

Walrus Research

Annoyance with Fundraising

The Public Radio Tracking Study

Special Report

Summer 2004

Reality has a way of eventually getting your attention

Annoyance with Fundraising

The Public Radio Tracking Study

Introduction

Public radio stations generate listener-sensitive revenue through on air fund drives, telemarketing, direct mail and underwriting. The benefits of fundraising are obvious and may be quantified by simply counting the money.

If there is a downside to listener-sensitive fundraising, it is more difficult to measure. For example, on air fund drives might limit the audience reach of public radio and thus its public service. Or, as critics have asserted, an increase in underwriting credits might decrease the perceived value of public radio.

At minimum, public radio listeners might be annoyed by fundraising.

It was fascinating to hear the reaction to Joan Kroc's generous bequest to National Public Radio. Apparently the first question that occurred to millions of NPR listeners was: "Does this mean no more pledge drives?"

Kevin Klose answered with a release on behalf of NPR and its stations:

Q. How will this gift affect fund-raising and pledge drives?

A: First, fund-raising is conducted by local public radio stations, not by NPR, which does not directly seek support from listeners. Funds that are raised by stations are used for the most part to provide broadcasting services in those local communities. There is a direct relationship between local contributions and programming provided by the local stations. The revenue from Mrs. Kroc's gift will provide incremental assistance for NPR's operations but does not come close to meeting the needs of local stations. This gift was intended to help NPR take another step forward, not to replace existing revenue.

In other words, the pledge drives will continue.

This is the fourth Special Report from the Public Radio Tracking Study. We build upon our three previous reports, *Turning Listeners into Givers*, *Heavy Givers* and *Mega Trends*, and we consider how annoyance with public radio's fundraising might limit its public service and public support.

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Credits

Following in the tradition of *Audience 98*, the Public Radio Tracking Study is the largest recontact study ever conducted for public radio. From Winter 1999 through Fall 2001, we recontacted over 30,000 public radio listeners who had kept Arbitron diaries so we could determine their attitudes and behavior with reference to listener support.

The Public Radio Tracking Study was funded by 21 leading public radio stations, along with a first year challenge grant from the Corporation for Public Broadcasting. The participating stations were:

KCFR-FM	KQED-FM	WAMU-FM	WETA-FM	WPKT-FM
KJZZ-FM	KUHF-FM	WBEZ-FM	WGUC-FM	WUNC-FM
KOPB-FM	KUSC-FM	WBUR-FM	WKSU-FM	WUSF-FM
KPLU-FM	KUT -FM	WCPN-FM	WNYC-AM/FM	WXPB-FM

The Corporation for Public Broadcasting provided additional funding for a series of Special Reports from the Public Radio Tracking Study. Accordingly, this report is freely available for any publication. Download electronic copies of this and other national research studies from WalrusResearch.Com.

We very much appreciate the great work of Kay Tuttle, Jay Youngclaus and Sean Simplicio at CPB, along with Leslie Peters at ARA.

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Annoyance with Fundraising

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Executive Summary

Public radio stations generate listener-sensitive revenue through on air fund drives, telemarketing, direct mail and underwriting. In this report we consider how annoyance with public radio's fundraising might limit its public service and public support.

- We found that public radio listeners are most annoyed by telemarketing from stations. Telemarketing is even more annoying than fund drives.
- Listeners are least annoyed by underwriting. In fact, underwriting is even less annoying than direct mail.
- We detected no change in levels of annoyance during the course of the Public Radio Tracking Study. Annoyance with fund drives remained high while annoyance with underwriting remained low.
- We detected no differences in levels of annoyance between stations in the Tracking Study. If their fundraising tactics varied, listeners did not perceive any meaningful difference in annoyance.
- We identified three clusters of listeners based on patterns of annoyance with fundraising. The largest cluster consists of listeners who are very annoyed by telemarketing and fund drives but not annoyed by direct mail or underwriting.
- We found that largest cluster of listeners to be concentrated among highly educated Baby Boomers—the center of public radio's appeal.
- We found that fundraising annoyance can limit the vector of listening to public radio. It can also limit the sense of personal importance. Thus fundraising annoyance may suppress the predisposition to give.

Public radio could reduce annoyance among our best prospects for listening and giving if stations and networks shifted more resources to direct mail and underwriting, rather than fund drives and telemarketing.

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The Concept of Annoyance

The essential findings of *Audience 98* distilled into two relationships:

- Public service begets public support.
- Public support focuses public service.

Public support is a function of “the value listeners place on the programming and the amount of listening done to the programming” (*A98*, p.4).

This powerful and fundamental relationship explains how the public radio system can thrive, self-sufficiently, in an economy increasingly based on listener service and listener support, rather than government subsidy.

The most obvious way for public radio stations to ask for listener support is an on air fund drive, yet *Audience 98* warned of the potential downside:

The vast majority of listeners say that pledge drives are becoming more prevalent and harder to listen to.

Fundraising practices can lower giving and gift amounts below public service predictions when they attenuate or otherwise interfere with public radio's service to listener (p.4).

David Giovannoni summed up the downside of fund drives in these words:

Listeners are telling us, in very strong terms, that our drives are extracting a significant hidden toll in terms of public service, public image, and opportunity loss (p.134).

The concept of annoyance is not only that public radio listeners become irritated or frustrated when programming they value is replaced by on air fund drives. Conceptually, annoyance is an intrusive factor that could decrease listening, devalue programming, and limit public support.

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Audience 98 Seminars

After ***Audience 98*** was published, several leading stations resolved to reduce fundraising annoyance. In fact, the Tracking Study originated in an ***Audience 98*** seminar when managers who wanted to try various tactics asked for continuous measurement of their progress. Accordingly, we fielded twelve quarterly surveys from Winter 1999 through Fall 2001, to track annoyance with telemarketing, direct mail and underwriting, as well as on air fund drives.

The Public Radio Tracking Study did not measure annoyance with fundraising through the Internet, because in those years that method was not significant.

Listener-Focused Fundraising

At the same time, John Sutton organized a large-scale research project under the banner of “Listener-Focused Fundraising.” By listener-focused he meant fundraising that recognizes the relationship between public service and public support. The idea was that development activities, whether on or off the air, should be consistent with the fundamental values of public radio.

We conducted a series of focus groups for the “Listener-Focused” project, finding that there was much need for improvement:

The majority of our respondents insisted that they turn off the fund drives, whether or not they send money. They come back when it is safe to listen.

Public radio listeners do not want to be called at home, especially by telemarketing firms hired by public radio stations. Not at any time.

They prefer renewal notices sent by mail. But they want to be reminded annually at the end of their own fiscal year, which varies by household.

With reference to public service, we found that what annoys listeners the most about fund drives is “the change in the way the station sounds and the change in public radio’s relationship to its listeners.”

