

Organizational Relevance: Frameworks and Profiles

A Study by Brodeur Partners

What makes an organization relevant? Is it that the organization meets a personal need or performs a special function? Is it that it makes a particular product? And why do people find some organizations more relevant than others? Do they connect to organizations in different ways? Does organizational relevance even matter?

This is the first of several studies by Brodeur Partners exploring these and other dimensions of relevance.

Why relevance? We believe relevance is the new communications imperative. We live in an increasingly chaotic media environment with ever-shrinking attention spans and rising consumer skepticism. In a multichannel world where people have more and more choices, making connections is not only more difficult; it is more important.

In this study, we set out to answer two simple questions:

First, does the framework of things that people consider relevant change based on the type of organization they are considering? For instance, are the factors that we find meaningful and relevant for a nonprofit the same as those we find relevant for a business? Are the factors we find relevant for our favorite charity the same as those we find relevant for our favorite bank, car manufacturer, or retailer?

Second, do organizations and businesses have particular “relevance profiles”? Do some organizations connect to people through values, others through personal need, and others through curiosity and excitement? Do organizations have “relevance profiles” that define the way that people view and interact with them? And beyond the question of profiling, does the depth and breadth of connections, or “points of relevance,” correlate to better organizational and business performance?

To find answers to these questions, we conducted an online survey of 2,022 American consumers between the ages of 18 and 65. The survey was conducted by the independent opinion research firm PrimeGroup LLC from February 15th through the 20th. Results were weighted to reflect the national population and have a margin of error of +/- two percentage points.

What follows are the results of that study.

Summary of What We Found

- **What people find meaningful in nonprofit organizations is very different from what they find meaningful in commercial organizations.** By far the most relevant characteristics for a nonprofit are values-related. *Does that charity reflect my convictions?* Beyond that, the next most important thing is for the charity to inspire. For the types of commercial organizations we tested, the framework was much different. The most meaningful factors for those commercial organizations were meeting personal needs and, after that, values.
- **What people find meaningful in commercial organizations does not change, regardless of sector.** We asked people to consider professional services firms, high-end product companies and consumer products companies. In all three cases, the profiles of what people thought most and least important were extremely similar.
- **Many companies appear to have specific leading relevance indicators.** Companies such as Apple, Target, and Red Bull are distinctively “interesting and exciting.” Ford scores high on values. Google and Wal-Mart are distinctive in their ubiquity and would be missed most if they were gone.
- **Several companies that were much smaller in size and scale appear to be more “relevant” to consumers than larger companies.** We found this among the automotive, retail, and telecommunications companies tested. In each category, a smaller company scored higher than the industry leader across the five relevance dimensions tested.
- **Companies with high relevance scores appear to correlate with superior growth or performance even though they are much smaller than their competitors.** It is unclear whether the high relevance scores lead to superior growth or whether superior growth and performance lead to greater relevance. In any case, there does appear to be a clear correlation.
- **Among charitable and non-profit firms, big brands dominated.** There were many non-profits that had distinctive profiles – that is, they were highly relevant but in different ways. And there were some organizations that were surprisingly relevant and others that were surprisingly less so.
- **The winner among government agencies was the department most often considered for elimination.** We asked people to consider five very different government agencies in the fields of defense, health, environment, finance, and education. The relevance winner was education.

Relevance Frameworks: Our Approach

In trying to understand how relevance works for nonprofits and commercial organizations, we asked people to evaluate eight different statements and select the statement they thought was the **most** and **least** meaningful for each type of organization. We split the sample of 2,000 into random cells of approximately 500 people and had each group evaluate one of the following types of organizations:

- **Charities and non profits** ... an organization you might support through donations or volunteering, e.g., a church, a charity, or a political party.
- **Professional services** ... a company that provides personal or professional services to you, e.g., your bank, a real estate agency, or a credit card company.
- **High-end goods** ... a company that sells durable products to you, such as automobiles, computers, or televisions.
- **Personal products** ... a company that sells personal items to you, such as clothing, jewelry, or sporting goods.

We used a survey method called *MaxDif* to ensure that respondents evaluated each statement in context. On a series of five screens respondents saw four different relevance statements. On each screen, respondents were asked to choose the **most** and **least** meaningful statement for that type of organization. Statements would reappear several times, always in a different mix. The more often a relevance statement was selected as **most** meaningful, the higher its value score.

The eight statements tested were:

- I associate it with values that are important to me.
- It stands for the same things I do.
- Being associated with it makes me feel better about myself.
- I want people to know that I am associated with it.
- It helps me meet my needs.
- It makes my life easier.
- It is not for everyone but it is for people like me.
- It inspires me.

