



## *Awareness and commitment*

### Marketing to Attract Investment

Too many nonprofit organizations operate on the assumption that the greater their *need* – and the more they talk about it or “sell it” – the stronger their fundraising appeal will be and the more money they will raise.

**We must realize that simply being “for the social good” is no longer good enough.**

Today, what is more likely to attract robust donor support is an opportunity for the donor to invest in something – to invest in the promise of some kind of future return. Rest assured that people do not give away their hard earned money. The philanthropic gift is an exchange of values just as clearly as when a merchant sells a product. Identifying the value that your organization exchanges with its donors is an integral part of understanding the marketplace perspective of your institution.

Does your institution offer its donors a clear investment opportunity? It does if donors can see your organization mirroring their own deepest desires

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## *The Philanthropic Marketplace*

### Positioning Your Campaign for Success

Recently, we hear more and more funders hoping that local nonprofit organizations will collaborate with each other more often and more substantially. In some situations collaboration between two independent groups makes sense for the good of the community, but not always for the nonprofit organizations. Whatever one’s perspective is on the issue of collaboration, it emphasizes the fact that every nonprofit organization operates in a highly competitive marketplace.

When an organization is considering a major capital campaign the level of competition often increases. In any given community, the small number of people who have amassed substantial financial wherewithal and those who have demonstrated strong leadership ability are always the ones in highest demand. Everyone is knocking on the same doors.

**Every organization operates in a highly competitive marketplace.**

That’s why it’s important to set your organization apart from others that may be pursuing the same potential donors and volunteers. In marketing parlance, that’s become known as positioning. This process forces you to address some very tough questions:

- What makes your organization distinctive, in the eyes of the philanthropic community you need to engage? What is its unique niche in the philanthropic marketplace?
- What is the job that only your organization can do, or that it can do better than anyone else? What is the key benefit it is best qualified to deliver?

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## Five Essential Campaign Marketing Principles

1. **Design for people.** Today's winning campaigns are successful because of the people involved — the campaign leadership, volunteers, and donors. Any marketing materials used in your campaign should be designed for their use.
2. **Focus on volunteers.** Your materials should not be created solely to convince the prospect, but instead to support the efforts of the volunteer to serve as an effective advocate. This helps build the enthusiasm and confidence of the volunteer, which influences his or her attitude and behavior in convincing the prospect.
3. **Plan for responses.** Each item in the marketing plan is response oriented. It is designed with the overall goal of stimulating and evoking a positive response from the volunteer and potential donor. Marketing tools should evoke action, as opposed to merely providing information.
4. **Keep it simple.** Your marketing approach should be based on one central and convincing argument in order to keep people's attention and move them to action. It's best to keep your ideas and thoughts simple.
5. **Aim outside.** The most important marketing tools are developed with the perceptions of the donor constituency in mind. To develop a useful marketing perspective, it is necessary to base your process in that particular constituency.

## Positioning Your Campaign for Success

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- Why should your prospects support this campaign instead of another, or give more to you than to another? How will this campaign enable your organization to do an even better job to expand its services, improve quality, or serve a new constituency?

A university, for example, might be known for its service to first-generation students, or an independent school for its work with disadvantaged youth. A hospital may be noted not only for providing essential medical care, but also for supporting other organizations which provide community health services.

### *Giving the campaign an identity*

Once you've determined how best to position your organization and/or campaign, the next challenge is to express this idea in a simple, dramatic, and memorable fashion.

**The campaign theme should reinforce the *benefits* provided by your organization.**

Your campaign theme can and should reflect your positioning statement, and address the interests of prospective donors and volunteers. A good theme is positive, exciting, inspirational, action-oriented, and original (non-generic).

The theme will give your campaign a recognizable identity. It should reinforce the emotional appeal of the case, and suggest a graphic treatment for your campaign communications. Following a successful campaign, an effective theme is sometimes adopted by the organization on a permanent basis.

Many perceive that the task of marketing begins by creating a campaign theme. But a theme needs to be more than clever and catchy. It should reinforce in the minds of your constituents the benefits provided by your organization — benefits that justify a significant investment of time and money. To be effective, these creative choices need to be guided by the conscious discipline of competitive marketplace positioning.



