

The Right Attitude

A guide to attitudinal segmentation for charities

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Section 1 - Introduction

Take part in a sponsored event. Volunteer at one of your projects. Increase a direct debit.

Whatever you want supporters to do, you need to understand why they would want to do it.

Building up a detailed picture of your different audiences and what motivates them is an essential part of successful marketing. If you really get to know the people you're talking to, you can tailor your communications so they have the highest chance of achieving the action you're looking for.

This report looks at ways of effectively identifying and dividing up, or 'segmenting', your key target audiences so you can reach the right people with the right messages – the ones that will inspire them to make a difference. Making this a part of your long-term work will help you to grow your organisation and meet your objectives.

While there are many ways you can segment your audiences, this report focuses mainly on how attitudinal segmentation (which divides audiences on how they feel, rather than who they are or what they've done in the past) can help charities. It explores how you can use this approach and in what way it can work alongside other types of segmentation.

At nfpSynergy, we have over 10 years' experience of working with charities to understand their current and potential supporters and what motivates their behaviour. We can use this expertise to work with you on attitudinal segmentations. If you'd like to find out more about how we can help, please do get in touch.

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Section 2 - What is segmentation?

Segmentation is a way of dividing and classifying audiences into groups. You can do this using almost any criteria – from age and economic status through to very specific characteristics, such as how people feel about a certain product or cause.

This helps charities:

- understand how people think and behave differently
- identify opportunities and challenges when they're trying to engage with different groups of people
- make fundraising or recruitment more efficient by prioritising certain audiences
- tailor communications to different audiences based on what may motivate them to take action.

"After the recession started, we decided that rather than focus our efforts on the largest market, we wanted to reach out to the group of people that had the highest propensity to support us: active Christians. Active Christians are quite a diverse group; they're not homogenous. We knew that treating everyone exactly the same wouldn't be satisfactory.

"So we used this opportunity to develop a market segmentation approach to get to understand this group as best we could. The business case was that we'd get better returns because we'd be marketing appropriate products and messages to different groups, and improve supporter satisfaction as a result."

Tom Barratt, Head of Marketing Communications, Christian Aid

Types of segmentation

There are many different ways to segment audience, but the three main ones are:

1. Geo-demographic

This type of segmentation uses data that already exists, such as where people live (geographic data), to divide up audiences. It also covers the basic 'vital statistics' (demographics), such as someone's age, gender, socio economic status, whether they have children etc.

Geo-demographic criteria can be used to target potential supporters or to approach existing ones with a new message. This type of information can only give you a broad general outline of the people you're talking to. To find out what

distinguishes them from each other, you need to look at their attitudes and behaviour.

2. Behavioural

This approach divides audiences based on the way they've behaved in the past. For charities, this might involve looking into how much they've donated, whether they've taken part in a campaign or volunteered. This can be done using existing data and information a charity has already collected, or by commissioning new market research. For many charities segmenting their appeal mailings by recency (when an audience last donated), frequency (how often they have donated) and value (how much they have donated) is the norm.

This is often used to 'develop' existing supporters, or get them to do more, for example asking a donor to increase their donation or take part in an event or campaign.

3. Attitudinal

An attitudinal segmentation divides audiences on how they feel, rather than who they are or what they've done in the past. It uses extensive market research to look at their motivations, attitudes, likes and dislikes, and values. A sample of supporters and/or potential supporters will be asked to respond to a series of statements – usually by agreeing or disagreeing – and the results are analysed.

This is the most complex type of segmentation and, depending on your aims and your organisation's stage of development, the most rewarding. It gets to the core of why people would support your organisation. This approach explores the reasons and motivations, going beyond things like life stage, income or other basic statistical information, giving you data you can use to tailor the products and opportunities you offer.

Combining results from geographic, demographic and behavioural information with attitudinal research will give you the most detailed portrait of your target audience. Attitudinal segmentation is usually done by a specialist in a market research agency.

"Personally, I prefer attitudinal segmentation. This is about fundamentally, at their core, 'Who are people, and what makes them tick?' I don't think that's really about age or social background, but it plays a part – it comes later. You can combine geo-demographic and attitudinal to find out more about your supporters.

"Perhaps two people have the same motivation for volunteering, for example, but they come from very different backgrounds. And for one person, this might be a barrier to volunteering. That's a barrier we should do something about. But finding out that someone doesn't volunteer for us because they don't connect with what we do might mean that we get to the 'goodbye point' earlier on."

Daniel Rose, Insight Lead – Future Audience Development & Reach, National Trust

Section 3 - Why segment your audiences?

The problem of poor targeting

Have you ever received a letter from a company trying to sell you a product that is entirely irrelevant to your life? Or been sent an overly friendly email from a chief executive directing you to a 100-page report that contains one relevant piece of information for you?

If so, these kinds of communications probably made you feel quite annoyed.

That's how a supporter feels when they receive an irrelevant direct mail pack or email from your charity. They're not likely to want to take the action you'd like them to.

At best they'll ignore the communication, they may even stop engaging with your charity altogether. That means your carefully crafted copy and colleagues' hard work has been a waste of time. And that your supporters' generous donations aren't being used in the best way.

This is a problem that segmentation can help address.

All types of segmentation can be useful and insightful. But people's attitudes give you the most insight into their current and potential behaviour. This can help you to develop messages which better inspire people to take action – and support your cause.

So we believe that if you have the time and resources, the best way to reveal the most promising clusters of support – and the best way to approach them – is through attitudinal segmentation.

"Not segmenting your audiences means you're pouring money down a big black hole. For example, you could continually be spending funds on a mail out that does not get any return. You could think about your fundraising Key Performance Indicators and link your objectives for segmentation back to those. The opportunity is massive."

Jane Trenaman CRM Coordinator, Trócaire

A solution through segmentation

Fundamental to the success of any kind of segmentation project is the question “Why are we doing this?” The answer will be individual to your organisation, and depends on what you do and your size. But broadly speaking, segmentation has two main objectives:

1. To get new donors, volunteers, campaigners or supporters

You can use data and surveys to find out more about who might volunteer, donate, campaign, fundraise or support your cause. This information might cover everything from where people who support environmental causes are most likely to live, to what an animal rights campaigner watches on TV.

Why? You can then use this information to better target your communications, fundraising and campaigning to these audiences so that they’re more likely to take the action you want them to.

Attracting new supporters of any kind is often the starting point of an attitudinal segmentation. It can stop there but it can also be used to better understand your existing supporters – giving you the knowledge you need to keep them interested and persuade them to get more involved.

“We wanted to understand volunteers and volunteering. So we decided to look at how we could develop a volunteer segmentation to: diversity the types of people volunteering for us, develop new volunteering opportunities and better understand what motivated people to volunteer.”

“Our number one priority was to improve the volunteer experience. Getting more volunteers was a secondary thing – we knew that the world of volunteering was changing and that people wanted to volunteer in different ways. So if we didn’t act, we’d find it hard to recruit and retain volunteers in the future.”

Daniel Rose, Insight Lead – Future Audience Development & Reach, National Trust

“We took on this project because we had some big strategic goals. We wanted to double our income, transform the way we take action with people, and strengthen our overall brand. To deliver this, we needed to reach out to the wider public, and build really strong networks of connected people from individuals to decision makers to businesses. So, we set about creating an integrated organisational audience strategy – which included a new market segmentation – as well as an analysis of more specialist audiences that we campaign with.”

Adeela Warley, Head of Communications, Friends of the Earth

2. To better understand your current audiences and get them to do more

Your supporters aren't email addresses or postcodes, they're people. And getting to know who they are, what motivates them and how you can help fulfill their needs could lead to a mutually beneficial relationship.