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Levels of Annoyance

In the Public Radio Tracking Study we asked respondents about their level of annoyance with four methods of fundraising. Our most basic finding is that annoyance with fundraising depends on the method used.

Here is the wording we used to measure annoyance in our questionnaire:

The on-air membership fund drives on [STATION] are annoying to me.

The announcements of businesses that support or underwrite programming on [STATION] are annoying to me.

The telephone calls to my home from [STATION] asking for money are annoying to me.

The mailings I get at home from [STATION] asking for money are annoying to me.

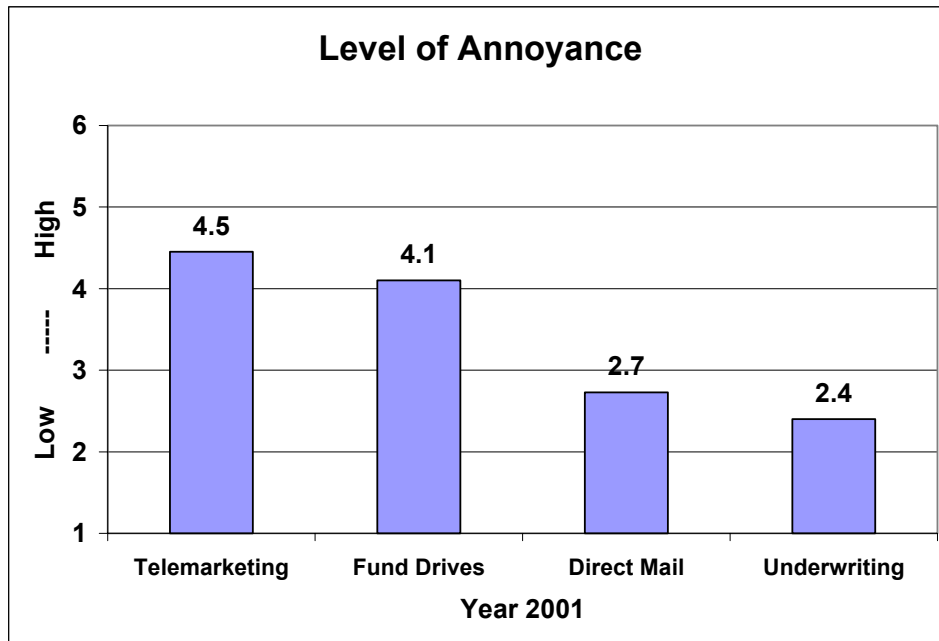
The response format was a six-point scale from strongly agree to strongly disagree:

- 6 = Strong Agree
- 5 = Moderate Agree
- 4 = Weak Agree
- 3 = Weak Disagree
- 2 = Moderate Disagree
- 1 = Strong Disagree

The following chart shows the average level of annoyance with each fundraising method as of calendar year 2001.

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The average annoyance with telemarketing was 4.5 on our six-point scale, which would be between weak agree and moderate agree.

The average annoyance with underwriting was 2.4 on our scale, between weak disagree and moderate disagree.

Interpretation

We found that public radio listeners are most annoyed by telemarketing from stations. In fact, telemarketing is even more annoying than on air fund drives.

Of the four methods we asked about, listeners are least annoyed by underwriting. In fact, underwriting is even less annoying than direct mail.

In this report we will go into much more detail about segments of listeners and relationships between variables, but we must emphasize our top line findings:

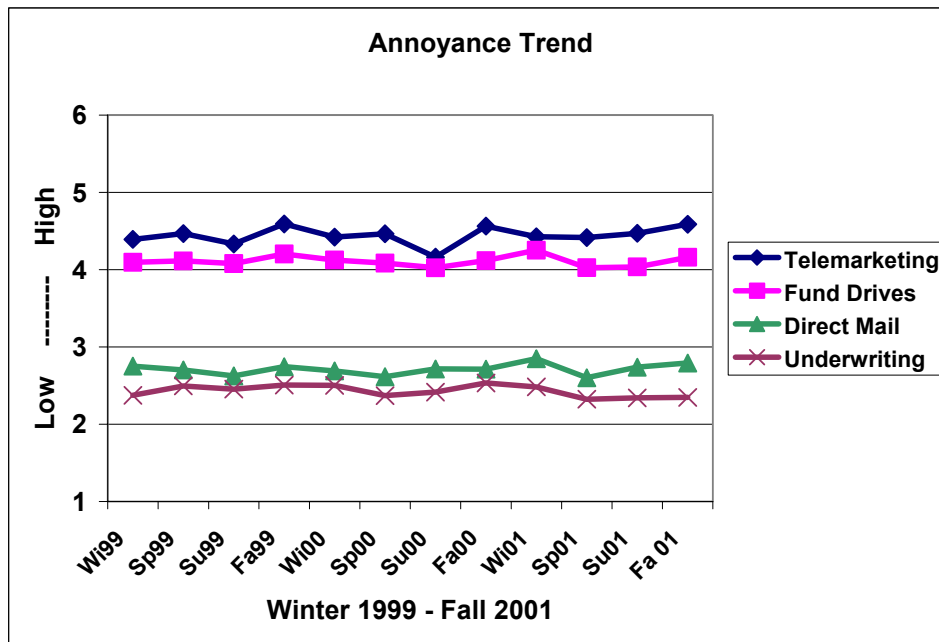
Public radio listeners are generally annoyed by telemarketing and on air fund drives. Public radio listeners are generally not annoyed by underwriting and direct mail.

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Annoyance Trends

The Public Radio Tracking Study measured levels of annoyance across twelve quarters from Winter 1999 to Fall 2001. We were hoping that efforts towards listener-focused fundraising would result in reduced levels of annoyance.



When the Tracking Study started in Winter 1999, public radio listeners were generally annoyed with telemarketing and fund drives. They were generally not annoyed with direct mail and underwriting. We found the same in Fall 2001.

The trend lines are essentially flat across 12 quarters or three calendar years.

Interpretation

We detected no change at all in levels of annoyance during the course of the Public Radio Tracking Study. While different stations tried different tactics to reduce the annoyance of fund drives or the other methods of fundraising, none of the participating stations significantly decreased fundraising annoyance.

