



Overview

Comprehensive Research on Alumni Relationships: Four Years of Market Research at Stanford

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I. Background

In 1992, Stanford University concluded its five-year Centennial Campaign by exceeding its fundraising goal of \$1.1 billion. Nevertheless, the Office of Development (and the university's new president) were disappointed at the minimal amount of unrestricted funds at the president's disposal and dissatisfied that Stanford lacked a strong tradition of annual giving. The Office of Development therefore made unrestricted annual giving a higher priority than it had previously been, and began to invest more attention and resources in its annual giving programs.

It redefined its various undergraduate and graduate annual funds, more clearly delineated the populations that each fund could solicit (to eliminate inappropriate multiple solicitations), and provided each fund with staff that was responsible and accountable for results. It employed more effective methods of soliciting annual gifts by modernizing its telephone calling facilities, switching from volunteer callers to well-trained paid student callers, and better coordinating phone appeals with the direct mail programs. And most important for this discussion, it made a serious commitment to enhancing its understanding of the populations it was soliciting.

Like most experienced fundraisers, Stanford's Vice President for Development understood that philanthropic support for an institution depends, to a large extent, on the relationships it has with its prospects. Unlike many others, he decided to examine those relationships with the rigor and objectivity afforded by professionally conducted market research. Unlike almost *all* others, he created a full-time position to conduct this research on an ongoing basis.

Research itself is certainly not alien to fundraisers. Most colleges and universities do some sort of "prospect research" to understand, enhance, and respond to the relationships they have with individuals targeted for major and principal gifts. It is surprising then that so few conduct market research to understand, enhance, and respond to the relationships they have with populations targeted for annual gifts. It is even more surprising considering that market research has proven for almost a century to be a valuable tool, with high return on investment, in most other sectors of society.

Simply put, market research – especially when designed to produce actionable, rather than merely descriptive, data – enables strategy and tactics to be informed by valid and reliable data rather than by anecdote, speculation, and personal bias.

By reviewing some of the studies I have conducted for Stanford since my position was created in 1994, this paper will indicate the range of development issues for which market research can be valuable. Furthermore, by noting how the findings have been used and how the insights gained from one study have suggested other issues to explore, it will demonstrate the benefits of ongoing, as opposed to occasional, research. Indeed, the findings from the initial study of undergraduate alumni giving have led to more focused research on graduate alumni giving, alumni relations, university communications, and even student affairs and community relations.

A complete list of studies conducted before and after this paper was written can be found in the Research Archive section of this web site: <http://www.stanford.edu/~jpearson/archive.shtml>

II. Initial Research on Undergraduate Alumni Giving

Considerable thought has been given to understanding the reasons why alumni make gifts to their alma mater, but because only 25% of undergraduate degree holders made a gift to Stanford's annual fund in 1993, my first study, conducted in the spring of 1994, explored the other side of the equation to learn why most alumni do not make gifts. The research was designed around the hypothesis that the decision to give is like a purchase decision: Just as a consumer makes an active decision to buy a product for specific reasons, so too does he make an *active decision for specific reasons* to not buy a different product (even if those reasons are emotional or based on misperceptions). One objective of this study was to discover those reasons so they could be addressed. Although the gains are due to various reasons in addition to the research, it is worth noting that the undergraduate participation rate at Stanford has since risen each year, from 25% in 1993 to 34% in 1997. (Note: Since this paper was written, the participation rate has continued to rise each year, and was at 41% in 2001.)

Based on six focus groups followed by a telephone survey of 642 randomly selected undergraduate degree holders, this initial study measured aspects of alumni awareness, perceptions, and attitudes, while also testing a wide range of fundraising messages. Not surprisingly, the study confirmed that the relationship alumni have with Stanford plays a paramount role in their gift making decision: Alumni are more likely to be donors if they are very satisfied with their student experience, if they are involved and engaged with the university as alumni, and if they are kept informed about what's happening at Stanford. Simply put, the stronger the relationship, the more likely they are to be donors. But for the first time, the components of the relationship were quantified, and those most in need of attention were identified. Just as important, the study also demonstrated the interdependence of the components: Alumni who are most satisfied with their student experience are the most likely to remain engaged with the university; alumni who are most engaged are the most likely to read communications from the university; and those who are most informed about the university are the most likely to remain engaged.

In short, the solicitation is the last event in a chain of events, and the decision to give (or not to give) is influenced by many things that occur long before the solicitation arrives. The correlations in the data strongly indicated that fundraising efforts can be more successful when student affairs, alumni relations, university communications, and development are interrelated and work closely with one another. While this may seem obvious, it sent a very strong message to Stanford, where the university had little role in alumni relations (because of an independent alumni association) and where development had little say in university communications. Supported by the strong evidence provided by the research, the university and the Alumni Association merged in 1998, and development has obtained a stronger voice in communications and alumni relations.

The relationship alumni have with the university begins with their experience as students, and, not surprisingly, satisfaction with the student experience is the single most essential pre-condition for giving. Few Stanford alumni who are not satisfied with their student experience are donors. Fortunately for Stanford, however, almost all alumni (97%) are satisfied with their student experience, and more than three-quarters are very satisfied. This finding, which has been replicated in every subsequent survey of Stanford alumni, is very reassuring in light of the low "alumni satisfaction" rating assigned to Stanford by *U.S. News and World Report* – a rating that is egregiously flawed, if not entirely bogus, because it makes the error of partially equating satisfaction with gift giving. Satisfaction is a necessary *but not sufficient* condition for giving. One can be satisfied (and even very satisfied) with one's alma mater and still not make a gift to it. Giving is influenced also by the quality of alumni relations and communications, the perceived need of the institution, and the messages conveyed in solicitations – not to mention the methods used and the resources invested in fundraising.

