

achieve more

performance hub magazine

issue #7

autumn 07

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performance hub



performance hub

The Performance Hub works to help third sector organisations* (TSOs) achieve more.

(*charities, voluntary organisations, community groups and social enterprises)

Our **vision** is of high performing TSOs having a positive impact upon the lives of millions.

Our **overall aim** is for improved third sector performance, and for performance to be an integral part of the third sector's agenda.

Four **specific aims** contribute to this overall aim:

- To increase TSOs' awareness of the benefits of focusing on performance and improve their ability to use performance tools and approaches.
- To increase and improve the performance support offered to frontline organisations by local, sub-regional, regional and national infrastructure of all types.
- To develop a more relevant, more effective and more accessible knowledge base about third sector performance.
- To strengthen the two way relationship between funders and TSOs on performance issues.

For more information see our website at www.performancehub.org.uk

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The Performance Hub is funded by Capacitybuilders through the ChangeUp programme.

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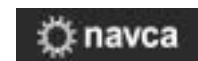
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**Sam,
aged 6
p. 12**

WELCOME

As third sector organisations, we are often driven by the desire to improve the lives of a particular group of people. We pride ourselves on our closeness to users and providing the 'personal touch'. But as a new report by the National Consumer Council shows that all sectors could improve their attention to meeting user needs, could we do better too?

Marketing has often been a dirty word in our sector, associated with hype, lies and wasted budgets, but arguably there is no other approach which places users at the heart of everything you do. This issue explains why, if you really care about giving your users what they need, marketing should be at the core of your organisation's strategy and day-to-day work. If you've never done marketing before, this issue will help you get started.

Next issue: Work and project planning (out November 2007)

Julie Pottinger
Communications Officer

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RECRUITMENT**CharityComms recruits members**

CharityComms, a new charity communications institute, is recruiting members. The institute launches this autumn with a brief to promote best practice and effectiveness among voluntary sector communications staff. Membership benefits include networking opportunities, supplier discounts and professional development. Membership starts at £150 per organisation.

www.charitycomms.org.uk

FUNDRAISING**Government waste strategy threat to fundraising**

Charities are concerned that new government proposals on direct mail would hamper their ability to fundraise.

The new Waste Strategy, unveiled by DEFRA in May 2007, proposes an opt-in for direct mail where people would only receive mailings if they placed their name on a register. The Institute of Fundraising said it would support the sector as the debate continued and would "always stand up for the right of charities to fundraise."

DIRECT MAIL**New code of practice for charity direct mail**

The Institute of Fundraising is consulting on a draft Code of Fundraising Practice for Direct Mail. The Code gives guidance on issues such as data collection, use of shock tactics and use of incentives such as pens.

The consultation will run until Friday 28th September 2007.

To view the draft code, visit:

www.institute-of-fundraising.org.uk/bestpractice/thecodes/codesdevelopment

0845 402 4771

REPORT**Third sector compares well on user satisfaction**

The third sector shines above the rest in delivering employment services, says a recent report by the National Consumer Council. The research, which looked at users' experiences of public service delivery across employment, care for older people and social housing, concluded that consumers did not have a preferred sector across the board. The report also highlighted the potential for cross sector learning about delivering services more tailored to user needs.

Delivering public services: Service users' experiences of the third sector.

**To read the full report visit: www.ncc.org.uk
020 7730 3469**

WEBSITES**Charities not making most of web**

Charity websites' quality is declining, according to new research. *Charity Website Benchmarks 2007*, commissioned by e-Consultancy, awarded an average of 2.5 out of 5 to the 120 charity websites they evaluated, compared with 2.67 in 2006. Charity websites scored particularly low on accessibility, with an average of 1.6 awarded in this area. However, it noted that charities are increasingly using a range of communication channels such as blogs, forums and e-newsletters.

www.e-consultancy.com/publications/charity-website-benchmarks-2007

There is a charge for this publication.



“For any organisation that cares about its users, marketing is essential”

Marketing

A mission to satisfy users

What is marketing?

Marketing is the process of identifying, anticipating and satisfying user needs. Whereas private sector companies meet customer needs profitably, third sector organisations meet needs within the context of their mission and values.

