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Segmenting the volunteer market: learnings from an Australian study

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The volunteering industry in Australia contributes over 42 billion dollars to society each year. It is facing increasing pressures due to reduced funding and growing competition for limited resources. This study provides valuable information to volunteer managers by segmenting what is otherwise an extremely heterogeneous market into homogenous subgroups based on peoples' motivations to volunteer. This is useful in the development of targeted marketing campaigns to identify, attract, and retain volunteers. Three segments are identified with distinctive motivational patterns – 'social volunteers', 'community volunteers' and 'altruistic volunteers'. These segments are then profiled so that managers can identify the most effective way of reaching them and ultimately more efficiently spend their limited marketing dollars.

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segmentation, volunteer recruitment, non-profit marketing, motivations

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The volunteering industry in Australia contributes over 42 billion dollars to society each year. It is facing increasing pressures due to reduced funding and growing competition for limited resources. This study provides valuable information to volunteer managers by segmenting what is otherwise an extremely heterogeneous market into homogenous subgroups based on peoples' motivations to volunteer. This is useful in the development of targeted marketing campaigns to identify, attract, and retain volunteers. Three segments are identified with distinctive motivational patterns – 'social volunteers', 'community volunteers' and 'altruistic volunteers'. These segments are then profiled so that managers can identify the most effective way of reaching them and ultimately more efficiently spend their limited marketing dollars.

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Track: Marketing of Public and Non-Profit Organisations

Background and Introduction

The value of volunteering in Australia is estimated to be over 42 billion dollars per annum with 704 million hours contributed by 4.4 million individuals each year (Australian Bureau of Statistics, 2001). The number of nonprofit organisations operating within Australia has grown significantly in recent decades due to a number of factors including the movement of services previously provided by government to the nonprofit sector (Goerke, 2003) and the increase in a number of social issues such as depression and drug abuse (Cnaan, Kasternakis & Wineburg, 1993). This has led to an increase in competition for the limited resources available (such as funding and volunteers) and as such organisations are being forced to try to attract volunteers not only from the general public but also from other volunteering organisations. This competitive situation has been resisted by many nonprofits which have traditionally viewed new entrants into the nonprofit world as comrades joining the collective effort to contribute to the common good rather than competitors potentially threatening their existence by competing for the same resources (Andreasen & Kotler, 2003).

Nonprofit organisations are thus finding themselves presented with what would have traditionally been considered a 'commercial marketing problem' – that is, how to identify the right customers (those most likely to become volunteers), attract them (entice them to start volunteering), and then keep them loyal (encourage them to continue for as long as possible). In an effort to address these increasingly 'commercial' type problems have come calls for the utilisation of what were also considered 'commercial' techniques and concepts – such as competition, positioning and segmentation. Nonprofit organisations are being forced to approach issues from a more pragmatic and rational perspective and be more savvy in their strategies for attracting and retaining what is a limited pool of volunteers.

In Australia these issues are confounded by the extremely heterogeneous nature of society, largely due to the influx of European migrants following World War 2. This has implications for volunteer managers because as second and third generation migrant families are mixed with the more traditional Anglo-Celtic population and the reasonably constant stream of more recent Middle Eastern and Asian migrants, an interesting mix of cultures, values and of course motivations emerge in relation to involvement in community related activities such as volunteering. This heterogeneity challenges marketing practitioners because different groups respond very differently to the same marketing messages. Volunteer managers are finding it increasingly difficult to create effective marketing strategies that are meaningful and motivating to the different subgroups within society.

Prior Research

Numerous studies have investigated the reasons why people decide to volunteer or not to volunteer. The myth that people volunteer purely for altruistic reasons was dispelled long ago and there is now widespread acknowledgement that motivations are multifaceted (Bales, 1996), that is individuals can have numerous reasons for becoming involved. A number of researchers split motivations into two main categories – altruistic (that is, benefits for others) and egotistic (that is, benefits for themselves) (see for example Bendapudi, Singh & Bendapudi, 1996). Others have sought to categorise motivations in three groups such as Fisher & Cole (1993) who suggested that volunteer motivations should be considered in terms of psychological needs, conscious reasons, and perceived benefits.

In their more complex model, Clary, Snyder and Ridge (1992) divided volunteering into six categories – social, values, protective, esteem, understanding and career. Their approach (referred to as the Volunteering Functions Inventory, VFI) was based on the notion that individuals volunteer in order to satisfy personal and social needs and that they can perform

the same volunteering behaviour but for very different reasons. To a certain extent the VFI has proven valuable to volunteering managers by providing insight into volunteers for their, and other, causes. However for the most part the VFI has only been used for profiling pre-selected groups of volunteers according to their motivations, for example older volunteers or university students (Clary, Ridge, Stukas, Snyder, Copeland, Haugen & Miene, 1998).

