



# Outside-In Marketing: A New Way to Look at Marketing for Nonprofits

*Are you stuck in the old “inside-out” mindset? Use these keys to turn your organization around.*

BY MAL WARWICK

**S**uccessful marketing starts by looking *outside* your organization—beyond your own needs. Marketing is a matter of connecting what you do with the wants and needs of other people.

For lack of a better word, we'll call those other people *customers*. Clients, students, patrons, donors, volunteers, the public—they're all customers. To fulfill their needs, follow these six principles:

## 1. Listen.

First, be sure you're listening to your customers. Learn what they think through marketing research: surveys, polls, focus groups, “mall intercepts,” and such. Get in the *habit of listening*. For example:

- If you receive phone inquiries from the public, record the questions—and complaints—you're getting.
- If you maintain a public facility (such as a museum or social service center), invite comments and complaints with suggestion boxes, bulletin boards, and dedicated “hotline” phone numbers.
- If you raise money by mail, read what donors say in marginal comments and letters accompanying their checks.
- If you raise money by phone, have callers record donors' comments and relay them to you regularly.

Remember: Customers may not always be right. But it's a good idea to *act* as though they're right!

## 2. Do That Thing You Do.

If your organization is successful, there's *something* you do that no other entity on earth does as well. Whatever that “something” is, that's your *niche*. Occasionally an organization's niche is so obvious that it can be identified in a word or two. For instance:

- American Red Cross = disaster relief
- Harvard University = higher education

Ideally, your niche will come to light at a glance—in your organization's name and logo. If not, your organization may need a “tagline”—a phrase that sums up the essence of who you are. A prep school might present itself as “building tomorrow's leaders,” a public radio station as “keeping jazz alive.”<sup>1</sup>

It's *not* a good idea to rely on an acronym or abbreviation of your organization's name (unless the shorthand is instantly recognizable. “IBM,” for instance.) And if the name you've got doesn't do the job, consider changing it.

In Chicago, an organization that went by the name of United Charities felt trapped. The name was well-known locally, but most people didn't have a notion what they *did*. A name change to Metropolitan Family Services (“Family is

our middle name”) made everyone's job in the organization easier.<sup>2</sup>

Think of the best contemporary organizational names: Greenpeace, for example. Or People for the American Way. You can gain a fair idea what they're about simply from their names.

What's in a name? A great deal, if it's a good one.

## 3. KISS.

When someone asks, “How are you?”, do you respond with a detailed medical history? When you're asked, “What do you do?”, do you launch into a discourse on brain surgery (or whatever your line of work happens to be)?

Granted, some people fall prey to egoistical urges such as these. But if you've got your head screwed on straight, you'll answer, “Fine, thank you” and “Neurosurgery.”

The same is triply true when you talk about your organization.

Only the rarest person will take interest in, much less remember, a complex description of your nonprofit's accomplishments. Most people will tune out at the first parenthetical clause.

To convey what you're about requires a statement that's brief, memorable, and *simple*. For example:

- Remember that prep school that was “building tomorrow's leaders”? If the



headmaster is asked about his school at a party, he'll seem stuffy (not to say lame-brained) if he quotes that tagline verbatim. He'll be more effective if he says, "We provide a solid classical education to outstanding young boys and girls from all over the country. Our students are admitted strictly on the basis of merit, regardless of their economic circumstances." Note that there are just three key words here: *classical*, *country*, and *merit*—simple as can be!

- The station manager from that public radio station that's "keeping jazz alive" will probably want to say something like, "If it's jazz, we play it—Dixieland, the blues, Latin, swing, you name it. Our listeners foot the bill." (Two key-words here: *jazz*, *listeners*.)

These descriptions are what marketers call "positioning statements." Each pinpoints an organization's unique "position" in the marketplace.<sup>3</sup>

Be sure your positioning statement gets to the heart of who you are and what you do. If your statement is sharply focused and consistently applied, you can effectively stake out your organization's position in the public's mind. Remember: "Keep It Simple, Stupid."

#### 4. Practice Competitive Boredom.

Most people don't take you as seriously as you take yourself. In fact, they're probably not paying attention to your promotional efforts at all! That's why you have to repeat your message—probably until you're blue in the face.

You may get bored while repeating yourself. Amend that: You *will* get bored. But, in this age of the information glut, you'll be doing well if anyone gets the message even after "hearing" or "seeing" it a half-dozen times. Because we're so well trained to screen out advertising, we often don't hear or see it at all.

In even the most modest grassroots organization, a number of different communications channels will be available to you. At a minimum:

- word-of-mouth, in public gatherings or casual meetings

- printed material (especially newsletters)
- the telephone.

Larger organizations may make use of a host of other communications channels, including—to name just a few:

- radio and television, both paid and free
- newspaper and magazine advertising
- e-mail and the Internet
- door-to-door canvassing
- advertising in movie theaters
- "take-me's" (point-of-purchase displays).

One reason "multichannel communications" work well is that everyone has a preferred medium. Some fasten on images, others on words. Some people are more aware of what they hear than what they see. But the biggest reason to use many different channels is that it offers opportunities to *repeat your message*.

#### 5. Never Tell a Lie.

There are two reasons honesty is the best policy in advertising and promotion:

- It's the right thing to do.
- It works better that way.

