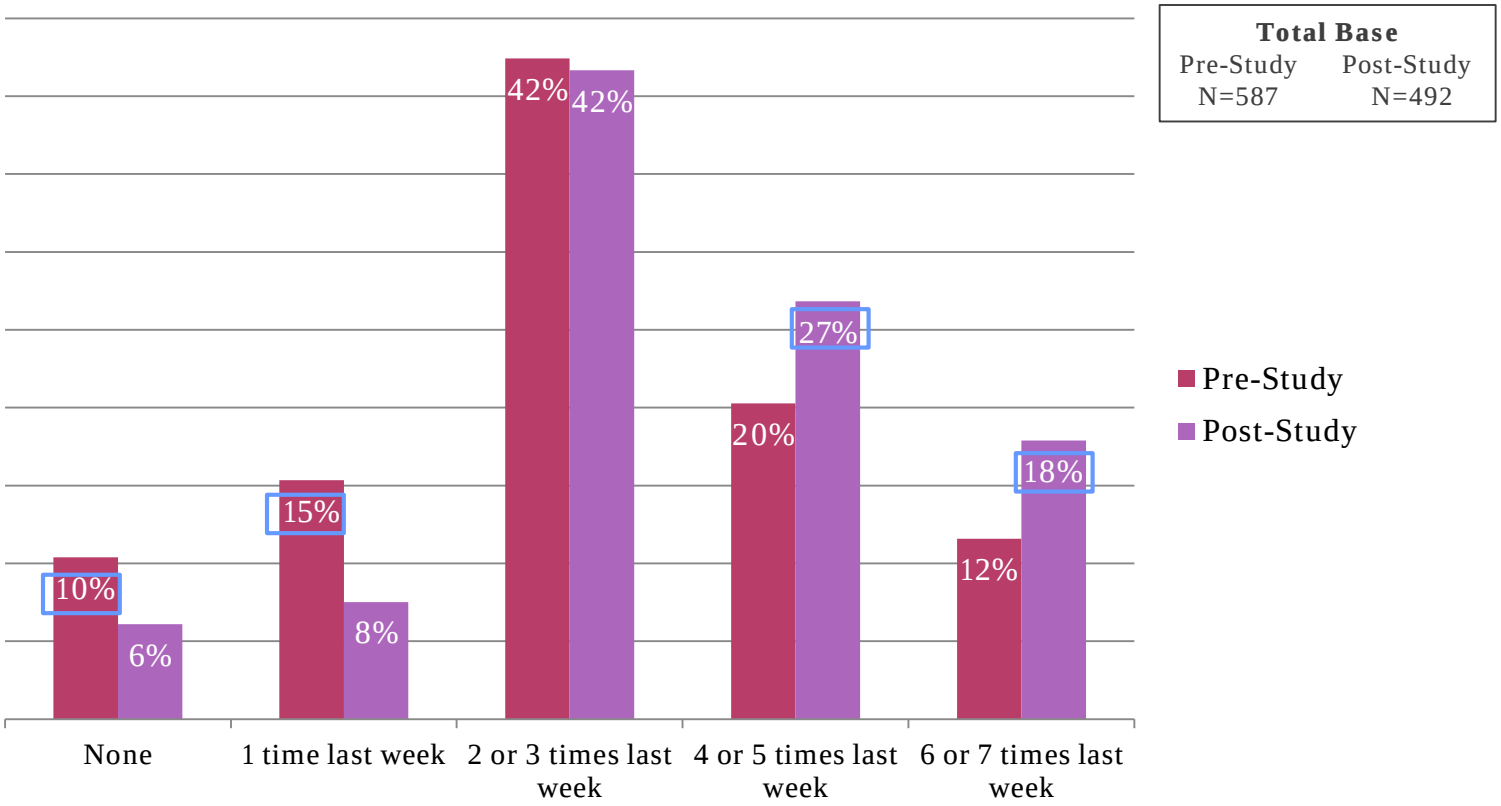


At the end of the program, significantly fewer girls thought a “2” was the ideal body to have, while a higher percentage thought a “4” was desirable.

