

End of Award Report:

Conceptualizing Brand Values In The Charity Sector

In the United Kingdom there are presently 200,000 registered charities (Charity Commission, 2005). While there is presently no robust data regarding the percentage of these organizations that are actively involved in soliciting funds from the general public, estimates range in the order of 20-30% (Sargeant and Jay, 2004). There are therefore a large number of charities presently either soliciting funds, or with the propensity to do so.

It is therefore unsurprising that there is evidence that the public is becoming increasingly confused by what Post and Moreau (2001) refer to as the 'deluge' of charitable appeals and that a high proportion now feel there are simply too many charities doing similar work and communicating in very similar ways (Saxton, 2002). It is against this backdrop that many charities have sought to use branding as a way to cut through this 'clutter' and to present a stronger case to donors of why a particular organization may be distinctive and hence worthy of support (Dixon, 1996; Harvey, 1990; Roberts-Wray, 1994).

Farquhar (1990) argues that the concept of brand personality plays a critical role in this process, since it can serve as the basis for meaningful and sustainable differentiation. It allows customers to attribute a unique identity to the brand and therefore supports the degree of personal identification with it that they are able to experience (Ambler 1997). This identification, or 'perceived oneness' has been well documented by organizational researchers (Bhattarcharya et al., 1995; Dutton et al., 1994; Mael and Ashforth, 1992) with links being demonstrated to increased loyalty to the organization (Adler and Adler, 1987), brand loyalty and positive word of mouth (Peter and Olson, 1993), and donation behavior (Bhattarcharya et al., 1995). Indeed, while it has long been accepted that branding can facilitate more efficient fundraising (Gordon, 2004; Ritchie et al., 1998; Tapp, 1996), there has been little empirical work conducted into the nature of charity brand personalities and the role that these can play in this process (Saxton, 2002).

Goldberg (1990), in a comprehensive review of the literature, demonstrated how studies of human personality employing trait theory could typically be reduced to the extraction of the so called 'big five' factors of extroversion, agreeableness, conscientiousness, emotional stability and openness. Drawing on this earlier work Aaker (1997) attempted to clarify the underlying structure of brand personalities and identified five similar dimensions, namely sincerity, excitement, competence, sophistication, ruggedness. The first three of these are congruent with earlier work in human psychology. It remains unclear, however, the extent to which Aaker's framework could legitimately be generalized to all brand contexts (Austin et al., 2003), and more recent work on the big five has called into question the structure originally posited (Ashton et al., 2004a; Ashton et al., 2004b; Hofstee and Berge, 2004).

Doubts have also been expressed over Aaker's original methodology. Writers such as Azoulay and Kapferer (2003) have noted that her operationalization of personality included a number of demographic variables, which are typically inferred from users rather than components of brand personality per se and that her personality scale is culture specific (Davies et al, 2001). The traits, 'western' and 'small town' have very different meanings outside the U.S., for example. There is also the issue that organizational personality may differ from the personality attributed to *homo sapiens* and

that the big five may be a flawed basis on which to build a model of charity personality. Recent work by Saxton (2002), for example, identified that the public associated the traits 'accountable' and 'established' with the personality of leading British charities.

These latter concerns make it necessary for Aaker's work to be revisited both in the nonprofit and U.K. contexts, but more fundamentally, her original focus lay in identifying those traits that would be likely to distinguish among brands. Our interest in brand personality lies in determining not only those traits that are capable of differentiating among charities, but also in determining whether any might typically be shared between causes or across the sector as a whole. The managerial implications of such a determination are profound since such a model would effectively delineate the span of control of individual charity brand managers. No empirical studies have to date identified the extent to which nonprofit brand personalities are unique or shared with others in the sector or same category of cause. This point is of particular significance, since if certain traits accrue to an organization's brand by virtue of that organization being a charity, the need to focus on that trait in individual marketing practice is greatly reduced. Equally, if some traits apply at the level of the cause (e.g. animal welfare), the need to promote or manage that trait becomes one for the sub-sector as a whole to address, rather than a single organization per se.

