



CHARITY VIEWS

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Charity Views | Vol. 13

A black car is parked in front of a light-colored building. A white jersey with the name 'GREINKE' and the number '21' is laid out on the hood of the car. The jersey is white with blue lettering and numbers. The car is a dark color, possibly black or dark blue, and has a chrome grille and headlights visible. The background shows a light-colored wall and a paved area.

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Two Degrees of Influence

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GREETINGS

Gearing Up

JOHN BEAN
VICE PRESIDENT,
CENTRALIZED OPERATIONS



New year, new you.

By this point, you've probably read dozens of articles with that very headline. It's that time of year when every media outlet releases their perfunctory articles hailing this as the year of change. It's easy for us to roll our eyes at this sort of behavior, so I'm taking a risk with this next statement: We're going to jump on that bandwagon, but with a more focused tone.

2016's first edition of Charity Views isn't full of platitudes or clichés. It doesn't offer quick-fix tips and tricks to make this the best year ever. But it is packed with actionable information that will help you get more out of your organization's vehicle donation program in 2016.

We begin with a refresher course on the economic factors that drive the value of donated vehicles at auction, and how they may behave in 2016. At first glance, it's a diverse landscape of influencers that can be intimidating to nonprofit professionals without a background in the auction industry. But with a little context, you will be able to dissect these metrics and develop a better understanding of what to expect from your donated vehicles.

Next, we take a look at the rise of influencer marketing, and how your organization can leverage this unique opportunity to inspire potential donors to emulate their role models. Two of our partner charities recently received vehicle donations from high-profile members of the professional baseball world, which serves as the perfect case study for this piece.

We then examine the importance of tax-related messaging to the success of a vehicle donation program and how implementing this tactic throughout the year can pay dividends. Most of us leverage this approach during the holiday season – "Donate by December 31 to qualify for a deduction!" – but it often falls by the wayside come January 1. By utilizing this messaging point over a 12-month stretch, your organization can get a head start on the competition before this year's holiday giving season.

Finally, we close with our no-nonsense tips to get more out of your vehicle donation program – a new feature we'll be running throughout 2016.

This year will be an exciting time for everyone in the vehicle donation landscape, but more so for those organizations that formulate and execute an effective plan. That's where Charity Views comes in. Take a few minutes to read the year's first edition, and think about implementing some of these strategies into your organization's marketing efforts.

It's a new year. Let's get busy!

Regards,



One Car One Difference® is IAA's national program designed to raise public awareness about the benefits of donating a vehicle. By handling the vehicle donation process from start to finish, IAA turns donated vehicles into dollars for charities nationwide.

Back to Basics

Vehicle Donation 101

There are many factors that influence the value of your donated vehicles, and understanding them takes a little legwork. But you're not an automotive analyst, so we're not going to throw you to the wolves. The start of the new year is a perfect opportunity to freshen up on the economic fundamentals of the vehicle donation industry and what to expect from them in 2016, so let's get to it.

The single largest determinant of the value of your donated vehicles is what they will be used for after they're auctioned. Older, damaged vehicles are usually destined for salvage buyers, while newer vehicles are typically purchased and resold by independent dealers. There are a host of other influencers that fall under these umbrellas, so let's walk down each path.

Salvage vehicles

Whole crushed auto-body prices. As the name implies, this is the value of a car that's been crushed and resold to metal recyclers. Aside from supply and demand, values are determined by a host of other factors we'll discuss momentarily. The outlook for 2016 is relatively soft, due in large part to oversupply and waning demand for scrap steel from China.

U.S. dollar index. The value of the U.S. dollar influences auction values in several ways. First, the values of metals typically recycled from salvage vehicles are denominated in the U.S. currency, so the stronger the dollar, the less of these materials it can buy. It also impacts the reach of our foreign customers: when the value of the U.S. dollar is up, their buying power is diminished. While the value of the greenback did decrease over the last few months of 2015, it's still significantly higher than many other major currencies.

Metal prices. There are several metals besides steel that can be recycled from a salvage vehicle, and the value of these materials directly influences auction prices. The three primary metals used in the vehicle manufacturing process tracked by IAA are aluminum, platinum and palladium, and the story is much the same as with whole crushed auto bodies: excess supply and sluggish demand have combined to depress values, and this is likely to continue into 2016.

Used vehicles

Used-car price index. To track the value of vehicles destined to be resold by independent dealers, IAA utilizes the used-car price index, a measure of the average price of a used car on the open market. Index values are wholesale prices provided by ADESA, IAA's sister company. As a result of near record-setting new-vehicle sales, 2015 saw an above average amount of high-quality trade-in vehicles hit the auction lanes. While this supply spike did place some downward pressure on value, the inventory's high-quality nature softened this blow. With forecasts calling for another year of strong new-vehicle sales, expect this surge of used-vehicle inventory to continue in 2016.