LUTH research

KEY FINDINGS: EVENING ACTIVITY

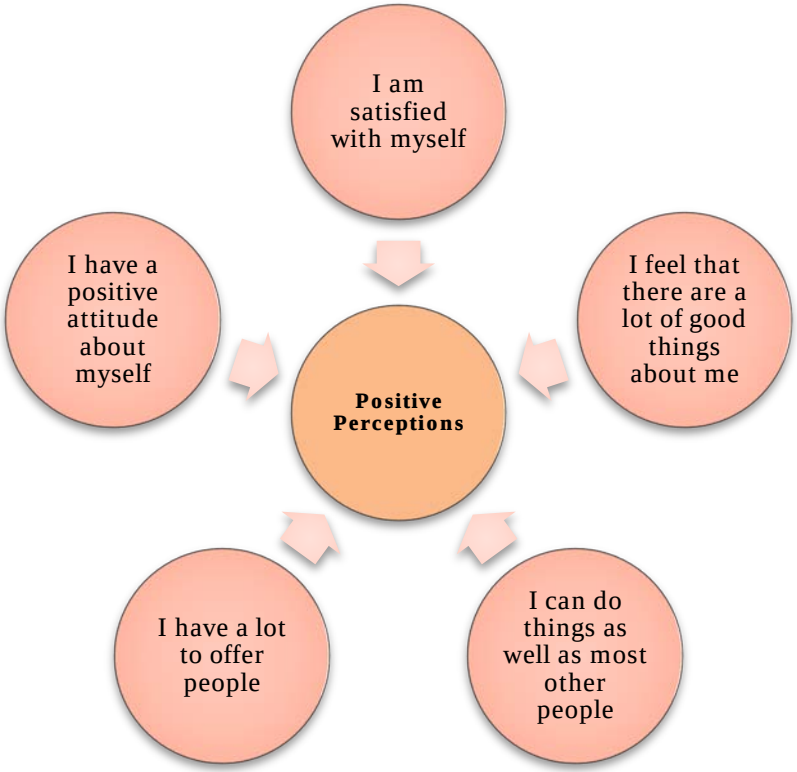
- After completing the program, a significantly greater amount of girls said they were active 4 or 5 times and 6 or 7 times during the evenings. In addition, a significantly lower amount of program participants said they were active none of the time or 1 time during the prior week.

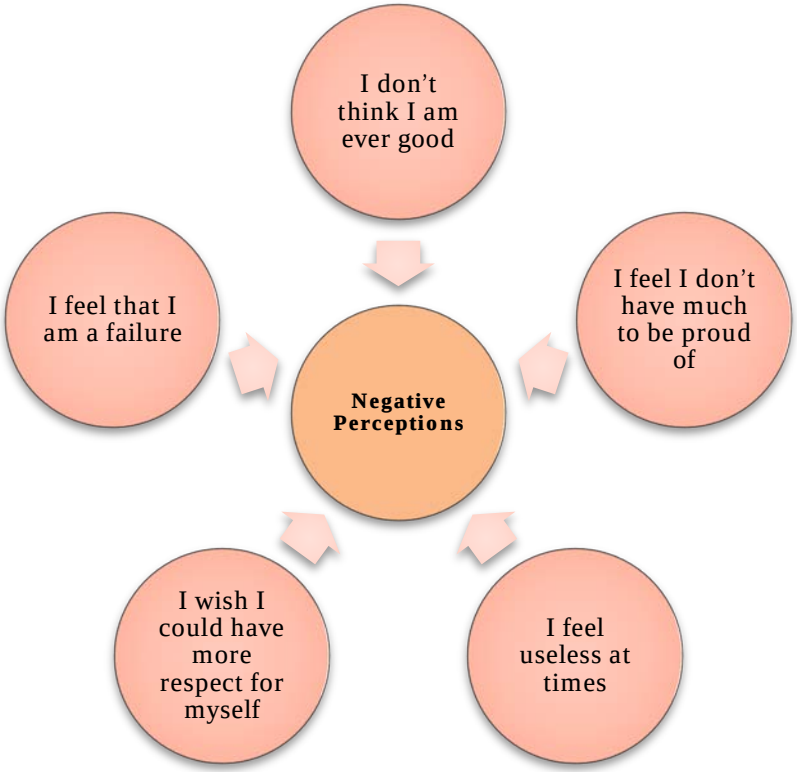


LUTH research

KEY FINDINGS: FACTOR ANALYSIS

- A factor analysis was run to see which perceptions grouped together.





