

Public Donors

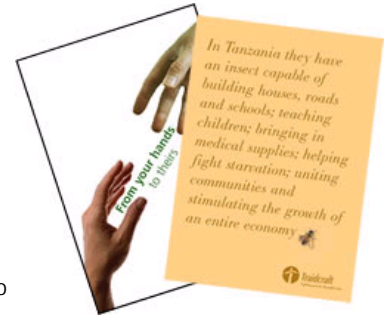
Active donors

Traidcraft Exchange, as a registered charity, attracts public donations by appeal mailings to existing and potential Traidcraft supporters.

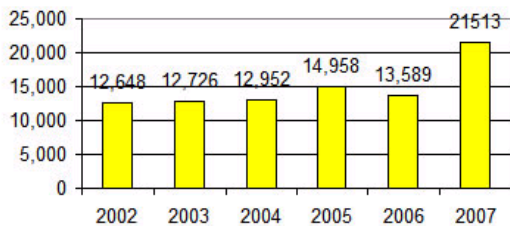
This income supports the general activities of the charity and matches the restricted project funding from the Department for International Development, the European Union, other statutory sources and institutional donors.

We have exceeded our target of 18,000 active donors through an active campaign to convert Traidcraft plc customers to Traidcraft Exchange supporters, and in particular have succeeded in raising more top-up donations from Mail Order customers using our webstore.

Although these donations tend to be small, they can also be the start of a longer-term donor relationship. We plan to continue to build upon this in 2007-2008.



**Number of active donors
(Given at least once in last year)**



Target for end of 2007/8 is a total of 24,000

Diversity of Funding

It is clearly not healthy to have too high a percentage of our funding deriving from one source. We consciously seek to maintain the diversity of the sources of our income and keep a balance across a number of key funders.

The table shows that this has been successful but over the years we have been moving away from large government grants to greater dependence on public donations and other sources of income.

The noticeable swing towards public income in the 2005 year was to some degree planned but also reflected the lower activity levels on some of the worldwide programmes at that time and in particular the closure of the TEEM project in Malawi.

However, during 2006-2007 we have seen increased levels of project activity as a result of winning a number of significant government grants for our international and policy programmes. This is reflected in a higher percentage of funding derived from these sources.

During the course of 2006-2007 we have been developing a new fundraising initiative to promote higher level committed giving from individual donors, to be launched during 2007-2008.

	2002	2003	2004	2005	2006	2007
% Public donations	38	42	47	64	66	60
% Department for International Development	34	29	16	9	3	7
% National Lottery & EU	9	10	13	12	18	12
% All Other	19	19	24	15	13	21

Target is to increase the spread of donors

Return on Investment for Public Fundraising (ROI)

Important to an understanding of how successful public fundraising has been is not just the total raised but the cost of doing it. This statistic is also one that attracts public attention where people are increasingly making comparisons between charities on this sort of data.

Whilst there are some drawbacks to trying to make (rather crude) comparisons in this way, we believe that it is a relevant measure of our own efficiency and gives a guide as to whether we are becoming more cost effective.

There will of course be occasions when we will deliberately reduce the ROI because we decide that we need to invest for the longer term and the payback is not immediate. The target for 2006/7 was 3.9.

Comparative figures in the table below have been restated to take account of the Statement of Recommended Practice 2005.

	2002	2003	2004	2005	2006	2007
ROI (Public Fundraising)	4.2	4.5	3.2	3.6	3.1	3.3

Target = 3.3 for 2007-2008 (allowing for full overhead allocation)

Another way of putting this is that it cost us about 31p to raise £1 from public donors in 2006-2007.

By way of comparison, many of the Top 100 charities by size, spend between 25p and 30p to raise £1. These charities are raising from £10m up to around £120m as opposed to about £1.5m which Traidcraft Exchange raises from the public.

It is very difficult to make comparisons because each charity raises money differently to some degree and of course the size of the charity is also relevant to these costs, because of economies of scale and public awareness of each charity.

We believe that the costs incurred by Traidcraft Exchange are appropriate to its size and scale but are seeking ways to benchmark these more accurately and make our fundraising even more efficient.

Views of Public Donors

The Public Fundraising team has again surveyed a cross-representative sample of public donors to Traidcraft Exchange at the year-end. Results are given below:

The key findings from the survey were as follows.

Charitable support generally

- 60% of respondents indicated that Traidcraft is one of the main charities they support.
- Nearly one-third (31%) stated that they support too many charities to name. The main ones which were cited by respondents were Oxfam (26%) and Christian Aid (26%) but there were a wide range listed by respondents. Only 8% did not donate to any other charities.

Profile of support for Traidcraft Exchange

- 44% of respondents have supported Traidcraft for 1 – 5 years, 28% for 6 – 10 years and there was a core of 15% who have supported the organisation for more than 15 years.
- 42% donate monthly to Traidcraft and 34% more than once a year but not as frequently as monthly.
- 55% donate regularly by standing order or direct debit (73% of whom donate monthly), 52% make gifts on an ad hoc basis, 27% buy "Gifts for Life" and 23% "top up" when buying products. Please note that this shows a higher level of committed giving, i.e. donating by standing order or direct debit, than is typical of the wider donor base.

Awareness of Traidcraft and its activities

- 62% of those who gave a view stated that they were aware that the plc, which sells products, and the Traidcraft Exchange charity were separate bodies.
- 70% were first aware of the plc and 15% were aware of the charity first, whilst 14% did not know.
- 47% did not know what proportion of profits, if any, the plc donates to Exchange. 31% thought that the plc gives some of its profits and retains the rest to grow the business, whilst 16% thought it currently reinvests all of its profits in growing the business and 5% thought all profits were donated to the charity.
- When asked what should be done with profits from the plc, 48% felt it should reinvest some/donate some, 20% thought it should reinvest all profits to grow the plc and 8% thought the plc should donate all profits to the charity. 23% did not know what the organisation should do.