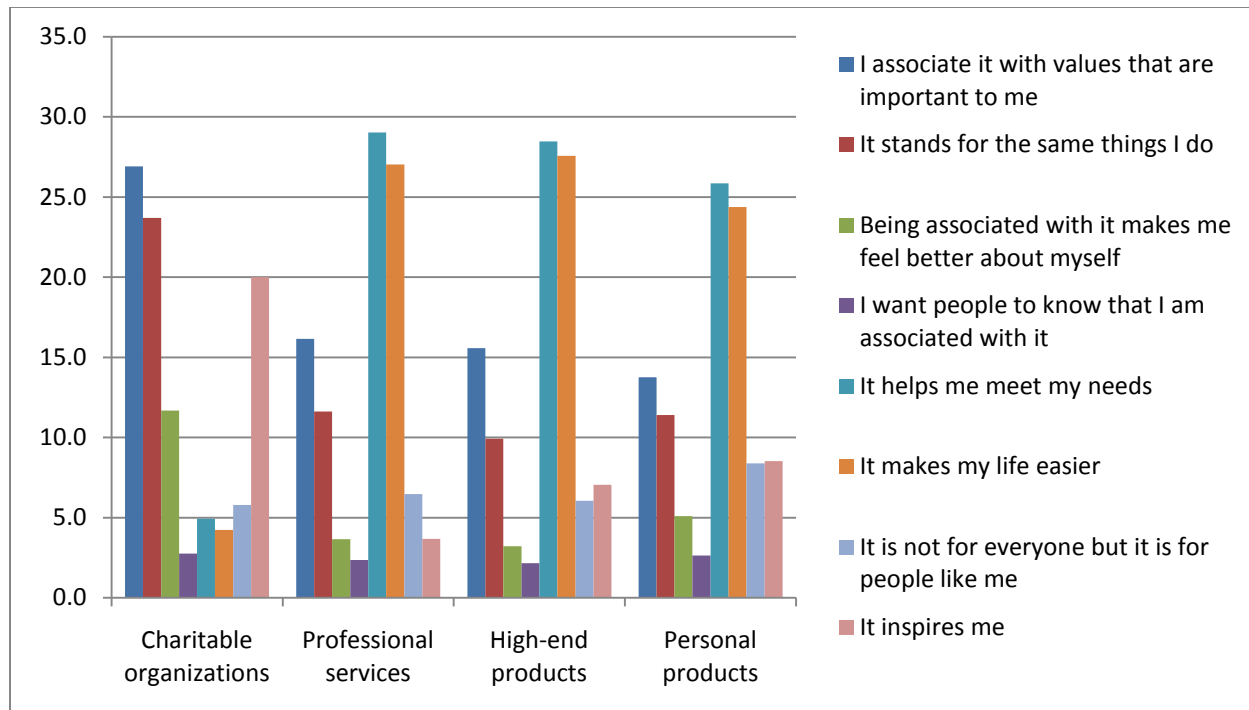
Relevance Frameworks: Our Findings

We found that the relevance statements people consider most and least meaningful for a nonprofit organization are very different from those they consider most and least meaningful for a commercial organization.

Of the eight relevance statements we tested, by far **the most important characteristics for a nonprofit were values-related**. In thinking about charities and nonprofits, people said the most meaningful thing was that they associate the organization “with values that are important to me” (27)¹. A close second was that it “stands for the same things I do” (24). Third was that the organization “inspires me” (20).

By contrast, **among all three categories of commercial organizations tested, the most important characteristics were function- or need-related**. The most important factor was that a company “helped me meet my needs.” A close second was that it “made my life easier.” The two values statements – “values that are important to me” and “stands for the same things I do” – were third and fourth respectively.

The study suggests that people’s “relevance framework” for charities and nonprofits is profoundly different than the framework they have for businesses. For charities and nonprofits, the most important thing for consumers is that the organization has values that they can both admire and share. Beyond that, people want non-profits to inspire.



¹ Numbers in parens () represent the “value score” for that particular statement. Value scores are based on a scale of 1 to 100.

The data suggest that nonprofits connect with followers in a very different way than companies do with customers. The personal connection to nonprofits is less about efficiency or efficacy and much more about demonstrating a shared mission. **Moreover, the data suggest that nonprofits may not want to sacrifice programs that inspire and motivate – things often viewed as overhead – at the expense of being “efficient.” Why? Because inspiration and motivation are at the heart of what makes a nonprofit relevant to its followers.** In fact, inspirational activities could be a significant way in which a nonprofit can both show and share its values with its supporters.

The Commercial Relevance Profile

Looking at the three categories of commercial organizations – personal products, high-end products and professional services – there was an interesting consistency of which relevant statements respondents found most meaningful.

The data suggest that regardless of whether you are a bank, auto maker, or apparel company, the most important thing is to show that you are either meeting a “specific need” or making someone’s “life easier.” This functional or need-driven consideration appears to be a relevance threshold point for commercial relevance.

Beyond that, consumers are looking for companies that share their values. People chose the statement “I associate it with values that are important to me” as the third most important for all three commercial categories tested. Although small, there was a slight increase in the importance of values in the two categories that represented high-priced goods and services.² This could suggest that the relevance of “values” as a concept increases with potential cost and personal investment.

Function vs. Values

We looked at several different models based loosely on Brodeur Partners’ four-quadrant Relevance Model based on the thinking, community, value and sensory self.

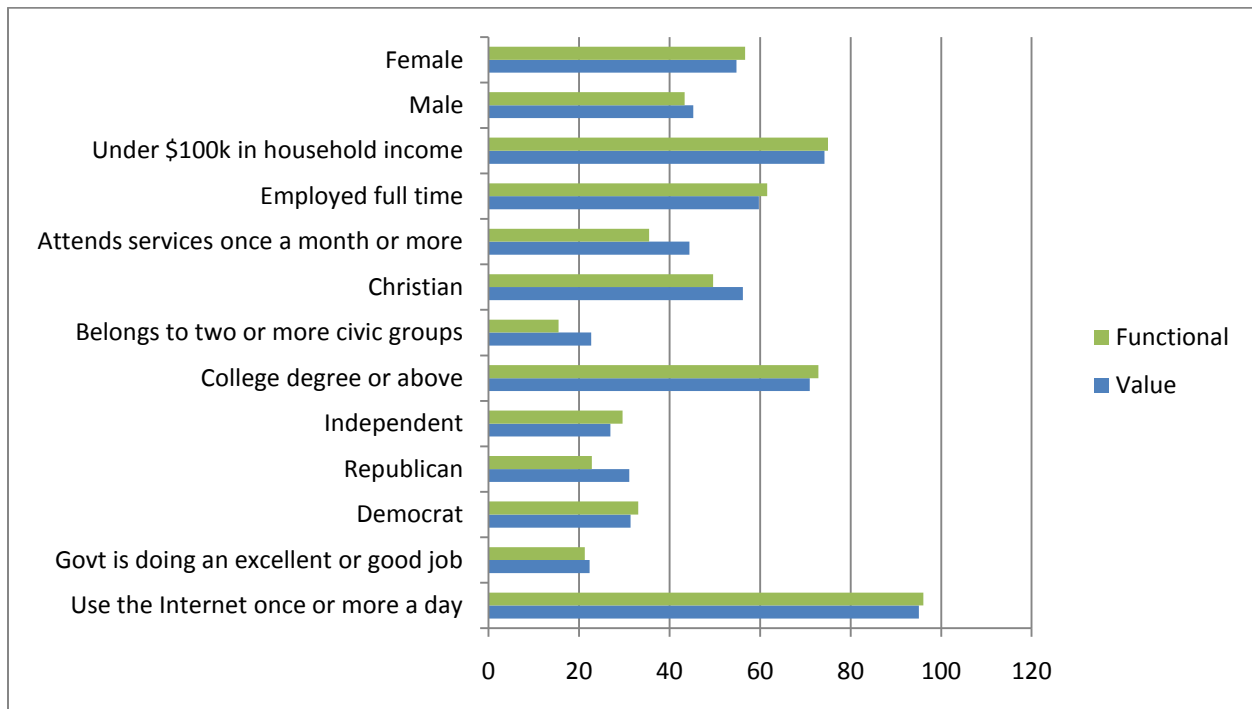
Statement	Category
<ul style="list-style-type: none"> I associate it with values that are important to me It stands for the same things I do 	Values
<ul style="list-style-type: none"> Being associated with it makes me feel better about myself I want people to know I’m associated with it 	Community
<ul style="list-style-type: none"> It helps me meet my needs It makes my life easier 	Thinking
<ul style="list-style-type: none"> It is not for everyone but it is for people like me It inspires me 	Sensory/Self

² Professional services and high-end goods(16); personal goods (14)

We looked at the total commercial sample (n=1500), did a simple analysis, and found that there were two dominant types of people: the functional or rationally-driven and the values-driven. The rationally-driven group represents approximately three-quarters of Americans (77%). The values-driven group represents about one in five (18%) Americans. We then looked at some of the demographic data to see what makes for a values-based consumer and what makes for a functional-based consumer.