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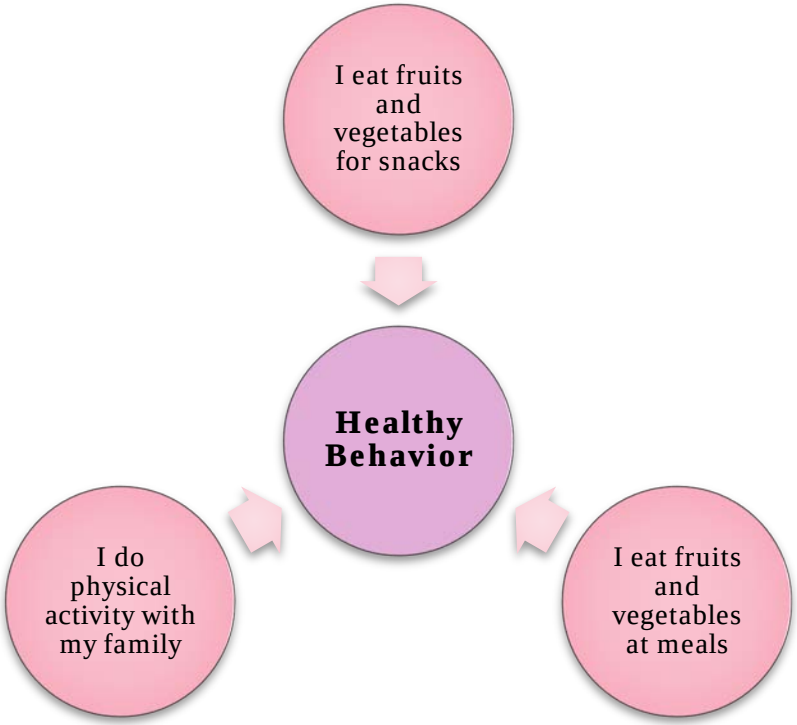
KEY FINDINGS: FACTOR ANALYSIS

- A second factor analysis was run to see which behaviors grouped together.



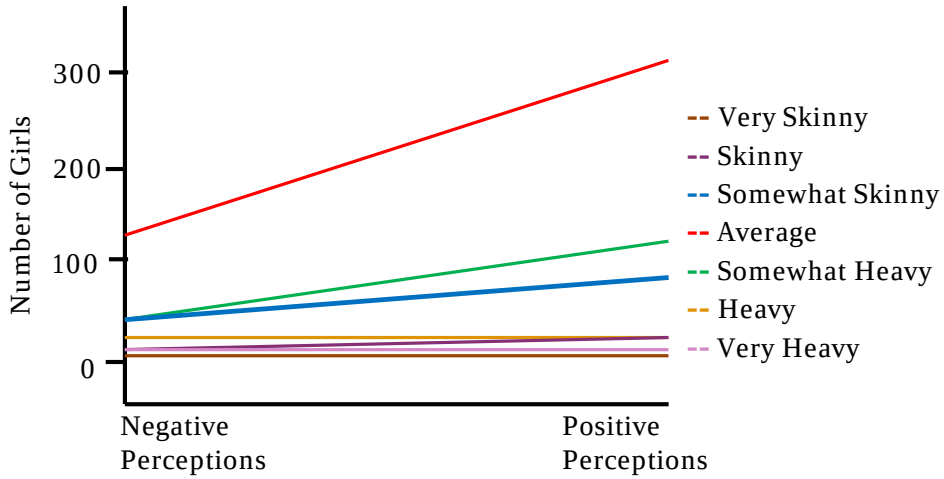
LUTH research

KEY FINDINGS: REGRESSION

- A regression was run to better understand the relationship between the factors and other variables such as perceptions about current body shape and desired body shape.

For example, a girl's self-perception has a positive relationship with her current body shape perception. The more positive self-esteem a girl has, the more likely she will rate her body shape as average.

