

SHARING SUCCESS

What Non-Profit Organizations Can
Learn about Marketing from For-Profits

The aim of marketing is to make selling superfluous.

*Peter Drucker,
Author and Management Consultant*

Few people in planned giving question the enormous value effective marketing can have in promoting and supporting their organizations' missions. Yet the fact is, many gift planners often feel less skillful than they'd like to be at the complexities of the marketing discipline or lack the resources to succeed at it in a meaningful way. Anecdotal evidence, survey responses, and informal interviews with our clients reveal that many of them believe they could be more effective at generating interest in their organizations and attracting new prospects if they had a more thorough understanding of marketing strategy and techniques.

This lack of confidence is understandable. After all, marketing planned gifts is often the responsibility of individuals who are more likely to have formal backgrounds in law and finance than in marketing, and who may be more familiar with spreadsheets and actuarial tables than they are with ad layouts and direct mail offers.

Perhaps that's one reason why gift planners responsible for coordinating marketing efforts (such as writing marketing copy, directing art design, or managing websites) feel as if they're approaching marketing in a piecemeal rather than a process-based way. Perhaps it explains why they worry that they haven't executed their marketing tactics within the context of well-defined, actionable strategies.

The purpose of this piece is to introduce gift planners who are often tasked with marketing activities to a series of techniques used by senior marketers in for-profit environments. The applicability of the techniques should be apparent when you consider that sales as a conduit to profits (the primary goal of for-profits) and fundraising as a conduit to gifts (the primary goal of development) share fundamental characteristics, and that the process of attracting new clients has a number of things in common with the process of attracting new donors.

Certainly we recognize that the mission-based nature of non-profits differentiates them from for-profit organizations. Yet we believe that by exposing you to a systematic, best practices approach from the for-profit world, we can help you improve your marketing plan and make your marketing practices more disciplined, manageable, and productive.

First, a few words about a PG Calc Marketing Survey

In March 2008, PG Calc conducted a survey to collect data on marketing practices used by gift planners. We received a total of 665 responses from planners at all levels in charities of all sizes.

Where appropriate throughout this piece, we have included data from this survey to give you a better sense of how your peers think and feel about various aspects of marketing and its results. We hope these references provide some context and benchmarks for your own planned giving marketing. Furthermore, while we hope the information is valuable, we recognize **the benchmarks that ultimately matter most are your own internal ones**. With this in mind, we encourage you to pursue continuous improvement and to be sure you devote your attention to the changes in the metrics in your program once you set about making program enhancements.

The 4 steps to marketing effectiveness

When marketing professionals at for-profit organizations think about their craft, what they generally have in mind is a series of processes that, when carried out intelligently and effectively, serves to establish real connections between their companies and the communities to which they seek to be relevant. These communities include, among others, existing clients, prospects, and other key influencers.

At the most basic level, there are four processes that are critical to the success of any marketing effort, and these can and should be applied to both your annual plans and individual marketing initiatives. They are:

1. **Establish and Articulate Objectives**
2. **Define the Strategy**
3. **Execute the Tactics of the Program within Budget**
4. **Measure, Report, Refine**

The four steps operate sequentially and serve as dependencies for one another. For instance, a strategy cannot be formulated before objectives are established, tactics can only be determined once a strategy is in place, and so on.

Step #1: Establish and Articulate Objectives

Declaring objectives is a great opportunity to set yourself up for success. Beware the temptation to set the bar low – that is, choosing objectives you know can be easily achieved. Instead, select goals you can realistically achieve by working hard and working smart. And make sure you complement your tangible, measurable goals with other, less quantifiable, but no less important goals.

A typical marketing objective for a for-profit company might be to grow sales of a particular product by 10% over the coming year. Or to increase its penetration of a particular market segment (for example, teens, new moms, senior citizens) by a certain percentage. For-profits may also have other, less tangible criteria in mind, such as changing the perception of the brand, introducing a new product or service, or establishing a presence and gaining credibility in a new market or line of business.

Formalizing realistic and measurable objectives helps marketing professionals in a for-profit

You must ask, "What do we mean by great results?" Your goals don't have to be quantifiable, but they do have to be describable. Some leaders try to insist, "The only acceptable goals are measurable," but that's actually an undisciplined statement. Lots of goals – beauty, quality, life change, love – are worthy but not quantifiable. But you do have to be able to tell if you're making progress.