The results may surprise you. **While very similar, the values-driven consumers tend to be more religious, more civically engaged, and more Republican. That is, the values-driven consumer appears to be more conservative.** This may seem to some to be counter-intuitive in that many equate “values” to liberal causes. Not so, according to this data. “Values” could just as easily (more so?) be equated to issues associated with conservative causes like sanctity of life, fiscal discipline, and personal responsibility.

Another interpretation could be that conservatives put values ahead of functional relevance, while their Democratic counterparts consider values once commercial companies meet their functional expectations.



Relevance Profiles: Our Approach

The second part of the study examined whether people connected or related to specific companies and organizations differently. We looked at different sets of well-known brands in commercial and nonprofit sectors. The commercial groups included automotive, retail, technology communications, and beverages. The nonprofit groups were healthcare, emergency services, environment, and government.

We asked respondents to consider a set of companies and organizations and in each category select the **one** organization that they felt:

- Is closest to my own values
- Is most interesting and exciting
- Would miss most if it were gone
- I would most want to be publicly associated with it
- I would most want to do business with it

It is important to note that this is comparative data. That is, people were asked to judge among a defined set of companies and organizations. As in any contest or election, the selections or “votes” could shift significantly if the choices were different.

In each category, we tried to identify a manageable (less than six) list of organizations that represented a mix of large and small well-known brands, including the brand leaders in that category.

In our analysis, we looked for differences or gaps between measures inside a company’s ranking. That is, did a company score particularly high in one area and not in others? We considered this occurrence to suggest a possible “leading relevance indicator” for that company or organization.

We also looked for companies that had comparatively high cumulative scores (the sum of all votes cast on all measures) to see if we could correlate corporate performance or consumer preference based on that total “relevance score.”

We split the sample so that each half of the respondents (approximately n=1000) assessed five of the 10 categories. Margin of error for n=1011 is +/- 3 percentage points; for full sample of 2022 it is +/- 2 percentage points.

Relevance Profiles: Our Findings

- **Many commercial brands appear to have leading “relevance indicators.”** That is, people select them much higher on one measure than they did on others. This was particularly true in the categories of retail, technology, and automotive companies. For example:
 - **Apple, Target and Red Bull were distinctively “interesting and exciting.”** Many more people chose them as “most interesting and exciting” than chose them for any of the other characteristics. In the technology group, two of five (41 percent) chose Apple as the “most interesting and exciting,” but just one in four (27 percent) said Apple was the company they would “most want to be publicly associated with.” Target was by far the “most interesting and exciting” in the retail category (54 percent) yet Target’s other measures were seven to 10 points lower. For Red Bull, its “interesting and exciting” score (11 percent) was five to 10 times its score on other measures.
 - **The leading indicator for both Google and Wal-Mart was “would miss most if it were gone.”** This was not surprising considering the ubiquity of the brands and their dominance in their respective categories. In the technology category, 42 percent said they’d miss Google most. In retail, 32 percent said they’d miss Wal-Mart most. For both companies, their score in other areas were more than 10 points lower.
 - **In the case of automotive, Ford had the most trusted profile.** More people said Ford was “closest to my values” (29 percent) than any of the other car manufacturers (next was Toyota at 23 percent). Ford was also first (28 percent) in “most want to be publicly associated with.” At the same time Ford scored behind competitors Toyota and Honda in the area of “most interesting and exciting.”
- **In the three non-profit categories, big brands dominated.** Among non-profit groups tested the overwhelming favorites were the Red Cross, the American Cancer Society³, and the National Geographic Society. However, the **surprising favorite among five government agencies tested** was the department most often targeted for elimination – **the Department of Education.**
- **Companies with high cumulative relevance scores appear to correlate with superior growth or performance despite being much smaller than competitors.** It is unclear whether the high relevance scores lead to superior growth or whether superior growth and performance lead to greater relevance. In any case, there does appear to be a clear correlation between the two.

³ The American Cancer Society is a client of Brodeur Partners.

- Target over Wal-Mart. Target bested its larger rival Wal-Mart in all five categories tested, with a relevance score of 231⁴ compared to Wal-Mart's 98. Indeed, despite being smaller than Wal-Mart by just about every financial measure, more people said they would miss Target most if it were gone (41 percent) than would miss the world's largest retailer (32 percent). **Interestingly, recent reports show that same-store-sales at Target stores last year jumped 2.8 percent while for Wal-Mart that measure was down 1.1 percent. Many analysts have reported that they expect these trends to continue.**⁵

- Ford over Toyota. Among the automobile companies Ford had the highest relevance score (127) over Toyota (120) and General Motors (49). Ford topped every other rival in every category except "interesting" (Toyota) despite the fact that Ford is smaller than both its Japanese rival (Toyota) and its domestic U.S. rival (General Motors). Why did Ford score so high in the areas of values and association? Was it due to their popular F150 truck and association with "like a rock"? Could it be related to the fact that Ford was the only one of the big three U.S. manufacturers that did NOT take government bailout money? We don't know. What we do know is this. **While smaller, Ford is growing. And according to reports last year Ford overtook Toyota as the US's number-two car maker. While Ford recently posted a near 20 percent growth in sales, Toyota's sales have been flat.**

- Verizon over AT&T. Finally, Verizon bested its much larger rival AT&T on every measure despite the fact that AT&T is nearly 10 times the size (in market cap) and is double in revenue. Verizon lead AT&T by more than 10 percentage points on every measure except one: "would miss most if they were gone." On that score 37 percent chose Verizon and 28 percent chose AT&T. **Both companies have numerous lines of business with very large brand footprints; therefore, it is difficult to make a strict comparison on performance measures. However, we'd note two data points. According to a report in the New York Times⁶, over the last two years Verizon has consistently ranked highest in customer satisfaction. Second, according to a year-end report from Dow Jones Newswires, AT&T's recent reporting of fourth-quarter profits were down 60 percent as customer growth slowed to 400,000 net new customers. During the same time period, Verizon Wireless had net additions of over 850,000 customers.**⁷

⁴ Relevance scores are simply the aggregation of all the percentages of respondents selecting that company or organization in each of the five categories. These numbers are relative and would vary considerably based on the number of businesses or organizations considered in each group.

