

Nonprofit Marketing: Just How Far Has It Come?

How market-savvy are nonprofits? A recent study makes some stunning discoveries.

BY DON AKCHIN

Most nonprofit managers agree that marketing has become essential for nonprofits that want to compete for dollars in a marketplace culture. A recent study, however, reveals some alarming news. The study suggests that few nonprofits have incorporated a comprehensive approach to marketing. While many nonprofits perform one or more marketing functions, few have embraced a marketing approach to operations.

A brief questionnaire was mailed to “marketing, public relations, or communications” officers of organizations belonging to the Maryland Association of Nonprofit Organizations. The survey drew 90 replies, a 30% response rate. The respondents represented a full spectrum of nonprofit organizations serving needs in social services (48%), health (17%), education (16%), arts and culture (9%), public affairs and policy (7%), and civil and human rights (3%). Sixty-one percent of the respondents worked for organizations with budgets of more than \$1 million. The questionnaire was supplemented by in-depth interviews with six marketing officers for colleges and universities throughout the nation.

One must wonder just what the respondents meant by “marketing.”

Attitudes Toward Marketing

Respondents were asked to rate how essential were fundraising, public relations, marketing, and volunteers to the success of their organization. Marketing ranked highly, an average of 4.37 on a five-point scale, though not as high as public relations (4.62) or fundraising (4.53). The larger the budget, the higher the rating for marketing: Those with budgets of \$1 million or more gave an average rating of 4.51, while those with smaller budgets rated it 4.14.

In light of responses to other questions, however, one must wonder just what the respondents meant by “marketing.”

Masters of Multi-Tasking

The survey offered respondents a choice of 14 job functions, all either directly or indirectly related to marketing, and asked them to check which were their responsibility. The

average respondent checked seven items. The most often cited were fundraising (80%), event planning (79%), public relations strategy (74%), media relations (72%), marketing strategy (70%), and publications (69%). More than half also indicated responsibility for direct mail (57%), advertising (57%), and database management (51%). But when respondents were asked to rank these responsibilities in priority order, a solid 53% chose fundraising as their top priority. Marketing strategy was the top choice of 10%, media relations and event planning the first priority of 9%, with publications and public relations strategy each named by 8%.

The picture that emerges is of people in charge of many marketing tasks, but whose marketing responsibilities are secondary to other priorities. It’s a picture of organizations that have added marketing tasks, but envision marketing in narrow terms.

In-depth interviews with marketing directors in higher education con-

Table 1. Self-Assessment on Marketing Skills

Numbers are mean scores on a scale of 1 to 5, with 5 indicating complete agreement.

SKILL	KNOW IT WELL	WISH TO LEARN	NEED TO LEARN
Writing press releases	3.78	3.24	2.98
Handling media	3.03	3.83	3.63
Managing databases	2.96	3.37	3.45
Producing publications	3.55	3.48	3.20
Running telemarketing campaigns	2.05	1.90	2.20
Conducting focus groups	2.56	2.73	2.44
Conducting surveys	2.70	2.38	2.30
Managing a Web site	2.13	3.61	3.61
Developing marketing plans	3.09	3.38	3.32
Developing communications plans	3.18	3.62	3.50
Running direct mail campaigns	3.16	2.97	2.63
Creating advertising	2.80	3.22	2.86
Conducting program evaluations	3.03	3.45	3.22
Writing grant proposals	3.49	3.60	3.32

firmed this impression. “I still have a hard time convincing people that program development and strategy are legitimate marketing roles,” said the marketing director for a community college. “People see marketing as synonymous with promotion. We get called at the back end to publicize something that may not have been well conceived to begin with. I keep insisting there needs to be more marketing effort on the front end.”

The marketing director for a prestigious university’s law school said he’s had some support for marketing’s involvement in packaging new courses, but “as for research, everyone is okay with the idea, but there’s never enough money to do any.”

At another law school, the director of advertising and publications says that “the ‘M’ word [marketing] is never used.”