To do this we need to find out what our users need and satisfy them with the right ‘marketing mix’. This means offering the right *product* (or service), in the right *place*, at the right *price* with the right *promotion*.

Why do third sector organisations need marketing?

For any organisation that claims to care about its users, marketing is essential. It helps us stay focused on responding to user needs. Without marketing, we risk losing our way. It is too easy just to concentrate on the products and services we like making or doing and forget to check whether anyone really needs them.

Julie Pottinger explains what marketing really means in the third sector.

Understanding what your users need

The first step is to ask yourself questions like:

- Who is our target market?
- What do they need?
- Is there a gap between needs and the services available?
- What are other organisations providing?

You may already have some of this information. If not, you could look for other sources such as sector-wide reports, or carry out your own research through a user survey (see issue 1: “how to... do a user survey”) or focus groups (see issue 4: “how to run a focus group”). Try to get underneath what people say they want, to uncover what they really need.

The third sector marketing mix

You can use the marketing mix as a checklist either to assess how your current products and services meet users’ needs or to design a new product or service. With some interpretation, the marketing mix can be a very useful concept for third sector organisations:



Product

‘Product’ is a generic term covering physical goods, services and ideas. Offering the right physical good involves thinking about all its attributes including its features, quality, design, services, support and guarantees.

Users can’t usually see, hear or touch a service before they experience it, so an emphasis on benefits and the reputation of the organisation become particularly important.

‘Idea products’ include campaigns, pressure groups and fundraising. Fundraising can be seen as an exchange between the charity and the donor; the donor pays for the warm feeling they get from knowing they’re contributing to a good cause.

Campaigning organisations are usually trying to achieve a change in law or practice. The problem is that the people with the power to make the change are often not the main beneficiaries of that change. The challenge is to emphasise the benefits for the person or institution you want to make the change.

Price

Consider:

- the cost to you of providing the service or product, including distribution and promotion;
- what others are charging; and
- what your users or funders can afford or would expect to pay.

Think about the total cost to your users. For example, your training courses may be ‘free’ but there is still a cost to the participants including time away from their desks or home, and transport costs.

If you work for a campaigning organisation, what will it cost government to implement your proposals? It could cost them time, effort and ‘loss of face’, not to mention money.

Place

How can you distribute your products or services so that your target market has easy access? If your product is a publication, do people buy it directly from you or from a distribution house? Can they do this online, by phone or in

“Is there a gap between the needs and the services available?”

“The right promotion ensures that as much of your target market as possible hears about your products”

person? If you offer a service, is the location suitable? Are your ideas reaching your target audience when they are in the best environment to receive them?

Promotion

Promotion is about informing potential users about products or services and persuading them to buy, fund or use them. The right promotion ensures that as much of your target market as possible hears about your products and that you communicate the messages that matter to them.

There are many ways to reach your target audiences, including advertising, direct mail, personal selling, websites, emails, special offers, events and the media.

If your organisation delivers services or ideas, you should think about three more Ps:

People

Users' experiences of your services will be profoundly affected by the way staff behave, including their levels of competence, politeness, respect and discretion. This is particularly the case where relationships are intense and ongoing, such as in a shelter for homeless people.

Physical evidence

Your users may look for tangible items in order to evaluate essentially intangible services. So think carefully about your service environment, including buildings and rooms, furniture, layout, noise levels and catering.

Processes

Make sure the policies and procedures surrounding your services are user-friendly. How easy is it for people to apply for your service? Are there procedures in place for users to feed back and influence service delivery?

So how do we 'do the marketing'? The seven Ps listed above are likely to involve everything your organisation does. This means that marketing concepts should be woven into your organisation's strategy and everyday work.



Learn more

NCVO Marketing Network

☎ 020 7520 2447

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Directory of Social Change

One-day training courses and publications on marketing.

☎ 08450 777707

www.dsc.org.uk

Moi Ali, *The New DIY Guide to Marketing* (ICSA Publishing, 2001)

This practical guide for the not-for-profit sector examines the essentials of marketing.

www.performancehub.org.uk/publications

Media Trust

Advice, training and resources on communications for the third sector.

