



# MECLABS

## Consumer Reports Market Intelligence Research

December 3, 2015

# Contents

- Profile of Current Donors
- Prospect motivations and expectations when donating
- Competitor review
- Recommendations

# Profile of Current Donors

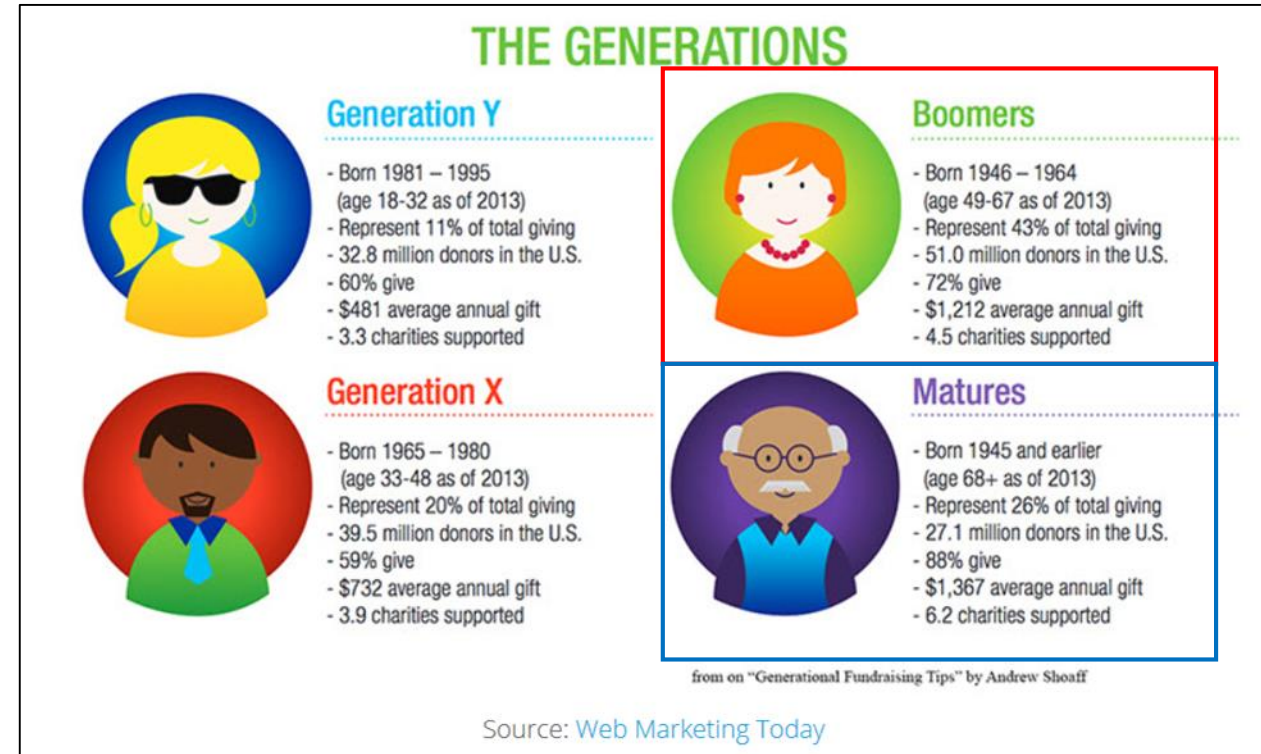
# Profile of Current Donors

- **Overwhelmingly older and white – Baby Boomers**
  - 83.8% are white
  - Only around 4.6% of users subscribers are under 35
  - The majority (72.8%) are aged 35-74, with the largest single age range (28.6%) being 55-64
- **Predominantly male**
  - Around two-thirds of donors are male
- **Married, but not all have children present**
  - Not surprisingly given the age range, 72% are married, however only 53.8% report having children present
- **Highly educated, white collar professionals**
  - 69.6% of paid active users have a college education, with 31.6% having a graduate degree
  - The top 4 professional categories are all professional white collar jobs, representing 68.9% of all CRO paid active users
- **Well paid, with the majority of paid actives likely falling into the upper middle class or upper classes**
  - With 73.9% earning over \$70K and 29,1% earning over \$149,999
  - One-third have a house value over \$400,000



