3

Research in Nonprofit Organizations

Content

Learning Objectives

On completion of this chapter, the reader will

- Understand who the important publics of nonprofits are
- Understand the various orientations that nonprofits may have
- Understand why it is important for nonprofits to spend time, effort, and money on research
- Understand why nonprofits should have a marketing information system (MIS)
- Understand where research fits into the nonprofit's MIS
- Understand the research process

Opening Vignette: Marketing Research in the Lupus Advocacy Foundation*

It was not long after Jessica Bowen started her internship at the Lupus Advocacy Foundation that she started to wonder whether something was amiss. Either real-world nonprofits did not act at all like her marketing classes had said they would, or the nice people who ran the organization were not very knowledgeable about modern marketing research. After several discussions with the organization's executive director, senior fund-raising officer, and senior outreach program officer, Jessica had the feeling that much of what the nonprofit was doing was based pretty much on what similar advocacy associations were doing for other diseases. As part of her internship, Jessica was assigned to help with several outreach programs, where she interacted face-to-face with quite a few clients who suffered from the most serious form of lupus. Through these interactions, Jessica came to believe that lupus patients had needs that were not being met by the medical and nonprofit communities.

Background

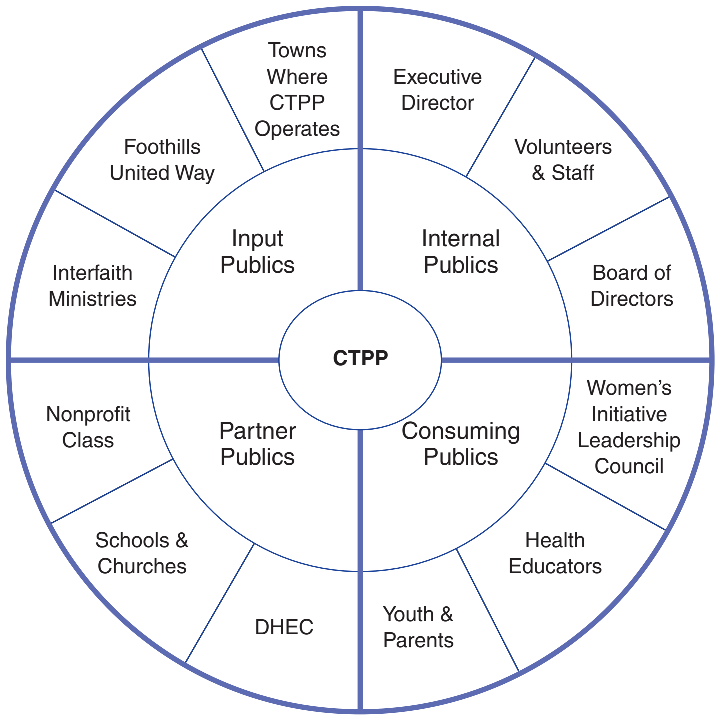
The scientific name for lupus is systemic lupus erythematosus. It is an immune system disorder in which the system that is supposed to attack only invading bacteria and viruses instead starts to attack the patient's own tissues. In serious cases, the patient's immune system attempts to destroy joints, heart, kidney, and other vital organs. Even when lupus is under partial control through medication, the patient may suffer constant pain; fatigue; a variety of other symptoms, depending on what area of the body is under attack; and often serious side effects from the prescribed medications. The Lupus Advocacy Foundation offers local and online self-help courses for living with lupus, including topics like pain management, moderate exercise programs, and a popular Internet chat room. The organization has also sponsored events intended to raise funds for operating costs and research, but these efforts have never been very successful. Although the events made money, their costs were so high that little was left over for operations or research.

Jessica's Situation

There was no doubt in Jessica's mind that the staff and volunteers at the Foundation were sincere in their caring for the sufferers of this disease and their desire to make a positive contribution. She just had a feeling that the nonprofit was applying the approaches of the past even though marketing and the world of patient needs had been changing dramatically. Today, she felt, outreach programs should be designed on the basis of a steady flow of market-environment research and research into the needs of clients in various target segments. Jessica wondered how outreach programs could be planned without in-depth knowledge of current technological research, pending legislation, and most of all, the lifestyles of lupus sufferers of all ages, genders, income levels, and disease stages. As often happens to individuals who make suggestions, as soon as Jessica expressed her opinions, she was put in charge of doing the marketing research she felt was so important. Now, instead of just the "idea of research," she has to come up with the actual ways to complete this research, the time frame, a budget, and the measurable beneficial outcomes that can be expected.

*This case was written to generate class discussion on topics that will be covered in depth in this chapter. "The Lupus Advocacy Foundation" is intended to be a fictional name and does not represent any of the fine nonprofit organizations that work in the area of lupus advocacy or any related areas.

❖ **Exhibit 3.1** Some Publics of a Nonprofit Council on Teen Pregnancy Prevention (CTPP)



Publics of Nonprofits

Most nonprofits have at least two important target publics: their clients and their donors. In addition, many nonprofits have to deal with other important publics, such as the media, towns and cities, regulators, and the like. **Publics** of nonprofits can be characterized as people, groups, and organizations in four separate categories: **input publics**, such as donors, suppliers, and regulatory officials, who supply original resources and constraints to the organization; **internal publics**, including management, board of directors, staff, and volunteers, who convert inputs into useful goods and services and define and carry out the organization's strategies; **partner or intermediary publics**, such as merchants, agents, facilitators, and marketing firms, who carry, promote, and distribute the goods and services; and **consuming publics,** clients, local publics, activist publics, general publics, and media publics, for example, who use the goods and services and have an interest in the output of the organization. An example of some of the publics of a Council on Teen Pregnancy Prevention (CTPP) is presented in Exhibit 3.1. An example of an input public for the CTPP is the Foothills United Way, and an example of an internal public for it is its board of directors. Examples of partner and consuming publics are also given.

Jessica, in her work for the Lupus Advocacy Foundation (LAF) described in the opening vignette, should first identify all LAF's relevant publics. For example, among potential input publics, she might find donors such as corporations and individuals; one or more well-known artists who contribute a design for Christmas, Hanukkah, and other cards; and pharmaceutical regulators (for the drugs many lupus patients need to take). She already knows the executive director, senior fund-raising officer, and senior outreach program officer but would also need to identify other paid employees, the various board members, as well as volunteers for LAF. Partner or intermediary publics may be found online and in the community. For example, the state of Georgia has the Georgia Center for Nonprofits (www.gcn.org), which serves and supports nonprofit organizations; Utah has the Utah Nonprofits Association (www.utahnonprofits.org); and Virginia has the Commonwealth of Virginia Campaign (www.cvc.vipnet.org). States that do not have nonprofit centers may have local chapters of national lupus organizations; South Carolina, for example, has the Lupus Foundation of America, Inc., South Carolina Chapter (www.midnet.sc.edu/lupus/). The Arthritis Foundation (www.arthritis.org) may also be a partner public in that it serves as a resource for any lupus organization in the United States (arthritis and lupus are both diseases that affect the immune system). Finally, among consuming publics, Jessica might identify lupus patients, families and friends of lupus patients, family physicians, corporations, medical and nursing students, and the like.