☎ 020 7874 7600

www.mediatrust.org

Chartered Institute of Marketing

Visit the 'knowledge hub' for information including case studies and 10 minute guides.

☎ 01628 427500

www.cim.co.uk

Don't believe the hype! Four marketing myths exposed

1

Marketing is only for large, private sector organisations

As marketing concepts originated in the private sector, many third sector organisations (TSOs) think it's not for them.

However, few would argue with the importance of offering their users what they need. TSOs often think of themselves as being close to their users. Marketing can help you channel your understanding of user need into developing your products and services.

2

Marketing is just sales

Selling is just one of the ways we communicate our products and services. In turn, communications are just one aspect of marketing.

Marketing is much broader than this: it involves understanding real needs and developing the products and services that meet them.

3

Marketing is just spin and lies

Spin refers to the way that public relations professionals sometimes present information in a favourable light.

All organisations want to present themselves positively but this should never involve telling lies. If you lie and are found out, your reputation will be far more damaged than if you had simply come clean at the outset.

Getting media coverage is one way to promote our products. But marketing is much more than just promotion.

4

Marketing is about making people buy things they don't want, with money they don't have

Marketing is the exact opposite of this!

Marketing is about finding out what people want or need and offering it to them in a way that suits them. Promotion is not about 'making' people buy things – it is about letting them know that your product or service is out there and how they can benefit.

All the advertising in the world can't make someone buy something they don't want. This is why organisations spend a lot of time and money researching what their target market looks for in a product, where they shop and which newspapers, magazines or TV programmes they prefer.

As third sector organisations, we are usually more concerned with needs than wants and aim to satisfy these within our vision, mission and values.

“Marketing is about finding out what people want or need and offering it to them in a way that suits them”

***“All the advertising
in the world can’t
make someone
buy something
they don’t want”***



How to target your services

Richard Piper explains how dividing your users into smaller groups can help you better meet their needs.

Segmentation and targeting

Who are your organisation's target users?

Your mission may specify that you work with women with breast cancer or young people with learning disabilities. But your users are not a homogenous group – they include a number of different people with differing needs.

Segmenting your audience involves dividing them into smaller groups (or segments) and identifying what each of those groups need.

Targeting involves choosing which segments to focus your resources on and designing the best range of products or services for them.

This article focuses on segmenting and targeting your users, but you could also apply this technique to other stakeholders such as your volunteers, funders and donors.

How segmentation and targeting helps

Successful organisations understand that only a limited number of people will use their product or service. They spend time identifying exactly who these people are and what they need and prefer.

Segmenting and targeting can help you:

- focus your resources by identifying your key user group(s);
- develop products that better meet the needs of users;
- reduce your exposure to competition by identifying a niche for your services.

Four steps to success

Step 1. Confirm your mission and broad target users

Check that your organisation's mission and service area(s) are clear and up-to-date, and that the scope of your overall user group is defined.

Example: Dyslexia Positive

Mission: To support and empower parents of children with dyslexia.

Services: A free helpline, website, local support groups, and an annual national event.

Overall user group: Parents of dyslexic children in the UK.

Step 2. Segment: Identify and describe the main segments within your overall target group

- Decide on the key distinction(s) within the overall target group. These could include age, gender, region, attitudes or behaviour.
- Using these distinctions, group the overall target into segments that are mutually exclusive, meaningful and relatively stable over time.
- Estimate the approximate size, profile and preferences of each segment. If you have no data, try to collect some by asking your users and non-users or looking at existing research.
- Map segments onto your current services, by levels of use. Also consider which segments may be interested in any new services.

Dyslexia Positive chose to segment their audience by child's age and by the attitude of the parent to their child's dyslexia, as they felt these lay behind the biggest differences in user need. They used these two distinctions to divide their target users into four segments, shown in figure 1.

Figure 1. Dyslexia Positive used these two distinctions to divide their target users into four segments.