There are, however, significant differences between alumni who are *very* satisfied with their student experience and those who are anything less than very satisfied. The survey showed that those who are very satisfied perceive the value of their Stanford education to be greater, take greater pride in their Stanford degree, have a stronger personal commitment to Stanford, and are more likely to be donors.

One of the most revealing findings of the research indicates that satisfaction is greater among alumni who feel that the best features of their education were deliberately provided by Stanford, and that the quality of their education was achieved by the university's design rather than by chance. For instance, satisfaction was greatest among alumni who are most satisfied with the advising they received, who feel the university made them aware of the best classes and academic opportunities, and who were most challenged by their undergraduate program.

The second component of the alumni relationship is the degree to which they are engaged with and involved in the life of the university. And just about every such measure in the survey indicated that the relationship alumni have with Stanford falters badly in this regard. While this identified a major challenge that Stanford must address, it came with a silver lining. Anecdotal information had caused serious concern that many alumni withhold gifts to Stanford because they are angry at it for social and political reasons. However, the quantitative data from this – and every subsequent survey – strongly indicated that, with the exception of a small (older) minority, political issues play a minimal role in deterring alumni from making gifts. Most alumni were profoundly disengaged from – not disaffected with – Stanford.

Indeed, most alumni have positive feelings about Stanford; and, as the focus groups revealed, most of those with doubts are eager to be reassured that things are on the right track. Even the crankiest and most skeptical alumni appreciate that the world is changing and recognize that the university must change with it. What they want, however, is reason to believe that change is being managed in a thoughtful and judicious fashion, that the university has a clear direction and is not just blown by social and political winds. This insight helps explain why the survey data demonstrated that – regardless of age or other demographics – the more alumni know about the president's goals and priorities, the more favorable their perceptions of the university are and the more likely they are to be donors. The importance of communicating effectively with alumni can not be overstated.

But here again, the research strongly indicated that Stanford faces a challenge it must address. Alumni in the focus groups expressed frustration with communications they felt were random, insufficiently salient to their interests, and not written from an alumni perspective. The survey data indicated that readership of the main alumni newspaper was moderate, at best, and that most alumni had little awareness of Stanford as it is now or of the issues the university would consider most important to its future. Nevertheless, alumni do form perceptions of Stanford – but, to a great extent, those perceptions are formed more from vague impressions gleaned from outside sources than from information provided by the university. Like any successfully marketed product or program, a university must define itself to its audience rather than allow itself to be defined by others. Indeed, alumni who were most informed about Stanford from Stanford sources had more positive perceptions of it and were more likely to be donors.

The research suggested that Stanford would benefit from a comprehensive and coordinated communications strategy to ensure that communications with alumni are strategically timed rather than occasional and fortuitous; designed to articulate consistent messages; developed with alumni interests in mind; and informed by clear objectives.

If the findings concerning the alumni relationship can be considered strategic (or long-term) in nature, the study also provided tactical (or more immediately actionable) information – by identifying fundraising messages that do and do not resonate with Stanford alumni, and by revealing issues that need to be addressed because they deter alumni from making gifts. This information has since been used to craft more effective appeals and enhance fundraising efforts.

The study found that three of the messages being used at the time simply fall flat with most Stanford alumni, who do not respond to suggestions that they support the university because:

- *Tuition does not cover the cost of a Stanford education, and even those who paid full tuition were subsidized.* The survey data indicated that this message is not compelling, and the focus groups explained why: It does more to raise negative questions about the ever-rising cost of a Stanford education than it does to engender feelings of gratitude or indebtedness.
- *Their gifts help Stanford provide the great teaching and stimulating classes from which they benefited.* To the contrary, many younger alumni (accurately or not) recall a much different experience – with large classes, little access to faculty, and too many teaching assistants.
- *They have an obligation to Stanford.* Most Stanford alumni do not believe they have such an obligation, and many resent suggestions that they do.

Nevertheless, alumni do feel Stanford had a positive impact on their lives, and the main reason they consider making gifts is simply to give something back. But this alone is not enough to impel them to do so. Stanford must also demonstrate that what they give back will be meaningful, and the research suggested that the most persuasive messages demonstrate the impact of alumni gifts – on individuals (through financial aid), on the university (by helping to fund teaching initiatives and new programs), and on the world we live in (because Stanford is a leader in science, humanities, medicine, and technology).

In 1994, polls and social research consistently indicated that Americans thought most of their institutions were rife with bureaucratic waste and non-essential programs, and that they distrusted administrators to spend funds wisely. Fortunately, alumni did not feel that way about Stanford, and these concerns play a minimal role in deterring them from making gifts to the university.

Rather, the single greatest deterrent to making a gift to Stanford is the perception that it simply doesn't need their gifts as much as other organizations do. Most alumni feel Stanford is not only a wealthy institution, but one that can always count on other sources for major funding. Furthermore, alumni feel their money has greater *impact* on smaller organizations and causes.

Low perceived need and lack of impact are the primary deterrents for all Stanford alumni, and are even taken into consideration by donors. No other issue plays much of a deterrent role among younger alumni, but a secondary deterrent for older alumni is concern that Stanford has strayed from its core mission and values. Although, as previously noted, there is little anger at Stanford over social and political issues, some older alumni do question whether they can support what they perceive to be the university's misdirection.

