

---

# Best Practice

## **Stephen Barr**

is the founder and managing director of *Thevaluescompany*. He has over ten years' experience in direct marketing and is a regular speaker and trainer for the IDM.

## **David Bottomley**

is a senior analyst with *Thevaluescompany* and has also trained for the IDM.

## **Joe Crosbie**

was formerly the direct marketing manager at John Grooms. He is now the assistant director of marketing communications for the Children's Society.

**Keywords:** social values, values, beliefs, motivations, values-based marketing, creative framing, targeting, charity donations

## A tactical application of values-based targeting in the voluntary sector

*Stephen Barr, David Bottomley and Joe Crosbie*

*Received (in revised form): 11 April 2002*

### **Abstract**

This paper describes how a charity — John Grooms — was able to achieve an uplift in revenue by using a values-based approach in a single supporter-based appeal. This involved a twofold approach. First, those individuals predicted, on the basis of their underlying values, to be most likely to donate to the charity were targeted. Secondly, these supporters were sent creative copy that contained appropriate values-based cues designed to appeal specifically to those targeted individuals. As a result of this, John Grooms achieved an uplift in revenue of 59 per cent when compared to an earlier campaign. This demonstrates how correct targeting and appropriately framed creative copy can be used in combination to increase revenue and hence the profitability of the appeal.

### **Introduction**

John Grooms is a UK-based charity working for people with disabilities. It provides residential care, accommodation, independent living programmes and job training.

John Grooms was interested in using a values-based methodology to improve the performance of its Christmas 2000 fundraising appeal. This paper describes the process.

### **What is values-based marketing?**

Creative copy is usually cited<sup>1</sup> as being one of the least important elements of a direct marketing campaign. On the other hand, the target audience (ie the data) are one of the most fundamentally important elements. The values-based approach views things somewhat differently. This suggests that if the creative is specifically tailored to appeal to the values espoused by the recipient, a positive response is much more likely. In other words, it is the combination of the creative and the data — sending the correct copy to the correct individual — which will be most effective in generating a response.

Values-based marketing is based upon the premise that the most important factor when attempting to understand a customer is not their behaviour *per se*, but rather the motivations underlying that behaviour and the values that inform those motivations. If those underlying motivations are understood, it is not only possible to develop an understanding of why

Stephen Barr  
Thevaluescompany  
142–144 New Cavendish Street  
London W1W 6YF  
UK  
Tel: +44 (0)20 7436 5900  
E-mail:  
stephen@thevaluescompany.com

**Values are more stable over time so make for better predictions**

a customer buys (or does not buy) a specific product, but also of why they will (or will not) continue to do so. Furthermore, this knowledge can be used to develop an understanding of how customers perceive the product and how they can be most effectively communicated with.

The reason why values, beliefs and motivations are so important to marketing is their stability over time (see Figure 1). In contrast, behaviours are subject to all manner of influences and thus can be quite transitory. This is why behavioural data do not make for long-lasting, stable predictions. This phenomenon has long been recognised by marketers, who have tended to respond by using attitudinal and lifestyle data as these are more stable and produce better predictions. Even so, attitudes and lifestyles are best understood within a longitudinal framework as they can also be prone to change, albeit at a slower rate than behaviours. Values, beliefs and motivations, on the other hand, can provide the stability required to make accurate predictions about consumer behaviour. However, values are known to be domain-specific, and it is important to consider the context in which the values are viewed whenever using this type of approach.

This approach is being increasingly used within the commercial sector, but the applications within the voluntary sector are just as powerful.

**Values influence giving behaviour**

**How do values influence giving behaviour?**

While the relationship between a customer and a product or service can be influenced by values, so can the relationship between a charity and a supporter or donor. Although donors are not buying a product or service from a charity, there is a return — notably the knowledge that their action is being used to benefit others. The values, beliefs and motivations of the supporter define and shape their interpretation of this knowledge, and it is this that defines their behaviour towards the charity.

This can be used by charities in two ways.