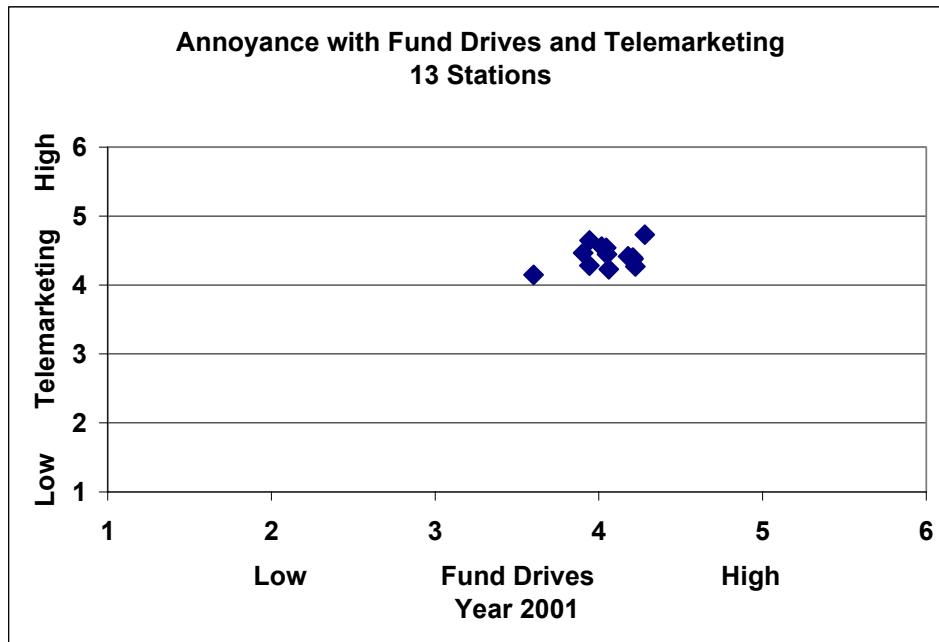
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Annoyance by Station

Participating stations varied by format, market and development tactics, so we expected to find different levels of annoyance station by station.

The chart below shows annoyance due to fund drives and telemarketing. Each marker is one of 13 stations in the Tracking Study as of calendar 2001.



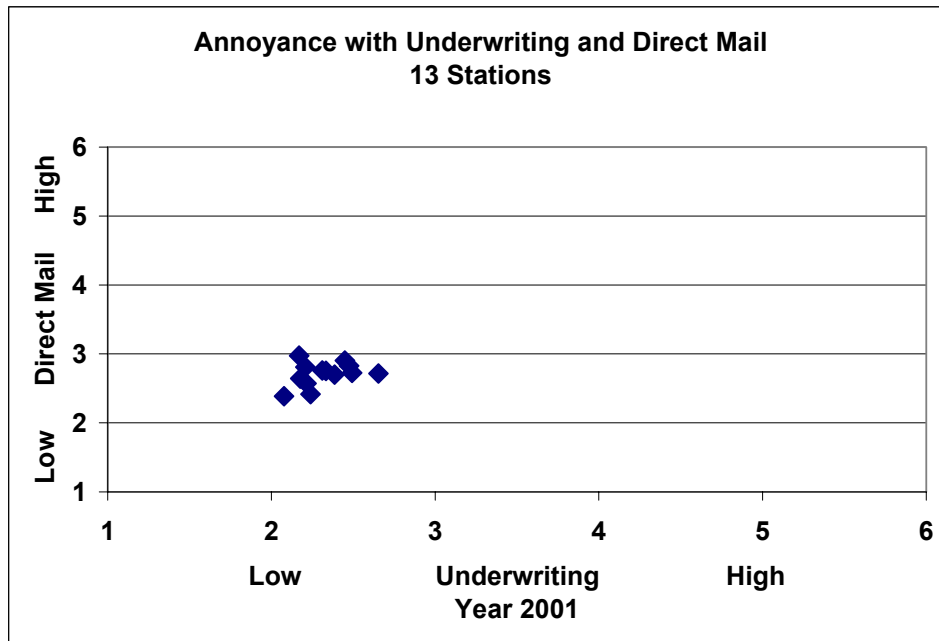
The 13 stations were tightly concentrated around the same point—about 4.1 on the fund drive annoyance scale and about 4.5 on the telemarketing annoyance scale. That is, none of the 13 stations differed dramatically from the others.

For all of these stations, annoyance with telemarketing and fund drives was relatively high—especially high with telemarketing.

The next chart shows annoyance due to underwriting and direct mail.

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The 13 stations were tightly concentrated around the same point—about 2.4 on the underwriting annoyance scale and about 2.7 on the direct mail annoyance scale. None of the 13 stations differed dramatically from the others.

For all of these stations, annoyance with underwriting and direct mail was relatively low—especially low with underwriting.

Interpretation

Charts for calendar 1999 or 2000 would look the same, even with the inclusion of all 21 stations that participated in the Tracking Study. We expected but did not find differences in levels of annoyance across different stations.

There are two possible explanations:

It may be that development tactics have become standardized across leading stations, reflecting the state of the art.

It may be that while development tactics are thought to differ from station to station, listeners do not perceive a meaningful difference.

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Distribution of Annoyance

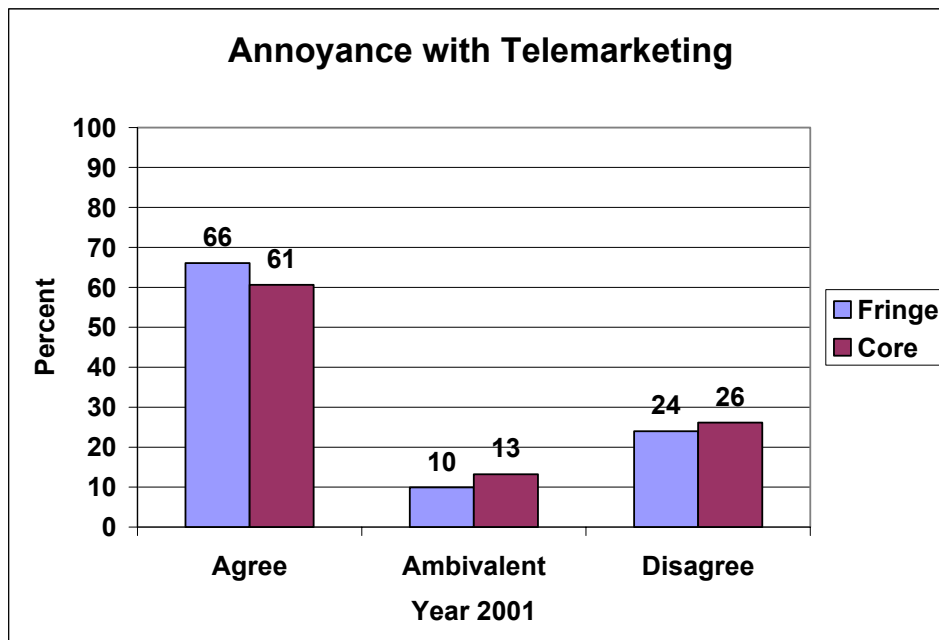
Of course, public radio listeners are not all alike. Some have higher or lower tolerances for various methods of fundraising. Averages can be misleading.