Why? You can use the data you have already to start to build up a better picture of your different audiences. This will allow you to predict and track how they engage with your organisation, and send communications that resonate with them so they do more. For example, you'd be able to create a strategy that:

Thanks someone who donates £10 to your charity



Encourages them to set up a direct debit



Inspires them to get involved in other ways, such as volunteering or signing up for an e-campaign



Persuades them to reactivate their direct debit if they ever cancel it

Building the business case – or not

Attitudinal segmentation is a long-term commitment not a short-term project. It needs to fit into your overall organisational strategy as well as your departmental ones. Timely, successful segmentation will save you money, help raise funds and recruit new supporters. But to get there, it takes money, time, effort and resource.

Attitudinal segmentations will involve the greatest commitment – from considering your aims and objectives through to planning for changes that might be needed when you get your results. For example, you may decide to restructure the way a campaign team works, so that they are responsible for a particular audience you've identified, rather than an event or product. You may need to plan to upgrade your database if you want to label all your existing supporters.

Preparing your business case will help you realise the limitations or opportunities that are available for your organisation. You might find it isn't the right time to take on the whole project straightaway, and a phased approach might be better for your organisation. Now might be about concentrating on convincing colleagues that it's an important thing for you to do in the future, and making sure you have the funds available. And considering which approach to segmentation is right for you – which the next section will help you with.

Tips for success

1. *Organisational need comes first, segmentation second: examine whether there is a business need for doing segmentation.*
2. *The most common reason for failure of segmentations is lack of a clear business rationale.*
3. *Senior leadership buy-in is critical for the segmentation's long-term success.*
4. *Put together a creative segmentation communications plan. Work with the internal communications team to do so.*
5. *Only multiple perspectives and experts working together will deliver a strong segmentation: form a segmentation 'working group' to drive the thinking behind the segmentation design.*
6. *The 'working group' members are key success assets. Ensure that the members of the segmentation working group are advocates.*
7. *Hybrid segmentations are the best. Business applicable segmentations are those which uncover underlying audience needs, translates these into attitudes and motivations, which in turn translate into behaviours. Therefore, the segmentations most likely to succeed are those which are a hybrid between needs, attitudes and behaviour.*
8. *Make sure that your segmentation fulfils what it is there to do: ensure that your segmentation maximises differences and minimises similarities between different segments.*
9. *Aim for up to six segments. Any more than six segments become unmanageable for the human prefrontal cortex to process.*
10. *The less golden questions, the more chances of wider segmentation applicability. It is best to aim for no more than 6-7 short golden questions which could be asked in 2-3 minutes.*
11. *Outputs are as important as inputs for the successful embedding of segmentations into the business. Be as creative as possible!*
12. *Embedding the segmentation creatively is an on-going task.*
13. *Remember, segmentation is only a lens! Segmentations cannot substitute other powerful ways of understanding audiences, they should complement what is already known.*

Luba Kassova – Addy Kassova Audience Strategy

Questions to ask yourself if you're thinking of doing complex segmentation with your audiences

What exactly are you trying to achieve? What does success look like? It's crucial to ask this question in consultation with the people around you who will be responsible for working with the information you uncover. That might be everyone from your communications director to administrative staff.

What information do you want to get and why? You may have a specific problem that attitudinal segmentation could help fix. For example, sending better targeted emails to campaigners so more people get emails about the campaigns they care about can help you fight for your cause and create change. Or, your marketing team could need information to base a five-year marketing strategy on.

Are you ready to do this? Consider if there are any organisational changes or issues that might affect your ability to put the segmentation to use. If your organisation is going through a strategic review, name change process, change in structure or is facing cut backs, this may not be the time to complete your research. But you may decide to make it part of your plans for the future.

Do you have the budget to implement changes that may be needed as a result of the research? Producing a segmentation is the easier bit. If you can't make the changes that are needed as a result, it could end up being a frustrating exercise.

Do you have support from senior management? Although you can't predict the outcome of research, make sure key decision makers are involved and aware that the process may result in change. In our experience, involving senior leadership in the process is crucial, and without them the chances of long-term failure increase.

Section 4 - Is attitudinal segmentation right for you?

To an outsider, segmentation can seem like a magical process. And in some respects it is, because data analysts can turn a load of numbers into essential insights about your key audiences. This section aims to cut through the jargon to help you make the decisions that create that magic.

Talking to your own supporters vs. talking to other people

As we saw in part two, segmentation can help you find out more about two broad audiences: the people who engage with your organisation and the wider public who don't, yet. In marketing terms, analysing these respective audiences is called looking "inside-out" and "outside-in" and they can be used for different purposes.

Inside-out segmentation: using your existing data about supporters to improve marketing

This kind of approach can offer rich insight as information comes only from those who definitely know about and support you. It can potentially be less expensive to conduct research as you already have data to work with. It is especially useful for smaller charities to focus on finding out more about their supporters and using this information to try to reach new ones too.

The approach excludes people who don't engage with you yet but might do in the future. The potential supporters your research reveals might be different from your existing ones – so you won't get information about these new audiences from your current supporters. The approach could be restrictive for larger charities who might want more information about potential supporters.

Using this kind of segmentation is typical of a behavioural approach to segmentation. For example, you could use it to find out information that will help you to encourage people to donate more money, more often.

Outside-in segmentation: using external market data to improve marketing

This approach is good for larger charities who want to get new supporters. It uses data from surveys of the general public or databases such as the Target Group Index, which offers information about people's consumer choices. It is the more typical approach for attitudinal segmentation and can provide data and information that allows you to better target people who have not yet engaged with you through developing new communications and products. This can give you the information you need to expand your reach and do more – helping your

organisation to grow.

Generally, this approach is less specific as you could be including a wide and diverse range of people in your segmentation. The audiences you target won't be as 'warm' and may have little knowledge of your organisation, compared with your current supporters. The information and data you uncover may include people you don't recognise, making it difficult to immediately apply to your current supporters. This therefore requires plenty of internal resource to do the research and implement it.

Deciding between attitudinal and other types of segmentation

You can divide up audiences using information about everything from how old they are to what their aspirations are for world peace. As we learnt in part one, there are three main types of segmentation which can allow you to do this. This section will help you think about whether you should invest in an attitudinal segmentation, and what other options may be right for you.

Geo-demographic segmentation

This segmentation is based on dividing up categories that we're all familiar with – geography and basic demographics – and so is easy to understand.

Advantages

- **Software already exists.** There are a number of classification programmes which you can buy to divide up audiences according to their age, income, gender, social-economic status, number of children or even if they own a pet. The two main systems are ACORN and Mosaic, which characterise different postcodes based on things like social factors and consumer behaviour.

For example, Mosaic divides people into 155 different types, 67 households and 15 social groups. This creates a three tier classification system that you can use to divide people into types, households and geographic areas.