[Note: In the years since this paper was written, the undergraduate curriculum at Stanford was substantially overhauled. Greater attention and resources were put into small classes, freshman and sophomore seminars, new teaching initiatives, and new undergraduate research opportunities. Support for undergraduate life became a very high priority. Much of the concern some alumni had about Stanford's mission, values, and direction has since dissipated.]

III. Alumni of Color

Although alumni of color were proportionally represented in the initial survey of undergraduate alumni, there was some concern that race relations at Stanford were getting worse and that a closer look at minority alumni would be helpful. In March 1995, a telephone survey was conducted with 820 randomly selected alumni of color, with each of the major groups (Asian-Americans, Latinos, African-Americans, and Native Americans) proportionally represented.

Again, it was found that much of the concern – which was based on anecdotal information from a small, outspoken, and non-representative group – was unfounded. The survey revealed that the perceptions of Stanford held by alumni of color are as positive as, and in some ways more positive than, those held by white alumni. As many alumni of color as white alumni are satisfied (and very satisfied) with their undergraduate experience at Stanford, and as many feel a strong personal commitment to Stanford. But alumni of color are more likely than white alumni to take great pride in their Stanford degree and to feel they got a better value at Stanford than they could have gotten elsewhere.

The survey also strongly suggests that the racial atmosphere at Stanford is actually improving. For instance, 20% of alumni of color who graduated before 1980 agree that Stanford was a hostile place for students of color when they were students – compared to 12% of those who graduated in the 80s, and just 8% of those who graduated in the 90s. Similar measures reflect the same trend, which is not really surprising since there were relatively few students of color at Stanford before 1980, while now they account for half of the student body.

This study, however, was not a call for complacency, and it underscored the challenges Stanford faces with its alumni of color (particularly African-American alumni, who are the most critical of their student experience and the most skeptical of the university as it is now). But, for the most part, the challenges are the same as those Stanford faces with white alumni – lack of engagement and ineffective communications. For instance, alumni of color who feel Stanford is responsive to ethnic and other minority groups are much more likely to have favorable perceptions of Stanford and to be donors. But too few feel it is responsive. Awareness – of the diversity of the student body, the multicultural curriculum, and other issues concerning minorities at Stanford – is extremely low. Only 41% of all alumni of color knew that the second highest office at Stanford (the Provost) was held by a person of color, and from 78% to 92% were not aware of four major actions Stanford had taken in recent years to demonstrate its commitment to diversity and multiculturalism. In short, only those who were there to actually experience the changes were aware of them; the rest were simply not being informed.

The study also indicated that the reasons for and against giving to Stanford are the same for alumni of color as for white alumni, and that most prefer to be appealed to as *Stanford* alumni, and not as ethnic or minority alumni.

IV. Comparative Data on Undergraduate Alumni

Because there was no current research with which to compare the data from the initial survey of undergraduate alumni, many of the findings lent themselves to different interpretations. For instance, did the data about the alumni newspaper really indicate that readership was disappointingly low, or was it as high as could realistically be expected for an alumni publication? Is our cup half empty or half full? To help answer these questions, Stanford invited some of its peer institutions to participate in a comparative survey of undergraduate alumni, and Princeton, Yale, and the University of Pennsylvania accepted the invitation.

The telephone survey was conducted in December 1995 with 402 Princeton alumni, 402 Yale alumni, 401 Penn alumni, and 403 Stanford alumni (none of whom were aware that the same survey was being conducted with alumni from other universities). The study was extremely valuable in providing comparative data with which each of the universities could better interpret the relative strengths and weaknesses of the relationship it has with its alumni. Stanford found that it can indeed improve its communications, alumni relations, and certain aspects of the student experience.

As in the initial survey conducted in 1994, about half (49%) of Stanford alumni said they read every issue of the alumni newspaper, and 72% said they read every or most of the issues they receive. But readership figures were significantly higher for each of the other universities in the study – and at one of them, 66% said they read every issue and 90% said they read every or most issues. It was also helpful to learn that, while the Stanford newspaper did a better job than the other publications at keeping readers informed about faculty research, it did a worse job at helping them feel close to the university and helping them understand student life at the university today.

The comparative data also left little doubt that Stanford has ample room for improvement in alumni relations, because every such measure in the survey clearly indicated that Stanford alumni were less involved, less engaged, and felt less a part of the university community than alumni from one of the other universities.

Overall satisfaction with the undergraduate experience was as high among Stanford alumni as among alumni from the other three universities. But the survey indicated that the perceived value of their education was lower among younger Stanford alumni than among younger alumni from two of the other universities – probably because they were also less satisfied with a few key components of their program, such as advising and faculty contact.

The most significant difference in attitude towards giving is that Stanford alumni are less motivated than the other alumni by a sense of responsibility or obligation to the university. It is revealing that Stanford alumni are also half as likely to say the university made it clear to them when they were students that they would be counted on to support the university as alumni. The concerns that deter giving are the same for alumni from each of the universities.

It is also worth noting that, at each of the universities in the survey, class identification is surprisingly low – which suggests that class-based solicitations may be less than compelling for all except the few class leaders. Reunion year solicitations may be more successful than non-reunion year solicitations more because they provide alumni with a convenient milestone at which to renew (or increase) their support than because they actually sway alumni with appeals to class affinity. And because more manpower, resources, personal peer appeals, and other mechanics are employed in Reunion year campaigns.