		Age of child	
		Younger (0-10)	Older (11+)
Parent's attitude	Concerned positive	Younger Positive 90,000 parents	Older Positive 35,000 parents
	Concerned positive	Younger Concerned 245,000 parents	Older Concerned 170,000 parents

Younger Concerned (YC) is the largest segment with around 245,000 parents, 65% of which are women and 70% aged under 45. They particularly need dispassionate, factual information and one-to-one helpline support.

Younger Positive (YP) contains around 90,000 parents, with proportionately fewer women (55%). They prefer group activities.

Older Concerned (OC) has around 170,000 parents, with a similar profile to **Younger Concerned**. They need one-to-one support on specific issues.

Older Positive (OP) is the smallest segment with around 35,000 parents. It has a low proportion of women. They particularly enjoy organising local support groups.

Figure 2. Dyslexia Positive created this table to show the approximate level of use of each service by the four segments.

Service use by segment				
	Helpline	Website	Support Groups	Annual Event
YC	High	High	Medium	Low
YP	Low	Medium	Medium	Medium
OC	High	Medium	Medium	Low
OP	Low	Low	High	Medium

Dyslexia Positive used this table to better understand service use by segment.

Step 3. Target: Select which segment(s) you will prioritise

There are four questions you should ask yourself to decide which segments to prioritise:

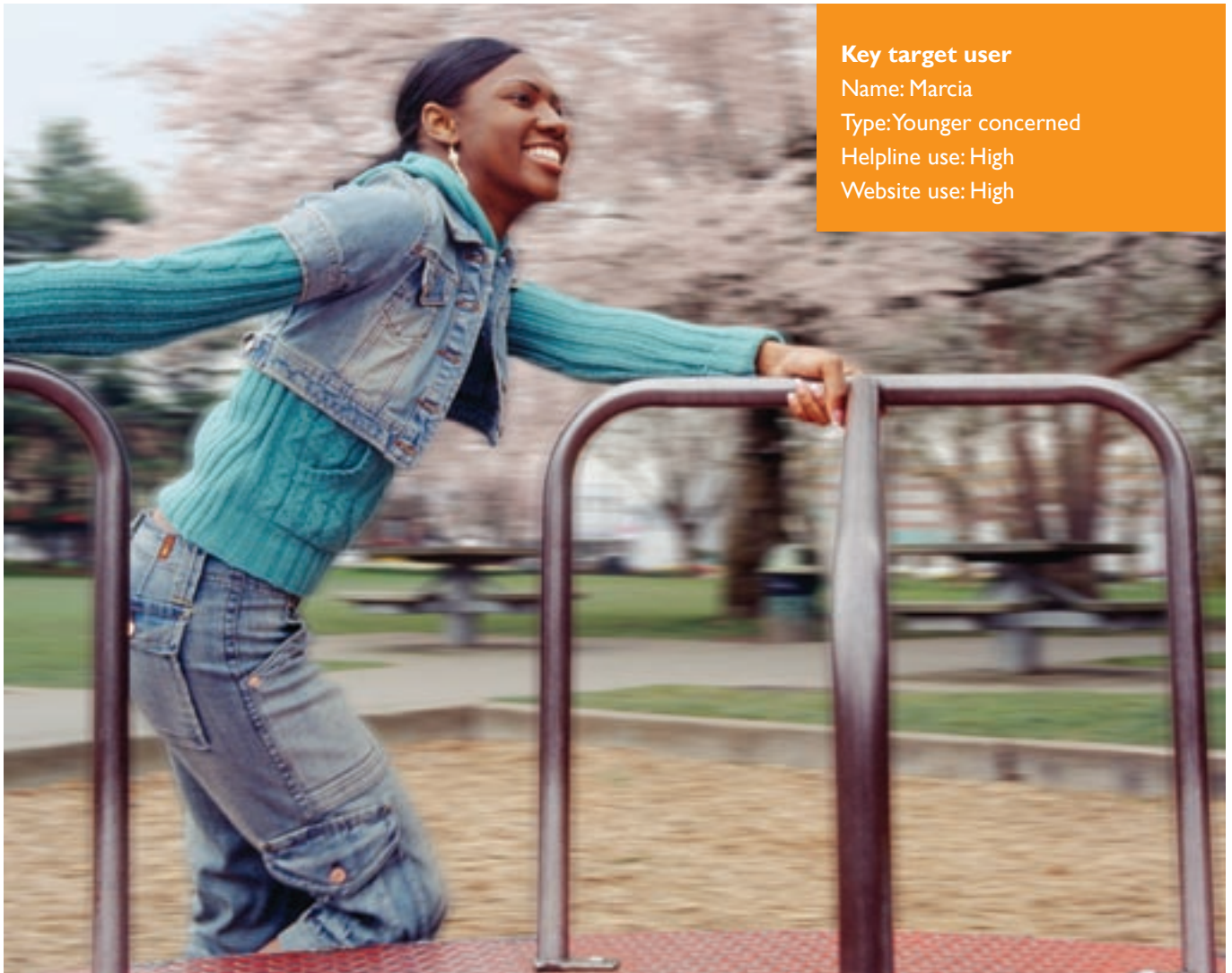
- Do your organisational values imply prioritising certain segments?
- Who else provides services to these segments? Where is service provision least crowded?
- What is the cost and value of meeting each segment's needs?
- Is work with certain segments more likely to attract funding?