- The individuals most likely to be sympathetic to the charity can be targeted, reducing non-response rates and increasing campaign profitability.
- By approaching the ‘right’ (ie most receptive) people using creative concepts containing the values-based cues most appropriate for those

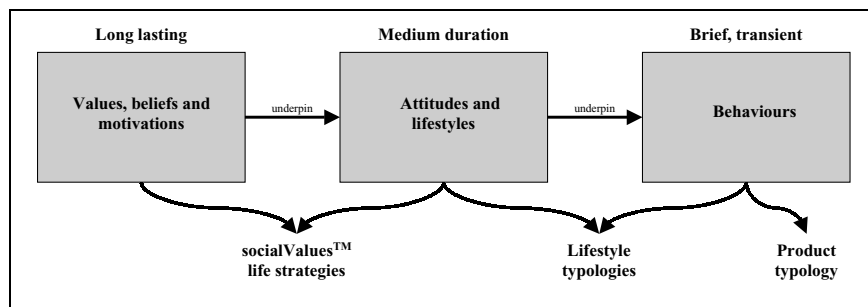


Figure 1: The duration of values, attitudes and behaviours

individuals, the communication will be more powerful and more likely to elicit a positive response. By framing the creative copy in this way, the supporter is more likely to feel that they have made a positive choice that is complementary to their values set rather feeling that they have supported out of a sense of guilt or obligation.

## **The socialValues™ Life Strategies and giving behaviour**

### **Historical perspectives**

#### **The history of social values**

The socialValues™ Life Strategy approach has its roots in the 1960s and the work of Elizabeth Nelson in the UK and, in the USA, Daniel Yankelovich (of Yankelovich and Partners) and Arnold Mitchell (of the Stanford Research Institute). This work led to the development of the ‘Social Values Groups’ in 1980 by Taylor Nelson in the UK. Shortly after, Nelson formed Taylor Nelson Applied Futures to maintain the Monitor surveys in the UK and develop the Social Values concept (taken over by Applied Futures in 1988). In 2000, Thevaluescompany took over the development of the methodology.

### **The values typologies**

#### **Life Strategies**

The socialValues™ Life Strategies typology has identified seven distinct values sets existing within the UK. These are best thought of as reflecting different Life Strategies that people use to interpret the world around them. In this context, a Life Strategy is defined as a collection of values, beliefs and motivations that are congruent with each other, creating a pattern which makes sense to the person who espouses them and which helps them to make sense of the world around them.

#### **Levels of need**

At the most fundamental level, the seven Life Strategies are related to drives which, historically, originate in the work of Maslow.<sup>2</sup> Maslow identified and described three drives — or levels of need — which exist in people:

- sustenance-level needs — concerned with physical and mental safety and the need for security within the group
- outer-directed needs — concerned with the drive to be an esteemed and leading member of the group
- inner-directed needs — concerned with the individual’s desire to explore their own inner life.

The seven Life Strategies, along with the drives that dominate in each, are described briefly in Table 1. While the group names are convenient labels, it is more important to consider the descriptions of the groups as they provide a more thorough ‘feel’ for the underlying values, beliefs and motivations of each group.

### **A ‘typical’ charity from a values perspective**

Although people espousing any one of these Life Strategies support charities, typically those in two groups — Self-Explorers and Belongers