For example, we reported that telemarketing had the highest level of annoyance because the average was 4.5 on our six-point scale. But that does not mean all listeners are equally annoyed by telemarketing.

To illustrate the distribution, we collapsed the annoyance scale to three points:

Agree	=	Strong Agree or Moderate Agree
Ambivalent	=	Slight Agree or Slight Disagree
Disagree	=	Moderate Disagree or Strong Disagree

The chart below shows the distribution of annoyance with telemarketing by core and fringe listeners.



The distribution is bi-modal, meaning that listeners tend to fall on both extremes rather than concentrate in the middle. So the average is misleading.

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The majority of listeners (66 percent of fringe and 61 percent of core) agree that telemarketing is annoying. Yet telemarketing is not annoying to about a quarter of listeners (24 percent of fringe and 26 percent of core.)

About one in ten public radio listeners expressed ambivalence about telemarketing.

Interpretation

While telemarketing is the most annoying method of fundraising, it would be a mistake to assume that all public radio listeners are equally annoyed. Over 60 percent are annoyed, while about 25 percent are not annoyed by such calls.

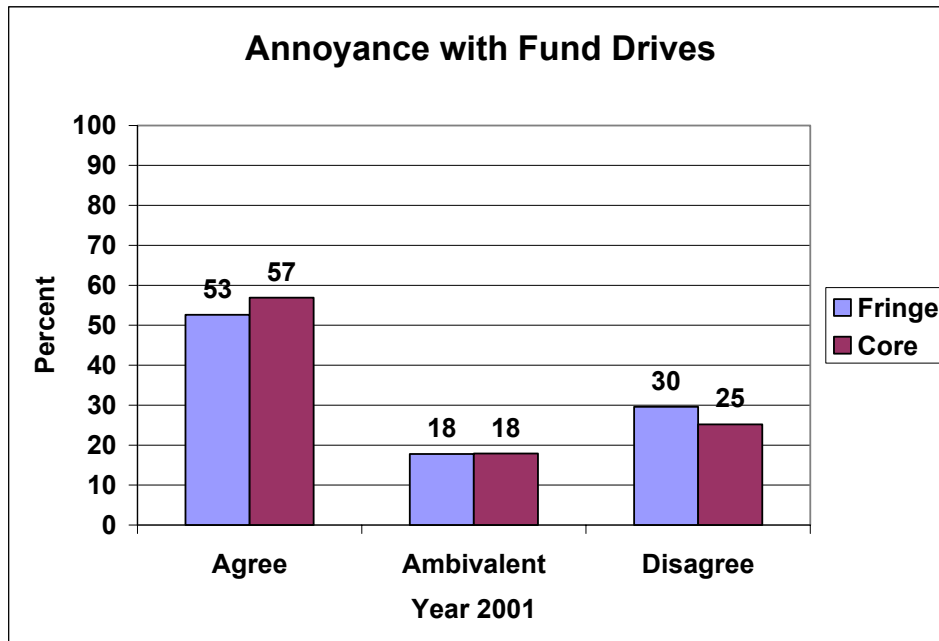
Note that we did not ask about telemarketing in general, rather we asked about telemarketing from the listener's public radio station.

One possibility is that some listeners do not mind the call because it is from their own station, like getting a telemarketing call from your college. But telemarketing annoys two out of three listeners.

The next chart shows the distribution of annoyance with on air fund drives.

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More than half of public radio listeners (53 percent of fringe and 57 percent of core) are annoyed with fund drives, but 30 percent of fringe and 25 percent of core are not annoyed with fund drives.

18 percent of listeners are ambivalent. They either slightly agree or slightly disagree that fund drives are annoying.

This distribution is also bi-modal. The larger bunch is annoyed by fund drives, although there is a smaller bunch that is not annoyed. Relatively few are ambivalent about fund drives.

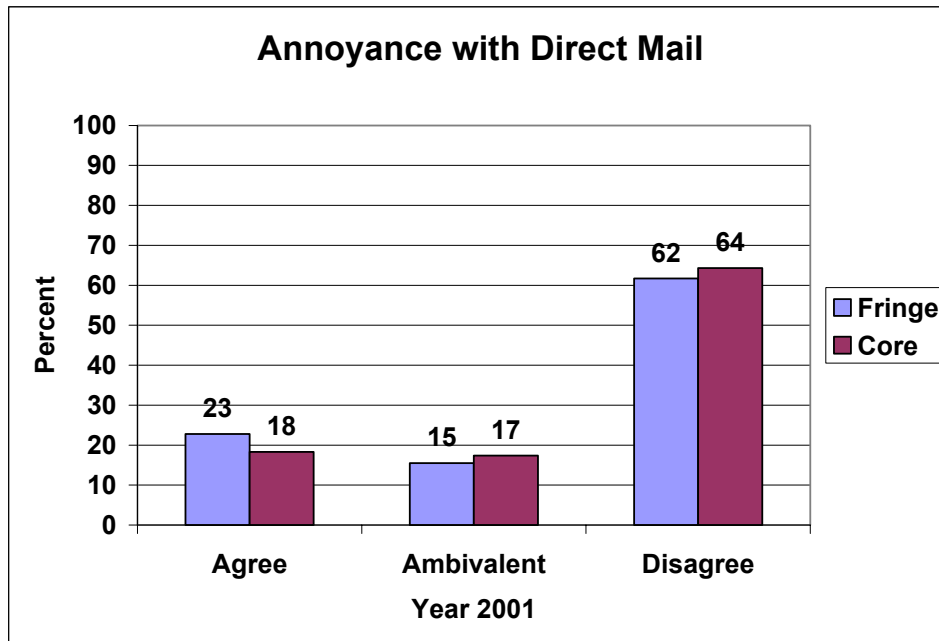
Interpretation

It is impossible to broadcast a fund drive only to the 25-30 percent of station listeners who will not be annoyed. Going on the air with a fund drive means annoying over half of your listeners.

The next chart shows the distribution of annoyance with direct mail.

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The headline from this chart is that over 60 percent of listeners are not annoyed with fundraising by direct mail. Only about 20 percent are annoyed by direct mail from their public radio station.

The distribution on this chart is nearly a mirror image of the chart for telemarketing annoyance.