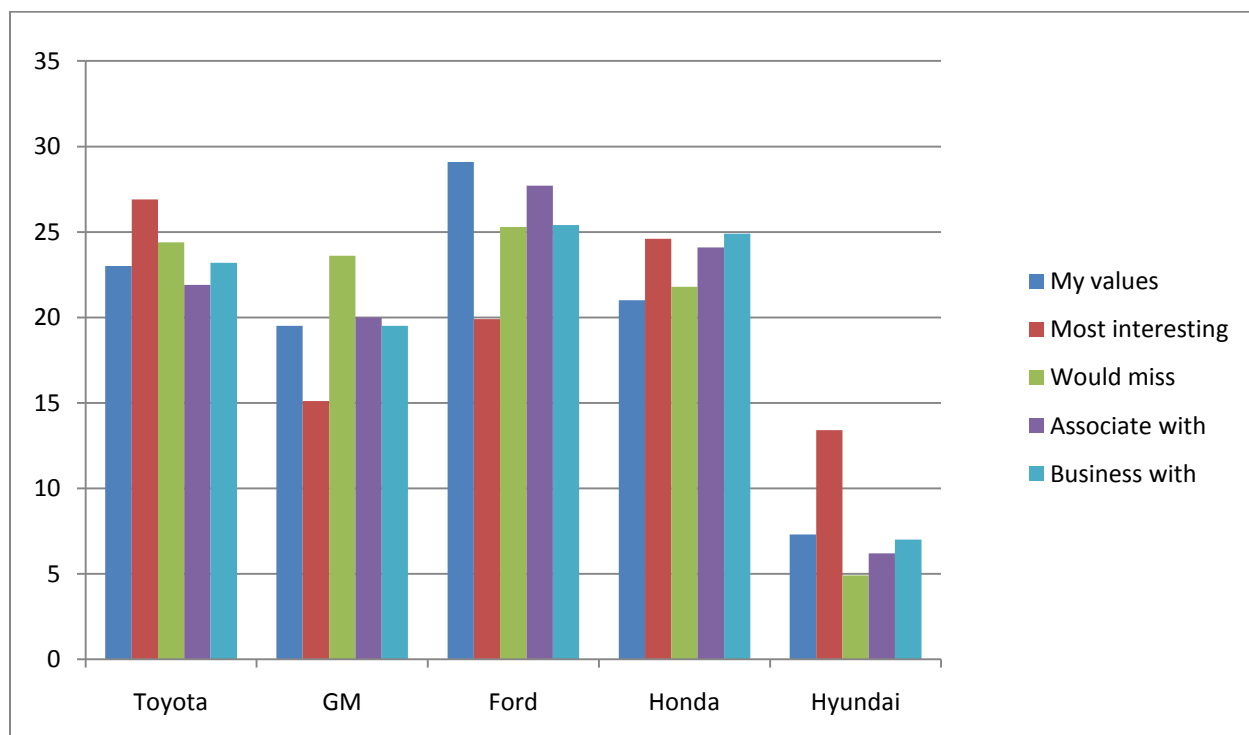
⁵ "Target vs. Wal-Mart," by Jim Woods, Investors Place, May 20, 2010. <http://tinyurl.com/68m67q7>

⁶ "With iPhone Taunts, AT&T-Verizon Rivalry Escalates," by Jenna Wortham, The New York Times, January 11, 2011. <http://tinyurl.com/4nmgmds>

⁷ "AT&T Profit Down," by Roger Cheng, Dow Jones Newswires, January 27, 2011. <http://tinyurl.com/5scogr2>

Individual group analysis: Automotive

Automotive – Of the five auto companies tested, the favorite was Ford. More people (29 percent) said Ford most closely represented their values than any of the others. Toyota was second. Ford also was the company that people said they would most want to associate with (28 percent). Not only that, of the five companies tested, more people said they’d miss Ford if it were gone (25 percent) than any other car manufacturer.

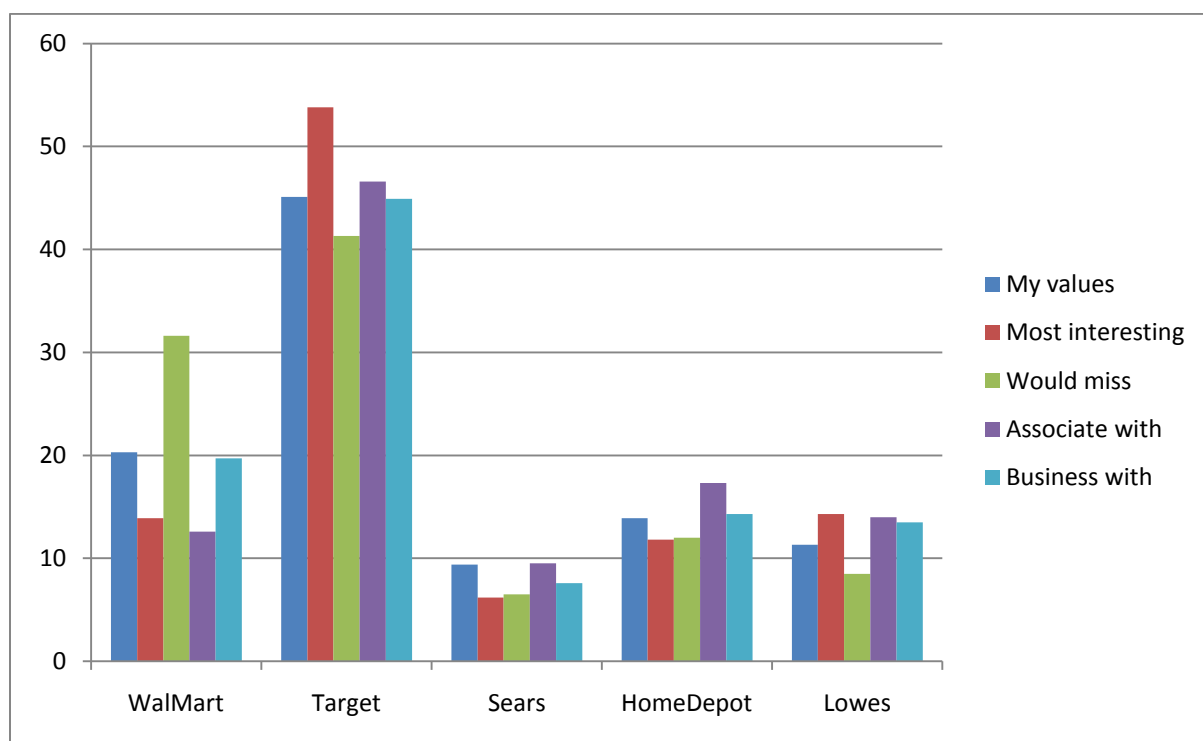


Questions:

- Did the fact that Ford did NOT take government bailout money influence its high scores on “values” and “most want to publicly associate with”?
- Given the relative parity between Honda and Toyota, can we assume that last year’s brake and recall issues have not had a significant impact on Toyota’s relevance?
- Is there something about being an Asian car manufacturer that makes a company “interesting”? Conversely, are American car manufacturers inherently boring? And does it matter?