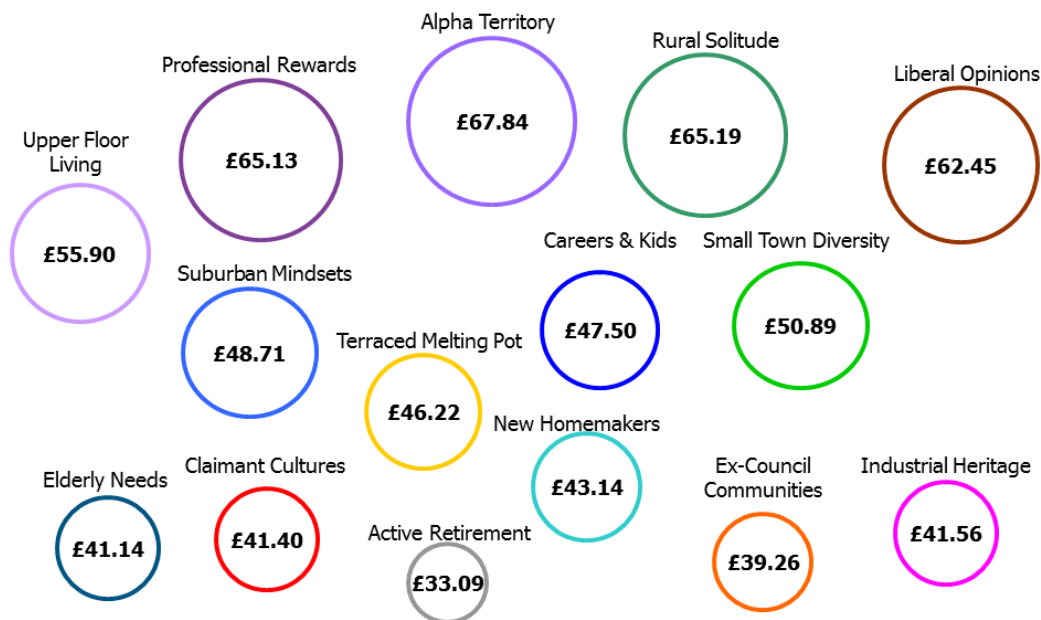
If you have a Customer Relationship Management (CRM) system, you can use it to divide up audiences using geo-demographic criteria. Online CRM tools can help you organise audiences into groups and record meaningful information and contact with them.

- **You can find out who is more likely to donate to your charity – increasing your income.** Using existing information about where people live and what type of person they are, can allow you to better

target your communications. Instead of sending out direct mail to everyone in the country, you could target those who are more likely to donate to your cause. In the chart below, this includes the groups with the bigger circles. To save money, you could filter out postcodes that are less likely to donate.

Figure 1: How geo-demographic segmentation can help you divide up your audiences

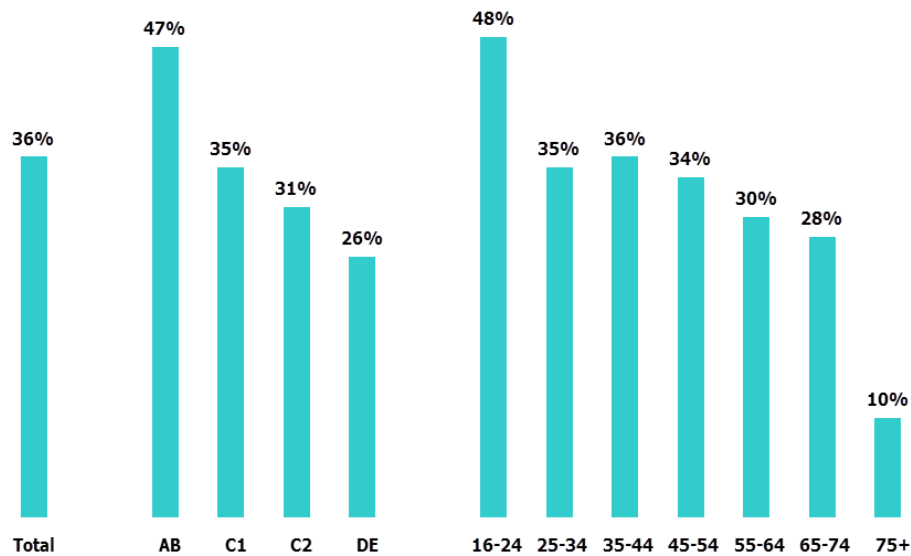
Average donations by Mosaic group



"In total, approximately how much money have you donated to any charities in the last 3 months?"

Base: 3,100 adults 16+, Britain.
Source: Charity Awareness Monitor, May-Nov 10, nfpSynergy

- It can be used to recruit new supporters and find out more about your current ones.** You can use this type of segmentation for recruitment when there's a strong relationship between someone's personal characteristics and what they do. For example, how much technology someone uses can be related to their age and social status. Figure 2 shows how younger people and those from higher social grades are much more likely to have visited a charity website than older people and those from lower social grades. A campaigning charity might use this information to find out more about who is likely to complete their actions.

Figure 2: Correlating status with action**Visiting charity websites**

"Have you visited a charity web site in the last 6 months?" Yes

Base: 800 adults 16+, Britain
Source: Charity Awareness Monitor, May 11, nfpSynergy

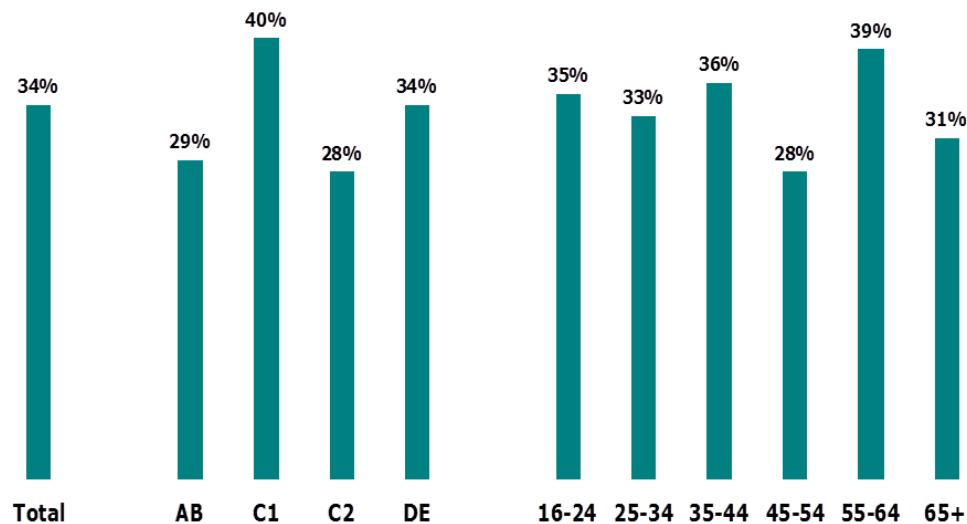
- **You can use the data to better target advertising and fundraising.** Dividing up your current supporters or the wider general public by where they live or social grade can allow you to tailor advertising to people who are most likely to engage with you. This can help with media and outdoor advertising and outdoor and doorstep fundraising.

Disadvantages

- **Attitudes are hard to predict using this data.** As we all know, age or where you live doesn't necessarily mean that you will think or feel a certain way. Figure 3 shows how people's knowledge about global poverty does not neatly correlate with age or social grade.

Figure 3: How attitudes about global poverty do not correlate with age or status

Feeling informed about global poverty



"Please indicate how far you agree with the following statements: I don't know very much about the lives of those living in poverty around the world" Agree strongly/ slightly

Base: 1,000 adults 16+, Britain.
Source: Charity Awareness Monitor, Nov 11, nfpSynergy

- There's a risk you'll treat very different people as one group – and alienate some of them.** This method relies on assumptions and is never going to be 100 per cent accurate. For example, if you want to reach young families with a campaign it is sensible to target postcodes where there's known to be a high number of working families. There will of course at least be some single people also living in the same postcode but using this approach will mean you'll be a lot more successful than targeting people at random. Depending on the nature of the campaign, you will need to consider whether you risk alienating single people who've been included in your data and to think about how you might mitigate against this. For example, you could amend the language or adjust the tone to avoid alienating a specific audience.
- You need good quality data.** This kind of segmentation can be inaccurate if you have missing information such as someone's gender or an ambiguous title like "Doctor".

Behavioural segmentation

This approach is used to divide up audiences based on how they behave.