Interpretation

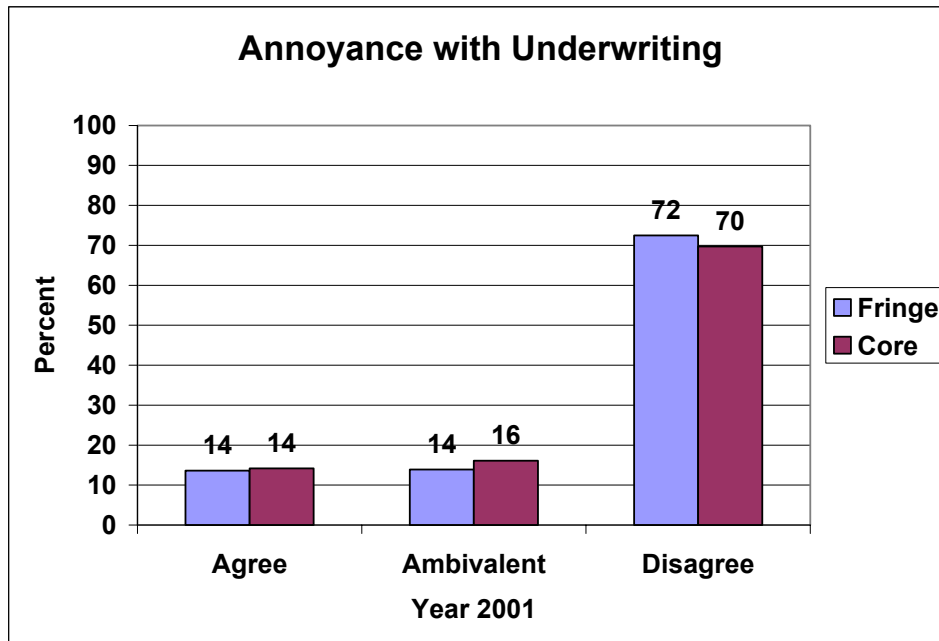
This finding confirms what we heard in the “Listener-Focused Fundraising” focus groups. Those respondents explained that direct mail could be opened at the convenience of the recipient. In contrast, telemarketing demands the listener’s immediate attention.

Yet we also found that if the design of direct mail is perceived as violating the core values of public radio, the piece may be tossed.

The next chart shows the distribution of annoyance with underwriting.

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Underwriting is the least annoying method of listener-sensitive fundraising.

Over 70 percent of public radio listeners are not annoyed by underwriting on their station. Only one in seven expressed annoyance.

Note that this distribution, unlike the others, is uni-modal. There is a strong consensus of opinion.

Interpretation

Underwriting is not a problem for most public radio listeners.

The credits are typically produced in a reserved and intelligent manner, reflecting the values of public radio. They do not interrupt programming.

Underwriting is much less annoying than fund drives.

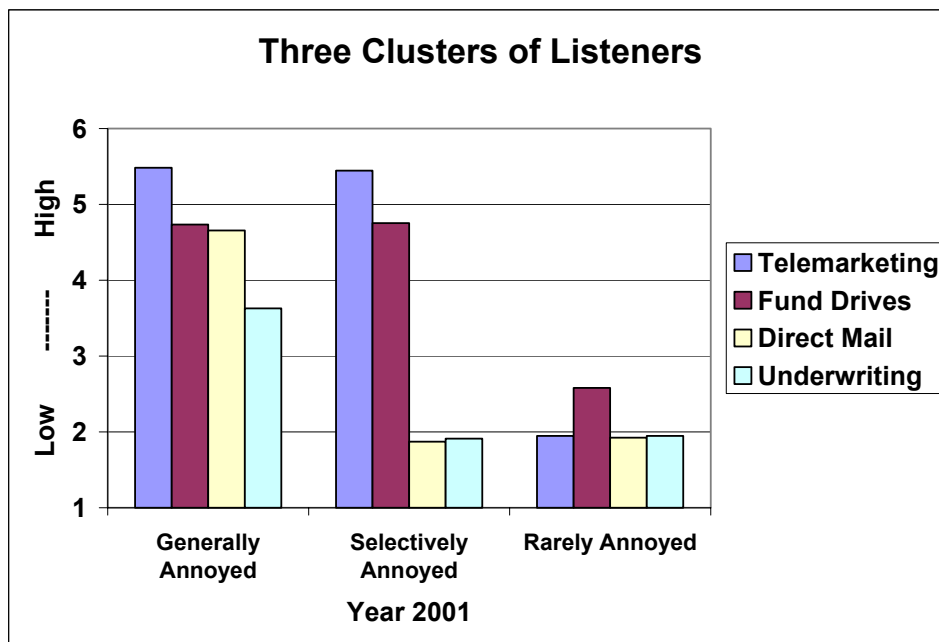
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Clusters of Listeners

Segmentation is a powerful tool that is used often in market research. For example, *Audience 98* used the VALS questionnaire to segment public radio listeners by psychographics—Actualizers, Fulfilleds and Achievers. We ran a cluster analysis of public radio listeners based on the distribution of annoyance with telemarketing, fund drives, direct mail and underwriting.

We identified three distinct clusters of listeners, as illustrated below:



One segment, which we called “Generally Annoyed,” is extremely annoyed by telemarketing—over 5 on our six-point scale. This segment is also very annoyed by fund drives and direct mail. In fact, this is the only segment annoyed by direct mail. At best, they are ambivalent about underwriting.

Another segment, which we called “Selectively Annoyed,” is extremely annoyed by telemarketing and very annoyed by fund drives. However, these listeners are not annoyed by direct mail or underwriting. Their annoyance is selective.

Finally, there is a third segment, which we called “Rarely Annoyed.” These tolerant listeners are not annoyed by any of the four methods of fundraising.

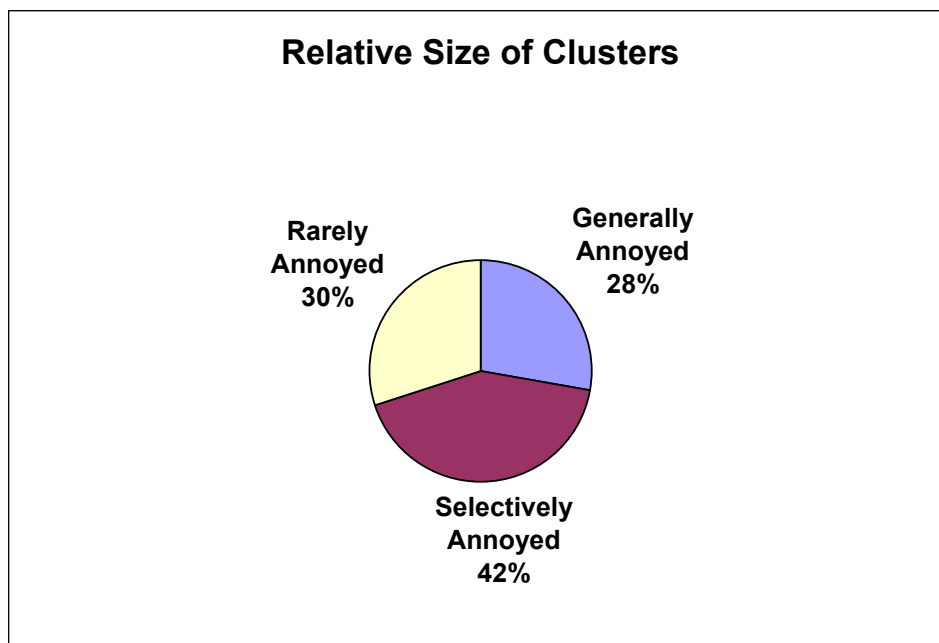
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Interpretation

Each of the three clusters of public radio listeners represents a distinct set of tolerances for fundraising. Listeners in each cluster will react differently.

