MARKETING, FUNDRAISING AND TECHNOLOGY

ABSTRACT

The nonprofit sector is constantly evolving. Three interlinked areas of interest are marketing, fundraising, and technology. How is fundraising’s technology evolving? Can organizations apply a marketing perspective to manage use of these evolving technologies more effectively?

With the demands of development staff already high, it can be difficult to decide if investing in developing forms of technology is a productive use of already limited time and an advantageous use of resources. It can also be difficult to know if individual forms of digital donor technology will continue to captivate users or if it is just a fad. Certain data regarding the effectiveness of these technologies are not available. However, a few things are certain: 1) an increasing number of people are utilizing the internet to receive information and interact with the nonprofit organization of their choice; 2) if used strategically, technology’s impact on fundraising will be positive; and 3) adopting some marketing strategies can help make the use of these technologies more strategic and effective.
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INTRODUCTION

Snail mail. Email. Facebook. Text messages. Information from various organizations in numerous forms bombards prospective 21st century donors on a daily basis and at almost every turn. New forms of technology can act as a helpful resource for fund development professionals looking to connect with constituents. However, the current nonprofit environment does not necessarily make for an efficient or effective use of these developing mediums. By applying marketing techniques, organizations can develop a strategic plan for contacting current and prospective donors in order to reduce the likelihood that donors will become burned out or desensitized to messages presented by organizations.

Not all data regarding the effectiveness of these technologies are available. However, a few things are certain: 1) an increasing number of people are utilizing the internet to receive information and interact with the nonprofit organization of their choice; 2) if used strategically, technology’s impact on fundraising will be positive; and 3) adopting some marketing strategies can help make the use of these technologies more strategic and effective. By realizing this cycle and applying it to fund development, an organization can create a more efficient and effective means of reaching donors and gaining their support.
DEFINITIONS

NONPROFIT

Because “nonprofit” is a broad term incorporating a wide range of groups, it is helpful to clarify the type of nonprofit organizations being discussed. Using Hansmann’s model of classification, nonprofits can be grouped into the general categories of donative—primarily relying on donations for support—or commercial, mutual or entrepreneurial. As Adrian Sargeant points out, this model of classification merely serves as a guide, not a definitive categorization; organizations may exhibit characteristics from multiple groupings at once. Organizations can also be further categorized based on systems such as the International Classification of Non Profit Organisations or the National Taxonomy of Exempt entities, but “many nonprofits still cut across these neatly defined categories” (Sargeant 20). The IRS defines 501(c)3 organizations as
those that are: “charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and preventing cruelty to children or animals” (IRS 2010). Additionally, the IRS defines charitable:

. . . in its generally accepted legal sense [which] includes relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erecting or maintaining public buildings, monuments, or works; lessening the burdens of government; lessening neighborhood tensions; eliminating prejudice and discrimination; defending human and civil rights secured by law; and combating community deterioration and juvenile delinquency. (2010)

For the purpose of this thesis, 501(c)3 organizations that identify as charitable and primarily donative in nature, will be the focus. This is important to note because not all nonprofit organizations are charitable, with some organizations serving a more commercial or entrepreneurial purpose than those focused on in this research.

Marketing has a definition that is sometimes as broad as the term nonprofit. As Kotler pointed out in his survey of 300 education administrators, the definition of marketing is selling, advertising, and public relations to some. To others it involves needs assessment, marketing research, product development and processing. Still others feel it has to do with selling and promotion (Kotler 5). According to the AMA, “marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (Lotti and Lehrman). For the purpose of this thesis, the AMA definition will be used.
**FUNDRAISING**

Nonprofits traditionally acquire revenue from three sources: 1) earned income, 2) government contracts and grants, and 3) contributed income from foundations, corporations, and individuals (Burnett 290). Because this research centers on charitable 501(c)3 organizations that identify as primarily donative in nature, revenue from contributed income will be the focus. The first recorded instances of philanthropy date as far back as ancient Egypt and Babylonia with modern philanthropy channeling through Carnegie and John D. Rockefeller (The Fundraising School 15). Though organizations can receive donations from foundations, corporations or individuals, individuals account for the most significant portion of philanthropic contributions. According to Giving USA 2010, individuals account for 75% of philanthropic giving (4). Because individuals make up such a substantial portion of this revenue stream, the methods used to acquire and retain these individual donors will be the population focused upon in this analysis.

