
Shallow Review of Niche Marketing



Niche marketing is a method of marketing where a particular subset of people are identified, and particular appeals to get people interested in that particular product or service are targeted at them. For Charity Science, the aim would be to target the principles of Effective Altruism (EA) at some particular subset of people. There has already been some success with this in the broader EA community through Raising for Effective Giving, and so this is a brief look at whether Charity Science should be investing in any sort of similar niche marketing proposals.

Research

There has been research on the general concept of niche marketing and ‘psychographic segmentation’, to see what particular traits are the best predictors of donating to charities in general, and the specific charities one donates to. Niche marketing is meant to be more beneficial for small organisations, which is suitable for Charity Science. It is also likely to be suited for EA principles, given that it plausibly appeals to a quite specific demographic. Unfortunately, there is difficulty with applying the niche marketing research to Charity Science proposals. Although there is research on niche marketing, much of it is rather general

in scope, and unlikely to be applicable. There are also largely conflicting findings, with some studies finding the benefits of segmenting existing donors unlikely to be helpful [1], with others disagreeing. Even the research on niche marketing applied specifically to charities is of dubious relevance for Charity Science and EA more generally. One of the few statistically significant effects that I could find which had strong predictive power for the type of charity one chooses, found in Tynan's study significant at the $p < 0.01$ level was gender, with medical and health charities being more likely to have female than male donors [2]. We actually find the opposite effect in EA [3], despite many of the charities recommended by Charity Science to be ones that focus on global health. Naturally, the lack of consensus over the value of niche marketing for charities causes worry about the generalisability of donor profiles to EA charities, and using that to determine which sub-groups EAs would target.

Regarding niche marketing as a concept, however, I do think we should be more optimistic. One of the more robust findings was the recommendation of 'psychographic segmentation, the idea that one can predict the type of charities one donates to, based on profiling the specific characteristics of people who donate to certain subsets of charities [4]. Although we do want to be cautious about applying this evidence to EA principles, we do have evidence closer to home from Raising for Effective Giving. This seems to suggest there can be benefit in niche marketing EA principles, given that they seem at the very least implicitly to be targeting a group with strong 'rationality' skills. A strong ROI of 1041.51% in 2014 [5] is certainly not to be ignored. Although this evidence is not as firm as one would like, it does at least give tentative evidence, and indicates promise for this approach despite some of the literature. Indeed, given how hard it is to get consensus over the effect of niche marketing on charities, and the uniqueness of EA principles from other charities, I still think we're justified in holding out hope for Charity Science's investment in some form of niche marketing being worthwhile.

One of the potential groups suggested for niche marketing were philosophers. Although a sizable (though it seems by no means most [6]) EAs became interested in effective altruism through Peter Singer's TED talk, and although EA is broadly a philosophical movement, originating from philosophers like Peter Singer, Toby Ord, and Will MacAskill, it does not seem the most promising target group. Some evidence for this comes from the behaviours of ethics professors [7], and also the focus even among 'professional ethicists' who often focus on historical work around, say, Kant or Aristotle, or discussing more arcane principles that do not seem related to people's lives. Moreover, the best bet for EA in terms of cost-effectiveness seems to be targeting those with high-earning careers, which are "highly skewed toward a few, top donors" [8], whereas philosophers are not high earning. One might also think that philosophers are one of the few groups where people interested in EA principles would be likely to have come across them already, and so targeting philosophers specifically through niche marketing seems to not be picking low-hanging fruit. The extra added value of niche

marketing to philosophers thus seems limited. If Charity Science were targeting academics, more plausible suggestions seem to me to be scientists more generally, or specifically economists. Intuitively, one may think that it is more tied to their self-identity, to align themselves with quantitatively based, counter-intuitive conclusions, and to think more 'rationally'. Moreover, it is also a very good example of the effectiveness of private institutions over government ones. Scientists from other fields are potentially more of a long shot, but with the spate of involvement of scientists like Hawking and Rees with X-risk recently, the movement is quite closely connected to effective altruism, and may be a useful avenue to explore.

Programmers seem one of the most promising routes. Not only are many programmers very high earning, they are much more unlikely than philosophers to have heard about EA principles, even if they are receptive to them. We also know, if only anecdotally, that many people in the EA movement are involved in programming or similar professions. On StackExchange, a popular Q&A forum with a large programming audience, the programming section has a question with '176 upvotes' for questions about how to use programming skills to alleviate poverty [9], and another, less popular one with 20 votes [10]. Encouragingly, the answers do seem to acknowledge that donations may be better than doing direct work themselves, but 'effective altruism' is not mentioned, and nor does it seem to be guided by the movement. There is a charity relating to programmers, and how to use their skills for charity called 'GiveCamp'. A search on the site reveals no results for 'effective altruism' [11]. Not only do we have some indication that there is already a market for altruistic programmers, we also have strong evidence that there is low hanging fruit for programmers who would be open to EA ideas, but are not aware of them. Like economists, CS could feasibly step in with niche marketing at computer programmers, emphasising CS' own rationalist and quantitative approach to charities.