The chart below shows the relative size of each cluster within the weekly cume.



The largest cluster of listeners, 42 percent, consists of the “Selectively Annoyed.” They are very annoyed by telemarketing and fund drives. They are tolerant of direct mail and underwriting.

28 percent of listeners are “Generally Annoyed” by all fundraising. 30 percent are “Rarely Annoyed” by any method of fundraising.

Interpretation

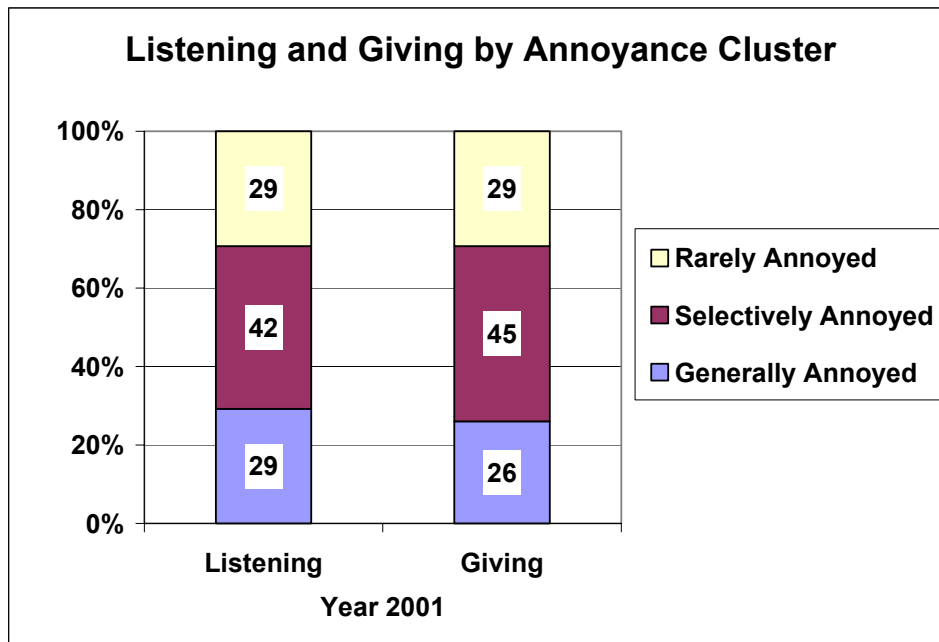
It may be that these clusters reflect inherent characteristics of people, like different personality types. Each cluster has a different pattern of tolerance.

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Listening and Giving

The chart below shows how the three clusters contribute to public radio's average listening audience and its listener income.



The "Selectively Annoyed" generate 42 percent of listening to public radio, but they contribute 45 percent of the money. They over perform in giving.

The "Generally Annoyed" generate 29 percent of the listening, yet they contribute 26 percent of the money. They under perform in giving.

Interpretation

Recall that the "Selectively Annoyed" do not mind underwriting or direct mail but they are very annoyed by telemarketing and fund drives. That cluster, the largest and most generous, deserves our special attention.

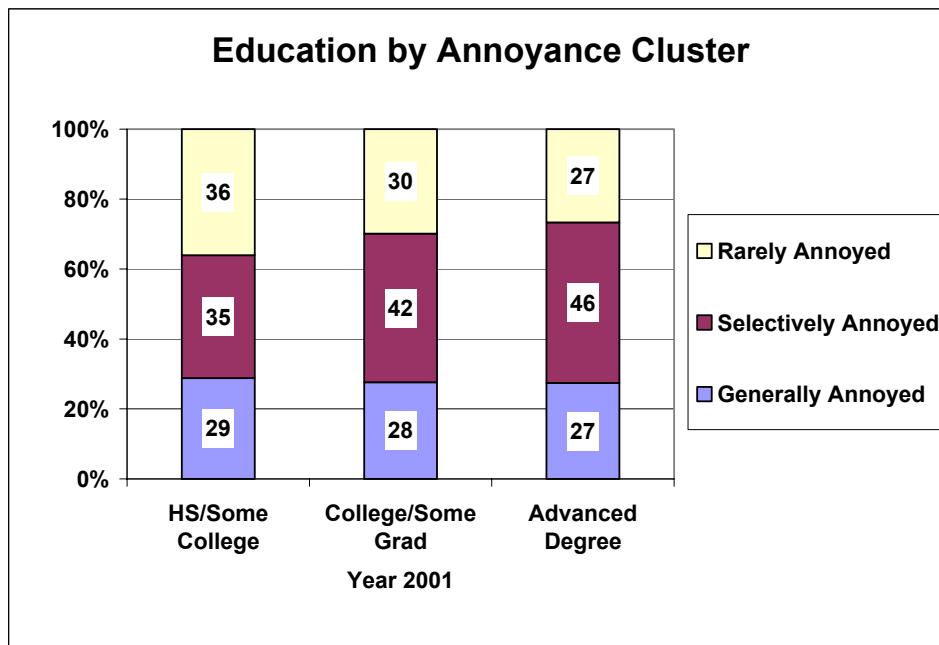
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Target Audiences

The signature programming on public radio appeals to highly educated listeners. The other dimension of appeal is generational cohort. The typical public radio listener is an aging Boomer with at least a college degree.

To further understand the potential downside of fundraising, we looked at audience targets. This chart shows how annoyance relates to education.