What the college and university marketing directors mean by the term “marketing” is more than a collection of independent functions such as advertising or publications. Rather, they see these tasks as pieces of a comprehensive approach. That approach, boiled down to its essence, is to find out what people want and then see that they get it. While hardly revolutionary, it is vastly different from a more common approach of businesses and nonprofits, which is to sell people what you have, regardless of (or in spite of) what they need or want or prefer.

Translated into action, an organization adopting a marketing approach is driven by a four-step process:

1. Do research to learn what the market wants, what it needs, and what it thinks of you and your competition.

2. Design your product or service (considering factors such as hours, locations, pricing, customer service, and quality) to meet the needs or desires of the market, as determined by the research.

3. Promote your product or service through advertising, publicity, publications, or special events (highlighting the benefits that research tells you are key to the market).

4. Evaluate the success of the promotion, learn how the market responds to the product now, and determine whether to redesign some more.

What They Know—And Want To Know

One way to gauge the acceptance of a marketing approach is to assess the skills of the individuals charged

with marketing functions. The questionnaire asked respondents to rate themselves according to 14 skills, indicating how well they knew those skills, whether they wanted to learn more, and whether they needed to learn more. (See Table 1.)

The respondents rated themselves highest on their ability to write press releases, produce publications, and write grant proposals. On other skills important in marketing, such as running telemarketing campaigns, conducting direct mail campaigns, conducting focus groups, conducting surveys, and managing Web sites, respondents rated their skills lower. What was most striking, however, is that in each of these areas in which they rated their skills low—with the exception of managing Web sites—they indicated only a low interest in learning more.

Because research plays such a crucial role in the total marketing process, the lack of interest in learning more about focus groups and conducting surveys is puzzling and suggests that those performing the marketing functions don't see marketing as a larger, comprehensive endeavor. One explanation may be in the educational backgrounds of the respondents.

The Accidental Marketers

Based on the survey results, it appears that few people performing marketing tasks in nonprofits received formal training in marketing. Only 22% had a bachelor's or master's degree in business. Another 15% had degrees in communications or media. The remainder found their way into their current jobs from a varied assortment of educational backgrounds, from social work and law to English and fine arts. This supports an impression that marketing in nonprofits is performed, by and large, by "accidental marketers" who learn it by doing it.

In-depth interviews with marketing directors in higher education yielded a similar impression. "Come to think of it, I never had a marketing course in college," said the marketing director for a state university.

A marketing director at another school was hired to produce publications, recognized a need to do advertising, and had it added to his responsibilities.

"I was a newspaper reporter," said the marketing director for a law school. "I was hired by a college and liked the environment. I picked up marketing working for a business school."

Higher education marketers did include individuals who came to the nonprofit world with experience in corporate marketing. "I took a pay cut to work in higher education because it looked like an interesting new challenge," said a university marketing director whose experience included a dozen years with advertising agencies. The marketing director for a private college left a frenzied corporate existence in hopes of a higher quality of life—also at a pay cut.

The issue of salary differentials also explains the preponderance of "accidental marketers" in nonprofits. In the survey, nearly two-thirds of the respondents had a salary ranging from \$30,000 to \$50,000. About 17% earned less than \$30,000 (including part-timers and volunteers), and 19% earned more than \$50,000.

At these salary levels, nonprofits can't compete with corporations for bright business school graduates or marketing superstars. "Accidental marketers"—or the rare corporate dropout looking for a challenge or a lifestyle change—are the only marketers nonprofits can attract.

Conclusions

While a number of nonprofits are adding marketing functions and the personnel to manage them, research strongly suggests that few nonprofits

have adopted a comprehensive marketing approach to their operations. A majority of those performing marketing now came into their jobs without formal training in marketing; they rate their knowledge high on some marketing skills, low on others, but they demonstrate little interest in learning what they don't yet know in such critical areas as research and direct marketing. While low salary structures are a problem in attracting top talent, the larger problem may be nonprofit leaders who don't appreciate marketing as a comprehensive process and aren't fully committed to incorporating the marketing approach into their operating strategies.

Marketing is a successful part of the for-profit world. It can prove highly effective for nonprofits, too, that are willing to give it a fair test. ■

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These publications are available through the Society for Nonprofit Organizations' Resource Center, 608-274-9777, Ext. 221, www.danenet.org/snpo.

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