# Profile of Current Donors

- The vast majority of donors can be classified as **Boomers**
  - This is the group that represents, for most non-profit organizations, the largest group of donors and the group they target most often
  - They were often raised with a philanthropic tradition, are still working, have money to give, and are frequently the major donors
- **Matures are also a valuable group for non-profits to target**
  - Whilst they represent a smaller potential sub-group than boomers, they do tend to give more per person
- Together these groups represent the most likely candidates for being major donors



## Sources

[Future of Non-profits Depends on 'Generation Y', Web Marketing Today, Nov 2014](#)

# Prospect motivations and expectations when donating



# Prospect motivations and expectations when donating

- A study published in the Journal of Consumer Research asked several simple questions:

## 1. Who is more likely to give money to charity?

- The study found that not surprisingly **people with strong moral values** are more likely to give to charity

## 2. How do those people choose which charities to donate to?

- It was discovered that **people are more likely to give to a charity if they could empathize with the recipients or the cause the charity was campaigning for**
  - Especially in cases where the charity was collecting for groups whom could be perceived to be responsible for their own predicament
- The implication being that charities should either message in such a way to elicit empathy or imply low responsibility on the part of the charity recipients (i.e. make them appear to be victims of external forces)



### Sources

[A new study suggests that people who have a high moral identity and empathy with a charitable cause..., Tech Times, July 2014](#)

# Prospect motivations and expectations when donating

Companies can elicit empathy in donors by:

## 1. Focusing on individuals or small groups

- Use imagery or testimonials that reflect this, focusing less on statistics and more on the ideal recipients and beneficiaries of the charity

## 2. Make the impact of the product relatable to your target donors

- Again testimonials and imagery are particularly effective tools for this, although it is important that they reflect groups that the donors can relate to
- Consider demographics that are similar to the donors or reflective of those they might care about (i.e. their families)



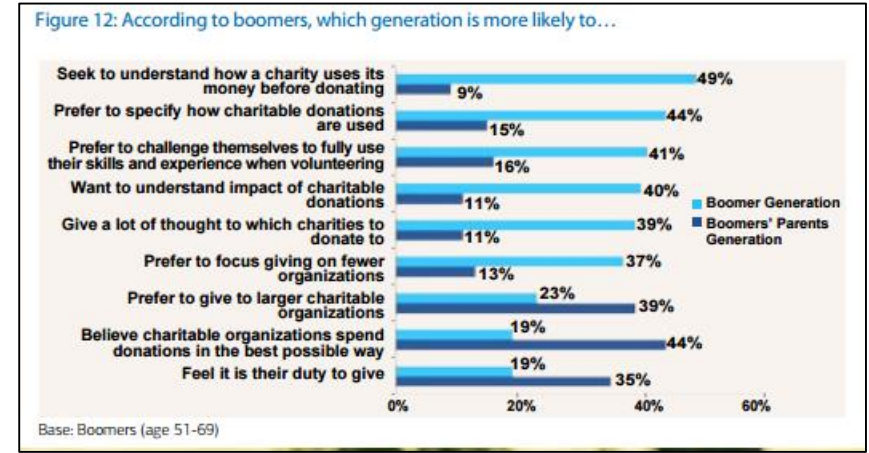
### Sources

[A new study suggests that people who have a high moral identity and empathy with a charitable cause..., Tech Times, July 2014](#)



# Prospect motivations and expectations when donating

- Boomers are already the most generous age group, but according to a Merrill Lynch study this will only increase as they retire, with Boomers expected to give \$8 trillion
- **According to the study Boomers are:**
  - Particularly interested in knowing how a charity will spend their money before deciding to give, with many putting a lot of thought into deciding on where to give
  - Many also want to specify or at least see how their resources are used
  - Want to understand the impact of their donations
- **In order to match this motivation when asking for donations it is essential to provide:**
  - Powerful and specific fundraising offers that clearly show donors what their donations will accomplish
  - Excellent reporting back that demonstrates that their giving accomplished its mission.

