

Introduction to Nonprofit Marketing

(Chapter 1, Adopted and Abbreviated)

Ty Hafan, Sage Publication

Managers in many nonprofit organizations have adopted a marketing approach. In nonprofit organizations, marketing tactics are used to build the organization's image and reputation in society and help the public remember the organization and its cause. Marketing tactics help differentiate one nonprofit from another nonprofit that is offering similar programs. Marketing tactics are used to attract and retain donors and volunteers. We define nonprofit marketing as the use of marketing tactics to further the goals and objectives of nonprofit organizations. Although advertising, public relations, and fund-raising are examples of nonprofit marketing tactics, nonprofit marketing also includes a broad array of other activities. Gathering and processing information for decision making are considered components of nonprofit marketing. Relations with governments, board members, donors, and volunteers are part of nonprofit marketing. In a broader view, nonprofit marketing is a management orientation that helps the nonprofit organization expand its horizon beyond its internal operations and programs to also encompass the external world that affects the organization. A nonprofit organization that has a marketing orientation is able to focus its various activities and external communications to project a consistent image of itself and influence the way the external world perceives it. The term nonprofit organization broadly to refer to a variety of related nonbusiness and nongovernmental organizations (NGOs).

Dimensions of Nonprofit Marketing

In the previous section, we provided an overview of the nonprofit marketing concept. In this section, we will be more specific in delineating some of the various dimensions of nonprofit marketing. We will discuss planning, positioning, communicating, and attracting resources.

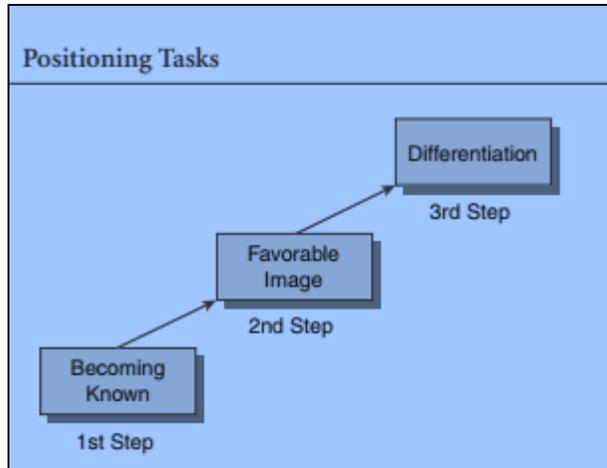
Planning

Marketing professionals in nonprofit organizations, or nonprofit marketers, develop plans to help the nonprofit achieve its strategic goals; that is, to fulfill its mission.

Positioning

Nonprofit organizations usually benefit from being widely known in society. There are many nonprofit organizations and many opportunities for people to contribute to a worthy cause. A nonprofit's first task in competing for donations is becoming well-known to the community it serves. People are bombarded with commercial marketing messages throughout the day. Nonprofit marketers must define their organizations in this clutter of information. Once the NPO is known, the next task is to influence the public's perception of the organization. Do people have a favorable, unfavorable, or neutral attitude toward the NPO? Do people know what the organization does? How do people think of the NPO in relation to other NPOs? Positioning refers to implementing marketing activities aimed at influencing the public's perception of the NPO, that is, developing a specific image of the NPO in the mind of the public. Brand refers to the name, logo, and symbols that uniquely identify an NPO and distinguish it from other organizations.

The following figure shows the three progressive positioning tasks for a nonprofit. The foundation begins with getting the organization known. Then the image and the public perception of the organization become a greater concern. Last, the emphasis shifts to framing how the public perceives the organization in relation to other similar organizations, the task known as differentiation.

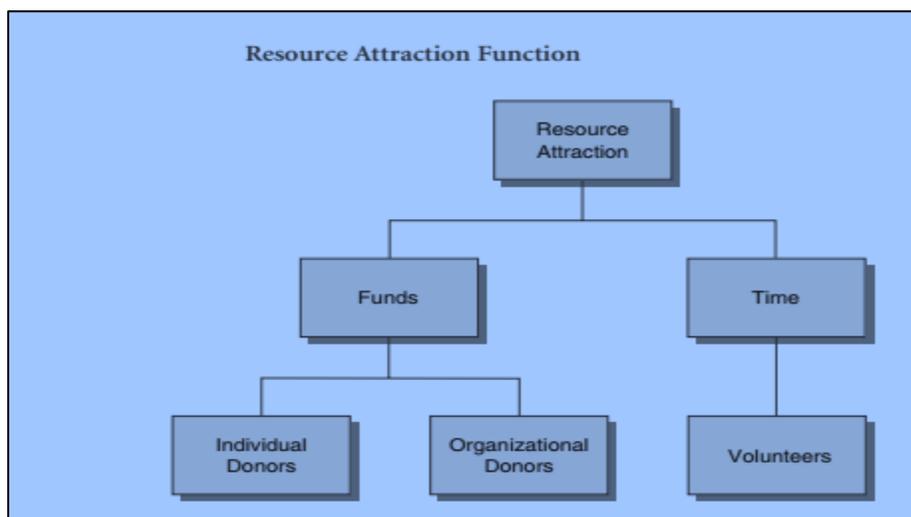


Communication

Communication is a key marketing activity that enables the organization to achieve many of its marketing goals. The NPO directs its communications to its various stakeholders. Stakeholders are groups that have a meaningful interest in the nonprofit organization. Generally, these include the organization’s clients, board members, employees, volunteers, donors, granting organizations, government, other nonprofits, and the communities served by the NPO. A nonprofit’s clients are the people to whom it provides services. There must be effective communication for the exchange between client and organization to be successful. Board members must be recruited and retained. Employees need to understand the NPO’s goals and objectives. They need to have a voice in the development of plans. Volunteers must be recruited and retained. Donors must be acquired and nurtured. Nonprofits often communicate with government officials to represent their causes and interests. The communities served by a nonprofit need to know about its services. Successful nonprofit organizations establish bonds with their stakeholders and develop relationships with them. Nonprofits’ communication programs are an important resource for reaching out and maintaining contact with stakeholders.

