

**“CHOICE DETERMINANTS OF
DONORS GIVING
TO CHARITIES”**

Thesis submitted to Auckland University of Technology in 2006 by Fraser Alexander in partial fulfillment of the degree of Master of Business

ATTESTATION OF AUTHORSHIP

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning..

...../...../..... Date

Table of Contents

	Page
ATTESTATION OF AUTHORSHIP	2
TABLE OF CONTENTS	3
ABSTRACT	4
ACKNOWLEDGEMENTS	4
1. INTRODUCTION	5
2. MOTIVES FOR MY RESEARCH.....	10
3. LITERATURE REVIEW	12
4. THE RESEARCH PROBLEM	23
5. RESEARCH APPROACH AND RESEARCH DESIGN	24
6. DATA COLLECTION	32
7. DATA ANALYSIS AND INTERPRETATION	33
8. DISCUSSION AND RECOMMENDATIONS.....	42
9. REFERENCES	44
10. APPENDICES	48
Appendix 1 Focus Group Results	48
Appendix 2 – Expert Ranking of Health and Disability Charities By Donated Revenue	51
Appendix 3 - Survey Questionnaire Sample	53

ABSTRACT

The research applied multi-criteria decision-making analysis to donor decisions regarding the choice of a particular charity in order to identify which donor attitudes are significant in the giving decision. Factors affecting the appeal of major charities in Health and Disability were compared. The giving decision has not been widely researched overseas and particularly in New Zealand there is a need to do this in order to better manage Not-for-profit marketing resources. 24 factors associated with giving decisions were identified and quantified giving rise to a fully-specified giving model and potentially direct benefits to charitable organizations. The research has made a contribution to our understanding of donor choice determinants and giving models.

ACKNOWLEDGEMENTS

The author acknowledges the assistance of Associate Professor Brett Collins for his invaluable assistance with editing, interpretation of statistical analysis, data processing and sponsorship of the research. I also acknowledge the assistance of the Auckland University of Technology disability resource office, principally John Lambert, who assisted with reformatting materials such that my blindness-related software systems could operate effectively. Susie Tamapeau and Christina van der Wal are acknowledged for their assistance with Word processing and formatting.

Ethics approval was granted for this research on 12 December 2005 – ethics application reference: 05/232.

1. INTRODUCTION

In this introduction we seek to define the context and importance of gaining a greater understanding of donor decision-making, and outline how scientific realism could provide insights into addressing the question, “what are the key determinants influencing donor’s giving decisions?” Before detailing relevant literature in a review and stepping through how we approached the question of identifying and ranking determinants, it seems important to first justify our research. The justification here will incorporate aspects such as defining giving and giving decisions, conceptual developments in donor behaviour models, the relevance of enhanced understanding of determinants for not-for-profit (NFP) marketers and a guide to the structure of this report.

For this study, we define a determinant as any factor, attribute, criterion or issue that influences the giving decisions of individual donors.

Is there any pragmatic value in investigating the determinants of charitable giving in New Zealand? Who might benefit from an enhanced understanding of giving determinants? Some contextual background supporting our strongly affirmative response to the first question, and a collation of local industry observations are used to shed light on why one would enthusiastically pursue answers to the latter question, provide an appropriate place to begin.

In New Zealand and many other countries throughout the world a significant amount of goods and services are produced each year by organisations that do not have profit-making as a goal, do not distribute any profits to their members, and are largely reliant on the voluntary provision of labour and resources to operate effectively. These organisations are commonly referred to as non-profit organizations (NPO’s), not-for-profits (NFP’s) and voluntary organizations (VO’s) and collectively referred to as the third sector, the Charity sector and the voluntary sector. International studies suggest that NFP’s may contribute more than 5 % of a nation’s gross domestic product. Even at 5% of GDP (World Bank, 2005), New Zealand NFP’s contribute \$US4.984B to our GDP. In New Zealand the proportion of this figure resulting from financial contributions versus the gifting of labour has not been quantified, although in 2002, one New Zealand study (Robinson and Hanley, 2002) reported total income of NFP’s at \$1.12 billion. Comprehensive data on the non-profit sector in New Zealand is lacking, with the sector’s size and structure not fully quantified. In the absence of this information international comparisons of giving trends, numbers of NFP’s per capita and the like are difficult. What is clear, however, is that New Zealander’s collectively donate a significant amount of money to NFP’s each year and the competition for the charity dollar is intense. Figures available in October 2005(private communication, Ministry of social development, New Zealand government) show 83,959 organisations registered under the Charitable Trust Act 1957 and 62,270 organisations under the Incorporated Societies Act 1908. While it is difficult to estimate the proportion of these NFP’s that are actively engaged in fundraising, it does appear that New Zealand, with a population of just 4.05m, reflects part of an international trend towards increased competition for the voluntary dollar.

Sargeant (1999 p.216), commenting from a UK perspective states “Charities have multiplied in number with a few growing almost exponentially in size to dominate the sector.” So how do NFP organisations survive in the face of intense competition for the charitable dollar given that the number of slices of the pie are increasing faster than the size of the pie itself? Another expression of the question may be what strategic approaches could be taken to retain or enhance the NFP giving market share **for** a NFP organisation? And, additionally what strategic approaches could be taken to grow the NFP pie?

As for other markets, the impact of changes in the social, economic and political environment, along with the realisation that 80% of voluntary giving comes from individuals (Robinson and Hanley, 2002) has induced New Zealand NFP’s to embrace marketing concepts related to individual consumers (or in this case individual donors). For a number of years, in my experiences working in the NFP marketing sector, the New Zealand approach to applying marketing principles to addressing competitive challenges has largely been one of guestimating the likelihood that a potential donor with given demographic, psychographic and historic giving behaviour will donate to a particular campaign or appeal.

This philosophy that “the weather was fine today so it is more likely to be fine tomorrow than otherwise” is evident in marketing strategies prevailing across the New Zealand NFP sector. Practices such as segmenting databases for targeting direct mail campaigns on the basis of recency and frequency only and scheduling television advertising on the basis of audience type and audience size are all familiar examples of how NFP marketing practitioners take simplistic approaches to) maximizing voluntary revenues. The philosophy appears to be one of “our best donors/prospects have XYZ characteristics and that is why they give”. The characteristics may be demographic, giving pattern lifestyle or a range of other characteristics that charities incorporate into the profile of their unique “best donor”. The question of what determinants are significant in giving decisions appears to be thought of as a question of minor significance compared to answering questions such as how successful a particular targeting strategy turned out to be.

The question that we believe needs to be considered is the one of whether these current New Zealand NFP approaches will be successful in an increasingly competitive environment. Many of these prevalent strategies appear to be based on assumed motives of giving, assumed donor identification with a cause based on demographic profiles, assumed loyalty motives based on giving behaviour etc. While it is likely these assumed motives that underpin the strategy of an individual NFP organisation will indeed play some part in the decision making process of a potential donor, the question remains as to what part each motive/determinant plays.

In solving this increasingly important “crowding out” problem for New Zealand charities, our inclination is to find out what all the motives/determinants of giving are and, further, find out what role they play in giving decisions.

An important development in understanding the true motives for Kiwi generosity came in the form of the Philanthropy New Zealand 2003 Giving Behaviours and Attitudes Survey (Fink-Jensen and Lau, 2003). This study sought to understand current giving trends and their rationale, to identify barriers to giving and to identify possible actions to improve giving levels. A number of key findings of this study (relevant to understanding donor decision making) were reported. 54% gave without first being asked. A common response among non-donors is that they can't afford it (53%). Many shared the cause itself and its focus (95%) as a motivator for giving. "Altruism" and "trust" can be said to underpin the main reasons for giving; 91% answered, "my giving helps to improve the welfare of others" and 89% give because, "there are those that are worse off than myself." For the latter, 92% focused on the honesty or reliability of the organisation or cause, 85% the reputation of the organisation or cause; and 85% how the charity or cause uses/spends donations. Other sources of funding used or available to the cause, the amount of advertising or publicity created about the cause, and the size of the organisation or cause appear to have little effect on people's giving. NFP organisations supporting the health and welfare of New Zealand children were the most commonly chosen to support (85%), closely followed by support for ambulance and air rescue services and organisations dealing with illness and disease (both 80%). The reasons given for not giving more were essentially economic ones: not a large enough disposable income (17%), a higher income (32%). 54% are more likely to support a cause or organisation at the local level. When asked about the impact of government funding on their decision to give, one-third of respondents would give more to a charity with no government funding. 72% only support charities they know.

In making concluding recommendations, Fink-Jensen and Lau, (2003) suggest, that To encourage giving, New Zealanders should be educated in such things as a NFP's main type of work, who benefits, how the money is spent and a message related to the organisations honesty and reliability. Further, NFP's must provide opportunities for donations where people aren't pressured - more widely accessible donating via requests by mail, street appeals, and where the person can give without being asked first i.e. the person choosing to give is in control, that it is easy and/or quick, and that there is little or no pressure on the part of the giver. Further light was shed on the motives and giving characteristics of Australasians via "Giving Australia: Research on Philanthropy in Australia" (Commonwealth of Australia, 2005) who documented the reasons for giving of Australian individuals and households. The most frequently cited set of reasons are listed in Table 1 below.

Table 1: Prevalence of the reasons for giving by Australian individuals and households

Reason For Giving	% Of Givers
It's a good cause/charity	31.5
I respect the work it does	22.9
Sympathy for those it helps	14.3
I/ someone I know has/ had an illness or condition it tries to cure	13.1
I/ someone I know has directly benefited from its services	13.0
To help strengthen the community	7.8
I/ someone I know might need its help in the future	6.0
I trust it to use the money correctly	5.0
A sense of religious obligation	4.8
I/ someone I know is/ used to be a member	4.3

The report makes some generalizations in grouping the reasons and identifies those that are most significant, in order of rank, as “affirmation of identity”, “a sense of reciprocation”, “respect for a nonprofit organization” or “desire to strengthen the community/make the world a better place”. An interesting additional observation was noted - there was no correlation found between the prevalence of an individual reason for giving and the magnitude of giving attributed to that reason. This could well be due to the reason for giving having little importance compared with affordability/prioritization as a predictor of the magnitude of giving (total value of annual gifts). Notable among the reasons for giving with low prevalence were “obligation to the asker”, “feeling of goodwill” and “my employer encourages giving”.

It does appear that everyday Australians tend to support those innocent of the problems they experienced, and the connection and relevance of nonprofit organizations stemmed from locality, personal impact and emotional connection. Concern was also expressed about duplication and wastage, and corporate-style approaches to promotion were seen as unnecessary. Among wealthy Australians, different concerns existed and these individuals valued “addressing genuine needs”, “endorsement through formal or informal networks” and “trustworthiness and accountability”.

While both the Australian and New Zealand surveys provide insight into giving behaviour and motives, they fail to address the actual giving decision and interactions between determinants of giving decisions. Given that these two surveys endorse observations that competition among recipients is intensifying, and given that the prevailing response of individual organisations has been to utilise classical marketing concepts across identified segments (with assumed determinant attributes and motives) you may well ask what does this mean with respect to our research question- “what are the choice determinants of donors giving to charities”?

While the Giving Behaviours and Attitudes Survey (Fink-Jensen and Lau, 2003) has provided insight into giving motives and how NFP's may utilise these motives to improve giving levels and response rates, it remains unclear which determinants of giving possess what levels of importance. Our argument is that measuring the proportion of

potential donors influenced by an individual attribute of an organization (e.g. trust, government funding etc) or an individual giving determinant (e.g. affordability, value fit) in isolation does not offer insight into the overall significance of an individual determinant within a giving decision process. The issue an NFP would have in utilising such data on individual determinants (either individually or collectively) appears to be one of attempting to logically apportion marketing effort to account for determinants as presented in the Fink-Jensen and Lau (2003) study. For example, if one determinant has extremely high influence in the overall decision making process a NFP marketer could simply not afford to ignore it in any marketing activity he or she undertakes. By knowing, for example, that 91% of individuals are motivated by the cause itself does not tell us how important this determinant is compared with, for example, ability to afford a gift which is the reason given by 53% of donors asked why they didn't give more.

We believe, therefore, the need exists for a study that addresses the question of identifying all relevant giving determinants for a giving situation and subsequently empirically measuring their actual significance within the donors decision making process. Further, we believe there are strong indications to suggest a study identifying and quantifying the determinants of giving will offer valid challenge to the status-quo philosophy in New Zealand - "weather is likely to be the same tomorrow as it is today than otherwise".