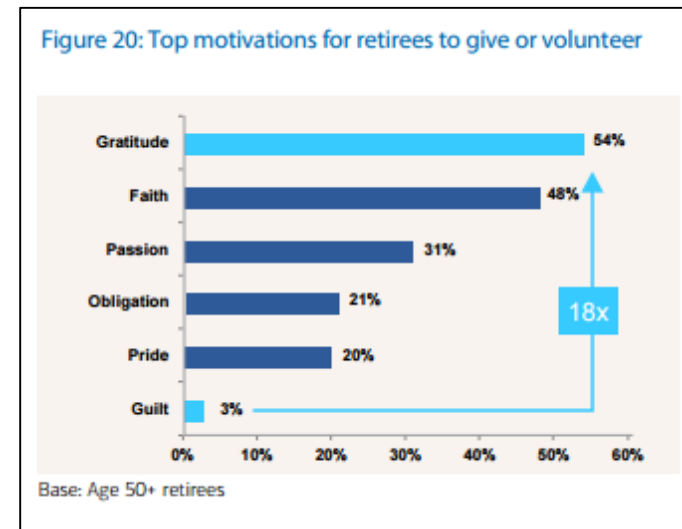
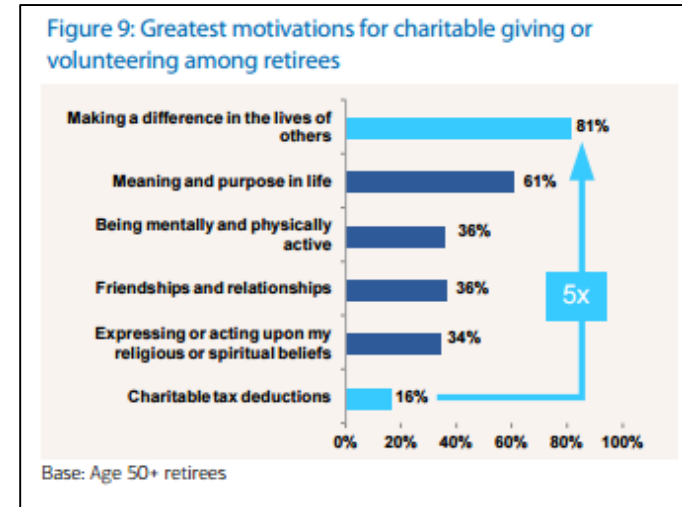


## Sources

[Giving in Retirement: America's Longevity Bonus, Merrill Lynch](#)

# Prospect motivations and expectations when donating

- The Merrill Lynch study also found that the main reason older people give is “to make a difference in the lives of others”
  - This is followed by providing value back, that gives their own loves “meaning and purpose”
  - It is important to note that only 16% claimed to give so as to receive “charitable tax deductions”
  - Furthermore this fits well with findings that gratitude is the most important motivation for charity
- All this speaks to the importance of selling the specific impact donations will have on the charity and its recipients
  - This can probably be increased by making the impact tangible and personable
- It is also important to thank the givers for their time and donations in a sincere manner