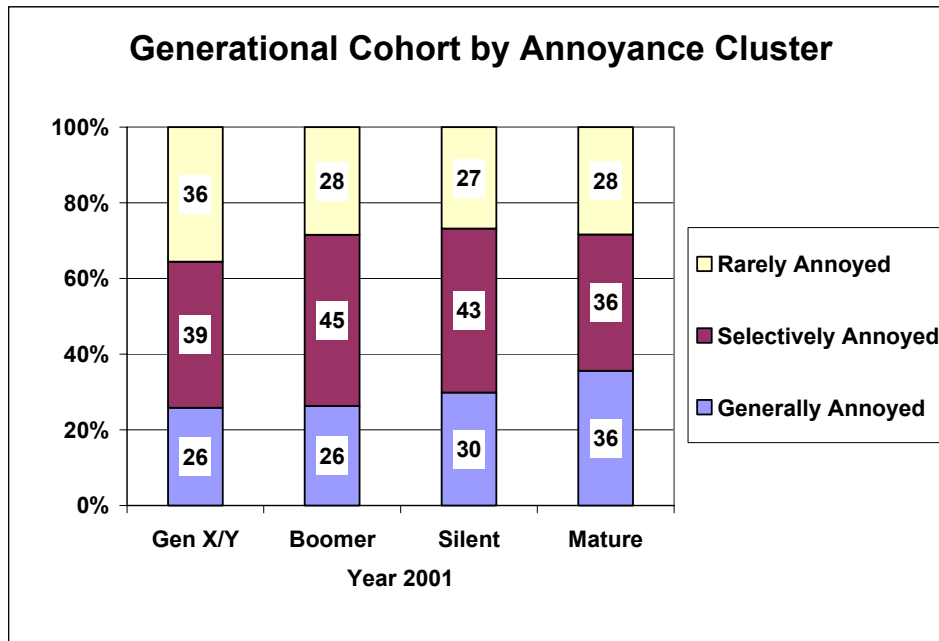
The proportion of “Selectively Annoyed” is highest among highly educated listeners with advanced degrees, 46 percent. That annoyance cluster is also dominant among listeners with college degrees, 42 percent.

Interpretation

In our previous reports, *Turning Listeners into Givers* and *Heavy Givers*, we confirmed that education is a powerful predictor of giving. Highly educated listeners contribute at higher levels. Now we learn that they are most likely to be “Selectively Annoyed.” Our best prospects for giving are annoyed with fund drives and telemarketing but not with direct mail or underwriting.

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This chart shows annoyance clusters by generational cohort. The two cohorts with relatively high percentages of “Selectively Annoyed” are the Boomers and the Silents. Gen X/Y over represents the “Rarely Annoyed” while the Matures over represent the “Generally Annoyed.”

The Boomers (born 1946-1964) were young when public radio was young, and they still dominate the audience for public radio. Their cohort has the highest concentration of “Selectively Annoyed,” 45 percent.

The cohort just older than the Boomers is called the Silent Generation (born 1934–1945). They are strong users of public radio. That cohort also has a relatively high concentration of “Selectively Annoyed,” 43 percent.

Interpretation

In 2004, Boomers and Silents range from 40 to 70 years old—definitely the target demographic for NPR news, classical music and jazz. Listeners in that target are concentrated in the “Selectively Annoyed” cluster, annoyed by telemarketing and fund drives, but not by underwriting or direct mail.

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Reliance, Importance and Giving

The first two Special Reports from the Public Radio Tracking Study were titled *Turning Listeners into Givers* and *Heavy Givers*. We confirmed that giving to public radio can be predicted by reliance and personal importance.

Reliance is listening, as measured by purely behavioral variables like loyalty to a public station and becoming a core listener.

Personal importance is an internal realization. Individuals who sense that public radio has become important in their lives are more likely to give.

Audience 98 called these steps the Stairway to Given. Listeners turn into givers after they come to rely upon public radio programming and realize that it has become important in their lives. For this report, we wanted to see how annoyance might block a listener's progress on the Stairway to Given.

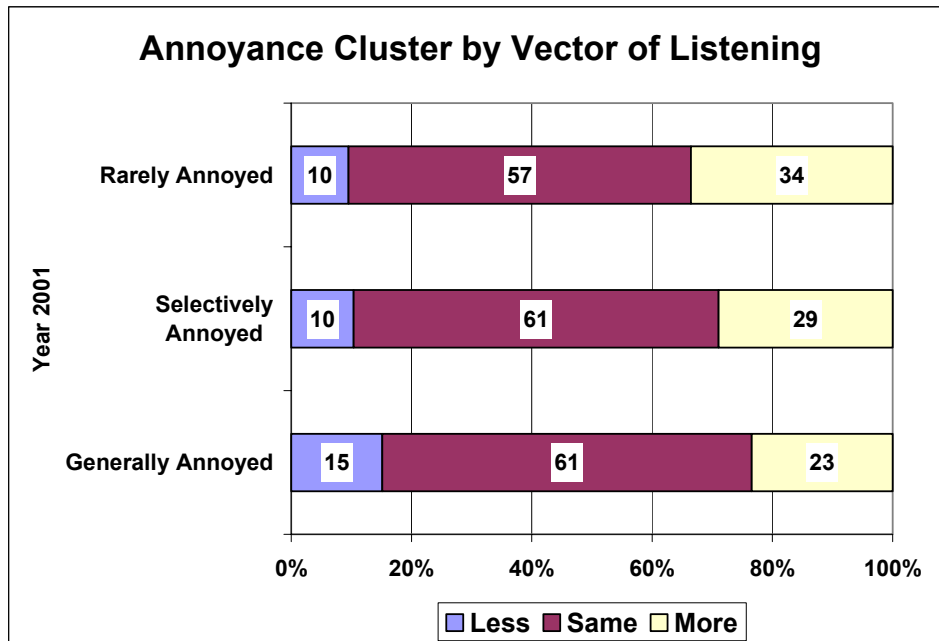
For example, it is possible that high levels of fundraising annoyance might discourage listening. Here is the wording of our question on listening:

Thinking back over the last year, would you say that you are listening to [STATION] much more, somewhat more, about the same, somewhat less, or much less?

Note that we measured listening as a vector—the direction of listening, more or less. The next chart shows how that vector of listening is related to fundraising annoyance.

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We collapsed the five-point vector of listening scale into three values—less listening, the same, or more listening.

Among the “Generally Annoyed” cluster of listeners, 23 percent are listening more but 15 percent are listening less.

Among the “Rarely Annoyed” listeners, 34 percent are listening more but 10 percent are listening less.

Interpretation

The vector of listening is positive among all three clusters of public radio listeners. For example, 90 percent of the “Selectively Annoyed” are listening either the same (61 percent) or more (29 percent) to public radio.

But the weakest vector of listening is among those who are “Generally Annoyed” with all methods of fundraising. The strongest vector of listening is among those who are “Rarely Annoyed.”

Annoyance may be suppressing the growth of listening to public radio.