At this point it is useful to define the charitable giving decision being investigated. We are specifically interested in the act of reaching a conclusion or making up one's mind to make a financial contribution to a fund or cause. In our study we will research the Auckland Metropolitan area and the choice determinants when giving to organisations in the Health and Disability sector.

Having defined the New Zealand NFP context and our view on the likely value of studying the determinants of individual giving decisions (as in the definition of a giving decision above), the problem emerges of how one could identify and quantify giving determinants within the New Zealand environment. And, further to do so in a manner consistent with an objective of providing valuable findings for academicians and practitioners alike.

As we are both identifying and quantifying the determinants of giving to health and disability causes in New Zealand, it is essential to explain and justify our methods of identifying and quantifying determinants. The identification process involves existing literature and local structured input and is explained in the chapters titled literature review, research approach and research design, data collection and finally in the data analysis and interpretation chapter. Eliciting and identifying determinants is explained in the data analysis and interpretation chapter.

2. MOTIVES FOR MY RESEARCH

As donor decisions or helping decisions may be evaluated from many perspectives - a consumer research, NFP marketing or social psychology one, the question of our motives for studying donor decisions requires some clarification. As outlined earlier in the introduction and later in our literature review, a pressing need exists throughout the charity world for better understandings of donor decisions, donor choice and its relationship with giving behaviour. The need for greater understanding of decision-making is borne of the need for better fundraising efficiency which should be achieved as a result of knowing the key determinants involved in a donor decision making process. This need of course has a pre-requisite – the recognition that NFP marketers, using traditional marketing concepts and principles are unlikely to retain and enhance charitable giving revenues. This is because they now experience more competitive markets (Webb, Green and Brashear, 2000: Sargeant and Lee, 2005) greater public financial accountability (Yavas, Riecken and Babakus, 1993: Handy, 2000) and greater donor stewardship expectations. It is our hope that a greater understanding of the how and why of charitable giving will decrease the likelihood that an organisation carries out inefficient marketing and fundraising operations. This understanding of the determinants of donor choice, we hope, will decrease the likelihood that an organisation concentrates on the wrong method(s) of giving, accentuates the wrong organisational attributes in its marketing messages, employs the wrong brand personalities, targets the wrong demographic/psychographics and implements inappropriate donor stewardship policies and processes. For example if it is found that an organisation's donors rate empathy with cause and impact of work very highly then the best fundraising results could well come from accentuating the organisation's achievements associated with outcomes, employing a brand profile that evokes empathy (bishop, 2005) and targets people close to the beneficiaries of the organisations work.

It follows that if an organisation is aware of the significant and insignificant determinants of giving to their organisation/sector then gains in fundraising efficiency would come from using appropriate marketing messages and targeting appropriate individuals. A better fundraising ratio and better fundraising total revenue has many benefits to both donors and recipients associated with a cause but it also results in enhanced perceptions of the value of philanthropy, brotherhood and altruism in creating an equitable and caring society. Our motives for this research centre on an opportunity to identify and quantify the how and why (the determinants of giving) such that these donor, organisation and society benefits are more likely to be delivered. A donor benefits from knowing his or her support has had greater impact on addressing the societal problem concerned and less being spent on fundraising costs. An organisation benefits from being able to deliver better outcomes and enhance its reputation and profile. Society benefits from being able to efficiently transfer resources to address it have identified humanitarian and social needs. Naturally then we are interested in how a NFP marketer looking to understand the how and why of giving to his/her cause or organisation could go about acquiring an appropriate understanding. As we will reveal later, marketing literature dealing with NFP's is relatively sparse, and it appears that NFP marketing researchers have not given much attention to how the determinants of giving decisions rank, correlate or differ for specific causes or giving vehicles. The

attention has focused on describing giving processes and sets of giving factors, rather than on how factors rank or correlate with each other or correlate with donor segments.

Our literature review below explains our research motives further by proposing that the current published models of donor behaviour are not universally applicable. A giving model, in our view, should take into account all giving decision processes and all possible giving determinants and our literature review will outline why we believe this has yet to be achieved and how the opportunity presents itself to take another approach that identifies and quantifies determinants for giving decisions. Such an approach, we believe, will have wider applicability than current models do as fundraisers and academic researchers seek better understandings of donor behaviour.

For example if the marketer wishes to understand the how and why young professionals give to children's charities by direct fundraising methods, he or she will be specifically interested in the significant determinants for this particular giving decision. The marketer may well not have the resources or inclination to consider the full implications of a giving model, preferring instead to concentrate on the significant determinants of the decision. The previous models do not identify significant determinants for particular giving decisions so the marketer is left with the somewhat challenging task of predicting what these might be-possibly doing so using previous models as a guide.

Our motivation, therefore, is comprised of both a desire to enhance NFP marketing efficiency and effectiveness (with all its associated community well-being benefits we mention) and to contribute to the advancement of knowledge on donor decision making and the determinants of charitable giving. The intention is to be able to alert NFP marketers within Health and Disability organisations (and potentially other cause categories) to the significant determinants of giving decisions.

3. LITERATURE REVIEW

In this review we aim to objectively consider many of the conceptual, empirical and technical developments related to principally donor decision making, but additionally those related to donor motivation and behaviour. We offer a perspective on the present state of knowledge and describe key published findings. We attempt to identify the known and unknowns of donor decision making and define what our study seeks to achieve in terms of its contribution to donor decision making knowledge. The justification for this study is based on extant literature spanning disciplines such as marketing, social psychology, economics, anthropology and behavioural science. While the literature has been integrated to synthesize useful giving models, there has been an apparent reluctance to empirically measure the overall significance of individual determinants within a defined donor decision situation, defined donor category or defined type of cause. Within this chapter we also aim to explain how developments within the decision making literature have played a part in shaping this research. The intention is that this literature review will serve as a foundation on which the theoretical framework for investigating giving determinants can be built.

Our aspiration in reviewing the relevant literature is to detail the background to the research question. This background justifies our approach to studying why donors make giving decisions. We explain how a well-established multi-attribute decision making tool (which has already enjoyed widespread acceptance across many decision making environments) should be applied to charitable giving decisions in New Zealand to better understand donor behaviour.

The majority of literature on donor behaviour has tended to concentrate on relationships between individual giving factors and giving behaviour. An exhaustive list has now been compiled of the individual determinant factors and, studies that provide useful insights into donor behaviour. Published work taken from scholarly journals is summarised in Table 2 below.

Table2: Studies and Findings Relating To Giving Determinants

Author	Journal	Determinants Or Constructs identified	Comments
Bennett and Barkensjo, 2005	Journal of Targeting and Analysis	Relevance, engagement, trust and commitment	Assesses impact of relationship marketing on donor behaviour.
Sargeant and Hilton, 2005	International Journal of Nonprofit and Voluntary Sector	Reciprocation, empathy, evoked emotion, fundraising service quality,	Proposes that close relationships with beneficiaries of the cause (or experiencing the social state addressed by the cause) is the most significant factor.

	Marketing	charity performance and professionalism	
Horne, Johnson and van Slyke, 2005	Nonprofit and Voluntary Sector Quarterly	Other funding (government)	Suggests giving behaviour overall is not affected by changes in level of government funding.
Steinberg and Rooney, 2005	Nonprofit and Voluntary Sector Quarterly	Altruism, patriotism	Suggested patriotism, evoked emotion and anger were strong giving motives.
Fillis, 2004	Corporate Reputation Review	Image, Reputation and Identity	Confines discussion to interpersonal influences— emphasis on networking and WOM marketing. Image and reputation are common drivers for donors with egoistic giving motives.
Kottasz, 2005	International Journal of Nonprofit and Voluntary Sector Marketing	Social rewards, awareness, reputation and tax incentives	Reveals strong inclinations towards 'social' rewards in return for donating (invitations to gala events and black tie dinners for example); and for well-known charities with established reputations whilst tax breaks did not represent a significant inducement.
Sargeant, West and Ford, 2004	Service Industries Journal	Organisational effectiveness, service quality, professionalism	Factors positively influencing giving measures included the demonstrable/familial utility deriving from the gift, organisational effectiveness and quality of service supplied. perceived professionalism negatively impacted on giving Efficiency and effectiveness.
Bennett, 2003	International Journal of Nonprofit and Voluntary Sector Marketing	Personal value-organisational value fit, opportunity to express personal values, empathy, hedonism (pleasure of the mind), relevance and image.	Article suggested personality traits such as individualism and materialism were significantly different across the 3 genres of charity studied.
Bennett and Gabriel, 2003	Corporate Reputation Review	Image and Reputation	Confirmed Image and reputation as distinct constructs. Found that image related to compassion, dynamism, idealism, and focus on beneficiaries and being seen as 'non-political'. Reputation related to how well known an

			organization was.
Gainer and Padanyi, 2003	Corporate Reputation Review	Reputation, NFP peer influence	Implied peer reputation directly affected donor decision making. Not a significant determinant of giving and not widely considered by NFP marketers.
Sargeant and Lee, 2002	International Journal of Nonprofit and Voluntary Sector Marketing	Trust	Proposes that trust influences giving levels. trust levels were associated with perceptions of the nature of fundraising communications. levels are the perception of good judgment exercised by the NFP's management. A factor of not giving as opposed to a factor of giving.
Webb, Green and Brashear, 2000	Journal of the Academy of Marketing Science	Values, morals, awareness, the perceived need, effectiveness and efficiency and image	They propose helping attitude comprises internalized moral values and personal norms (altruism, ego etc), perceived efficiency, effectiveness and need.
Handy, 2000	Nonprofit and Voluntary Sector Quarterly	Trustworthiness, efficiency and effectiveness	Suggests trustworthiness is a key determinant of giving and a degree of efficiency and effectiveness are critical elements of trustworthiness in the minds of donors.
Louie and Obermiller, 2000	Psychology and Marketing	Social desirability and impact of brand personalities (stereotypical assumptions)	An empirical study indicates that Social-desirability pressures may prompt potential donors to respond to look good, instead of citing factors that truly influence their behavior. Reinforcement of a negative gender stereotype by a NFP influences giving behaviour. A relatively weak determinant of giving in our view.
Markham, Johnson and Bonjean, 1999	Nonprofit and Voluntary Sector Quarterly	Perceived need and peer influence	Assesses the impact of community needs and inter-organizational ties on distribution of funds and concludes that there is no relationship between needs and giving, but clear relationships between networking and giving. Possibly a significant determinant for major gifts but of limited importance for the majority of individual donors.
Todd, S. & Lawson, R., 1999	International Journal of Nonprofit and Voluntary Sector	Demographics and values of frequent and infrequent donors	Suggests differing marketing tools (eg. Direct mail to target known donors) need to be used for retaining heavy donors, upgrading rare donors and attracting new donors, because they

	Marketing		have different value profiles and demographics.
Schlegelmich, Diamantopoulos and Love, 1997	Journal of Marketing Practice	Religiosity, generosity self-perception and affordability	Demographic, socio-economic, psychographic and situational characteristics suggested by the existing literature. All determinants studied here have some degree of relevance to the vast majority of donors.
Hibbert and Horne, 1996	The Journal of Consumer Marketing	Mood, donors evaluative techniques and the giving situation	paper proposes that consideration of consumer behaviour advances and suggests the decision to donate is a social learning and conditioning. The situational determinant emerges as an increasingly significant with new technology.
Smith and Berger, 1996	Journal of the Academy of Marketing Science	Framing of communication	The results indicate that suggested anchors and framing influence response rate (choice) but not size of gift. Reference information (factual/statistical and narrative/experiential) influences size of gift (estimation) but not response rate.
Radley and Kennedy, 1995	<i>Human Relations</i>	Citizenship, communitarianism, charitable ideology and pro-social behaviour	This paper empirically studies ways of giving, kinds of causes, and beliefs about the role of charity in society. A conceptual framework is constructed showing that charitable giving reflects variations in the relationship of individuals to the community.
Yavas, Riecken and Babakus, E. 1993	Journal of the Academy of Marketing Science	Perceived risk	This study shows that risk perception has little bearing on money and time donation behaviors. Results also suggest that while perceived risk does not predict donation behavior well, it improves prediction when used in conjunction with demographic variables.

As Table 2 shows, all conceivable giving factors have been considered, either in isolation or simultaneously with other determinants. It should be noted that Table 2 only includes relatively recent work on determinants. While there existed a low level of interest in donor behaviour until the 1980's, the earlier work on determinants is evident in the reference sections of the 2 earlier donor behaviour models – e.g. Guy and Patton (1989) has 14 while Burnett and Wood (1988) contained 21.