Jim Collins, *Author of Built to Last and Good to Great*

company accomplish a number of goals, including setting appropriate expectations with their internal stakeholders. Regardless of the size of the budget they have to work with, professional marketers know that every dollar they spend is organizational money – and should support organizational priorities. Well-defined objectives allow marketers to articulate clearly and succinctly what the marketing program seeks to achieve; making the objectives measurable allows them to demonstrate success when it happens – or learn valuable lessons if the result is less successful than forecasted.

Enlisting support for the program

Gaining buy-in for the objectives of a marketing program has far-reaching benefits for corporate marketing teams. First, the marketers confirm their understanding of the organization's priorities and proceed with the confidence that they are aligned with the company's strategic plans. Second, creating champions for the program among senior management helps to ensure that marketing has the resources needed to get the job done. Lastly, it gives marketing leaders the ability to say "yes" to the true priorities and "no" to lower priorities – something that can be difficult to do without transparency and support.

Key accomplishments in Step #1

- *Created the goals of the program and set the parameters*
- *Encouraged buy-in, adoption, and enthusiasm for campaign objectives*
- *Made priorities and goals transparent to the organization's leadership and colleagues*

Potential pitfalls

- *Setting ambitious but unrealistic goals to gain initial buy-in for your campaign*
- *Identifying the wrong internal champions who support the campaign but lack the political capital to provide the credibility the marketing team needs*
- *Having an incomplete understanding of the organization's strategic goals*
- *Committing valuable human, technical, and budget resources to an effort with a small forecasted return on investment (ROI)*

Non-Profit Applications: Establish and Articulate Objectives

What are some of the common planned giving marketing objectives a non-profit might pursue? The goals listed below are among those we encounter most often when we interview clients about their current marketing efforts:

- Attract new prospects
- Increase awareness of alternative giving options
- Increase the number of bequest expectancies
- Cultivate relationships with professional advisors

Regardless of your specific objectives, one of the most important activities you'll need to engage in if your program is going to succeed is a consideration of organizational support, both external and internal.

Organizational Support

Key to the success of any marketing campaign is identifying your true stakeholders and their specific interests. The definition of “stakeholder” goes beyond that of your target audience. Remember, for instance, that your governing board and senior management team make important decisions about the funding of your program and should be among your most visible supporters. Additionally, your volunteers can have great influence over your program’s ultimate success

We can’t overemphasize the importance of gaining support from your organization; by establishing enthusiasm for your efforts, you’ll ensure you have continued support to see it through to your projected outcomes. Gaining buy-in for your marketing program includes communicating your best estimates regarding those outcomes. Make sure you and your internal supporters understand and agree upon the specific goals for each marketing campaign. Document these goals so they can be actively measured and reported against campaign progress.

Step #2: Define the Strategy

For-profit companies compete for sales, shelf space, and/or share of mind against other companies that offer similar products or services. In the kinds of competitive environments in which they find themselves, for-profit marketers understand that their success in the marketplace is intimately and inextricably tied to the strength of their brand, and they go to great lengths to build, promote, and enhance it.

The Value Proposition

Fundamentally, the purpose of the strategic development part of the marketing process is to prompt the marketing team to explain in clear, relevant, and compelling ways what sets their company apart from its competitors – in other words, its point of differentiation. The term they use to describe it is the value proposition.

The underlying elements of a successful marketing campaign include a thorough understanding of organizational culture and values, and it is here that the value proposition lives. There are a number of strategies for-profits employ to enhance their understanding of their organizational culture and position in the marketplace. A favorite of business school professors and management consultants is the “SWOT” analysis. In such an exercise, key individuals in the organization conduct an honest workshop in which they discuss its Strengths (Internal), Weaknesses (Internal), Opportunities (External), and Threats (External). The SWOT thus serves as a mechanism that enables marketing to define its organization’s unique value proposition.

Value propositions developed by for-profits are often captured in their taglines. For example, Ernst and Young takes the opportunity to tell the market that there is “Quality in Everything We Do”. General Electric continuously seeks to convince its target audiences that it is a master innovator and that much of its value is contained therein. GE’s tagline, “Imagination at Work”, reinforces that cohesive message. And management consultant Accenture highlights its chosen differentiator in its tagline, “High Performance. Delivered”. Note that none of these companies is promoting its technical superiority; instead, they opt to focus on characteristics that are not easily imitated by their competitors, such as high commitment to quality or innovation.

Positioning

In concert with activities like a SWOT analysis, the marketing team constructs a positioning statement for their product or service. The term “positioning” dates back to a series of articles, “The Positioning Era,” published in the magazine Advertising Age in 1972 by two advertising executives, Jack Trout and Al Ries. In the articles, Trout and Ries drew attention to the importance of what has become a key aspect of marketing communications – how a product or service is “positioned” in the minds of consumers relative to other products or services on the market.