V. Research with Graduate Alumni

After the initial study of undergraduate alumni was completed, studies for most of Stanford's graduate schools were conducted. Studies of graduate alumni from the School of Education, the School of Humanities and Sciences, the Law School, the School of Engineering, and the Medical School explored issues unique to each school, but the consistency of the fundamental findings was remarkable – and they indicated that Stanford's main challenges with graduate alumni are the same as those with undergraduate alumni. At each of the schools, satisfaction with and perceived value of the student experience were quite high, while engagement and awareness were very low. Furthermore, the messages that most persuade alumni to give to the schools are all the same, as are the concerns that deter them from giving.

The School of Education, the School of Humanities and Sciences, and the School of Engineering have an additional problem, because their alumni with only a masters degree are even more disengaged. Masters alumni spent a shorter amount of time at the schools, had less intense interaction with faculty, and tend to feel that the schools perceived them as "cash cows" to help finance the doctoral programs. The additional challenge for these schools is to better articulate the important role that masters alumni play in the life of the school and to somehow engage them in its future.

The study for the School of Education (three focus groups followed by a telephone survey of 407 conducted in November 1994) was especially revealing because it strongly refuted the notion that alumni don't give to the school because they can't afford to. In the first focus group, participants (most of whom were non-donors) were asked why they thought the vast majority of the school's alumni don't make gifts to it. Many immediately said that they were teachers or worked in fields that don't pay high salaries and that they simply couldn't afford to make gifts. Then they were asked if they make annual donations to other organizations or causes – and everyone said yes. Then came silence; then came laughter. Once the alumni realized that "poverty" was an excuse, and not a reason, more useful information came to light: They don't see the school making a difference in the world or helping address problems in education that many of them deal with every day – so they see little reason to support it. This exercise was repeated with the same results at each of the subsequent focus groups.

The survey data provided quantitative corroboration. Almost all alumni from the School of Education (93%) said they give money on a regular basis to charities, cultural organizations, public interest groups, or other not-for-profit organizations. But 70% to 90% were not at all aware of five major programs the school had developed in recent years to help address some of the issues and problems they were most concerned about. The survey also indicated that alumni received little communication from the school they felt was of substance and found the school magazine to be mostly irrelevant to their interests.

The study of Law School alumni (four focus groups followed by a telephone survey of 400 conducted in October 1995) produced similar findings. About a third of all Law School alumni did not know enough about the school to even offer an opinion about whether or not it is a "leader among law schools," and almost 60% could not point to a single area of the law in which they thought the school is pre-eminent. While it is understandable that alumni may have limited awareness of recent changes and developments at the school, it is disturbing that so few of them recognized even the most fundamental qualities that distinguish the school. Again, the study also found that alumni were inadequately informed – and even confused – by its communications (which, like the School of Education's magazine, have since been redesigned).

Three focus groups followed by a telephone survey of 402 alumni from the Medical School were conducted in May 1996, and the most interesting issue concerned the school's solicitation strategy. Each year, Medical School alumni were being asked by the dean to give to The Stanford Medical Fund, while also being asked to support the school by making gifts to a fund created by the Medical Alumni Association (which were then given to the dean). This dual solicitation strategy might have made sense if alumni felt it provided them with meaningful alternatives in how to support the school, or if they trusted the Medical Alumni Association to spend the money more wisely than the dean. But the research indicated just the opposite. The dual solicitations were three times as likely to confuse alumni as they were to provide them with a meaningful choice in how to support the school. Alumni were almost twice as likely to trust the dean more than the Medical Alumni Association to spend the money where it has the greatest impact. And the overwhelming majority (70%) did *not* feel they had more say in how their gifts were used by giving to the Medical Alumni Association.

It was therefore recommended that alumni receive a single, rather than dual, solicitation; that fundraising be left to the dean and his development staff; and that the Medical Alumni Association could best support the school by focusing directly on events and programs to increase alumni involvement.

As with the Schools of Education and Law, the study of graduate alumni from the School of Engineering (four focus groups followed by a telephone survey of 600 conducted in July 1995) revealed that alumni were unaware of what the school is doing to deserve its reputation (and their support). One focus group participant likened the school to a Rube Goldberg contraption because "it has bells and whistles and all sorts of ingenious things going on, but I have little idea what the darn thing actually does."

Because the survey found that alumni were twice as likely to identify more closely with their department than with the school, it was recommended that The Engineering Fund abandon its school-based appeals in favor of department-based appeals. After the survey, a market test was conducted in which a randomly selected half of alumni from its largest departments received a school-based appeal, and the other half received a departmental appeal. Although the money was still raised for unrestricted use by the school's dean, the appeals from the department chairs outperformed the school-wide appeal by a third both in participation and in dollars raised. The following year, the entire direct appeal program for the School of Engineering adopted the departmental approach, and the fund achieved a 44% increase in participation and a 28% increase in dollars raised.

The study also found that the interests of engineering alumni are not limited to their individual fields, so a two-tiered communications strategy was recommended – school-wide communications to keep alumni informed about the breadth of activity across all engineering departments (and to ensure that all alumni receive the same consistent messages), along with departmental newsletters to provide depth on a more targeted basis. Two years after certain departments established newsletters to complement the redesigned school-wide communications, a follow-up survey was conducted to measure the effect of this strategy.