**MARKETING IN NONPROFIT ORGANIZATIONS**

While it may not seem intuitive to group the words food pantry and marketing, for some organizations there might be applicability. In 1975, Marketing Professor Phillip Kotler stated, “Marketing, far from being a management tool of exclusive interest to business establishments, has great relevance to the problems and challenges facing the nonprofit organization” (Kotler 13). Over 35 years later, this notion remains relevant, especially considering the continuing growth of the sector. There are currently 1,046,719 public charities (National Center for Charitable Statistics). This growth, though expanding beyond organizations that define themselves as primarily donative, translates into an increased need for access to a limited pool of resources including clients, volunteers, and donors. “Givers of money, time, and expertise have
a limited amount of each to donate and they choose between your competitors and you” (Burnett 98). In order to remain in the forefront of an expanding sector, charitable nonprofits can utilize marketing strategies. These strategies can help organizations define their purpose and communicate this purpose with clients, volunteers, and donors.

This pool of resources—client, volunteers, and donors—differentiates nonprofit marketing from commercial sector marketing. The presence of multiple constituencies, while present in the commercial sector, creates a greater need for differentiated messaging in the nonprofit sector. Adrian Sargeant describes this clear line as the difference between “resource attraction and resource allocation” (Sargeant 39). Organizations must clearly express the products and services available to attract clients. They must also express the need created by the execution of these activities to attract volunteers. Additionally, they must communicate the outputs and outcomes, as well as other intangible benefits to potential donors. Further, each group of individuals can then be divided into target audiences. Where a business develops a marketing strategy that generally revolves around one idea—reaching customers to generate revenue—nonprofit organization must approach their message from 360 degrees.

Marketing among charitable nonprofits also differs from private marketing because of nonprofits’ “dual bottom-line.” The initial intention of the organization is to serve some need of society. Additionally, the organization must remain profitable to continue fulfilling its mission. As Smith and Bucklin point out, “‘Nonprofit’ is a legal classification, not a state of being” (Smith Bucklin et al. 61). Therefore, an organization must develop products and services that align with some need in the population, then work to communicate the benefits of the organization’s products and services in order to acquire clients, volunteers, and donors. This acquisition seeks to support the continuing pursuit of the organization’s mission. So perhaps the
food pantry previously mentioned, utilizing marketing, could develop its programs in a way that is unique from other food pantries in the area. They could then create a clear message to present to each of their constituent groups and work to collect feedback from each group to better serve the needs of the community and communicate effectively.

**FUNDRAISING**

As pointed out previously, nonprofit organizations may seek funding from a variety of sources including earned income, government grants and private gifts. Though earned income provides the majority of revenue for nonprofit organizations as a whole, individuals account for the majority of philanthropic revenue. Furthermore, individuals provide the most stable annual source of income (“Giving USA 2010” 4). In Rosso’s “Achieving Excellence in Fundraising”, Margaret Maxwell states, “Making connections with individuals provides the greatest opportunity for nonprofits to acquire the financial resources to fulfill their mission” (Maxwell 162). By building a relationship with potential and current donors, an organization creates a larger and sturdier donor base. By increasing the donor base, the organization also creates a more dependable source of funding for its programs. Increasing this donor base involves identifying prospective donors, cultivating a relationship with these prospects, making the initial ask for support, gaining requested support and then retaining a relationship with that donor.

**ATTITUDES ON MARKETING PERSPECTIVE IN FUNDRAISING**

What are some aspects of approaching fundraising from a marketing perspective? Marketing is not a tool limited to commercial entities. While the concept has been met with mixed emotions over the past few decades, the concept of marketing in nonprofit organizations has grown in popularity. Over 30 years after Kotler stated the importance of marketing in
nonprofit organizations, the American Marketing Association (AMA) recognized marketing’s expansive applicability by introducing a new definition of the concept in 2007. As previously discussed, the AMA now defines marketing as, “the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (Lotti and Lehmann).