**Results show relationships from pre-study data.*

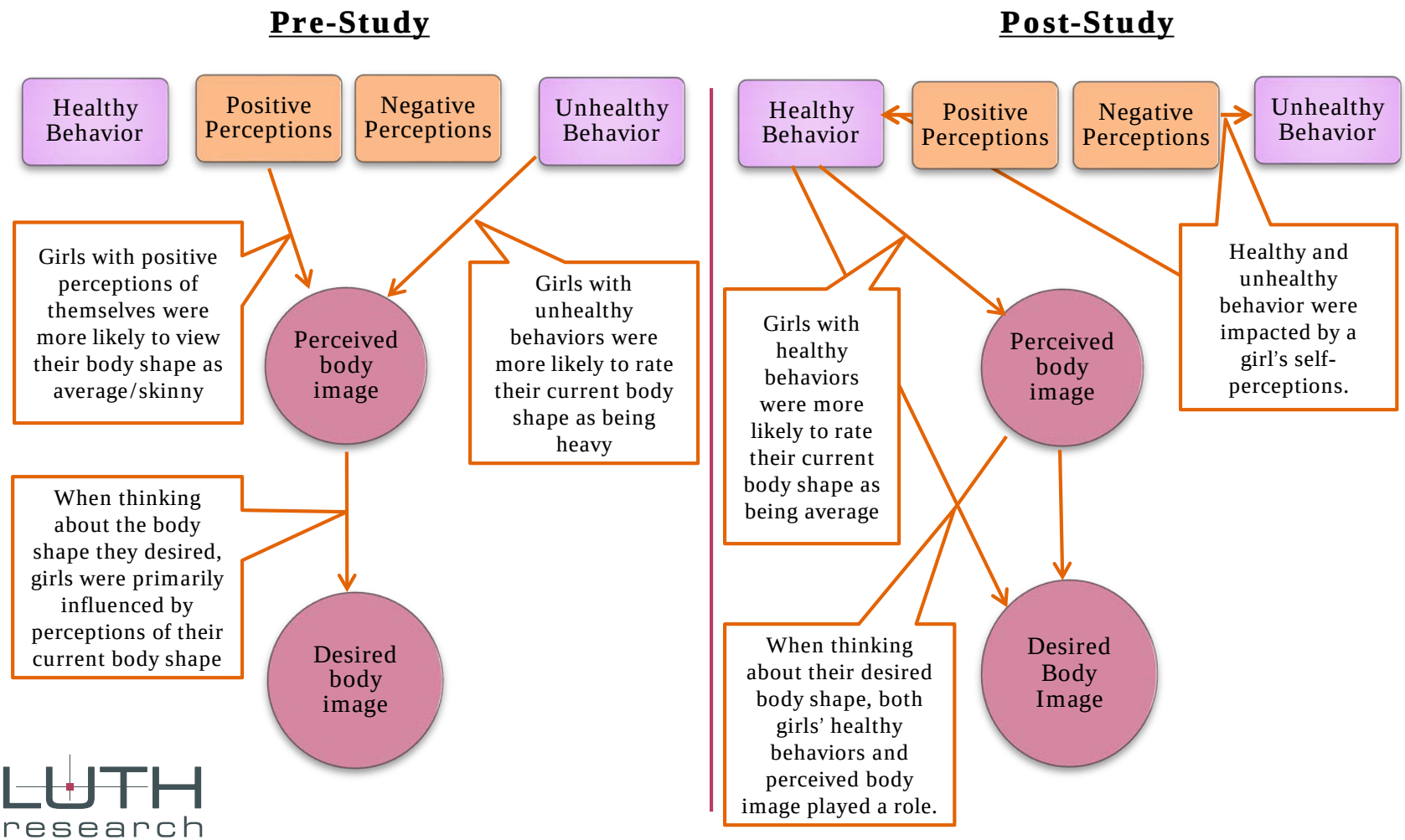


- Similar regressions models were created to explain the relationships between lifestyle behaviors, self-perceptions, as well as a girl's current body shape and desired body shape.

LUTH research

KEY FINDINGS: VARIABLE EFFECTS

- By the end of the program, girls overall were more likely to be influenced by positive perceptions when forming healthy behaviors. This, in turn, made healthy behaviors a key influencers when thinking about body shape.



LUTH research

Case Study 4

KEY DRIVER ANALYSIS

LUTH research

OBJECTIVES

- The purpose of this research is to identify key drivers of trust scores for [LOCAL BRAND] in order to explore the optimal ways to increase trust in the organization within this market.