Think about well-known companies and what they’ve done to position themselves in your mind. Whether it’s Mercedes-Benz®, Apple®, IBM®, FedEx®, The Gap®, Ralph Lauren®, McDonald’s®, or WalMart®, each of them stands for something distinct and meaningful. In a whole host of ways, from the quality of their products to the clarity of their advertising, they’ve positioned themselves effectively in their marketplaces.

Messaging

There’s another variable for-profit marketers focus on, and that’s determining their target audiences. What are their demographic characteristics – their age, gender, education level, income level, and so on? What are their psychographic characteristics – are they thoughtful and rational, or impulsive and emotional? What values are they governed by? What keeps them awake at night? For-profit marketers take all these factors into account as they seek to build a composite profile of their target audiences, thereby gaining a better understanding of the messaging they need to create in order to drive desired behavior.

Key accomplishments in Step #2

- *Draft precise, carefully crafted language that describes the value proposition*
- *Position the company relative to its competitors*
- *Develop a deep understanding of the target audience(s) to use as leverage in the marketing process*

Potential pitfalls

- *Moving forward with an incomplete understanding of your value proposition*
- *Overestimating your brand recognition*
- *Failing to conduct sufficient research to understand the competitive dynamics of the marketplace*

Non-Profit Applications: Define the Strategy

A SWOT is a worthwhile investment of effort for non-profits. Generally speaking, it’s the responsibility of senior management within the organization to conduct a SWOT analysis of the mission. If a SWOT doesn’t exist for your organization, which is quite likely, then the development staff should consider performing the analysis and sharing the results. Conducting this exercise helps your organization assemble critical data about its value proposition and its general status among various other options donors have for committing their charitable dollars.

Be aware that the way consumers manage their purchase decisions – conducting research by visiting websites, asking their friends and colleagues for recommendations, and accessing consumers' reviews – is not unlike the process they go through when making decisions about how to invest their charitable dollars. This is reflected in the increasing popularity of charity evaluators such as Charity Navigator. As a non-profit, your value proposition is worth determining. It should be meaningful to your various constituencies and expressed on your website as well as in your marketing material.

You must determine the characteristics with which you want your organization to be associated. This brand-building exercise is not unique to the for-profit world. Like those of for-profits, your brand will occupy the hearts and minds of the communities you wish to impact when you produce consistent communications over the long term that reinforce your desired positioning. Unlike most for-profits, however, every member of your organization is a "brand manager" – in other words, everyone associated with your organization in any function or capacity is likely connected to and living your brand. Use this to your advantage by implementing internal educational opportunities in which you share your value proposition and positioning with every member of your organizational staff.

Your target audiences may be as varied as they are for for-profits, and each segment requires different messaging, as well as different frequency of communications and information. Top-of-mind targets for most planned giving officers include **long-term annual fund donors** and **major gift donors**, as they have indicated a certain charity as being of particular importance to them; **communities of advisors**, as they have proven to be influential when it comes to their clients' charitable intent; and, finally, **existing planned gift donors**, who are often likely to make a repeat gift arrangement.

Step #3: Executing the Tactics of the Program within Budget

When for-profit companies go about defining specific marketing objectives, they seek to establish a relationship between the amount of money they are committing to a marketing initiative and the amount of revenue they expect to derive from it – their ROI.

In metaphorical terms, tactics are the set of tools marketers employ to send people on a journey from awareness to education to understanding to action. Advertising, direct marketing, email marketing, and newsletters are among the tactics used most frequently by for-profits.

If the objectives of a program have been well defined, and the strategic planning has been diligently conducted, the execution phase should proceed smoothly. For non-profits' annual plans, this means staying on track on a month-to-month basis in terms of overarching objectives. No doubt some high-level milestones have been set up for each initiative that marketers can monitor as the year progresses. For individual marketing efforts, this phase means reaching "go" on all the tactics considered strategically imperative to achieve the goals of that campaign.

There's something for-profit marketers typically do at this stage of the process that's both practical and necessary – they literally build a spreadsheet listing the various tactical activities they will call upon to help them accomplish their objectives and the dates associated with their development and implementation. This method enables for-profit marketing teams to view tasks in the context of

the entire effort, which brings dependences to light – for example, in order to update their website to support a new marketing initiative, they first have to determine the elements of the graphical identity they will be using.