This new definition seeks to incorporate marketing as a more integrated aspect of an organization’s activities rather than an isolated job or single goal. While previous definitions focused on marketing to produce a profit, the new definition expands marketing to include: product/service development, communications, and overall value the positive results of marketing (i.e. attraction of clients, recruitment of volunteers, growth in relationships with donors). Additionally it makes the definition more applicable across the commercial and nonprofit sectors. Because organizations are generally mission driven, this allows them the potential to apply the term “marketing” to these types of activities without having to tie them directly with profit generation.

However, nonprofit organizations may consider both the positive and negative aspects of acquiring a “marketing orientation or the idea that consumer needs combine with integrated marketing to improve consumer satisfaction and the attainment of goals” (Kotler 46). For instance, a fully responsive marketing orientation could possess negative effects. A fully responsive orientation is one in which an organization collects consumer feedback and adjusts or improves programs to fit these preferences, even if it means a shift in organization’s primary focus. Organizations that serve some niche of society, but only seek to please consumers may lose the ability to fulfill their mission. For example, a city may only have one organization that serves homeless women. In this given city, there exists a larger population of homeless men. A
fully responsive market orientation would imply that because consumer needs seem to lie more greatly with assistance to the male population, the organization ought to shift their focus. Should the organization focus on and respond only to the “market,” the population of homeless women in city would be left without an organization to serve their needs.

In cases similar to these, organizations should instead adopt a casually adaptive orientation. In this instance customer satisfaction is a concern and the organization responds to external factors, but remains true to their mission (Seiler 33). The aforementioned organization for homeless women may research the demographics of the women they are serving. They may find that the majority of their clients speak a particular foreign language and seek to increase their bilingual staff. Correspondingly, they may look to fundraise in wealthy communities that possess a similar ethnic makeup to that of their client base. Finding this balance between a strong marketing orientation and one that also takes into consideration consumer preferences allows an organization to more purely promote their mission, while also incorporating the needs and preferences of those with whom they are serving or communicating.

When applying marketing strategies to fundraising, it is important to place emphasis on communicating the mission of the organization and the positive effects of relationships built through fund development practices. “Relationship fundraising” recognizes that in order to retain donors, they must feel a closeness to the organization, as well as understand their individual value to maintaining the mission of that organization (Sargeant 270). The new definition of marketing proves useful in this area. Though the ultimate goal is to acquire funding, the organization must build relationships. Building relationships with potential and current donors creates a larger and sturdier donor base. Because relationships are more
qualitative than profits, the new definition of marketing creates the connection to fundraising and the relationship building involved.

TECHNOLOGY AND FUNDRAISING

How is fundraising technology evolving? To build relationships, organizations find ways to appeal to current and prospective donors. Just as each person has different preferences in personal relationships, donors have different preferences in their relationships with nonprofits. Although the general outline for building a donor base remains a relatively static outline—locate prospective donors, connect with those prospects, translate prospects into donors, and retain those donors—the components that make up each step in the process varies by organization and its attempts to reach target audiences. Because it is infeasible to create a solicitation approach to please every individual, professionals can work to build a plan that appeals based on generational or demographic preferences. In general, and as one might suspect, “generations that have grown up with greater ease of access to information thanks to technology expect information to be delivered more quickly. . .” (Maxwell 171). The process of acquiring new donors and retaining current donors can benefit from the use of technology, specifically the internet.

Based on the “Internet and American Life” study, Pew Research Center estimates that 79% of adults in the U.S. are online as of 2010 (“Internet and American Life” 2010). This means that 79% of people surveyed connect to the internet and participate in some way, be it search engines, social media, online gaming, or one of many other internet activities. Another figure to consider is that average online giving is up 24% in 2010 vs. 2009 and 65% of donors research organizations online (The Network for Good). The link between the increase in
voluntary organizations, as well as the increase in internet users, creates clearly defined pressure for nonprofit organizations to adopt internet technologies.