Market segmentation is a technique used extensively in strategic marketing and uses some predefined criterion to group individuals to assess whether these subgroups offer better marketing opportunities than the market as a whole. Since the 1970s the value of segmentation for the third sector has been emphasised by social marketers because of its ability to identify effective target markets and enable the development effective programs to reach these markets (Raval & Subramanian, 2004). More specifically, segmentation has been noted as a useful marketing tool in the areas of fundraising (Webb, Green & Brashear, 2000), blood donation (Burnett, 1981), and volunteering (Dolnicar & Randle, 2004). Accompanying recent calls for the use of more sophisticated and complex marketing tools (such as segmentation) has come some preliminary insight into the volunteering market structure. For example, pre-collected data sets have been used to conduct initial investigations into volunteering at the global level (Dolnicar & Randle, 2005) and, upon analysis, have shown that sub-segments did exist. However the data used had limited value because it was collected as part of a larger dataset and was not custom designed to specifically investigate volunteering.

We contribute to this area of research by identifying meaningful motivation segments which can be used by volunteering managers to (i) target those most likely to volunteer for their particular cause, and (ii) give them direction in terms of the types of messages that would be most meaningful and motivating for them and the channels that would be most likely to reach them. We use state of the art segmentation techniques to achieve this.

Methodology

A rigorous (qualitative) exploratory study preceded the development of the quantitative survey. The qualitative phase included face-to-face interviews, focus groups, and short interviews (a total of 116 participants). Key aims of the qualitative phase were to identify (i) the widest possible range of volunteering motivations; (ii) other factors contributing to the decision to, or not to, volunteer; and (iii) the factors relevant and useful for profiling segments of volunteers. A quantitative survey was then developed and extensively pre-tested with over 60 respondents to ensure easy comprehension and accurate interpretation (Rossiter, 2002).

The quantitative fieldwork for this study was conducted in Australia during September-October 2006 using a permission-based internet panel. The panel is set up and maintained in a way that is representative of the Australian population. The sample was structured such that it included representatives from 14 of the largest different ethnic groups living within Australia, including both volunteer and non-volunteers, with a total sample size of 1,416. Respondents were invited to complete a 30 minute questionnaire which was available online until the minimum number of 1,400 respondents had completed the survey (approximately 4 weeks). The 19 motivations used for this segmentation study are listed at Appendix 1. Respondents were asked to indicate (by either ticking a box or leaving it blank) whether each of the reasons for volunteering applied to them. If people had not previously volunteered they were asked to indicate which from the list *would be* important in their decision to volunteer. For profiling, respondents were also asked questions regarding socio-demographic characteristics, media usage, leisure activities, attachment to their local area, values, and their intention to volunteer.