A consistent theme emerging from the body of literature on donor behaviour constructs, appears to be a recognition by authors of the need to qualify findings with statements related to the mitigating effect of other giving determinants (Yavas, Riecken and

Babakus 1993: Webb, Green and Brashear, 2000: Bennett, 2003). One could conclude this to be a recognition of the limitations of analyzing determinants or constructs in isolation, and therefore a need to simultaneously analyze a comprehensive set of factors, influencers and constructs as possible determinants of giving decisions?. Significantly, the majority of marketing journal articles found by Bendapudi, Singh and Bendapudi, (1996), focused on select aspects of the charitable organization's solicitation strategy - a statistic that could indicate marketing academics preference for observing the effects of marketing effort on giving levels rather than other aspects of NFP marketing such as donor behaviour (Fraser, Hite and Sauer, 1988, Reingen, 1982) .

Another notable observation from this body of literature is the lack of focus on the extent to which the determinant(s) or construct(s) studied could impact on the overall give/not give decision or under what conditions a determinant would have greater or lesser impact on a giving decision. This is evidenced in our observations that many authors qualify their correlations between perceptions, attitudes and influencers and the observed giving behaviour with statements to the effect "if other perceptions/influencers are constant..." (Dawson, 1988: LaTour and Manrai, 1989: Bennett and Gabriel, 2003: Sargeant et al, 2004). Hibbert and Horne (1996) even suggest that complete models of giving contain constructs or giving factors that may or may not be relevant in a particular giving situation depending on the involvement of the decision maker.

It appears these missing areas of focus played a role in stimulating 4 donor behaviour models (Sargeant et al, 1999: Bendapudi, Singh and Bendapudi, 1996: Guy and Patton, 1989: Burnett and Wood, 1988). With the exception of these 4 models, understanding donor decisions has received little attention of any significance to my background which needs to consider donor decision making, donor behaviour or giving determinants/motives. We now summarise these important contributions to our understanding of donor behaviour, donor decisions and the decision processes, and propose differences between the models - all with a view to highlighting the need to develop a fully-specified model.

Guy and Patton (1989 p.6) echoed the earlier sentiments of Burnett and Wood (1988) in recognising a gap in the understanding of donor decision making processes - "Relatively few attempts have been made by marketers to understand why people give to help others, or to understand the decision processes involved or the factors that influence giving." Their approach to defining a model was guided and

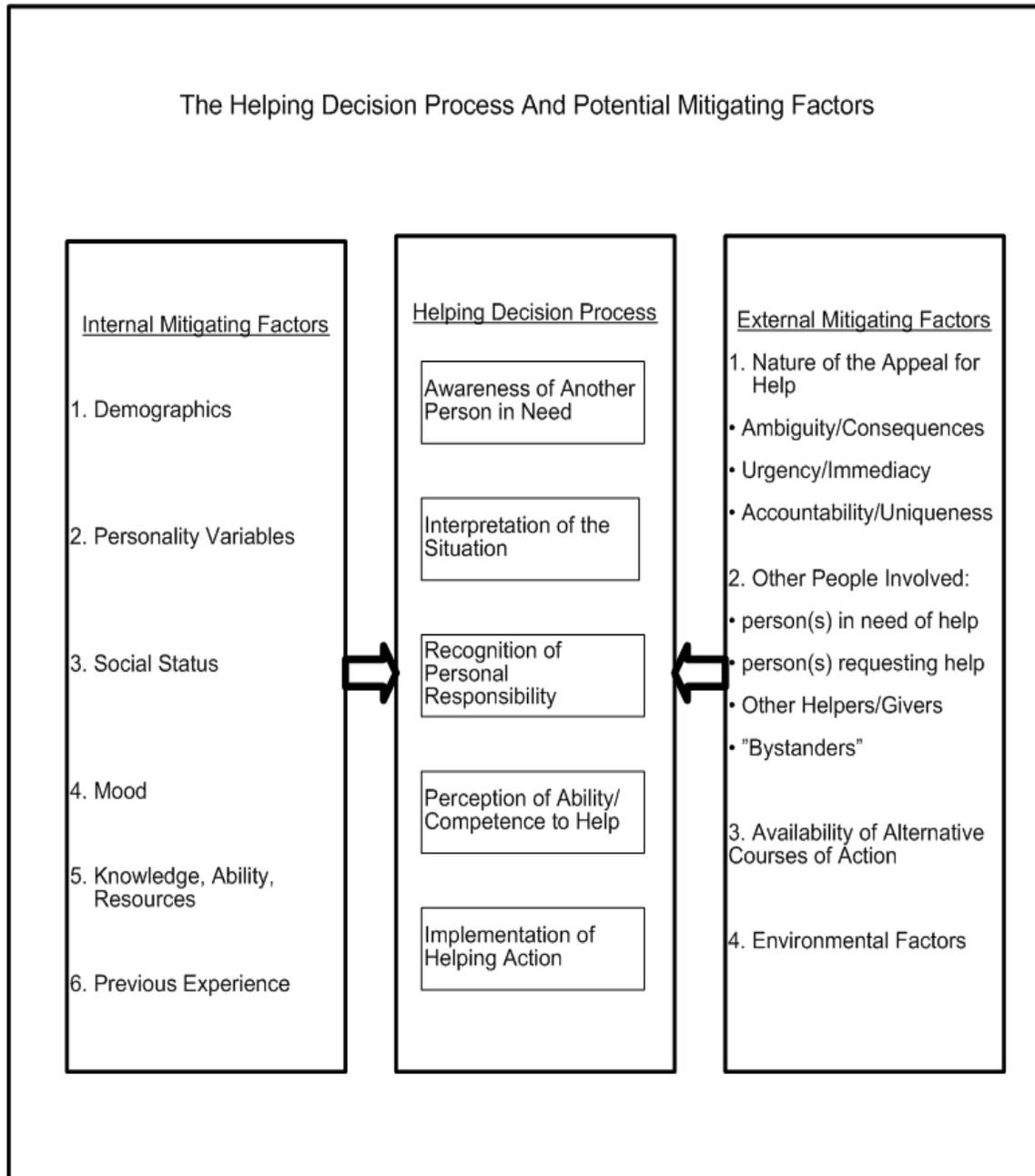
inspired by 2 clear ideologies. They state that NFP's should begin with a basic understanding of donor motivations and behavior rather than the mere adoption of specific marketing techniques commonly applied to the mass marketing of products and services and they believed that motivation is translated into behavior only after the individual has completed a decision process that leads to that behaviour. This is justified by suggesting that for people to help others in need they must first interpret there to be a need and that they are capable of assisting- a precursor process to a helping behaviour.

As you will discover later when we define our research question further, the paper is important background as its stated objectives bear close resemblance to our own. Guy and Patton's objectives were to answer 4 questions - why do people give and what are the motives? what is the decision process that individuals follow?, what are the

mitigating factors that may enhance or inhibit this helping behavior? And how could an understanding of donor behavior be applied in marketing techniques?

In largely rejecting economic explanations for donor behavior, Guy and Patton (1989) look to theory in social psychology and other behavioral sciences to shape their giving model which essentially is based around a fundamental helping decision process (Penrod, 1983) – a process somewhat different from the purchase decision process suggested by many consumer behaviorists. The economic explanation suggests that people help simply because they expect some economic or social reward in return -the old idea of selfish economic man. The economic explanation is principally concerned with expectation of reciprocation, societal responsibility and the like rather than explaining giving as a series of individual responses to specific needs. Guy and Patton's model consists of a decision making process (they term "helping decision process") containing 5 basic steps and 2 types of Potential Mitigating Factors (internal and external).

Figure 1: Helping Decision Process:



Source: Guy and Patton, 1989.

The authors then detail literature that justifies the inclusion of mitigating factors and succinctly explain the 5 steps of the decision making process. They very rarely, however suggest how or where an individual mitigating factor will impact on the helping decision process, preferring to comment generally, making statements such as "There is strong evidence that factors external to the situation have a considerably stronger influence on helping behavior than do the personal characteristics of the individual"(p. 10) . In other words, the model suggests a process that is influenced by a series of potential mitigating factors but it doesn't specify the relative magnitude of impact for particular factors. The

model suggests that donors go through a process rather than make a decision solely on the basis of certain determinants or constructs such as empathy, value-fit or trust. Guy and Patton contend that "...a breakdown can occur at any of the steps in the process and thus negate any potential helping behavior. None of the steps can be ignored, as each is necessary but not sufficient in generating the donation"(p. 9). We believe this to be simplistic and potentially restrictive. As pointed out in later work by Hibbert and Horne (1996) and Sargeant (1999) donor decision processes can vary greatly with variation in the giving situation (street collection, direct response television, planned payroll giving, and bequests). There is also the situation where 1, 2, 3 or 4 of the steps in the process is sufficient to generate a giving decision. This could be the case where other steps are irrelevant or insignificant or the decision has low levels of involvement.

We believe the value of this work was demonstrated in Guy and Patton's recommendations to NFP marketing practitioners-Generate Awareness That Needs Exist, Provide Need Satisfaction (donor need), Instill a Sense of Personal Responsibility in the donor, demonstrate the donors Ability/Competence to Help and remove giving barriers. These recommendations were, in retrospect, important to the incorporation of consumer behaviour knowledge into the NFP sector - an incorporation that has generally still to take place in New Zealand. There is value in this work in terms of our study as it gives a comprehensive account of work on determinants of giving pre 1989(essential in compiling our questionnaires) and gives rationales for individual mitigating factors of giving. Collectively, Burnett and Wood (1988) and Guy and Patton (1989) have streamlined the process of ensuring the full complement of important literature derived determinants is included in our study.

We now comment on the next significant model of donor behaviour- the work of Bendapudi, Singh and Bendapudi, 1996

Their analysis of giving proposed a flow chart including the Perceptual Determinants of Charity Giving Behaviour that led to their Model of Individual Charity Giving Behaviour. They also expressed a view that donor behaviour had attracted little attention in the literature. They observe, "Over the past 10 years, on average, less than 1.5% of the articles in the proceedings of the American Marketing Association and the Association for Consumer Research deal with helping geared toward charities"(p. 36). Bendapudi, Singh and Bendapudi, (1996)

were clearly concerned at the lack of attention within the marketing literature to key giving factors such as social norms for helping, donor perceptions, familiarity of the charity and the portrayal of the help recipient). The intention was to extend the work of Burnett and Wood (1988) and Guy and Patton (1989) in three important directions. Explicitly, accounting for the diverse motivations that underlie helping behaviour, specifically addressing the role of the soliciting charitable organization in the helping decision process and examining donor motivations and organizational context in tandem – all important aspirations we ourselves cite in developing our research question later.

Interestingly, Bendapudi, Singh and Bendapudi, (1996) incorporate diverse fields of study in assembling determinants to understand helping behaviour. They draw on economics (e.g., agency theory, strategic altruism), sociology (e.g., normative influences, social comparison), and psychology (e.g., social impact theory, reactance theory). A conceptual framework of helping behaviour and its antecedents, moderators,

and consequences was proposed and a process map of people's helping decisions was presented. The authors claim, "the framework enables theorizing to move beyond the prediction of main effects (either charity or donor variables) to the richer investigation of the interaction effects of the charity and donor variables on helping behaviour"(p. 44) . This particular model is founded on a premise that basic steps in the decision processes are the same for different kinds of helping. Bendapudi, Singh and Bendapudi, (1996) state "this generic helping decision process involves four sequential steps - perception of need, motivation, behaviour and consequences (Batson 1987)"(p. 37). The conceptual framework of people's helping behaviour toward Charities was proposed by the authors. This framework was then used to devise a process map of people's helping decisions that included the four steps (perception, motivation, behaviour and consequences).

The model defines pathways of giving a little further than previous models in that it suggests a type of behaviour can categorise the individual taking a particular pathway. They are described as a hard-core non-donor, converted donor, lapsed donor or a repeat donor.

The authors conclude with a salient description of their model by claiming "The presence of distinct motivational paths has received considerable research support in the social psychological, sociological, and economic literature. By formalizing the motivational routes - to gain rewards or avoid punishments, to reduce personal distress, to alleviate the other's need - we enrich current understanding of the helping decision process. "(p. 45). Without some form of empirical testing of the model, the question remains as to whether these suggested decision pathways are actually walked down by donors and non-donors. We believe a valid contention could be that the giving factors quoted in the model are of greater interest and value themselves rather than whether the process is an accurate reflection of actual donor behaviour.