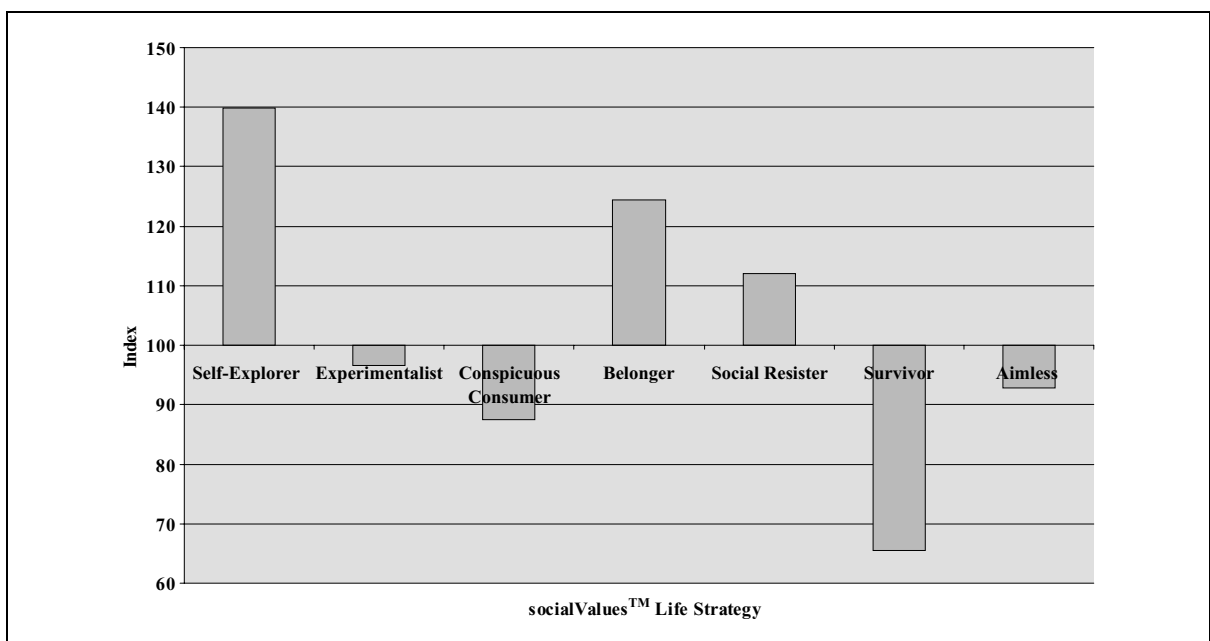
**Table 1:** Brief description of the seven socialValues™ Life Strategies

| SocialValues™ Life Strategy     | Dominant drive(s) | Brief description  | % of UK population |
|---------------------------------|-------------------|--|--------------------|
| Self-Explorers                  | Inner             | Interested in understanding themselves and the world around them. Drive the changes in society.                    | 18.1               |
| Experimentalists                | Inner/outer       | Risk takers, interested in the new and the different. Early adopters of new products and services.                 | 11.3               |
| Conspicuous Consumers/Achievers | Outer             | Interested in acquiring success and the symbols of success. Like to be seen to succeed.                            | 18.0               |
| Belongers                       | Outer/sustenance  | Family-oriented, forming the core of what society stands for. Value tradition without being slaves to it.          | 19.3               |
| Social Resisters                | Sustenance/inner  | Generally older, they have strong opinions on most issues, particularly regarding how things should be done.       | 5.8                |
| Survivors                       | Sustenance        | Have a strong need for security and their behaviours tend to reflect this. Hold a 'them and us' view of the world. | 22.4               |
| Aimless                         | Sustenance        | Without plan or purpose, they exist in the moment. Tend to be escapist and hedonistic.                             | 5.0                |

**Who supports charities**

— have a stronger tendency to actively support charities of their choice. Figure 2 shows the distribution (as measured by the index comparing to UK norms) of each of the seven life strategies among the active supporters of five UK charities.

People espousing these two values sets support charities for different



**Figure 2:** A 'typical' charity profile

reasons, implicitly tied in with those value sets. A Self-Explorer's support for a charity stems from their view of themselves as part of the world as a whole — a world in which all individuals have a duty to contribute what they can. They recognise that anyone, through no fault of their own, can find themselves in need of the support of a charitable organisation, and it therefore makes sense to support charities.

On the other hand, a Belonger's support of a charity is more likely to be a reflection of their gratitude for the fact that they themselves do not need the services of that charity. They have a strong sense of inclusiveness, and this is a driver underlying their support of those who do not belong to their group.

A third type of person — Social Resisters — is also often seen on a charity's supporter database. They typically feel that 'something should be done' about the injustices they see in the world, but they are often inconsistent when it comes to turning this concern into active support.

These differences in the propensity to support charities are also reflected in the amounts people are prepared to donate to express their support. Table 2 summarises the differences. The most generous people tend to be Self-Explorers or Experimentalists, despite the fact that the latter do not tend to appear on supporter databases with any great frequency. The other staunch supporters — Belongers and Social Resisters — tend to give what they can and tend to have greater *lifetime* value to charities.