Those of us who market for nonprofit organizations bear a special obligation to tell the truth. Society has conferred unique benefits on us, because we act in the public interest. People rightfully expect our behavior to be above ethical reproach. To the extent that we honor that responsibility, our organizations benefit—because, in the final analysis, our *credibility* is all we've got.

In American culture, truth-telling is honorable and sometimes brings special rewards. Compare the ways two major nonprofits dealt with scandal in recent years:

- When the founder of Covenant House stood accused of abusing children under his care, the organization's leaders moved promptly to investigate the charges. The founder left soon afterward, and his successor quickly established a reputation for candor and forthrightness. The damage to Covenant House's fundraising program was significant but temporary. The

public respected the charity's handling of the scandal. Its trust was upheld.

- More recently, the chief executive of the United Way of America was the center of an even more lurid scandal, one involving not just sex but money as well—lots of money. Considerable time passed before the organization publicly acknowledged any wrongdoing. Key board members seemed to draw their wagons into a circle to defend their leader. Much later, the charges were proven true in court, but by that time the damage to United Way's reputation had long since been done. The organization's fundraising results were severely depressed as a result. Tragically, local United Ways—whose connections with the national organization were very limited—took much of the heat. Years later, local United Ways are still paying the price for a scandal they had nothing to do with.

The same principle holds true in less extreme circumstances. Let's say your organization has suffered a setback: A funding campaign fell short of its goal, or a program didn't live up to your clients' expectations. Optimists that we all are, you may be tempted to put the best face on things—omitting mention of that fundraising goal or interpreting the program's outcome more generously than your clients do.

Don't do it. Honesty works better.

People know that things don't always go right. In this increasingly skeptical society of ours, acknowledging your shortcomings wins points. Straightforwardness and candor—and a level-headed discussion of the reasons why things went wrong—brings respect. In the long run, it also gains support for your organization.

#### 6. Make Lemonade.

What if you want to advertise a job in a lonely, faraway place where no one speaks English, the salary is a pittance, and the hours can be long enough to warm the heart of a workaholic?

If you're the Peace Corps, you crow about "the toughest job you'll ever love."



## Six Steps to Becoming an Outside-In Marketer

**1. GROW YOUR OWN MARKETING RESEARCH.** Write a brief positioning statement for your organization—a single sentence, if possible. Ask five of your organization’s “customers” to sum up in one sentence what each thinks your organization does best, and what you do least well. Write down what they say. Compare their impressions with your own positioning statement. Look for a pattern—or lack of one!

**2. ASSESS YOUR MARKETING MATERIALS.** Gather your organization’s promotional materials. Examine them in light of the six keys described in this article. From that perspective, what are the greatest strengths in your materials? What weaknesses do you see? Do your materials reflect what your customers told you in Step 1? How can you upgrade your materials?

**3. CONDUCT A PRELIMINARY MARKETING AUDIT.** Review your organization’s “five Ps”: your *product* (what you offer), *price* (how much you charge or what you require in lieu of money), *place* (where your service or product is available), *production capability* (how well you can meet demand), and *promotion* (what you do to motivate people to respond). Do you need more information? If so, take steps to obtain it! These five Ps are the essential ingredients in a marketing program.

**4. REVIEW YOUR ORGANIZATION’S NAME, LOGO, AND TAGLINE.** Consider whether your organization’s primary identifiers—name, logo, and tagline—accurately reflect what you do, for whom, and why. If the existing identifiers don’t get the right point across, will a minor change (such as shortening the name) improve the situation? If not, is a major change feasible and appropriate?

**5. CONSIDER WHETHER COLLABORATION OR MERGER MAKES SENSE.** Too many nonprofits are stuck in ruts because they overlook the possibilities collaboration may offer. Could you and another nonprofit both benefit by joining forces? Might a local business help promote your organization in a mutually beneficial way? Think—and talk to others—about collaborative possibilities.

**6. LEARN MORE ABOUT MARKETING.** Review the list of resources in “Selected References.” Select two or three items for everyone in your organization to read. At a breakfast or lunch brown-bag meeting, discuss the material, and spend some time brainstorming marketing ideas.

This is a prime example of how creative marketing can turn lemons into lemonade. There’s a lesson in it for us all.

We’re often forced to approach the world from a disadvantage. For example, it may be hard to raise funds for a new program—precisely because it’s new and unknown. Or a museum show expected to attract a huge audience may be sparsely attended the weekend it opens. In such situations, it’s time to turn reality upside-down and look for advantage in weakness.

- You might promote that hard-to-sell new program as “a unique opportunity

to get in on the ground floor of an exciting new venture!”

- The museum might advertise its newly-opened show as “the best-kept secret in town.”

Remember, *relationship-building* is central to all your work. If you don’t respect that reality when you’re treating a patient or soliciting a gift or placing a volunteer, you’re likely to find that the patient won’t return, the donor won’t give another gift, and the volunteer won’t show up next week.

Consider marketing as one more element in the relationship-building process.

You may be astonished what a difference that can make.■

### Footnotes

<sup>1</sup>For more details on creating a memorable tagline, see Lauer in “Selected References.”

<sup>2</sup>For guidelines on changing your organization’s name, see Valley in “Selected References.”

<sup>3</sup>See *Positioning: The Battle for Your Mind* by Al Ries and Jack Trout (New York: Warner Books), 1981.

### Selected References

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\*Starred publications are available through the Society’s *Resource Center Catalog*, included in this issue, or contact the Society at 800-424-7367.

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