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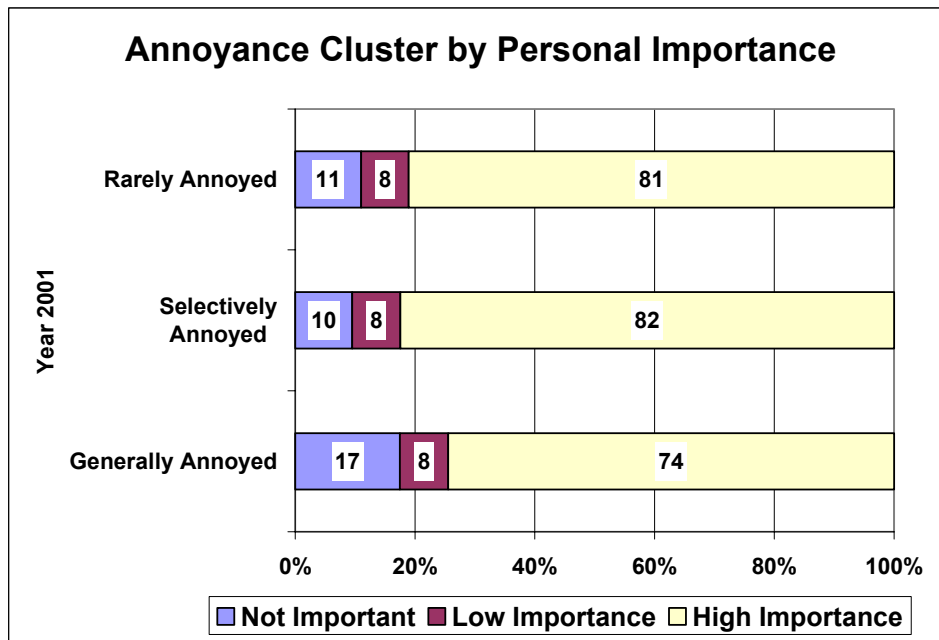
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Personal Importance

After reliance, which is actual listening to public radio, the next step towards giving is realization of personal importance. Here is the wording of our personal importance question:

The programming on [STATION] is an important part of my life. If it went away I would miss it.

The six-point scale ranged from strongly agree to strongly disagree. We collapsed the response scale into three values—high importance, low importance and not important.



Among the “Generally Annoyed” cluster, 74 percent consider public radio as highly important. But 17 percent rate the programming as not important.

Among the “Rarely Annoyed” cluster, 81 percent consider public radio as highly important. Only 11 percent rate the programming as not important.

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Interpretation

While the majority of listeners who are “Generally Annoyed” still perceive public radio to be highly important in their lives, levels of importance are higher among listeners who are “Rarely” or “Selectively Annoyed.”

It appears that fundraising annoyance can weaken both the vector of listening and sense of personal importance. Both are steps on the Stairway to Given.

The next chart goes directly to the listener’s predisposition towards giving.

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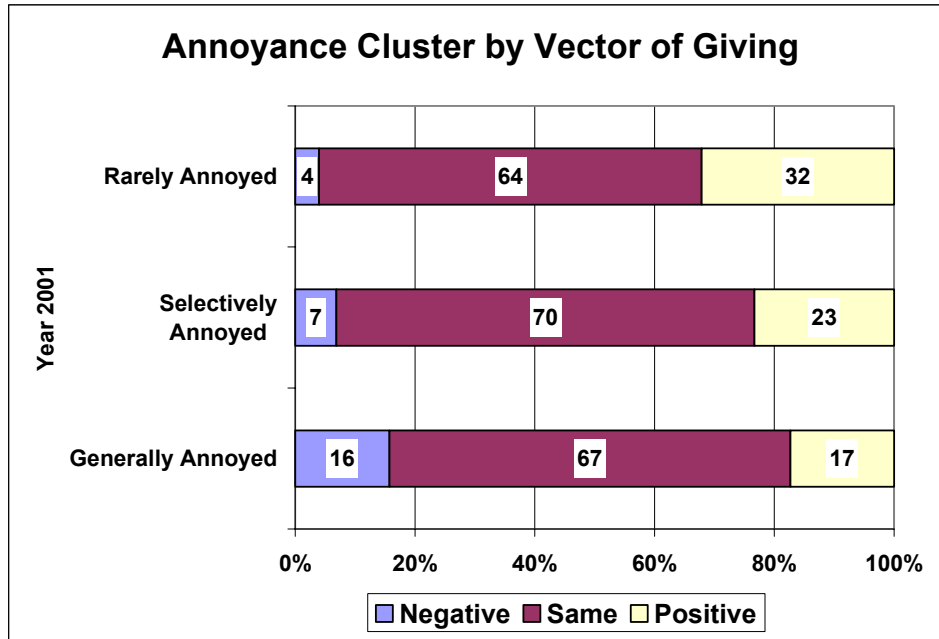
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Vector of Giving

If annoyance with fundraising tends to interfere with giving, it might be found in attitudinal changes over time. We worded this question as a vector of giving:

Think about your attitude towards giving money to support [STATION]. Over the last year, has your attitude towards giving become much more positive, somewhat positive, about the same, somewhat negative, or much more negative?

We collapsed the five-point scale into three values—positive, same, negative.



Among “Selectively Annoyed” listeners, 23 percent are feeling more positive about giving to public radio while 7 percent are feeling more negative.

Interpretation

The percentage of listeners who are feeling more positive about giving drops from 32 percent among the “Rarely Annoyed” to 17 percent among the “Generally Annoyed.” Annoyance may suppress the predisposition to give.

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Conclusions

Public radio managers have systems in place to measure the positive impact of fundraising. They analyze each campaign by the number of givers, average amount given, rate of renewal, rate of lift and other metrics. But there are no systems in place to measure the downside—annoyance with fundraising that might limit both listening and giving.

We found that the largest cluster of public radio listeners are “Selectively Annoyed” with fundraising. They are very annoyed with telemarketing and fund drives, but they are not annoyed by direct mail and underwriting.

Furthermore, we found that the “Selectively Annoyed” are concentrated in the center of public radio’s target audience, highly educated Boomers and Silents.

Public radio could reduce annoyance among our best prospects for listening and giving if stations and networks shifted more resources to direct mail and underwriting, rather than fund drives and telemarketing.

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Method in Brief

The Public Radio Tracking Study follows directly from *Audience 98*, which itself descended from *Audience 88*. David Giovannoni originally designed the recontact methodology, linking respondent-level Arbitron diary data with follow-up telephone or mail questionnaires about giving to public radio.

Audience 98 was based on Arbitron data collected in Fall 1996.

Most of the charts in this report, identified as Year 2001, are based on 8,137 completed interviews with public radio listeners who kept Arbitron diaries from Winter through Fall 2001. The sample is equal to the 8,000 respondents reinterviewed for *Audience 98*, but our respondents represent 13 leading major market stations, not a projectable national sample.

The trend chart, identified as Winter 1999 – Fall 2001, is based on 17,591 completed interviews with public radio listeners who kept Arbitron diaries from Winter 1999 through Fall 2001. The sample size is double the 8,000 respondents reinterviewed for *Audience 98*, but our respondents represent 9 leading major market stations, not a projectable national sample.