Donation sentiment

IAA regularly surveys the general public to gauge its feelings toward charitable giving, as well as recent vehicle donation trends. The public's sentiment toward donation – categorized by IAA's Charitable Giving Climate Index (CGCI) – trended upward to record-setting levels throughout 2015. Additionally, the number of respondents indicating they've donated a vehicle in the past 12 months *and* those who intend to donate a vehicle over the next 12 months both reached record highs at the end of 2015, giving us reason to be very optimistic for 2016.

This may seem like a lot of complex information, but once you're armed with the proper context, understanding the factors influencing the value of your donated vehicles is fairly simple.

My hope is that this article can serve as a cheat sheet of sorts: something you can refer back to in the future if you need a refresher. But of course, IAA is always here to help. If you ever have any questions, never hesitate to reach out for assistance. That's what we're here for.

written by
Meggan O'Malley
Manager of Sales Analysis





COVER

Two Degrees of Influence

Influencer Marketing and Vehicle Donation

On average, we're exposed to nearly 5,000 promotional messages every day. From the moment an individual checks the weather app on their phone in the morning, to the time they sit down to relax in front of the TV in the evening, they're inundated with marketing messages from every angle. As a result of this oversaturation, audiences are conditioned to tune out or avoid our messages altogether.

Instead, they turn to social media and consumer review sites – where marketers have little if any control of the conversation – to find the information they need before making a purchase. While this may be frustrating to marketers who spend months crafting strategies and messaging points, it has given rise to a tremendously powerful tool: influencer marketing.

Per Forbes, influencer marketing can be defined as a form of marketing that identifies and targets individuals with influence over potential buyers. But in my opinion, that's only half the battle. Once an influencer has been convinced to interact with your brand in a meaningful way, it's up to you to ensure that your audience is aware of their behavior. While this may sound like advanced stuff, it's not out of reach, and is already paying dividends in the world of vehicle donation.

Enter the influencers

Recently, two of our charity partners received donations from high profile individuals within the world of professional sports, serving as the perfect case study for this article. It started when Bill Neukom, partial owner and former Managing General Partner of the San Francisco Giants, donated a limited edition 2008 Porsche Boxster S to the Giants Community Fund earlier this year. Not to be outdone by an in-state rival, former Los Angeles Dodgers pitcher Zack Greinke also got in on the action by donating a 2007 Mercedes-Benz S65 AMG to the Los Angeles Dodgers Foundation. These donations benefitted their recipients by generating tens of thousands of dollars, but their long-term impact may be even more valuable.

Emulating icons

By effectively promoting these donations, the Giants Community Fund and Los Angeles Dodgers Foundation have an opportunity to leverage the influence of these donors to solicit more contributions by providing an outlet for potential donors to emulate their role models in a positive and meaningful way.

That individuals seek to emulate celebrities is certainly no secret. From Gatorade's iconic "Be Like Mike" campaign of the early '90s to



the product placement we see in nearly every Hollywood movie today, brands have leveraged this phenomenon to great success, and it's time the nonprofit industry gets in on the action. We've always partnered with celebrities to help us solicit donations, but it's time we fully capitalize on the potential of influencer marketing. When a well-known individual gives to your organization – be it in the form of cash, a car or their time – do your best to promote the contribution, while always being respectful of the donor's privacy.

The donations your organization receives may not come from individuals as high profile as those in this example, but any notoriety is a good thing, and effectively leveraging these instances will be a homerun for any nonprofit.

written by
Todd Holder
National Sales Manager





FEATURE

We Survived the Holidays! For the Joys of Tax Season...

The new year has begun, and for everyone in the nonprofit industry, that means one thing: We survived another holiday giving season!

OK, that may be a touch melodramatic, but I'm sure many of you are breathing a sigh of relief knowing that the madness of the holidays are behind us and we have 11 months before we have to go through it again. This time of year also brings around something not quite so welcome, however: tax season. While the thought of forking over our hard-earned money might be hard to stomach, for our donors who decided to contribute based on a potential deduction, it can be an exciting time.

Indeed, for many of us, this potential deduction is one of our primary selling points during the holiday giving season, and the mantra is familiar: "File by December 31 to claim your deduction!" While it may be simple, it drives big results.

By the numbers

As we uncovered in [Timing Is Everything: Marketing a Vehicle Donation Program During the Holiday Season](#) – a special report we published last fall – nearly 15% of all vehicle donations are made during the holiday season. Between Thanksgiving and New Year's Eve, daily vehicle donation volume increases by an amazing 42%, making this one time of the year you can't afford to miss.

(Gratuitous plug: If you haven't checked out [Timing Is Everything, you really should](#). It's full of free information that can help your organization maximize its vehicle donation marketing efforts during this critical time of year.)

But with the holidays behind us, this messaging won't be effective until next November, right? Wrong.

Full steam ahead

It's no surprise that we see a bit of a dip in vehicle donations in the months after the holiday season. This is likely due to several factors: the discussed rush to beat the tax deadline and the normalization of nonprofit marketing efforts following December 31. Regardless of what causes it, this dip is actually a significant opportunity for nonprofits willing to step into the void. While there may not be as many people ready and able to donate a vehicle during this time, competition is relatively low, which can make it easier to secure donations.

