Community Perceptions of and Suggested Fundraising Strategies for Local Charities

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Abstract

Increasing competition for charity dollars has led many charities to reconsider their approach to fundraising. While donors are more likely to support charities they have a personal connection with, low psychological involvement with a charity influences the desire to switch. Local charities are commonly smaller and less resourced than state, national or international charities, but have the opportunity to increase and maintain donors by utilising strategies that increase community engagement. The current study, undertaken with people aged over 15 years in a regional area, found that most donors disliked guilt inducing techniques and telemarketing. Participants suggested more effective strategies including workplace giving, social media, local media partnerships and events that encourage community participation and connectedness. They preferred raising funds for discreet items and stressed the importance of regular communication with donors regarding positive achievements. The insights are useful for all charities in determining fundraising strategies and maintaining positive donor relationships.

Keywords: charity, donation, consumer behaviour

Track: Marketing and Society

1.0 Background

Donors support charities for a range of reasons; for example, some donate in order to see others helped immediately such as sponsoring a child, while others donate to address the cause of a problem such as donations to medical research (McCurry, 2004). Vu (2012) suggests one-off giving is the most common form of charitable donation in Australia because it is simple and there are 'no strings attached'. Barriers to donating include being harassed by charities to donate (Akhtar, 2011; Jump & Cook, 2009) and the use of free gifts/incentives which some perceive as reducing the money going directly to the cause (Jump & Cook, 2009).

A major focus of research in donor behaviour has been the efficacy of campaign appeals. Research indicates people are becoming over-exposed to charity appeals (Dalton, Madden, Chamberlain, Carr, & Lyons, 2008), translating to the need for more sophisticated appeals rather than use of email or mail (Jump & Cook, 2009; McCurry, 2004; Schlegemilch, Love & Diamantopoulous, 1997). Bennet (2009) investigated reasons why people chose to change their charity preferences and found that low psychological involvement with the original charity represented the main influence on the desire to switch. This finding suggests that inducing feelings of involvement in a charity should be an important focus on campaign messages (Bennet, 2009).

People may be motivated to donate to local charities because they provide the opportunity to contribute to the community they currently live or grew up in (Vu, 2012); and provide donors with first hand evidence of the positive impact of the charity in their community (Button, 2011).

2.0 Aim of the study

This study was conducted with the aim of understanding how members of a regional community perceive local charities, what motivates or prevents them from making donations, what they expect from the donor-charity relationship, and what fundraising strategies they perceive to be most effective. The insights provided are useful for all charities, local or otherwise, to inform their community engagement strategies and donor management.

3.0 Methodology

Ten focus groups were conducted over a two-week period in January and February 2013 with a range of community segments for whom this issue is potentially important and/or are likely to donate to or engage with charities. Two groups were conducted with older adults (parents with adult children and/or grandchildren) and two groups with parents of teenagers (aged 13 – 17 years). Three groups were conducted with parents of babies and younger children and three groups with young people aged 15 – 25 years with no children.

Focus group discussions focussed broadly on knowledge, attitudes and behaviours in relation to donations to charity, and potential willingness to support a local children's charity. Participants were recruited via posters/flyers and email distribution lists. Other recruitment methods included Facebook posts, online community noticeboards, regional disability services networks as well as community service announcements on local radio.
This research was approved by a University Human Research Ethics Committee.

4.0 Results

Participants' ages ranged from 15-66 years (M= 36 years, SD= 18 years), with 31 females and 9 males. The majority of participants (N= 34, 83%) were born in Australia, and English was the primary language spoken at home (N=37, 91%). No participants identified as Aboriginal or Torres Straight Islander. The employment status of participants included full time work (N= 12, 30%), part-time or casual work (N= 9, 23%), retired (N= 8, 20%), unemployed (N= 5, 13%) and students (N= 5, 12.5%). The majority of participants were married or in de facto relationships (N= 20, 50%) or were single and never married (N= 16, 40%), and living at home with their spouse and/or family (N= 37, 93%). The majority of participants (N= 19, 48%) indicated their household income was over $70000.

Themes arising from the focus groups discussion included the importance of different charities, which charities participants would donate to and why, as well as which fundraising strategies they deemed most successful.