Conducted in July 1997 with 605 of the school's graduate alumni, the follow-up telephone survey indicated that the new communications program was working. Alumni who received the departmental newsletters were much more likely than those who did not receive the newsletters to feel like an important part of both the school and the department community and to feel better informed about faculty, current research, and alumni. They were also significantly more aware of various qualities of the school, and had more favorable perceptions on a variety of measures.

The follow-up survey also indicated that the time had come to seriously apply online technology to alumni relations and communications. As of July 1997, 88% of all engineering alumni said they used both e-mail and the Web – including virtually everyone (99%) under the age of 40; 95% of alumni in their 40s; 88% of alumni in their 50s; and 62% of alumni 60 or older.

Furthermore, in just two years, online usage had increased dramatically – by about 20 percentage points – among all age groups, and not just among younger alumni. Indeed, by July 1997, e-mail and the Web had become regular parts of their lives, used as much by alumnae as alumni.

VI. Online Services for Alumni

To provide online services and resources that alumni will value and actually use, it is first necessary to understand the underlying *benefits* they want – and then design the features that best deliver those benefits. Therefore, six focus groups were conducted in November 1997 with alumni who use e-mail and the Web – and as diverse as they were (undergraduate, graduate, and dual degree holders from their mid-20s to early 70s), the underlying benefits they want from Stanford online are the same:

- Connectedness, or community – with other alumni and with the university (or their school or department).
- Awareness – of news and information about what's happening at the university, what's going on with students, current research and scholarship, Alumni Association programs and trips, and local alumni events.
- Access to university resources – especially to the libraries, but also to abstracts of faculty and student research.
- Job and career networking.
- Continuing Education – more for personal enrichment than for professional development.

Fortunately, the benefits alumni want from the university online coincide with the challenges it most urgently needs to meet: Demonstrating the positive impact it has on the world and why it deserves their support; making alumni feel part of the Stanford community; and becoming relevant to them once again.

The key to delivering online benefits to alumni is to literally deliver them. As often as participants in the focus groups browse the Web, they were not visiting any Stanford sites frequently or on a regular basis. But they enthusiastically urged Stanford to employ "push" techniques to deliver news, information, and items of interest directly to their attention. Relatively low-tech e-mail subscription lists were eagerly desired by almost all of the participants, who most wanted to subscribe to lists that would inform them of:

- News about what's happening at the university as a whole, covering top stories as well as information about student life, curriculum, and current research.
- Similar news and information specific to their school, department, or program.
- New online services and resources available to alumni.
- Alumni events and volunteer opportunities in their local area.

Participants indicated three essential requirements for lists to be appealing. First, they must be sent frequently enough to be timely – but no more frequently than needed to keep readers current. Second, each time a list is distributed, it must include clear instructions on how to unsubscribe. Third, and perhaps most important, the lists must be brief. Ideally, each list would be little more than a series of headlines with hypertext links to the URLs with the full story.

Almost all the participants said they use the Web mostly to find specific information. They do not just surf, and are thus unlikely to spend much time simply browsing around the Stanford sites. With this in mind, subscription lists can help increase awareness of the sites they link to, and may induce alumni to bookmark those sites and visit them without being prompted. While enabling the university to reach large constituencies in a timely manner, subscription lists can also help engage and inform unique populations with focused interests (such as alumni living in Asia and fans of each of the major teams). They can also supplement direct mail marketing for groups with limited marketing budgets (such as alumni travel programs, the art museum, and the university symphony).

Every entity with an e-mail list should promote the list on its Web site. But alumni warned that their limited browsing would leave them unaware of many lists unless they were also compiled in a single and conspicuous location.

Automated list servers can be used not only for one-way bulletins with news and information, but also for discussion groups among alumni. Most participants agreed that e-mail discussion groups could, at least theoretically, help strengthen their connection and sense of community with other alumni. However, there was only lukewarm interest in subscribing because many have found that broadly defined groups clutter their e-mail boxes with too much chatter on topics of little interest to them, while more narrowly focused groups often have too little traffic to be of much value. They also questioned whether Stanford discussion groups would significantly differ from groups already available online.

Like increased awareness and connectedness, greater access to university resources can help Stanford remain relevant to alumni and make them feel part of the Stanford community. The most frequently mentioned resource they wanted online access to is the libraries, but alumni also said they would like access to various databases, faculty and student research, and work in the arts and humanities (including creative writing, music, art, and campus humor). Not surprisingly, older alumni very much wanted access to health and medical resources, and younger alumni wanted access to services for job and career networking. The latter, however, was also of interest to older alumni involved in recruiting and hiring for jobs and internships: They would like an inside track on Stanford's large and diverse talent pool.

While the university can attract alumni to its Web sites by including features that deliver the underlying benefits they want, other features can help stimulate repeat visits. Some of these are "value-added" features that increase the utility of a site, some are simply fun, and some are both. Citing features that appear in many of the most successful commercial sites, alumni said they would be more likely to pay repeat visits to Stanford sites if they included free downloads, relevant links, and even factoids, polls, and contests. As one alumna remarked of polls and contests, "Okay, so they're the Internet equivalent of those love testers in bar rooms that rate your sex appeal, but they do engage the visitor."

Alumni do not want to see banner or other advertisements on Stanford Web sites, nor do they want the sites to be overwhelmed with offers to buy Stanford merchandise. (They do want to be able to purchase such merchandise online, but suggested that all items for sale be included on a single site.) And they especially do not want to be solicited for gifts by e-mail – although this has changed somewhat since this paper was written.

