



Lost Customer Research Final Report

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Policy and Research

Lost Customer Research: Final Report

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1 Key research messages

- **Voluntary Adoption Agency (VAA) advantage on quality**
VAAs have a competitive advantage on quality and this factor is influential for most enquirers who choose to make an application with a VAA.
- **VAA advantage on user-friendliness**
VAAs have a competitive advantage in terms of the user-friendliness of staff and this factor is influential for enquirers who choose to make an application with a VAA.
- **VAA advantage on word of mouth recommendations**
Word of mouth can positively influence choices made by prospective adopters and VAAs get more of this type of recommendation than local authorities.
- **Local authority advantage on geographical proximity**
Geographical proximity of local authorities to prospective adopters gives local authorities a competitive advantage over VAAs.
- **VAA 'stickiness'**
Enquirers are generally satisfied with the VAA they approach and usually do not contact a further VAA.
- **Concerns about the type of children available at VAAs acts as a barrier to converting enquirers into applicants**
VAA enquirers who decide not to adopt are much more likely to be concerned about the type of children available than their local authority counterparts.
- **Over half of prospective adopters are one stop shoppers**
More than half of prospective adopters did not bother contacting more than one agency.
- **Lost customers are typical of the adopter enquirer demographic**
Enquirers who decided against adopting were typical of the adopter enquirer demographic; predominantly White British, female, heterosexual, highly educated and with generally high household incomes.

2 Introduction

Coram was commissioned by the Consortium of Voluntary Adoption Agencies (CVAA) to conduct a research project examining the behaviours and attitudes of prospective adopters. The objective of the research was to illuminate the adoption enquirer's experience and gain an understanding of the motivations and decision making made in the prospective adopter's journey. A better understanding of the adopter's journey, it was thought, would provide valuable information on how VAAs might be able to position themselves in the adoption market. The research, therefore, was particularly focussed on gaining insight into how enquirers engaged with adoption agencies and understanding why enquirers chose either a VAA or local authority to pursue their interest or decided against taking their interest further.

The research consisted of two independently conducted activities. First, an adoption enquirer survey conducted by the Coram Policy and Research team that solicited feedback from any individual who had considered adopting in the last two years¹. Second, a digital listening exercise conducted by First4Adoption that monitored comments from private individuals about adoption on social media. The idea was that the survey would capture quantitative data on the behaviour and motivations of those undertaking the adopter's journey. The digital listening research, by contrast, was intended to capture more open-ended public sentiment on the subject.

This report focuses on findings from the adoption enquirer survey. The report for the digital listening research is published separately.

3 Methodology

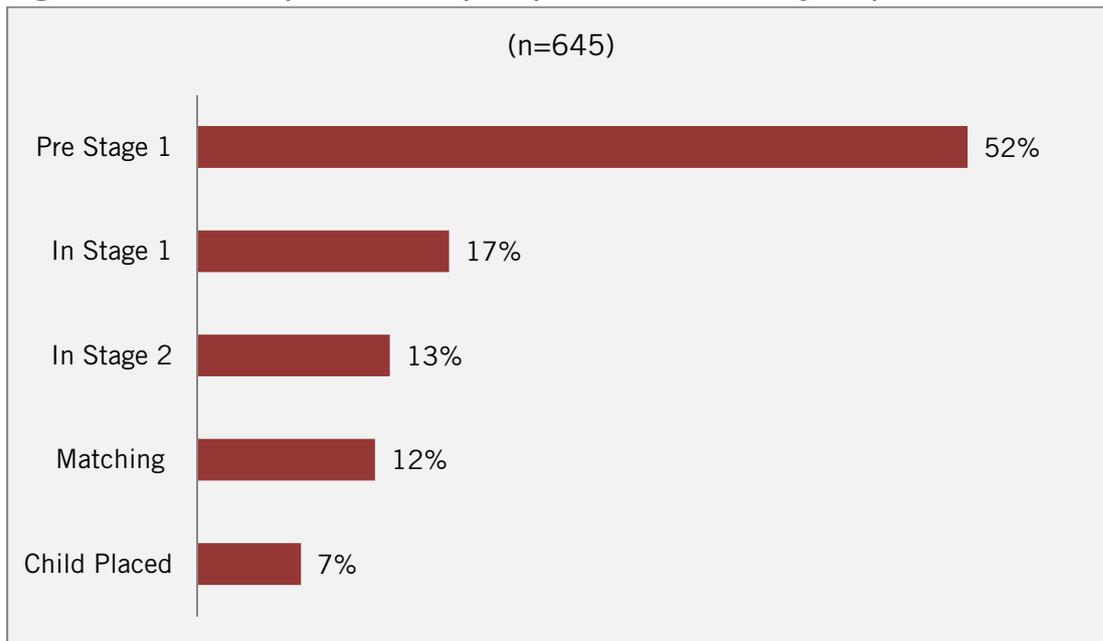
The online Adopter Enquirer Survey was distributed to adoption enquirers via VAAs, local authority adoption agencies and First4Adoption. The survey was open to anyone who had considered adoption in the last two years, including individuals who had contacted an adoption agency and individuals who hadn't.

The survey received 645 respondents who had engaged with a range of types of agency, VAAs (76%), local authorities (58%) and adoption information services (11%)². Respondents had also reached a range of points in the adopter preparation process (Figure 1).

¹ The survey was informed by the PACT enquirer's feedback survey undertaken in January 2014.

² The survey was launched on 3rd April and closed on 11th May 2015.

Figure 1: Furthest point in adopter process reached by respondent



4 Analysis

The behaviour and attitudes of adoption enquirers are analysed through the chronological stages of initial enquiry and then application. The report then considers the specific phenomena of ‘lost customers’ who decide against adopting. Finally, the report considers the demographic characteristics of adoption enquirers.

4.1 Enquiry stage

Motivations for adopting

Enquirers reported a range of motivations for wanting to adopt. Most enquirers who contacted either type of agency expressed a desire to have children when they were unable to have children (or further children) of their own (VAAs, 61%, local authorities, 50%). VAAs attracted more enquirers who were motivated by this conventional motivation rather than a desire to provide a home for a child in need. On this latter motivation, local authorities had a 6% advantage over VAAs (Figure 2). This difference, however, is reversed when all those who had contact with either a VAA or a local authority are considered (Figure 3).