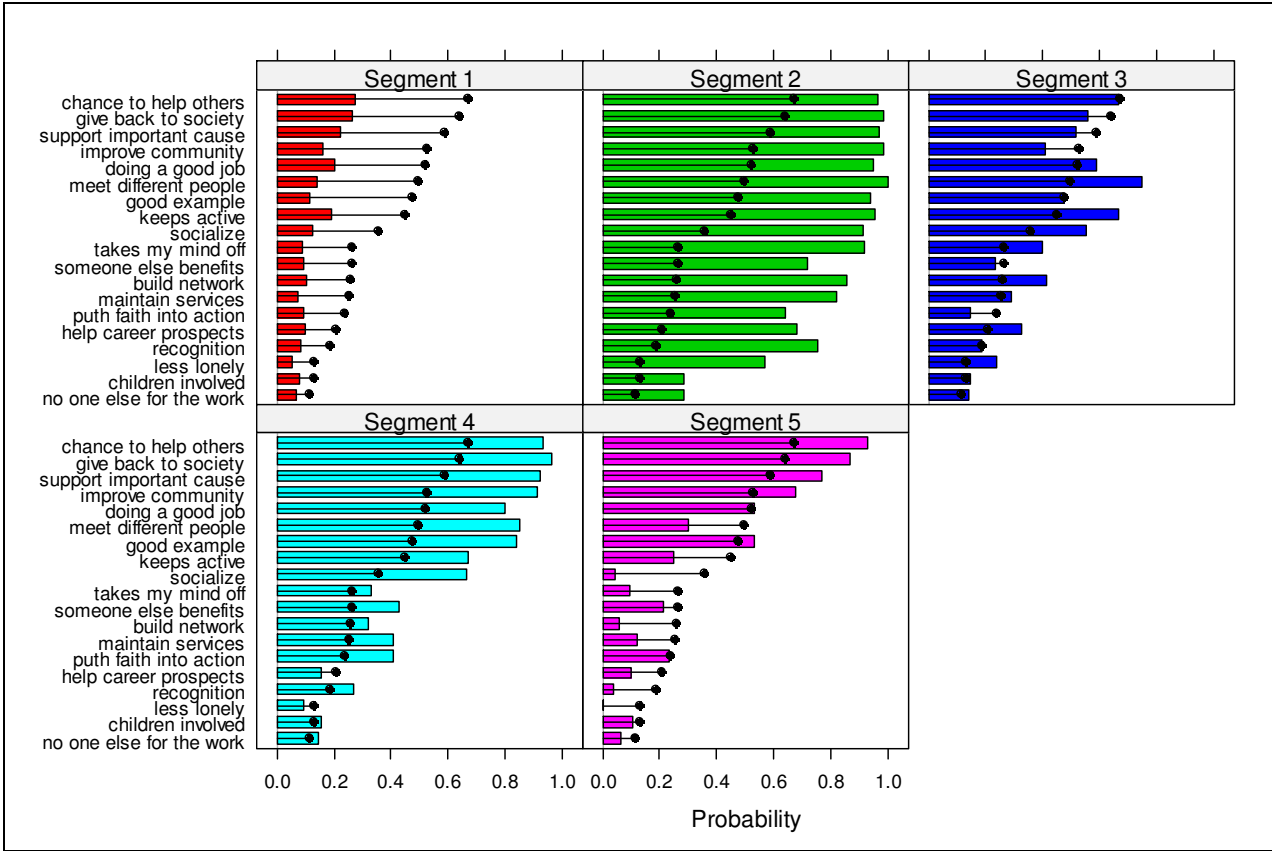
Multivariate binary data is usually segmented using finite mixture models by assuming that, conditional on the segment membership, the answers for the different variables are mutually independent for each respondent. This is also referred to as latent class analysis (Magidson & Vermunt, 2004). The model is fitted using the Expectation-Maximisation (EM) algorithm in order to determine the maximum likelihood estimates. As the EM algorithm might only converge to a local optimum several runs with random initialisations are performed and the best result reported. The choice of number of components is based on the Bayesian information criterion (BIC). For characterising the segments multinomial logit models are fitted with the posterior probabilities as dependent variables and the profiling variables as covariates.

Results

In order to choose the number of segments, we fitted finite mixtures repeatedly varying the number of segments from one to ten and using ten random initialisations for each number of segments. We used the BIC criterion to evaluation the quality of each of these solutions. The BIC indicates that the five segment solution is optimal. Consequently, we focus on the five segment solution in the following.

Figure 1 provides the profiles of all segments. Coloured columns illustrate the percentages of segment members who agree with the respective motive to volunteer, the total sample average is represented by black dots. The relative sizes of the 5 segments are 0.33, 0.09, 0.19, 0.18 and 0.21 respectively.

Figure 1: Graphical Representation of Segments



On every motivation measured Segment 1 (the largest segment) shows less than the sample average indicating that the particular motivation applies to them. For this reason they have been labelled the ‘not interested’ segment. Conversely, Segment 2 has above average

individuals agreeing with all motivations than the sample average. For this reason they have been labelled the 'enthusiastic volunteers'. This is the smallest segment (only 9% of the sample). It would appear that these are two genuine segments within the volunteering market who are either generally less interested in volunteering and not motivated by any particular factor (Segment 1), or who are very motivated by a wide range of different factors (Segment 2). This is supported by their intention to volunteer which was measured using a Juster scale (Juster, 1966) and showed the 'not interested' group to be least likely and the 'enthusiastic volunteers' to be most likely to intend to volunteer in the next three months. Unfortunately however this means that, from a marketing perspective, they do not represent useful targets for specific marketing messages so will be discounted for the remaining analysis of this study.

Segment 3 is distinctive because individuals within this segment are motivated significantly more than the sample average by various benefits to themselves. Key benefits sought by this group include to meet different people, to socialise, to keep active, and to take their mind off other things. They are also likely to be involved because it helps them feel less lonely, to build networks or to help their career prospects. This segment has therefore been labelled the '**social volunteers**'. 'Social volunteers' rate lower than the sample average on altruistic motivations such as because someone else will benefit, to give back to society and to improve the community. This segment is consistent with the suggestion of others (see for example Bussell & Forbes, 2002) that while the outcome of volunteering may help others or the community this is not always the primary motivating factor. Social volunteers have the highest proportion of males (45 per cent), are the youngest segment with the average age 34.5, has the highest proportion of singles (46 per cent) and the highest proportion without children (63 per cent). Perhaps not surprisingly then they are also the least likely to say that family commitments makes it difficult for them to volunteer. This segment has the highest proportion of people not currently working and the most low income earners (one third earns less than \$20,000 per year). In terms of media usage this segment is most likely to read national newspapers and watch pay television. 'Social volunteers' are least likely to cite 'respect for tradition' as a value that is important to them and they enjoy arts and crafts in their spare time.