The internet is the newest development in organizations’ attempts to make the case. Timothy Seiler defines the case as “the general argument for why a nonprofit deserves gift support” (Seiler 49). Any statement released to exemplify some portion of the case is known as a case expression and serves to educate the public on the organization and its case. Giving organizations relatively unlimited access to an audience of curious web searchers, the internet offers avenues that, when used correctly and creatively, provide nonprofits a low cost, efficient, modern dimension. Target Analytics estimates that of those donating to an organization for the first time, those that gave online donate 1.5 times more than those first gifts made by mail (Target Analytics).

Randy Paynter of Care 2 Make a Difference shares a similar outlook. “The more connected people feel, the more active they’ll be” (McPherson 36). The internet allows people a new level of connectivity. People today spend an average 30% of the day interacting with some form of media- phone, TV, internet, iPod, etc. People then spend another 39% of their day multi-tasking while also interacting with media in some way (2). By utilizing these new forms of technology, as well as the general population’s newfound fondness of multi-tasking in their attempts to make the case, nonprofits increase the likelihood that people will connect with the organization.
ADDING TECHNOLOGY TO THE MARKETING MIX

THE MARKETING MIX

In order to reach each target group and make them feel connected, a nonprofit organization can develop their strategies by analyzing the marketing mix. “The marketing mix contributes the elements the organization mostly controls and implements in order to achieve marketing objectives” (Burnett 138). The traditional marketing mix, known as the “four P’s,” includes the components: product, price, place, and promotion. A charitable organization will identify a product or service to provide, the area in which it will provide the product or service, the monetary and nonmonetary costs to provide these services, and the way in which it will communicate with its target audience. Product, price, place, and promotion are interdependent and are important to consider when developing a marketing plan (Wymer Jr., Knowles, and Gomes 33). Outlining what components an organization will include in its marketing mix and the role of fund development materials in this mix marks a preliminary step in applying marketing strategy.

E-MARKETING MIX

As technology becomes an increasingly prevalent form of communication, the marketing mix has adjusted to incorporate its use. In translating the traditional marketing mix to an e-marketing mix, the impact of technology is considered. For an organization, technology can alter the way in which it provides a service, the costs of the service, the area in which the organization provides the service and how the organization promotes the service. After outlining a basic marketing mix, the organization can work to incorporate technology into the mix.
Technology expands the marketing mix, as well as the capabilities of fund development professionals. There are an almost limitless number of interconnected channels through which to reach donors. The example above of an e-marketing mix from Dave Chaffey outlines how to incorporate digital media into communications, while also utilizing offline communications. Ultimately, each of these techniques connects and works to drive traffic to the organization’s website, while also increasing direct donor interactions with the organization.

**Caveats of Technology and Marketing Use**

**Technology**

While new technology may seem appealing and in some cases less expensive than some more traditional forms of marketing, caution should be taken before replacing all forms of
fundraising with the most upcoming technological trend. In general, research on new technology and its application in fundraising is limited. Additionally, research that does exist is not necessarily universal to all charitable organizations. Each donor base is unique and may have preferences that differ from research trends. Some technology may have hidden costs. Others may interfere in some way with the mission of the organization. For instance, an organization may exist to protest the use of electronics because of human rights issues linked with production. This group may not want to rely heavily on technological mediums for delivering their message. The use of such mediums directly negates their overall purpose. Another example would be an organization seeking to remain relatively small and grassroots. Instead of utilizing technology and greatly expanding their organization, they may feel their purpose is better served at a level that is more traditional and, as they may see it, personalized.

Something else to take into consideration is the fact that new technology may not be popular with all constituents of the organization. In 2010, Prof. Gazley and Monica Dignam conducted a study on the giving patterns of individual who support associations. Although their research was specific to associations, it can be helpful for all organizations in identifying basic trends.
As seen above, as the age of a donor increases, so does the unwillingness to give online. Only a little more than half of those 66+ were unwilling to give online, meaning that overall, the majority of most age groups did not display an unwillingness to give online. However, this also means that a little less than half of those surveyed would still prefer to give via a method that did not involve the internet.