Figure 2: Motivations to adopt by agency

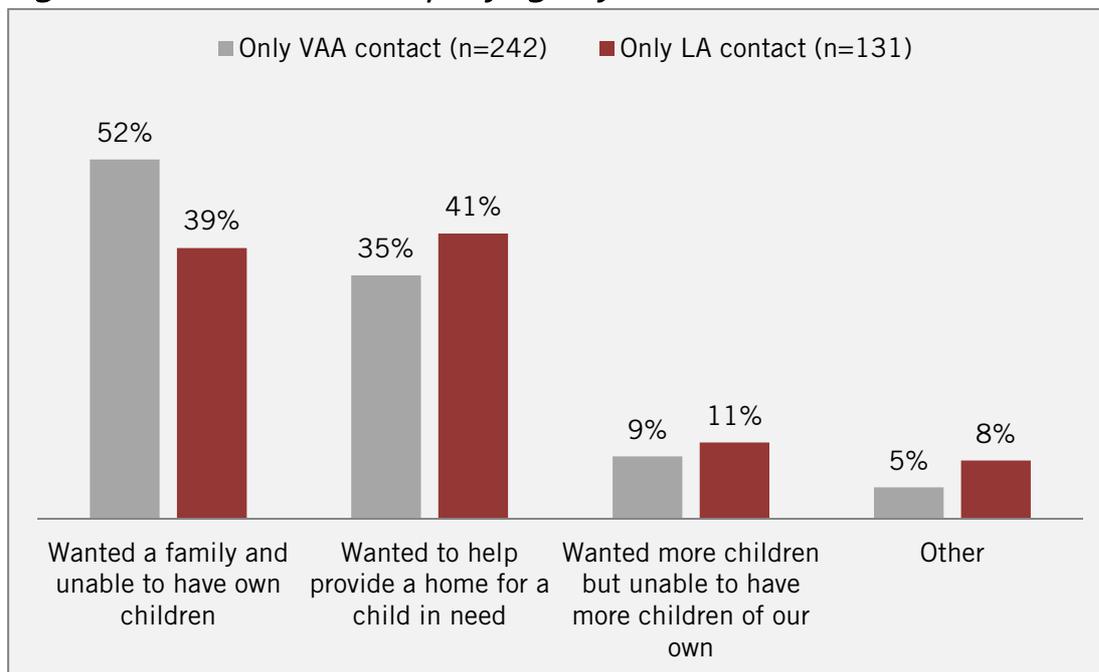
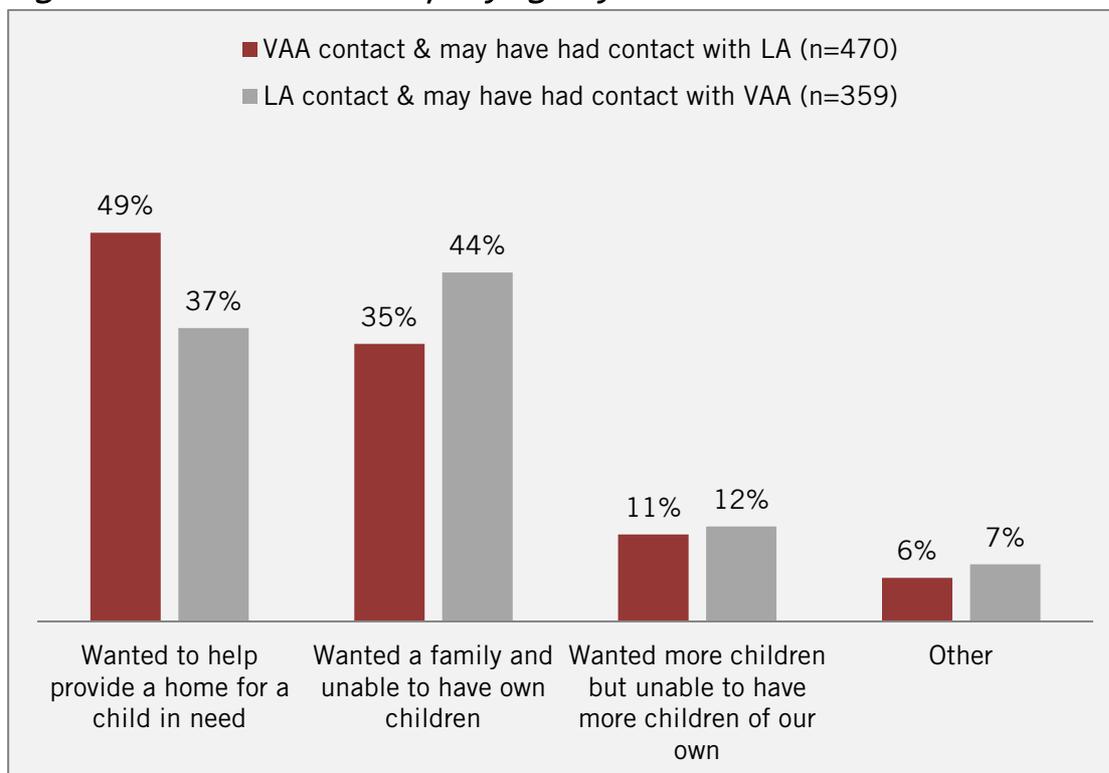


Figure 3: Motivations to adopt by agency



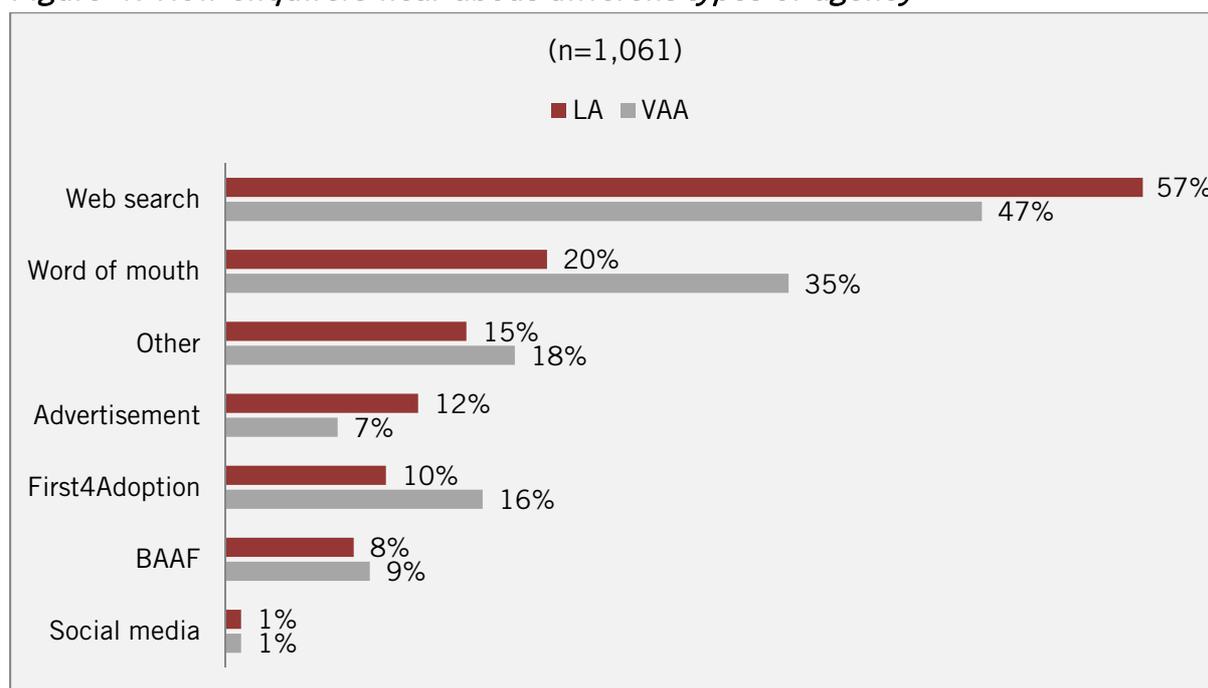
How did enquirers hear about different types of agency?