Advantages

- **Useful for understanding how people donate.** Information about how much donors give, how often and when can be used to predict how they'll behave in the future. This can allow you to tailor communications so you're not asking donors for too much or too little, avoiding the chances of alienating some and overwhelming others.
- **Can help you to maximise support.** Having found out more about how each of your supporter types behave, you can use the information to make sure you're getting the most from them. For example, you can encourage those who are more likely to give to donate more or get those who have signed an e-petition to attend a campaigning event. So you can get more from each type of supporter by finding out where their motivation lies.
- **Can be used to work out how people engage with you.** You can use this type of segmentation to find out how your current database of supporters connects with your organisation. Asking them questions about how they have got involved with you can help you segregate audiences into campaigners, volunteers and donors. Then you can divide more specifically, into people who have gone to one of your events or worked with a particular type of service.

Disadvantages

- **Can only be used with existing supporters on its own.** This is because someone can only be classified into an audience once they have shown an interest in the charity. It's harder to predict how a member of the general public will engage with your charity, because you don't have that benchmark.
- **Does not tell you why someone will want to support your charity.** So while behaviour-based divisions of your audience might tell you when a particular person might next donate to your charity, you won't find out what motivates them to do so. This makes it difficult to tailor communications as a result of the segmentation or develop products that are based on the information.

Attitudinal segmentation

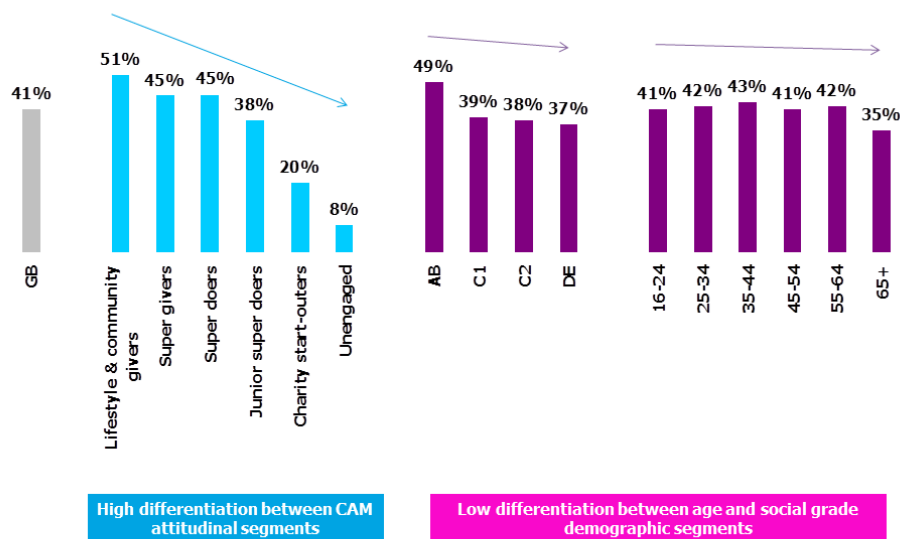
This type of segmentation groups people according to their motivations, attitudes and values. As it requires more involved market research, it is called "complex".

Advantages

- Allows you to find out what motivates supporters – as well as the general public.** This information can be used to build a portrait of what inspired your supporters and others to take action, and to grow your charity as a result. For example, our Charity Awareness Monitor supporter segmentation divides the British public into five groups based on: their motivations for supporting charities, the trust they place in them, their favourite causes, actual and considered giving, and whether they volunteer or campaign.
- You can match up your aims with people who might be inspired by them.** This kind of segmentation allows you to target specific groups of people. That might be matching people who like baking cakes with communications about your coffee morning or young graduates looking for work experience with your volunteering programme. Figure 4 shows how attitudinal segmentation can highlight the differences between different groups of people.
- Provides evidence for increasing your marketing in specific areas.** Figure 4 is an example from our Charity Awareness Monitor of how different groups get involved with sponsored charity events. Using this information, you could choose to not target the “charity start outs” and “unengaged” audiences for your campaign.

Figure 4: How attitudinal segmentation can predict action

Taking part in and sponsoring event



In which of the following ways did you give? - Taking part in or sponsoring someone else to take part in an event

Base: 1000 adults 16+, Britain; 1 = 157, 2= 88, 3= 299, 4= 112, 5= 194, 6=170
 Source: Charity Awareness Monitor, Jan 10, nfpSynergy

- **You're free to use segmentations unique to your organisation or ready-made examples.** If you have a niche audience, you can work on developing a specific set of questions that divide them into categories that will help achieve your aims. For example, we worked with Christian Aid to come up with an actively engaged Christian audience. We also worked with Friends of the Earth to find out what motivated their current supporter and potential supporter audiences.

By contrast, our Charity Awareness Monitor supporter segmentation can be applied to any charity audience survey to help define what makes people care about your organisation. Other segmentations of the general public include the Values Mode system, run by the company Cultural Dynamics Strategy & Marketing. This categorises people into 12 groups based on their responses to a short set of questions about values and beliefs.

Disadvantages

- **It can be more expensive.** This is because this kind of segmentation requires extensive market research with a sample of supporters and/or the general public so you will probably need to recruit an agency to help with the work. Supporters will be surveyed and statisticians will analyse the results.
- **You need the resources to implement the information you'll uncover.** This kind of research might really surprise you. Perhaps it will mean that you haven't been talking to the people you thought you were. You'll need resources to implement the things you find out, whether that's a new fundraising campaign or communications strategy. For example there is no point in knowing that campaigners like different campaigns or volunteers like different types of volunteering, and then send all volunteers or campaigners the same information. So messages as well as audiences need to be segmented.

"Before I moved to the charity sector, I worked for a large telecommunications company in market research and we used to use lots of different segmentation methods to talk to different audiences. We'd have bespoke segments that we'd refresh every few years. The charity sector doesn't have this kind of budget!"

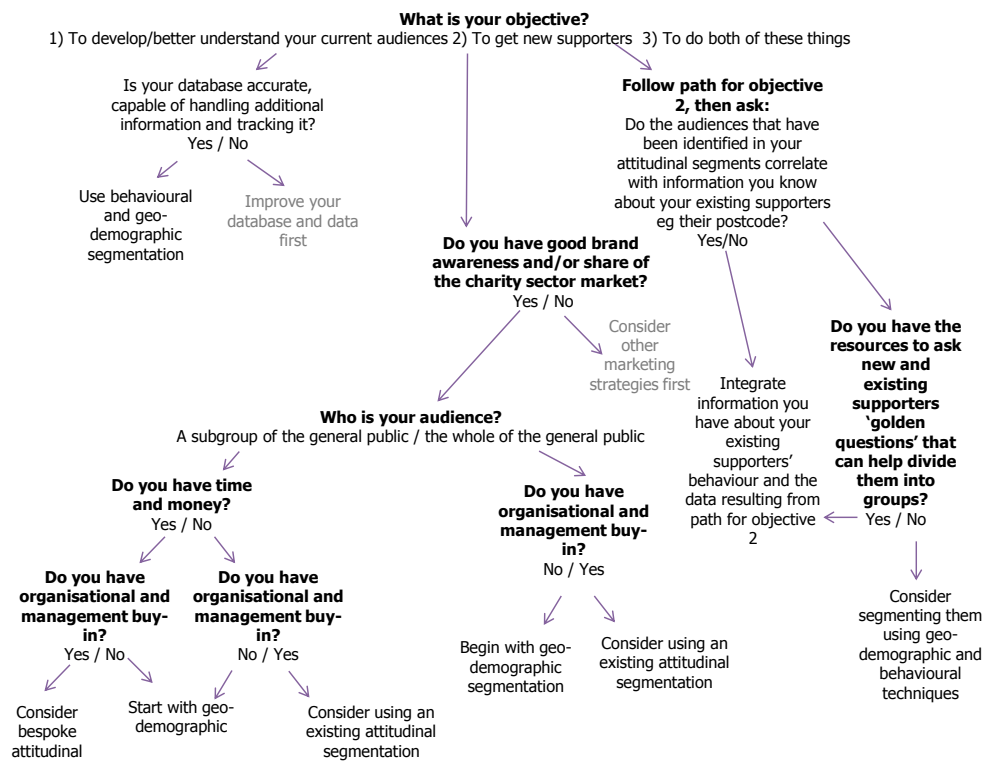
"When I first came to Trócaire, it was about getting our data in shape, as lots of different teams had different data. So, we've collated that and have used value-based surveys, and the nfpSynergy Charity Awareness Monitors, to find out more about our different school, church and individual audiences. Now we're finding out more about the segments within those."