- Key objectives include:

  - Uncover reasons for lower than average trust scores
  - Determine which groups are more likely to give lower trust scores
  - Explore motivations for and barriers to engaging with [LOCAL BRAND]

LUTH research

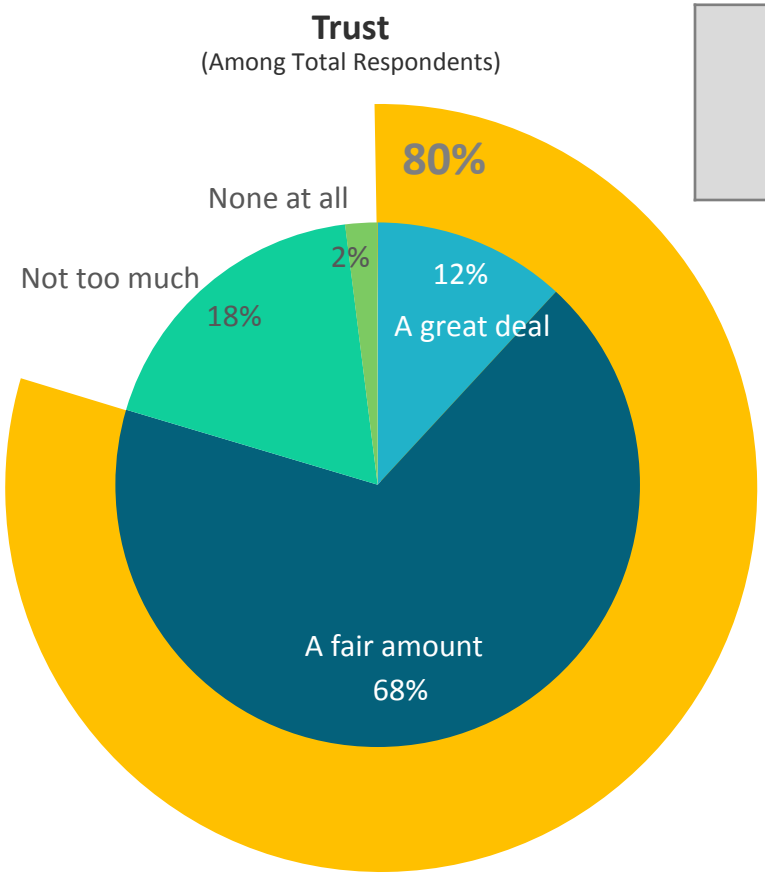
METHODOLOGY

- To achieve the research objectives, a 15 minute quantitative online survey was conducted
- A regression analysis was run on the perception metrics and demographic variables to identify the key predictors of trust scores
- A total of 383 surveys were collected among San Diegans ages 18+ who were aware of their local [NATIONAL BRAND]
- Fielding occurred between September 20, 2013 and September 29, 2013
- Weighting was applied to the data in order to match the demographic proportions collected in the national study

LUTH research

KEY FINDINGS: TRUST IN [LOCAL BRAND]

- [LOCAL BRAND] is seen as trustworthy; one in ten respondents have a great deal of trust in their local [NATIONAL BRAND], while a majority (80%) have at least a fair amount of trust.



Trust Scores from National Survey*	
National Average: 69%	San Diego County Average: 55%

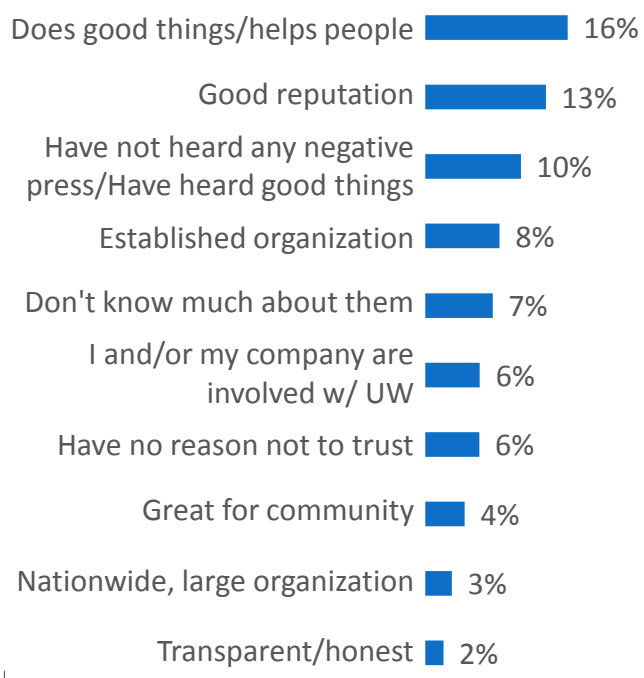
LUTH research

* *Includes both those aware and not aware of the national organization (this study consists of those aware of the local organization)*