**Values and donations**

**The 'caring core'**

An increasingly taxing problem for those working in the voluntary sector is the fact that traditional techniques for encouraging giving behaviour are becoming less effective. Numerous reasons have been proposed to explain this phenomenon, particularly 'donor fatigue'. However, the reasons for these increasing difficulties relate less to donor fatigue and more to the increasing reliance of charities on a group of potential supporters — the 'caring core' — whose numbers are known to be a slowly shrinking within the population as a whole.

These people have a keen appreciation of their place in a larger whole. Although oriented towards personal development, they are also acutely aware of the needs of others and feel that they have an obligation to become involved. From a socialValues™ Life Strategy perspective, the caring core is traditionally made of the more group-oriented self-

**Why traditional methods of eliciting giving behaviour are becoming less effective**

**Who are the 'caring core'**

**Table 2:** Charity support summary

| SocialValues™ Life Strategy | Ease of recruitment | Relative value as supporters |
|-----------------------------|---------------------|------------------------------|
| Self-Explorers              | Easy                | High                         |
| Experimentalists            | Difficult           | High                         |
| Conspicuous Consumers       | Difficult           | Low                          |
| Belongers                   | Easy                | Medium                       |
| Social Resisters            | Easy                | Low                          |
| Survivors                   | Difficult           | Low                          |
| Aimless                     | Variable            | Low                          |

explorers and belongers. It is most accurate to think of this as a meta-group comprising individuals who are more responsive to traditional charity communications.

### Marketing to themselves

Traditional charity creative has been designed to appeal specifically to these people, and for good reason. They are generally more willing to be proactive supporters interested in helping to improve the lives of others. However, a high proportion of people who work for charities are themselves members of the caring core. In other words, charities have been predominantly marketing to people like themselves.

### 'Non-giving' groups

### The Tao generation

At the same time as the caring core is shrinking within society, another meta-group is slowly increasing in number. This group — the 'Tao generation' — tend to be younger and have a more individualist approach to the world. For members of the Tao generation, how individuals identify themselves is key. They do not think of themselves as belonging to any of the traditional groups, whether these are class-based, gender-based, regional and so on. Consequently, they do not tend to support charities that will have strong appeal to those who *do* identify themselves in this way. A more individualistic charity will stand a greater chance of support from a member of the Tao generation. This group mainly consists of Self-Explorers, Experimentalists and Conspicuous Consumers, the latter two of which groups have already been identified (see Figure 2) as relatively unlikely supporters of charities.

### Members of the Tao generation are not usually supporters of charities

Therefore, while they might be thought of as the next-best prospect for a charity, their history as charity supporters has traditionally been poor. Their lack of support, however, is often due to the fact that marketers do not explicitly take into account the values espoused by these people and, particularly, how these values differ from those held by the caring core.

### Delegators not investigators

While they share with the caring core an awareness that individuals are part of a greater whole, the Tao generation tend to be delegators rather than instigators. In other words, they view donating to a charity as a means of delegating their personal responsibility to get directly involved. There is nothing in their values set that predisposes them not to offer their support to charities, but they will only actively support if this does not get in the way of all the other things they wish to do.

Therefore, as long as the message is appropriately framed, marketing to members of the Tao generation is likely to be highly productive.

## Method

### Profiling supporter database

#### Data

The first stage was to establish the social values profile of the John Grooms supporter database. There are three methods by which an individual's socialValues™ Life Strategies can be identified:

- responses to a series of values-based questions
- tagging at an individual level (modelled using lifestyle data; currently, 7.4 million records are tagged in this way)

## **Ascertaining Life Strategies**

- tagging at postcode level (analogous to postcode-based lifestyle typologies such as PRiZM or MOSAIC).

Using a statistical algorithm, responses to the values-based questions can be used to determine an individual's socialValues™ Life Strategy with 100 per cent accuracy. This can be highly resource-intensive, however, hence the alternative methods available. Tagging at an individual level can be more cost-effective, as then a larger number of records can be tagged with a high degree of accuracy at a relatively low cost. Finally, tagging at postcode level is the least accurate method, but it is low cost.