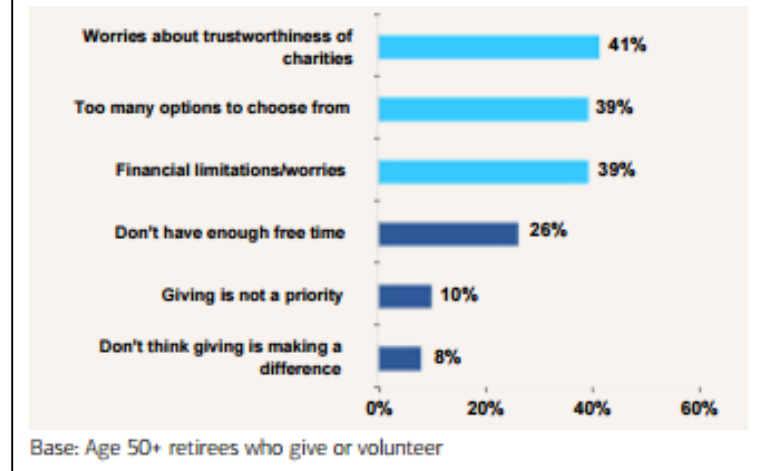
## Sources

[Giving in Retirement: America's Longevity Bonus, Merrill Lynch](#)

# Prospect motivations and expectations when donating

- The study further found that the biggest limit on older donors giving more is anxiety around the trustworthiness of a charity
- Recommend speaking to the importance of selling the prospective donor on the credibility of Consumer Reports
  - In terms of the charities efficiency and ability to credibly impact the desired outcomes
    - Provide certifications, seals or quotes from independent charity or business watchdogs
    - Providing testimonial of the positive impact the charity's work has on consumers
  - As well as reinforce claims about their research being wholly independent

Figure 30: Top reasons retirees limit their giving



## Sources

[Giving in Retirement: America's Longevity Bonus, Merrill Lynch](#)

# Competitor review

# Competitors Reviewed

- For the purposes of this report we reviewed a wide range of similar sites that either directly compete with Consumer Reports or at least provide relevant learning opportunities
- Only sites that ultimately had relevant and transferable insights will be shared in the report section

- JD Power
- Give MN
- Choice.AU
- ConsumerSearch.com
  - Epinions.com
- ConsumerReview.com
  - Which.co.uk
- AudioReview.com
  - Checkbook.org

- Wize.com
- MyThreeCents.com
  - CNet.com
- Top10Inaction.com
  - Ireviews.com
  - Reviews.com

# J.D. Power

- Heavy focus on asserting their credibility highlighting their:
  - Experience (*more than 45 years*)
  - Resources (*12 offices and over 700 professional analysts, statisticians, economists, consultants, and experts*)
  - Industry and brand recognition
  - Awards – Honomichl awards



J.D. Power has been recognized as a Honomichl Global Top 25 market research firm in 2013 and is ranked 13th on Honomichl's Top 50 list of US research firms in 2013. This annual list is published each year in AMA's *Marketing News Magazine*.

J.D. Power captures the opinions and perceptions of millions of consumers annually. Our benchmarks are accepted as the key performance indicators for their respective industries, and our data and insights are used by companies worldwide to improve quality, satisfaction, and business performance. Consumers recognize and trust the J.D. Power brand.

## Sources

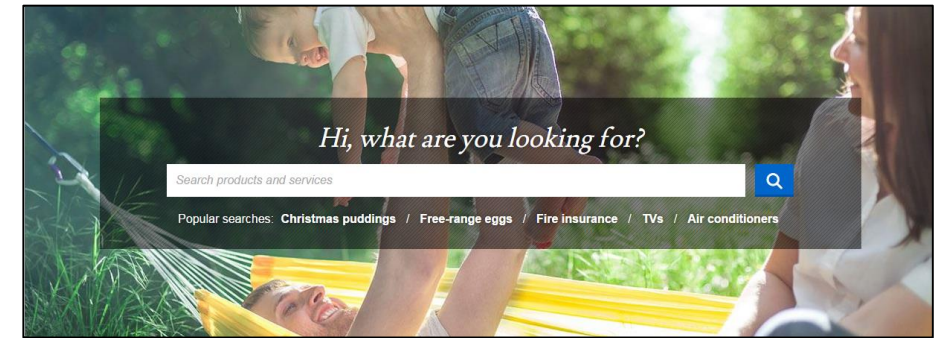
[J.D. Power Homepage](#)

[J.D. Power Overview](#)



# Choice.AU

- Imagery focusses on a single family image, helping to elicit familiarity and empathy
- Value focusses on:
  - The number of product and service reviews available
    - Helps emphasize the value for money
  - The unbiased and independent nature of the reviews
  - Their role at the heart of the Australian consumer advocacy movement
- Special emphasis is given to relieving anxiety donors may have about the charity
  - Uses testimonials, that also help provide specifics around the value of how the organization has an impact on real people



Get full access to thousands of reviews and reports on products and services.