Dyslexia Positive believes in helping parents take a positive attitude towards dyslexia. This implies prioritising working with concerned parents.

Another UK charity, LiteracyPlus, provides some basic information about dyslexia. Dyslexia Positive's helpline, support groups and annual event are unique services.

The helpline is costly but manages over 15,000 calls a year and is highly effective at helping concerned parents. Support groups are relatively low cost and help parents feel more supported and empowered.

The helpline is easy to fundraise for. Some local support groups attract local funding. Work with parents of younger children is easier to fund, especially in SureStart areas.

**Key target user**

Name: Marcia

Type: Younger concerned

Helpline use: High

Website use: High

With no experience of dyslexia, 26-year-old Marcia is a fictional example of Dyslexia Positive's highest priority target audience, the "younger concerned" parent. Marcia's six-year-old son Sam has recently been diagnosed with dyslexia. As a concerned mum, Marcia wants to know: "How will he cope at school?"

Dyslexia Positive decided to focus on the Younger Concerned parents, to fit with organisational values and SureStart funding.

Step 4. Deliver services and messages

Decide which services to deliver and promote, to which segment.

Dyslexia Positive has decided to prioritise its website, helpline and support groups, which are the most effective services for Younger Concerned parents.

It will better tailor the helpline to Younger Concerned parents and employ a 'support groups worker' to help local groups grow and survive.

Of the estimated 245,000 Younger Concerned parents in the UK, only 143,000 use Dyslexia Positive services.

Dyslexia Positive plans to focus on reaching these non-users with the key message: "Dyslexia is a barrier to your child's success". It will use positive images and stories about children with dyslexia who have been successful. As there are more women than men in this segment, it will target its promotion at women, through advertising and getting coverage in women's magazines.

Learn more

Ian Bruce, *Charity Marketing: Meeting Need Through Customer Focus* (ICSA Publishing, 2005)

Shows how putting customers at the core of an organisation's activities can help non-profit organisations to become more effective.

www.performancehub.org.uk/publications

“The new strap line ‘Caring for life’, reflects the focus on living, not dying”



Does branding matter?

Is branding just about packaging, or can it make a real difference? Julie Pottinger discovers how a re-brand based on solid research can lead to improved results across the board.

Essex-based charity Farleigh Hospice provides palliative care for people with life-limiting conditions. Palliative care is about improving a patient's quality of life rather than seeking a cure.

Services range from medical treatment and pain relief, to emotional support and social activities.

Confusion

Towards the end of 2005, some staff members felt there was a lack of understanding about what the Hospice does. Three different sites with different names seemed to be part of the confusion.

PR Co-ordinator Richard Fewings wanted to test these assumptions, so organised a focus group involving patients, staff, volunteers and supporters.

The group looked at what the Hospice does and how it would like to be perceived. Participants were asked: “If Farleigh Hospice was a person, how would you describe them?” Key words were written on pieces of paper and

“People thought the old logo, which was supposed to represent a lantern, looked like a prison!”

laid out on the table. Words that came up frequently were: ‘caring’, ‘open’, ‘welcoming’, and ‘friendly’.

