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Does Listener-Focused Fundraising Work?

An Overview and Analysis of the Listener-Focused Fundraising Project And Its First Field Implementations

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THE PROMISE OF LISTENER-FOCUS

The Listener Focused Fundraising Project proposes that public radio evaluate its fundraising activities not only by the money they earn, but also by their impact on the listeners from whom they earn it. Without listener-focus in all endeavors, public radio undermines its own service, and ultimately undercuts its very ability to exist.

TWO BOTTOM LINES

The purpose of fundraising is, of course, to raise public support. Measured by dollars given by listeners and underwriters, public support is now our industry's primary source of revenue. Indeed, it is essential; without it public radio would cease to exist.

However, activities that raise public support can extract real but hidden costs. AUDIENCE 98 demonstrated that they can *undermine the relationship at the very heart of giving* by interrupting the very service we are asking listeners to support and alienating the very listeners whom we are approaching.

Given the importance of public service to public radio, we can no longer generate revenues at its expense. Fundraising must adopt a "second bottom line" that preserves the public service, trust, respect, and good will upon which it trades.

This is the central concept of listener-focused fundraising. We must use two bottom lines – one based on public support, the other based on public service – to evaluate both the success and appropriateness of any fundraising endeavor.

These two bottom lines reinforce each other. Public service is the reason listeners send money; fundraising efforts trigger giving by tapping into the importance of our service in listeners' lives.

Therefore, when our fundraising efforts preserve our public service, they enhance our ability to raise public support.

We come out ahead even if listener-focused fundraising efforts generate no more income than other types. By their very nature, they reduce the damage we do to our relationship with the listener.

Fundraising that undermines public service has serious long-term implications as well. When our fundraising efforts deplete the defining values of our industry and lessen its value in the minds of our listeners, they expose it to the competitive forces now gathering for delivery through new media.

THREE PHASES OF INQUIRY

The Listener-Focused Fundraising Project explored both the nature and efficacy of the second bottom line.

In its first phase, the Project asked listeners for their thoughts and feelings toward public radio's fundraising activities. In face to face meetings, listeners discussed their delight and disgust with a wide range of messages, techniques, attitudes, and channels.

The Project next applied these lessons to fundraising scripts, and in a controlled setting measured listener reactions to carefully crafted and delivered appeals.

This second phase directly linked explicit listener reactions to our specific actions. It was the first time we have watched and measured the impact of our fundraising on listeners. Over the air, through the mail, on the phone – we only see financial results. Here we watched as people chuckled, winced, considered what was said, or tuned out.

This second phase identified “modes” of ideas, presentation styles, and fundraising values. Listeners eschew some and embrace others. These results are statistically solid and immediately applicable.

Or are they? Can public radio really raise listener support while preserving – or even enhancing – its public service? Does the second bottom line really reinforce the first?

The Project addressed this question in its third and final stage. It imbued the staffs at its six partner stations with the lessons learned from the first two stages. It encouraged staff to minimize or eliminate the modes that most severely undermine public service. It injected on-air drives, direct mail pieces, and telemarketing scripts with listener-focused values.

The Project gathered hundreds of measurements that quantify the impact of its listener-focused endeavors on the financial bottom lines of its partner stations.

While the on-air and telemarketing results are inconclusive, direct mail tests indicate that *messages consistent with listener-focused values perform significantly better than do others.*

FULFILLING THE PROMISE

Listener-focused considerations increase the rate of financial return on direct mailings. Their impact on telemarketing is inconclusive, as is their impact on on-air fundraising.

DIRECT MAIL

The study conducted eight direct mail tests at five stations. Two of these tests do not satisfy the requirements of tightly disciplined controls. The results of a third test are too preliminary to assess.

In four of the five remaining tests, *the pieces that embodied listener-focused values outperformed the controls* at the 95% level of statistical confidence.

Catherine Harvanko's January 2000 report to the Project clearly presents the results. In summary,

- Response to listener-focused mailing was 63% higher across three tests that asked members to add to their gifts:
 - +17% for a piece that eliminated “junk-mail” elements from the envelope;
 - +42% for a “snappy” letter that quickly conveyed its message points; and
 - +96% (double!) for a survey that asked listeners how they wished the station to communicate with them.
- Response to a lapsed member mailing was 57% higher with the listener-focused concept applied to the envelope, and not significantly higher when the concept was applied to the letter inside the envelope.

In sum, *listener-focused appeals work in direct mail. Attention to the second bottom line benefits the first bottom line.*

TELEMARKETING

The study conducted telemarketing tests at only one station. The listener-focused treatment neither helped nor hurt the response.

ON-AIR FUNDRAISING

The study conducted local on-air fund drives at each of the six partner stations. It also conducted a three-hour experiment in coordinated programming and centralized call taking in which four stations participated.

Uncontrolled factors and incomplete data keep us from assessing the impact of listener-focused fundraising messages in on-air drives.

The timing and duration of the listener-focused drives differed from previous drives – often significantly. We know that some partner stations eliminated certain practices and introduced others. But we have no data linking these practices to their financial outcomes.

Indeed, so many variables differed across drives that we are unable to sort them out with any statistical rigor.

IMPACT ON LISTENERS

We assume that listener-focused appeals reduce the “pledge drive damage” documented by AUDIENCE 98. Unfortunately, the Project was not designed to measure listeners' reactions to hearing positive modes

in the field tests – or not hearing negative modes.

Therefore, the Project can not assess with certainty the impact of its field implementations on the second bottom line.

But it can be done. In fact, any station with sufficient Arbitron sample can measure changes in listener attitudes that may result from the implementation of listener-focused principles.

Since the Project first implemented its findings, the Public Radio Tracking Study has begun regular measurement of several factors that report fundraising's impact on the second bottom line. It picks up from the Listener-Focused Fundraising Project just at the LFF picked up from AUDIENCE 98.

A NEW LINK IN A LENGTHENING CHAIN

The tenets of the LFF Project spring from public radio's twenty-year investment in listener-focused research. The Project adds

a link to a lengthening chain that joins the work of the past to that of the future. Forging this link has taught us much.

- We now have a deeper and more accurate understanding of listeners' attitudes toward public support than ever before.
- We now have a stronger sense of how to speak to these attitudes in ways that do not disturb – and even enhance – the public service that defines our enterprise.
- We now have evidence that investing in the second bottom line can pay dividends on the first bottom line.
- We now have a sense of the obstacles that face us as we introduce practitioners to the second bottom line.

Theory tells us that listener-focused fundraising ***should*** bolster the first bottom line. The LFF Project tells us that it ***can***.

The power of all new knowledge lies in the commitment of those who might apply it.