



CASE STUDY

# Understanding the value of re-tail

Cats Protection



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# Shopping suspicions

Cats Protection knew there was value in their shops and ecommerce site, beyond the financial. But they couldn't prove it. They knew that alongside extra income, their shops were having an impact on local communities, awareness of their cause and brand perception.

The charity is working on an ambitious 10-year growth plan, so this information is vital in informing their strategy, their expenditure plans, income projections and management.

Our objective was to evaluate the benefits and true value of Cats Protection's high street and online retail presence and establish ongoing measurement and reporting frameworks.

They wanted to know:

### Who were their retail shoppers and donors?

- What were their geodemographic profiles?
- Does retail help them reach different people?

### Other than income from sales of donated goods, what other income is generated by retail? For instance:

- Fundraising income
- Legacies
- Gift Aid

### What value does having a retail presence add to the Cats Protection brand?

- Brand awareness – of the retail chain and of the charity

### What benefit does their retail presence have on other areas of the organisation?

- Adoption
- Relinquishment
- Neutering
- Welfare advice
- Volunteering
- Contact handling

# Comprehending customers

We focused on what could be learnt from the charity's CRM and shop sales data, namely:

- Transactional behaviour of retail supporters
- Crossover with other parts of the organisation
- Retail supporter journeys and lifetime value (LTV)
- Shop performance beyond sales
- Opportunities for retail to increase its impact

We approached the brief in two ways:

- At shop level – taking 18 months of aggregated sales data, together with other KPIs
- At supporter level – using CRM data focusing on the last 10 years of behaviour

One challenge we faced was that the CRM data only included a small subset of shop customers – those who'd donated goods to shops and signed up to Gift Aid. We had no behavioural data for non-Gift-Aid donors, nor for people who'd made an in-store purchase.

We also needed to further narrow down this subset, identifying those whose relationship with the organisation began via retail. We needed to look at their subsequent interactions to truly answer the brief.

We identified all the touchpoints supporters could have, attributing a value to those interactions. We didn't just look at subsequent fundraising income... We also examined:

- Identifying legacies left by retail Gift Aid recruits, including legacies directly referencing Cats Protection shops
- Calculating the likely future legacy income from supporters with an existing legacy relationship
- Discovering significant volumes of retail Gift Aid recruits who'd made subsequent donations, but weren't marked as 'Gift Aid' in the database, enabling us to calculate the Gift Aid that could be claimed back
- Estimating the cold acquisition costs that had been saved by shops selling lottery tickets
- Calculating the contribution of retail Gift Aid recruits who subsequently adopted a cat



## Retail realisation

Our research and analysis revealed the significant contribution the retail operation at Cats Protection brings to many areas of the charity, beyond money rung through the tills. It highlights that retail engages a broad range of supporters advocating for animal welfare via retail. They engage with the organisation through various services, with LTV and greater propensity-to-give materialising later on in their life cycles. We also found retail is well-placed to engage younger audiences early in their life stages.

Over the last 10 years, retail-acquired supporters have added **£1.5m** of additional value to the organisation. And evidence estimates a further **£2.8m** of additional value coming from supporters behaving like existing donors. Future income from retail-acquired supporters is estimated at a whopping **£20.3m**.

Our work proved that Cats Protection's retail arm adds real value to the brand, expanding marketing reach by **£450k** per year and acting as a pivotal part of the community – often the only physical representation of the charity in the area. Shoppers say that the presence of a shop increases their familiarity with the brand.

Value is also shown through high conversion to other core services such as cat adoption, with over **6,600** cats rehomed since 2015 to retail-first supporters and over **7,000** volunteers deployed across the charity.

The shops serve as focal points for supporter enquiries, particularly cat-related, highlighting their multiple purposes beyond being charity shops.

With an average of **24x** more shoppers than donors engaging with the charity's retail operation annually, the true added value far exceeds what has been demonstrated in this project.

Cats Protection shops truly serve as the shop window to the brand, adding significant financial, and non-financial, value to the organisation. They're valued parts of their communities and connect supporters to the charity.



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