Orientations of Nonprofits

When it comes to allocating resources, nonprofits, like for-profits, need to make decisions about what is most important to them: the organization itself, their target publics, or society in general. The orientation of for-profit organizations traditionally evolves from production to product to selling and finally to marketing. In the nonprofit arena, the counterpart to a production orientation is a **cause orientation**, a complete focus on the cause the nonprofit was formed to address. Nonprofits that operate under a cause orientation tend to believe that target publics will come to them or support them because the cause is so interesting, important, or worthwhile. Often they develop a sort of myopia toward their cause and take for granted that their clients and donors, as well as other target publics, love or will come to love the cause too (and that donations will come rolling in once that happens). The counterpart to a for-profit product orientation is an **offer orientation**, a complete focus on the offers of the nonprofit. Nonprofits that operate under an offer orientation tend to believe that target publics will come to them or support them because they offer important, worthwhile goods, services, or social programs, for example. They tend to focus so much on the importance of what they offer that they fail to consider other factors important to their target publics, such as the availability of offers, the information in marketing communications, and their offers' cost (monetary or nonmonetary). So nonprofits with an offer orientation tend not to engage in marketing communications that are relevant to target publics but, instead, are likely to develop advertisements or public relations that tout the existence of the offer rather than how the offer benefits target publics. With time, perhaps after experiencing disappointment in the numbers of target publics served, nonprofits may develop a **fund-raising orientation**, a focus on raising funds to support the organization and its offers. A for-profit counterpart to this orientation is a sales orientation. Nonprofits that operate under a fund-raising orientation tend to believe that they must be aggressive in seeking funding and target publics whether or not they are consistent with the mission and values of the nonprofit. Such nonprofits often pursue funding instead of developing offers that are needed or wanted by their target publics; delivering those offers at times, places, and costs (monetary and nonmonetary) that benefit those target publics; and communicating the offers' benefits to those target publics.

Eventually, the shortcomings of the cause, offer, and fund-raising orientations become clearly evident. For example, a nonprofit may realize the general public does not share its view of how compelling the cause is, or the nonprofit may become exhausted by constantly working to raise funds or entice target publics to use its offers. At this juncture, the nonprofit should strongly consider adopting a **needs-centered orientation**, which means having a strong vision of its mission (its cause) and at the same time taking the point of view of its publics' needs and wants. A needs-centered orientation in a nonprofit is similar to a marketing orientation in the for-profit arena. Nonprofits with a needs-centered orientation would realize the importance of developing offers that benefit their target publics. Unlike for-profits, nonprofits do not have to pander to their target publics—they do not have to take a short-term view that the customer is supreme—but they do have to consider what they can offer that can benefit target publics in the long term. They also realize that although they may be devoted to their offers, others may not even be aware of them. They realize that they need to make their offers available when and where target publics need and want them and at a price (monetary or nonmonetary) that is considered appropriate by those publics. Last, they know that they need to communicate information needed by their target publics instead of a list of offer features.

To continue the example from the opening vignette, Jessica's next step would be to determine which kind of orientation the LAF has. Exhibit 3.2 offers a comparison of the four orientations in regard to seven indicators of nonprofit orientation. For example, whereas nonprofits with a needs-centered orientation tend to focus on the needs of their target publics and tend to hire employees or seek volunteers to do marketing who have marketing knowledge, nonprofits with a cause orientation tend to focus almost exclusively on their reason for being—their cause—and tend to hire employees or seek volunteers to do marketing who are committed to the nonprofit's cause regardless of whether they know anything about marketing. Having a cause orientation will not necessarily doom a nonprofit to failure, but if such a nonprofit is operating below expectations, in terms of either donations or use of its offers, it is likely to be so self-focused that it cannot understand why it is experiencing problems. You can use Exhibit 3.2 to analyze any nonprofit by considering each indicator carefully and selecting the orientation that seems to best reflect how the nonprofit operates. After assigning numbers to each orientation, you could sum the numbers and average them such that the nonprofit could earn a score that would reveal its overall orientation. For example, say a cause orientation = 1, an offer orientation = 2, a fund-raising orientation = 3, and a needs-centered orientation = 4. If a nonprofit

❖ Exhibit 3.2 Comparison of Seven Indicators of a Nonprofit Orientation

	Nonprofits With a			
	Cause Orientation	*Offer Orientation*	*Fund-Raising Orientation*	*Needs-Centered Orientation*
Have an organizational focus on	the cause	the offers	raising funds	needs of target publics
Hire employees or seek volunteers to do marketing who	are committed to the cause or mission	are knowledgeable about the offers	are knowledgeable about communication or fund-raising	have marketing knowledge
Believe that competition comes	only from other nonprofits with the same cause or mission	only from nonprofits with similar offers	from any nonprofit that seeks money	from any of a number of avenues and from many types of organizations
Answer questions by	looking to their nonprofit's mission	looking to their nonprofit's offers	looking to what the competition does	relying on research
Believe that when it comes to market segmentation,	everyone should understand the importance of their nonprofit's cause, so there is no need for segmentation	everyone should understand the importance of their nonprofit's offers, so there is no need for segmentation	anyone might be a target for fund-raising, so they do little or no segmentation	targeting segments is important, so they look for best market segments
Believe that when it comes to marketing strategies,	there is no need for them; people will be drawn to their nonprofit's cause	the focus should be on their offer (product), not the other aspects of the marketing mix	the focus should be on persuading anyone who may be a target for fund-raising through promotion	it is important to develop marketing strategies (using all elements of the marketing mix) for each target segment
Believe that when marketing strategies fail,	it is because customers are ignorant or lazy if they seem not to value the nonprofit's cause	it is because customers are ignorant or lazy if they seem not to value the nonprofit's offers	it is because fund-raisers are not doing their jobs	it is the nonprofit's fault for not putting together a better strategy

ended up with a score of 7, it would have a strong cause orientation, whereas a score of 28 would indicate a strong needs-centered orientation. Finding that the LAF has a cause, offer, or fund-raising orientation would allow Jessica to work with upper management to move the nonprofit toward a needs-centered orientation.

Why Nonprofits Must Do Research

Once a nonprofit has a needs-centered orientation, a logical next step is to engage in research to better understand its publics. Note that understanding the point of view of the nonprofit's publics does not mean that the nonprofit should pander to the wishes of those publics. Instead, it means that the nonprofit can understand its own offers from the point of view of those publics and, if appropriate, change one or more aspects of an offer, such as the time of day a program is offered, so that the offer better meets a public's needs. According to the American Marketing Association, marketing research can be used (a) to identify and define marketing opportunities and problems, (b) to generate, refine, and evaluate marketing actions that have been or will be implemented, and (c) to monitor marketing strategies (American Marketing Association, 2005). **Marketing research** is defined as the methodical design, collection, analysis, and reporting of reliable marketing information that is relevant to a particular problem faced by an organization in order to reduce uncertainty to tolerable levels at a reasonable cost.

