

## **Fundraising Potential**

### **Market Research Summary 16.9.10**

#### **Status**

It is important to commence with a severe 'health warning'. All assumptions about the future of fundraising are pure hypothesis until we reach a point when we can begin testing. Performance varies dramatically from charity to charity, especially when starting out; no matter how good the techniques employed, BW's performance will be particularly dependent on strong fundraising expertise and sustained levels of investment being consistently available.

We point this out for the purpose of ensuring that figures provided pre-test do not become genuine targets that British Waterways relies on for mapping future income. Our approach will be to gradually 'harden' the financial data through research and testing to develop and increasingly robust financial model.

As of September 2010, fundraising assumptions are based on three key datapoints:

- Canalside research conducted in January and July 2010 which estimated the proportion of visitors who could be stopped for a conversation, and subsequently converted to various forms of financial support for a national waterways charity.
- Broad 'benchmarking' against The Woodland Trust as an organisation with a scale of fundraising that BW could usefully emulate in the first 10 years.
- Discussions with Clive Mattock Fundraising (CMF) to discuss canalside donor recruitment potential, including a detailed financial model.

Other assumptions are provided by THINK Consulting Solutions based on their knowledge of the UK fundraising sector and marketplace.

#### **Recruitment potential**

THINK estimates that there could be around 1.0 million visitor parties each year with the profile (ABC1 35+) and level of interest in canals to become donors<sup>1</sup>.

Canalside research in 2010 has estimated the potential for recruiting donors via a face to face approach from recruiting teams stopping visitors at canals. The results were entirely consistent across winter and summer seasons:

- 26% of all visitor parties allowed themselves to be intercepted by the research teams

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<sup>1</sup> 13 million annual visitors to waterways (IWVS)

- Around 60% demonstrate an appreciation and enjoyment of the canal environment: walking, running, rambling, dog-walking, cycling, fishing.
- The core charity donor segment is ABC11 and people over the age of 45 are the best donors, with 35-44 years olds the next best group of donors. From the visitor profiling we might broadly estimate that 40% of visitors may fall into this core ABC1 35+ segment, equating to around 2.5 million of the 'interested visitors' who match the general profile of a charity donor.
- At 2.4 people per household this equates to 1 million households with both waterway use and charity donor profile

- Of these 58% indicated some level of interest in donating to a national waterways charity, which was factored by the research agency into an overall 15% conversion rate.
- This conversion rate is based on all visitors, and conversion rates for people who are more interested in canals and/or and people who are charity members/donors is higher:

|                  | All visitors | Higher potential visitors |
|------------------|--------------|---------------------------|
| Cash donation    | 10%          | 16-20%                    |
| Member           | 7%           | 12-15%                    |
| Volunteer        | 6%           | 10-13%                    |
| Regular donation | 5%           | 9-12%                     |

For our main method of support we are looking at ‘committed’ giving i.e. regular on-going giving rather than one-off donations. Both regular donations and membership fall under this category – and indeed membership is usually paid by direct debit, either annual or monthly. It is possible that the product offered by the BW charity will be a monthly giving scheme labelled as membership.

It is unclear how much overlap there is between the membership and regular giving groups, but to be prudent we are assuming this is the same group of people; our calculations are therefore based on 6% of all visitors and 12% of higher potential visitors.

#### Estimated committed giving support

|  | All visitor parties <sup>2</sup> | Higher potential visitor parties <sup>3</sup> |
|--|----------------------------------|---|
| Potential audience size                    | 5.7 million                      | 1.1 million                                   |
| Intercept rate                             | 26%                              |   |
|  | 1.5 million                      |   |
| Conversion rate                            | 6%                               | 12%   |
| Likely to become a member or regular donor | 88,000                           | 130,000                                       |

These data points suggest therefore that the potential for recruiting members/regular givers may currently lie between 85,000 and 130,000 for canalside recruitment. Whilst not wishing at this stage to be overly optimistic, this figure ought to be boosted longer-term as the BW charity becomes better known, and the need for public funding better understood. Other recruitment channels, especially online, will eventually supplement canalside recruitment but these have not been factored in as they are much more dependent on profile.

Cash donations are likely to come partly from our members/regular givers. They may also come from local appeals which would also bring new donors on board who might be converted to membership/regular giving. As the nature of appeals has not yet been defined, at present there are no assumptions included at this stage that appeals will recruit additional supporters.

<sup>2</sup> 13 million visitors divided into parties of 2.3 = 5.7 million

<sup>3</sup> Based on THINK’s interested visitor + charity donor profile