



Whose “needs” are important?

Use Pronouns to Maintain Marketplace Perspective

When trying to explain the marketplace perspective and its application to fund-raising, we’re sometimes challenged by those who believe that the high-minded pursuit of philanthropy should not be mixed with the “crass” business of marketing.

For some, marketing is little more than a euphemism for selling, and its practice threatens to cheapen and commercialize the development process. The critics of nonprofit 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.**

Too many organizations still believe that the more they emphasize their institution’s needs - and the more they talk about it - the stronger their appeal for funds will be, and the more money they will raise. **This overemphasis on the organization’s needs ignores some basic concepts of effective marketing.** When employed, these concepts can significantly advance your fund-raising results.

Adopting the marketplace perspective describes the process of marketing. **Effective marketing is the cerebral process of listening to your donor constituents,**

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Research and Segmentation

Targeted Fund Raising Improves Marketing

Many people are confused about marketing versus fund-raising. They’re not actually the same thing. Marketing can best be described in the for-profit world as getting the product to market, whereas the fund-raising function of your nonprofit involves receiving a donation. It is undeniable that **there are areas where nonprofit marketing and your organization’s fund-raising programs overlap.**

Sophisticated and effective messaging will support your institution’s efforts to raise more money. Unfortunately, many organizations can’t afford a full-fledged marketing function and such responsibilities are often combined with – or tacked on to – development activities. Other organizations market for everything but increased fund raising. The explosion of social media and other communication channels may further complicate and distract precious marketing resources. **Just because you expose your organization to thousands or possibly millions of people does not guarantee improved fund-raising results.**

Nonprofit marketing is complicated by the fact that your “customers” or “clients” are often a different population than your donor constituency. Families that buy an annual membership to the zoo or a fitness membership to the local “Y” have different perspectives and needs from your biggest donors.

Certain groups of people will be more inclined to give to your organization or to seek your services based on their specific personal motivations. That is why **one of the earliest steps of the marketing process is to segment your market.** The best approach to marketing segmentation involves the collection of demographic, psychographic and interest or identity data.

Ultimately there is no “right” or “wrong” segmentation approach, as long as you are doing something to help focus your efforts. In fact, the simpler the segmentation the easier it may be to incorporate into your strategy and actions. As development officers you should be conducting a **careful segmentation of your donor file.** There is a big difference between a donor who donates thousands of dollars a year and a donor who buys a raffle ticket.

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The Donor-Centered Marketing & Fund-Raising Process:

1. Listen to your constituency. (Research)

Go outside the institution and ask people what they think of it, and what they want from it.

2. Define and segment your market. (Donor Tracking)

Where might you find new prospects? You can learn a lot by studying your existing donor constituency.

3. Target the market segments with the highest potential. (Segmentation)

Who are your best prospects for major gifts, and what are they interested in?

4. Position your institution in relation to others. (Case for Support)

Define what your institution can do for the community that no other institution can do.

5. Write the marketing and development plan. (Metrics)

Based on the first four steps, develop a written plan of action

6. Communicate the opportunity your institution presents in terms that matter to the target constituency groups. (Engage/Cultivate)

The central thrust of your case for support must be based on what matters most to your current and future donors.

7. Use the technology of marketing to persuade donors to invest in your institution. (Advocate)

Staff, board members and volunteers must be equipped with the tools that will give them the confidence to be effective.

Use Pronouns to Maintain a Marketplace Perspective

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and working to identify their perspective - their wants, and even their needs. This is contrasted by the more overt activity of solicitation.

Over the years, one of the strategies our firm has used to help clients adopt and maintain a marketplace perspective is to vigilantly change the organization's use of pronouns. Yes, pronouns! By changing the pronouns that an organization uses in its communications, **“we” is no longer used to define the organization, rather “we” is used to present the needs and aspirations of the community** and collectively of the organization's donors.

Adopting the “marketplace perspective” is a conscious mind-set and a continuous operating philosophy that requires listening to your constituency and seeking more and more intelligence about the philanthropic needs of your donors. A philosophy that must be maintained to realize an organization's full fund-raising potential.

Marketing is a much broader concept and process than the isolated tactic of solicitation and is also a dynamic that focuses on the donor and the potential donor rather than a gift to the organization. While soliciting a gift revolves around the needs and interest of the nonprofit organization, marketing revolves around the donor and their unique perspective of the community and your nonprofit. Successfully marketing your nonprofit institution requires a **focus on the whole process of meeting and satisfying the needs of the donor** and the community.

Fund-Raising counsel can significantly help organizations identify the perspective and needs of their constituencies. Campaign planning studies, external assessments, research in advance of strategic planning and other approaches are often used to identify and maintain a marketplace perspective.

As a firm, we have the knowledge and expertise to identify when an organization needs to change the way they communicate and interact with their constituents. And, sometimes **repositioning an organization's internal focus can be quickly accomplished by changing their pronouns.**

How are *you* communicating? **Do you use pronouns that originate from the perspective of the marketplace?** When you identify the marketplace perspective, you will realize that you are not raising funds — you are inviting investment in causes and projects that many donors are predisposed to support. You're not making a “pitch,” but looking for common ground and enlisting champions. Executed correctly, good marketing is successful fund raising.