Individual group analysis: Retail

Retail – Target dominated the five retail businesses tested. What was interesting was the percentage gap of people who chose Target over its much larger rival Wal-Mart on virtually every measure. More than twice as many people said Target was “closest to their values” than did for Wal-Mart (45 percent vs. 20 percent). More than four times as many people said that Target was most interesting (54 percent vs. 14 percent). More than four times as many people said that Target was most interesting (54 percent vs. 14 percent). Indeed, despite being a fraction of the size of Wal-Mart, Target even beat the world’s largest retailer on the company you would “miss most if it were gone” (41 percent to 32 percent).

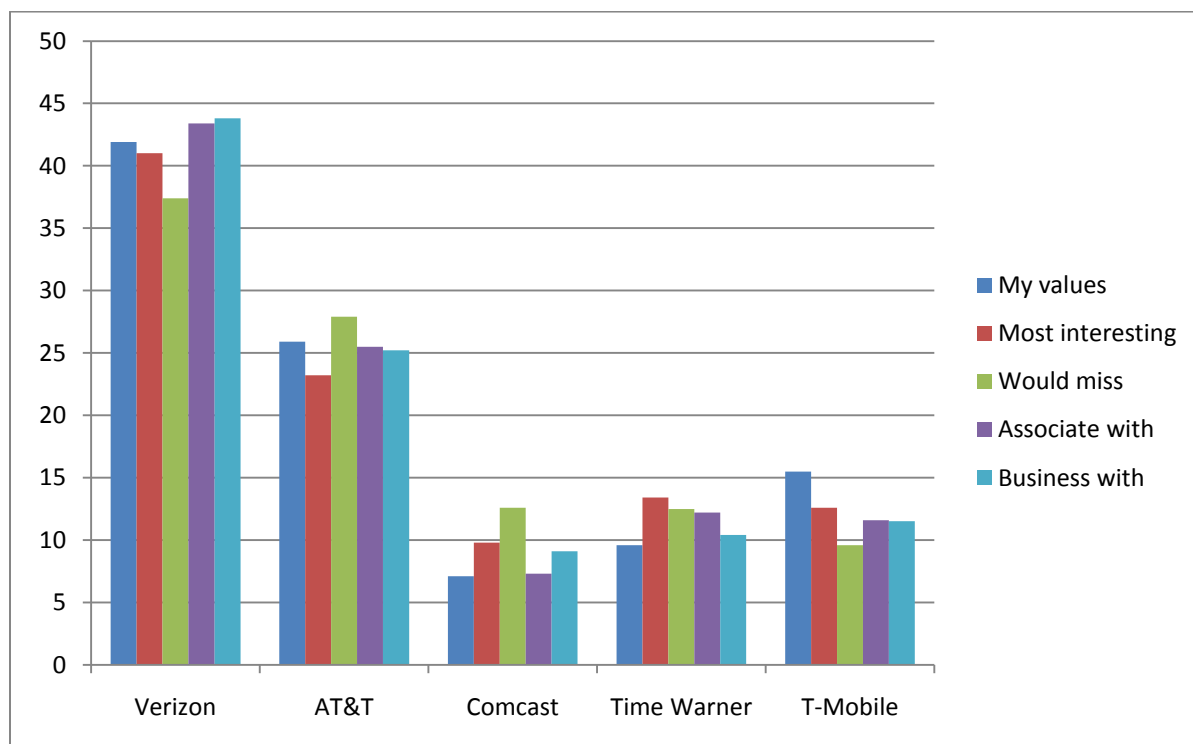


Questions:

- Has Wal-Mart’s “relevance” with consumers been damaged by union and legal issues?
- Why did Target score so much higher than its much larger rival Wal-Mart? Could it be related to its dominant score in the area of being the “most interesting”?

Individual group analysis: Telco / broadband

Telco / broadband – This category was **another instance of where a smaller company appeared to have a much higher relevance profile than its larger rival**. Verizon outscored its rival AT&T by an average of 15 points in four of the five areas of relevance. The closest AT&T came to Verizon was to lose by 10 points in the area of “would miss most if were gone” – 28 percent chose AT&T while 37 percent chose Verizon.