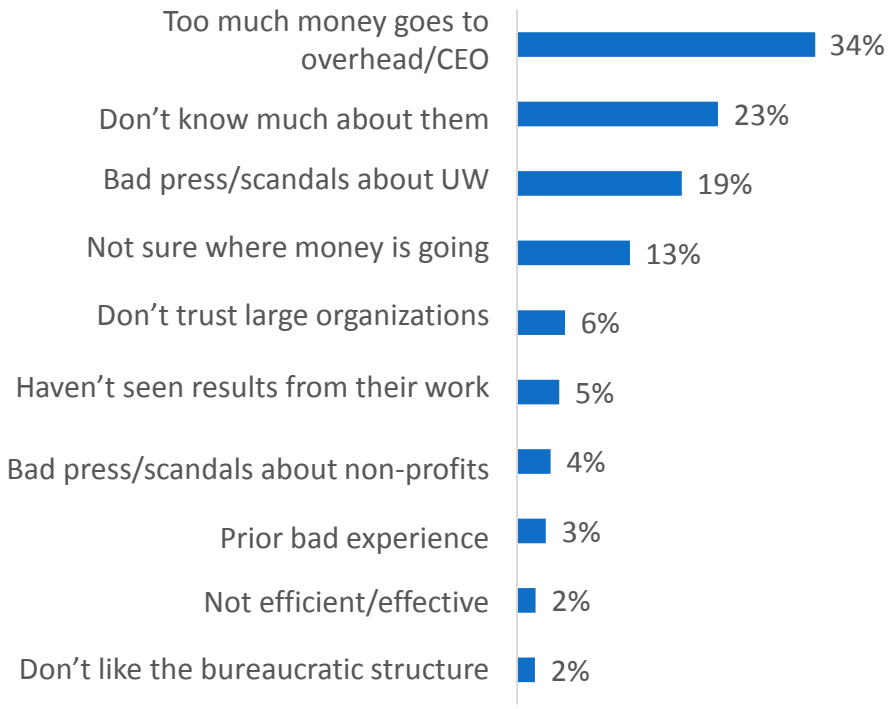
KEY FINDINGS: REASONS FOR TRUST

- Respondents trust [LOCAL BRAND] because the organization does good things/helps people, has a good reputation, and they haven't heard any negative press or have only heard good things about [LOCAL BRAND].
- Respondents do not trust [LOCAL BRAND] due to perceptions of misallocation of funds, bad press and scandals, and a lack of knowledge about the organization.

Top 10 Reasons for High Trust
(Among Respondents who Trust [LOCAL BRAND])



Top 10 Reasons for Low Trust
(Among Respondents who Do Not Trust [LOCAL BRAND])