John Grooms elected to send a questionnaire to a small subset of its supporters. However, cost restrictions meant that this was extremely limited in number. Nevertheless, response to this questionnaire was very high — approximately 48 per cent, yielding 382 supporters tagged at this level.

Also due to cost restrictions, John Grooms decided not to tag its supporters at the individual level, preferring to tag the vast majority at postcode level.

These methods demonstrated that the John Grooms supporter database contained high proportions of Self-Explorers (31 per cent) and Belongers (37 per cent). Both are considerably over-indexed when compared with UK norms (see Table 1).

In other words, John Grooms' supporters are similar to 'typical' charity supporters (see Figure 2), and this was the reason why these groups were the main focus of attention during the campaign.

## **Creative**

Staff from John Grooms and its agency attended a creative workshop to help them to utilise the values-based approach most effectively. This covered the main theoretical underpinnings to the values approach, but specifically addressed:

## **Values-based creative copy**

- the profile of the John Grooms database
- the values, beliefs and motivations of the two groups identified as the main targets for the campaign — Self-Explorers and Belongers
- the tools used for developing and evaluating the creative to be used in the campaign.

Following this, the creative itself was developed by the agency. This was specifically designed to hit the 'hot buttons' that are known to appeal to Self-Explorers and Belongers.

Three types of creative were designed to be used in the test:

- appealing to Self-Explorers only
- appealing to Belongers only
- appealing to both Self-Explorers and Belongers, ie the caring core.

## **It is about independence**

For Self-Explorers, one of the key values is 'independence'. One of

**It is about comfort and security**

John Grooms' key aims is to provide adults with a means to live an independent life. Emphasising this in the creative is likely to appeal strongly to Self-Explorers and provide a trigger to elicit a response.

On the other hand, this is not a concept that is likely to elicit a similar response from a Belonger. They are more likely to respond to a message that emphasises how John Grooms is able to help individuals to achieve a comfortable and secure existence.

The caring core copy type was included to ensure that only those values that are jointly espoused by Self-Explorers and Belongers would be present in the creative.

Alongside these, a fourth piece of creative was added to the test. John Grooms slightly adapted the creative from a previously successful appeal to act as a control for the three test pieces.

**Mailing**

A test matrix was developed in conjunction with John Grooms to ensure that the effects of the creative and the targeting could be properly evaluated.

**The test matrix**

Most individual supporters received the copy variation appropriate for their values group. In other words, Self-Explorers received Self-Explorer copy and Belongers received Belonger copy. However, a number of self-explorers received belonger copy and vice versa. Individuals from the other five social values groups received either the caring core copy or the control.

**Results**

**12 per cent response**

A total of 4,633 John Grooms supporters responded to the campaign, although 4,344 were directly attributable to specific mailing cells. This represents an overall response rate of 11.9 per cent for all mailing cells combined.

Table 3 shows the response rates for each of the cells in the mailing matrix.

Particularly noteworthy is the fact that the cells producing the higher

**Table 3:** Response rate by target group and copy type

| Copy          | Target                        | Number of responders | % response rate |
|---------------|-------------------------------|----------------------|-----------------|
| Self-Explorer | Self-Explorer — questionnaire | 29                   | 16.7            |
|               | Self-Explorer — postcode      | 388                  | 9.6             |
|               | Belonger — postcode           | 56                   | 11.2            |
|               | Other values group — postcode | 737                  | 10.6            |
| Belonger      | Belonger — questionnaire      | 53                   | 25.5            |
|               | Belonger — postcode           | 1,197                | 12.3            |
|               | Self-Explorer — postcode      | 64                   | 11.8            |
|               | Other values group — postcode | 840                  | 12.1            |
| Caring core   | Self-Explorer — postcode      | 73                   | 16.1            |
|               | Belonger — postcode           | 58                   | 13.0            |
|               | Other values group — postcode | 735                  | 13.1            |
| Control       | Other values group — postcode | 114                  | 11.8            |
| Total         |                               | 4,344                | 11.9            |



response rates were those in which the targeting was achieved using the questionnaire (the most accurate source), even though the actual counts are quite low.

