



## Heart-strings to Purse Strings

Marketing for Nonprofit Organizations

Presentation Notes...

1. Welcome to “Heart-Strings to Purse Strings—Marketing for Non-Profit Organizations”
2. We will begin by giving a brief overview, followed by a description of what to expect and how best to leverage the information. For those of you with a good understanding of basic marketing principles, the first few slides this will be a refresher.
3. **Overview:** In marketing, we are constantly striving to create a connection between consumers and a brand. Non-profit marketing is no different. Instead of consumers, we have donors. Instead of a brand, we have a cause. A well-designed message and creative strategy—along with the right target audience—are critical to the success of your marketing campaign.

We will discuss the latest methods for developing a campaign. We will demystify social media in marketing, and explore the effectiveness of different communication channels—such as direct mail and email.

4. **What to expect:** No one has reinvented the wheel—they have simply created versions better suited for particular situations. We intend to do the same for marketing. The underlying methodology and overall philosophy of marketing is consistent across all industries. It is important, however, to create a version specific to your vertical. This presentation illustrates the process for establishing a good framework for effective marketing.
5. **How to best leverage the information:** There will be a lot of information presented this morning. I encourage you to take lots of notes, because there will be a test. No... the test isn't today. Every marketing campaign tests your knowledge and experience. The response rates, conversion rates and ROI are your grade. From this day forward, everyone will get an A+
6. **Marketing demystified:** Let's begin by going over a few basics about marketing. We'll discuss what it is, and confirm what it isn't. This is not another marketing 'secret sauce' recipe presentation like: The six step approach, The five 'W's, Three Pillars or the four 'P's. It is, however, a presentation about the core methodology you should be using for all of your marketing.

7. **What is marketing:** Marketing is a verb. It is the act of connecting consumers to products or services... or members to an association... or donors to a cause. Marketing is the clear benefit that you communicate that distinguished you from your competition. Marketing is influencing the action of others.

Marketing isn't easy. Marketing is not sales. Marketing (at least good marketing) results in sales and other forms of conversion.

8. **Is branding important:** Branding represents the mission, vision and values of your organization, so... yes, it is very important. Branding is also a verb. It is a branch of marketing.

Branding is not your logo. It is important not because of what it is, but because what it isn't. It is no longer completely in our control. Thanks to social media, and online review websites, your brand is influenced by individuals outside your control. We refer to this as word-of-mouth.

9. **Types of marketing:** Every company, organization and association—regardless of size—has two common goals. Whether it's customers, members or donors... we want to: (A) find them, and (B) keep them. The type of marketing we use to 'find them' is Acquisition Marketing. We use Retention Marketing to keep them.

Let's take a step back and look at how this works in a typical lifecycle of a customer, member or donor. To establish a relationship, we use a prospecting strategy as part of our acquisition marketing program. Once established, we need to strengthen and nurture the relationship by using a cultivation strategy as part of an overall retention program.

There will become a point in time when you may need to reinvigorate the relationship to prevent churn. An inoculation strategy is used at a particular point in the lifecycle when the individual has a high likelihood to leave (churn, melt, ...).

10. **Marketing strategy:** Let's talk strategy. More specific, let's go over the process for developing a sound strategy. A strategy that can be scaled and reused (with a few tweaks along the way). Always begin with the end in mind. Establish goals, and develop your entire strategy with these goals in mind.

An effective marketing strategy is comprised of a list strategy, a message strategy and a creative strategy. A list strategy includes audience identification, segmentation and deeper segmentation (like temperament modeling). The message strategy outlines exactly what and how you are going to communicate, and the creative strategy is all about how your message is visually represented.

11. **Developing a strategy:** These five (5) questions should be answered in the planning phase of every marketing strategy.

- a. **What is the basic problem to address?**
  - i. Unknown or tainted brand.
  - ii. Need customers, member or donors.
  - iii. Low perceived value.
  - iv. Attrition rate too high.
- b. **What is the objective?**
  - i. Establish new customers, members or donors.
  - ii. Strengthen relationship with existing customers, members or donors.
  - iii. Identify and reinvigorate at-risk individuals to prevent churn.
- c. **Who is the audience?**
- d. **What are the key benefits to communicate?**
- e. **How do we illustrate support for these benefits?**

12. **List strategy:** The two main conditions for selecting a target audience for a prospecting strategy are (1) who can benefit, and (2) who can afford it. We use certain list selection criteria to identify individuals with the highest propensity to respond. The most common are:

- a. **Demographic** (age, income, education, occupation, ...).
- b. **Psychographic** (lifestyle, interests, hobbies, ...).
- c. **Geographic** (physical location).

List segmentation should be part of your strategy. We create various segments within a target audience so that we may increase the relevancy of our communication, and have better results tracking.

Temperament modeling is a form of advanced segmentation. We use temperament modeling to associate each member of a target audience to a personality type. In psychology, there are sixteen personalities. These personalities fall within four (4) temperaments—Aggressive, Expressive, Analytical and Passive.