This spreadsheet example captures some likely tasks associated with a gift annuity mailing. If you are responsible for the success of a specific marketing effort such as this one, you may play the role of Project Manager for that effort. Most marketing projects are cross-functional, so this is a complex role since it requires coordinating the completion of tasks by individuals over whom you likely have no formal authority. A spreadsheet such as the example below can help you manage these tasks and provide all of your team members with a visual summary of their responsibilities. Typical data captured include 1) elapsed time for tasks, 2) the number of hours associated with each task, 3) the cost associated with each deliverable, and 4) ownership for each task. Notice how accountability might belong to either a single individual or specific functional area, such as Information Technology. This will depend upon your needs as a project manager. The process of building the spreadsheet requires a marketer to spell out every step required in the execution of the program and indicates dependencies. Better management and coordination of resources and successful negotiating between them are the desired outcomes.

Gift Annuity Direct Mail Campaign						
		Dates		Status	Cost	Accountability
		Start	End	%	\$	Owner
Phase 1: Establish and Articulate Objectives						
1	Forecast number of calls generated	<i>Use last mail campaign for benchmarks</i>		0%	TBD	Planned Giving Officer
2	Forecast landing page hits	<i>Use last mail campaign for benchmarks</i>		0%	TBD	Planned Giving Officer
3	Forecast number of gifts	<i>Use last mail campaign for benchmarks</i>		0%	TBD	Planned Giving Officer
4	Forecast average gift amount	<i>Use last mail campaign for benchmarks</i>		0%	TBD	Planned Giving Officer
5	Forecast number of newsletter signups	<i>Use last mail campaign for benchmarks</i>		0%	TBD	Planned Giving Officer
6	Communicate objectives to internal stakeholders	<i>Declare accountability</i>		0%	TBD	Project Manager
Phase 2: Define and Plan Strategy						
7	Document campaign targets	<i>Prospects likely to consider a gift annuity</i>		0%	TBD	Planned Giving Officer
8	Identify required resources			0%	TBD	Project Manager
9	Document project budget			0%	TBD	Project Manager
10	Draft mailing content	<i>Internal resources or vendor</i>		0%	TBD	Marketing
11	Draft mailing design	<i>Internal resources or vendor</i>		0%	TBD	Marketing
12	Draft web landing page content	<i>Internal resources or vendor</i>		0%	TBD	Marketing
13	Make list of other impacted web pages	<i>Home page, planned giving home page, etc.</i>		0%	TBD	Project Manager
14	Edit design and content as needed			0%	TBD	Planned Giving Officer
15	Get approval for design and content			0%	TBD	Project Manager
16	Ensure postal mailing process is defined			0%	TBD	Project Manager
17	Get bids from 3 print vendors			0%	TBD	Project Manager
18	Select print vendor			0%	TBD	Project Manager
Phase 3: Execute						
19	Send direct mail piece(s) to printer			0%	TBD	Project Manager
20	Go live with web landing page	<i>And supporting pages</i>		0%	TBD	Information Tech
21	Send direct mail to targets	<i>In phases or all at once</i>		0%	TBD	Planned Giving Officer
22	Monitor incoming phone calls and emails			0%	TBD	Planned Giving Officer
23	Execute follow-up phone call campaign			0%	TBD	Planned Giving Officer
24	Ensure each contact is responded to promptly			0%	TBD	Planned Giving Officer
Phase 4: Measure, Report, Refine						
25	Document number of calls generated			0%	TBD	Planned Giving Officer
26	Document number of landing page hits			0%	TBD	Planned Giving Officer
27	Document number of gifts	<i>Only gifts associated with campaign</i>		0%	TBD	Planned Giving Officer
28	Document average gift amount			0%	TBD	Planned Giving Officer
29	Document number of newsletter signups			0%	TBD	Planned Giving Officer
30	Process direct email returns and update database			0%	TBD	Planned Giving Officer
31	Share results with internal stakeholders			0%	TBD	Project Manager
32	Conduct Lessons Learned	<i>Team learning, budget overruns, etc.)</i>		0%	TBD	Project Manager

Key accomplishments in Step #3

- Execute against a plan and defined schedule
- Organize the responsibilities and activities of all parties involved in the program

Potential pitfalls

- Overestimating the capacity of the team to get things done
- Failing to set expectations about individual responsibilities for team members before the campaign begins
- Ignoring cultural/political rules on delegating tasks to individuals who are not part of your department
- Underestimating the time commitment and management required for incorporating social media elements

Non-Profit Applications: Executing the Tactics of the Program within Budget

In an ideal world, for-profits would build their marketing plans without financial limitation. But the reality is that financial constraints usually dictate a specific budget to work within. Non-profits are no different. What you spend on marketing needs to make sense in the context of your overall budget, and your ROI needs to make equal sense.