“Friends had adopted with them recently and recommended both the agency and the particular social worker they had contact with.”

VAA potential adopter.

Enquirers reported generally similar sources of information about adoption agencies (Figure 4). The single most common way of discovering either a VAA or a local authority was via a web search, which was used by about half of enquirers. The next most common source of information was by word of mouth, which was particularly common for VAAs, representing 35% of VAA enquirers. VAAs had a competitive advantage of 15% over local authorities on this source of information. This figure suggests that VAAs are more heavily reliant on word of mouth information for enquirers than local authorities which are widely known as being involved in children’s social care within the local community. VAAs are forced to overcome this natural disadvantage in competing with local authorities but seem to be able to do this through the (often informal) communication of the quality of their services.

Figure 4: How enquirers hear about different types of agency



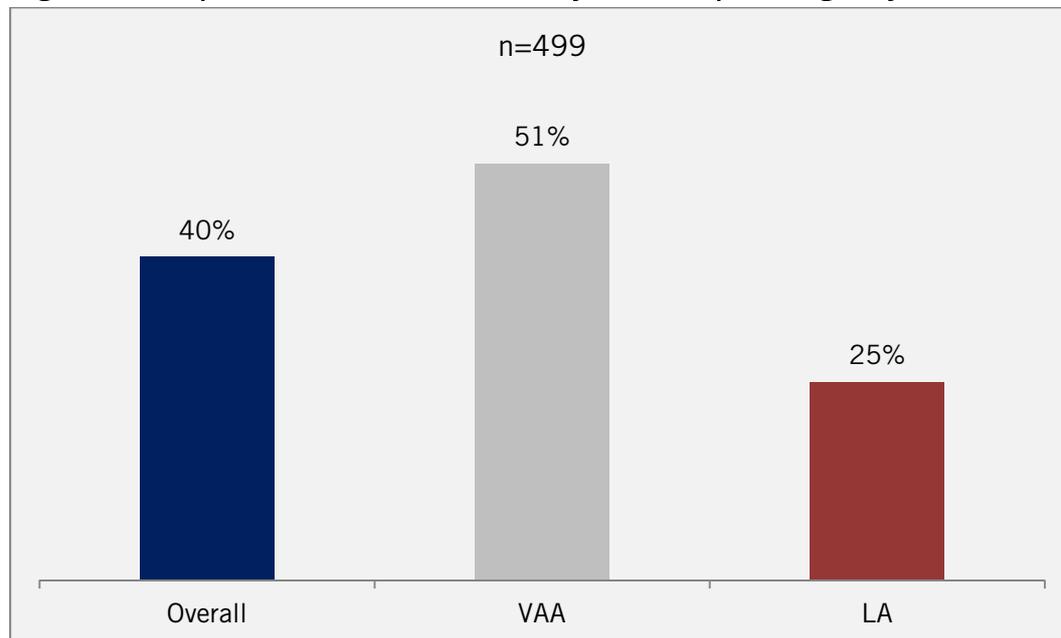
Choosing an agency

One stop shoppers

A significant number of enquirers did not bother contacting more than one adoption agency. One stop shopping was particularly likely for VAA enquirers, half of which

(51%) did not contact another adoption agency compared to 25% of local authority enquirers (Figure 5)³.

Figure 5: enquirers who contacted only one adoption agency



Shopping around is usually limited to contacting one agency in each sector

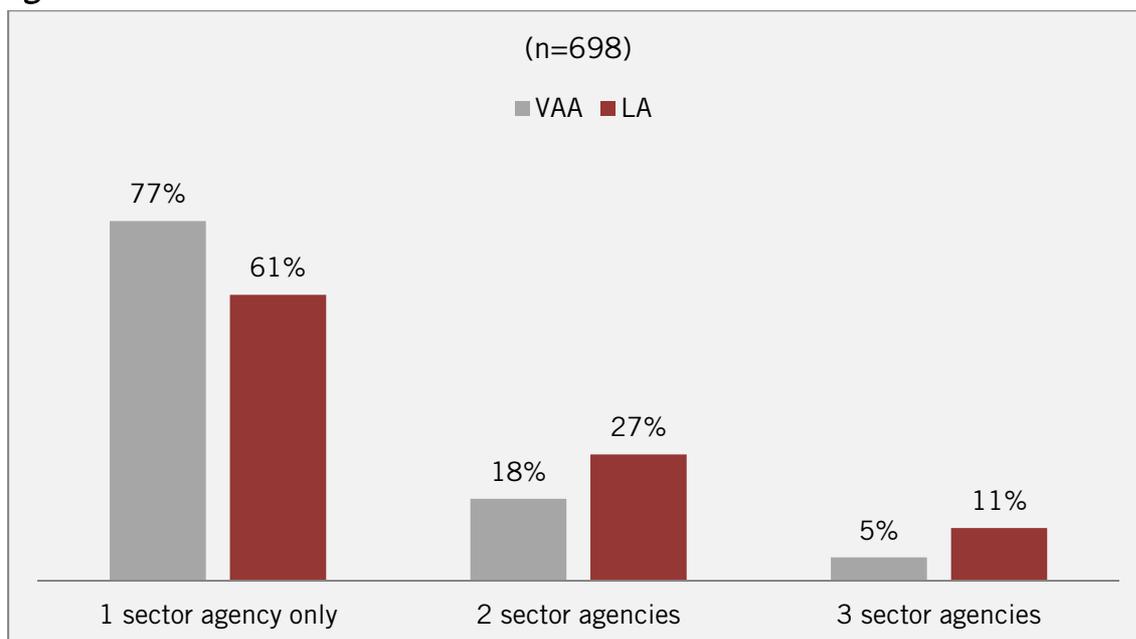
For those enquirers who did make contact with more than one agency a majority made contact with one agency from either sector (voluntary or local authority). This means that the typical behaviour for the 42% of enquirers who contacted more than agency was to contact one agency in the rival sector i.e. a VAA if they had contacted a local authority or a local authority if they had contacted a VAA.

Sector 'stickiness'

Reflecting this conservative form of shopping around, contact with additional voluntary or local authority agencies was fairly low. Most enquirers would only contact one agency within each sector, with contact with VAAs proving more 'sticky' than contact with local authorities: 77% of those that contacted VAAs contacted only one, compared to 61% of those that contacted local authorities (Figure 6).

³ There were 242 '1 Stop Shoppers' among the 470 prospective adopters who contacted VAAs and 88 among the 359 prospective adopters who contacted local authorities. The extent of one stop shopping is broadly consistent with the Adoption UK 2015 survey that found 52% of respondents had only contacted one agency.

Figure 6: Sector 'stickiness' - proportion of enquirers who contacted one or more agencies within a sector



This relative ‘stickiness’ of VAAs compared to local authorities resonates with the competitive advantage VAAs usually had on quality over local authorities. Enquirers were likely to be satisfied with the service offered when they approached a VAA compared to a local authority, and therefore were more likely not to contact further agencies of that type. This principle does not apply to local authorities for whom 39% of enquirers who contacted one also contacted another despite the obvious geographical challenges in doing so.