In terms of the value of donations, the mean amount donated by all respondents was approximately £25. The mean amounts donated by each of the cells are shown in Table 4.

Both Self-Explorer and Belonger copy targeted to the correct group identified by the questionnaire yielded higher mean donations than the same copy mailed to other targets groups. In the case of Self-Explorer copy sent to Self-Explorers (identified by the questionnaire), this produced an average donation of almost £49. However, it is important to recall that these cells contain fewer respondents. Interestingly, the control cell yielded the lowest mean donation.

It was also possible to assess response rates by previous giving behaviour. John Grooms has a 'recency, frequency, value' (RFV) classification system which categorises donors into 'normal', 'higher value' and 'committed givers'. Table 5 gives the response rates and Table 6 the mean donation amounts for each RFV category and each copy type. Note that whenever cell counts are very small, 'N/A' replaces the actual value in the table.

The response rates of 'normal' donors range from just under 10 per cent (Self-Explorer copy) to 12 per cent (Belonger copy), while the mean donations range from £13 from those who received the control copy to £19 from those who received Self-Explorer copy.

**Targeted copy = target donations**

**RFV analysis**

**Table 4:** Donations by target group and copy type

| Copy          | Target                        | Mean donation (£) |
|---------------|-------------------------------|-------------------|
| Self-Explorer | Self-Explorer — questionnaire | 48.97             |
|               | Self-Explorer — postcode      | 31.87             |
|               | Belonger — postcode           | 23.88             |
| Belonger      | Other values group — postcode | 25.56             |
|               | Belonger — questionnaire      | 38.49             |
|               | Belonger — postcode           | 25.47             |
|               | Self-Explorer — postcode      | 28.25             |
| Caring core   | Other values group — postcode | 19.43             |
|               | Self-Explorer — postcode      | 28.34             |
|               | Belonger — postcode           | 40.84             |
| Control       | Other values group — postcode | 23.15             |
|               | Other values group — postcode | 15.22             |
| Unattributed  |                               | 29.35             |
| Total         |                               | 25.04             |

**Table 5:** Response rates by RFV and copy type

| RFV category    | Copy type                   |                        |                           |                       |
|-----------------|-----------------------------|------------------------|---------------------------|-----------------------|
|                 | Self-Explorer<br>% response | Belonger<br>% response | Caring core<br>% response | Control<br>% response |
| Normal          | 9.9                         | 12.0                   | 10.7                      | 10.8                  |
| Higher value    | 14.2                        | 17.0                   | 15.0                      | N/A                   |
| Committed giver | 15.6                        | 15.4                   | 16.3                      | 17.5                  |

**Table 6:** Average donation by RFV and copy type

| RFV category    | Copy type     |          |             |         |
|-----------------|---------------|----------|-------------|---------|
|                 | Self-Explorer | Belonger | Caring core | Control |
| Normal          | £19           | £17      | £17         | £13     |
| Higher value    | £69           | £79      | £127        | N/A     |
| Committed giver | £42           | £25      | £29         | £16     |

**Caring core copy worked best**

For ‘higher value’ donors, there is greater variation among the copy types in the mean amounts donated. On these terms, the best-performing copy was the caring core, which yielded on average £127 — over half as much again as the next best values-driven copy — the £79 donated by those sent Belonger copy. Response rates also differ, with the belonger copy recipients again most likely to respond.

As far as the ‘committed givers’ are concerned, there is little variation in response rates. This makes perfect sense as these donors have a history of giving on a regular basis. All supporters who were sent values-based copy donated more, on average, than those sent the control copy.

**Less variation for already committed givers**

The above results do not make any distinction between those individuals sent copy appropriate to their own values group and those who were not. For example, Tables 5 and 6 contain contributions from Belongers who received Self-Explorer copy as well as belongers who received belonger copy. In the two tables that follow, showing the response rates and mean donation values respectively, those individuals sent copy inappropriate to their values group have been omitted.