Jane Trenaman, CRM Coordinator, Trócaire

Choosing between the three options...

What segmentation you choose will depend primarily on your aims and your starting position. Start making your decision by thinking about whether you want to find out more about your current supporters, get new ones or do both. Then you could look at each approach with your working group and decide which might help you meet your aims. We've put together a flow diagram to help, please see figure 5.

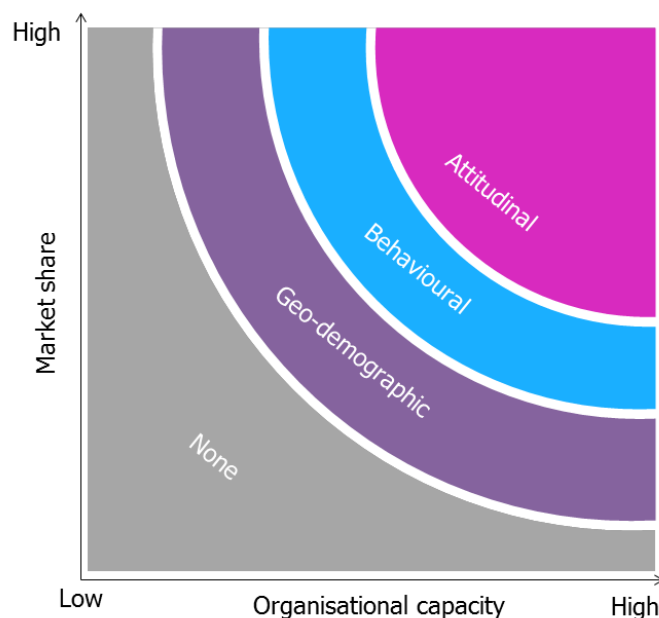
Figure 5: Key decisions in choosing a segmentation model



Generally, we would recommend doing the simpler and cheaper behavioural and geo-demographic segmentations before starting a more complex attitudinal one.

Your final choice will also depend on how much of a share of the market your organisation has, in terms of supporters, and the resources you have to make change happen. Figure 6 helps explain this.

Figure 6: Choosing between different segmentation approaches based on organisation capacity and size



....or going with a combination

Often organisations develop their geo-demographic and behavioural segmentations, and then carry out an attitudinal segmentation.

There are benefits to using all three segmentations. To make this easier to handle within your organisation, there are two ways you might do this:

1. They can co-exist

You could use a segmentation to find out more about existing supporters alongside one that is trying to get new ones. The existence of one should not affect or conflict with the other because each will have its own focus. For example, a campaign to get more young supporters would be different to one that aims to get donors to give more.

2. You can combine them

The more information you can get about supporters, the more likely you are to inspire them to take action. Combining all the data you have about supporters or potential supporters' needs, values, attitudes and behaviour into one segmentation will help you do this.

But if you're thinking of doing this, make sure your database can track overlaps between the different segmentations. For example, an attitudinal segmentation may tell you that someone says they are motivated by green issues but your segmentation on donors shows that they don't respond to numerous direct mail packs. If you can't track this information, you may continue to send them the same fundraising messages. But if you can track it, you may decide to ask them to get involved in your campaigning instead – and succeed.

Section 5 – Planning: Things to do before you start attitudinal segmentation

Before you start working on dividing your audiences according to how they feel, think ahead to how you're going to use this information to achieve your aims. There are a number of things you can do in advance to make sure this work is as easy as possible to carry out, and the results can be used effectively.

1. Set up a working group

Segmenting your audiences according to how they feel – and communicating effectively with them – is a big job. Forming a small working group can give you the support and expertise you need to get it right.

People you might want to include in your working group include:

- **Agency representatives:** You may decide to work with a specialist research agency, particularly if you're doing behavioural or attitudinal segmentations. Where possible, include your lead agency contact in your working group.
- **Senior management:** You'll need senior staff on side. They'll want to see a business case for doing this work, so have this ready when you ask them to get involved.
- **Representatives from other key teams:** Different perspectives are essential. For example, members of your data, finance, fundraising, marketing teams, and anyone else who is going to be using the resulting audience information.

If you're working with a research agency, arrange for them to facilitate a half-day workshop at the start of your project. This can help you:

- clarify your objectives
- test your business case for doing the work
- identify any challenges
- gain different views and identify any competing priorities.

The working group should meet regularly during the process. Key stages include:

- after your background research is finished

- when the questionnaire is being developed (see page 27)
- after the quantitative research and initial segmentation is finished (see page 27)
- after qualitative research is finished (see page 28).

"Our steering group was made up of people representing different parts of our organisation – marketing communications, fundraising, senior management, an analyst from our insight team, someone from our churches team and representatives from our regions and nations.

"The main aim of this was to make sure people had a stake in the project. If you get representation from a broad spread of the organisation, it helps legitimise the work. If it's all done in the marketing department, it's easy for another team to say 'That's just a marketing thing, our audiences are very different'. If other teams have some ownership, they are more likely to want to use it in the future."

Tom Barratt, Head of Marketing Communications, Christian Aid

2. Set goals

Before you get started, you'll need to have:

- your rationale for doing this work clearly set out
- decided exactly what you're hoping to achieve
- considered what your key successes will look like and how you'll measure them.

You might want to discuss these goals with your working group.

3. Consider regional variations

If your organisation works regionally, you may need to consider attitudes in Wales, Scotland or Northern Ireland. Decide if you want to do different/extra research with these audiences.

4. Review what's out there already

Take time to find and review existing research. This can give you useful background and context, challenge any preconceptions you may have and help you hone the key issues you need to think about or investigate.

Some things to think about include:

- Is the audience you're looking at likely to change in the near future? Will you need to refresh your research quite quickly?

- Is the size of the audience you're segmenting growing, shrinking or static? Is it aging or under increasing financial pressure?
- Has there been anything in the news recently that may affect people's attitudes to your cause, such as conflict abroad, or a recent case of child cruelty?
- Has research already been done to look at the way audiences engage with charities in your specific sector? For example, can you find existing research on what motivates people to fundraise for animal shelters, or insight into young people's volunteering habits?

What data do you currently have about your supporters?

If you're looking to better understand your current audiences and want to look at how they behave, you need to have data to work with. Different teams within your organisation might collect lots of different information about supporters, so now could be the time to start bringing this together. If data doesn't exist, your first job is to start collecting information about your supporters. You might get this by:

- keeping lists of people who sign up to your events
- asking for information about your newsletter subscribers
- studying your website analytics
- using social media analytics tools
- using customer relationship management (CRM) systems.