Objectives

The principal aim of the research was therefore to enhance the effectiveness of charity communications through deepening our knowledge and understanding of the concept of branding as it applies in the context of the UK voluntary sector. Specifically we sought to understand donor perceptions of brand values or traits and whether distinct brand values accrue by virtue of charitable status, association with a particular cause or as a consequence of brand management decisions taken by specific organizations. We also sought to explore the relationship (if any) between donor perceptions of brand values and giving behaviour. Our research objectives were thus to:

- a) construct a typology of charity brand values (as they applied to participating charities)
- b) delineate those values (or categories of values) that applied at the organizational, causal and sectoral levels.
- c) Identify the relationship between perceived values (and/or categories of values) and donor giving behaviour – as characterised by the size of the last gift, frequency of giving and the total amount donated.

Methods

To conduct this research we identified nine partner charities drawn from three distinct categories of cause (children, animal welfare and visual impairment). Each organization was asked to supply two samples of donors, together with their contact details and giving histories. The research was then conducted in two stages. In the first, participant organizations were asked to supply a random sample of 500 donors residing in or near central London. This was used to invite participation in focus group discussions. In the second, each participating organization was asked to supply a stratified random sample of 1000 donors, stratified by method of recruitment (i.e. direct mail, face-to-face, DRTV and press ads/inserts) for use in a postal survey. This latter requirement was felt to be essential since extant research suggests that donors recruited by different media exhibit

varying demographic, behavioural and attitudinal characteristics (Sargeant and MacKenzie 1999). The two stages of the research are described in detail below.

a) Stage 1

A series of nine focus groups were conducted with donors from each participant organization (i.e. one group per organization – three per cause). These groups were structured to identify the underlying values or traits associated with each organization's brand and how these were perceived as being different (if at all) from others in the same sector and indeed charities in general. The aim of the groups was to develop a list of traits and to hypothesize a model of their inter-relationships that could then be tested quantitatively in phase 2.

Focus groups were held at a central London venue and participants were offered a fee of £30 to cover travel and incidental expenses. Data was taped, transcribed and subject to analysis employing the software package NVivo.

b) Stage 2

In phase two a postal survey was conducted of a sample of 1000 donors to each of the participant organizations. The aim of the postal survey was to test the structure of brand personality hypothesized in phase one and to determine through a variety of multi-variate techniques those values that apply at the organizational, causal and sectoral level. Structural equation modelling was also employed to explore the links (if any) between perceived organizational values and donor giving behaviour as measured by size of last gift, average gift, frequency of gift and total amount donated.

Results

Our focus group data highlighted 61 personality traits perceived as being exhibited by one or more of the charities in our sample. In our quantitative analysis we identified that a large number of these traits are exhibited equally by the nine charities in the study. Indeed, the nine organizations were practically indistinguishable on a total of 32 traits. While it must be stressed that the number of organizations included in the sample was small, our findings from Stage 2 reinforce the qualitative stage of the research which highlighted that donors appear to 'imbue' an organization with particular characteristics, by virtue of its charitable status. The subsequent factor analysis suggests that these common or shared characteristics reflect the voluntary nature of nonprofits and the role that they play in attempting to instigate change. A conservatism component was also uncovered, but it should be noted that the charities in the sample were generally not regarded in this way exhibiting mean scores on the related items around the scalar midpoint.

With regard to 'cause' effects, only four traits were identified that appear to distinguish practically among the three causes in the sample. The degree to which organizations are seen as heroic, passionate, protecting and responsive appears to differ by the nature of the cause. This is intuitive, since as the focus group data suggested, human service organizations, for example, will possess rather different characteristics from those lacking a human beneficiary group.

Finally we identified a distinct group of traits the perception of which varied across the nine organizations in the sample. Indeed, there were 29 traits that were found to exhibit moderate or large organizational effects and where the perception of two or more of the nine organizations differed both significantly and practically. A factor analysis of these traits suggested four components that charity brand managers might focus on to distinguish themselves from both other charities in the sector and from those dealing with a similar cause or issue. In seeking to differentiate their brand, charity marketers are therefore advised to consider the nature of the emotional stimulation engendered by the organization, the nature of the voice projected by the charity, the character of their service provision and the extent to which the organization might be viewed as traditional. While there is a clear parallel with Aaker's work in relation to the factor which she labeled 'excitement,' there is no evidence here supporting the remaining dimensions as being key to differentiation in this context.