It is difficult to issue blanket statements regarding what you should be able to accomplish within the parameters of a given budget, but we offer data from our 2008 survey to assist you in benchmarking. **Table 1** reflects respondents' budget sizes relative to dollar volume of planned gifts, including closed planned gifts and realized bequests.

Table 1

		Budget vs. Dollars Raised							
What is the marketing budget for your planned giving program?	Total*	Average annual total dollars raised from closed planned gifts and realized bequests							
			Under \$50,000	\$50,001 to \$100,000	\$100,001 to 500,000	\$500,001 to \$5 mil	\$5 mil to \$50 mil	Over \$50 mil	Other
		665	10%	12%	24%	31%	18%	3%	2%
No marketing budget		11%	34%	20%	13%	5%	1%	0%	13%
Under \$5,000		17%	31%	41%	24%	9%	2%	0%	20%
\$5,001 to \$15,000		20%	20%	20%	33%	21%	8%	0%	7%
\$15,001 to \$50,000		25%	6%	13%	20%	37%	31%	0%	20%
\$50,001 to \$75,000		6%	0%	1%	3%	7%	15%	0%	7%
\$75,001 to \$150,000		8%	2%	4%	2%	8%	16%	24%	20%
Over \$150,000		7%	0%	0%	3%	4%	17%	57%	0%
Don't know budget		8%	8%	1%	4%	10%	12%	19%	13%

Read the information horizontally with respect to the columns. For example, you can read the table to say "of the organizations that raise between \$100,000 and \$500,000, their marketing budgets were usually less than \$50,000." By shading the squares where the percentages are over 15%, we can see an expected pattern. People who have higher annual dollars raised have higher marketing budgets.

Marketing Mix

The important methods of marketing are often called the “Marketing Mix.” There is no magic formula as to what to use or when. The right methods to deliver your messages are a function of message content, timing, constituency, and budget.

Table 2 shows some of the most popular marketing tactics, along with percentages given by our survey respondents as to their impression of their effectiveness. (NOTE: PG Calc did not use the survey as an opportunity to measure the effectiveness of social media tactics.)

Table 2

How effective are each of these planned giving marketing tools for your organization?				
	Very Effective	Reasonably Effective	Not Effective	We Don't Do This
Advertising	5%	40%	15%	40%
Direct Mail	11%	56%	17%	16%
Email	2%	23%	17%	58%
Website	7%	58%	27%	8%

We’ll briefly discuss the pros and cons of the various potential elements of the marketing mix.

Advertising

Advertising can be an excellent way to promote planned gifts if you have the necessary resources to fund the effort. Good advertising for planned giving follows the same rules as good advertising for anything else: it needs to be creative, interesting, and done to the same professional standards as other good ads in the publication(s) in which you are running an ad.

Organizations often find it hard to accept the fact that there really is room for only one goal in an advertisement, but they recognize that when you have more than one call-to-action, you have clutter and mixed messaging. Determine what you want your audience to do and entice them to do it. There are varied ways to accomplish this – suggest they visit your website, call a toll-free phone number, or return the business reply card attached to your ad in a magazine.

• Pros

- Efficient for organizations that can “piggyback” and use space in an existing print-based publication, such as a newsletter
- Certain audience metrics can be collected if readers respond to an invitation to visit a web landing page

• Cons

- Often hard to determine ROI
- Media and production costs can be prohibitively expensive
- Because planned gift prospects may be loyal donors, running print ads to attract planned gifts can be a poor use of limited resources if they are placed in publications other than your own organizational magazine or newsletter

Websites

Significantly, while the respondents in our study indicated that they use websites in their planned giving marketing efforts more than any other technique listed (93%), only 7% of them feel their websites are “very effective.” More telling, perhaps, over a quarter (27%) feel their websites are “not effective at all” for marketing planned gifts, a far greater percentage than for any of the other marketing tactics. These results should be a call-to-action to many organizations to gain a better understanding of what works for them on the web.

A website is interesting and vital only if its content is updated and kept fresh. That’s what gives a site its “stickiness”. **Table 3** captures respondents’ answers to website update frequency as well as opinions about that frequency. Based on the data, respondents feel updating websites daily, weekly, or monthly is sufficient and that updating them semiannually or annually is not. It appears that updating in the monthly to quarterly range is about right for most organizations, but we encourage you to find the right resources and make your standards higher.

