


A Case Study: How Market Research Helped One Rural Statewide Community Foundation Clarify and Focus Its Organizational Goals



*Presentation for Aspen Institute
Community Strategies Group
Getting to Know Your Rural Wealth*

Elizabeth Banwell
January 30, 2003



Outline of Presentation

1. Why MCF invested in market research
 - Thumbnail Sketch
 - Internal and External Dynamics
 - Rethinking Marketing
2. Why YOU might want to invest in research
3. What is market research anyhow?
4. Let me illustrate: A market research story
5. Capacities: What does it take?
6. Lessons and Outcomes



#1. Why MCF invested in Market Research

Thumbnail Sketch --1999-2001

- Founded: 1983
- Assets: From \$50 million to \$100 million in three years
- Budget: Around \$1 million



#1. Why MCF invested in Market Research

Dynamics for Change -- 1999-2001

- Organizational Growth and Change
- Visibility
- Changing Donor Expectations
- Increased Competition



#1. Why MCF invested in Market Research

Organizational Growth and Change

- Assets increased by 37% a year.
- Number of staff increased – 6 to 19 in 5 years.
- New focus on improving development and donor services.
- Leadership transition.
- Entering strategic planning process.



#1. Why MCF invested in Market Research

Visibility

- While MCF was experiencing tremendous growth in assets, the foundation was not well known even among people who should have known about it.
- MCF has a well-connected, willing and committed board, but they were having trouble “selling” the foundation to their friends because of low “brand recognition,” and a lack of confidence in describing what the foundation is and does.



#1. Why MCF invested in Market Research

Changing Donor Expectations

- MCF was in the process of defining and adapting services to address needs of the donor who wanted to be engaged in his or her grant making, and wanted to understand the impact of his or her contribution on the community.



#1. Why MCF invested in Market Research

Increased Competition

- For the first time in 10-year history, MCF began to feel pressure from competitors -- commercially sponsored gift funds, bank trust departments and other organizations offering donor advised funds.



#1. Why MCF invested in Market Research

Questions Emerged

- What do donors think of the foundation and the services they receive?
- Who knows about MCF and what do they think about us?
- Who are MCF's donors as a composite group? What is their profile?
- Does the foundation have a target market or is it everyone?
- Where do our donors come from? Who refers them to us?



#1. Why MCF invested in Market Research

Rethinking Marketing

- All added up to: A BIG concern about marketing.
- Sticking point became: What, in fact, IS marketing? How do we address the issue?



#1. Why MCF invested in Market Research

Marketing: What is IT?

- Marketing had been: publications, free advertising, speeches, and occasional press releases
- Conflicting definitions: effective media relations, grantees put up plaques recognizing support, completing a branding process, paying for advertising, and more.
- Conflicting Goals: MCF becomes a household name, target our customer, “elevator speech.”
- Unclear Process: What do we want to accomplish? How do we accomplish it? How will we pay for it? Who will do the work?



#2. YOU might want to invest in market research

To learn:

More about your donors

- What they know and think about you;
- What you are doing right;
- What you might improve;
- More about them as a group;
- Who refers them to you;



#2. YOU might want to invest in market research

To learn:

More about potential donors

- Understand “your target audience” – the 5, 50, 5,000 people who can help you most – including:
- What they care about.
- Their age, gender, interests and values
- Their group profile. If you understand their group behavior, values and interests, you will be able to find others with similar issues.



#2. YOU might want to invest in market research

- To shape and focus organizational goals
- To reach board and staff consensus about you're your foundation is and does



#3. What is market research?

What we did

Conducted a Donor survey:

- Hired market research firm to prepare a questionnaire to mail to all 148 of foundation's fund donors.



#3. What is market research?

What we did

Conducted a Prospective Donor Survey:

Mailed to 1,496 people, including:

- People identified as potential donors by board members,
- People who had inquired about establishing a fund,
- And 500 people, identified as wealthy Mainers on a list MCF purchased.



#3. What is market research?

What we did

Completed a “Branding” process:

- Conducted series of 43 one-on-one telephone interviews with key donors and board members, prospective donors, professional advisors, competitors, staff, and two other community foundations.
- Involved the same group in a series of focus groups to get clear picture and understanding of what key supporters valued most about MCF.
- That information, along with donor and prospect survey results, was distilled and used to create a positioning statement – of key strengths of the organization – as well as a new logo.