Regarding Stanford's existing Web sites, alumni first of all felt that the university homepage impeded, rather than facilitated, access to the information they wanted – because it was cluttered with too many links that are irrelevant to their interests, and because it was organized in a way that made little sense to them. And just about everyone was baffled or bemused that Stanford had chosen the color of its arch-rival, UC Berkeley, as the dominant visual element in its homepage.

Because of the multitude and diversity of its Web sites, alumni recognized that Stanford faces an unusual challenge in making information and resources easy to find. This challenge was underscored as it became clear that many were unaware of a host of resources that were already available to them – mainly because much of the Stanford web was organized from an internal or bureaucratic perspective, rather than from an audience perspective. Alumni further noted that navigation was hindered by a lack of coordination, unity, and consistent standards among the sites – which also gave some of them the impression that Stanford "is a place where no one talks to anyone else." It was also remarked that there was no consistent visual style among the many sites – and, while most felt that the many styles reflect the diversity of character that makes Stanford special, they also noted that more could be done to brand the sites with a Stanford identity.

Finally, alumni felt that many of the sites and features they did find (such as the Alumni Locator and the Alumni Contact Service) needed improved functionality to be of real value. At the time this study was conducted, collecting alumni e-mail addresses was the most urgent priority for Stanford's online services to be of significant value in alumni relations and communications. Therefore, in addition to addressing the issues discussed above, it was recommended that Stanford immediately take a number of actions to collect as many e-mail addresses as possible. Other recommendations included creating alumni advisory boards for online issues, finding a mechanism by which e-mail addresses can be shared among different Stanford databases, and establishing a high level campus-wide working group to facilitate greater unity and consistency among the many Stanford Web sites.

The report also suggested that it may be necessary for the schools to employ dedicated webmasters in order to realize the full potential of the Internet and the Web. It is unrealistic to expect that existing staff has the time or expertise to adequately develop and maintain effective sites and online services. The return on such investment may be great in terms of a more informed, engaged, and supportive alumni community.

VII. Research on Reports and Advertising

As online services are launched and promoted, market research can measure their penetration and impact, just as research has been conducted to assess the readership and effectiveness of printed material. Indeed, a few years after this paper was written, a series of studies was conducted to measure the reach and effectiveness of *@Stanford*, the e-mail newsletter that Stanford began in 1998. The results of those studies are in the “meta report” called “*@Stanford* and Institutional Advancement,” which is in the Research Archive of this web site: <http://www.stanford.edu/~jpearson/archive.shtml>

In December 1995, shortly after The Stanford Fund mailed its first annual report to alumni, a telephone survey was conducted with 402 undergraduate degree holders in order to gauge the readership of the report and measure how effectively it informed readers and communicated certain messages.

Sixty-two percent of alumni recalled receiving the report, and 59% of those who recalled it (or 37% of all alumni) said they looked at it. For the most part, however, alumni who looked at the report were no more aware than those who did not look at it of certain basic facts about The Stanford Fund that were included in the report.

Among all alumni who looked at the report, at least three-quarters said it helped give them a better sense that Stanford appreciates the gifts that alumni make; that alumni gifts do have an impact when added together; and that individual gifts, however modest, do make a difference. On the other hand, barely half said it helped them better understand how alumni gifts are used. This was particularly disappointing since it was one of the primary objectives of the report, which included an entire page with a chart illustrating how the funds are used. Other data from the survey suggested that this vital information may have simply been lost in the clutter of less essential text and tables.

A year later, another survey was conducted (with 602 undergraduate degree holders) to assess the effectiveness of the redesigned second annual report. The most notable measured difference between the two reports was that many more alumni recalled receiving the second one, perhaps because it was more distinguishable from other mail. (The first report was a small pamphlet mailed without an envelope, while the second report was a large spiral-bound piece sent in a Stanford envelope.)

In most other ways, however, response to the second report was almost identical to that of the first report. Although it was much more elaborate (and expensive) than the first report, the same percentage of alumni who recalled the report said they looked at it, and the same messages were and were not effectively communicated. Also like the first report, those who looked at the second report were no more likely than those who did not look at it to know the most basic facts about The Stanford Fund. Once again, some of the most important information was buried under the mass of other information, and plans were made for the third annual report to take a different approach to displaying information.

Advertising campaigns can also be tested with research, and in June 1997 four focus groups were conducted with older alumni to gauge their response to a series of ads for the Office of Planned Giving that was to appear in Stanford Magazine. The research emphatically demonstrated that the ads not only missed their intended target (rank-and-file alumni without great fortunes), but actually conveyed a message opposite to what was intended. Almost unanimously, alumni in the focus groups said that the ads implied that they themselves were not appropriate candidates for making a planned gift. Indeed, they felt that the ads actively *excluded* them by suggesting one must be wealthy to make a meaningful planned gift; by appealing to "the ego instead of the soul;" and by emphasizing money rather than people, the gift rather than the beneficiaries of the gift.

This research demonstrates the importance of testing material and messages with their intended audiences – because "insiders" can not always anticipate the perceptions and reactions of an external audience. The tested ads were scrapped.

VIII. Methodological Issues Unique to Research with Alumni

One of the most significant differences between research with alumni and the general public is that alumni are much more cooperative. Because cooperation seemed unusually high on the first few telephone surveys with Stanford alumni, a test survey was conducted to compare the cooperation rate – and detect any potential bias – on alumni surveys that do and do not identify Stanford as the sponsor. The test survey (conducted with 400 undergraduate alumni in July 1995) did not identify Stanford as the sponsor and no mention was ever made of Stanford; respondents were simply told that a public opinion research firm was conducting a brief survey on higher education. Although circumstances did not allow for a split-sample test, the results were compared to an almost identical (but sponsored) survey conducted at about the same time with a different sample from the same population.