Throughout the 1990s, as it became ever more apparent that donor recruitment and retention required an understanding of why people give to their cause, a natural development was to question the thinking on the donor decision process. Hibbert and Horne, (1996), were motivated to claim, "Whatever people's motivations for donating to charity, if research into donor behaviour is to progress it needs to look beyond "why" people donate to consider the reality of "how" they donate"(p. 6). Their contention is that donor behaviour research has concentrated heavily on motivation while neglecting giving situations and this has had the effect of limiting our knowledge of the donation process. The authors observe that the greater part of the literature deals with motivation and information processing and this appears to be at odds with many decisions to donate which are largely to be a response to social learning and conditioning. In terms of identifying and ranking determinants of giving, this work was important as it made a clear case for considering determinants that have significance with respect to the "how" aspect of donor behaviour.

The most recent attempt to develop a model of determinants of giving was the work of Sargeant et al, (1999). A theoretical model of giving behaviour was developed, comprised of six distinct dimensions. These were

Inputs: Charity Appeals, Brands, Facts/Images, Mode of Ask.

Extrinsic Determinants: Age/Gender, Religion, Social Class/Norms, Income.

Intrinsic Determinants: Need for Self-Esteem, Guilt, Pity, Sympathy, Empathy, Fear.

Perceptual Reaction: Portrayal, Fit With Self, Strength of Stimulus. Perceptual Noise.

Processing Determinants: Past Experience, Judgmental Criteria.

Outputs: Cash, Time, Kind, Size of Gift, Lifetime Value.

As this model represents the most recent model of donor giving behaviour that accounts for the marketing, economic, clinical psychology, social psychology, anthropology and sociology literatures, it could be argued, it contains the most comprehensive list of widely accepted giving factors and the most recent appraisal of the utility of a donor behaviour model currently available.

The authors suggest further research is needed to validate the proposed model and to define the nature of the relationships between the variables identified. As if to unconsciously endorse the need for work on identifying and quantifying determinants, they even suggest “the extent to which each variable might vary in its significance and impact remains uncertain. Further empirical work is therefore essential”(p. 229) . A word of caution is also made with respect to the model they postulate. Accounting for charity donations as the result of a cognitive process involving considerable information processing is a rationale that has questionable legitimacy. Further, as pointed out earlier by Hibbert and Horne (1996), giving may be more a response to social learning and conditioning than as a result of a cognitive process.

Questioning the legitimacy of previous models in this respect seems increasingly likely given the variety of giving vehicles and new technologies now employed in fundraising. For example, since 1999 new giving methods emerging or becoming established in New Zealand have included automated telephone giving, internet giving, donation with purchase and text giving.

So what does this summary of work on giving factors, models of donor behaviour and donor decision processes actually mean in terms of our objectives? We

suggest the review uncovers a need to consider a wide range of giving determinants or factors but consider them in the context of the giving situation we are looking to influence(our sector, our organization , our appeal etc). In light of the fact that marketing concepts have been visible in the NFP world since the late 1960s (Kotler and Levy, 1969; Shapiro, 1973), it could be argued that NFP organisations need to move away from using just contemporary marketing concepts alone to guide their marketing strategy. Deeper understandings of their donors, if utilised logically, could potentially deliver optimal returns for an organisation. Thus we believe an opportunity emerges to identify and quantify the importance of all determinants under specific conditions. The specific conditions we refer to here could be determined by the marketing practitioner.

Our rationale for this argument in favour of identifying and quantifying determinants (as opposed to using previously articulated giving models described above) is that we

believe there is considerable evidence to suggest a prescribed donor decision process has its applicability compromised by factors such as giving situation and donor involvement. To clarify this, a practitioner wishing to formulate a marketing strategy based on one of the models above could spend considerable time incorporating the influence of mitigating factors/constructs/determinants when, in reality, they have no role in the decision making of potential donors. The question therefore emerges as to how one might identify and quantify determinants and validate empirical findings resultant from the chosen technique for doing so.

Before carrying out our empirical work we clearly needed to look to options for analysing choice determinants in multi-attribute decision processes and explain our options and the reasoning behind our selection. Scholl et al, (2005) commented on the 2 most widely accepted options, the analytical hierarchy process (AHP) and conjoint analysis (CA) "A detailed analysis reveals that AHP and CA are applicable on principle but each method has its individual pros and cons. Applying CA is particularly recommendable in case of a few attributes and attribute levels which can be combined arbitrarily. AHP allows for more attributes and slightly more levels"(p. 775). As we will explain later, the appropriate number of attributes/determinants for our study is relatively large.

With respect to almost every measure AHP performs slightly or even considerably better(Scholl et al, 2005). In particular, AHP seem to enjoy better compliance from respondents. Both methods show a high predictive validity measured by hit rates and rank correlation tests when compared to a reference method based on real alternatives. Since both methods use completely different approaches but get similar results, we can support the previous observation that AHP and CA provide valid models of the respondent's preferences and thus have good predictive capabilities.

As we later explain, the article, "Identification of Determinant Attributes Using the Analytic Hierarchy Process" (Armocost and Hosseini, 1994), shows how the AHP technique is a helpful tool for marketing practitioners and academic researchers seeking to understand the decision-making processes of specific market

segments. While the AHP has far greater applicability than consumer choice decisions, Armocost's article concludes "Determinant attribute analysis attempts to identify this subset (of important attributes) based on the respondents' attitudes, perceptions, or behaviour"(p. 389). Given the motives for our own study, it does make sense to replicate the work of Armocost and Hosseini, (1994) as the identification of the determinant attributes is a highly critical component of developing a marketing programme. Especially so, we contend, with respect to segmentation, branding and positioning strategies for NFP campaigns. Armocost and Hosseini, (1994) argue that Most marketing research projects, both basic and applied, begin by developing a list of the attributes that are important with respect to the eventual consumer choice behaviour.

While in all 3 reviews there is a rationale for the offered model and its included determinants of giving, there is no attempt to empirically investigate the importance of determinants or their impact on giving/not giving decisions under specific conditions.

4. THE RESEARCH PROBLEM

An appreciation of extant literature on donor behaviour, donor motives and donor decisions along with a portrait of the charitable giving environment in New Zealand could stimulate interest in a number of feasible propositions when seeking logical and valuable research questions. Such questions could include empirical testing of existing giving models, evaluating the practical utility of published findings and any number of research questions associated with both positivist and interpretivist approaches. In formulating our research question from many alternatives, we needed to have some assurance that, in the context of seeking enhanced understanding of donor behaviour, investigating determinants of giving is not in fact focusing on a consequence of some more significant phenomena. As we touched on earlier, we are interested in identifying the underlying reasons why donors choose particular organisations to give to, or in other words we want to identify the significant determinants involved in a decision to choose a particular alternative.

Our earlier literature review emphasized the capabilities of AHP in understanding choice decisions. In applying multi-criteria decision analysis to charitable giving decisions a number of potential research questions could be proposed and, indeed, justified in terms of a range of valuable objectives. The researcher could be interested in the decision from the point of view of a defined group of decision makers, from the point of view of ranking attributes or criteria of a decision or from the point of view of creating a decision hierarchy. The AHP can deliver answers in each case. In terms of interest and relevance to marketing practitioners and consumer behaviour researchers, it appears arguments of similar validity could be made for investigating a series of research problems:

1. What factors are involved and what factors are significant (high determinance) when donors make giving decisions? What is revealed with respect to the published models of donor behaviour?
2. What effect do individual demographic parameters have on the determinants of giving? What correlations exist?
3. Are the determinants of giving dependent on the type of organisation(s) an individual donor gives to?
4. How appropriate is the AHP to understanding charitable giving behaviour? I.e. in terms of scientific realism v other approaches?
5. Are alternative rankings of organisations via AHP consistent with other giving data reported independently?

Within the resources available, and the motives for our research outlined earlier, it is appropriate to investigate question 1 only. In answering this question, we will be able to provide information on what determinants of donor choice decisions exist in the Auckland population as well as the magnitude of the influence of particular determinants (the determinance score). Our findings will also enable us to critique previous models of giving in terms of their “completeness”. Further analysis of the data would be possible in a more detailed study with more refined objectives- e.g. what are the significant determinants for X segment (age, magnitude of giving, education etc).

5. RESEARCH APPROACH AND RESEARCH DESIGN

As literature, accepted fundraising theory and our rationale here concur, decisions to give to a charitable organisation generally involve a number of factors or determinants. The determinants themselves can be as broad as something like reputation or a more specific component of the factor or determinant. In the case of reputation a perception of favourable reputation could comprise perceptions of trustworthiness, effectiveness, professionalism and positive feelings associated with familiarity.

In looking at techniques for analysing multiple attribute choice decisions, the two best options appear to be to use the Analytical Hierarchy Process (AHP) or conjoint Analysis (CA). CA is a statistical research method that involves the measurement of the collective effects of two or more independent variables (e.g. organizational attributes, effectiveness, locality, familiarity etc.) on the classification of a dependent variable ("overall liking," giving intention, or any other evaluative measurement). The objective of conjoint analysis is to determine what combination of a limited number of attributes is most preferred by respondents. Scholl et al (2005) compared the applicability of each process and concluded that applying CA is particularly recommendable where there exists few attributes and few attribute levels which can be combined arbitrarily. AHP allows for more attributes and more levels. As explained later, our intention is to identify all possible determinants of giving (without making prior judgments on their relevance or otherwise) before quantifying their importance and therefore we require a technique that can initially incorporate large numbers of determinants or attributes.

So would the AHP be appropriate to analyse charitable giving decisions given considerations such as the unique nature of the giving determinants, the intangible nature of the benefits of giving, the arbitrary nature of the set of alternatives and the fact that the majority of donor behaviour is low involvement (Hibbert and Horne, 1996)? Omkarprasad, Vaidyaa and Kumar, 2006) reviewed 150 applications of the AHP and noted that most of the papers could be categorised as engineering and selection, social and selection or personal and decision making. "This highlights the utility of AHP as a decision making tool in engineering as well as in the social sector"(p. 4). It was observed that within the theme "engineering and selection", papers were involved with selection, evaluation, benefit–cost analysis, allocations, planning and development, priority and ranking, and decision-making.

It could be argued that the successful application of AHP across these situations has significance with respect to our quest for an appropriate method for identifying and quantifying the determinants of donor decisions. When a donor makes a giving or not giving decision there is some relevance to the types of studies identified here - namely selection, evaluation, benefit-cost analysis, allocations, planning and development, priority and ranking, and decision-making. With the exception of planning and development, a donor decision could feasibly be related to each type of study that the authors identified as benefiting from the use of AHP. They then went on to emphasize the strength and flexibility

of AHP. The wide ranging possibilities of AHP have been reported by Fogliatto and Albin [52] who incorporated 7 levels in a hierarchical way while Akarte et al. [2] used AHP to evaluate eighteen alternatives. "(p. 7). They concluded the review emphasizing their view that AHP is going to be used widely for decision making, it's use in combination with various other techniques is now common and software packages support the technique well.

In the article "Identification of Determinant Attributes Using the Analytical Hierarchy Process", Armacost and Hosseini (1994) propose a new approach to explicitly identify determinant attributes and to offer a superior measure of determinance scores. Their work resulted in the explicit identification of determinants that incorporates more detailed differences among the alternatives, provides a logical procedure for considering large numbers of attributes and for considering multiple levels of attributes.

But the question remains as to how appropriate the AHP DA technique is for gaining an understanding of our specific situation - the determinants of giving decisions. The assertion of Armacost and Hosseini (1994) that "human beings, when faced with a decision-making task involving many attributes, usually base their decisions on a subset of the information available to them...determinant attribute analysis attempts to identify this subset based on the respondents' attitudes, perceptions, or behaviour"(p. 385) needs to be evaluated with respect to donor decision making. We believe the assumption that givers only consider a subset of the attributes is reasonable as, at the time of making giving decisions in response to letters, street solicitations and direct response television campaigns etc, the givers generally have insufficient time or information to evaluate a full set of attributes. We also suggest that the literature reviewed above could quite possibly represent "attitudes, perceptions, or behaviour" referred to here.

The AHP-DA approach identifies determinant attributes in the context of multiple levels of attributes, is easy to understand and use (Expert Choice Decision Support Software 1983) and enables computation of difference and determinance scores for criteria and sub-criteria(attributes and sub-attributes). Armacost and Hosseini (1994) define further their findings-" AHP-DA can identify determinance at various levels of attributes. The AHP-DA approach provides a very explicit basis for making the comparisons "(p. 390).