**Specifically targeted copy**

In contrast with Table 5, the response rates show little difference. The only notable difference is that caring core copy sent to ‘committed givers’ yielded a lower response rate than targeted Self-Explorer and Belonger copy.

**Table 7:** Response rates by RFV and copy type — correct targeting only

| RFV category    | Copy type                   |                        |                           |                       |
|-----------------|-----------------------------|------------------------|---------------------------|-----------------------|
|                 | Self-Explorer<br>% response | Belonger<br>% response | Caring core<br>% response | Control<br>% response |
| Normal          | 9.5                         | 12.0                   | 11.8                      | 10.8                  |
| Higher value    | 14.9                        | 17.1                   | 16.7                      | N/A                   |
| Committed giver | 16.4                        | 15.3                   | 12.1                      | 17.5                  |

**Table 8:** Average donation by RFV and copy type — correct targeting only

| RFV category    | Copy type     |          |             |         |
|-----------------|---------------|----------|-------------|---------|
|                 | Self-Explorer | Belonger | Caring core | Control |
| Normal          | £22           | £18      | £17         | £13     |
| Higher value    | £116          | £132     | £214        | N/A     |
| Committed giver | £42           | £26      | £31         | £16     |

**Targeted values-based copy generates higher average donations**

However, the average gift value donated by those receiving the ‘control’ copy was lower than that donated by those in receipt of any of the values-based pieces of copy. Some intriguing variations are worth further explanation. For example, the largest donations made by ‘normal’ and ‘committed givers’ were from Self-Explorers who received Self-explorer copy. However, the Self-Explorer ‘higher value’ supporters donated less than those ‘higher value’ supporters receiving Belonger and caring core copy. The latter figure should be treated with caution, however, as just ten responders contributed the mean donation of £214.

**What about ROI?**

From John Grooms’ perspective, the success of the values-based approach can be judged from the influence it has on the charity’s return on investment (ROI) figures. Table 9 summarises several alternative methods of calculating the ROI — ie the ratio between the total appeal income (including anonymous gifts) and the campaign costs (including consulting fees) — for this campaign.

**The values-based approach increased ROI**

The baseline, namely the ROI figure for the campaign as a whole, is 4.85. However, the success of the campaign had the values-based cells not been included in the mailing can be assessed by considering the control copy only. The ROI here is 4.22, indicating that the campaign would have been less successful without the addition of the values-based approach.

It is also possible to estimate the ROI had a purely values-based approach been adopted for targeting and copy. This gives a value of 6.37, a considerable improvement on the actual campaign performance. This strongly suggests that the values approach worked well for this campaign.

**Accurate identification of Life Strategies produces better response rates**

It was noted earlier that those whose values group was identified by the questionnaire were more likely to respond and also donated more (on average). Although it involves extrapolating from relatively low numbers, it is also possible to make some estimates regarding the performance of the campaign had individuals’ values group been identified by the questionnaire. This is outlined in Table 10.

In contrast to the values in Table 7, this demonstrates that the response rates using questionnaire-based targeting are likely to have been higher.

**Table 9:** Return on investment

| ROI assessment method                                | ROI  |
|--|------|
| Overall campaign                                     | 4.85 |
| Without values-based approach (ie control copy only) | 4.22 |
| Using values-based copy and targeting                | 6.37 |

**Table 10:** Response rate predictions when targeting using the questionnaire

| RFV category    | Copy type                   |                        |                           |
|-----------------|-----------------------------|------------------------|---------------------------|
|                 | Self-Explorer<br>% response | Belonger<br>% response | Caring core<br>% response |
| Normal          | 18.9                        | 27.7                   | N/A                       |
| Higher value    | 13.6                        | N/A                    | N/A                       |
| Committed giver | 16.1                        | 30.9                   | N/A                       |

For 'normal' Self-Explorers and Belongers and 'committed giver' Belongers, the response rates are twice as high. Only the Self-Explorer 'committed givers' show a (slightly) reduced response rate. Nevertheless, the effect on net income and hence the ROI had this approach been adopted throughout is clear.

