



# Relationship Marketing: Guaranteeing the Future

*To assure people's long-term support, focus on meeting their needs.*

BY DIRK REMLEY

**M**ost nonprofit organizations look to volunteers and private donations for backing. While gaining this support takes great effort, maintaining it is much less work. Sadly, however, many organizations don't follow up properly with their supporters. Consequently, their contributors may decide to give elsewhere.

Don't let it happen to you. Follow these steps to forge lifetime relationships with your donors:

## Move Beyond the Thank-You Letter.

Many nonprofits think they are following up adequately when they send thank-you letters to contributors. The thank-you letter is a start—but only a start.

For the most part, the thank-you letter merely offers a pat on the back to contributors, asks them to keep

the organization in mind for future donations, and even requests a *larger* donation in the future. By itself, such a generic letter isn't enough to secure future contributions. Instead, you must foster a true relationship with the contributor.

## Fulfill People's "Higher" Needs.

According to Abraham Maslow,<sup>1</sup> people's needs fall into a hierarchy:

1. Basic physiological needs, such as food, shelter, and clothing.
2. Safety and security needs.
3. Need for social interaction and a feeling of belonging.
4. Self-esteem, the need to feel good about yourself.
5. Self-actualization, the need to grow and develop to your full potential.

Maslow's theory states that as you satisfy one need, you move up the hierarchy to satisfy the need at the next level. After you have sufficient means to supply yourself with food, clothing, and shelter, you then build security around yourself to satisfy safety needs. And so on up the

ladder. (See the hierarchy portrayed on page 14).

Nonprofits often focus on the "lower" needs of the hierarchy. They point out how badly they need funds to provide basic needs, such as food and shelter. This tactic doesn't work well. People purchase something to make themselves feel good, not to help the supplier improve its revenues.

You will create a much closer connection with contributors if you appeal to their "higher" needs. Ask yourself, "How will giving benefit the *donor's* needs?"

## Focus on Donor Security.

Fundraising strategies aimed at people's need for safety and security are more effective than those focusing on people's "lowest" need. For example, holding fundraising raffles gives donors a chance to make money for themselves, increase their own security, and also benefit others. Thus, they can meet several important needs at once. Some forms of planned giving, which let people earn and donate money at the same time, are effective for the same reason.<sup>2</sup>

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**Creating your own newsletter is one of the best ways to build relationships.**



## Provide Networking Opportunities.

Moving up another rung on the hierarchy, you can address donors' and volunteers' social needs by holding activities for them once or twice a year. Such activities will make them feel like part of your organization rather than merely another letter recipient.

Consider forming an affiliate group for donors. An example is the Playhouse Square Partners, an organization associated with the Playhouse Square Foundation in Cleveland, Ohio. The Partners group is made up of young professionals who share an enthusiasm for theater. It offers multiple ways for members to volunteer and network.

First, the Partners group provides a number of contribution levels at which one can become a member. Each level offers a few more privileges than the one before it. Among the benefits is the opportunity to join various committees. These committees let members shape the organization's operations while networking in committee meetings. Additionally, less active members are invited to monthly social events at which they may network, meet people, and make new friends with common interests.

Through the Partners group, the Playhouse Square Foundation has increased its member base and, therefore, its contributions. The Partners group was formed as an extension of another membership group (whose average age is 50) as a way to nurture a younger group of supporters. The Partners' average age is less than 35: This is a new member base. Members will continue to contribute well

beyond their 40th birthday, thus guaranteeing the future of the Center.

## Keep Donors Up to Date.

Another way to foster people's feeling of belonging is to keep in touch with them regularly. Rather than one thank-you letter, send out four or five letters a year. Make these letters informative, explaining how you are using

your donations, what you have accomplished, and what you will be working on next. Such information increases recipients' sense of intimacy with your organization.

In a recent survey, donors agreed that it was very important to be kept up to date on a nonprofit's activities.<sup>3</sup> Surveyed donors noted especially that they would appreciate receiving the following updates from a nonprofit:

- videos sent every three or four months, showing some of the organization's recent work<sup>4</sup>
- on-line computer bulletin board services to give donors information and let them ask questions and receive answers electronically<sup>5</sup>
- tapes of the organization's board meetings
- periodic phone calls, not asking for money but letting donors know what the organization is doing
- copies of the organization's internal documents, such as financial reports and strategic plans
- newsletters sent regularly to notify donors about the work, needs, and impact of the organization.

These are all excellent strategies for keeping people informed about your organization. The time and effort involved is well worth the payoff of building relationships, gaining support, and making people feel part of your efforts toward your goals.

## Seek Donors' Feedback.

You can also fortify attachments with donors by asking for their opinions and suggestions. Survey them to find out if they are happy with

## SELF ACTUALIZATION

### GROWTH NEEDS

Truth  
 Goodness  
 Beauty  
 Aliveness  
 Individuality  
 Perfection  
 Necessity  
 Completion  
 Justice  
 Order  
 Simplicity  
 Richness  
 Playfulness  
 Effortlessness  
 Self-Sufficiency  
 Meaningfulness

### Self-Esteem Esteem by Others

### Social Interaction and Belonging

### Safety and Security

### PHYSIOLOGICAL

Air, Water, Food, Shelter, Sleep, Sex

## Abraham Maslow's Hierarchy of Needs

\*From *The Third Force*.