Drivers of donations

- 60% of respondents donate to Traidcraft as part of their regular charitable giving, particularly those who donate monthly. 28% respond to appeals for specific countries/producer groups, 22% to general appeals, 20% top up their order from the plc and 17% top up when ordering from a Fair Trader.
- The reasons for donating to Traidcraft included wishing to promote fair trade as a system, because Traidcraft fights poverty in the developing world and wishing to establish fairer trade rules and trade justice.

Appeals and use of donations

- Donors preferred to support anywhere in the world which needs it (89%). The one continent which did feature more strongly than others was Africa (19%).
- The majority of donors (96%) were happy for Traidcraft Exchange to allocate donations wherever the organisation sees greatest need rather than nominating a specific issue. Ringfencing of donations was not perceived to be a means of increasing donation levels.
- 86% of respondents were positive about the feedback they receive on the way in which donations are used, whilst only 1% had a negative perspective.
- 51% did not know enough to comment on whether Traidcraft uses donations effectively to meet its objectives. Nearly all (99%) of those who gave a view were positive.
- Raising awareness of Traidcraft and the causes it supports to a broader base of supporters was seen to be key to increasing donations. Encouraging regular giving through direct debit and making more of a link between appeals and their impacts were also considered to be useful in this regard.
- 86% considered three appeals per annum to be "about right" and 13% that this is too many. More appeals were considered to incur donor fatigue.
- Over 70% of respondents rated 7 of the 10 issues tested as major issues for them, with reducing global poverty being most important at 96%.

Communications

- The most commonly received communications from Traidcraft were appeals (80%), catalogues (74%), the magazine (70%) and thank you letters (59%).
- The catalogue and magazine were more popular than appeals when tested in terms of preference, however. Email communication is not used as much as donors would like and many donors were not keen on telephone calls (as they were considered to be intrusive) or thank you letters (as these were seen to be unnecessary/wasteful).
- Respondents were asked to rate different aspects of communications: overall rating, frequency, language used, style of communications and

information on what donations are spent on. All were rated positively by the majority of respondents.

- Where there was criticism of communications, it was because they are too frequent and because printed materials are perceived to be a waste of resources.
- 21% who gave a view considered Traidcraft Exchange's information on spending to be sufficiently clear so that donors know whether the organisation has met its objectives or not and 68% that it is quite clear. 11% did not consider it to be clear.

Traidcraft Exchange magazine

- 70% of those who expressed an opinion read Traidcraft Exchange magazine.
- The magazine was tested with donors on four issues: layout and design; length; information provided; and tone/language used. The mean score for each of these was eight out of ten.
- The majority (88%) considered three issues of the magazine per annum to be appropriate.
- The key issue donors liked about the magazine was the information it provides, particularly around specific projects or producers.
- There were some suggestions on improving the content of the magazine but these were conflicting in places, e.g. some donors preferring more information and other preferring a shorter publication.

Campaigning

- The majority of donors had engaged in some form of campaigning activity to date. However, few (4%) identified themselves as being involved in campaigning on behalf of Traidcraft. 67% had completed a postcard and 30% had written to their MP. 28% had not been involved in any campaigning activity.
- 22% would be interested in campaigning in future, which is low given the responses above, but possibly explained by the lack of identification with campaigning as a term. A further 24% stated that 'it depends'. The main reasons for giving this response were the amount of time and commitment involved, the type of campaigning activity required and the campaign issue. Age and health were also factors.
- Where there was interest in campaigning, written forms of campaigning were the preferred means of involvement: completing a postcard (55%), writing to an MP (40%) or completing an internet or email petition (26%). Attending a march was less popular at 9%.

Conclusions and recommendations

The aims of the survey were to build a profile of the donor base and to gain feedback on specific issues, including whether or not donors have clarity on how donations are spent.

We would consider that these aims have been met, as far as possible within the format of a self-completion survey, with profiling data captured and feedback gained on knowledge of Traidcraft, specific information about appeals and donations (including how donations are spent), communications and campaigning.

The survey responses would suggest that Traidcraft is broadly getting it right with regard to appeals and communications about donations, certainly with its core supporters who responded to the survey.

However, there is some concern that donors can feel "bombarded" with requests to donate from many different charities, so care needs to be taken to avoid donor fatigue, particularly with regular donors.

Consideration should be given to the following recommendations:

- Augmenting the donor database to tailor contact with donors in line with their wishes, for example some donors clearly wish to opt out of paper based communications because they receive too many to read, they have concerns about the impact on the environment or they would prefer the resources used on this to be spent on projects.
- Some donors who donate monthly by standing order/direct debit feel uncomfortable receiving separate appeals for donations given that they have an established means of contributing. It may be worth considering asking donors whether they wish to receive further appeals throughout the year or not, although it is recognised that this carries a degree of risk as some donors do respond to appeals.
- There is an issue about what the term "campaigning" means to the donor base, and potentially to other Traidcraft supporters, given the mismatch in terms of past engagement in campaigning activities and donors' perceptions that they have campaigned in the past or intend to do so in the future. This perhaps requires further exploration before appropriate actions can be decided upon. The terminology or identification with a campaigning role may not be deemed to be important if people are engaging in campaigning activities regardless of this but clarity around this issue would at least help tailor communications appropriately.

Directors' Comment

We are encouraged by the largely positive responses received from our donors. It is pleasing that our donors are aligned to our causes.

We hope that by serving our donors better we shall see increased donations in the future to enable us to expand our work. We have analysed the recommendations flowing from the results of the survey and in light of this we shall be reviewing our communication strategy.

[Back to the people and environment pages.](#)