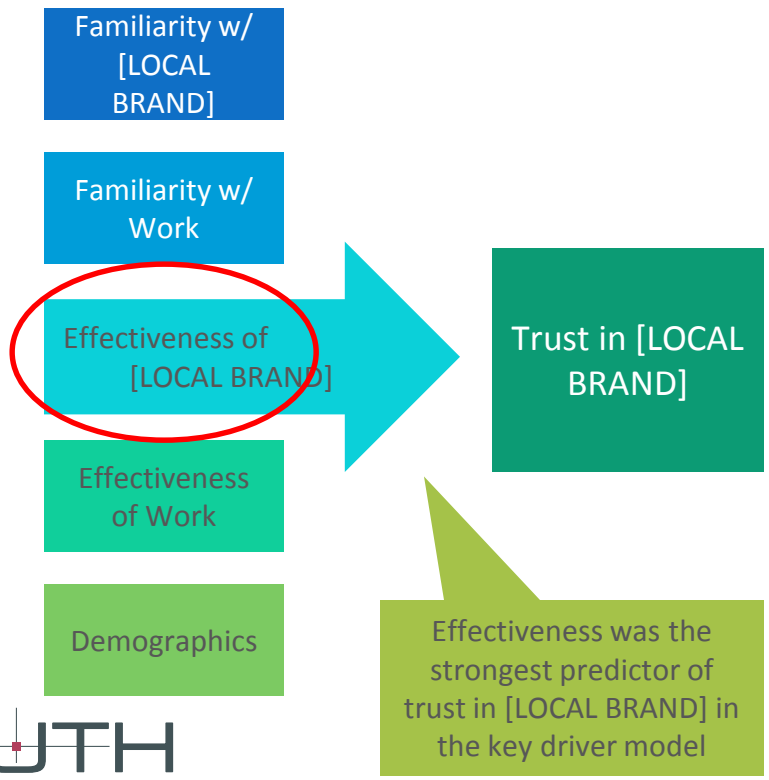


LUTH research

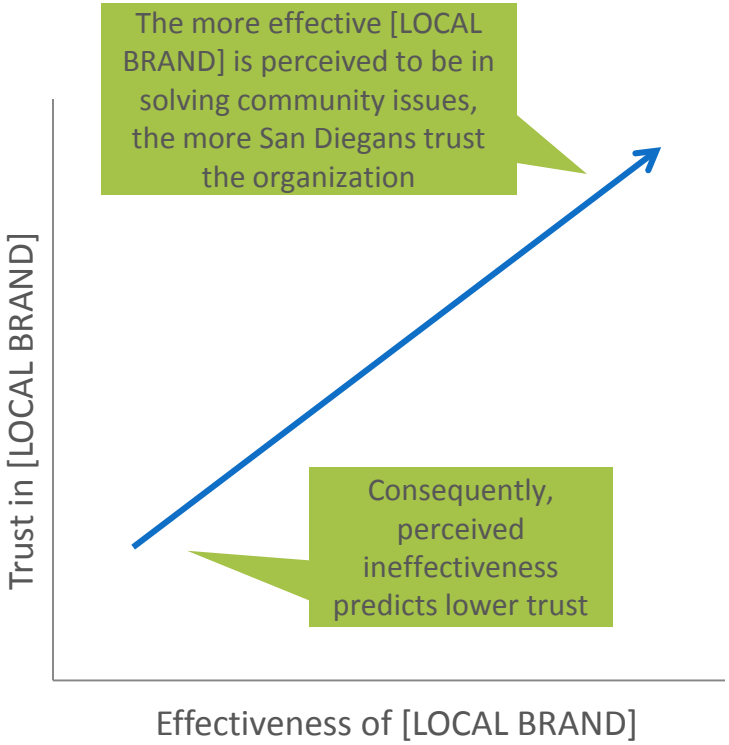
KEY FINDINGS: PREDICTORS OF TRUST

- A Key Driver Analysis was conducted in order to yield a clear understanding of the most significant influential factors of trust in [LOCAL BRAND]; specifically, a regression was run using familiarity with the organization, familiarity with the work [LOCAL BRAND] does in the four areas of focus, effectiveness of the organization, effectiveness of [LOCAL BRAND]'s work, involvement with [LOCAL BRAND], and demographic variables including gender, age, income, ethnicity, and length of time living in SD County.

Key Driver Model



Relationship



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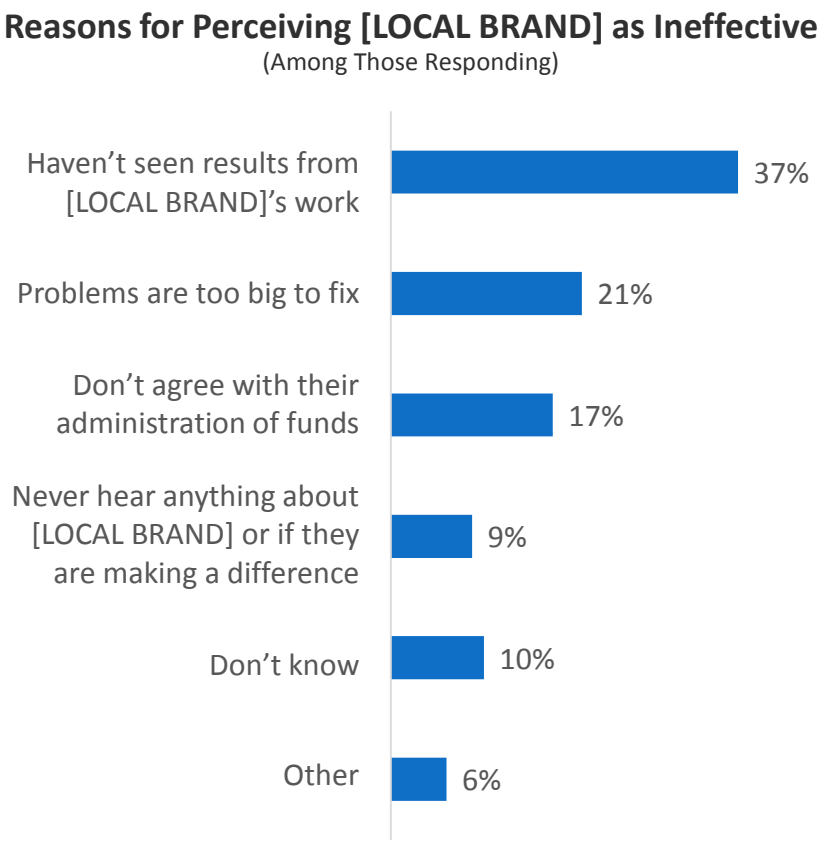
KEY FINDINGS: REASONS FOR INEFFECTIVENESS