When managers or directors of small organizations—for-profit as well as nonprofit—first hear the term *marketing research*, their immediate thought is often a negative one, followed closely with reasons marketing research cannot be done in their particular organization. For example, nonprofit directors might suggest that they do not have enough time or money to do research. They may believe that they cannot do research because no one in the nonprofit knows how to do it. Or they may believe that they do not need to do research because they are too small or have only minor decisions to make.

Some nonprofit marketing scholars suggest that those reasons are, for the most part, excuses born of lack of knowledge and that research does not have to take a lot of time or cost a lot of money. Furthermore, although research can be complicated, it is not true that only a research expert can do it. Indeed, a needs-centered nonprofit would be able to use its marketing person to determine its research needs. Finally, every organization needs to engage in ongoing research in order to stay abreast of changes or trends in its environments. At the very least, even very small and extremely focused nonprofits need to know about their various publics.

Fortunately, nonprofits are often able to use their nonprofit status to get help from a number of outside sources, such as local colleges or universities or specific academic departments that enthusiastically embrace the concept of **service learning**, a method of teaching and learning whereby participants learn and develop through active participation in thoughtfully organized service. Service learning melds education with social responsibility. Students and their instructors bring their knowledge to bear on solving a nonprofit's problem, and the nonprofit and the academics work together so that both benefit; the students gain experience applying their knowledge in the real world, while the nonprofit receives much-needed help. If a nonprofit cannot leverage its status through service learning, it may be able to find a board member or other volunteer to help direct a research project or program. It could also work with other nonprofits and pool their resources to gather data, or it could even piggyback some research questions onto another organization's surveys. Finally, it could work with external research organizations, for instance the Center for the Advancement of Marketing and Social Science (business.clemson.edu/camss/Index.htm), which may offer reduced prices for their work for nonprofits.

Why Nonprofits Should Have a Marketing Information System (MIS)

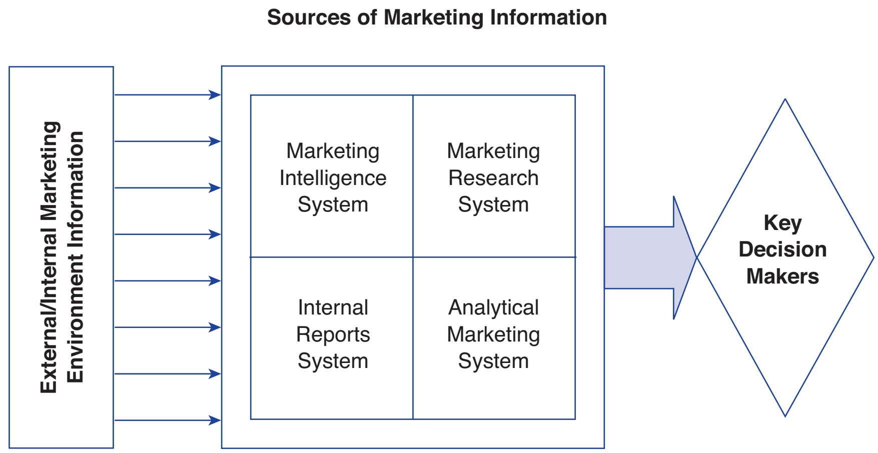
Not only should nonprofits engage in marketing research to better understand their various publics, they would also benefit from a marketing information system, which combines information learned from research with information gleaned from other sources. A **marketing information system (MIS)** uses people, equipment, and procedures to collect, sort, integrate, analyze, evaluate, and distribute necessary, timely, and accurate information to key marketing decision makers. Compared to marketing research, then, an MIS is a much more general system, and it should be a planned, routine, and ongoing process. An MIS involves three subsystems—an internal reports system, a marketing intelligence system, and an analytical marketing system—in addition to the marketing research system. Hence, marketing research should be part of a larger MIS for a nonprofit. It is vital for nonprofits to manage and disseminate marketing information as quickly and effectively as possible in order to better serve their clients and better deal with their various other important publics. If implemented well, an MIS can provide instant information while continuously monitoring the nonprofit environment so that management can adjust activities as conditions change. An optimal MIS is designed to gather important data from every activity and every section of the nonprofit and then translate that data into useful information for anyone in the nonprofit who needs it.

Where Research Fits Into a Nonprofit's MIS

Exhibit 3.3 illustrates the relationship between the marketing environment, sources of marketing information, and nonprofit marketing managers and other key decision makers. The whole process, from gathering information regarding both external and internal marketing environments to bringing it to the key decision makers, comprises the MIS. To begin, data, which would be in the form of facts, figures, and numbers, are derived from various sources within the internal and external marketing environments of the nonprofit. Sources of information within the internal marketing environment include employees, financial analyses, and operating data. Data from external marketing sources might arise from the nonprofit's clients, donors, competition, government regulators, or suppliers. Data from these environments would then be collected and entered into appropriate data-handling areas of the MIS for storage, interpretation, and analysis and ultimately used to answer specific questions.

There are four systems of data management: marketing intelligence, internal reports, marketing research, and analytical marketing. For a nonprofit organization, **marketing intelligence** refers to the collection and analysis of everyday, publicly available information that pertains to important developments related to that particular

❖ **Exhibit 3.3** A Schematic View of a Marketing Information System



nonprofit. Anyone associated with the nonprofit may find and submit marketing intelligence simply by engaging in such everyday activities as reading newspapers and magazines, watching television, and listening to clients, donors, the radio, and the like.

The **internal reports system** involves the collection of information from data sources within the company. It may be collected, measured, and submitted by the people and groups within a nonprofit that handle marketing activities and accounting and financial data as well as the people who regularly make presentations to individuals or groups outside the nonprofit. The nonprofit may also have information about program and service usage as well as information about past attendance at outreach programs or other results that should be made a part of internal reports.

The **marketing research system** is charged with design, collection, analysis, and reporting of data about a specific problem or situation faced by the organization. Marketing research may be done within the organization or may be bought as needed and performed by marketing research firms.

The **analytical marketing system** is charged with organizing general data, performing any needed data analysis, and generating reports—usually for data other than those collected via marketing research. The task of organizing available data and presenting it in understandable reports is especially important given the amount of information now available to nonprofit organizations.

Once information has been processed through the MIS, it would then be presented in a usable form and should be made available to key nonprofit executives and decision makers so that they can make informed decisions concerning the nonprofit's various publics. This information increases the likelihood of making good decisions.