# CREATIVE FUNDRAISING IDEAS

## Exchange Frequent-Flier Miles for Donations

Several airlines now award frequent-flier miles in exchange for charity donations. American Airlines lets charities purchase miles for about two cents per mile, then offer them to donors in any type of program they wish. American Airlines also provides free fundraising consultation for participating nonprofits. For more information, contact American Airlines at 800-771-5000.

## Who's Your Secret Admirer?

With "Secret Admirer" balloons, your organization sells balloons inscribed with various greetings and has them delivered—but without the sender's name attached. Recipients have to pay you to find out who their secret admirer is. You set the price of the balloons and the fee for revealing who sent each balloon. Some nonprofits have teamed with corporate partners and generated tens of thousands of dollars over a few weeks with this fundraiser. For more information, contact Michael Clawson in Ontario, Canada (phone 800-828-3187, fax 519-433-7540).

## Hold a Dinner for Friends

A "Dinner with Friends" fundraiser raises thousands of dollars each year for Lowcountry AIDS Services. Each supporter invites four couples to dinner and asks them to donate whatever they can when they arrive. After dinner, all participants meet in the town square for coffee and dessert (donated by local restaurants). For more information, contact Lowcountry AIDS Services, P.O. Box 207, Charleston, S.C. 29402.

the work you are doing (and be sure to follow up on their recommendations).<sup>6</sup> Not only will you receive important feedback, but you will strengthen people's feeling that they are an integral, valued part of the organization. Such a two-way relationship will help meet people's need for belonging and connection.

### Give Special Recognition.

A person's self-respect often depends on the respect expressed by others. When you applaud donors, you enhance their feelings of esteem and help give them a sense of purpose. Rather than sending a generic thank-you letter, design a special plaque or award. Or write a blurb

**The thank-you letter is a start—but only a start.**

about your donors in your newsletter, along with a photo.

Such tangible expressions of appreciation will increase your donors' self-esteem and self-actualization needs. Because these are the "highest" human needs, fulfilling them is the best way to establish a long-term, meaningful relationship with your contributors.

### Give Meaning to People's Lives.

After people have satisfied their needs for belonging and esteem, they face the highest need of all—self-actualization.

When they seek to actualize themselves, according to Maslow, they are motivated by a variety of growth needs, such as the desire for goodness, beauty, meaning, order, and justice (as shown in

**To create a connection with contributors, appeal to their "higher" needs.**

the hierarchy on page 14). Nonprofits are in a unique position to help people realize such needs. When you give donors the chance to give to others, you help them grow into mature, healthy individuals at the very peak of Maslow's hierarchy. While you should never forget that people often give for selfish reasons, you must

also remember that many give out of pure altruism—the desire to make a difference.

### Use Relationship Marketing.

Regis McKenna defines "relationship marketing" as developing close ties with suppliers to assure future resources.<sup>7</sup> While he expresses this idea in for-profit terms, we can easily apply it to the nonprofit sector. Relationship marketing simply means developing a



relationship with donors, thus ensuring their future support. As this article has shown, you cultivate such a relationship by communicating regularly with your donors and making them feel important and valued.

While it may seem complicated, relationship marketing is less work than finding new donors. Gaining new contributors takes considerable effort, and if you let them “get away,” you must go through that same effort to “get them back.” Thus, keeping your current supporters is a more effective strategy than searching for new ones.

As we have seen, relationship marketing is the best way to satisfy the advanced levels of Maslow’s need hierarchy. When you fulfill your donors’ “higher” needs, you will be able to plan effectively for the future—knowing that there will be a future. ■

#### Footnotes

<sup>1</sup>For more on Abraham Maslow, see, for example, *The Third Force: The Psychology of Abraham Maslow* by Frank Goble (New York: Grossman Publishers) and *Humanism in Psychology* by Salvatore R. Maddi and Paul T. Costa (Chicago: Aldine-Atherton).

<sup>2</sup>See, for example, “Planned Giving with Gift Annuities,” *Nonprofit World*, March–April 1996.

<sup>3</sup>See “Do Donors’ Needs Differ from Generation to Generation?” in “Nonprofit Briefs,” *Nonprofit World*, July–August 1996.

<sup>4</sup>See “Yes, You CAN Make Powerful, Affordable Videos,” *Nonprofit World*, March–April 1996.

<sup>5</sup>For information on starting your own electronic bulletin board, see “Closing the Gap: Information Technology & the Nonprofit Sector,” *Nonprofit World*, January–February 1996.

<sup>6</sup>For more on conducting surveys and focus groups, see Lauer in “Selected References.”

<sup>7</sup>See *The Regis Touch: New Marketing Strategies for Uncertain Times* by Regis McKenna (Reading: Addison-Wesley).

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#### Audio and Video Cassettes \*

*Cultivating & Soliciting Major Donors*. Video tape. Presented by Henry Goldstein.  
*Corporate Solicitation*. Video tape.  
*Special Events Fundraising*. Video tape.

\* To order, see page 30 or call 800-424-7367