Join >

or

Log in >



## What our members are saying

Real-world examples of how we make a difference for Australian consumers.



"Thank you for your email and advice. I have today received a refund cheque for the full amount that I was charged, so I am pleased to report this matter to have been resolved successfully!"

Sandy H, CHOICE member

[More about CHOICE Help >](#)



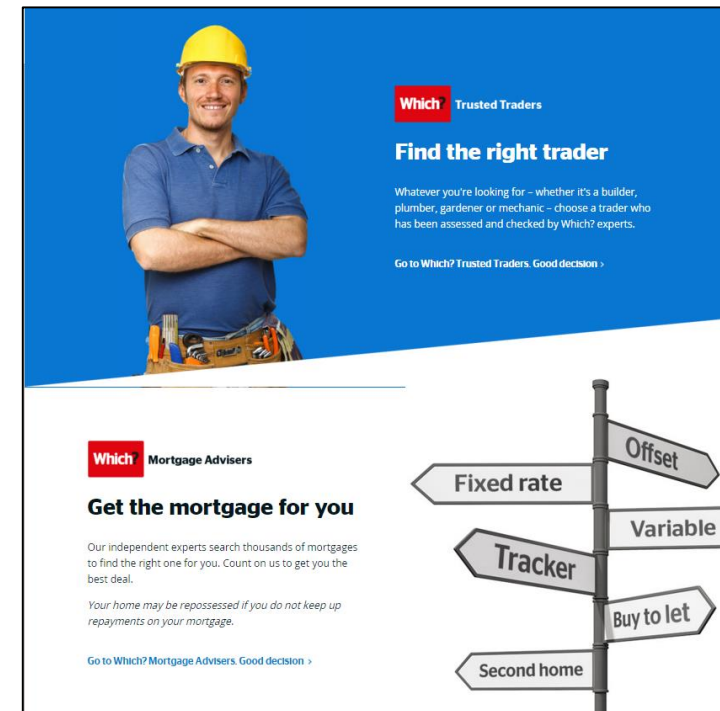
"I've been reading with interest about consumer rights under the new Australian Consumer Law. Then an article in CHOICE gave me the confidence to test out the ACL's provisions on how long one can reasonably expect products to last..."

Sheryl W, CHOICE member

[Your consumer rights >](#)

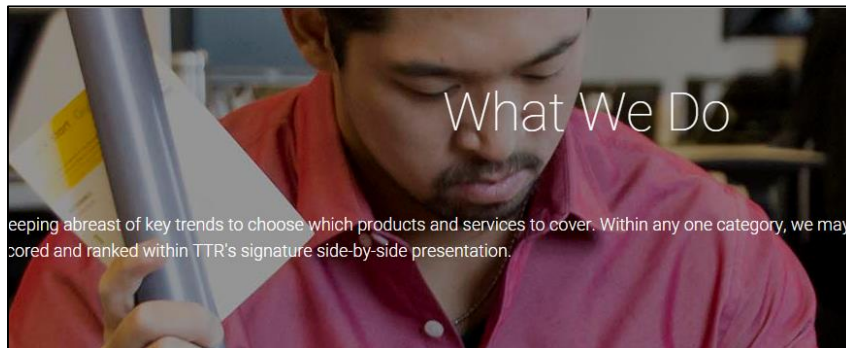
# Which.co.uk

- Imagery focusses on a single family image, helping to elicit familiarity and empathy
- Value focusses on:
  - Being independent
  - 50 years of experience and ability to provide “expert advice”
  - Focus on how it helps users make “good decisions”
- Uses a long page to detail all the categories they provide advice on
  - Maintains Which branding throughout
  - Use of headline and clarifying copy, followed by a CTA in each section to provide a short but controlled thought sequence that guides users to the click
  - Use of high quality imagery to support each value point