The application of determinant attribute analysis is not so much concerned with what is the preferred choice as much as it is with what attributes actually determined the choice for that given set of alternatives. In other words, the focus is on the relative impact of attributes on the alternative selection rather than the relative popularity of alternatives. If a given attribute is important in alternative decision making but all alternatives perform well with respect to this attribute then the attribute has low determinance and therefore wouldn't provide a good target for those wishing to influence alternative selection. As we identified earlier, our interest is in improving marketing efficiency through understanding donor choice decisions and we suggest that merely understanding the impact of a list of attributes or determinants by itself will not provide the best determinant information. The determinance score of attributes is the key - high determinance score indicates an attribute that requires attention by those wishing to influence alternative selection.

The AHP, developed by Saaty (1990), involves three basic elements: (1) describing a complex decision problem as a hierarchy, (2) using pairwise comparisons to estimate the relative importance of the various criteria on each level of the hierarchy and compute the priority of each criterion, and (3) synthesizing the resulting priorities over all levels to develop an overall evaluation of the decision alternatives.

The AHP as formulated by Saaty (1990) requires those applying the process to be able to clearly define the decision-making process in the form of a hierarchy. In our situation, a number of pre-requisite conditions need to exist in order that an argument for using AHP to investigate donor giving decisions can be substantiated. Initially we need to be able to structure the decision problem. The factors that are important for the giving decision must be all included within the hierarchy and the arrangement of these factors must reflect a logical hierarchic structure - descending from an overall goal to criteria, sub-criteria and alternatives in successive levels. In our case the goal is abundantly clear – making a choice decision between NZ health and disability charities”, but the determinant factors were initially far from clear. We took an elicitation - approach to acquiring and categorizing these factors:

- Two Focus groups of representative demographics using the nominal group technique (Delbecq, Van de Ven and Gustafson, 1975)
- Literature search of determinants of charitable giving
- Validation and cross checking

We believed an exhaustive list of determinant factors, incorporating all focus Group offerings (Appendix 1) and all factors cited in published literature, was appropriate. A number of database searches using terms such as “donor behaviour”, “charitable giving”, “philanthropic giving”, “fundraising research”, “charity”, “not-for-profit giving”, “giving models” and the like were conducted and the resultant work was summarized in terms of the construct, giving attribute, determinant etc. each “determinant” was evaluated in terms of its representation within the 24 sub-criteria eventually used in our questionnaire. We believe this was our best approach as we believe no complete model of giving determinants exists in the literature and we had no validation of reliability with respect to whether our focus group population accurately reflected the thinking of the New Zealand giving public.

We decided to use two groups of representative demographics (age, sex and socio-economic status) and the Nominal Group Technique (NGT) to acquire an appreciation of local factors influencing decisions to donate, or not donate, to Health and Disability charities. The NGT was perfect for our purposes as focus groups serve an important function when exploratory information is collected as a basis for further scientific research. Furthermore, the NGT produces a large number of ideas in a relatively short period of time whilst allowing for equal and

full participation among group members. Our 2 focus groups of 8 were each asked to identify and rank responses to the question:

“When you make a decision to give or a decision to not give to a charitable organization, what are the key contributing factors that you consider in making this decision?”

This was achieved in the 4 step process – silent generation of ideas in writing, round-robin recording of ideas on a flip pad, serial discussion for clarification and voting on item importance. All steps were completed efficiently and successfully with both groups. The success was attributed mainly to the fact that the topic required little specialist knowledge, there was little inter-participant influence, the number of ideas generated was manageable for clarification and ranking purposes and the objectives of all 4 steps of the NGT process were clearly understood. The ideas generated and their rankings appear in Appendix 1. In ensuring our AHP criteria and sub-criteria best reflected focus group results, we needed to be satisfied that all focus group items were incorporated into the 24 sub-criteria as to reflect the intended and mutually understood meaning of the focus group participants. Notwithstanding factors such as our interpretation of slang terms (e.g. “flash Harry”), the contextual meaning of terms (e.g. personal values) or how participants interpreted the original question, we were satisfied our thorough process of validating focus groups items against the 24 proposed criteria did meet the requirements for structuring a hierarchy.

Our 6 criteria with their sub-criteria listed A-D underneath are:

- 1. Reputation**
 - Trustworthy/accountable
 - Effective
 - Professional
 - Well-known message
- 2. Interaction**
 - Manner of approach
 - Politeness
 - Convenience
 - Personal recognition
- 3. Personal values**
 - Social responsibility/obligation
 - Religious values
 - Human dignity
 - Relevance
- 4. Empathy with cause**
 - Relate to beneficiaries/cause
 - Evoked emotion
 - Worthiness
 - Alternative funding access
- 5. Affordability**
 - Tax deductibility
 - Social benefits (network/career)
 - Ease of giving
 - Other priorities
- 6. Impact**
 - Locality (home/international)
 - Benefits ongoing
 - Urgency of need
 - Corruption/inefficiency

Saaty (1990) advises that the selection of determinant factors must represent the problem as thoroughly as possible but not so thoroughly as to lose sensitivity to change in the elements. For example, in our case we need to be satisfied that the criteria are not so specific that those making judgments can't differentiate between an element on the same level i.e. urgency of need v location.

We therefore hope that each sub-criterion within a given criterion is relevant and necessary in determining the importance weighting for the criterion concerned. Here we offer our justification for inclusion of each sub-criterion within criteria.

1. REPUTATION

An organization that effectively and professionally carries out its work and appears trustworthy must still have a known message and be able to be recognized before attracting support. Similarly a well-known professional and effective organization that has had a potential donors' perception of trustworthiness compromised will generally not attract support. It is also generally the case in New Zealand that a very well known organization is implicitly reputable and therefore giving decisions are sensitive to this attribute (Bennett and Barkensjo, 2005; Fillis, 2004; Kottasz, 2004; Bennett and Gabriel, 2003; Gainer and Padanyi, 2003; Webb, Green and Brashear, 2000)

2. INTERACTION

It has been well documented in fundraising literature that people don't give to causes they give to people with causes. The charity must ask for the right thing in the right way at the right time and that supporters need to be valued without wasting donated funds in the process. When potential donors interact with the charitable organization they expect it to be a pleasant and effortless experience and the literature and focus groups indicate that the critical components of this are Manner of approach (Sargeant and Hilton, 2005; Hibbert and Horne, 1996; Smith and Berger, 1996), Politeness, Convenience (Hibbert and Horne, 1996) and Personal recognition (Kottasz, 2004).

3. PERSONAL VALUES

Our 4 proposed criteria- Social responsibility/obligation (Steinberg and Rooney, 2005; Webb, Green and Brashear, 2000; Radley and Kennedy, 1995), Religious values (giving Australia, 2005; Schlegelmich, Diamantopoulos and Love, 1997; , Human dignity (Berkowitz, 1972) and Relevance (Bennett, 2003; Schervish, 1997; Hoffman,

1984) are all supported in both the donor behaviour and social science literature. The personal values of an individual contribute to the often quoted term "brotherhood" that appears as a giving motive in the 4 published donor behaviour models mentioned above. The sheer magnitude of religious giving (giving Australia, 2005), the sheer strength of evoked emotion related to human dignity and the conditioning towards helping that takes place when a cause is relevant were all offered as giving motives by our focus groups.

4. EMPATHY WITH CAUSE

This criteria came through very strongly in our focus group results (appendix 1) and was very strongly represented in literature broadly connected with charitable giving (i.e. social anthropology, psychology and sociology literature) as well as literature referred to

here. Cited work on Relate to beneficiaries/cause (Sargeant and Hilton, 2005: Bennett and Barkensjo , 2005: Bennett, 2003: Hoffman, 1984), Evoked emotion (Sargeant and Hilton, 2005: Schlegelmich, Diamantopoulos and Love, 1997), Worthiness (Fillis, 2004: Sargeant, West and Ford, 2004: Markham, Johnson and Bonjean 1999), Alternative funding access (Horne, Johnson and van Slyke, 2005: Webb, Green and Brashear, 2000) generally draws heavily on work on human behaviour completed many decades before its application to donor behaviour.

5. AFFORDABILITY

While our focus groups revealed this criterion was difficult to define, we believe our eventual selection of sub-criteria is supported in the literature. Tax deductibility (Kottasz, 2004: Steinberg, 1990), Social benefits (Bennett, 2003: Louie and Obermiller, 2000: Kottasz, 2004 :), Ease of giving (Bruce, 1994: Hibbert and Horne, 1996 :) and other priorities (Fink-Jensen and Lau, 2003: Schlegelmich, Diamantopoulos and Love, 1997) were chosen and the hope was a balance was struck that satisfied both questionnaire compliance and literature representation considerations.

6. IMPACT

Central to 3 of the giving models (Bendapudi, Singh and Bendapudi, 1996: Guy and Patton, 1989: Burnett and Wood, 1988) cited in the literature, is the notion that the donor must truly believe his or her assistance will have a meaningful impact on the identified social problem. Our focus groups and the literature used a wide range of terminology to describe impact-related criteria but, again, we believe our sub-criteria covers all these terms and give survey respondents easily understandable criteria for making judgments. The sub-criteria, with corresponding literature references were Locality of services (Steinberg and Rooney, 2005: Fink-Jensen and Lau, 2003: Coliazzi, Williams and Kayson, 1984),”: Benefits ongoing (Tapp, 1996: ray, 1994), Urgency of need (Coliazzi, Williams and Kayson, 1984: Schwartz, 1974: Schlegelmich, Diamantopoulos and Love, 1997) and Corruption/inefficiency (handy, 2000: Sargeant, 1995; Schlegelmilch et al, 1997)

Saaty (1990) also states that the chosen criteria should also “consider the environment surrounding the problem, identify the issues or attributes that contribute to the solution and identify the participants associated with the problem”(p. 9). In conducting focus groups using NGT we believe the environment was focused but casual enough to replicate the environment surrounding the alternative selection problem and also accounted for the likely participants associated with the problem. The literature review, we believe, was suffice to identify the issues or attributes that contribute to the solution.

There exists evidence that our criteria and sub-criteria Take account of the environment (Corruption/inefficiency, other priorities, Alternative funding access, Social responsibility/obligation, Convenience and Well-known message), Identify issues/attributes contributing to the solution (Religious values, Relate to beneficiaries/cause, Evoked emotion, Tax deductibility and Ease of giving). Identify participants associated with the problem (Corruption/inefficiency, Social benefits (network/career), Relate to beneficiaries/cause, Human dignity, Social responsibility/obligation, Politeness, Manner of approach and Professional).

The model also requires that the decision maker can readily assess whether the issues at each level are of the same order of magnitude, such that comparison of homogeneous elements accurately is achievable. For the purposes of this study obviously we need to be satisfied that it is a reasonable assumption for the large majority of randomly selected Auckland residents. I am confident our respondents could accurately rate the importance of reputation versus impact, of affordability versus manner of approach etc and similarly at the sub-criteria level of locality versus urgency, corruption/inefficiency versus benefits ongoing. Our confidence is tagged with the proviso that respondents understand the judgments are largely made on the basis of their own perceptions and do not need to involve any depth of knowledge. It is hoped that the respondents will realize their giving decisions in real life are based on a low level of involvement and the level of involvement is not important. . We also need to be satisfied that the process of comparing sub-criteria can be accomplished with the respondent being clear they are making the comparison with respect to how the 2 sub-criteria impact on the particular criteria immediately above them in the hierarchy. This is a reasonable assumption provided the respondent takes time to read the questionnaire with a reasonable level of aptitude and realizes the responses should only take a few seconds to make. This of course is the great unknown and only the consistency rating can give an insight into whether this is achieved or not.

Saaty (1990) advises “Finally, after judgments have been made on the impact of all the elements and priorities have been computed for the hierarchy as a whole, sometimes, and with care, the less important elements can be dropped from further consideration because of their relatively small impact on the overall objective The priorities can then be recomputed throughout, either with or without changing the remaining judgments”(p. 11). This process could well be appropriate to our study if we were looking only to identifying significant determinants but in this case we are looking to measure a comprehensive range to identify both significant and insignificant determinants.