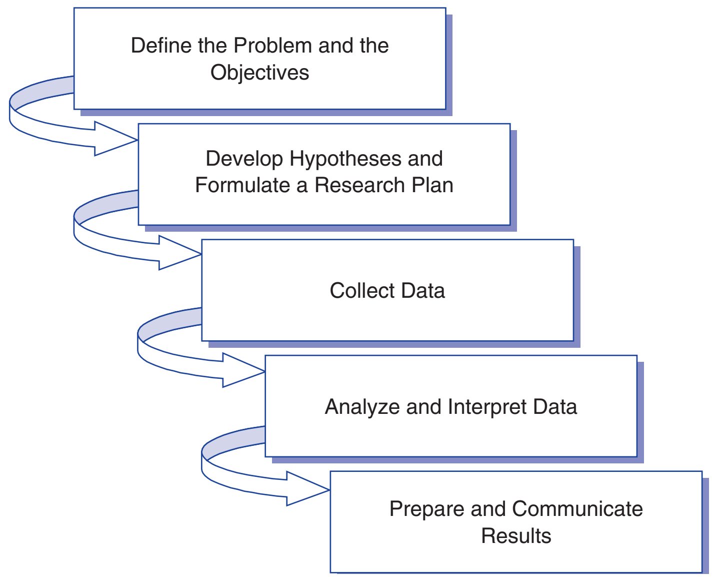
Just as some nonprofits believe they do not need to do marketing research, some believe they do not need an MIS. Even nonprofits that understand the importance of marketing research may believe that they do not need an MIS because they think research alone will provide adequate information for effective decision making. However, because marketing research is typically focused on a specific problem or project and therefore has a definite beginning, middle, and end, even small nonprofits should consider developing an MIS because an MIS is much wider in scope than marketing research and is an ongoing process. An effective MIS will enable managers, staff, board members, and volunteers, even in small nonprofits, to have access to information from internal reports, marketing intelligence files, and marketing research reports and even to use the MIS's decision-support system to make informed, effective decisions about everything from choice of marketing strategy to the prices to charge for programs. Further, an MIS would be an invaluable source of information for fund-raisers working to develop relationships with various kinds of donors. Making marketing decisions, even in nonprofits, without input from the marketplace is unnecessarily imprudent, especially considering the degree of competition encountered by most U.S. nonprofits when it comes to major gifts and perhaps even when it comes to serving clients. The nonprofit MIS should be used to process and provide information about client and donor problems and dissatisfactions, actual or potential problems arising from partnering relationships, and competition for either a nonprofit's clients or its donors, as well as about other external and internal factors, *before* crises develop. Therefore, a properly formulated MIS can be preventative as well as curative for problems or potential problems commonly faced by nonprofits.

As noted in the opening vignette, Jessica believed (a) lupus patients had needs that were not being met by the medical and nonprofit communities, (b) outreach program design needs to be based solidly on a steady flow of market-environment research and research into client needs across various target segments, and (c) LAF needed in-depth knowledge of technological research and pending legislation and most of all, a real understanding of the lifestyle of lupus sufferers of all ages, genders, income levels, and stages of the disease. Given her beliefs, she no doubt would see the need for an MIS and should advocate adopting it at LAF. Like any nonprofit, LAF would likely already have some of the principal components of an MIS already operating, such as an informal marketing intelligence system and internal support system. Other components, such as the analytical marketing system, would likely need to be added before LAF would be able to formalize the process. Everything, from face-to-face interactions of staff with lupus patients to the outcome of various outreach programs and to information about up-to-date technological research and pending legislation, needs to be included in LAF's analysis of its external and internal marketing environments and entered into the appropriate part of the MIS. In order to set up an MIS, LAF would likely need to call on experts in marketing management as well as someone with computer knowledge (either current employees, volunteers, or board members or others via service learning projects) to ensure that all relevant information is included in the system and will be made available to decision makers in formats they can understand.

The Research Process

The marketing research process should be orderly and proceed in a logical manner. At any step of the process, the researcher may find that the answer to the original research

❖ Exhibit 3.4



problem has become clear and that the process should not continue past that point. As seen in Exhibit 3.4, marketing research can be envisioned as a process of five steps. Those steps are discussed in the following subsections.

Define the research problem and objectives. The first step, to define the research problem and objectives, is critical. If the research problem is not clearly defined, the information obtained via the research process is unlikely to have any value. Defining the research problem may seem to be an easy task, but it is possible to confuse symptoms of a problem with the problem itself. As an example, say that a nonprofit historic home foundation believes that its problem is that it attracts too few people relative to other historic homes in the area. However, that knowledge involves only **descriptive understanding**—the lowest level of understanding, which consists simply of knowing that something is happening at a particular time. A nonprofit may know how many people took house tours on Monday or how many men and women gave blood during a single week, but simply counting the number of occurrences in the past or present does not necessarily mean that the nonprofit can expect the same number and makeup of visitors in the future. The fact that relatively few people come to tour the home may be a symptom of something wrong with the marketing environment, the marketing mix, or both. Or it may not be a symptom of a problem at all. It may even be that, given the location of the home, the number of tour visitors is actually quite good.

In order to identify the problem, nonprofit researchers should begin by asking questions to determine if the relatively small number of people taking house tours is a new phenomenon or if it has been an ongoing occurrence. If there was a time when there were many more tour visitors than there are now, researchers may want to look for any recent changes in the marketing mix, the marketing environment, and the tour personnel. If the number of tour visitors has always been low, the problem could be that the house tours are not very good or that there are too few of them or that the price of admission is higher (or lower!) than that of other homes. It could be that the nonprofit is not communicating with its target markets about tour times, hours of admission, or prices. Or it may be that the home is located in an out-of-the-way area of a state. In any case, if the research addresses only symptoms and not the real problem, the nonprofit will likely be very frustrated at the end of the research process because it will not have found information that is actionable.

At this point in the process, nonprofit researchers may wish to engage in **exploratory research**, which involves gathering preliminary information that may help define the problem and suggest hypotheses. It is informal, involves only a few respondents, is not strictly controlled, and is relatively unstructured. Researchers may want to run one or more focus groups, use projective techniques, or do some in-depth interviewing to discover attitudes, opinions, or beliefs that may illuminate possible problems with the nonprofit or its offers. A difficulty with exploratory research is that nonprofit management, employees, volunteers, and even board members may not understand that the information obtained from it cannot be generalized to any population.

In addition to exploratory and descriptive research, researchers should search for any pertinent background issues that may affect the problem or the information sought. They should also determine how the information obtained by research might be used, such as to establish the research objectives. If they were to discover that no matter what the outcome of the research, the nonprofit's decision makers would not make any changes to the marketing mix (i.e., product or offer, place or distribution, promotion or communication, and monetary or nonmonetary price), there really is no point in continuing.

Also in this stage, researchers may find that a nonprofit has a cause orientation. For example, employees, staff, volunteers, and even board members may offer "evidence" that they are doing everything right. In our historic home example, some may proclaim that they have asked friends, relatives, or people in a nearby town about the quality of the tours and have been told "The tours are great!" Another symptom of a cause orientation is a tendency to "blame the customer or client" for not coming. If researchers determine that a nonprofit does not yet have a needs-centered orientation, they may have to begin the research by introducing needs-centered thinking, or in other words, they may have to market marketing.

To continue the historic home foundation example, let us say that information obtained from one or two focus groups, along with information from some in-depth interviewing and use of the MIS, indicates that (a) at least five cars per day turn around and leave the gate when informed of the price of admission, (b) actual tour visitors claim that they were not aware of the admission price the first time they came to the house, and (c) potential tour visitors said they were not aware of the cost to tour the home. Given those points, researchers might then be able to define the research problem: The nonprofit seems not to be communicating effectively with its target markets; more specifically, it has not addressed several aspects of its marketing mix, including price information, when it comes to house tours. The research objective might now be phrased as gathering information that can help the nonprofit make decisions about how to improve its marketing mix.