The difference in cooperation was profound. Indeed, cooperation was five times higher on the survey that identified Stanford as the sponsor – one refusal for every 11.7 completed interviews, compared to one refusal for every 2.1 completed interviews on the anonymous survey. Similar high cooperation rates have been obtained not only on subsequent surveys with Stanford alumni, but also on the comparative survey conducted with Princeton, Yale, and Penn alumni.

While the university's sponsorship may lend legitimacy to a survey, it appears that the high cooperation may be due more to the respondents' affiliation with the university. In February 1998, a telephone survey about continuing education was conducted among 402 young adults in the Silicon Valley. All respondents were told that the survey was being conducted by Stanford, but there were four times as many refusals per completed interview among non-alumni than among alumni.

The test survey was also conducted to see if identifying Stanford as the sponsor favorably biases alumni responses due to "social desirability." There was concern that alumni might be reluctant to offer unfavorable answers when Stanford addresses them by name and clearly knows other information about them as well. As it turns out, however, this concern is unfounded. On most measures, there was no difference whatsoever, but on one or two measures, alumni were just barely *more critical* when Stanford was identified as the sponsor than when it was not. Three possible explanations come to mind:

- Alumni may perceive a sponsored survey as an opportunity to express criticism that will actually be heard and maybe make a difference.
- Alumni may be reluctant to criticize their alma mater to outsiders, not wishing to air its dirty laundry in public. They may feel that expressions of dissatisfaction are best kept "in the family."

- The frame of reference may be different: In an anonymous survey, alumni may consider their responses in context of many other (less prestigious) institutions, while in a sponsored survey they may consider their responses in context of Stanford alone or in context of its peer institutions. For instance, a respondent may feel that in comparison to the education he could have received at XYZ University, he is very satisfied with his experience at Stanford – while in comparison to what he expected from Stanford (or thinks he could have gotten at Princeton, Yale, or Harvard) he is only somewhat satisfied.

The test survey reassured us that we could – and should – continue to identify Stanford in most future alumni surveys. Potential bias appears to be small, while cost savings from higher cooperation rates are large. Moreover, any bias that may be introduced seems to be unfavorable to the university, so the data is unlikely to mislead us into a false sense of security (which could cause much more mischief than data that might throw an extra bit of scrutiny on certain perceived shortcomings).

Because response rates are so high with alumni on telephone surveys – and often so low on self-administered mail surveys – it is highly advisable to survey alumni by telephone whenever appropriate. This may change, of course, as Web usage becomes universal. In phone surveys of alumni, non-response bias is minimized; in mail surveys, it is usually a significant threat to statistical validity and reliability. Phone surveys also take much less time to complete (days instead of weeks or months), eliminate the administrative burden of mailing two or three waves of reminders to non-respondents, and (depending on the sample size) can ultimately be less expensive to conduct.

When each of the different survey methodologies is most appropriate is beyond the scope of this paper, but an excellent discussion of this and many other issues about conducting survey research can be found in two books by Don A. Dillman, both published by John Wiley & Sons – *Mail and Telephone Surveys: The Total Design Method* (1978) and *Mail and Internet Surveys: The Tailored Design Method* (2000). Also see the reference page on my web site for a more extensive bibliography: <http://www.stanford.edu/~jpearson/refer.shtml>

Furthermore, the introduction of CATI (Computer Assisted Telephone Interviewing) technology in the 1980s has made telephone surveys preferable for a number of other reasons as well. CATI requires no data entry after the interviewing is completed – which eliminates one of the greatest sources of error – and allows you to view the data as the interviewing progresses. CATI is also recommended because it allows for methodologically sound procedures (such as randomizing to eliminate question-order bias) and logic-based branching that can't be done with paper-and-pencil surveys (if Q2=3 and Q17>1, then ask Q30). CATI also saves time and money because many demographic questions need not be asked: Any data you have on alumni (such as class year, donor history, type of degree, gender, etc) can be automatically integrated into the survey data as each respondent is interviewed. This “invisible” data can also be used for logic-based branching (if class year>1980 and degree=BA and gender=female, then ask Q25). Indeed, the many advantages of CATI are way beyond the scope of this paper.

Just as alumni are very cooperative on telephone surveys, so too are they cooperative on focus groups, which they especially appreciate because the discussion format allows them the opportunity to offer their opinions in depth. Recruiting alumni for focus groups is remarkably easy, and no incentive fees are necessary – not even for lawyers or doctors, who often command hundreds of dollars apiece to participate in commercial focus groups.

Not surprisingly, alumni are also more likely than the general public to show up for the focus groups they say they will attend. Although it is still necessary to follow the initial recruit with a confirmation letter and a reminder call, care must be taken so that too many alumni don't attend. Consumer focus groups typically recruit 14 people per group, hoping that 8 to 10 will show up. If too many arrive, some are simply paid their incentive, thanked, and sent home. Few people object to this: They usually have no idea who is sponsoring the research and are happy to take the money and run. This can *not* be done with alumni, who come not for money, but to give their opinions and be heard. They get very offended if the university asks for their thoughts and then, after arriving, are told that their opinions are not needed after all. To reduce the risk of running a group with an unwieldy number of participants, I recruit only 12 alumni per group. Unforeseen circumstances often prevent one or two from attending, but if all 12 do show up, I squeeze them all in. (The second time all 12 alumni showed up, I tried to finesse the situation by inviting two of them to share the “client’s” perspective by watching from the observation room with the Stanford staff. Anger, outrage, and woe ensued. Suffice it to say that this was *not* acceptable to them, and was never attempted again.)