# TopTenReviews.com

- Imagery focusses on highlighting the expert reviewers
- Value focusses on:
  - Hands on evaluation of products
  - Specialist reviewers and editors
  - Weighted scoring systems
  - Editorial Independence



## Hands-on use and evaluation

We are committed to obtaining and using the products and services we review. We either borrow them from manufacturers, with no conditions attached, or purchase them as regular consumers. We then use them as any consumer would to help identify and assess their most important features and attributes.



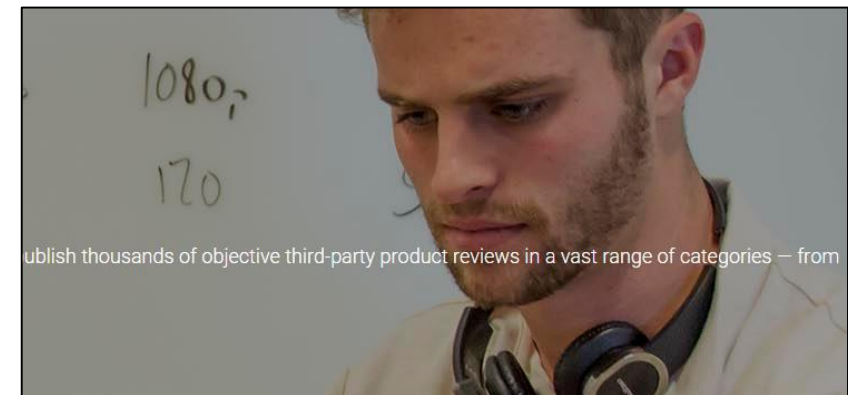
## Scoring & Ranking

We use our tests to gather data on performance, features, ease of use, and other attributes. That data is then scored, and the scores are weighted to create an overall score, using a proprietary weighted system. The products are then ranked by those scores, with the three top-ranked products being designated as Gold, Silver and Bronze Award winners.



## Editorial Independence

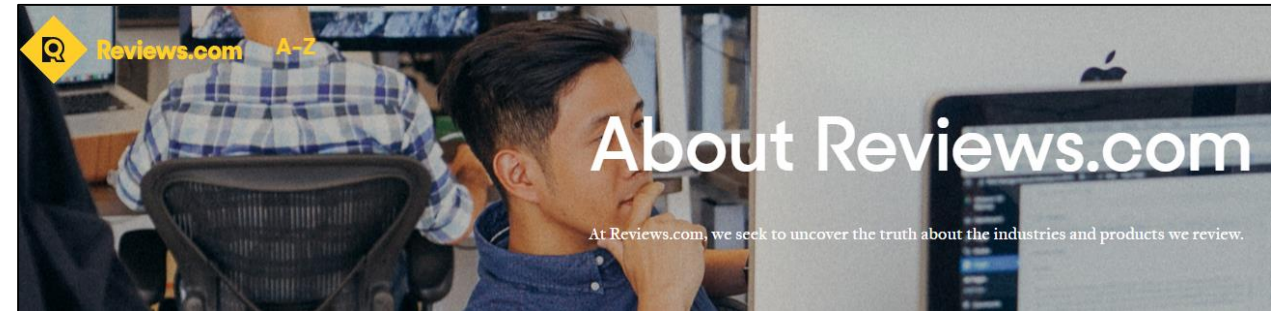
We maintain a strict separation between the editorial process and the work of our sales team. Once our writers and editors complete a review, sales staff pursues various means of developing revenue for that content. Those means include traditional advertising, sponsorship of all available advertising, sending sales leads on services on to partners, and selling reviewed products ourselves through Herman Street, our online retail store.