4.2 Application stage

Why prospective adopters choose VAAs to make an application:

Competitive edge on quality

Prospective adopters who had made an application provided very different explanations for their choice of agency. The most common reason offered by those choosing VAAs was the quality of service (62%) compared to geographical location for those choosing local authorities (64%)⁴. Geography was not always a negative factor for VAAs, however. A number of adopters expressed a preference for VAAs over a local authority because of their national and wider search for

“Staff at VAA were much more welcoming than staff at LA and took time in explaining everything we needed to know even if not relevant at the initial stage. More post adoption support at VAA.”

VAA adopter who made an application.

⁴ This is consistent with the Adoption UK 2015 survey that found the most frequent reason reported for choosing VAA was positive customer experience and LA was convenience of location.

potential matches:

“I liked the idea that they [VAAs] could place children from across the country rather than just in our local area.”

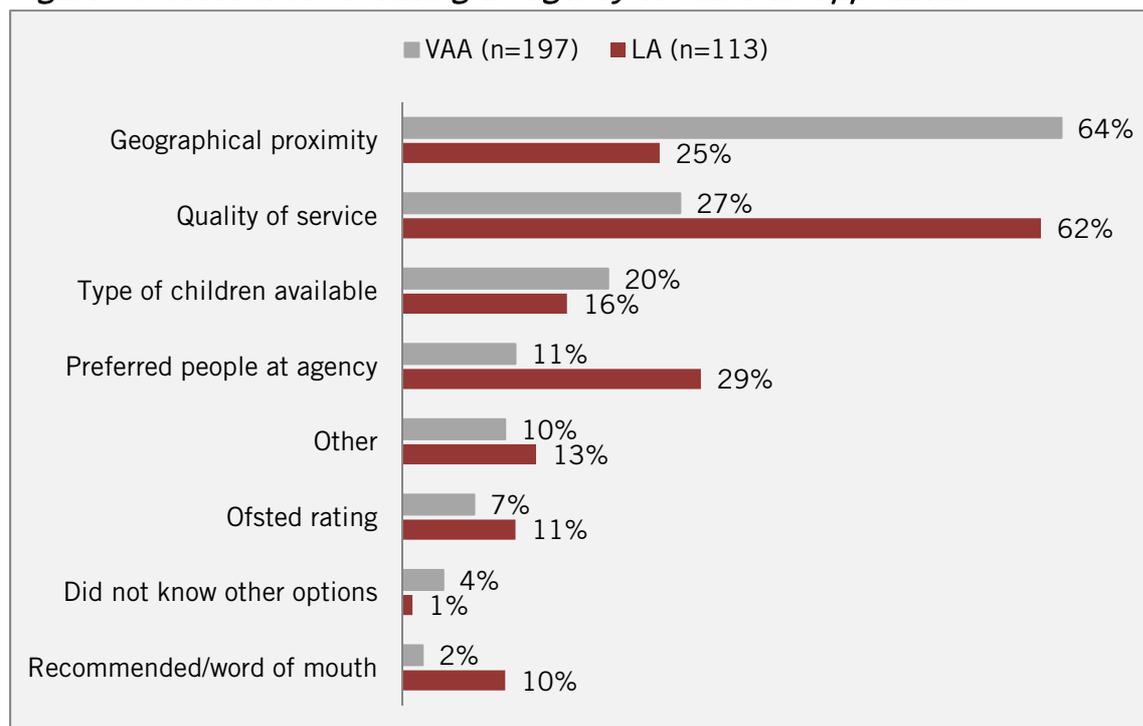
Adopter who made an application with a VAA.

“[VAAs] Provided greater opportunities for adoption by looking nationally instead of within local authority first.”

Adopter who made an application with a VAA.

On quality, VAAs had a large competitive edge on local authorities, with 62% of VAA users citing it as a driver of their decision compared to 27% for users of local authorities (Figure 7). A quality-related competitive edge was also evident on the user-friendliness of staff at VAA agencies, with 29% of VAA users identifying it as influential compared to 11% of users of local authority agencies.

Figure 7: Reasons for choosing an agency to make an application⁵



⁵ An application refers to Stage 1 (eligibility) and Stage 2 (assessment).

VAA competitive edge on quality

“The agency offered a very friendly, yet professional service ... as a voluntary agency their primary goal was the placement of children with suitable adopters, with none of the competing interests that could impact upon a local authority's activities.”

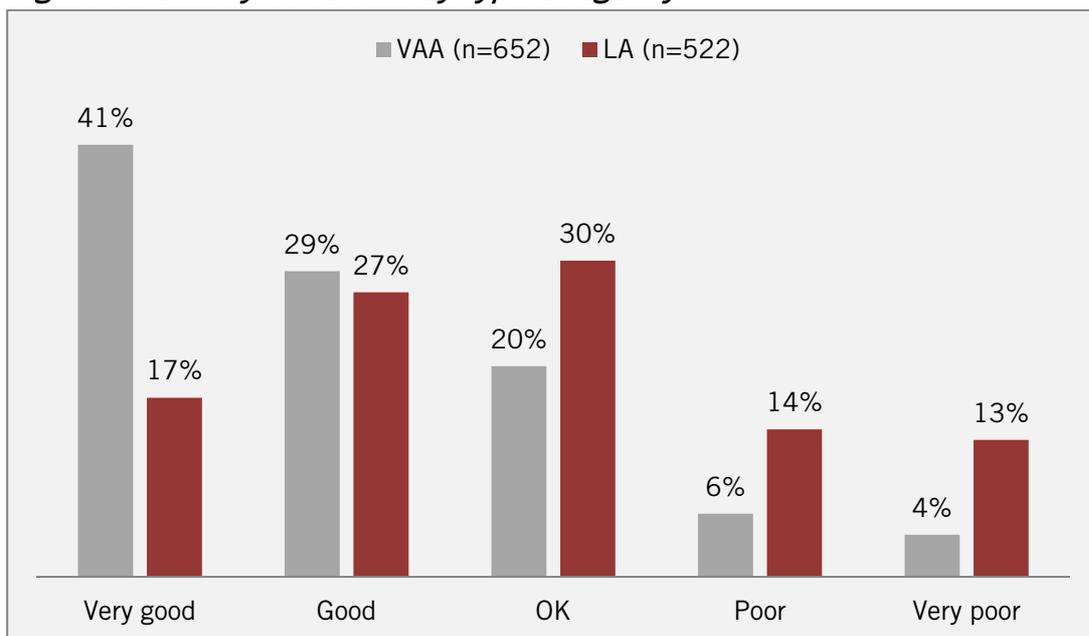
VAA potential adopter

We can examine in more depth the quality advantage of VAA agencies by analysing responses to questions on the quality of service received and the extent to which needs were met by the agency. A large majority of VAA users (70%) reported that the quality of service they received was good or very good. In comparison, only 44% of local authority users reported a similar level of satisfaction with their service. Conversely, a higher proportion of local authority users, 27% compared to 10%, reported that the service received had been poor or very poor.