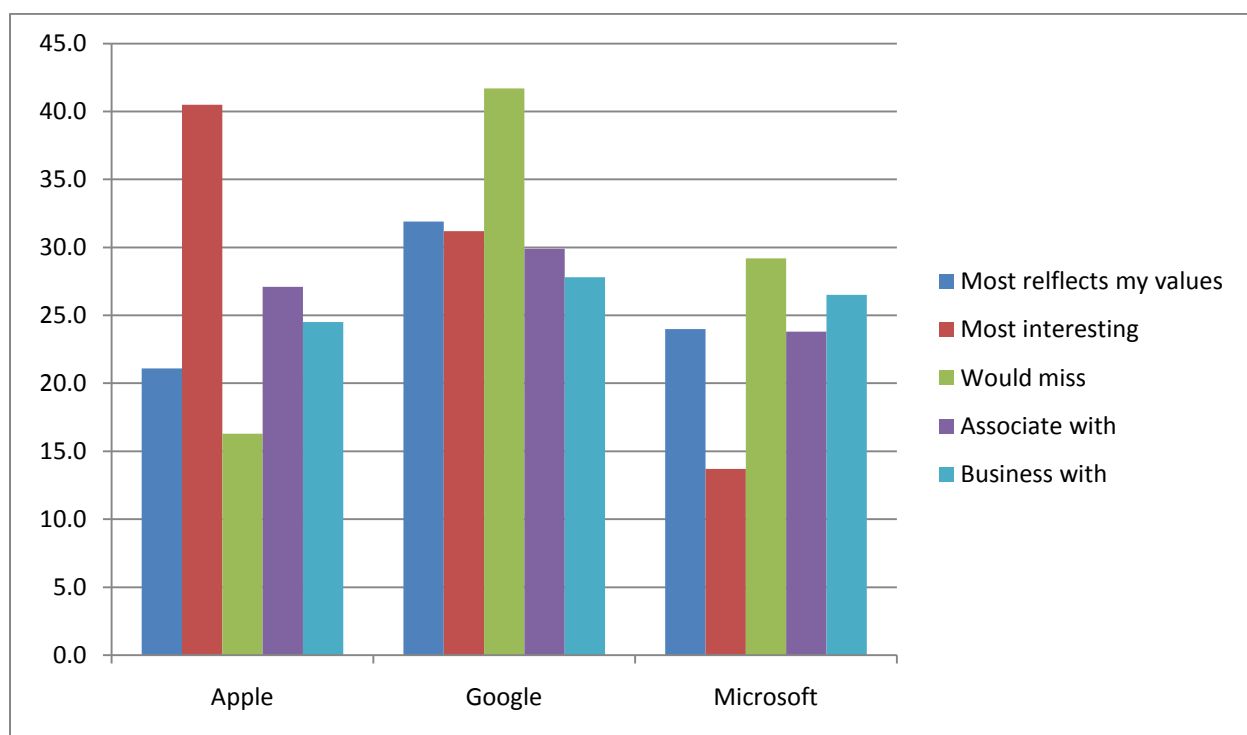


Questions:

- **None of the companies tested had distinctive profiles – that is, most of the individual company scores fell within a relatively narrow range. Could this be influenced by the nature of the category?**
- **How will AT&T’s acquisition of T-Mobile influence its relevance rating?**

Individual group analysis: Technology

Technology – We tested three big brands – Google, Apple, and Microsoft – against a handful of others. Of the three, **Apple was by far the most interesting**, though it came in a distant third among those saying they would miss it most if gone (Google won that). Indeed, beyond its distinctively “interesting” quotient, Apple’s relevance profile was very similar to Microsoft’s with Microsoft scoring higher than Apple in the areas of “my values” (24 percent for Microsoft and 21 percent for Apple) and preference in “doing business with” (27 percent for Microsoft and 25 percent for Apple).

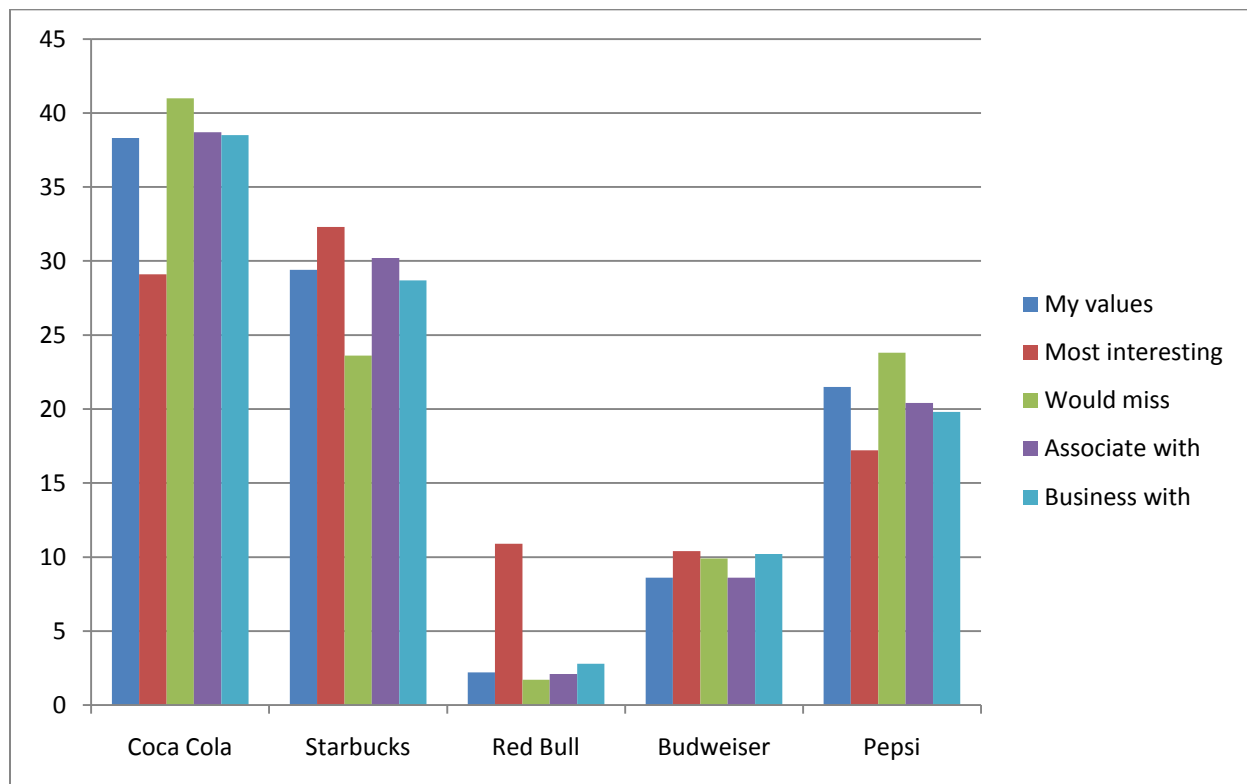


Questions:

- Are Google and Microsoft’s high scores as companies that people would “miss most” (combined 71 percent) simply a function of their ubiquity in search and computer operating systems?
- Is Apple reliant on “being interesting”?

Individual group analysis: Beverage

Beverage – Although Coca-Cola led the pack, **the surprising second place finisher was Starbucks**, which outpaced the larger Pepsi-Cola on every relevance dimension except “would miss most” (they tied with 23.6 percent choosing Starbucks and 23.8 percent choosing Pepsi).