# Reviews.com

- Imagery focusses on highlighting the expert reviewers
- Value focusses on:
  - Exhaustive review process conducted by experienced researchers and experts
  - Review Categories of products
  - Editorial Independence



**Research is the key**

**Quality matters**

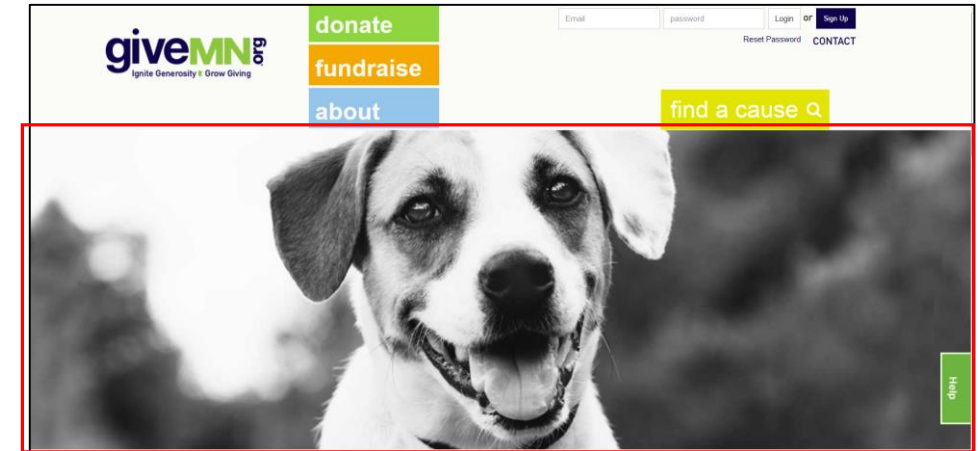
**We review categories, not items**

## **Truth matters**

Our picks are not swayed by advertising dollars, company partnerships, or affiliate payouts. There's a reason we go through an extensive process -- it's to uncover the truth and convey that to our readers. To put in the time and effort building relationships and compiling proprietary data, only to sell out at the end of our process, would be pointless. We're looking to do more than that.

# Give MN

- Use high quality imagery of a single subject in order to focus the value on who the donor's money is saving
- Provide clarity around how a donor's money is spent, by providing specific value copy



## How Donations Work

GiveMN makes giving simple, rewarding and fun. Here's how it works:

- **Find a cause.** Unleash your passion! GiveMN makes it simple to discover a new cause or find one you know and love. Just search by keyword or category and browse the instant results. Throughout the year, we also curate ideas to inspire great giving and showcase them at GiveMN.org/donate.
- **Give with ease.** We support giving from beaches and Barcaloungers. All donations on GiveMN are made with a credit or debit card. No checks to write or stamps to lick. Your information is secure and your satisfaction instant. For each donation made with GiveMN, you will receive a tax receipt via email instantly.
- **Simplify your giving.** Do all of your giving in one place - on GiveMN.org! Create an account to store and access your tax receipts year-round and get a visual breakdown of your giving. No more shoe boxes or bags full of receipts.

## What's New at GiveMN

GiveMN moved to a new technology platform in the summer of 2014. Powered by Kimbia, an expert in technology services for large-scale online fundraising, the new GiveMN.org website offers powerful tools for organizations and individuals to fundraise for their favorite causes.

If you have an existing account with GiveMN, log in as usual. You will be prompted to change your password.

For new users, create an account with GiveMN to keep your giving history all in one place - including your tax receipts. You can also give without an account. Just find a cause and fill out the donation form.