Table 3

Is this frequent enough?	How often do you update your website content?		
	Total	Yes	No
Daily	2%	100%	0%
Weekly	9%	96%	4%
Monthly	34%	73%	20%
Quarterly	22%	44%	50%
Semiannually	14%	25%	70%
Annually	19%	27%	66%

The elements that make planned giving websites successful are the same elements that make commercial websites successful – ease of navigation; clear, concise, language; easy access to information and response mechanisms; and appropriate, non-distracting imagery. On a related note, ensure that your planned giving web pages are consistent with your organization’s site as a whole and that they reinforce the look and feel of your collateral materials, mission, value proposition, and other messaging. Feature a donor testimonial whenever possible. These have the same power for you that testimonials can have for businesses.

Vital content for your planned giving web presence includes, at a minimum, the types of planned gifts you accept, a section for advisors to find bequest language, and contact information for an individual who can talk intelligently about options for planned giving. Recognize, however, that the minimum standard is rising, and many organizations now look for other ways to engage their visitors such as a planned gift calculator, interactive tools that guide prospects to an ideal gift solution, and downloadable brochures that discuss various gift options in more detail.

Finally, it’s clear that a website is only effective if visitors are attracted to it in the first place. It is incumbent upon you, then, to do everything possible to encourage traffic, ranging from something as simple as displaying your URL prominently in all your printed materials to more complicated activities like developing banner advertising to drive people to the site.

- **Pros**

- Websites have become the go-to medium to learn more about an organization
- Online usage including high-speed access continues to grow by the month
- Easy to track online activity with the right analytic tools

- **Cons**

- Hard to measure effectiveness of content
- Takes effort to keep the site fresh, interesting, and attractive
- May not be the right medium to appeal to those people who are lacking in “web savvy”

Direct mail

In conjunction with organizations’ websites, direct mail and email are the cornerstones of many marketing plans, and for good reason. Direct mail (defined as print mail) is a good medium to “tug at the heartstrings” of your audience with a text-heavy story or to convey timely, accurate, technical information about the types of planned gifts you are trying to promote. The call-to-action can also drive people to deeper articles on your website.

Similarly, direct mail and email can include variable data such as the payout rate prospects would get for a deferred annuity, their specific charitable deduction, possible gift sizes, and other customized pertinent information. You can also use either direct mail or email to send holiday or birthday acknowledgements that may have a light-touch technical message, but a high-touch stewardship and mission message. Additionally, including inserts in gift acknowledgements has often proven to be an extremely effective practice. In fact, many development professionals report finding a large percentage of donors who have put their organization in their wills from tear-offs and check-boxes of all kinds.

You may wonder about the ideal number of direct postal mailings per year. If your budget and resources can handle it, execute a postal direct mail effort three to four times a year. This keeps you top-of-mind with your donors. Mailings do not all have to be requests for support; instead, they can include newsletters, success stories, or general updates.

While response rates to either postal mail or email are often low on a percentage basis, the former is perceived to be more effective. Even in this electronic age, many people still like to have something tangible they can hold in their hands.

It is easy to underestimate the impact of a direct postal mail program if you rely solely on hard data because even those recipients who do not act on the direct reply often are influenced by the message, and the ground is softened for your next promotion. You’re doing brand building under any circumstance. And if a single large gift comes into your organization because of a direct mail piece you produce, that alone may more than justify the cost and effort.

- **Pros**

- High readership, compared to other media
- Opportunities for personalized and targeted messaging
- Effective tool for lead acquisition

- Direct mail world is less cluttered than the corresponding world of email
- Simply put, people like to get mail

- **Cons**

- Expensive to print and send
- Response rates rarely exceed 1-2%
- Postal mail is forced to compete for the recipients' attention with the large number of other mail pieces they receive routinely

Email

Some advantages of using email include its budget-friendliness, its simple yet effective technology, and its ease of sending to multiple recipients. As with postal direct mail, you need to start with the right target audience and good addresses.

Most, if not all, of your recipients are overloaded with email, so be cautious about how much of it you send. In particular, don't abuse your list of recipients with news that you think is important that they might not.