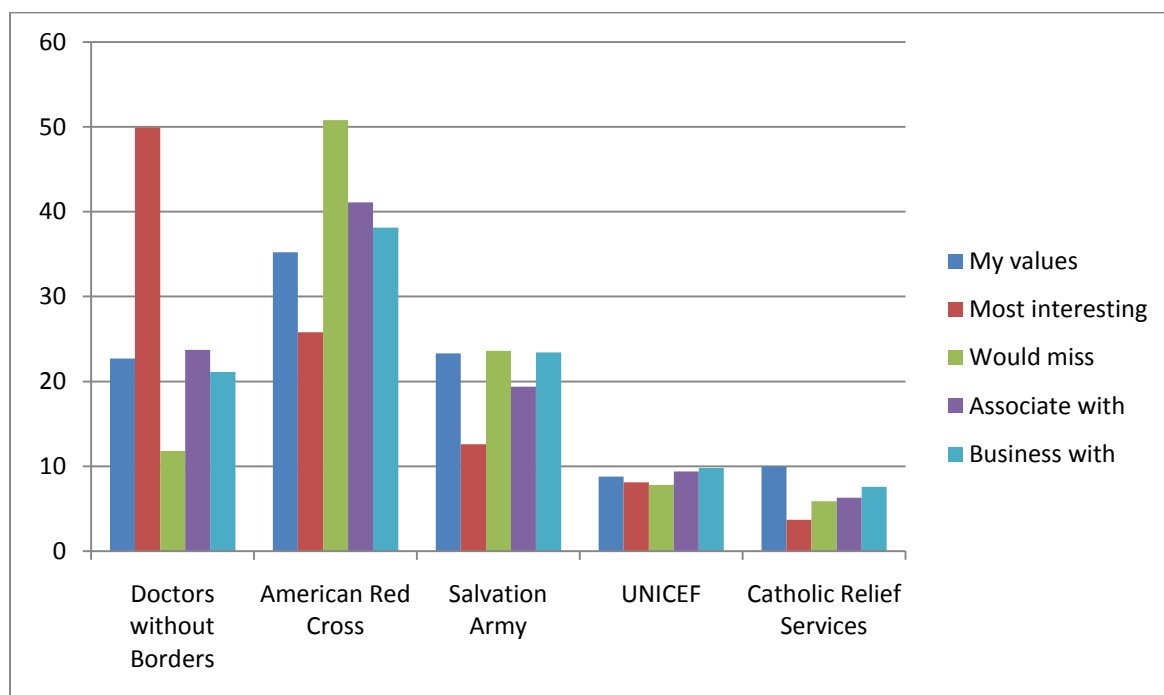


Questions:

- Does Coca Cola’s standing and its relatively low “most interesting” score mean that being relatively boring can be a good thing?
- Recently, Pepsi dropped to the number three cola behind Diet Coke. Is Coke’s superior relevance score the cause of Pepsi’s relative drop or a reflection of it?
- Is there anything to make of Red Bull’s “interesting” profile?

Individual group analysis: Crisis Non-Profits

Crisis nonprofits – We asked consumers to rate a handful of nonprofits that specialize in providing assistance in an emergency. Of those tested, the one that scored highest on four of the five relevance factors tested was the American Red Cross (bearing in mind that the survey respondents were Americans). Nonetheless, **Doctors Without Borders was the most interesting** (50 percent) among the charitable organizations tested, with nearly twice as many “votes” as the American Red Cross (26 percent). Yet on measures like “closest to my own values,” “want to be publicly associated with it,” and “want to do business with it,” Doctors Without Borders had scores similar to the American-based Salvation Army.

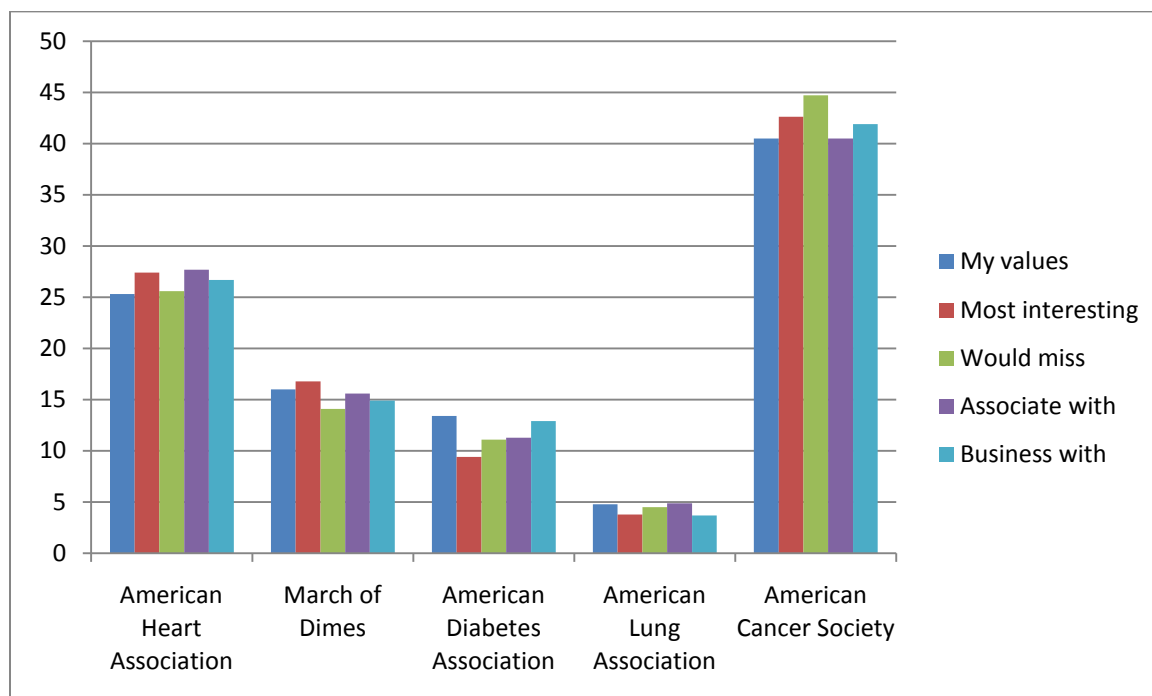


Questions:

- Is Doctors Without Borders missing an “interesting” opportunity or has it created one?
- How are these factors influenced by the share of the organization’s activity undertaken domestically vs. internationally?

Individual group analysis: Health Non-Profits

Health nonprofits – Among five large health nonprofits, **Americans showed a significant preference for the American Cancer Society across all dimensions.** Its closest rival was the American Heart Association. The American Diabetes Society came in fourth behind March of Dimes, somewhat surprising given the fact that diabetes is a leading cause of death and that the disease is reaching epidemic status in the United States.