Sources

Here are some examples of sources to help with your background research:

- 1) **Charity research:** For example, our Charity Awareness Monitor surveys the public on their awareness of and attitudes to charities. It also gives an insight into what they think about volunteering, campaigning and donating to charity. Our Brand Attributes Monitor is a piece of research that asks the public which words or phrases they associate with their 'ideal' charity, compared to other named charities.
- 2) **Public sources:** For example, the Census, Labour Force Survey (an Office for National Statistics (ONS) survey of people's employment circumstances in the UK) and other ONS information.
- 3) **Commercial sources:** For example, consumer research from organisations such as the Future Foundation or Target Group Index, which track consumer behaviour and provide reports on emerging trends.

Some existing reports are free, or you can commission tailored reports to get the information you're looking for.

- 4) **Your own sources:** For example, any previous surveys or feedback from supporters, donor statistics etc.

Do store and reference any materials you use. And don't forget to share your findings with the working group so you can get their input.

"We sent out an organisation-wide appeal for any information people had about our audiences. We got lots – surveys, focus group feedback, opinion polls and market research. We produced a report with conclusions about what this information was telling us. We considered the gaps in our knowledge and any strategic questions we had to answer.

"We also looked outside our organisation. For example the work DEFRA had done on pro-environmental behaviours. I did some benchmarking to get an understanding of what other people were doing. I talked to colleagues at RSPB, WWF and several others organisations about their approach to segmentation."

Adeela Warley, Head of Communications, Friends of the Earth

5. Think about the risks

There are no guarantees that your research will give you the clear picture of your audiences that you're looking for, particularly if you're using existing data that hasn't been gathered specifically for your segmentation work. If you're using existing data, consider whether it's robust enough. For example, have you used a large sample size and asked questions in a format that give clearly differentiated answers?

With original research, designed for your organisation, you are far more likely to get clearer differentiation between groups you identify. However, you'll still need to make sure these audiences stand up in the real world. Focus groups are the best way to test this.

It's important to recruit carefully for focus groups that 'test' your attitudinal segmentation (see page 28). But there's still a risk the audiences you identify won't match outcomes reached in the focus groups. The risks are higher if you're looking at potential behaviour, rather than what people are already doing. For example, you may find that after a focus group with people you've identified as potential volunteers, a high number don't end up wanting to get involved with your organisation.

You can maximise your chances of a successful segmentation by having regular discussions with your working group, carrying out extensive background research and forward planning and seeking expert advice on the right methods and data

to use.

6. Make sure your database can handle it

If you're going to be gathering attitudinal data, you need to make sure your database is big and robust enough to store all the relevant information. It also needs to be able track who receives what communications. It's extremely important to make sure your database has this capacity or that you have the resources to develop it. Consider what technology you have or if you need to build a better database.

7. Plan your communications and products

There won't be any point in having a brilliant, rigorous set of audience profiles if you're going to send them all the same communications and same products. Once you've understood more about what each section of your target audience would prefer to receive, you'll need the time and resources to adapt your communications accordingly and develop new products where necessary. We can't emphasise this point too strongly. Be ready to take on this work (see page 37).

Section 6 - Research – Gathering fresh data

If you've decided that an existing segmentation won't meet your needs, you'll need to carry out original research to get your data and identify your target audiences. There are two main types of research: quantitative and qualitative.

1. Quantitative research

This is the most common starting point for attitudinal segmentation research. It means using surveys and questionnaires to gather opinions which can be turned into useful facts and statistics. There are a few things to consider if you use this kind of research.

How to reach people

Common ways to survey people include online, telephone, face to face or paper questionnaires. Online research is usually the most cost effective approach to quantitative research. You can also ask complex questions online, which can be difficult with phone interviews. For example, you can include more options for responses (such as more adjectives or items in a list) as people can read them on screen and don't have to remember them. These types of questions provide more accurate results. There's less work to do afterwards than with phone or face to face interviews as the data is all collected and stored as you go along.

When research is carried out on the phone or face to face, there's a chance participants will be influenced or feel pressured to respond in a certain way to please the interviewer. This can be particularly tricky for charities, as people don't want to be seen as being negative about them.

However, there are some circumstances where a target audience may include a large proportion of people who are difficult to reach online, such as over 75s, small geographical regions or people from lower socio economic groups. In this case, telephone or face to face interviews may be more appropriate.

There are other cases where paper may be a good option, for example you may wish to give visitors to a site or shop one to take away and post back.

Sample size

It's important to survey a fairly large number of people and to make sure they are a representative sample of your target audience. We recommend at least 1,000 people, a standard market research sample. With a sample this size, you can predict the attitude/behaviour of the wider population.

For example, if 50% (500 people) say they are aware of one of your services, you can be 95% sure that the figure for the wider population would be between

47% and 53%.

Asking the right questions

If you're working with a research agency, draw on their expertise to help you design your questionnaire. They'll be able to advise on the exact way to word questions to extract the information you're looking for. Topics are likely to include:

- Lifestyle data – hobbies and interests, what newspapers and websites your audience reads
- Demographics – age, social grade, what they do for a living
- Attitudes and behaviour in relation to charities – what causes they support, how much and how regularly they donate, what motivates them and what barriers prevent them from engaging with charities
- Volunteering – past and current experiences of volunteering, what motivates them and what stops them from getting involved
- Campaigning – levels of past and current activity
- Attitudes towards your cause
- Attitudes to your brand and other similar ones
- Questions about values – this might include religious or political beliefs
- What they would consider doing in the future – donating, volunteering, campaigning, belonging to membership organisations.

Crunching the numbers

Once you have the results from your survey, there are a number of complex techniques that can be used to analyse the data and identify 'clusters', with each one representing a different group of people. These will make up your new audiences.

This may involve factor analysis to reduce the data, and basic regression analysis to reveal key variables. Cluster analysis will then group participants based on key similarities.

One or more solution may emerge from the analysis. The best one will be the solution that produces segments easily recognisable as 'types' that names can be readily assigned to and intuitively 'makes sense'.

If you'd like more information on how any of these analysis techniques work, email Patrick at patrick.brennan@nfpsynergy.net or call on 020 7426 8888.

Survey your existing supporters

If you're taking an 'outside-in' approach (see page 11) how you divide your existing audiences may depend on the data you've gathered about the wider market.

Conducting parallel research with your existing supporters is useful and will help you come up with a strategy for better understanding and developing them. It will help you find out how representative your supporter audiences are compared to the wider public. For example, if the warmest segment of supporters from the general public audience are already well represented on your existing supporter base, you might think about targeting the next warmest segment. Or if you find they're underrepresented, you might want to experiment with different ways of targeting them.

Initially, you could try carrying out a supporter survey by email as it is more cost effective. An online survey from a charity tends to get an average response rate of less than 10%, with a range of 5% to 30%. If an email survey doesn't give you the 1,000 responses you need for a good sample size, it may be worth considering doing a postal one.

"It's important to achieve a balance and resource appropriately at the quantitative and qualitative stage. The nuts and bolts come from quantitative work. You can create a segmentation on paper but need to do adequate qualitative work to understand the real quirks of the segments. These are living, breathing, real people. It's not a purely academic exercise."

Daniel Rose, Insight Lead – Future Audience Development & Reach, National Trust

2. Qualitative research

Qualitative research looks to find out, not just what people think, but why they think it. Where quantitative research is about numbers and hard facts, qualitative is about emotions and feelings.

You can use this approach to test audiences you've identified through quantitative research and how they match up to real life potential and current supporters. You can use it to explore people's views and attitudes and the language that they use. This information will help you refine each audience, if necessary.

This is also an opportunity to start developing ideas for communications, and ways of supporting your organisation that might appeal to each of these audiences.