- **Pros**

- Easy to measure results if recipients are sent to a landing page or if you have the right technical tools
- Inexpensive
- Easy to coordinate and send
- Effective tool for lead retention and donor stewardship

- **Cons**

- Many recipients are overloaded with email; sending too much to them can quickly become annoying
- Hard to measure if recipients are not sent to a landing page or if there is no follow-up action associated with the email(s)
- Email addresses tend to change more frequently than postal addresses
- Purchased email lists generally produce less response than you get from people who have elected to "opt in" to receive messages from your organization
- Overall, response rates are even lower than they are with direct mail
- Should be used to communicate a personal message, not a mass message

Social Media

Social media – including Facebook, LinkedIn, Twitter, and blogging – are increasingly of interest to all marketers because of the enormous promise they seem to hold in terms of building communities and fostering stronger one-to-one relationships.

Social media is transformational because they take advantage of true human nature and the fact that we care about what other people are doing and what they think about products, services, and features. The potential for word-of-mouth marketing is essentially the appeal of social media, and word-of-mouth marketing is about placing trust in an objective source – getting the real breakdown

This consumer is not out in front, far from it. This consumer is part of the herd. They're word-of-mouth creatures. They're asking their friends and colleagues, "Are you using the camera on your cell phone yet? Me, neither." But if they ask around and people say, "Yeah, I use it all the time," then they'll rethink and try it out.

Geoffrey Moore, Technology consultant and author of Crossing the Chasm, Dealing with Darwin and other books about technology

on a product or feature from someone who is not a paid marketer or representative of a firm, such as an independent, objective blogger. Organizations need to be careful about using social media tactics as public relations or promotional tools; it is unaligned with the objective nature of social media.

Social media could present a huge opportunity for your program. We would caution you to recognize, however, that while social media may not seem like a significant financial investment, a tremendous amount of on-going work, along with substantial technical and creative resources, are required to make them into something that has lasting drawing power. Engagement in the social media space is a broad endeavor that goes well beyond simply building a page on a social site. For instance, if you intend to launch a blog, ensure there is ownership for the activity as part of individuals' role responsibilities. We'd all like to think that blogging is more "organic" than this, but it isn't. It's an organizational process that must be constantly managed.

As important as joining the conversation is listening to the conversation, and that means paying attention to online discussions regarding your organization. For example, be sure to set up search engine alerts for your organization's name as well as key players' names so that you're aware if those terms are used in blogs or on message boards. And don't forget the obvious – if you host a message board, be sure to monitor it for inappropriate content. And understand that you are making an implied promise to respond thoughtfully and insightfully to comments and questions.

Bottom line? Yes, we recommend engaging in social media. But we encourage you to do it only when you are confident that you've lined up the human and technical resources to do it right.

- **Pros**

- Has the potential to produce huge viral results if done effectively
- Virtually free from a cost-of-media basis
- Effective for building community for your mission
- Enables you to form meaningful relationships with people who are passionate about your cause
- May increase the number of people who link to your site, improving search engine optimization

- **Cons**

- Very difficult to do effectively
- Requires creative and technical skills often not found within non-profit organizations
- Cannot be implemented independently of your organization; has to be integrated with the organization's marketing staff
- Execution tactics so new that ROI not clear yet

Step #4: Measuring, Reporting, Refining

For-profit marketers are under pressure to measure their ROI as precisely as possible so that they can invest more in efficient marketing practices and invest less in – or abandon altogether – less efficient tactics. This is one of the most challenging tasks for a marketing professional.

Results vary by marketing tactic, but while an analytics tool can make measuring web activity effortless and some email programs can deliver results such as open rates or click-through rates, the data

provided in these instances are not useful without the proper analysis. For instance, a firm may launch a blog and be overwhelmed by how many people sign up to receive notifications. That same firm may find that its weekly newsletters have a higher-than-average open rate. These two data points don't necessarily add up to engagement or deliver revenues. How, then, can a marketer determine which tactics are generating results? The most important part of this equation is determining the right definition of the term "results." ROI is an important number – but certainly not the only important number in marketing.

Since web pages can be monitored most easily of all marketing tactics, it makes sense to use the other tactics to drive traffic to a website whenever possible. Once again, regardless of the number of visitors to a website, there simply is no tool that can read or track the impression users had when they arrived at a landing page and read your web copy. So, the metrics are not telling the whole story. Yes, they give you hard data; what they don't tell you, however, is how many people arrived at a landing page and then moved on, either because they decided your request was something they'd consider when they reviewed their charitable options at some later time, or wrote "Call XYZ to talk about gift" on a piece of scrap paper that they won't find again for a month.