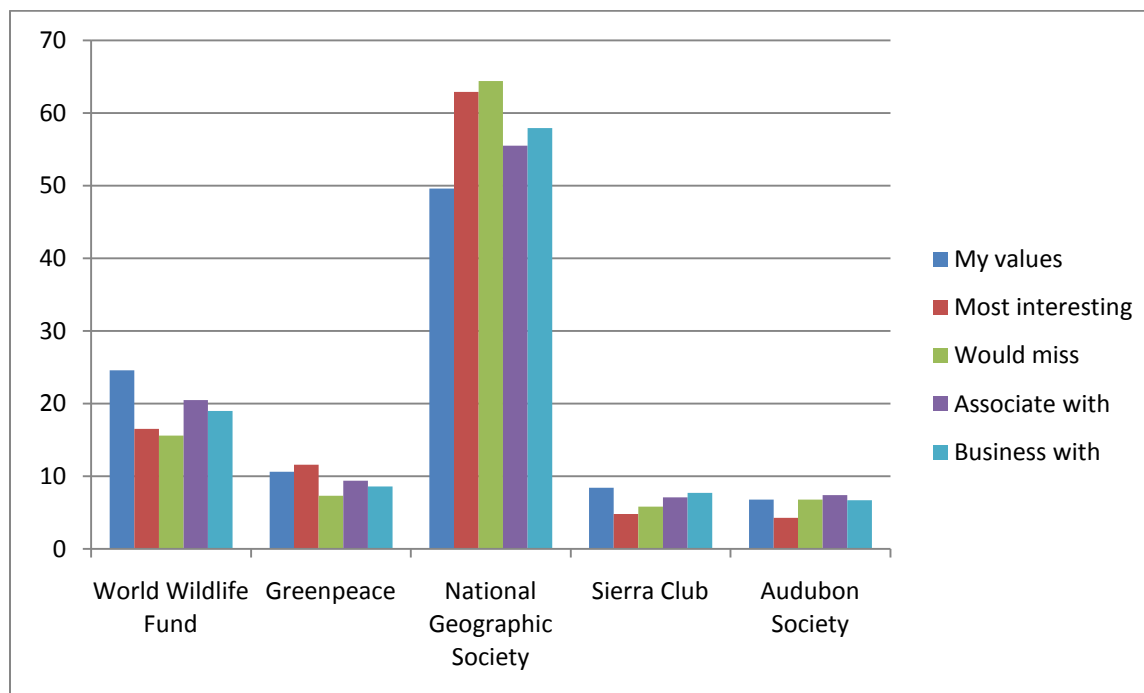


Questions:

- **These organizations have relatively “flat” profiles. Why? Is it the organizations selected? The sector?**
- **Why does the March of Dimes – an organization that serves a relatively small population – achieve a relatively high relevance score?**

Individual group analysis: Environmental Non-Profits

Environmental nonprofits – Of the five organizations represented, **Americans showed an overwhelming preference for The National Geographic Society**. The National Geographic Society was particularly strong in the areas of “most interesting” (63 percent) and “would miss most” (64 percent). While the other organizations lagged, one-quarter (25 percent) of Americans said the World Wildlife Fund “most represented my values.” That was more than double the number for Greenpeace (11 percent), Sierra Club (8 percent), and The Audubon Society (7 percent).

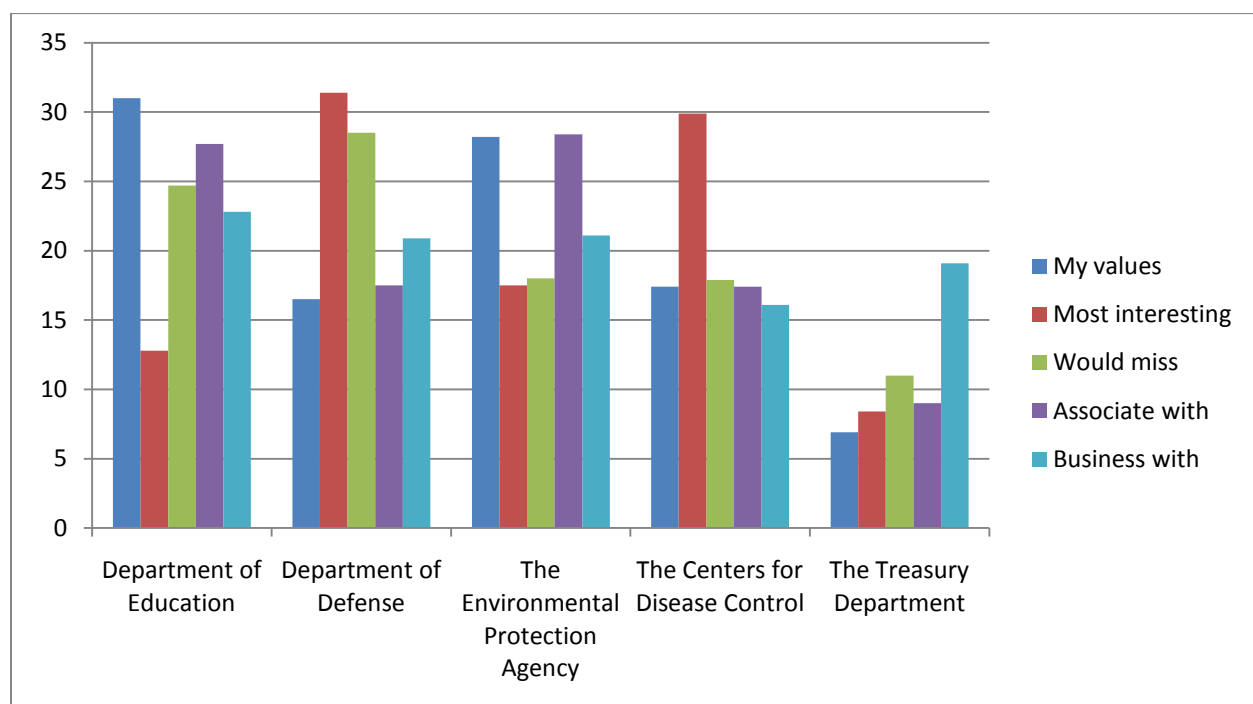


Questions:

- **Is the dominance of the National Geographic Society a result of the organization’s heritage, non-partisan nature, or media holdings? What other factors could be at play?**
- **What accounts for WWF’s relatively high score, particularly in the area of “values”?**

Individual group analysis: Government Agencies

Government – We asked people to apply the same five selections to five different Federal government agencies. The agencies represented a mix of focuses, including defense, education, health, finance and the environment. Not surprisingly, the one agency people said they would “miss most” was the Department of Defense (29 percent). However, **a surprising second was the Department of Education** (25 percent) – an agency that many people talked about eliminating. People also thought the DoD was “interesting and exciting.” Nearly one third (31 percent) chose the DoD as “most interesting and exciting” among the group, though it was a statistical dead heat with the Centers for Disease Control (30 percent). Finally, people said they would most want to associate themselves with agencies that dealt with domestic issues of education and environment. Over half (56 percent) of Americans selected either the Department of Education or the Environmental Protection Agency as the agency they would “most want to be publicly associated with.”



Questions:

- Is the fact that education touches everyone in his or her life the reason that the Department of Education’s scores are high?