There is a small group on Facebook relating to Christians and EA, although it is small, and I know by personal acquaintance that some of the people in the group are not themselves Christians. Even though there are prominent people in EA, like Leah Libresco, it does seem like there is a huge amount of potential for niche marketing with Christians. There is some evidence that Christians donate more than secularists [12], and although some have questioned this data [13], at the very least it seems Christians donate as much to charity as atheists. Moreover, EA is plausibly very often seen as a secular movement, with probably the most prominent proponent being Peter Singer, whose ethics break more with the Christian tradition than many other ethicists. Nevertheless, many of the tenets of EA tend to mesh well with many Christian doctrines [14], particularly the ones that more progressive sects emphasise. Christians are another potential interesting niche that Charity Science could target.

How one would run a minimum cost experiment in this area

The best way to run an experiment depends on what particular niche we are targeting. For programmers, the best bet may be to set up a microsite such as 'Programmers for EA', which pitches effective altruism in a way that is likely to appeal to this particular demographic. We would likely need an insider in the community to promote such an idea, and perhaps ask for monthly donations in order to test the likely cost-effectiveness of the idea. Unfortunately, the cost of setting up a microsite seems to be quite expensive, although there did seem difficulties on finding a firm price. It cost a lot for web development on REG's breakdown of expenses. There does seem to be a gap in the market for advertising EA to programmers, but this would undoubtedly be a risky endeavour. From the 2014 expenses from REG, a large amount per month (\$4,864 over 4 months) was spent on web development, only coming much further down afterwards. More fortunately, it did not require a large body of staff, with only person delegated to 'web development'. I could not get reliable figures on the cost of setting up a microsite, so I am basing the potential costs on REG's outgoing costs on web development throughout 2014, expecting the cost for a potential Charity Science focus on programmers to cost similar amounts. If there are ways to run a microsite that turn out to be relatively inexpensive and within Charity Science's budget, this is a potentially high payoff possibility.

One potential solution is a Facebook group to start off with for programmers interested in EA. Start with an insider, which should not be too difficult, given that we have many programmers already in EA, then pledge for monthly donations? One may also invest in fliers, or perhaps face to face fundraising, then set up a Facebook page before starting the site. Well-known people with links to programming such as Bill Gates and Elon Musk would also help promote the cause, though this requires the difficult (though by no means impossible, given some of the people in the movement) task of talking to either of these people and asking them to endorse something like 'Programmers for EA'. Then, contingent on the success of initial promotions, start investing in a microsite. Payoff seems very good. Brian Tomasik writes of Microsoft's generous matching program [15], and Google match donations up to \$6,000 over the course of the year [16]. Getting one or two representatives from these companies to help support CS' 'Programmers for EA' pitch could show the interest needed to make the possibility of a microsite more worth the risk.

Possibility of small-scale experiments likely to be much easier and cheaper for the possibility of Christian EAs. Interested pastor could start highlighting passages that are particularly relevant to EA concerns, but it is hard to see how to get a strong movement associated with Charity Science without a microsite, which falls prey to all the same issues with microsites highlighted for programmers. Perhaps trials for both could get going before the possibility of setting up a microsite for the most successful one is decided upon. Perhaps Skype calls, or local meetups are more of a possibility for Christians. The most likely solution as a niche group looks to be programmers, particularly given salaries and potential matching programs.

It is risky, but it seems at the very least worth trialling, and then if successful potentially investing money in a microsite.

A decent time per cost ratio for programmers would probably need an investment of \$5,000, as even if one assumes less will be invested in web development initially, there will still be other staff costs. It seems unlikely that, until the site has been set up and this amount has been invested, initial returns would likely to be minimal. This is because attracting a new niche donor base, particularly those involved with computers would have to look professional. Staff would potentially need to be expanded depending on returns, but this is not something one would necessarily need to invest in too heavily immediately. The main costs would come from setting up the microsite and general web development.

Estimated Potential

As already mentioned, programmers are potentially very high earning, with many big companies that hire programmers having generous donation matching schemes. The main problem is with the costs involved, which would probably be around REG's invest of roughly \$5,000 on web development over 4 months, alongside other administrative costs to get any decent ROI, though future costs in web development would decrease over time. Fortunately, it is unlikely to require a large recruitment of staff, and could probably be run optimally at around Charity Science's current size. The potential seems reasonably high for programmers, but does also seem reasonably high risk, given the unknowns that still plague the idea. The growth of niche marketing to programmers would likely be a 6 month or so project, which serendipitously allows Charity Science's infrastructure time to grow and respond to any possible increased demand.

Potential Further Research

Unfortunately, the research on niche marketing often conflicts, even when we confine our purview to the effect of niche marketing to charities in particular. Even then, it is unclear whether the findings of marketing strategies that charities more generally would be applicable to EA. This leaves us somewhat in the dark over a strong estimate of ROI with regard to niche marketing.

One possible avenue is to try and find or conduct research into a typical psychographic segmentation of the typical EA donor, and see if this matches anything in the literature. However, this seems likely to be time-inefficient, and would leave us only with a result that is likely to be of dubious relevance anyway. The normal literature on niche marketing with charities is not only controversial in itself, but there is another layer of complexity with regard to particular effective altruist principles.

Subjective Sense

Although the firm data is pretty fuzzy, I at the very least think it is worth trialling the possibility of niche marketing, particularly for programmers, to start with via Facebook groups and contacting insiders in the community, and considering venturing into a microsite if this looks to be successful.

Most importantly, it seems that this method has to be compared with the research undertaken from other forms of fundraising. If there are comparably high return alternatives without the strong risk associated with investing in area where empirical research is confounded, and of dubious relevance, then niche marketing can take second place. However, this does seem worthy of investment if we cannot find anything of comparably high potential return.

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