When they looked at their logo, they found it didn’t match their key words but had negative associations such as ‘unfriendly’ and ‘unwelcoming’.

Richard decided to compare these findings with public perceptions and took to the streets with a team of volunteers. Using a short questionnaire they tested a sample of 200 people on their awareness and understanding of the Hospice and its services.

This confirmed that whilst there was high recognition of the name “Farleigh” (67%) and the word “hospice” (98%), there was low awareness of the range of services offered.

Just over half the respondents thought that the Hospice only provided terminal care. There was confusion about the link between the three different sites, with many not realising they were all part of the same charity. The most worrying finding was that people thought the existing logo, which was supposed to represent a lantern, looked like a prison!

“There was a big gap between perception of what we do, and the reality,” recalls Richard. “There was a preconception that hospices were all doom and gloom and about death and dying.”

This was preventing some people in need from accessing services. Many felt scared of hospices, which they felt represented “the end of the road”.

The Hospice needed a strategy to correct these misperceptions. Richard set up a steering committee including trustees, past service users, staff, volunteers, supporters and local media. He presented key findings and outlined the need to refocus the organisation’s brand image and communications strategy.



Caring for life

The committee agreed to reposition the Hospice as a place to improve quality of life, rather than as a place to die. The research helped re-define the Hospice’s values, which translated into a new brand image, a new strapline, “Caring for life” and core statements to be used across their communications.

Farleigh Hospice now has consistent branding across all its sites and a new logo. Internal stakeholders had grown attached to the lantern so it was redrawn as a light-giving lamp.

A redesigned website is open and friendly and showcases the full range of services. They’ve also produced a DVD for potential patients and donors, showing patients talking about their experiences.

Results

With the emphasis on non-terminal care, referrals have increased throughout all areas of the hospice. Fundraising income has also increased. Press coverage now features more care stories, rather than cheque presentations.

Internally, the marketing and fundraising teams are now more closely connected with the care team. “It has really brought us together as a hospice,” confirms Richard. The strategy helped to recruit 200 new volunteers in a recent campaign.

Finding the time to do the research was a challenge but the benefits far outweighed the costs. Richard has the following advice for charities planning something similar:

“Make sure you start with the research so that it’s not just a face-lift. Involve as many stakeholders as possible, get them involved from the beginning and keep them informed.”

Why not *shout* about *success*?

There is a very British reticence by most charities to shout about their success. Let me be more specific – there is a reticence to shout about success and be able to back it up with evidence, or even to be specific about successes.

Many charities are more than happy to tell you how fantastic their work is, and what a marvellous job they do. The debate about public services and charities is a case in point. There has been lots of media coverage on why charities should be delivering more public services. But there is little shouting about the specific examples of how, when and where charities do a better job, mainly because the case that charities do a better job in public service delivery has been largely unblemished by evidence.

The recent report from the National Consumer Council* makes clear that consumers don't see charity-run services as automatically better.

So where does this impetus for charities to shout about success come from? No private company would ever say it was doing a great job unless it had an increase in profits to prove it. In part, it is because a long history of doing good works, often on a voluntary basis, has led charities to see the quality of their motivations as more important than the scale of their success. It is also because the pressure has not been there for them either to promote themselves or back it up with evidence.

As the sector becomes more professional and more central to public life, it will become more and more important that charities not only shout about their success, but do so in a specific, measurable, results-driven, evidence-based way. Increasingly funders and the giving public will expect nothing less.



“It will become more important that charities shout about their success in an evidence-based way”

Joe Saxton

Joe Saxton is a Driver of Ideas at not-for-profit research consultancy and think-tank, nfpSynergy. www.nfpsynergy.co.uk

*Delivering public services: Service users' experiences of the third sector (National Consumer Council, April 2007) www.ncc.org.uk



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Support finder

Need help achieving more?

If you want to improve your organisation's performance, you may need some help along the way. External support can be useful if you want to develop your skills, talk to others who have been through similar experiences, or just get an independent view on your situation.

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