Targeted Fund Raising Improves Marketing

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Marketing is about numbers, research, and statistics. But that's not enough by itself. **Marketing, like development, is an art — it involves understanding human motivations.** Those motivations determine how, when, what and why donors give.

You won't automatically get a particular percentage of people to contribute just because they hear about your organization. So rather than paying lots of money to put your message out there for everyone, you must **focus on the right demographic group** — the one most likely to invest in what you are doing.

So how do you know who is responding to your marketing message? The answer is probably located in your donor file. **Your donor database is the largest, most complete history of constituency feedback and tracking that your organization has.** The challenge is to organize and analyze donor gift history so it provides greater feedback on your organization's marketing message and your donor's preferences.

We've developed just such a process that we call SMART Charts. This analysis will help you to better evaluate your fund-raising results and to **identify what your donors are responding to and how they are making investments.** Undoubtedly you've accumulated a great deal of information about your donors and their response to your messaging, but until it's properly organized and analyzed it is of little practical use.

Once you've segmented your donor file by past gift level segmentation, performed a renewal analysis and considered the appeal methods and their effectiveness, you'll be in a position to **focus on the most successful strategies** in the future.

Identifying the unique segments of mid-range to high-end donors creates a pool of constituents that is more manageable and financially lucrative. More than likely the **people in these segments are very similar to one another, and distinct from other segments** based on different preferences, needs and behaviors. This information is vitally important to an organization's development and marketing functions.

It is easy to get caught up in the excitement of today's new communication channels, but it is **more important to understand the sources of your current donations** and to direct a full-court press of clear and consistent communications where it will yield the greatest results.

Don't wait for someone else to tell you what your donors want. A better course is to carefully target your major donors, identify their unique perspective of your organization, and institute a plan that communicates the messages that are most meaningful to your constituents.



Register to receive our Fund Raising Matters newsletter by email.

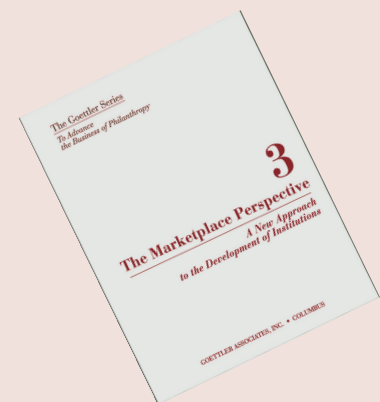
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The Human Race Theatre Company

Announces 25th Anniversary Campaign

The Human Race Theatre Company, Dayton's only professional theatre company, recently kicked off the public phase of a capital and endowment campaign in celebration of its twenty-fifth anniversary. The *25th Anniversary Campaign for the Development of New Works* was initiated in May 2011 and has already raised nearly \$1.2 million toward a goal of \$1.5 million.

The Human Race has built a national reputation for the creation of new musical productions. The company calls The Loft Theater (located in the Metropolitan Arts Center in downtown Dayton) its home. Contributions to the campaign will be used to improve The Loft's sound system, and to establish an endowment fund to support the development of both new musicals and new dramatic works. *"We don't want to always have to wait to do shows that have won Tony Awards. We want to develop new shows and send them off to win Tonys,"* said Producing Artistic Director Kevin Moore.

Beth Schaeffer, the 25th Anniversary Campaign chair and the immediate past president of the Board of Directors stated, *"Before we decided to go ahead, we started with a campaign planning study in 2010. . . the progress so far has been very affirming."* In addition to a study that examined the climate of Dayton's philanthropic landscape, the board and staff of The Human Race dedicated itself to following a careful and deliberate campaign plan.

Beginning with the creation of a visionary case for support, the Company progressed to hosting a series of small and informal "friend-raising" cultivation events that enabled Kevin and Beth to present the case, and seek feedback from and educate community stakeholders. The two proved to be an unbeatable team, and their passion and dedication brought many volunteers and donors to the fold. Each volunteer was provided with a meaningful role in the campaign, including the opportunity to contribute commensurate to their interest in The Human Race and their financial capacity. Each donor was personally engaged as a 25th Anniversary Campaign partner. The success achieved to date speaks to the quality of both the theatrical productions and the campaign's volunteer leadership.

Goettler Associates, Inc. is honored to have worked with The Human Race Theatre Company on this campaign. Goettler Associates directed the campaign planning study, developed the case for support and the campaign plan, and guided staff and volunteers through the initial fund-raising efforts. Considering the challenging times faced by all nonprofits — and especially arts organizations — their success speaks volumes about the merits of visionary leadership and sound planning. The Human Race Theatre Company continues to play a vital role in the cultural vitality of our region . . . and here's to another twenty-five years!

Additional project information is available at www.goettler.com.