Metrics, of course, are valuable – it's just important to remember their shortcomings. They are most valuable if you measure throughout a given marketing initiative rather than when the effort has concluded. It could be some aspects of your program are not working, and efforts to evaluate your success may produce results that cause a change in course. Your initiative will have been better served by such as evaluation. Measurement can and should be done as often as necessary to stay on course, given that there are multiple variables you are trying to assess. Typically, those can be divided into 3 categories – Technical, Programmatic, and Team:

Technical

- Did we generate the interest in the program we had aspired to generate as measured by response rates, including the number of:
 - Face-to-face meetings generated
 - Phone calls generated
 - Visitors to a website landing page
 - Positive responses to invitations to receive future mailings
- Did we produce the level of sales we expected to?
- Did we increase the average dollar amount per sale?

Programmatic

- Did the program achieve its overall objectives?
- What elements of the program were the most successful? What were their particular strengths?
- What elements of the program were the least successful? What were their shortcomings?
- What changes and improvements can we make so that our marketing initiatives going forward are enhanced by what we've learned?

Team

- Did the team work together effectively?
- In what ways can we improve and enhance their interactions in subsequent efforts?

Key accomplishments in Step #4

- Measure marketing initiative results “as you go” to determine if small changes in your marketing effort can pay off with big results
- Approach your prospects in a variety of ways by using various marketing tactics in a given initiative

Potential pitfalls

- Failing to invest in training to develop the right skills to measure marketing initiatives adequately
- Abandoning an important marketing tactic (such as direct mail) on the assumption that another tactic (email or web) can take its place
- Making assumptions about the success or failure of a marketing effort based on solid metrics but skimpy analysis
- Waiting until the completion of an initiative to begin measuring success and therefore missing the opportunity to make adjustments

Non-Profit Application: Measuring, Reporting, Refining

Tying results to a particular campaign is often very difficult. If anyone, including a professional marketer, tells you that he or she has mastered this, take the statement with a grain of salt.

Due to lengthy cultivation cycles, assigning dollars raised to any particular campaign may be impossible. Recognize, instead, that each campaign you pursue produces some success even if it’s hard to measure. To be an effective marketer, you must be convinced that even if responses to a particular campaign weren’t overwhelming, each recipient will be that much more receptive to the next campaign. Continuous cultivation is a key success factor for planned giving programs.

Table 4 displays some survey data relative to measurement capabilities and practices among survey respondents. Of course, many respondents use more than one of these mechanisms. Most widely used is good old-fashioned dialogue with donors and prospects.

Table 4

How do you measure the effectiveness of the marketing of your planned giving program?	
Donor/prospect feedback	66%
Using a donor database that tracks the source of each gift	51%
Tracking activity throughout all my web pages	38%
Data provided by a vendor	22%
Tracking activity on a specific landing page on a campaign-by-campaign basis	21%
Surveys	21%

Shrewd marketing management is about relying on one’s instinct at times and not feeling pressure to tie every result back to a specific marketing campaign. This does not mean you should stop measuring. Rather, it is better to keep paying attention to best practices; reviewing, documenting,

and improving upon internal benchmarks; and most importantly, talking to donors and prospects about their thoughts on communications they receive from your organization.

Some final thoughts

We began this paper with a quote from famed management consultant Peter Drucker, and we return to it now. Yes, when you mount a successful marketing effort, you don't have to do a lot of hard selling because done effectively, marketing speaks for itself.

There are some fundamentals that are the building blocks of a successful planned giving marketing program. We have identified the most important ones in this paper. Among other keys to success, you need to understand your organization, have a firm grasp of what your value proposition is, and ensure you have a strong relationship with the whole development staff.

As tempting as it may be to think there are magic bullets when it comes to marketing, there really are none. Rather, results-driven marketing is a function of being aware of all the variables, including benefits and pitfalls, and making good, sound decisions about what combination is most likely to produce the positive results you seek to achieve. It also means not being afraid of making mistakes by testing new ideas and incorporating them in your marketing efforts.

Secret marketing sauces? No. One-size-fits-all marketing tactics? No, again. Intelligence, judgment, timing, coordination, communication, perseverance, and common sense – now you're heading in the right direction.



About the Author

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Ann joined PG Calc in 2001 as Vice President of Business and Strategic Development. In that role, she focused on corporate strategy, identifying and pursuing new business opportunities, and establishing strategic partnerships.

Ann's move into a Marketing Consultant role was a logical result of the industry's need for strong marketing experience and expertise as well as her own extensive marketing background in Internet marketing, business development, and brand management. Prior to PG Calc, she held senior management positions in the Internet divisions of Inc. Magazine, Hill Holiday Advertising, and Lotus Development Corporation.

Ann has a degree in Business Administration from Salem State College and an MBA from Simmons College.