4.1 Importance of different charities

While most participants across all age groups felt that all charities were important, the charities they had a personal connection were most often mentioned.

> "If you know a child or friend with a specific illness then those charities pull your heart strings. But no charity is less important." (Parent of young child, group 7)

> "If something is close to your heart then you will donate, like my family friend has cancer so I always choose cancer charities to donate to." (Young person, group 8)

Children's charities (including children's health and welfare charities), cancer charities, research charities, and welfare charities were most commonly mentioned by participants with children being important due to the dependency and vulnerability of recipients.

4.2 Local charities

Parents were generally happy to support local charities in the belief that something would happen locally and that these charities were needier of donations to remain sustainable. They felt that knowledge of the community needs would entice them to donate more to local charities, but they would also donate to state or national charities with the assumption that these charities also provide local services. Parents liked to think their donations were being used to serve the neediest and make the biggest difference in the local community. There was also the concept of exchange, such that if they donated to a local charity now, but experienced hardship in the future, the local charity would be there to help them.

Generally parents felt that giving locally was more rewarding as they were more likely to see the positive effects and there was community benefit in terms of social connectedness.

> "I like it when there is a local child, person or family and they are covered in the newspaper, people will happily give to that because you can see where the money is going and that it'll get the kid on track in some way." (Parent of young child, group 6)

There was a perception that money donated to local charities would stay local, but these charities would also stay small because they didn't spend a lot of money on marketing and administration. Many parents were sceptical of larger charities and wanted more transparency and accountability.

> *"People get a bit cold on giving their hard earned cash when funding does not get through or a lot being sucked up in administration... I think it is really important to know where it is going." (Parent of young child, group 5)*

Parents also expressed the importance of tangible outcomes for the local community (such as the purchase of discreet equipment, or funding of specific programs) and that these should be clearly communicated to donors.

> *"There is also trust involved. There have been scams and you need to know it is a safe charity and that the bulk of your money is going to go to what you intended." (Parent of adult child, group 2)*

Young people aged 15 – 25 years were less likely to consider local charities as more important than national or international charities, and preferred the idea of donating to charities that had the greatest need. Some were more reluctant to donate to local charities because they were seen as small or they were simply not aware of local charities.

4.3 Fundraising strategies

Parents felt that organisations that used cold-calling (including international charities for developing countries) were spending too much money on this technique (and administration generally) and these organisations were perceived as less trustworthy.

> *"Part of me is a bit mercenary. If you've got the money to pay someone to be ringing around asking for money then more funding could possibly be directed to the actual charity." (Parent of young child, group 5)*

However, several of the older adults reported that they responded to phone appeals by local charities as well as local, state and national charities. Some older adults made donations if they were sent something via mail such as personalised merchandise however they did not like this approach or other guilt-inducing techniques.

> *"No pictures of sick and frail children because they make me turn away/change the channel… too distressing. Don't mind the images of sick children being treated because it's hopeful, you see them progressing." (Parent of adult child, group 1).*

Some parents preferred to research and select their own charities. Personal collection (such as door knocking or small donations in shopping centres) was mentioned as an effective form of fundraising. Parents perceived organisations that utilised volunteers as having lower overheads and therefore less administration costs, so that more of the donated funds to these charities reached the intended recipients.

> *"I know that if I volunteer my time for the Aspect art show, all the proceeds go directly to that purpose. All staff and parents are donating their time. There is more hitting the intended outcome." (Parent of young child, group 5)*

Some parents felt that charities could improve donor relationships, and nurture these by communicating more regularly about how their money was spent, and what outcomes were achieved. Accountability and transparency of local charity activities was a recurring theme.

"You don't want them to collect money and then it sit there in the bank. You want to see projects they do with the money." (Parent of adult child, group 2)

Several parent groups suggested workplace giving where regular deductions are made from employee salaries of larger local organisations and businesses. Others suggested partnership with the community and media were useful, and the stressed the importance of community participation. They suggested days or educational, sporting or social events that involved more than purchase of tickets, but other fundraising activities such as raffles and silent auctions as well as a chance to participate and get something in return. Charities working together to achieve a local goal was a recurring suggestion, and the importance of raising money for something tangible and transparent was reiterated.