**Caring core copy increases revenue by 60 per cent**

In terms of the income generated by the campaign, the key question is: what was the impact of the values-based approach? If the 'control' pack had been mailed to all active supporters, the total projected income would have been £71,116. The total projected income had the caring core copy been used is £113,439. This increase of £42,323 represents a 59.5 per cent uplift on the expected 'control' income that is directly attributable to the caring core copy.

Taking this further, the projected income from the targeted segments would have been £126,994. Here, the difference of £55,878 represents a 78.6 per cent uplift on the 'control' copy.

In actual fact, the test itself yielded £115,725, which is £44,609 (62.7 per cent) more than would have been achieved had the 'control' copy been used in isolation.

**Larger supporter databases**

The fact is that the relatively small supporter base means that the results of this test, in terms of the number of responses and the revenue generated, were constrained. It is likely that larger supporter bases will yield even better ROIs. Furthermore, targeting supporters by identifying their values group at individual rather than postcode level is likely to increase the ROI yet further.

**Combination of targeting supporters and tailoring copy increases revenue and ROI**

**Conclusions**

The uplift achieved as a result of adopting the values-based approach suggests that the combination of targeting the correct supporters and tailoring the copy to appeal directly to those supporters is a highly effective method of increasing the revenue generated from a charity appeal and hence the profitability of the campaign as a whole.

**Accurate identification of values gives better results**

Furthermore, the evidence suggests that by utilising more accurate methods of identifying the values of supporters (ie by tagging at an individual level), a further improvement in the success of a campaign will be achieved. Had the client opted for individual-level tagging, the authors' opinion (based upon evidence from subsequent projects) is that the results would have been substantially better. In fact, recent work suggests that the extra expenditure involved in individual-level tagging is almost certain to have been more than adequately compensated for by an increase in ROI.

**Why postcode identification worked well**

One of the reasons why the postcode attributions may have worked so well in this particular example stems from the fact that a key target group was belongers. They often (although by no means always) live in neighbourhoods dominated by Belongers, and it is therefore possible to target them more accurately at postcode level due to the reduced 'miss' rate. However, one of the obvious 'costs' of doing this is the loss of ability to find *every* Belonger who lives outside an area in which they are the largest group of residents.

Had one of the target groups been Experimentalists, the likelihood is

that the postcode approach would not have worked quite so well as Experimentalists tend to live ‘anywhere’— that is, in areas dominated by one or more of the other values groups or by none at all. For this reason, they are much harder to target accurately at postcode level.

However, it might be argued that the uplift achieved may also have been had the segmentation been based upon demographics such as age and income (and MOSAIC). While it is acknowledged that values and demographics are not wholly independent, neither are the two sufficiently interdependent to use as surrogates for one another. In fact, Belongers are a group that are strongly represented across all age and income bands (other than those under 25 or those with a household income of less than £5,000). On these criteria at least, they represent a reasonable cross-section of society. This is the basis of the view that the uplift achieved for John Grooms is greater than would have been obtained had a segmentation based upon age, income and MOSAIC been used. In fact, the age and income biases within the John Grooms base were such that there were no meaningful differences that could be used for selection criteria, leaving us potentially with MOSAIC. MOSAIC may well have shown significant differences, some of which might be expected to correlate with those differences obtained from the use of values. However, while tools such as MOSAIC work well at explaining *where* to find people, the values methodology is designed to explain *why* they live there.

## **Is it just demographics**

### **Where next for John Grooms?**

## **Recommended next steps**

The recommendations made to John Grooms include the use of social values as a selector for recruitment and campaigns. At the simplest level, this should involve targeting self-explorers and belongers. Furthermore, the creative should be framed in such a way that it appeals to both self-explorers and belongers.

A further recommendation is for John Grooms to consider how it might best encourage the Tao generation to delegate their responsibility towards John Grooms rather than some other organisation.

### **References**

1. Institute of Direct Marketing (1998) *The Direct Marketing Guide*, Volume 1, IDM, Teddington.
2. Maslow, A. H. (1954) *Motivation and Personality*, Harper, New York.