Focus groups

There are a variety of qualitative research techniques to consider reaching your segments with. For example, some audiences may be best to talk to by interviewing at home (e.g. if age, ability or schedule prohibits travelling). If you have the budget ethnography research (following people around for a number of days, getting to know their interactions, behaviours and perceptions) will really help you get to know the segments.

However, the most typical way to carry out qualitative research in segmentation projects though is focus groups.

You don't need to run focus groups with all the audiences or segments you have identified, just the ones that you think you'll be prioritising in your communications (see page 34 for ideas on how to prioritise your audiences).

It's important to find 'typical' members of each audience to invite to your focus groups. This will help you to fully understand the differences between your audiences. See it as an opportunity to get any further information you need before you finalise your target audiences and decide how you're going to work with them.

Whether you choose online or offline focus groups will depend what you want to achieve from this stage of your research.

One of the easiest ways to make sure you're talking to typical members of each segment is to ask those people that took part in your online survey to take part in an online focus group. If you're trying to clarify subtle differences between two audiences that are attractive to you, this may be the best route to get the information you need to differentiate them further. Online groups work in a similar way to offline ones, with participants logging in to real time conversations.

However, if you have some comprehensive creative concepts to test, or want to use lots of visual aids and view people's reactions, offline focus groups will be more effective.

Focus group discussions

Your groups will need to:

- Discuss the key variables that define them as a group – for example, if theology is an important discriminator in a segmentation of Christians donors, then it would be important to ask questions that draw out their opinions on this
- Talk about their lifestyle and interests
- Check to see that the distinct opinions that came through in the initial research were correct.

For more information on running a focus group and other qualitative techniques, see our visit our website (www.nfpsynergy.net/using-qualitative-research-inform-development-communications-materials or www.nfpsynergy.net/methodologies/qualitative) or contact us on 020 7426 8888.

Finalising your audiences

After the qualitative research is finished, you can review and refine the audiences that you have identified. Arrange a session with the working group at this stage so you check everyone is happy with the work that's been done and the results.

The next steps are to decide on ways to share this information with the rest of your organisation and help people to use it as effectively as possible.

"We used internal attitudinal data and external trends insight to come up with a way to divide up potential volunteers. Using nfpSynergy's Charity Awareness Monitors and our own internal insight team's desk research, we worked together to identify trends in volunteering and ask the general public questions about why they volunteered.

"The trends allowed us to identify three key audiences: young people, retired people and people with families. These audiences fitted with those identified in our visitor segmentation, which we'd done first and had been well received in the organisation.

"Other segments came out of the research but didn't correlate with the visitor segmentation's seven key audiences, so our staff found it difficult to get their head around them. I think it's absolutely fine and normal to have different segmentations for different audiences, but that can be hard in big organisations like ours.

"Segmentation is a very useful tool and allows you to target a specific group of people to get results, rather than shout at everyone."

Daniel Rose, Insight Lead – Future Audience Development & Reach, National Trust

Section 7 - Getting to know your new audiences

After completing an attitudinal segmentation, your new audiences are now neatly divided up into different categories. Your next task is to bring these audiences to life so that your organisation can develop products, plans and processes to target them.

This is about turning your data into people.

Helping the rest of your organisation to get to know your audiences

If the research that you've done is going to be of any use to your organisation, every staff member should understand the audiences they need to talk to, not just the person or team who commissioned it. You can create various tools to help them use the research to come up with more ways to communicate with and engage your target audience.

Pen portraits

Pen portraits are written profiles of what your target audiences are like as people, drawing on the information you have uncovered through your segmentation research. You can name the individual audiences and profile a typical person that fits into this group. For example, our Charity Awareness Monitor segmentation of supporters has the following categories:

- Lifestyle and Community Givers
- Super Givers
- Charity Start-Outers
- Super Doers
- Unengaged
- Junior Super Doers

Figure 7 is a sample pen portrait of someone we've called Susan, from the Lifestyle and Community Givers audience.

Figure 7: presenting your segments with pen portraits

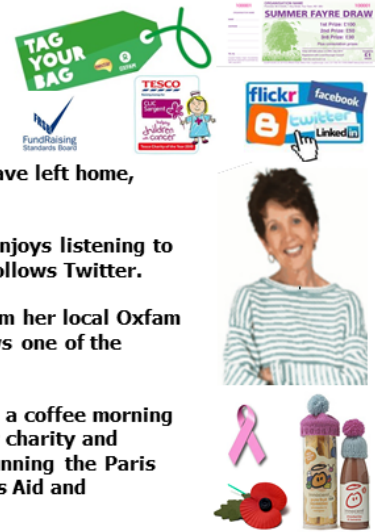
Lifestyle & community givers

Comprising 15% of the population, "Lifestyle & community givers" are locally focussed but well aware of the world beyond their neighbourhood and are open to supporting a wide variety of causes. However, their engagement may be vulnerable to lifestyle changes, or if they are offered bigger and better rewards by other charities. Charities need to understand them as consumers as much as they need to understand them as donors.

Causes	Has the broadest spectrum of interests and causes. They favour local charities and charities they, or their friends and family, have had contact with. Charities should build a relationship centred around the 'right' giving product rather than the cause
Giving	Supports the largest number of charities, but is spread thin. They give in a variety of ways, above average value. They are the group most sensitive to high fundraising standards. Charities should offer a regular giving product with a 'transactional' component (eg weekly lottery, cards for many occasions)
Volunteering & campaigning	Low levels of volunteering, but quite likely to be interested in and take part in campaigns. Charities should offer a 'transactional' product (e.g. free access to heritage sites across the country when volunteering for a heritage and conservation charity)

E.g. Susan...

- 57 years old, children have left home, works part time.
- Reads the local paper, enjoys listening to local radio stations and follows Twitter.
- Donates to and buys from her local Oxfam charity shop, as she knows one of the volunteers there.
- Last month took part in a coffee morning raising funds for a cancer charity and sponsored her nephew running the Paris marathon for an Overseas Aid and Development charity.



Key stats	Lifestyle & community givers	Average
Annual value of donations	£200	£120
Number of charities supported	4.6	1.4
Bought from a charity shop	71%	41%
Volunteers	6%	13%
Trusts charities based in local area	56%	33%

Video portraits

These are visual versions of pen portraits, taken from interviews with people who make up the groups within your new audiences. They can make the research more tangible and help your colleagues 'meet' your audiences.

"People often refer to a video we produced about our brand awareness. They can be very powerful and hearing and watching your target audience can be more engaging than words on their own."

Jane Trenaman, CRM Coordinator, Trócaire

Training and meetings

There is no substitute for getting your colleagues to meet the audiences that you have identified. Organise a meeting or training days for your different teams so that they can do this and put faces to the research.

We have helped clients to put on training sessions, delivering presentations with one-minute, 10-minutes and 60-minutes of material describing the different audiences.

"It's about instilling a culture of curiosity about people in your organisation and getting buy-in. In the last 12 months we've used pen portraits, information packs, video and guidance materials. The most important thing we've done though have been immersion sessions where we've put our staff in a room with the people who make up our volunteer segments. Staff leave an immersion session buzzing. They get more knowledge and enthusiasm from those sessions than the other materials. You're not just handing them a piece of paper."

Daniel Rose, Insight Lead – Future Audience Development & Reach, National Trust

Working group

Members of your working group can help share resources such as pen portraits or organise training, and generally be advocates for implementing the attitudinal segmentation across the organisation. They can help to gradually introduce the research in different aspects of your organisation's work so the information isn't overwhelming.

Recruiting new supporters – knowing how and where to find them

Your segmentation research may give you the information you need to know how members of the public in segment A want to give. Or that a campaign will strike a chord with segment B. But in order to act on this, you need to know how to reach them.