Despite a widely acknowledged advantage on quality some potential adopters voiced a preference for local authorities over VAAs. This opinion was often based on a belief that local authorities have unique access to children. As one potential adopter said:

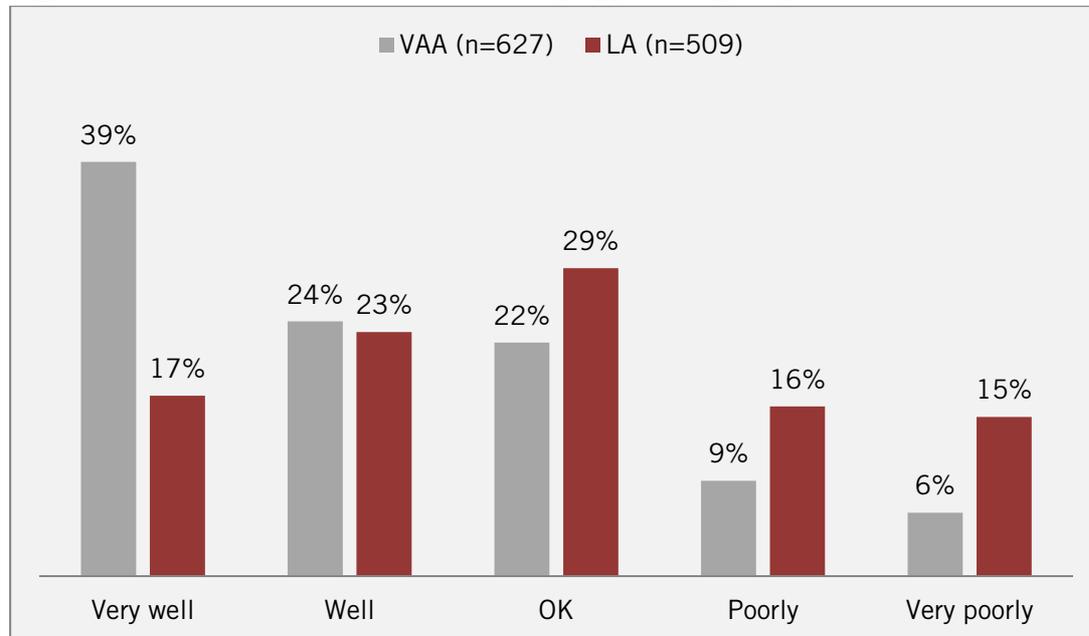
“The local authority are the real strengths, they have the to-be-placed-children, everything goes through them, may be due to funding cuts, they do not have the sleek initial presentation, write flowery letters as the multitude of voluntary adoption agencies have done.”

Figure 7: Quality of service by type of agency



A similar disparity in quality was evident in assessment of the extent to which the service had met needs. Almost two thirds (63%) of VAA users reported that their needs had been met well or very well compared to 30% of local authority users. Conversely, local authority users reported significantly higher levels of poorly met needs (poor or very poor) at 27% compared to 10% for VAAs.

Figure 8: How well needs were met by type of agency



From the qualitative feedback there were a number of comments that expressed frustration at the extent of bureaucracy in the adoption process:

“It is very frustrating that the government has set targets in order to speed up the process however this has the opposite effect as the Council were not taking on any more adopters since they would not be able to place children with them in time to meet the targets.” Potential adopter who only had contact with VAA.

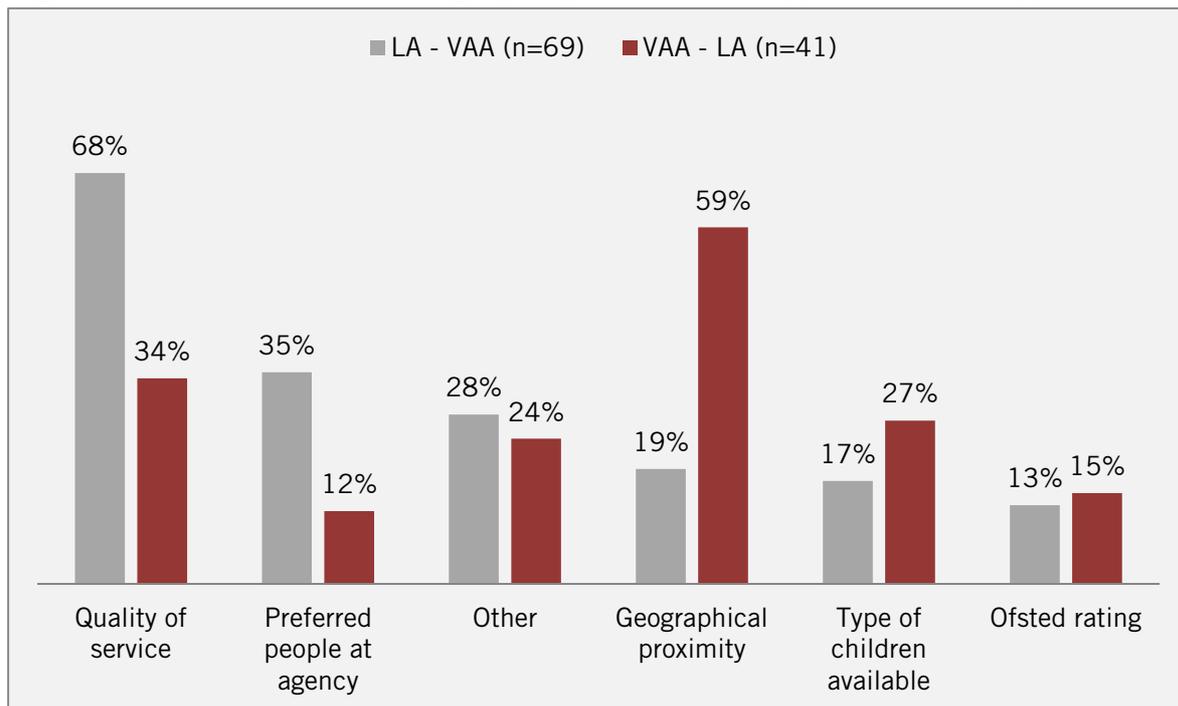
“I was told by one woman, “we deal in policies, not in individuals”. There is no willingness to consider good, caring, stable, families like ours who are desperate to give a good life and all our love to a child who needs those things unless we tick certain very rigid boxes.” Potential adopter who only had contact with VAA.

Agency ‘hoppers’ – enquirers who changed from one type of agency to another after an initial enquiry

A further way of examining the perception of the different types of agency was to analyse enquirers who made an adoption application with one agency but also contacted another agency in the rival sector. Examining this type of behaviour we identified ‘hoppers’ who moved from one agency type to the other to make an

adoption application. The reasons given for selecting the agency the application was made with demonstrate the quality edge for VAAs we have seen elsewhere in the data. ‘Hoppers’ who opted for a VAA over a local authority were usually motivated by quality (68%) whereas ‘hoppers’ moving in the opposite direction were usually motivated by geographical proximity (59%). This finding further highlights the quality advantage usually enjoyed by VAAs but underlines that proximity is a factor that sometimes trumps other considerations to the advantage of local authorities.

Figure 9: Reasons for choosing agency to make an application – ‘hoppers’



“... there seems to be a drive to keep children with their biological family for as long as possible...leading to incredibly “damaged” children... that have a much decreased success at being able to settle into an adopted family.”

VAA enquirer who decided against adopting.