"It's getting people to know exactly where their money is going." (Parent of young child, group 6)

Parents of younger children recommended the use of social media as effective and low cost (in terms of time) as well as prizes and giveaways to get attention. While older parents preferred to make donations via trustworthy channels (such as their local bank), younger parents suggested online donation capacity.

Younger adults were less interested in traditional media (newspaper) and preferred social media, YouTube advertising, community functions and events, television or news programs and outdoor advertising (billboards). They suggested popular culture (such as television programs) or purchasing something small, but disliked face-to-face fundraising and telemarketing. They also suggested providing feedback about the money raised such as a thankyou card or email.

5.0 Discussion

The groups most willing to donate to charities were parents of children (including parents of babies and younger children, parents of teenagers, parents of older children, and grandparents). Young people aged 15 – 17 years were less engaged with charities and less able to donate for financial reasons. Young people aged 17 – 25 years without children were aware of larger national and international charities, and were more concerned that their donations addressed the greatest need rather than benefitting their local community. All groups reported that they were most likely to support charities they have a personal connection with.

Participants with children were cynical of larger, national or international charities and perceived that they had greater administrative costs. There was concern that the funds they donated to these larger charities would provide only limited local benefit; and the use of cold-calling or telemarketing techniques increased cynicism by raising concerns about how much of their donation was being used for administration (or to pay the telemarketer). While face-to-face fundraising was better tolerated, there was a stated preference for the use of workplace giving, or requests via email, mail or social media; however, Vu (2012) found that one-off

giving is the most common form of charitable donation in Australia because it is simple and there are no special demands or limits that you have to accept (Vu, 2012). Strategies suggested as effective in the literature include the use of social media (Hall, 2010), online petitions (Rubach, 2006), television appeals (Akhtar, 2011), and allowing people to volunteer time rather than making requests for money (McCurry, 2004).

Participants expressed a dislike of guilt inducing techniques and a preference for positive, outcome-focussed communication, whereas traditionally, charities have relied on negatively framed emotional appeals. The literature suggests specific elements of an effective campaign include framing heuristics such as clear and touching words, vivid images, and persuasive statistical evidence of a public welfare issue to stimulate sympathy (Chang & Lee, 2009). A pictorial image and/or concrete personal story corresponding to the message have also shown to increase the impact of the campaign message (Chang & Lee, 2009).

Most participants felt favourably towards smaller, local, volunteer-run charities and perceived their support of these charities helped them to remain viable. This is different to research which has found a barrier to donating locally is that, relative to other charitable appeals such as food aid, the local community may be perceived as being 'well off' (Dalton et al., 2008). Participants in the focus groups agreed that donations to local charities would have more direct local benefit and potentially benefit themselves in the future if they ever faced hardship. This is consistent with the findings reported by Vu (2012) that one of the major factors motivating people to a local charity is being able to contribute to the community that you live in and, perhaps, grew up in. Further, donating to a local charity increases the opportunity of seeing, first hand, the positive impacts of the charity (Button, 2011).

Participants discussed the importance of transparency and accountability. Particularly for local charities, they wanted to know who was involved and who was on the board of the charity; and how their donation was used (which they felt should be communicated publically, via advertisements in the local newspaper, as well as privately via thank you letters or emails). Hall (2010) found providing feedback about the charity's progress without direct calls for donations was an effective strategy. When participants spoke about the use of charity donations, there was a distinct preference for funding discreet items (such as a building or medical equipment) over less tangible uses (such as research). Participants liked to feel that they were part of a community effort to achieve outcomes, and valued the involvement of charity recipients as well as donors, volunteers and local media. There was a preference for events that engage the community and enable community connectedness and participation; and an emphasis on nurturing the donor relationship with regular communication and updates regarding positive achievements. This is consistent with Bennet's (2009) finding that low psychological involvement with the original charity represented the main influence on the desire to switch, and that inducing feelings of involvement in a charity should be an important focus on campaign messages (Bennet, 2009).

6.0 Conclusion

The findings suggest that local charities can be more effective if they engage the community and local media in achieving discreet outcomes. While strategies including guilt inducing techniques and telemarketing were generally disliked, strategies including workplace giving, face-to-face fundraising and requests via email, mail or social media were recommended. Donors expect charities to be accountable and want their donations acknowledged as well as communication regarding outcomes achieved.

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