Having outlined our research approach, we need to explain how we designed our AHP decision in order to meet our objective of identifying and quantifying the determinants of giving. The AHP uses paired comparisons to derive priorities for criteria with respect to the goal. Paired comparisons are performed throughout the hierarchy including on the alternatives in the lowest level of the hierarchy with respect to the criteria in the level above. In using relative measurement in choosing the best health and disability Charity to donate to, we defined the problem as to decide which of 6 candidate charities to select. *The first step* is the structuring of the problem as a hierarchy

As depicted later in figure 2, in the first (or top) level is the overall goal of choosing the most appropriate charity to donate to. In the second level are the 6 criteria which contribute to the goal. The third level contains the 24 sub-criteria and the fourth level (bottom level) contains the 6 candidate charities which are to be evaluated in terms of the criteria in the second and third level. It is important to develop clear and concise situation-specific definitions of both criteria and sub-criteria such that questionnaire respondents could readily make comparative judgments. *The second step* is the elicitation of pairwise comparison judgments (with respect to the overall goal) via a written questionnaire.

The software package Expert Choice (expert Choice 2000, www.expertchoice.com), useful in teaching and in real applications, can handle both relative and absolute measurement, as well as having special capabilities such as structural rescaling, combining group judgments, sensitivity analysis and dependence among the decision alternatives. The power of the software is in its ability to quickly calculate how influential each determinant is on the selection of alternatives. In our case too many charities that interact favourably with donors make interaction abundant and unimportant in differentiating between individual charities. Conversely, if interaction favourability is highly abundant in our sample with some charities but not with others, it can be used as a criterion to differentiate in making a decision among charities. In other words, the greater the contrast among the alternatives, the more useful is the priority value of the criterion allotted to each. This means that a criterion with large variance is more influential in determining the rank (of the charities). In the opposite situation, the contrast of the alternatives is very low (all the charities are alike), then the criterion priorities are similar. A criterion that contributes an equal or nearly equal priority to each alternative therefore has limited value in terms of determining rank. An alternative that is a copy of another can dilute the priority of a decisive criterion so that it is no longer the controlling one in determining the final rank.

The organisations to be compared were determined using expert judgment from the NFP marketing sector. The selection of the alternative set was done by surveying (by email) a group of fundraising experts (see Appendix 2). These experts consisted of highly experienced practitioners, consultants and education providers. Each was asked to rank the organizations from 1 to 10 with respect to the amount of donor income generated. The organisations involved were IHC, Cancer Society, Starship foundation, New Zealand CCs, Foundation for the Deaf, Alzheimer's Society, Child health foundation, Heart foundation, South Auckland Hospice, Foundation of the Blind, and Schizophrenia Awareness. This list was compiled by asking a similar but different group of experts to name 5 top of mind Health and Disability Charities. The 6 highest ranking organisations in order of perceived donation revenue were Foundation of the Blind, Cancer Society, Heart Foundation, Starship Foundation, IHC and NZ CCS.

The AHP was used to produce the survey questions by entering all 24 sub-criteria into Expert Choice. To ensure the length of the questionnaire was manageable, 15 different questionnaires were produced to reflect all possible combinations of the 6 health and disability charities involved. Care was taken to maximize the likelihood that the sample included approximately equal numbers of each of the 15 questionnaires.

6. DATA COLLECTION

The goal of our sampling plan was to best represent the Auckland giving population in terms of age, ethnicity, household income and education. An enquiry to NZ Post asking which Auckland suburbs should be targeted with this sample plan in mind yielded 6 suburbs. We decided, in light of poor response rates to posted questionnaires recently, to use street intercepts at shopping malls and high streets as our distribution method for questionnaires. The proportions of questionnaires distributed to potential respondents were Sandringham 10.9%, Mount Albert 8.5%, Mount Roskill 13.6%, Onehunga 10.9%, Glenfield 17.9%. The remaining 38.2% of questionnaires were received by Convenience sampling to colleagues of friends of the researcher. These convenience sampling questionnaire recipients were drawn from postal, research, travel, pharmaceutical and IT organizations.

The questionnaire contained 3 sections. Demographic and general information, pairwise comparisons of the 6 attributes and 24 sub-attributes and finally comparing the 6 charities on these attributes. Completed questionnaires were recorded and entered into an Excel spreadsheet and each response was run through Expert Choice.

7. DATA ANALYSIS AND INTERPRETATION

Of the 340 questionnaires distributed, we received a completion rate of 28.2%. To ascertain how the profile of respondents compares to the Auckland profile, we sourced data from Statistics New Zealand (by private e-mail communication) where parallel data existed. Table 3 below shows some bias in household income in that the sample contained a notably higher percentage of household incomes greater than \$100,000 per annum and a notably lower percentage of household incomes under \$30,000 per annum.

Table 3 Household Incomes of Sample versus Auckland Population

	Population	Sample	Population pc	Sample pc
10,000 -	17,400	0	4.45	0
10,000 - 30,000	80,610	6	20.69	6.74
30,000 - 50,000	58,557	17	15.03	19.1
50,000 - 100,000	179,358	37	46.03	41.57
100,000 +	53,727	29	13.79	32.58
Total	389,652	89		

Table 4 below showing the age and gender comparison reveals our sample had a notably lower proportion in the less than 30 years and over 70 years categories with an accentuated bias towards the 31-50 categories (64% more in the sample). In terms of gender we had a bias towards females in our sample (34% more in sample).

Table 4 Age and gender of Sample versus Auckland Population

	Population	Sample	Frequency
30 -	45.94	30.85	29
31-40	16.65	23.4	22
41-50	13.86	26.6	25
51-60	10.22	12.77	12
61-70	6.19	5.32	5
70+	7.14	1.06	1
	100	100	94
Female	51.41	69.15	65
Male	48.59	30.85	29

Table 5 below shows respondent's answers to questions regarding giving frequency, organisations given to recently, living situation, occupation and value of annual donations. When respondents were asked how many times they gave annually, 47.3% responded 2-5 times with two-thirds overall giving between 2-10 times. The Cancer Society stood out as the preferred recipient charity with 53.7% of respondents including the organisation in their choice set. Other organisations to find favour included the foundation of the Blind (33.7%), Canteen (31.6%), National Heart Foundation (28.4%), The Salvation Army (23.2%) and World Vision (20.0%). Perhaps somewhat surprisingly less favoured organisations included IHC (11.2%), The Order of St John (7.4%) and Barnardos (4.2%). The level of competition in the market could well be an explanation for the 43.2% of respondents giving to "others" not listed as options in the questionnaire. When asked about the value of annual giving to charity, the 2 most popular categories were the \$20-\$50 and the \$100-\$500. Worth noting was the fact that 21.1% of respondent. Of interest may be the fact that a total of 21.1% of respondents gave less than \$20 annually but at the other end 12.6% gave more than \$500. In terms of living situation, the 2 predominant categories were "with partner plus children" (37.2%) and "with partner only" (28.7%). The occupation profile of our sample showed a significant proportion in the categories "business and public service professional" (32.3%) and "manager, sales, service and entertainment worker" (26.9%). Interestingly, 13.6% didn't feel the categories offered were appropriate and responded "other".

Table 5 "Giving, Living and Occupation Profile of Sample

# Donations p.a	% Of Respondents
15+	16.1
10 to 15	8.6
6 to 10	19.4
2 to 5	47.3
1	8.6
Organisation given to:	
CCS	6.3
Cancer Society	53.7
Starship	15.8
blind foundation	33.7
heart foundation	28.4
IHC	11.6
City Mission	17.9
Westpac rescue	17.9
Salvation Army	23.2
St John	7.4
World vision	20
SPCA	15.8
Plunket Society	15.8
Hospice	9.5
Canteen	31.6
Barnardos	4.2
Red Cross	18.9

Others	43.2
I live with:	%respondents
Parents	7.4
Flatmates	8.5
Partner +children	37.2
Partner only	28.7
Children only	5.4
Alone	12.8
Occupation:	
Top professional	8.6
Business and public service professional	32.3
Manager, Sales, Service, and Entertainment Worker	26.9
Trades worker or clerk	11.8
Semi-skilled Worker	5.4
Unskilled Worker	1.1
Other	13.9
Annual Value	% Respondents
Nothing	3.2
\$0-\$20	17.9
\$20-\$50	28.4
\$50-\$100	15.8
\$100-\$500	22.1
>\$500	12.6

We defined our research question earlier as “could multi-attribute decision analysis identify factors involved when donors make giving decisions such that a more comprehensive model of donor behaviour is developed compared to previously published models of giving?”. Our theoretical framework, therefore, is that multi-attribute decision making analysis (AHP) could provide a better method for establishing the giving factors/determinants such that a more comprehensive model of giving can be proposed. We suggest that this framework flows logically from the critique of previous research in giving models described in our literature review and the success of the AHP as a tool for analysing choice selection (outlined in our research approach and research design section). By identifying a set of attributes or determinants and structuring them in a logical hierarchy (see figure 2), we can test the importance and determinance of individual attributes. A series of testable hypothesis therefore can be utilised to examine the validity of our framework. Further, through testing and replicating our findings in larger giving markets and a wider range of causes, we would have stronger conviction in the rigor of our research. Before addressing this research question, it is worth noting the influence of our attributes and sub-attributes on the decision to donate to a health and disability charity in New Zealand.

As figure 2 below shows, our data suggests our Empathy attribute to be most important followed in descending order by Impact, Personal-values, Affordability, Reputation and Interaction. With the 6 importance values ranging from 0.069 to 0.241, it could be argued that none of the 6 attributes were significantly large or small as to consider division or elimination. A somewhat different order of ranking exists with respect to determinance. Our most determinant attribute is Impact followed by Personal Values, Reputation, Empathy, and Affordability with Interaction being the least determinant.

Figure 2: Model Name: Result

11/07/2006 9:25:05 a.m.

Page 1 of 2

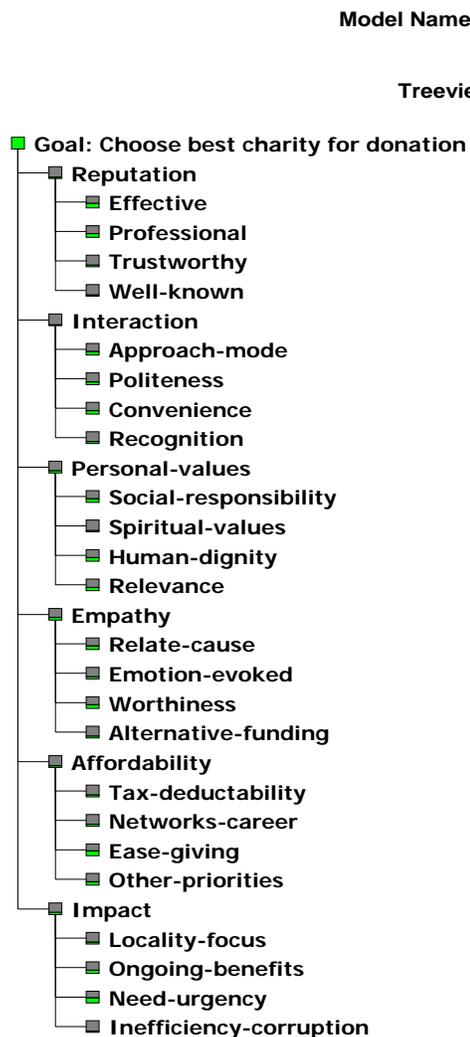


Table 6 below shows the ranking of each sub-attribute in terms of importance and determinance. With respect to importance our respondents rate the urgency of the need of highest importance with worthiness, relating to the beneficiaries of

the cause, ease of giving and human dignity also rating very highly. At the other end of the scale, recognition is the least important with well-known and politeness also among the least important factors when donors make giving decisions. Turning now to the determinance rankings of sub attributes we find relating to the beneficiaries of the cause to be the most determinant with approach mode, effectiveness, urgency of need and professionalism also rating highly. The least determinant sub-attribute was trustworthiness with tax deductibility, politeness and alternative funding also of low determinance.

Table 6: Importance And Determinance Rankings for Sub-Attributes

Goal		Importance Rank	Determinance Rank
Reputation	effective	10	3
	Professional	12	5
	Trustworthy	20	24
	well-known	22	12
Interaction	approach-mode	18	2
	politeness	21	22
	Convenience	19	16
	Recognition	23	17
personal-values	social-resp	6	6
	spirit-vals	19	18
	human-dignity	5	13
	relevance	8	9
empathy	relate-cause	3	1
	emotion-evoked	10	7
	Worthiness	2	10
	alt-funding	13	20
affordability	tax-ded	17	23
	networks-career	15	20
	ease-giving	4	8
	other-priorities	9	14
impact	locality-focus	14	15
	ongoing-benefits	7	11
	need-urgency	1	4
	inefficiency-corruption	16	19

Table 7 below gives the importance, difference and determinance scores for all sub-attributes. . The mean determinance score is 0.000115, with a standard error

of 0.00012. The critical determinance score for identifying those attributes that are determinant is 0.000351. Therefore” relate to beneficiaries of cause” with a determinance of 0.000539 is the only determinant sub-attribute.