4.3 Lost customers

Potential adopters who decided against adopting

Concerns about the type of children available more likely to affect VAAs

Enquirers who decided against adopting offered a number of explanations of why they had made that decision. No single issue was shared by a large majority of enquirers but concerns about the type of children available for adoption, finance, space at home and personal circumstance all figured prominently (Figure 10, 11).

VAA enquirers were particularly sensitive to concerns about the type of children available, with 39% of those who had

only contacted a VAA citing this as a reason, compared to only 13% of those who had only contacted a local authority (Figure 11). This difference indicates the concern is particularly common for VAAs and is likely to act as a significant barrier for VAAs in converting enquirers into applicants.

There was also a small difference between VAAs and local authorities on the issue of finance for lost customers. A third of those that stated limited finance as a factor were VAA lost customers (34%) compared to 26% of local authority lost customers. This difference, however, was not corroborated by the income demographics of the two groups that shows that the only VAA group had a slightly higher income than the local authority cohort, with 48% earning £60,000 and above per year compared to 44%, respectively. This apparently contradictory finding suggests that VAA customers may be more *sensitive* to concerns about finance despite their generally more secure circumstances.

Figure 10: Reasons customers were lost

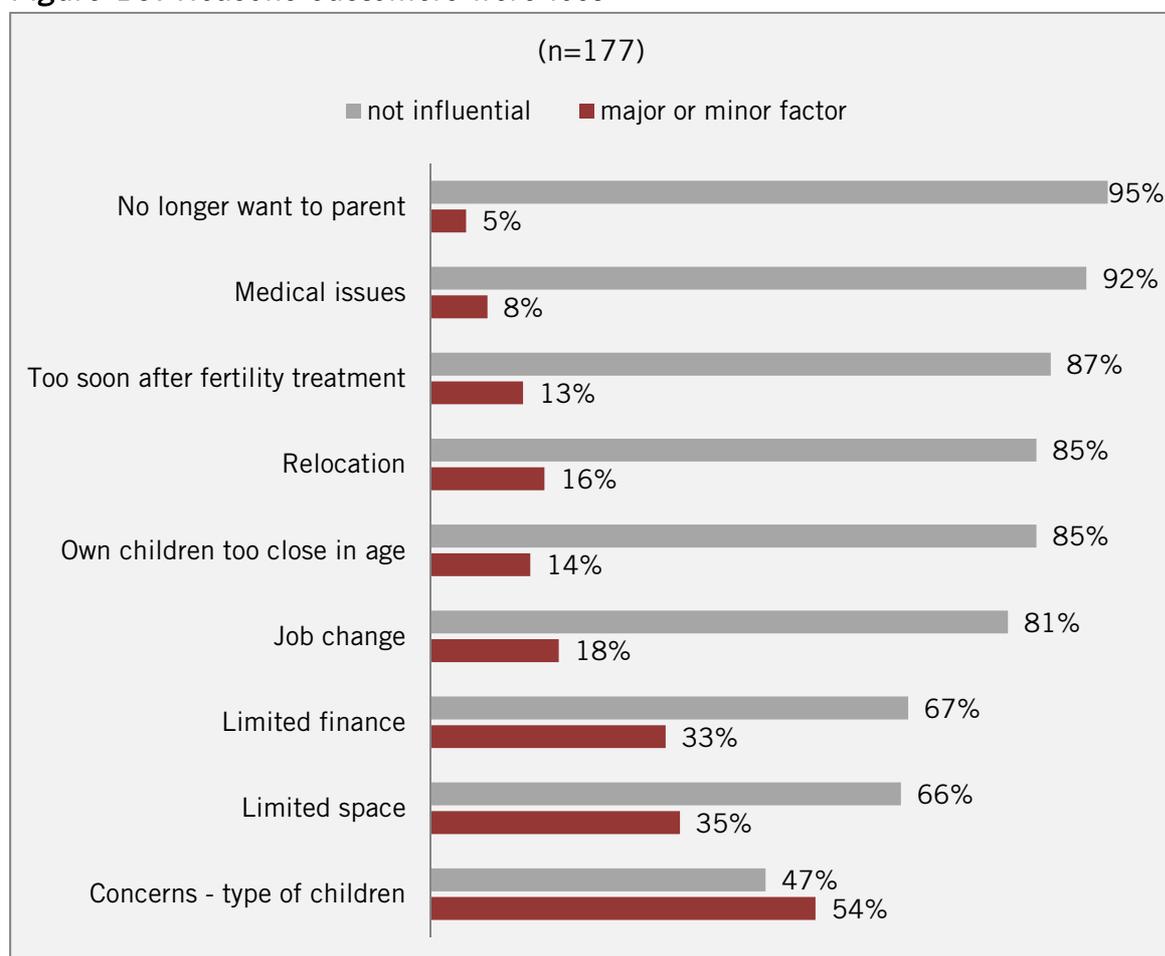
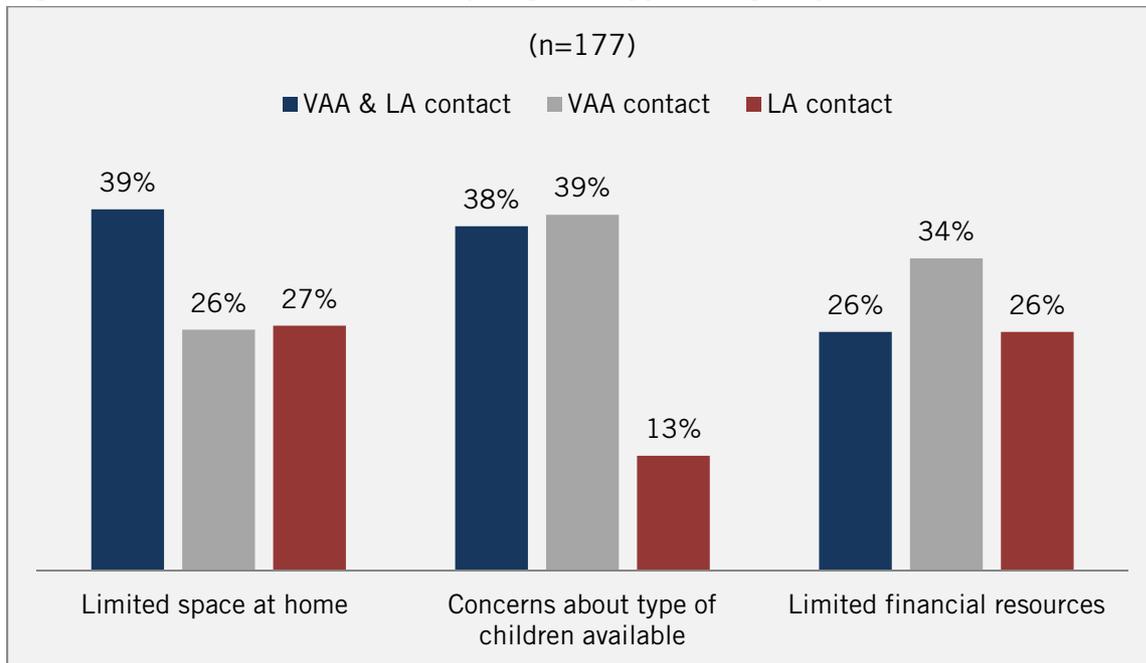


Figure 11: Reasons for not adopting and type of agency contacted



‘Other’ reasons for deciding against adoption

The survey asked an open question about what other factors had influenced the decision not to proceed with adoption. Common reasons that emerged were: personal circumstances or characteristics (either change of plans or it was felt the agency did not ‘accept’ them because of a personal trait such as being a single parent or a gay couple), the service provided by the agency, a pregnancy, the partner changing their minds, impact on own children, and type of children available (see Figure 12). Other reasons mentioned by lost customers included:

“Religion - we were informed that as we were Jewish we would be unlikely to be matched with any child.” Potential adopter who only had contact with VAA.