Segment 4 is significantly more motivated than the sample average and the other segments to volunteer to improve the community, to give something back to society, to support an important cause and to maintain services. They are very community-minded and have thus been labelled the '**community volunteers**'. They do not however reject the potential benefits to themselves of volunteering and acknowledge that it is also an opportunity for them to socialise with other like-minded people and to keep active. This group is primarily motivated by doing things to improve the community and society as a whole. 'Community volunteers' are significantly more likely than the other segments to be strongly attached to the local area in which they live which is consistent with their community-minded attitude and motivations for volunteering. They hold the mid-ground between 'social volunteers' and 'altruistic volunteers' in terms of their average age and are the most likely to have children with almost half being parents. 'Community volunteers' have the highest proportion of part-time workers (one quarter of the segment) and are least likely to say that their paid work arrangements make it difficult for them to volunteer or that wealth is personally important to them in their lives. Their close friends strongly approve of them volunteering and they see 'equality' as an important value in their lives. In terms of media usage this segment is most likely to read the local paper and watch alternative television channels, and least likely to watch pay television.

Finally, Segment 5 is labelled the '**altruistic volunteers**'. This group is significantly more motivated than the sample average to volunteer because it is a chance to help others, give something back to society, to support an important cause and to set a good example. This group is significantly less motivated by the opportunity to socialise, to take their mind off

other things, for recognition, or to build networks. This segment fits into what might be considered a 'traditional' picture of a volunteer, that is, someone who is involved purely for selfless reasons and for no apparent benefit to themselves. 'Altruistic volunteers' are the oldest segment, have the highest proportion of females and are the most likely to be married. Almost half have completed a university degree and they are the segment most likely to work full time and are thus the highest income earners. In terms of values they are the group least likely to see 'pleasure' as important in their lives but are most likely to view 'family security' as important. They enjoy reading in their leisure time and are least likely to spend time on computer games. In terms of media habits they are the segment most likely to say that they don't watch television (6 per cent) and don't read newspapers (10 per cent).

Implications

The findings of this study present some interesting implications for managers of volunteering organisations. Firstly, volunteer managers are able to consider the type of experience they are offering their volunteers and understand the key benefits that may be valued by different segments. Secondly it gives direction as to how these benefits might best be packaged so that the experience is communicated to the respective target segments as effectively as possible.

The messages that would be most meaningful to each of these groups is clear – 'social volunteers' are motivated the opportunity to meet people and socialise, 'community volunteers' are motivated by the opportunity to improve the local area in which they live and contribute to society as a whole, and 'altruistic volunteers' are primarily motivated by the opportunity to help others and make a difference in people's lives.

Take, for example, an organisation which coordinates volunteers to visit elderly people in a nursing home. It would be aware that a key benefit of their service to potential volunteers is the opportunity to help others and make a direct and meaningful difference in someone's life who would otherwise not have family or friends to talk to. This message is one that would be best directed to the 'altruistic volunteers' group. We know that the 'altruistic volunteers' are more likely to be older, female, and married. They are also the group most likely to say that they don't watch television or read newspapers, perhaps because they are busy working full time. Therefore communicating to these people may be most effective on the radio during the drive to work, or through professional publications that they may access through their workplace.

On the other hand, an organisation that is focused on environmental conservation and preservation of local parklands would know that one of the key benefits it offers is the improvement to the local community and the long term health of the natural environment. This is exactly the type of message that would be motivating for the 'community volunteers' group. They have the time to volunteer because they are more likely to work part time, and we know that they are most likely to read the local paper. Clearly advertising for community causes such as this is appropriate within the context of the local newspaper and would be an effective means of communicating with this group. We also know that they are most likely to be parents so promoting community volunteering activities within schools or local children's sporting competitions may also be effective in reaching potential 'community volunteers'.

The findings of this study are significant because they show that there is a clear underlying structure in the volunteering market and that segments of volunteers exist which are distinctive in their motivations for being involved. It also demonstrates the value of using established techniques of market structure analysis to investigate the volunteering market and to address the biggest problems volunteering organisations face in the 21st century: how to attract and retain volunteers in an increasingly competitive environment.

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Appendix 1 – List of Motivations Used for Segmentation Study

1. I can gain recognition within the community
2. I can build a network of contacts
3. I know someone who has benefited from the organisation
4. I feel like I am doing a good job
5. My children are involved with the organisation
6. I want to maintain services that I may use one day
7. I can give something back to society
8. It gives me the chance to help others
9. I can socialise with people who are like me
10. It sets a good example for others
11. There is no-one else to do the work
12. I can meet different types of people
13. I can put faith into action
14. I can support an important cause
15. It will improve my community
16. It keeps me active
17. It makes me feel less lonely
18. It will help my career prospects
19. It takes my mind off other things