- Respondents consider [LOCAL BRAND] ineffective because they haven't seen results from the organization's work, they consider the problems too big to fix, they don't agree with the administration of funds, and they never hear anything about [LOCAL BRAND]'s work.



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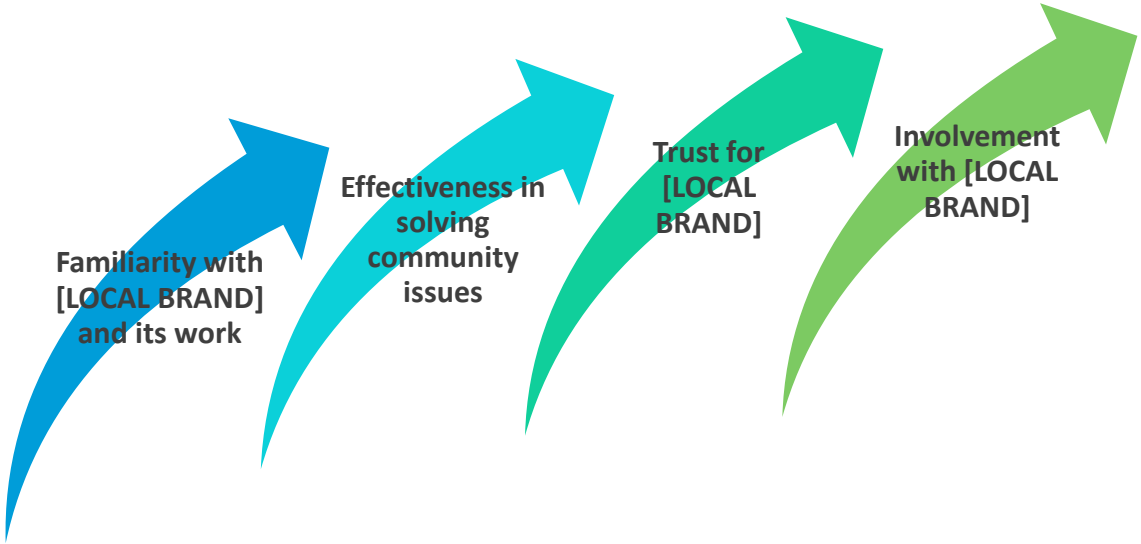
RECOMMENDATIONS

Overall Recommendations: Increasing familiarity with [LOCAL BRAND] and its work in the four areas of focus will, in turn, increase how effective the community considers [LOCAL BRAND] in solving community issues. Subsequently, increasing perceptions of effectiveness will foster higher levels of trust for [LOCAL BRAND]. As a result, higher levels of trust for [LOCAL BRAND] will impact involvement with the organization.

Recommendations for Increasing Familiarity & Effectiveness:

- Continue to update [LOCAL BRAND]'s social media pages with the most recent news about events and work in the community. Share specific information about the work done and the impact it had.
- Since unfamiliarity with allocation of funds is the most frequently mentioned reason for low trust and is a barrier to involvement, share [LOCAL BRAND]'s financial information in a more user friendly and simplified format that is easily accessible from the website homepage.
- Along with increasing familiarity with [LOCAL BRAND]'s work, communicate [LOCAL BRAND]'s effectiveness in solving community issues by sharing summarized, eye-catching headlines from the Community Impact Progress Reports on the website homepage and social media pages.
- Consider other methods for sharing this information about [LOCAL BRAND] with the public including but not limited to outreach events, advertising and/or public relations campaign, and press releases.



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KEY TAKEAWAYS

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KEY TAKEAWAYS

- Market research can be used by nonprofits to inform resource planning and application

- Key outcomes include:

  - Identifying target donors
  - Uncovering how and where to reach target donors
  - Understanding what motivates target donors
  - Determining how to maintain/increase involvement

- With the ultimate goal being to reduce the focus on the percentage of funds allocated to overhead by redirecting attention to the impact the nonprofit has in the community and specific areas of focus

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