13. **Segmentation:** Non-profit organizations—at least the majority of them—share one common trait. They have large goals and small budgets (at least for marketing). The benefits of segmentation are:

- a. Allows for a better allocation of a firm's finite resources.
- b. Allows you to precisely reach a consumer with specific needs and wants.
- c. Allows you to communicate with a higher level of relevancy.

Your goal with segmentation is to identify individuals with the highest propensity to respond, and concentrate our marketing efforts to these individuals.

14. **Temperament:** While everyone within a segment shares common demographic characteristics, they have different personalities. You could be missing opportunities because your marketing message does not resonate with certain temperaments. Two of the temperaments are extroverted and two are introverted. One size does not fit all when it comes to communicating across temperaments. For example:

- a. **Aggressive** – The messaging needs to be brief and to-the-point. The first impression is very important, and the copy should be fast-paced and confident.
- b. **Expressive** – Avoid long words, reduce the bullet points and use images to enforce the value proposition. Use “kinetic battlefield terms” in the copy (i.e. dynamite, explosive, tear-it-up, break, boom, ...).
- c. **Analytical** – Order is important. Message needs to have a logical flow. Do not be pushy, and provide lots of details.
- d. **Passive** – This individual needs to perceive your organization as friendly, helpful and open. Make the communication personal and specific. Guide them to a decision.

15. **Message strategy:** Once we have identified a target audience, and developed the various segments, we are ready to put together the message strategy. The message strategy is your plan to support ‘what’ you are trying to convey, and ‘how’ you intend to say it. There are several approaches, but the **AIDA** approach is easy to follow.

- a. **Attention** – Introduce your organization, and create awareness. Individuals will not purchase products/services or contribute to your causes if they have never heard of your organization.
- b. **Interest** – Get individuals interested in your organization. Make sure they have a clear understanding of your value proposition.
- c. **Desire** – Persuade individuals to join in the cause or become involved in your organization.
- d. **Action** – Encourage individuals to take action (purchase, join, donate, ...).

Prospective customers, members and donors need to feel a connection with your organization and/or cause. This is true for existing customers, members or donors as well. If they no longer feel a connection, they leave. It is important to understand the effect of sympathy vs. empathy in a marketing strategy.

When someone has sympathy for a cause, they are saying “I feel for you.” It’s this feeling of sorrow, pity or regret at causes someone to make a one-time contribution. You could say that sympathy is a connection to an individual’s purse-strings.

**Empathy** is the emotion controlling the heart-strings. Our messaging needs to help establish common ground between the recipient and our cause. Once we have the heart-strings, the ‘ask’ becomes easier, and we have better access to the purse-strings.

16. **Creative strategy:** Creative strategy (or design strategy) is the ‘visual’ language of your communications. We need to make the recipients ‘feel’ our message.
- Include compelling headlines and high-impact graphics to encourage the recipient to read on.
  - Represent your brand with consistency across all marketing.
  - Words create feeling, and images ignite emotion.
  - Use fonts sparingly.
  - Use colors wisely.

Our goal is to go from conversation to conversion... or in your world ‘Empathy to Donation.’ A few useful tips for an effective creative strategy:

- Customers love to buy, but hate to be sold.
- Focus less on the features, and more on the benefits.
- Create all of the messaging from the recipient’s point of view and communicate effectively.

17. **Communication channels:** Communication channels are the conduits we use to deliver your marketing message to your target audience. Sometimes, we use more than one communication channel. Other situations dictate using a multiple-touch approach on the same channel. We decide which channel or channels and frequency of touches early in the campaign planning phase. A few communication channels to consider are:
- Direct Mail**
  - Email**
  - Social Media**
  - Web**
  - Telephony**
  - Mainstream Media**

Channel propensity modeling is used to determine the most effective communication channel for a given audience.

18. **Channel propensities:**

What is channel propensity? A channel propensity is an individual’s preferred method of communication.

Why would we perform a channel propensity model?

- **How** you communicate is just as important as **what** you communicate.
- Not every communication channel is appropriate in every situation. It would be inappropriate to use print media (direct mail, newspaper, magazine) to promote a ‘Save the Trees’ cause.
- To make best use of the marketing budget.

19. **Types of communication channels:** There are three (3) types of communication channels available to most marketers—direct, social and mainstream. The direct channels include direct mail, email, SMS (Text Messaging) and telephony. Social channels include Facebook, YouTube, Twitter, LinkedIn, Pinterest and Instagram. Mainstream media includes all of the broadcast media channels (radio, television) and print media channels (newspapers, magazines).

20. **Pulling it all together:** Hopefully, this presentation has provided you with information to help you build an effective marketing strategy for your organization. As you can see, there isn't one turn-key strategy that works for everyone. If you take what's is useful to you, and add components from your own knowledge of your organization... you will be successful.

Guarantee your success by adhering to these three (3) RIGHTS...

- Right audience
- Right message
- Right time.



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