Table 7: Determinance, Difference and Importance Values For Sub-Attributes

Goal			Importance Score	Difference Score	Determinance
	Reputation				
		effective	0.402	0.006194	0.000306
		professional	0.323	0.005024	0.0002
		trustworthy	0.156	0.002108	0.00004
		well-known	0.119	0.006986	0.000102
	Interaction				
		approach-mode	0.303	0.002276	0.000048
		politeness	0.243	0.000798	0.000013
		convenience	0.288	0.002355	0.000047
		recognition	0.166	0.002507	0.000029
	Personal-values				
		social-resp	0.302	0.003198	0.000187
		spirit-vals	0.102	0.001321	0.000026
		human-dignity	0.323	0.001415	0.000089
		relevance	0.274	0.002855	0.000152
	Empathy				
		relate-cause	0.32	0.006991	0.000539
		emotion-evoked	0.202	0.003662	0.000178
		worthiness	0.334	0.001678	0.000135
		alt-funding	0.144	0.000396	0.000014
	Affordability				
		tax-ded	0.148	0.000197	0.000005
		networks-career	0.172	0.000482	0.000014
		ease-giving	0.384	0.002543	0.000164
		other-priorities	0.297	0.001544	0.000077
	Impact				
		locality-focus	0.15	0.002065	0.000064
		ongoing-benefits	0.275	0.002052	0.000116
		need-urgency	0.44	0.00223	0.000202
		inefficiency-corruption	0.135	0.000605	0.000017
subattribute mean determinance score = 0.000115					
subattribute determinance score standard error = 0.00012					
Critical value of subattribute determinance score =0.000351					

So how does our data relate to our research question? We consider whether or not the 24 individual factors identified as potentially influencing donor choice decisions are of similar importance, and use an importance measure to decide on inclusion of an attribute or determinant in a “giving”, or donor model. In other words, Expert Choice enables evaluation of whether an attribute is of central importance to “giving” decisions. Giving a high weighting to a factor of course means that particular attribute or determinant has influence in the donor decision process and therefore should be included in a “giving” model. The reliability of AHP, and ultimately the importance scores resulting from its application, of course depends on subjective judgements having an acceptable consistency level across the entire sample. The use of the eigenvector approach provides a measure of the inconsistency of a decision maker's judgment, and inconsistency may be considered tolerable only when it is less than 0.10. For our sample, the inconsistency index was 0.01, which is excellent and well within the acceptable bounds.

As recorded in Table 7, all 6 attributes within our proposed hierarchy had importance scores of similar significance. If we look at the distribution of importance scores for sub-attributes within each attribute, we can consider whether some are significantly more important than others. Within the reputation attribute, importance scores range from 0.119 to 0.402, within interaction from 0.166 to 0.303, within personal values from 0.102 to 0.323, within empathy from 0.144 to 0.334, within affordability from 0.148 to 0.384 and impact from 0.135 to 0.440. The mean importance score found was 0.250, with a standard deviation of 0.0975, indicating none of the importance scores are significantly different at the 0.05 level. Hence, using an “importance score” approach suggests the 24 subattributes are all of similar importance, and this list cannot be safely simplified by deleting those having low scores.

On the other hand, the AHP-DA approach to identifying determinants suggests a single dominant attribute “Empathy with cause”, where the donor “relates personally to the beneficiary’s situation”, is the key factor that needs to be considered. The Armacost and Hosseini (1994) method for identifying determinant attributes gives a very different result to relying on importance score; the outcome is that all 24 subattributes are important, but “Empathy with cause” is the key factor. It is clear there are a number of other key factors that must be included if a model of “giving” behaviour is to be comprehensive, but how this model should be further developed is beyond the scope of the present study. It is sufficient to note that the key dimensions have been identified, and if they were not all considered, any model would risk being incompletely specified.

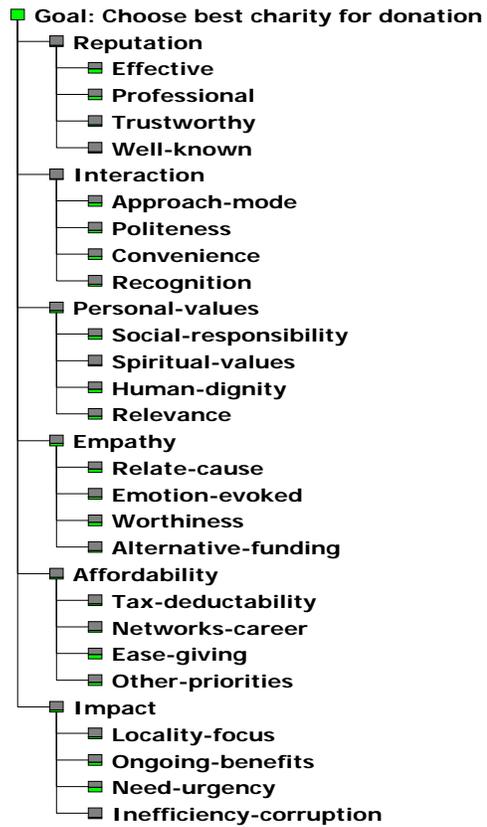
Given below is an example of an Expert Choice Decision Tree Screen Shot:

11/07/2006 9:25:05 a.m.

Page 1 of 2

Model Name: Result

Treeview



Given below is an example of an Expert Choice Determinant Scores Screen Shot:

11/07/2006 9:25:05 a.m.

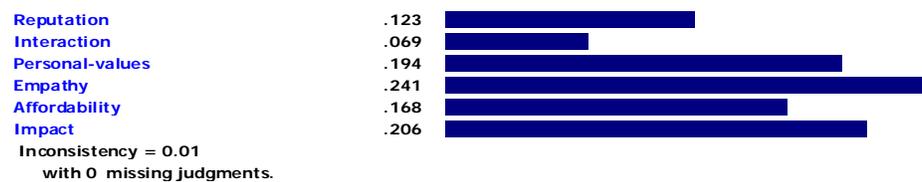
Page 2 of 2

Alternatives

Reputation	.123
Interaction	.069
Personal-values	.194
Empathy	.241
Affordability	.168
Impact	.206

Priority Graphs

Priorities with respect to:
Goal: Choose best charity for donation



* *urrent Node*

Brett Collins, AUT

8. DISCUSSION AND RECOMMENDATIONS

Having explained why we believe there exists a need for a more comprehensive model of giving behaviour and outlining our rationale for using multi-attribute decision analysis to propose such a model, we have shown how our AHP results indicate the AHP-DA technique has merit in identifying and quantifying determinants of donor giving decisions. . Our structure involving 6 criteria and 24 sub-criterion has been shown to enable questionnaire respondents, and presumably donors, to make consistent judgments with respect to the goal of the decision. Therefore, we believe our complete set of determinants allows donors to convey their attitudes, perceptions and actions such that meaningful insights into their giving behaviour can be readily obtained.

Assuming our literature review and focus group enquiry produced a comprehensive set of criteria, we suggest using this technique offers new insights into the how and why of donor behaviour not adequately explained by the 4 previous models of donor behaviour. By new insights we refer specifically to the fact that our technique quantifies the impact of factors or determinants (in terms of both importance and determinance) as opposed to merely identifying them as possible influencers or suggesting conditions whereby a factor will have influence.

We also noted the prevalence of a giving process in 3 of the 4 previous models (Bendapudi, Singh and Bendapudi, 1996: Guy and Patton, 1989: Burnett and Wood, 1988). There is now wide acceptance that such processes may or may not be relevant for donors depending on their level of involvement, the mode of ask, the magnitude of the gift asked for etc. It seems reasonable to argue that good knowledge of determinants and the magnitude of their influence is a superior approach to one whereby one accounts for donor behaviour via understanding a classical giving process that donors follow. To explain our reasoning further, if donors consider “interaction” of very low importance when making giving decisions, one could assume the part of the classical giving process involved with interacting with the recipient organization to be largely redundant in terms of understanding the donor behaviour. Similarly, if the urgency of the need is deemed highly important (as may be the case for disaster relief organizations) it is reasonable to assume any part(s) of a giving process not associated with a donors perception of the urgency of the need to be of no relevance to understanding the donors behaviour.

While previous models of giving do account for most recognized determinants of giving, we have articulated why we believe them to be incomplete. We further suggest an incomplete model is necessarily unreliable and not suitable for prediction. We believe the use of the AHP-DA technique to identify and quantify determinants gives NFP marketing practitioners higher quality information with which to segment markets, position their organizations and design giving vehicles. Our justification for this contention is founded on the accepted principle that human beings, when faced with decisions involving many determinants or factors usually base their decisions on a subset of the factors. This subset is often readily accessible information- an information set governed by their level of involvement, attitudes , perceptions etc. The AHP-DA Determinant analysis identifies this subset of the information based on the donors' attitudes, perceptions, or behavior. As our results indicate, the technique can readily identify these attitudes, perceptions and behaviours and thus deliver valuable insights

into understanding the donor behaviour for particular market segments. We suggest that goal-oriented application of this technique offers NFP marketing practitioners more meaningful understandings of donor behaviour compared to previous models. This is because a marketer using a giving process, set of determinants, demographic profiling, donor pathway etc to guide a marketing strategy is forced to speculate as to the involvement of many aspects of the model. For example, if a marketer is looking to gain market share from like organizations how will he or she know what determinants to target without knowing where the greatest determinance values lie?

We believe the application of AHP-DA to donor choice decisions requires verification across a greater variety of causes, larger giving markets and more representative samples to better gauge its effectiveness in identifying determinants of giving. Further refinement of sub-criterion within each of the 6 criterion could ensure our excellent consistency index is maintained as the sample population comes closer to representing the population.

We would strongly recommend this technique to NFP marketers looking to achieve a number of objectives. Gaining competitive advantage, understanding motive differences between segments, assessing organizational perceptions of particular segments and undoubtedly many other objectives would be significantly more likely to be met if the practitioner acquired an understanding of the importance and determinance of our 6 criterion and 24 sub-criterion. We believe importance and determinance scores for segments such as givers, non-givers, current donors, lapsed donors, frequent givers, large givers and the like is valuable information to NFP marketers seeking to improve return on investment performance.

9. REFERENCES

- Armacost, R.L. and Hosseini, J.C. (1994), "Identification of Determinant Attributes Using the Analytic Hierarchy Process", *Journal of the Academy of Marketing Science*, 22 (4), pp. 383-392.
- Bendapudi, N., Singh, S.N. and Bendapudi, V. (1996), "Enhancing Helping Behavior: An Integrative Framework for Promotion Planning", *Journal of Marketing*, 60 (3), pp. 33-49.
- Bennett, R. and Gabriel, H. (2003), "Image and Reputational Characteristics of UK Charitable Organizations: An Empirical Study", *Corporate Reputation Review*, 6 (3), pp. 276-289.
- Bennett, R. and Barkensjo, A. (2005), "Causes and consequences of donor perceptions of the quality of the relationship marketing activities of charitable organizations ", *Journal of Targeting and Analysis for Marketing*, 13 (2), pp. 122.
- Berkowitz, L. (1972), "Social Norms, Feelings, and Other Factors Affecting Helping and Altruism", *Advances in Experimental Social Psychology*, Academic Press, New York.
- Bishop, D. (2005). Not-for-profit brands: Why are many under-utilised by their owners? Proceedings of the 2nd Australasian Nonprofit and Social Marketing Conference. Melbourne, Australia: Deakin University.
- Bruce, I. (1994), "Meeting Need: Successful Charity Marketing", ICSA Publishing Ltd., London.
- Commonwealth of Australia (2005), "Giving Australia: Research on Philanthropy in Australia", from www.FIA.org.au, August 2005.
- Coliazzi, A., Williams, K.J. and Kayson, W.A. (1984), "When Will People Help?: The Effects Of Gender, Urgency and Location On Altruism", *Psychological Reports*, 55, pp. 139-142.
- Dawson, S. (1988), "Four Motivations for Charitable Giving: Implications for Marketing Strategy to Attract Monetary Donations for Medical Research", *Journal of Health Care Marketing*, 8 (June), pp. 31-37.
- Delbecq, A., Van de Ven, A. and Gustafson, D. (1975), "Group Techniques for Program Planning: A Guide to Nominal Group and Delphi Processes", Scott, Foresman and Company, Glenview, IL.
- Expert Choice decision Support Software, expert Choice 2000, expert Choice Inc, www.expertchoice.com.
- Fillis, I. (2004), "Image, Reputation and Identity Issues in the Arts and Crafts Organization", *Corporate Reputation Review*, 6 (3).

