

The value of good 'friends' during challenging times



Steve Mills,
Director of Travel, Tourism,
Culture and Leisure,
BDRC Continental

None of us needs a consultant to tell us we are facing challenging times. Some of you will already be feeling the pinch. Others are bracing themselves for an uncomfortable autumn as the full impact of public spending reviews starts to bite. We all know it's coming, but how many of us are actively preparing for a world with significantly increased emphasis on our organisation's ability to fund its own activities?

Of short-term relief has been the strong performance of domestic tourism, which led to a five per cent increase in visits to attractions in England during 2009 – with the heritage sector leading the way. However this was recession-led and exacerbated by the strong Euro, which kept many of us holidaying and day tripping at home. We'd love to believe that this trend can be sustained, but it would be folly to rely on it.

As a result, the pressure on membership and friends' schemes to deliver the goods will intensify. Fundraising teams and their strategies will move centre stage. Those organisations which best understand how membership and fundraising markets operate will leap ahead. For some, it could determine their survival. That's perhaps where some external help could best play a role.

Research-based organisations like BDRC Continental are working hard to help organisations take business-changing decisions in the areas of membership and fundraising. In our work, we've noticed two recurring issues:

- The desire to optimise membership/friends' scheme packages to minimise member churn and/or generate new members
- The need to stimulate small and medium-level donations to the organisation.

How can research help address these issues?

Membership

BDRC Continental has developed a Membership Optimisation Model which, through researching existing or potential members, provides organisations with a user-friendly interactive tool to test genuine appeal of the full range of membership package options and the real value placed upon them. It also measures the impact of each package on retention or acquisition levels, both at an overall level and for discrete audience segments.

By way of example, the Royal Horticultural Society has already used this model to inform its membership retention strategy.



Membership and friends' schemes can help sustain a museum or heritage site through choppy waters

The RHS team was able to understand which member benefits were most influential in driving retention, to measure the impact of various annual fees on churn and, ultimately, generate the optimum package of benefits to maximise retention.

Fundraising

Understanding how to stimulate small and medium-level donations is under-researched. In a world where the demand for large-scale philanthropists is increasing and business sponsors are closely scrutinising the ROI their ventures deliver, the focus is increasingly likely to turn to small and medium-sized donors.

Those organisations that best understand how to interact with and win the support of different types of donor will prosper in the current environment. The *'Individual Giving to the Arts in England'* survey, commissioned by *Arts and Business*, is one of the few surveys to have provided some useful insights into this market. The study shows that:

- Donors tend to be those who increase the frequency of their physical visits to an organisation
- Donors believe that a friends' scheme encourages them to give
- Having to pay an admission fee to visitor attractions does not deter people from giving
- Point-of-sale is the prime opportunity to generate donations
- Most donors are happy to let the organisation decide how their donation is spent
- Asking people directly to give and contribute to a specific project is the most effective way of encouraging donations.

The underlying message is 'have the confidence to ask for a donation' as, far from alienating the public, it actually brings them closer to us. The *Arts and Business* survey emphasises the importance of understanding how to interact with 'potential givers' and the impact that this has on their decision to become donors. BDRC Continental has worked with several organisations to help them understand this process, and inform their fundraising strategies.

Time to engage

Fundraising and membership is an issue that impacts your entire organisation. It is about your brand identity, the marketing messages you convey and the visitor experience you provide. Consultants like BDRC Continental help organisations understand how best to engage and motivate good 'friends', yet input from other departments remains crucial in ensuring this strategy is delivered effectively at all your audience touch points.

For further information please contact Steve Mills,
Email: steve.mills@bdrccontinental.com