And remember, the holidays will be here again before you know it. When that happens, nonprofits across the country will be leveraging that tax deduction line to get their share of the vehicle donation pie, but if your organization lays the groundwork before that happens, you can control the conversation.

A friendly reminder for your donors

Given that we promote the possibility of a deduction when soliciting donations, it's only fair that we remind our donors to consult a tax advisor before filing their taxes. By ensuring a positive experience from beginning to end, we can turn a one-time donor into a lifetime supporter!

written by
Brett Wallin
Director of Seller Marketing



Get Your Vehicle Donation Program Moving

When it comes to jumpstarting your vehicle donation program, earning some quick wins can work wonders. We'll include a few tips in every issue of Charity Views throughout 2016 to help you do just that.

1



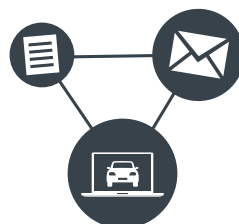
Like with any other campaign, having an active and thoughtfully scheduled online and social media presence is key for outreach and success.

2

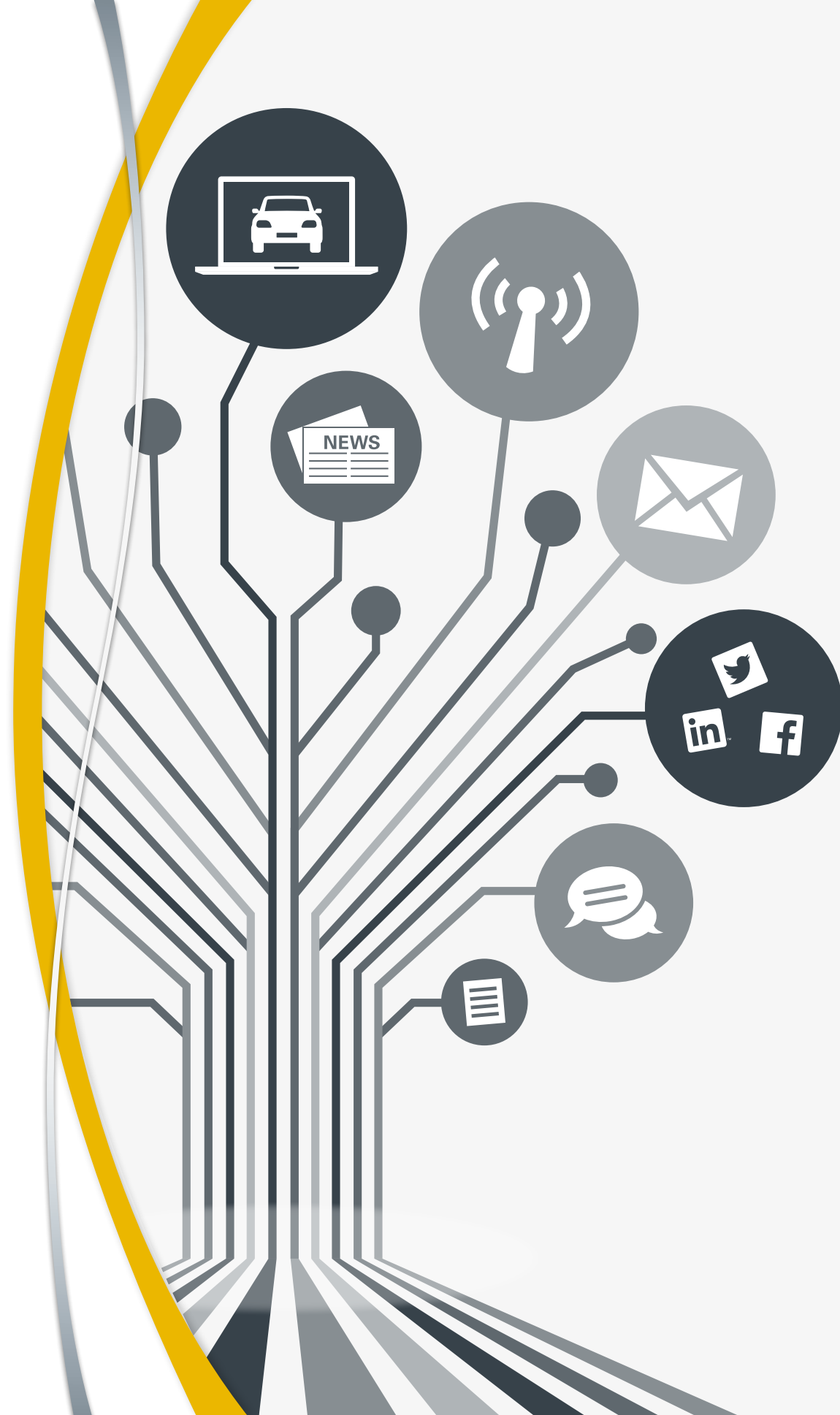


Contact local media – newspapers, cable and radio stations. Many will offer free commercial space for nonprofits.

3



Include a link to your vehicle donation page anywhere you can – at the bottom of your email signature, in your Chapter newsletters, and on your website!





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