Fink-Jensen, K. and Lau, M. (2003), "Philanthropy New Zealand 2003 giving Behaviours and Attitudes Survey", BRC Marketing and Social Research.

Fraser, C., Hite, R.E. and Sauer P.L. (1988), "Increasing Contributions in Solicitation Campaigns: The Use of Large and Small Anchor Points", *Journal of Consumer Research*, 14 (2), pp. 284-287.

Gainer, B. and Padanyi, P. (2003), "Peer Reputation in the Nonprofit Sector: Its Role in Nonprofit Sector Management", *Corporate Reputation Review*, 6 (3), pp. 252-265.

Guy, B.S. and Patton, W.E. (1989), "The marketing of altruistic causes: Understanding Why People Help", *Journal of Services Marketing*, 2 (1), pp. 5-

Hibbert, S.A. and Horne, S. (1996), "Giving to charity: Questioning the donor decision process", *Journal of Consumer Marketing*, 13 (2), pp. 4-13.

Hibbert, S.A. and Horne, S. (1997), "Donation Dilemmas: A consumer behaviour perspective", *Journal of Nonprofit and Voluntary Sector Marketing*, 2 (3), pp. 261-271.

Hoffman, M.L. (1984), "Interaction of Affect and Cognition in Empathy, in Emotions, Cognition, and Behavior", Cambridge University Press, 41-3.

Horne, C., Johnson, J.L. and Van Slyke, D.M. (2005), "Do Charitable Donors Know Enough-and Care Enough-About Government Subsidies to Affect Private Giving to Nonprofit Organizations?", *Nonprofit and Voluntary Sector Quarterly*, 34 (1), pp. 136-149.

Kotler, P. and Levy, S. (1969), "Broadening the concept of marketing", *Journal of Marketing*, 33 (1), pp. 10-15.

Kottasz, R. (2004), "How should charitable organisations motivate young professionals to give philanthropically?", *International Journal of Nonprofit and Voluntary Sector Marketing*, 9 (1), pp. 9-19.

LaTour, S.A and Manrai, A.K (1989), "Interactive Impact of Informational and Normative Influence on Donations", *Journal of Marketing Research*, 26 (August), pp. 327-335.

Louie, T.A. and Obermiller, C. (2000), "Gender stereotypes and social-desirability effects on charity donation", *Psychology and Marketing*, 17 (2), pp. 121-129.

Markham, W.T., Johnson, M.A. and Bonjean, C.M. (1999), "Nonprofit Decision Making and Resource Allocation: The Importance of Membership Preferences, Community Needs, and Inter-organizational Ties", *Nonprofit and Voluntary Sector Quarterly*, 28 (2), pp. 152-184.

Omkarprasad, S., Vaidyaa, I. and Kumarb, S. (2006), "Analytic hierarchy process: An overview of applications", *European Journal of Operational Research*, 169 (1), pp. 1-29.

- Penrod, S., (1983), "Social Psychology", Prentice-Hall Inc, Englewood Cliffs, NJ, pp. 439-473.
- Radley, A. and Kennedy, M. (1995), "giving by Individuals: A Study of Attitudes and Practice", *Human Relations*, 48 (6), pp. 685-709.
- Wray, B.R. (1994), "Branding, product development, Communication and Positioning the charity", *Journal of Brand Management*, 1 (6), pp. 363-370.
- Reingen, P.H. (1978), "On Inducing Compliance with Requests", *Journal of Consumer Research*, 5 (September), pp. 96-102.
- Robinson, D. and Hanley, P. (2002), "Funding New Zealand 2002", *Philanthropy New Zealand and Social and Civic Policy Institute*.
- Saaty, T.L. (1990), "How to make a decision: The analytic hierarchy process", *European Journal of Operational Research*, 48, pp. 9-26.
- Sargeant, A. (1999), "Charitable giving: Towards a Model of Donor behaviour", *Journal of Marketing Management*, 15, pp. 215-238.
- Sargeant, A. (1995), "Market segmentation in the charity sector: An examination of common practice", *Proceedings of the 1995 MEG Conference, University of Bradford, Bradford, UK*, pp. 693-702.
- Sargeant, A. and Hilton, T. (2005), "The final gift: targeting the potential charity legator", *International Journal of Nonprofit and Voluntary Sector Management*, 10 (1), pp. 3-14.
- Sargeant, A., West, A. and Ford, J.B. (2004), "Does Perception Matter?: An Empirical Analysis of Donor Behaviour", *Service Industries Journal*, 24 (6), pp. 19-36.
- Sargeant, A. and Lee, S. (2002), "Improving public trust in the voluntary sector: An empirical analysis", *International Journal of Nonprofit and Voluntary Sector Marketing*, 7 (1), pp. 68-83.
- Schervish, P. (1997), "Major donors, major motives: The people and purposes behind major gifts", *New Directions for Philanthropic Fundraising*, 16, pp. 85-116.
- Schlegelmich, B.B, Diamantopoulos, A. and Love, A. (1992), "Determinants of Charity Giving, Marketing Theory and Applications", *American Marketing Association Winter Conference*.
- Schlegelmich, B.B, Diamantopoulos, A. and Love, A. (1997), "Characteristics affecting charitable donations: empirical evidence from Britain", *Journal of Marketing Practice*, 3 (1), pp. 14.

Scholl, A., Manthey, L., Helm, R. and Steiner, M. (2005), "Solving Multi-attribute Design Problems With Analytic Hierarchy Process and Conjoint Analysis: An Empirical Comparison", *European Journal of Operational Research*, 164 (3), pp. 760-777.

Schwartz, S.H. (1974), "Awareness of Interpersonal Consequences, Responsibility, Denial and Volunteering", *Journal of Personality and Social Psychology*, 30, pp. 57-63.

Shapiro, B. (1973), "Marketing for nonprofit organizations", *Harvard Business Review*, 50, pp. 223-232.

Smith, G.E. and Berger, P.D. (1996), "The Impact of Direct Marketing Appeals on Charitable Marketing Effectiveness", *Journal of the Academy of Marketing Science*, 24 (3), pp. 219-231.

Steinberg, R. (1990), "Taxes and giving- New findings", *Voluntas*, 1, pp. 61-79.

Steinberg, K.S. and Rooney, P.M. (2005), "America Gives: A Survey of Americans' Generosity after September 11", *Nonprofit and Voluntary Sector Quarterly*, 34 (1), pp. 110-135.

Tapp, A. (1996), "Charity Brands: A Qualitative Study of Current Practice", *International Journal of Nonprofit and Voluntary Sector Marketing*, 1 (4).

Todd, S.J. and Lawson, R.W. (1999), "Towards a Better Understanding of the Financial Donor: An Examination of Donor Behaviour in Terms of Value Structure and Demographics", *International Journal Of Voluntary Sector and Non Profit Marketing*, 4 (3).

World Bank, World Development Index, www.worldbank.org on 20 July 2005.

Yavas, U., Riecken, G. and Babakus, E. (1993), "Efficacy of Perceived Risk as a Correlate of Reported Donation Behaviour: An Empirical Analysis", *Journal of the Academy of Marketing Science*, 21 (3), pp. 65-70.

10. APPENDICES

Appendix 1 - Focus group results

Appendix 2 - Expert ranking of health and disability Charities by donated revenue

Appendix 3 - Survey Questionnaire sample

Appendix 1: Focus group results

FLIP CHART from focus group 1

AVAIL. PERSONAL FINANCES

Affordability. GOOD REPUTATION.

Non-controversial and healthy record of charitable work

Personal Experience-family

IDENTIFICATION

Hands-on not 'flash Harry'

PRACTICAL/ PRAGMATIC

Need (Extent of need) OBVIOUS/ PERCEIVED

Way conducts the Fundraising.

SECURITY + METHODS

Uphold + Value Human Dignity

Social acceptance (recognition)

Volunteer driven- low admin. \$

Emotions evoked by charity

Local vs. O/s.

Other Funding

Bettors Society (tangible)

Benefits wide group.

Large + Well known organisation.

Old established. Confidence

Fundraising frequency

MANNER OF APPROACH

Pressure

EASE OF CONTRIBUTION

RELIGION + CHARITY – PART OF LIFE (VALUES)

INDIFFERENCE/ RELEVANCE

MEDIA + KNOW. OF ORGN.

LEVEL OF SERVICE GIVEN. POLITENESS

FOCUS GROUP ON FACTORS INFLUENCING GIVING DECISIONS: RESULTS
RECORDED ON FLIP CHART FROM FOCUS GROUP 2

FIT WITH VALUES

WAY I AM APPROACHED (MANNER) CONFRONTATION

IDENTIFICATION OF COLLECTORS (VALIDATION)

PHONE?

WORTHINESS FOR HELP

RELEVANT

PERSONAL RELATIONSHIP

EMPATHY WITH THEIR CAUSE

A RECOGNISED CHARITY TRUST

REPUTATION

LEGITIMATE

GOOD. REPN.

ALREADY COVERED BY OTHER FUNDING (PRIORITY)

ACCESS

STREET APPEALS (NOT COLD CALL)

PERSONAL

~~RELATED TO EXPERIENCE (FAMILY)~~

~~RELEVANCE TO ME~~

EASE OF GIVING

OPTION ON AMOUNT GIVEN. (AFFORDABILITY)

SIMPLE and CONCISE MARKETING MESSAGE (WHAT COLLECTING FOR)

NEED EVIDENCE \$ → RIGHT PEOPLE

RECEIVER DOESN'T WASTE \$ ON TOP HEAVY MANAGEMENT.

PLAN

HOW SPENT WILL INFLUENCE ME (PROGRAM)

REACHES BROAD MKT.

LOCAL BENEFITS NOT INTERNATIONAL.

IMPACT OF CHARITY IS BROAD NOT NARROW

RECEIVING ACKNOWLEDGEMENT (SOCIAL)

PRIORITISE

IMAGE/ TARGET (CHILDREN VS ADULTS) #1 + #5

"NOT PRESSURED" APPROACH (CONFRONTATION #2)

~~ACKNOWLEDGE SIGNIFICANCE OF "GIVING AMT."~~

FOLLOW-UP INFO OF WHERE WENT (ACCOUNTABILITY)

QUALITY OF THIS- PERSONALISED

~~FACE TO ORGANISATION. OPTIONS~~

~~AFFORDABILITY OF GIVING (AMT. ASKED)~~

~~GOOD REPUTATION - SQUEAKY CLEAN.~~

ACC. + PERF.

5	5
13	1
1	3, 3, 4, 5, 5 = <u>20</u>
3	3
8	1, 4, 2, 3, 3 = <u>13</u>
16	1, 1 = 2
* 12	1, 2, 1, 3 = 7
6	5
4	5, 4, 4, 5, 5, 4, 5 = <u>32</u>
18	2
10	4, 2, 2, 2, 2 = <u>12</u>
11	3, 1 = 4
* 15	1, 4 = 5
7	2
* 2	3, 4 = 7

Appendix 2: Expert Judgement Of Ranking By Donated Revenue

Responses to request to rank the 12 identified health and disability organizations by donated revenue:

Expert	Cancer Society	Schizophrenia Awareness	Foundation of the Blind	IHC	Starship Foundation	NZ CCS	Heart Foundation	Foundation For the Deaf	Alzheimers Association	Child Health Foundation	Hospices	Epilepsy
												Association
Bequests Manager	1	12	2	3	5	6	4	9	10	8	7	11
bequests Advisor	1	12	2	11	3	10	4	9	5	8	6	7
Consultant	1	12	2	11	6	5	3	9	11	8	4	7
consultant	1	12	2	10	5	6	4	11	10	8	7	9
Consultant	5	12	1	6	4	3	2	11	9	10	8	7
Capital fundraiser	1	9	3	2	5	7	6	8	11	10	8	12
Nat.Manager	1	12	2	3	5	9	4	7	11	8	6	10
Dev Manager	2	11	1	3	7	5	4	10	9	12	6	8
Treasurer	2	11	1	8	4	3	6	12	9	5	7	11
consultant	3	12	1	5	2	8	4	7	9	6	11	10
Average	1.8	11.5	1.7	6.2	4.6	6.2	4.1	9.3	9.4	8.3	7	9.2

Appendix 3: Survey Questionnaire