There are numerous examples of charities that are presently differentiating themselves on the basis of the factors listed, and the results here suggest that it is in these dimensions that the greatest opportunity for diversification currently lies. In respect of emotional stimulation, charities such as the Dogs Trust, for example, have effectively differentiated on the basis of the fun they engender in the relationship they develop with donors, allowing them to sponsor a dog and as a consequence to receive Christmas cards and other communications from 'the animal.' Charities such as the NSPCC (National Society for the Prevention of Cruelty To Children) have differentiated themselves by virtue of their bold stance on social issues such as the hitting of children, while organizations such as the National Trust make much in their positioning of the tradition and heritage they are preserving.

It is important to stress that this is in no way suggesting that these four factors are the only sources of differentiation which charities might exploit. There may well be others in the population beyond this sample. It is also suggested that these results are indicative only of current professional practice and cannot, therefore, reflect other opportunities for differentiation that are presently not pursued.

Our results have important implications for charity brand managers in that they suggest that charity brand personalities are structured rather differently from their commercial counterparts. We find that a high proportion of perceived personality traits are shared with others addressing the same issue/cause or, more typically, with those organizations in the wider charity sector. Indeed, donors appear to have a clear conception of what it means to be a charity and how they would expect such organizations to behave. Of the 61 traits that were identified in this study, 32 appear common to all the organizations involved. It was interesting to note that donors seem to begin their appraisal of a brand from the starting point that these values automatically apply, until they are given a specific reason to believe otherwise. This has profound implications for nonprofit brand management since this appears to work in a very different way from commercial brands. Here there would appear to be a series of traits that are not built directly through an organization's own fundraising or marketing communications. If the acquisition of such generic personality traits is felt to be desirable, our results suggest that an organization need only ensure that it is *recognized* as a charity and/or *recognized* to be working with a particular cause.

If, on the other hand, these personality traits are felt to be inappropriate it may be necessary to work either with other organizations in the same cause, or in the charity sector as a whole to manage these perceptions. There are therefore implications for brand managers who may wish to consider how their organization might better be differentiated. Equally, it may be possible to conserve resources promoting those dimensions that are 'automatically' imbued by virtue of the organization being a charity, using them instead to promote what is (or could be) genuinely distinctive.

Of course it is important to end by expressing a number of caveats. Our work is exploratory and it must therefore be emphasized that while these results are persuasive, they may not generalize to the sector as a whole. Further quantitative research would be necessary to confirm the conclusions drawn here. This is not an easy task since a number of the traits delineated in this study could be interpreted rather differently in different contexts (See Austin et al., 2003 or Moregeson and Hofman, 1999). It may therefore be the case that while two or more organizations share the same trait, the meaning donors ascribe to it will vary. Should this be the case it is possible that a seemingly identical trait could be used very effectively as the basis for differentiation. While steps were taken here to minimize the impact of this in reporting the present results, this may be an issue in the design of subsequent research.

Overall, however, it is believed that these results offer new insight into the structure of charity brand personalities. They suggest that a hierarchy of traits may apply, making the application of branding practice to the context of nonprofit organizations quite unique. While certain industries and product categories in the commercial sector may have brands imbued with similar personality traits, it would be facile to suggest that all commercial brands share components of a common identity. It seems, therefore, that the manner in which nonprofit branding must be managed is genuinely distinctive, even if the sector's brands are presently not.

The analytical approach taken to address the third objective was subtly different. To examine the structure of charity brand personality it was necessary (as we outline above), to address separately the structure of shared traits and those that appeared to differ between two or more of the organizations in our sample. To address the issue of perceived personality traits and the relationship with giving behaviour it was necessary to replace this with a simultaneous analysis of all the delineated traits. To achieve this a global factor analysis was therefore conducted of all 61 traits. As expected this resulted in a solution that contained elements drawn from both of the foregoing solutions. Four factors emerged (after refinement). The dimensions identified were 'voluntarism,' 'conservatism,' 'voice' and 'emotional stimulation'. Through the application of the technique of structural equation modeling we were able to identify that the factor 'emotional engagement' appears to have the strongest positive impact on giving behaviour, with the dimension 'voluntarism' having a small, but interestingly negative impact. The remaining two factors appear to have little impact on giving. For the purposes of the structural equation model, the variables 'number of gifts' and the 'log of the last gift' were employed as indicators of the latent construct 'giving behaviour'. The addition of further indicators decreased the quality of the model fit.