Resource Attraction

Nonprofit marketers have a very important resource attraction function. This generally refers to attracting donations of time and funds, as depicted in following figure.



Donations of time refers to the recruitment and retention of volunteers. Donations of funds refers to contributions from organizations and individuals. These contributions can be in-kind donations, such as products a company manufacturers, or monetary donations. Attracting contributions requires more discussion because it covers several topics. For example, individual donors are categorized in terms of contributed amount (large vs. regular donors), frequency (regular donors, annual campaign donors), events (special events or capital campaigns), and longevity (which includes bequest giving). Collaboration with the business sector is varied also.

Adoption of Marketing Approach

To respond effectively to all the challenges facing nonprofits, nonprofit administrators (especially in larger organizations) have adopted a marketing orientation to managing their NPOs. This section discusses what is meant by a marketing orientation and how nonprofits use marketing tactics to achieve their goals and objectives.

Nonprofit Marketing Orientation

A nonprofit organization has a marketing orientation when it relies on marketing tactics to achieve its goals and objectives. An NPO that has a marketing orientation employs the array of marketing functions to attract resources and build vital relationships. Table 1.3 presents nonprofit marketing functions. When an NPO has a marketing orientation, its various operational units and programs work in a coordinated fashion to (a) further the organization's mission, (b) achieve the organization's goals, and (c) communicate a consistent and focused message to groups of interest (clients, volunteers, donors, public, etc.). When all parts of the organization are working toward common goals, all members of the organization can work with purpose, unity, and focus. This results in greater efficiency and consistency, reducing divergences of purpose all the while. Furthermore, when all parts of the organization are working together and communicating a consistent message outwardly, important constituencies obtain a clearer understanding of the organization's distinctiveness and value. A marketing orientation helps the nonprofit focus outwardly. Staff persons naturally tend to concentrate on their functional areas of responsibility or on their programs.

A marketing orientation helps to broaden their ability to take into account how their decisions affect other parts of the organization and how their statements and other messages influence the outside world's perception of the organization and its purpose. A marketing orientation provides systematic means of coordinating activities designed to attract resources. When different areas of a nonprofit are focused on its direction and priorities, efforts to attract contributions, grants, volunteers, corporate support, and the like reflect organizational priorities rather than those of a program director or individual board member, for example. The energies of valuable staff are concentrated in areas likely to offer the greatest benefit to the organization. Finally, a marketing orientation provides an organized approach to planning. The overarching strategic goals and objectives of the organization, guided by the nonprofit's vision and mission, reflect a consensus of the board and executive staff on the direction for the nonprofit. When strategic goals and objectives at the organizational level are clear, consistent, and focused, staff members in operational units have guidance in arriving at their own planning. Tactical planning in lower levels of the organization will help the organization achieve its strategic goals.

Current Issues in Nonprofit Marketing

Branding

Branding is a topic of major importance for nonprofit managers. Nonprofit managers think of a nonprofit's brand as its image or reputation: the way the organization is perceived by the public. A strong, favorable brand provides advantages for the nonprofit. The most widely known organizations have greater credibility because people already

know about the organization and its mission. When the tsunami disaster struck Asia in December 2004, the American Red Cross was able to raise millions of dollars of relief aid because people knew of the organization (brand awareness). Americans felt sending their donations to the American Red Cross was safe, and they believed the funds would be used responsibly (brand image). The American Red Cross is perceived by Americans to be a well-established, highly regarded, trustworthy disaster relief organization (brand personality). Nonprofits that are most widely known (brand awareness) have a larger pool of potential donors. Through positioning activities, mentioned previously, a nonprofit helps the public understand its purpose and how it differs from other nonprofits (differentiation) and how the nonprofit is remarkable (brand personality). Through consistent public relations communications to various audiences, nonprofits establish favorable reputations (brand image).

Social Marketing

Social marketing refers to the use of marketing tactics in the creation, execution, and control of programs designed to influence social change. Many nonprofits desire to improve public health or social conditions. In doing so, they must find ways to increase public awareness of an issue and help a society or a subgroup of society change to a more healthful set of behaviors.

Changing human behavior is challenging, even when the change is beneficial. Teenagers receive immediate social rewards from smoking and discount the long-term consequences. The same can be said of drug use, teen pregnancy, sexually transmitted diseases, and drug or alcohol use. In some important areas, corporations' interest in selling products and earning profits works against social marketers. Corporations spend billions of dollars encouraging unhealthy behaviors like smoking, drinking alcohol, eating processed and fast foods, and following sedentary lifestyles. Social marketers' resources for bringing their messages to groups of interest are often dwarfed by corporate advertising budgets.

Use of the Internet

Nonprofits use the Internet. The ways the Internet can be used are limited only by the prevailing technologies and the creativity of nonprofit managers. Websites are used to communicate with external groups. A professionally designed website reflects the professionalism of the nonprofit. Nonprofits use their websites to communicate a consistent message of the organization's purpose, mission, and cause. Nonprofits raise funds online. They recruit volunteers online. E-newsletters and e-mails are sent to supporters. Online surveys obtain marketing information. Educational materials are distributed online. Products are sold online.