Develop hypotheses and formulate a research plan. Once researchers have clarified the problem(s) and determined the research objective(s), they should formulate hypotheses, determine the information that is needed to solve the problem, and put together a research plan.

First, using the information revealed by exploratory research and other information they discovered, the researchers should develop one or more **hypotheses**—or conjectural statements about the relationship between independent and dependent variables—that can be tested. An example of a hypothesis for our example would be the following:

> H_1: Price information appearing in the nonprofit's promotional material will result in fewer cars turning away at the gate.

Before the research hypothesis can be tested, researchers must determine what information would be needed to test it successfully. For the nonprofit historic home foundation, researchers would need to collect some preliminary data; the gate attendants should count the number of vehicles that turn away at the gate during a specific period of time, as well as the number of vehicles that enter the grounds. Also, the gate attendants should collect information from the license plates of the cars that turn away to determine if the lost tour visitors were from the local area or from farther away. The "turning away" data should be compiled daily, weekly, and perhaps even monthly.

Before collecting even one bit of primary data, researchers should begin analyzing **secondary data**, or information that has been collected previously, for some reason other than the current research question or project, to see if answers already exist. One can find secondary data in any number of places, including internal sources, external sources, and the Internet. Internal sources of secondary data include marketing plans, organization reports, and the MIS. Organizations (even nonprofit ones) produce, assemble, distribute, and store a variety of internal literature and statistics. Internal information ranges from simple, informational memorandums to substantial reports describing some direction that the nonprofit anticipates taking. It includes accounting information and summaries and data about successful and unsuccessful past programs. If an MIS has been established at the nonprofit, researchers should begin there to see if information already exists that may solve the problem.

More general and more diverse secondary data may be found in external sources. Nonprofit researchers may wish to look for pertinent governmental, commercial, and professional secondary data in various places, including the Internet and the World Wide Web, which have eliminated much of the drudgery associated with searching for external secondary data. Exhibit 3.5 contains a partial list of websites that nonprofit researchers may visit to gather secondary information.

❖ Exhibit 3.5 Some Useful Web Sources of Secondary Data

Organization	*URL*	*Description*
American Marketing Association	www.ama.org	One can search AMA publications and search for other information
Aspen Institute	www.aspeninstitute.org/	Offers reports online or through its online bookstore
Gianneschi Center for Nonprofit Research	www.fullerton.edu/gcnr/	Has a helpful "Publications" section
Google Scholar Search Engine	scholar.google.com/	Type in "nonprofit research" to locate more sites
GuideStar	www.guidestar.org/	A national database of nonprofit organizations
The Nonprofit Resource Center	www.not-for-profit.org/	Under Support Organizations, click on "Publications"
Nonprofit Sector Research Fund	www.nonprofitresearch.org/	Disseminates research findings; click on "Projects and Findings
U.S. Census Bureau	www.census.gov	A good source for general information

Although secondary data may already exist and may clarify the nonprofit's current problem, researchers must always keep in mind that such data are historical and have been gathered by people either inside or outside the organization to meet their own needs. If those needs are similar to the nonprofit's current needs, there is no reason to collect primary data. Secondary data are usually cheaper and quicker to collect than are primary data, but researchers must always consider their relevance (How relevant are these data to the present research problem?), accuracy (Were these data contaminated by poor research methods or untrained researchers?), credibility (How and who were the respondents chosen for the research?), and timeliness (When were these data collected?).

If enough pertinent information cannot be found in internal or external secondary data to solve the nonprofit's problem, the researchers then proceed to design a study wherein they will collect **primary data**: information collected for a particular research question or project. Primary data are more expensive and time consuming to collect than secondary data are, so the cost of obtaining primary data must be weighed against its value to nonprofit researchers.

Depending on the research problem, objectives, and hypotheses, researchers may choose to engage in observational, survey, or experimental research. **Observational**

studies monitor respondents' behavior, sometimes without the respondents' knowledge. There are many ways to conduct observational research. The researcher may be overt or covert, and the data collection may be structured or unstructured and done by humans or machines. Finally, observational data collection may be direct (measuring actual behavior) or indirect (measuring surrogates of behavior, e.g., counting the number of items in a subject's recycling bin as a measure of environmentalism). In our nonprofit historic home foundation example, researchers may observe and record the number of tour visitors to other historic home sites that either do or do not communicate price information in their marketing communications. With enough observation, researchers may eventually uncover similarities among their target historic home tour numbers and those of other historic homes that do not communicate admission price in their marketing communications. This example points to the major advantage of observational studies: researchers are able to note what people really do rather than what they may report on a questionnaire. Thus, observational research requires that the behavior in question either be obvious and measurable or be easily inferred from related behavior.

A second type of research is **survey research,** which uses paper-and-pencil instruments to understand behavior. Surveys help researchers understand why particular decisions are made, how they are made, and who makes them. Four common survey methods are (a) personal interviews, (b) telephone surveys, (c) mail surveys, and (d) Web-based surveys. In a personal interview, researchers have respondents complete a survey while the two are face to face. Either the respondent completes the survey with the researcher present to clarify questions and answers if necessary, or the researcher can read each survey question to the respondent and then mark the answer. The personal interview method is the most flexible survey method and allows a variety of question types. If the respondent does not understand a question, the interviewer may be able to rephrase it. In a personal interview, researchers aim to uncover both the direction and the intensity of feelings and motivations. Sometimes, tape recordings are used to record the natural give-and-take of the survey interview. Taping interviews entails time to complete, transcribe, and read the interviews, and an experienced practitioner, who knows both the technique and the nonprofit organization under study, must analyze the results.

Telephone surveys are the most convenient means of reaching respondents, although they are not as flexible and versatile as the personal interview. A major drawback of telephone surveys is that respondents cannot see the questions and have to answer questions while mentally recalling them. On the other hand, using telephones means that distance is not a serious obstacle to getting information.

A third survey method, mail surveys, is used extensively in marketing research because of some advantages. Mail surveys are relatively inexpensive to send and, as with telephone surveys, distance is not a problem. Also, researchers can reach a large sample simultaneously. Further, because they allow respondents time to read the questions and think about their answers, mail questionnaires tend to be more accurate and may even be more revealing because respondents may divulge confidential information if they can remain anonymous. Despite their advantages, mail surveys do have drawbacks. For example, no one is available to ask or rephrase the questions, explain the purpose of the study, induce cooperation, record the answers, or cope with any problems that develop. An additional drawback is that mail surveys take more time than personal interviews or telephone research because they involve sending the surveys and waiting for them to be returned.