These latter results indicate that not only may values associated with 'emotional stimulation' offer the potential to differentiate between organizations, they are also significant in that they would appear to drive the level of support engendered by donors to the organization.

Activities

Following completion of the project, the results were reported back directly to each participating charity, a process frequently involving a presentation to senior staff. The results have also been disseminated through a paper presented at the Researchers in Fundraising Conference held at NCVO (National Council for Voluntary Organizations) in March 2005 and at an Institute of Fundraising event held in Bristol in September 2004. A summary of the key findings of the research has also been printed by the leading sector journal, Professional Fundraising.

Sargeant A (2005) 'Stand Out From The Crowd', Professional Fundraising, Feb, pp22-23.

Future activities include:

a) Peer Reviewed Papers Presented at Academic Conferences

Papers have been accepted for presentation at the EMAC Conference in Milan (May 2005) and at the ARNOVA Conference in Washington DC (November 2005.)

b) Presentation of Project Material At Practitioner Events/Conferences

Papers will be presented at the International Not-For-Profit Conference in Sydney Australia (August 2005) and the 5th International Nonprofit, Social and Arts Marketing Colloquium, Bristol, (September 2005). Dissemination will also take place through a final Institute of Fundraising event, the details of which have yet to be agreed. This latter event will be used to garner further media coverage in the sector press.

Outputs

As the duration of the grant was a period of only 12 months, the potential publications arising from the project are still under peer review. Three outputs have been generated:

1. Sargeant A and Hudson J (2005) 'Conceptualizing Brand Personality in the Charity Sector: The Relationship Between Sector, Cause and Organization.' Under review with the Journal of Advertising
2. Sargeant A., Ford J and Hudson J (2005) 'Charity Brand Personality: Distinguishing Sector, Cause and Organization.' Under review with the Journal of the Academy of Marketing Science.
3. Sargeant A., Ford J and Hudson J (2005) 'Donor Perceptions of Brand Personality: The Relationship With Giving Behaviour.' Under review with the Journal of Business Research.

The first paper reviews the findings from the exploratory qualitative phase of our research. The second delineates our typology of brand values and explores the relationship between sectoral, causal and organizational values. The final piece explores the relationship between perceived brand values and facets of giving behaviour.

A dataset comprising the series of nine qualitative focus groups conducted in the first phase of this research has now been lodged with the Data Archive. Similarly, the SPSS file containing our survey data has also been lodged with the archive.

Impacts

The research has proved to be of value for the participating charities in identifying what was genuinely distinctive about their own brands. It also highlighted gaps between those values actively managed by these organizations and those perceived by their donors. The study will therefore inform the future planning of their brand management activities.

There has also been considerable wider interest in the project and since dissemination will be ongoing through the balance of 2005, it is hoped that the research will assist a much larger number of charities to consider how to manage those facets of their brand personality that may be regarded as genuinely distinctive.

Future Research Priorities

In terms of future research it would be appropriate to expand beyond this limited sampling of organizations in these three sub-sectors. It would also be prudent to expand beyond UK borders to examine nonprofit brand personality in other national/cultural settings. Do American charities exhibit different traits than their UK counterparts? Are charities imbued with similar traits just by being included in the sector as a whole? It would also be interesting to assess the impact of brand personality traits upon donor retention and related concerns such as commitment. Another important question deals with corporate donors and their giving patterns. Do companies give more to charities that stress certain brand personality characteristics?

Ethics

The research project was conducted in accordance with the code of conduct laid down by the Market Research Society and was compliant with Bristol Business School's own ethical policy. No problems were encountered and no complaints were received either from study participants, or the charities that comprised our sample.

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