## Sources

[GiveMN.org Homepage](#)

[About GiveMN - Our Organization](#)

[Give MN - How Donations Work/What's New](#)

# Recommendations



# Recommendations

## Value Proposition and Messaging

### General

- Should consider writing messaging that speaks to consumer's willingness to help others, rather than focusing on messaging that encourages or incentivizes personal gain
- Aim to use messaging and imagery that elicits empathy from the prospective donor
  - This can be done by providing clarity as to whom the charity helps and how
  - Showing imagery of groups the prospective donor can relate to will also likely resonate better
  - Providing testimonials from happy customers and those whom Consumer Reports have helped, helps build credibility, as well as provide clarity around just who the charity is helping and how

# Recommendations

## Value Proposition and Messaging

### Targeting Older Prospects

- Unless able to specifically target younger prospects, value proposition and messaging should be chosen that matches the motivations of the valuable “Boomer” and “Mature” segments
- Value messaging should ideally provide clarity to the prospect about how their money will be spent and how it will have a measurable impact on the cause, in a way that will help others
  - This should be written in such a way that it convinces the prospect donor that this is the best way to spend their charity, making it explicitly clear how they, the prospect, will be making a difference to others
    - Relating this to real people or at least the imagined idea of real people will likely increase the impact it will have on the prospect and help the message resonate
  - Also once someone is a donor provide specific feedback about the impact their donations are having
  - By providing clarity around the workings of the charity and how it spends its money, you will also relieve potential donor anxiety around the authenticity of the charity and its claims
    - Speaking to Consumer Report’s independent and thorough testing processes would likely be of value in this respect

# Recommendations

## Value Proposition and Messaging

### Relieving Anxiety

- Effort should also be made to provide evidence of the direct outcomes of the charity, as well as the impact this has on those it helps
  - Evidence of awards
  - Provide evidence of people the charity has helped, i.e. testimonials and case studies
  - Provide an understanding of the charities successes and the outcomes of the work they do
    - This could include example studies, number of research tests, cost per study etc.

# Appendix

# Consumer motivations for donating money

- According to an article published by The Guardian, the reason for why donate money fall into the following three categories:
  1. “I donate because I value the social good done by the charity”
  2. “I donate because I extract value from knowing I contribute to the social good for the charity”
  3. “I donate because I want to show off to potential mates how rich I am”
- People know that they should give money to where it will have the greatest impact; however, based on multiple experiments, people are more responsive to charitable pleas than they are to statistical information
  - Research has shown that the proven effectiveness of charity campaigns does not increase giving
- People are influenced by one another
  - A university example showed that people were willing to give more money if their former roommate called asking for the donation
  - Having a celebrity supporter also increase donations to a charity for those who have previously given
  - People that play a significant role in each others’ lives is encouragement for individuals to donate

<http://www.bristol.ac.uk/media-library/sites/cmpo/migrated/documents/wp326.pdf>

Emotional Charity: <http://www.theguardian.com/voluntary-sector-network/2014/sep/29/poverty-porn-charity-adverts-emotional-fundraising>

Effect of Effectiveness: Donor response to aid effectiveness in a Direct Mail draising experiment: <http://www.nber.org/papers/w20047>

## Sources

[The Guardian - Why people give money](#)

# Consumer anxieties for donating money

- An article was written about 6 reasons why people do not give to charities / causes:
  1. The identifiable victim:
    - People identify with an actual victim versus stats
      - An experiment showed that people were more willing to give money to a young Malawian girl named Rokia versus the other group of people who received information around the need, including statistics.
  2. Parochialism:
    - People care for one another and/or charities that they feel close to
      - Americans gave \$1.54 billion to help those affected by the Southeast Asia Tsunami in 2004. In 2005, Americans donated \$6.5 billion after Hurricane Katrina
  3. Futility:
    - People are overwhelmed with the number of victims that are needing help
      - Participants in a study to save Rwandan refugee camp were more “willing to [donate] if they could save 1,500 out of 5,000 versus 1,500 out of 10,000 people”
  4. The Diffusion of Responsibility
    - People assume that someone else will help when needed
      - One experiment showed that “70% of participants who are alone and heard sounds of distress from another person in an adjoining room responded and helped”.
  5. The Sense of Fairness
    - People may feel that others are not doing their fair share if they are not giving (example: 10%) of their income
  6. Money
- The charity, The Life you can Save, has a page dedicated to the [ten reasons not to give money](#) to charity