A fourth survey method, Web-based surveys, is the newest form of survey delivery. Respondents can be invited to participate in a survey by methods ranging from e-mail to advertising placed on search engines (e.g., www.google.com and www.yahoo.com). A nonprofit wishing to develop a Web-based survey will have no trouble finding a website that can help; it just needs to go to its favorite search engine and type in "Web-based surveys." Some Web-based survey development companies offer free survey building with a cost of about $30 if the nonprofit wants to view its data for longer than 15 days. Other companies charge higher fees (e.g., $670 per year at www.keysurvey.com) but offer help building a sophisticated online survey and many more services. Whereas the average cost of mailed surveys is just over $2.00 per respondent, the average cost of Web-based surveys is about $0.88 per respondent. Web-based surveys, like the other types of surveys, have advantages and disadvantages, which a nonprofit would need to evaluate before using them. One advantage is that they are easier to send, and a nonprofit may be able to receive information within hours or days. A disadvantage is that a nonprofit's target market may not have access to computers on a daily basis.

Let us return now to our nonprofit historic home foundation example. Say that researchers developed a survey that asked respondents about their attitudes, opinions, and beliefs about various aspects of the house tours. If research results indicated that local residents were more negative about admission prices than other respondents, the most that could be said—if analysis indicated that the difference between locals and others was significant—is that there is a correlation between place of residence and perception of admission prices. It may be that local tour visitors know more about the historic home and do not believe that the house tour is worth the admission price. Or perhaps local visitors have a lower average income compared with visitors from farther away.

Although observations and surveys help researchers collect data in an orderly and structured manner, they allow only understanding of association (correlation), which is only somewhat better than descriptive understanding. **Correlational research** involves collecting information (via observation or surveys) and running correlational statistical analyses to determine the relationship between two or more variables. However, although researchers may learn through correlational research that two variables are related to one another, they have no way to know whether one of those variables causes the other or whether some other variable is causally related.

Searching for a causal relationship between two or more variables requires using the third type of research: **experimental research.** In this type of research, all variables surrounding the research subject are held constant except one, called the **independent variable**, which is varied in a systematic way. Researchers then measure the effect of that variation on some other variable of interest, called the **dependent variable**, which is the measure of performance. In our example, suppose researchers want to know whether including admission fee information in the foundation's direct mail communications would result in fewer cars turning away at the gate. Thus, the presence or absence of admission fee information is the independent variable, and the number of cars turning away at the gate is the dependent variable.

Now the researchers can test the research hypothesis (H_1) against what is called a "null" hypothesis (H_0). The null hypothesis predicts that varying the independent variable will have no effect on the dependent variable. In our example, the research hypothesis and the null hypothesis could be stated like this:

H_1: Price information appearing in the nonprofit's promotional media will result in fewer cars turning away at the gate.

H_0: Price information appearing in the nonprofit's promotional media will have no effect on the number of cars turning away at the gate.

Let's say our researchers decided to prepare two direct mail pieces: one containing information about home tours and including admission price information and one containing information about home tours but no mention of admission price. The historic home foundation believes that some potential visitors may be staying away because of the lack of information, so the researchers may suggest that, for now, the foundation focus on people who are not currently on the foundation's mailing list. One half of a selected sample would receive the direct mail piece with admission price information, and the other half would receive the direct mail piece without admission price information. Selecting the sample and putting sample members into the two groups is important to having valid results, so the researchers must attend to all the important issues surrounding drawing respondent samples, including sample size (see www.statlets.com/sample_size.htm), sampling with and without replacement, and the like.

Once the researchers have determined whether to engage in observational, survey, or experimental research, they specify exactly what is to be measured; who will be observed, surveyed, or selected as subjects; how data will be analyzed; and the projected cost of the research. All this information is combined into a research plan, a document that lays out the course of research. The nonprofit's key decision makers and researchers should examine it to make sure that needed information will be collected and that the benefits of the research outweigh its costs. If top management approves the research plan, the research process continues. In Exhibit 3.6, one can see that a research plan consists of three major parts: the introduction section, the methodology section, and the data analysis section. The introduction includes the main topic of the research, along with the hypothesis or hypotheses. The methodology section describes the number and source of the respondents who will be used, the instruments (e.g., survey or measurement forms), any materials that will be used, the general design of the experiment or survey, and the procedure that the researcher will follow. The data analysis section spells out how collected data will be analyzed.

Execute the research design. Depending on the research method selected—observation, surveying, or experiment—this activity involves engaging in observation, administering questionnaires, or manipulating variables and measuring results.

❖ Exhibit 3.6 General Layout of a Research Plan

Introduction

Main topic
Hypothesis (or hypotheses)

Methodology

Participants: The number of participants, how they will be selected, and what population they represent.

Instruments/Materials/Design: Clear description and justification of all instruments; discussion of reliability and validity measures; detailed description of experimental design, if needed.

Procedures: Clear description of procedures. The rule of thumb here is that enough information must be provided to allow another researcher to replicate the research.

Data analysis

Description of the analysis
Justification of the analysis: Reasons it is the proper choice for the situation, taking into account the way the groups are going to be assigned, the number of groups involved, the number of variables, and the kind of data collected.

Prepare and analyze data. After a predetermined period allocated for data collection, perhaps 2 months, the researcher prepares the data for analysis. Data may be coded, meaning numerical values or alphanumeric symbols are assigned to represent a specific response to a question. Data analysis is used to interpret what happened in the study, so analysis attempts to turn numbers into data and then to turn data into marketing information. An important guideline is to use as simple a technique as possible for understanding, whether that is simple frequency analysis or complex multivariate techniques. In our foundation example, a simple *t* test would likely be sufficient to determine whether the data confirm or falsify the research hypothesis. There are many websites devoted to statistics, many of which have programs that researchers can simply enter data into for testing (e.g., www.statsoftinc.com/textbook/stathome.html). In our example, suppose the group that received the new direct mail piece with fee information visited more than the group that received the mailing without fee information. Because the experimental method was used, the nonprofit may now say that the direct mail piece with fee information was more effective in bringing tour visitors than the less informative piece. It has reached **cause-and-effect understanding.**

The researchers have to interpret the results of the data analysis; in other words, they have to ask themselves questions like the following: What has been learned? Now that we have these numbers, figures, and results, what does all this mean for the manager who must make decisions? Does communicating pricing information appear to improve attendance? Do the research findings offer any insights into variables other than price that may also improve attendance? The researcher's interpretation of the data is an important component in communicating the research results.

Prepare and communicate results. Even though the technical research work ends with the interpretation of the data, the researchers' work is not yet finished. Now the research report needs to be written. Favorable reception of research results depends on the way in which they are presented. The research report typically involves a written report, an oral presentation of the research process and findings, and at least the offer of follow-up, either in person or via telephone or e-mail. The writer should focus on the "actionability" of the results while justifying the dollar outlay for the research study. The follow-up may involve a survey or personal interview so that both the researcher and the nonprofit can attempt to measure the efficiency of the research project as a whole. The aim is to improve the entire research process in order to improve decision making.

Although there are no official guidelines when it comes to report writing, it helps to keep the readers in mind, using terms and language that are meaningful to them. Rather than presenting each research finding point by point and explaining each detail of a statistical test, present the research clearly and succinctly. And, of course, check spelling and grammar and be sure that the overall look of the report is professional.