“Discrimination against older and single female.”
Potential adopter who had contact with VAA and local authority.

“Local Authority breached confidentiality and DPA [Data Protection Act]”.
Potential adopter who only had contact with local authority.

“Partner not happy to proceed, needed adoption to be a joint decision”
Potential adopter who only had contact with VAA.

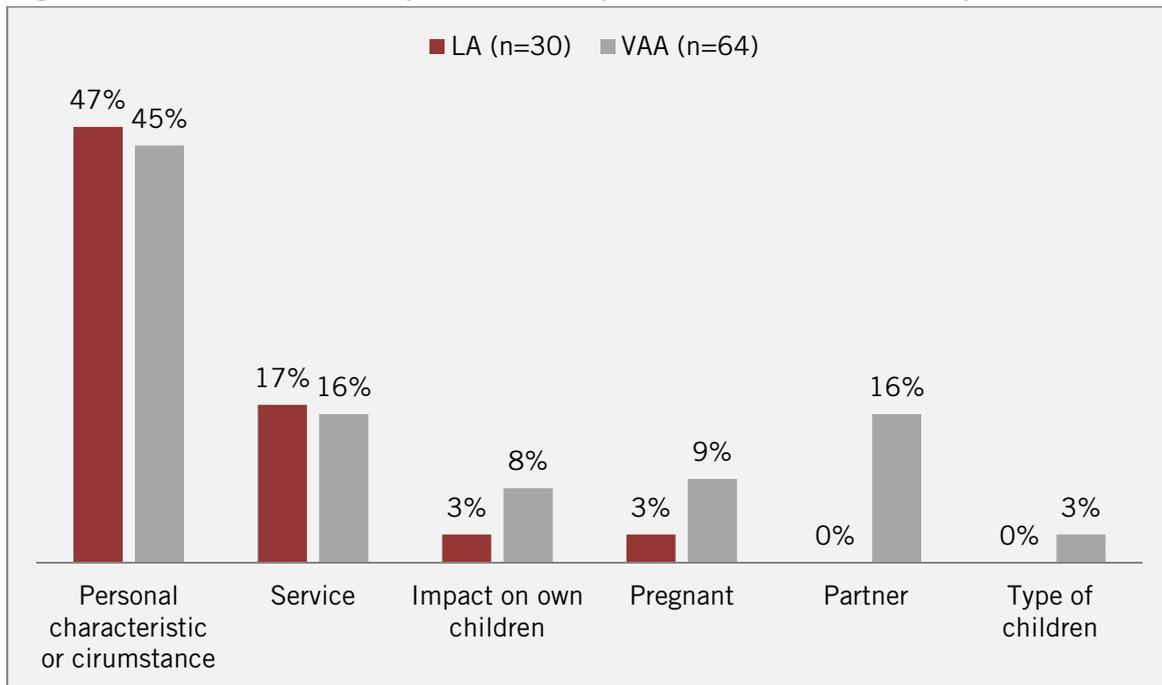
“Potential to disrupt good relationship with my existing child”.

Potential adopter who only had contact with VAA.

*“Advice that there were very few babies/very young children available for adoption.”
Potential adopter who only had contact with VAA.*

Enquirers that had contacted VAAs were more likely to report the reason as their partner (16% compared to 0%), pregnancy or type of children. Those that had contacted local authorities were slightly more likely to report the reason as the service provided, 17% compared to 16% for VAAs⁶.

Figure 12: ‘Other’ reasons potential adopters decided not to adopt



4.3 Demographics of prospective adopters

All respondents

A large majority of respondents (83%) were female suggesting that women have more of a vested interest in adopting than men. Most respondents (72%) did not have children in their household prior to their interest in adopting.

Marital status

Most respondents were either in a formal relationship (married or civil partnership) (68%) or living with a partner (11%). A significant minority (21%) were single.

⁶ At this point the VAA and LA samples are small at 64 responders and 31 responders respectively.

Education

Most respondents were highly educated, with three quarters (76%) holding a university degree or a higher qualification. Only 6% had only GCSEs or no educational qualifications.

Income

The household income reported by respondents, like education, was skewed in favour of higher brackets. Almost half (46%) reported an income of £60,000 or more. Only 15% reported an income less than £30,000.

Ethnicity

Most respondents were White British (62%) with only small numbers of Asian or Asian British (8%) or Black or Black British (5%).

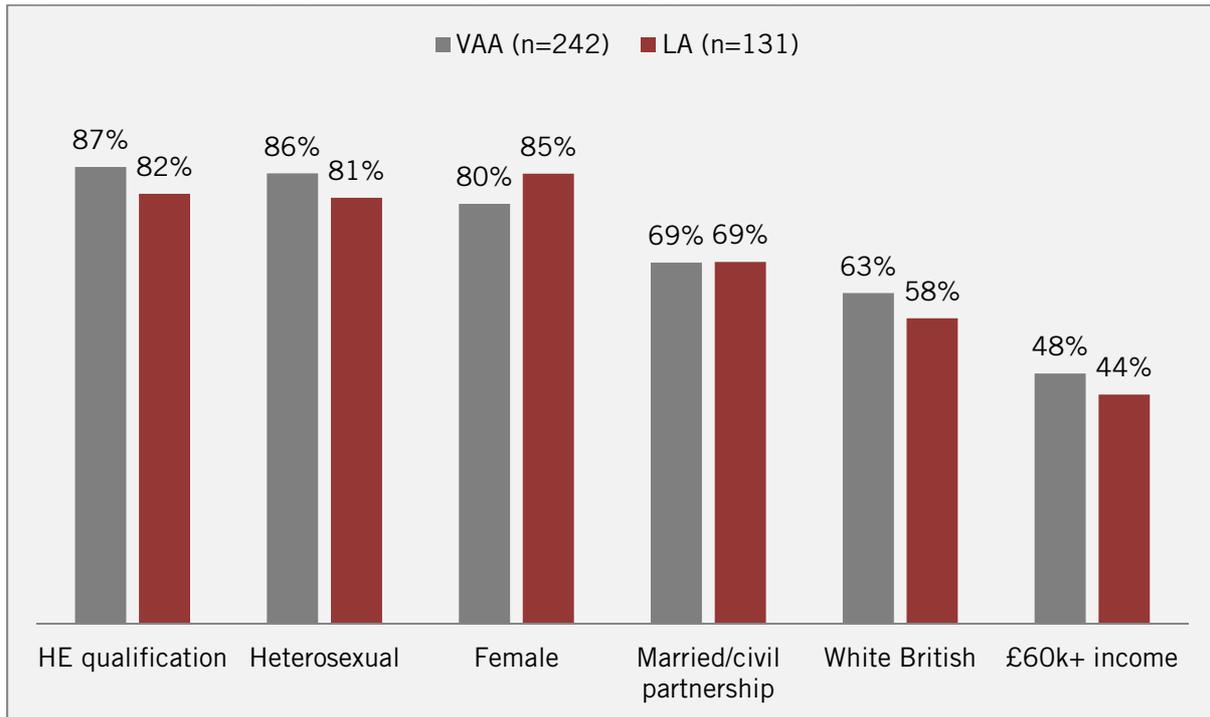
Sexual orientation

Respondents were predominantly heterosexual (86%) with 11% gay or lesbian.