Focus groups with alumni require greater sensitivity in other ways as well. To begin with, the invitation must be more forthcoming about the topic than in many other groups. This is no problem when the groups are designed to explore general topics such as their relationship with the university, their feelings about it, and their major concerns. But the more specific the topic, the more thorny this issue can be, because alumni with little interest in the topic or with negative feelings about it – who may well be the ones you most want to hear from – will opt out and not accept the invitation if it is too specific. On the other hand, if the invitation is too vague about the topic, some alumni feel duped or deceived and can become disruptive. (Another lesson I learned the hard way.) A very delicate balance must therefore be attained when recruiting for many alumni groups.

And regardless of the topic or how clearly it is stated, some alumni come to focus groups with agendas of their own, dead set on airing certain grievances and pet peeves even if they have nothing whatsoever to do with the issues being explored. While this can happen at any time, one should be especially cautious about – or avoid – conducting groups shortly after the admissions office sends out its acceptance and rejection letters. (A third lesson I learned the hard way.)

Student callers can be used for focus group invitations, but they are inappropriate for surveys unless they are trained and supervised by a survey lab. Students who make fundraising calls are especially inappropriate for surveys, because they are trained to express enthusiasm for the university, answer questions, offer their own thoughts, and vary each call according to the prospect on the line. All of which is anathema to proper survey interviewing, which must be unbiased by the interviewer's feelings and expressions, non-interpretive, and free from variation.

Another issue to be aware of when calling alumni is that most of them have full-time jobs and seldom arrive home by 5pm, when interviewing usually begins for surveys with the general public. To avoid wasting time and money reaching answering machines – and to avoid over-representation by older and retired alumni, who are more likely to be at home at that hour – it is advisable to start calling at 6:30pm or 7:00pm. Although this leaves fewer calling hours in each evening, they are much more productive and cost-efficient hours.

An even more efficient way to invite alumni to focus groups (if the population is right and if you have the addresses) is to do it by e-mail. One person can quickly fill two focus groups – at no cost whatsoever – simply by sending the invitation to a list of alumni e-mail addresses. Recruiting the same two groups by phone can take 20 man-hours if students make the calls – or cost a fortune if done professionally. When this paper was written in 1998, focus group facilities and interviewing firms were charging from \$65 to \$100 for each person they recruited, which is darn expensive when recruiting for four groups (48 people), and truly outrageous when recruiting for six groups (72 people). Costs have probably increased since then.

I have attempted in this paper to illustrate the range of alumni issues for which market research can provide useful and actionable information. In closing, it may be helpful to explain why an in-house researcher is more cost-effective than contracting with a research firm – *if more than an occasional study is conducted*. Like auto repair, market research involves expenses for parts and labor – and, as at a garage or car dealership, labor is much more expensive than parts. A telephone survey that incurs \$4,000 in hard costs for interviewing (parts) may cost anywhere from \$20,000 to \$30,000 if contracted out to a research firm, which is billing for its time and expertise in designing and managing the study, writing the instrument, preparing the sample, analyzing the data, and writing a report (labor). Likewise, a pair of focus groups conducted by a research firm may cost from \$8,000 to \$20,000 (prices vary widely for qualitative research), although the hard cost of renting the facility, complete with catering, is only about \$1,100.

Clearly, the more of each study that an in-house researcher can do, the more cost-effective the position can be. And if he or she has experience conducting, analyzing, and reporting both quantitative and qualitative research (if he or she can crunch numbers as well as moderate focus groups), your budget will need to cover only the hard costs and the researcher's salary and benefits.

The resources required for in-house research are minimal. I am a one-man shop with no staff, and have been able to complete eight or nine studies each year. Given the high cooperation rate, my interviewing costs for an 8 or 9 minute telephone survey of 400 alumni are usually about \$4,000. Obviously, a 15 minute survey of 600 alumni would cost more. While quality and cost vary among interviewing firms, some factors that determine interviewing costs are the length of the survey, the sample size, the number of invalid phone numbers dialed, the number of attempts needed to reach respondents, the cooperation rate, and the number of open-ended questions (which take time to record and then code). Besides standard office software, the only computer resources needed are a graphics and charting program, a database, and a statistical analysis package. A crystal ball can be helpful, however, and a direct phone line to the caves of Delphi is also reassuring.

On the other hand, if you only need (or have the budget for) an occasional survey or focus group study, a full-time in-house researcher would make little sense. In that case, just call me! I conduct research for institutions other than Stanford as an independent consultant, I charge less than research firms do, and I have more experience with alumni and university issues than most firms do – so I can bring more context and value to the design and analysis of the research.

My American clients include Yale, Princeton, Columbia, the University of Pennsylvania, Georgetown, the University of California-Berkeley, Emory, Vanderbilt, Northwestern, the University of Southern California, Lehigh, Adelphi, Middlebury College, Merrimack College, the New Jersey Institute of Technology, and Publishing Concepts Inc. Canadian clients include the University of Toronto and Simon Fraser University. Call now and join this elite, wise, and forward-thinking group!

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