Example. Returning now to Jessica and the opening vignette, suppose that LAF believes it has a problem: Its self-help courses for people living with lupus attract too few people when compared with classes offered by other nonprofits, for instance cardiopulmonary resuscitation classes offered by the American Red Cross. Since Jessica knows that awareness of relatively low attendance at previous self-help classes involves only descriptive understanding, she would understand that she might be observing a symptom of something wrong with the marketing environment or the marketing mix or both. Furthermore, there may be no problem at all, or it might even be that, given the location of the courses, the number of people who attended previous classes was actually quite good.

As a marketer, Jessica should determine whether the relatively small number of people attending LAF's self-help courses is a new phenomenon or an ongoing occurrence. If many more people attended at some time in the past than do now, researchers may want to look for any recent changes in the marketing mix, the marketing environment, or the course personnel. If the number of attendees has always been low, it could be because the courses are not very good or held at undesirable times or places or because the price of the courses is too high (or too low!). It might be that the nonprofit is not communicating with its target markets about course locations, times, or prices.

Jessica would likely want to engage in exploratory research and gather preliminary information that may help her define the problem and hypotheses. She may run a few focus groups to search for any pertinent background issues that may affect the problem or the information sought. She should also determine how the information obtained by research might be used, in other words, establish the research objectives.

Given what she finds during her exploratory research, she would be ready to define the research problem, craft the research objective, and develop one or more hypotheses. She would need to take some time to figure out what information would be needed to successfully test the hypotheses and, before collecting any primary data, she would gather any relevant secondary data. If LAF had an MIS, she could begin there and would also look in external sources. If Jessica still was not able to answer the research question, then she would develop a study to gather primary data. Depending on the data she has been able to pull together, she may choose to run an observational study, conduct some type of survey, or engage in experimentation.

Managerial Issues

The following issues are relevant for nonprofit managers:

1. **Nonprofits' publics.** Generally speaking, nonprofits always have one more public to focus on compared with for-profit organizations. This extra public usually consists of donors, grantors, or legislators. Too often, nonprofits have looked at their resource suppliers with frustration instead of focusing on them as simply one more target public. Once a nonprofit understands that it has to develop a marketing mix that will appeal to its resource suppliers, it will likely have far more success. Resource suppliers, however, do not use the nonprofit's regular offers, that is, they are not clients. Instead, they look for such benefits as feelings of goodwill in return for their gifts of money, time, or effort.

2. **A needs-centered orientation.** It may be possible for nonprofits lacking a needs-centered orientation to be successful. However, by having a needs-centered orientation, nonprofit managers and administrators are more likely to focus on the needs of their target publics; hire or sign up people to do marketing who know what they are doing; understand that competition comes from many avenues and from many types of organizations; rely on research rather than intuition to answer questions; develop marketing mixes, using all four elements, that are important to specific target segments; and understand that it is the nonprofit's responsibility to serve its publics and not the other way around.

3. **Research and an MIS.** Once a nonprofit has accepted the importance of having a needs-centered orientation, it will need to spend time and money developing an MIS. A good MIS, which includes market research as one of its components, will provide nonprofit managers with enough information to make better-informed decisions about target publics, allocation of resources, and their marketing mixes.

4. **The research process.** The marketing research process should be orderly and proceed in a logical manner through five steps: Define the research problem and objectives, develop hypotheses and formulate the research plan, collect data, analyze and interpret the data, and prepare and communicate the results.

Summary

The nonprofit marketing issues presented in this chapter are summarized here according to the chapter learning objectives they meet.

Understand the important publics of the nonprofit. Publics of nonprofits can be characterized as people, groups, and organizations in four separate categories: input publics, who supply original resources and constraints to the organization; internal publics, who convert inputs into useful goods and services and define and carry out the organization's strategies; partner or intermediary publics, who carry, promote, and distribute the goods and services; and consuming publics, who use the goods and services and have interest in the output of the organization.

Understand the various orientations that nonprofits may have. Nonprofits evolve, beginning with a cause orientation, when they are so focused on the cause that they almost forget about serving clients or donors. Next, they may attain an offer orientation, believing that "everyone can see how important our offers are." When they need more resources to keep things going, they are likely to evolve into a fund-raising orientation and work to obtain any likely avenue of funding. Finally, when they adopt the marketing concept, they evolve into a needs-centered orientation, in which they maintain a strong vision of their mission (cause) and at the same time take the viewpoint of their publics' needs and wants. This customer-oriented point of view makes it more likely that the nonprofit will stay competitive while serving its target publics effectively and efficiently.

Understand why it is important for nonprofits to do research. Nonprofits that have accepted the importance of having a needs-centered orientation should also realize that marketing research is absolutely essential when it comes to understanding a nonprofit's various publics. To really understand clients' and donors' needs and wants, there is no way around engaging in systematic, orderly collection of information.

Understand why nonprofits should have an MIS. Not only should nonprofits engage in research; it would be even better for them to develop an MIS. An MIS is a system that collects, sorts, integrates, analyzes, evaluates, and distributes information to key marketing decision makers. It gathers information from both external and internal marketing environments; integrates the information with information in an internal reports system, a marketing intelligence system, an analytical marketing system, and a marketing research system; and makes the analyzed, interpreted information available to the key decision makers in the nonprofit.

Understand where research fits into the nonprofit's MIS. Marketing managers in nonprofits require useful and timely information to make effective decisions. The MIS is an organized approach for gathering and organizing this information. In some instances, the information needed is available inside or outside the organization. However, if the needed information does not exist, then research will have to be conducted to create this information. Therefore, research provides information for the manager that would not otherwise be available. Information obtained from marketing research becomes part of the MIS.

Understand the research process. The marketing research process should be an orderly process that consists of five steps: Define the research problem and objectives, develop hypotheses and formulate the research plan, collect data, analyze and interpret data, and prepare and communicate the results.

Glossary

Analytical marketing system. The part of a marketing information system charged with organizing general data, performing any needed data analysis, and generating reports, usually for data other than those collected via marketing research.

Cause-and-effect understanding. The level of understanding at which one knows that one variable affects another in a systematic way.

Cause orientation. A complete focus on the cause the nonprofit was formed to address; the nonprofit equivalent of a production orientation in the for-profit sector.

Consuming publics. Those who use the goods and services of an organization and have an interest in its output.

Correlational research. Collecting information (via observation or surveys) and conducting correlational statistical analyses to determine whether a relationship exists between two or more variables (but not whether one of the variables causes the other or whether some other variable is causally related).

Dependent variables. Measures of performance; the behavior or event that happens as a result of an independent variable.

Descriptive understanding. The lowest level of understanding, which consists simply of knowing that something is happening at a particular time.

Experimental research. The type of research employed when researchers want to understand cause-and-effect relationships among variables.

Exploratory research. Gathering preliminary information that may help define the problem and suggest hypotheses.

Fund-raising orientation. A focus on raising funds to support the organization and its offer; the nonprofit equivalent of a sales orientation in the for-profit sector.

Hypothesis. Conjectural statement about the relationship between independent and dependent variables.

Independent variables. Factors in experimental research that are varied in a systematic way.

Input publics. Those that supply original resources and constraints to the organization; examples include donors, suppliers, and regulatory officials.

Internal publics. Those that convert inputs into useful goods and services and define and carry out the organization's strategies; examples are management, board of directors, staff, and volunteers.