Demographics and type of agency

Overall, there were no or small differences in the demographics of those responders who only had contact with VAAs and those that only had contact with local authorities (Figure 13). The demographics of the two groups were consistent with the demographics of all respondents, with a majority female, White British, heterosexual, married or in a civil partnership, a high household income and a higher education qualification.

Figure 13: Demographics of enquirers and type of agency



Ethnicity

Enquirers who just had contact with VAAs were slightly more likely to be White British (63% compared to 58%) and Black or Black British (6% compared to 5%). However, enquirers who just had contact with local authorities were more likely to be Asian or Asian British (7% compared to 11%).

Sexual orientation and marital status

Heterosexual responders were slightly more likely to contact only VAAs (86% compared to 81%). There were no differences in the marital status demographic (69% and 69%),

Education and income

Those who had contact with VAAs were slightly more likely to have higher education qualifications (87% compared to 82%). Similarly, those who were in the higher income bracket of £60,000 and above were slightly more represented in the group that only contacted VAAs (87% compared to 82%). Those that were in the middle income bracket of £30,000 to £59,999 were more represented in the group that had only contacted local authorities.

Demographics at application stage

310 responders progressed to application stage; the majority (64%) making an application through a VAA. There were no or small differences in the demographics of those that applied through a VAA and those that applied through a local authority.

Ethnicity

VAAAs attracted slightly more White British applicants (70% compared to 63%). Applications from Black and Ethnic Minority (BME) groups were at similar levels for both types of agency however, local authorities attracted slightly more applicants from Asian or Asian British background (5% and 10%).

Sexual orientation and marital status

VAAAs attracted slightly more heterosexual couples (89% compared to 81%) and local authorities attracted a higher proportion of gay or lesbian applicants (9% compared to 12%). A higher proportion of married or civilly partnered responders made applications through VAAAs (79% compared to 72%) and a higher proportion of single responders made applications through local authorities (13% compared to 18%).

Education and income

Those who had applied through local authorities were slightly more likely to have higher education qualifications (83% compared to 83%). However, those who were in the higher income bracket (£60,000 and above) were slightly more likely to have applied through a VAA (51% and 44%). Those in the lower income bracket (£0-29,999) were more attracted to applying through local authorities (10% compared to 17%).

Lost customer demographics

Lost customers were not from minority backgrounds and were typical of the adopter demographics with the majority female (86%), White British (60%), heterosexual (86%), married or in a civil partnership (65%), earning £60,000 and above (45%) and had a higher education qualification (88%).

5 Conclusion and recommendations

Insight into the psychology of potential adopters can help strengthen engagement

The survey provided clear indication of the competitive conditions VAAs operate in to recruit adopters. Individuals thinking about adopting approach the adoption marketplace with caution and are sensitive to the cues they receive from agencies and information services. VAAs can increase their chances of attracting and retaining enquirers by understanding the psychology and motivations of these customers and understanding how they perceive the choices available to them. By learning more about customer psychology, VAAs can develop new ways of engaging with enquirers that are sensitive and likely to allay concerns that commonly lead to drop-out. Using this approach is likely to lead to better recruitment of enquirers and higher levels of conversion of enquirers into adopters.

VAA enquirers are discerning customers who are aware they have a choice

Most people who consider adopting are aware of the service offered by their local authority. Those that approach a VAA are therefore making a positive choice when they do so. VAA enquirers are often influenced by a negative 'push' from local authorities and a positive 'pull' attracting them to a VAA.

Many of these enquirers have low expectations or are dissatisfied with the local authority service. Conversely, they are attracted to VAAs by the reputation for a quality and more personalised service. Quality is a reason potential adopters both approach VAAs and a reason they are converted into applicants: 62% cited quality of service as an influence on making an application to a VAA compared to 27% of local authority applicants.

Related to this perception of quality, half of VAA enquirers (51%) do not contact another adoption agency. Enquirers are much less likely to 'stick' with the agency they first contacted if it is a local authority. A typical scenario for enquirers who contact more than one agency is to contact a single agency in the voluntary sector and a single agency in the local authority sector.

Compared to local authority enquirers, those that approach VAAs are more likely to be informed of their options and to have approached an agency in the rival sector (i.e. a local authority). This tendency to shop around makes VAA customers less sensitive to geographical pressures (proximity to home) and more sensitive to the service being offered. Where VAAs can impress on enquirers the added value of their service (e.g. friendly staff, personable and quality service, specific services not offered by local authorities etc), enquirers are more likely to remain with the VAA.

Concerns about the type of children available at VAAs acts as a barrier to converting enquirers into applicants

Counterbalancing the competitive advantage VAAs have on quality is the widespread perception enquirers have about the type of children VAAs have access to. This acts as a significant barrier to converting enquirers into applicants and is a major cause of lost customers for VAAs. Despite a perception of the advantages of a VAA a significant number of enquirers are put off by a sense that this type of agency makes placements with more 'troubled' or older children.

Recommendations

The research findings suggest the following practices may lead to better recruitment of enquirers and higher levels of conversion of enquirers into adopters.

1. Strengthen quality of service where that service is most likely to be appreciated by enquirers

Providing an overall quality service is of course vital but that alone does not ensure that customers get the message and appreciate the value added. Enquirers need to 'feel' that quality if they are going to become loyal customers who stay with the organisation and become adopters. To do this, VAAs need to focus on the personal aspects of the service which enquirers are most likely to acknowledge and appreciate. User-friendly service might include empathetic and friendly staff, work friendly scheduling for events and training, flexibility on eligibility issues, peer mentoring, user participation. An organisation that is seen to be accommodating and personal in the service it offers will be more attractive to potential adopters.

2. Enhance competitive edge by highlighting VAA services that are not offered by local authorities

VAAs have a competitive edge over local authorities where enquirers are aware of services they cannot get elsewhere. VAAs have a reputation for offering far superior adoption support than local authorities. Where a VAA compares favourably to the local authority in the area it serves, it should proactively advertise the availability of these services.

3. Work to reduce concerns about the type of children available to VAAs

VAAAs should proactively work to reassure enquirers that adopting via a VAA does not limit access to children available for adoption. VAAAs should also effectively communicate the personal benefits of adoption – the joy of providing a loving family to a child in need – as well as the support available to help with challenges if they arise after placement. VAAAs should not downplay the challenges of parenting an adopted child but neither should it arouse exaggerated fears. The portrayal of parenting an adopted child should be measured but couched in a confidence that adopters are likely to have the personal resources and support available to them for it to be a fulfilling and ultimately successful experience.