Information to look for in your research to help you figure this out includes:

- What potential sources of information about charities do your audiences come into contact with? For example, how do they like to consume news – in print, online or TV?
- Who influences them and how?
- How do they currently engage with charities? Through TV events, charities in their local areas or membership?
- What information could you apply to your data to help you target location-based campaigns?

Prioritising your new audiences

Your segmentation research will identify some new audiences that will be more useful than others. Those that are less useful will be resistant to getting involved with you. Be prepared to focus on the ones that are more likely to:

- donate to your cause
- volunteer for your charity
- campaign for what you do
- favour your cause over others
- engage with you for a long time
- get involved in a number of ways, such as leaving a legacy
- not require a lot of time and effort to reach and engage.

Understanding your audiences

Your research will probably mean that you need to update the information you have about your existing supporters, especially if your aim is to find out more about this audience.

Develop golden questions

These are the shortest number of questions, normally around seven, which you can ask to divide supporters into the groups or segments that you have identified. An expert applies statistical analysis to come up with these questions.

You should be able to ask the questions in three minutes and can do so face to face, on the phone or through other channels, like online surveys.

Start asking your golden questions

As you recruit new supporters, you can ask them these questions to help see which segment they fit into. This can allow you to find out which groups are most engaged with your charity from a range of entry points and you can see those that are underrepresented too. This information can help develop your marketing strategy.

Consider which things unite your groups

You may not need to ask some groups golden questions if it's easier to identify them based on certain information. For example, if there's a connection between how someone behaves and their postcode, you could apply this information, called a 'proxy', to data to divide people into groups.

It's best not to oversimplify connections if you use this approach. So while observations about the demographics of a segment can be useful in trying to paint a picture of a typical member, it's generally not the most accurate way of targeting the group as a whole. It is quicker, though, and choosing the right variables will definitely improve your odds. It's therefore a good interim method you can use to make predictions about supporters or potential supporters while you're waiting to get answers to your golden questions.

Combine this new information with existing details about all of your existing supporters

Use any opportunity to ask your existing audiences the golden questions too. Gradually you will be able to divide your new and existing audiences up into the groups you have identified. How quickly this happens, and its success, depends on the capacity of your database, the simplicity of the golden questions and how responsive your supporters are. It can take years, rather than months.

Section 8 - Five critical success factors for attitudinal segmentation

1. Segmentation is a hierarchy

We have outlined the three main types of segmentation: attitudinal, behavioural and geo-demographic. These should be seen as a hierarchy. Attitudinal is at the top of the hierarchy, both in terms of cost and complexity, but also its ability to get your supporters involved.

However, we would always recommend doing the simple segmentations first. Dividing up your audiences according to recency (when they last donated), frequency (how often they have donated) and value (how much they have donated) is a very powerful form of segmentation for any charity wanting to understand how donors respond to appeals.

Demographic segmentation by age is a powerful and relevant segmentation for any charity wanting to promote legacies to its database.

A charity should only use attitudinal segmentation once it is comfortable that it has squeezed every ounce of value out of the simpler, cheaper and less complex forms of segmentation.

2. Segmented audiences need segmented messages

As our report points out, segments need to be treated differently. This isn't just true of attitudinal segments – it's true of any segments.

If you know somebody last gave £1,000 then it would be missing a trick to ask them for £15. If you know somebody lives Warrington, it would probably be better to invite them to a local event rather than one in London. This approach can be applied to attitudinal segments, even though changes to messages are less straightforward and more subtle.

Indeed, once any charity creates attitudinal segments, it needs to have the resources and commitment to communicate with them differently. For example, if one audience likes particular campaigns and prefers messages to be upbeat and optimistic, you need to talk to them about the areas of work that they are interested in using an appropriately positive tone. The implications of this are that attitudinal segmentation is a long-term task, which takes us onto the next point...

3. Creating attitudinal segments is just the beginning

Even though researching and creating attitudinal segments is not cheap, it should be a very small part of your total energy and effort. Anybody who wants to use attitudinal segments needs to be prepared to make sure their database can record which group supporters fit in, their answers to golden questions, the communications they have received and their responses to them.

As mentioned above, different audiences will need different messages and potentially even different types or channels of communication. Not once or twice, but continuously.

Work on improving your database and messaging will almost certainly take extra budget and people time. A rough guide might be that it will take three years or more for attitudinal segmentation to bed in and for your charity to reap the benefits.

4. Create a plan and supporter journey for each audience segment

Creating a separate communications plan for each audience will help you make the most of your attitudinal segmentation.

Think about the journey you want each group of supporters to go on and start by setting goals for them. How do you want them to engage with your organisation? Use your pen portraits to think about how these people think, feel and respond to messages and how you can motivate them to take the action you want. Wherever possible, test the messages and creative concepts with each audience in focus groups.

You may decide you need to develop anything from a tailored volunteering programme to a new flagship fundraiser, or a specific campaign.

5. The benefits of attitudinal segmentation can be enormous

If you have read this far – congratulations. It would be easy to wonder what on earth the point is of doing attitudinal segmentation. We have laboured the complexity and the cost. We have talked about the long-term nature of the project and the need to send out a multitude of different messages. So, why bother?

The answer is that attitudinal segments will probably reflect the needs and interests of supporters. Age, geography, and giving habits are all one-dimensional attributes and using this information to divide up your supporters may mean you end up with groups that don't reflect the real people behind them.

You can use attitudinal segmentation to create communications which will appeal much more to the people who receive them. Often, the benefit is that you will be better able to persuade those people who respond ambivalently to traditional messages. That's because targeted and tailored messages to attitudinal segments can get groups of people, who might normally waver or not be interested, to engage with your organisation.

As a number of the quotes from charities who have already done attitudinal segmentations show, the rewards often come from reaching audiences that other types of segmentation cannot.

"We're using our audience segments to decide what we want our new campaigns to look and feel like and how we'll make more of a connection with our individual audiences. In fundraising we're trying all sorts of new initiatives, from bike rides to innovative major donor events. We're diversifying the way we do things and developing new products.

"Because a lot of our existing supporters mapped against our new segment, 'generous environmentalists', we already had a lots of products in place for that audience, so we looked at how to make those things even stronger. But we found that we didn't have a lot for our 'passionate engagers'. So that's new work to do to try and develop an offer for them. We know they're slightly younger than generous environmentalist, they're involved in arts and creative things and quite social. They also support overseas and children's charities. We're looking at those interests and concerns and ways of being involved that they can share with their friends."

Adeela Warley, Head of Communications, Friends of the Earth

Contact us

For an informal chat about how audience segmentation could help your organisation, email Patrick at patrick@brennan@nfp synergy.net or call on 020 7426 8888.

Editors

This report has been edited by Sarah Myers (www.sarahmyers.co.uk) and Trina Wallace (www.trinawallace.com).

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About nfpSynergy

nfpSynergy is a research consultancy that aims to provide the ideas, insights and information to help non-profits thrive.

We have over a decade of experience working exclusively with charities, helping them develop evidence-based strategies and get the best for their beneficiaries. The organisations we work with represent all sizes and areas of work and include one in three of the top 100 fundraising charities in the UK.

We run cost effective, syndicated, tracking surveys of stakeholder attitudes towards charities and non-profit organisations. The audiences we reach include the general public, young people, journalists, politicians and health professionals. We also work with charities on bespoke projects, providing a range of quantitative and qualitative research services including focus groups, in-depth interviews, workshops, surveys and desk research.

We work to benefit the wider sector by creating and distributing regular free reports, presentations and research on the issues that charities face.



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