Internal reports system. The collection of information from data sources within the company.

Marketing information system (MIS). A system that uses people, equipment, and procedures to collect, sort, integrate, analyze, evaluate, and distribute necessary, timely, and accurate information to key marketing decision makers.

Marketing intelligence. The collection and analysis of everyday, publicly available information that pertains to developments important to a particular nonprofit.

Marketing research. The methodical design, collection, analysis, and reporting of reliable marketing information that is relevant to a particular problem faced by an organization in order to reduce uncertainty to tolerable levels at a reasonable cost.

Marketing research system. The part of a marketing information system charged with design, collection, analysis, and reporting of data about a specific problem or situation faced by an organization.

Needs-centered orientation. A nonprofit's maintaining a strong vision of its mission (its cause) and at the same time taking the point of view of its publics' needs and wants; the nonprofit counterpart to a customer or marketing orientation in the for-profit sector.

Observational studies. Studies that monitor respondents' behavior, sometimes without the respondents' knowledge.

Offer orientation. A complete focus on the offers of the nonprofit; the nonprofit equivalent of a product orientation in the for-profit sector.

Partner or intermediary publics. Those who carry, promote, and distribute a nonprofit's goods and services; examples include merchants, agents, facilitators, and marketing firms.

Primary data. Information collected for a particular research question or project.

Publics. People, groups, and organizations that are important to a nonprofit; they can be classified into four separate categories, input publics, internal publics, partner or intermediary publics, and consuming publics; see separate entries in this Glossary.

Research plan. A document that lays out the course of a particular research project.

Secondary data. Information that has been collected for some reason other than the current research question or project.

Service learning. A method of teaching and learning whereby participants learn and develop through active participation in thoughtfully organized service.

Survey research. The type of research that uses paper-and-pencil instruments to understand behavior.

QUESTIONS FOR REVIEW

1. Explain the four orientations through which nonprofits seem to evolve.
2. List the various publics of nonprofits.
3. Define *marketing research.*
4. Define *marketing information system.*
5. Explain the difference between secondary and primary data.
6. Explain the four types of surveys.
7. Know the steps in the research process.

QUESTIONS FOR DISCUSSION

1. Describe the four types of orientations through which nonprofits seem to evolve and explain why having a cause or a funding orientation may hurt a nonprofit organization.
2. What are examples of each of the four publics of nonprofits?
3. What is an MIS, and how does marketing research fit into it?
4. Why should a nonprofit try to find secondary information prior to collecting primary data?
5. Explain the four types of surveys. What are the advantages and disadvantages of each?
6. Explain the five steps in the research process. Why is the first step especially important?

INTERNET EXERCISES

1. Enter thomas.loc.gov and search for pending legislation that involves lupus. Report how these measures could impact nonprofits that provide services to lupus patients and nonprofits that raise funds for lupus research.

2. Enter www.census.gov and search for available information and trends involving poverty and the aging of the population.

3. Enter www.stat-usa.gov and search for economic trends that may reduce the number and size of individual and corporate donations.

4. Enter www.google.com and search for {"marketing research" nonprofits}. Use this and other searches you devise to uncover (a) marketing research companies that specialize in services for nonprofits and (b) other important marketing research for nonprofit issues you feel are important.

5. Enter users.cnu.edu/~jnpsm/, review the Table of Contents of the *Journal of Nonprofit & Public Sector Marketing* for the past five issues, and report on the types of marketing research being published.

TEAM EXERCISES AND ROLE PLAYING

1. A large foundation has $200 million dollars in new funds and has invited your nonprofit to present your case for receiving part of this funding. The instructor and the rest of the class will represent the foundation. In teams, pick a nonprofit to represent, research the nonprofit and its offerings, and then develop and present the most powerful presentation that you can. After evaluating the presentations, the class will vote on how to distribute the funds. Suggested nonprofits: Metropolitan Opera Association, American Cancer Society, Food for the Poor, Art Institute of Chicago, The Nature Conservancy, March of Dimes, America's Second Harvest, Gifts in Kind International, World Vision, Salvation Army.

2. Form groups, and then split each group into two teams. In each group, one team will be the hiring team and the other will be the job seeker team. Go to www.philanthropy.com/jobs/jobs2.htm. Each group of two teams will pick a job announcement from this list. The hiring team will prepare its list of requirements for this job and the questions it will ask in an interview. The job seeker team will prepare for the interview based on the contents of the ad and the team's marketing research of the nonprofit, its staff, and its clients. The groups will take turns conducting the interviews in front of the class. If time permits, the group can pick another ad and the teams can switch roles. If there is a problem with this website, use a general search engine to search on the term *nonprofit jobs* and try to find sites that list jobs in the nonprofit sector.

MINICASE: The Arthritis Outreach Foundation

It was early in the day at the Arthritis Outreach Foundation in Chicago. In her office overlooking Michigan Avenue, Katie Sanchez was going over her files on past successful charitable events. She had documents on the financial performance of her own organization's past events and many newspaper clippings covering the events of other charities. In going through these files, she was hoping for an inspiration. In a city the size of Chicago, there were always many competing events, and the rich and powerful tended to attend only the best. Katie needed a blockbuster event idea that would attract the right people and generate serious media attention. The right event could attract a great deal of media attention, and that type of exposure could attract funding for the foundation's many programs, which provided information, classes, and meetings and funded research to help arthritis sufferers.

Katie had received the assignment earlier in the week, when she had met with the foundation's executive director and director of major gifts. They had liked her suggestion of an event to recognize several major donor couples, and they had put her in charge of organizing the event. Initially, Katie was overwhelmed with the enormity of the responsibility, but she soon moved past that phase and was now full of excitement and had most of the steps organized on a time planning chart. Katie was most excited about her idea that the event should be a blockbuster instead of the usual dreary black-tie dinner recognizing multimillionaire donors. A blockbuster event would attract the city's political and social elite, and their being in the audience for the donor recognition would make it very special indeed. As a bonus, the income from the big event would almost certainly far exceed that from a regular dinner.

Katie planned to spend this afternoon exploring the websites of two event production companies (remvideoevent.com/mtgintro.html and www.chicagoevents.com/csem.html). She also planned to explore the websites of two companies that book celebrity speakers (www.allamericanspeakers.com/guide.php and www.speakerbooking.com/categories.html). At some point, Katie knew, she would need some help figuring out what kind of event would best attract the right people. She knew what she would like to see, but she was 20 to 50 years younger than the rich and powerful people she wanted to attract.

Assignment: Help Katie evaluate which production company and which speaker's agency to use by researching each company's offerings, past successes, and reputation. Once you have picked companies to work with, decide on several alternative event formats and themes and pick several alternative celebrity speakers from your speaker agency's offerings. If you have difficulty accessing these companies' websites, use a search engine to uncover others.

Once you have some alternatives, design a primary research study to capture what will best attract Katie's target segment to the event. Design what will be used to gather the information, specify a sample size, and describe how the sample will be picked. Specify how the data will be analyzed and how you will recommend Katie make the final decision. Estimate how long the research study will take to complete and how much it will cost.

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