## Marketing to Attract Investment

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and aspirations; for example, a furthering of the cause or causes that matter to them.

We suggest the challenge of raising funds is best met by marketing, not selling. The selling mentality is based within the organization; it involves offering what you have on your shelves for purchase. Marketing involves placing on your shelves what people already want.

The process of marketing for the nonprofit sector can be broken into at least seven major steps:

1. Becoming knowledgeable of constituency needs. You can identify your organization's selling points — strengths for garnering support — by asking the right questions of community leaders, and really listening.
2. Defining constituencies by segment. Grouping donors in terms of interests, desires, and preferences.
3. Targeting those segments with the highest potential to make your fund raising successful.
4. Positioning (branding) the institution effectively. What are your institution's relative (i.e., special or particular) strengths?
5. Combining insights gained through the first four steps into a strategic plan of action, then design, write, and commit to such a plan.
6. Communicating the special opportunities that a campaign presents in terms that appeal to the targeted groups.
7. Using marketing tools and techniques to persuade donors.

Every organization faces some challenges implementing these types of changes. For some, an inward facing organizational perspective can hinder one's ability to readily identify the external marketplace. Fundraising counsel is often engaged to provide the objectivity and expertise to hone your messages.

Fundraising counsel has the benefit of:

- constant contact with a wide range of business and civic leaders
- a current dialogue with the donor community
- field experience — knowledge gained by evaluating numerous cases for support
- well-researched familiarity with public opinion.

As competition for a limited number of philanthropic dollars grows more intense, the success of your development program will depend on your ability to apply marketing dynamics and technology to your own situation. The successful nonprofit organization will be the one marketed first in terms of the opportunities it offers to the donor constituency — and second, in terms of the institution's needs.

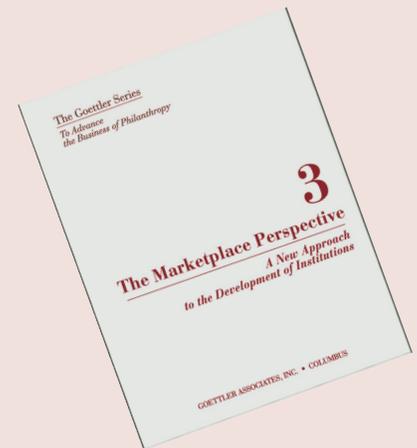


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## On Second Thought

# Is Development Too Good for Marketing?

By David Goettler, CEO  
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When we try to explain the marketplace perspective and its application to fundraising, we're sometimes challenged by those who believe that the high-minded pursuit of philanthropy should not be contaminated by the crass business of marketing.

From this point of view, marketing is little more than a euphemism for selling, and its practice threatens to cheapen and commercialize fundraising. Philanthropists are more than prospects or customers, and capital campaigns have little in common with advertising or political campaigns. Let's look at those arguments one at a time:

1. **Marketing is just a euphemism for selling.** In fact, marketing is almost the opposite of selling. While the salesman tries to persuade customers to take the goods already on his/her shelves, the marketing professional listens to his/her customers and puts on the shelves what they already want.
2. **Marketing practices are incompatible with the practice of philanthropy.** In fact, the marketplace perspective elevates, rather than degrades, the business of fundraising. It reminds us that American philanthropy still relies primarily on the time, talent, and resources contributed by volunteers - and that fundraising professionals serve the volunteers, not the other way around.
3. **Philanthropists are more than prospects.** True! *Prospect* is a term borrowed a long time ago from sales. Though inappropriate to the practice of philanthropy, it is deeply entrenched. *Potential donors* has been suggested; but until something better comes along we will continue to focus on *prospects*.
4. **Capital campaigns are nothing like advertising campaigns or political campaigns.** For the most part, true; advertising campaigns are commercially motivated, and largely or entirely media-driven. Political campaigns, on the other hand, are still driven primarily by contributions and volunteers, and motivated by the social good.

The critics of marketing are right to remind us that in the world of philanthropy, we are not selling toothpaste. But that's precisely why the marketplace perspective is the right approach and mindset for those of us engaged in major-gift fund raising.

It reminds us that we must listen to individual donors — and shape our message, and even the substance of our offer, to fit their interests and aspirations, and not our own.