4. Let me Illustrate: A Market Research Story

- **Donors love their fund statements more than anything.**
 - Lead to improved financial information – investment information and frequency of fund statements.
 - Lead to development of organizational benchmarks for best practices: (Frequency of financial information; Donor satisfaction in regard to staff service).



#5. Capacities: What does it take

Organizational Support

- MCF made the decision to invest in market research through a process of building organizational understanding of what marketing is and how it can further organizational goals.
- It was an inclusive process:
 - Full backing of new president, vice president for development, marketing committee.
 - There was staff in place to manage process.
 - Full board and staff buy-in and support.
- Decision to choose market research came from a desire to make sure – during this period of turbulent change and growth – that we were okay with our donors.



#5. Capacities: What does it take

Staff Time

- The marketing function at the foundation had been part time, and became a full-time position.
- The Marketing Director was the lead manager of the effort, with active involvement of the President, Vice President for Development and marketing committee.



#5. Capacities: What does it take

Money

1999: Donor Survey:	\$8,000
2000: Prospect Survey:	\$7,000
<u>2001: Branding Process:</u>	<u>\$10,400</u>
TOTAL:	\$25,400



#5. Capacities: What does it take

How we paid for it

- Donor interested in supporting foundation's organization development contributed \$20,000



#6. Lessons and Outcomes

Results: Donor survey

- 148 mailed, 97 returned. 66% response rate.

Learned:

What donors thought and knew about MCF:

- Excellent reputation: 93 percent of donors interviewed said they were completely or somewhat satisfied with the foundation.

What was working:

- Quality of service and interactions with staff
- Communications efforts: Donors could articulate the foundation's contributions to the state.



#6. Lessons and Outcomes

Results: Donor survey

What could be improved:

- Financial information: frequency of fund-statements, and investment decisions.

More about donors as a group:

- Age, gender, interests, values, educational level, income

Source of referrals:

- Professional advisors
- Board members



#6. Lessons and Outcomes

Prospect Survey

- Out of 1,496, 146 or 10% of surveys were completed and returned.
- Benefits of the prospect survey are harder to quantify.

We learned:

Who knew about the foundation and who didn't

- 55% were familiar with MCF
- 60% of those people would consider using the foundation.
- 84% had a positive image of the foundation.



#6. Lessons and Outcomes

Prospect Survey

If they were considering establishing a charitable vehicle, and what was important to them in making that decision.

- Cost of administration.
- Causes supported.

Their main reasons for giving charitably.



#6. Lessons and Outcomes

Branding Process

- Clearer understanding of what our target audience – donors, prospective donors, professional advisors -- valued about MCF.
- Positioning statement
- New Enhanced Logo



#6. Lessons and Outcomes

Overall Organizational Benefits

- **Market Research informed MCF's strategic planning process, and shaped organizational goals**
 - Lead to clarification of donor services, and analysis of cost and pricing.
 - Lead to improved financial information – investment information and frequency of fund statements.
 - Lead to development of organizational benchmarks for best practices: (Financial information, communication, staff service, donor satisfaction, donor services).



#6. Lessons and Outcomes

Overall Organizational Benefits

- Tied marketing goals to organizational goals.
- Provided solid information to guide decisions about investing marketing dollars.
- Because of research, MCF could match marketing tactics with target audience.
- Lead to decision to invest more in marketing. Borrowed \$200,000 from endowment to increase marketing efforts.



#6. Lessons and Outcomes

Overall Organizational Benefits

- **Board and staff reached consensus about what MCF is and does by knowing more about the foundation's target audience and what donors value about the foundation.**
 - New understanding of target audience. Not = broad, general public, but is the 5, 50 or 5,000 people who help MCF reach its marketing goals.



#6. Lessons and Outcomes

Overall Organizational Benefits

Thoughts from VP Development- With Benefit of Hindsight

- Market research was definitely worth the investment, even though the process was very time consuming.

- **MCF will be investing in more market research:**
 - Plan to do another survey of donors to measure satisfaction and progress against indicators.
 - Plan to purchase list of 3,000 wealthy residents and mail packet to them.