MARKETING

Some common objections to marketing include claims marketing is a waste of money or intrusive and manipulative. As Kotler points out, these objections are somewhat ironic considering that fact that the very purpose of marketing is to identify the preferences of the target audience in order to improve overall satisfaction (Kotler 12). Some organizations may be hesitant to apply marketing techniques or define what they do as marketing because of these objections. They may also reject marketing strategies because older definitions of marketing focused on activities that appeared to apply more to the business sector. The original definition of marketing given by the American Marketing Association in 1935 described marketing as, “the
performance of business activities that direct the flow of goods and services from producers to consumers” (Rownd and Heath 2). Despite the American Marketing Association’s modify that definition over the years and remove the profit-centric foundation of older definitions, the connotation still sticks for some.

The previous focus of marketing on profits remains with and makes the term unappealing to some donors. In a business, investors want to hear about the profit. In a nonprofit, donors want to hear about the impact. In addition to donors, some nonprofit professionals hold a generally negative view of marketing. While organizations need to attain a profit in order to remain in existence, many organizations serve a need that may not equate to a proportionate profit. They may feel marketing and its “intentions” only apply in the commercial sector, will discourage philanthropic gifts, or detract from focus on the organization’s mission. For their individual donor base, they may be correct to maintain these views on marketing.

THE EVOLUTION OF TECHNIQUES IN FUNDRAISING

Understanding the techniques available to communicate with donors, as well as what techniques are evolving plays an important role in building a marketing strategy that is unique to the donor base of the organization. As new research on technology in fundraising takes place, newer technologies are developed. After analyzing what technology is available, organizations can utilize available research as a guide. However, not all technological advances mean advances in the realm of marketing. Therefore, care should be taken in choosing methods that improving fundraising, as well as methods that also improving marketing strategy.
TRADITIONAL TECHNIQUES

Direct Mail

Despite technological advances, Mal Warwick does not feel it is likely direct mail will “die.” Fundraisers who fully understand the benefits of direct mail and the fact that some donors will always prefer this form of communication will keep direct mail alive (Warwick 258). Direct mailing remains a common form of reaching out to donors. In this means of communication, the organization creates a letter or other informational packet and distributes it to a previously acquired mailing list. “Cold mail remains the most common means of donor recruitment even though it has become far less cost effective in recent years” (Sargeant 260). Following the recruitment of a donor, an organization may maintain contact via direct mailings.

Technological advances have advanced the abilities of organizations to utilize direct mail within a marketing plan. Rather than simply acting as a vehicle to convey a message, organizations can now improve the use of this means of communication and actually gain insights on donor preferences. Through the creation of mail segmentation programs and merging software, organizations can track return rates on mailings and group mailings based on donor preferences.

Telephone Calls

As a means of engaging potential and current donors in a more interactive way, organizations utilize phone calls. These may be “cold calls” or phone calls that have been not been prompted by a previous interaction with the donor, such as a previous donation. Cold calls are usually made using a phone list purchased from another organization. However, calls may also be made to current donors as a means of gaining their feedback and increasing their direct
interaction with the organization. These calls are a means of ensuring donor retention or seeking an increased donation amount.

In 2003, the creation of the “Do Not Call” list prompted some changes to nonprofit telemarketing. First, organizations that had previously hired for-profit companies to make their calls switched to in-house staff and volunteers. Second, organizations had to consider the impact of the “Do Not Call” registry on donor perception of the phone calls. Although the legislation permitted calls from nonprofit organizations, it created a general negativity towards unsolicited phone calls. Additionally, many Americans did not understand that the law did not bar nonprofit organizations from making calls. Organizations that had previously depended on telemarketing for revenue had to seek alternate methods or improve their current method of calling current and potential donors (Schwinn). This roadblock, as well as “Caller ID” and families exchanging their landlines for cellular phones have made telephone calls an increasingly problematic vehicle for donations.

By losing the ability to make phone calls easily, organizations also lost a vehicle key in gaining direct contact with donors. This direct contact helps to build relationships, as well as gain key feedback in improving future communication. Relationship building is essential in fund development; gauging preferences based on feedback is vital to marketing. The loss of phone calls can make it more difficult make contact and collect information. Although the loss of phone calls creates barriers, new mediums such as social media may provide a new venue for this type of contact. Social media will be discussed later in this section.

*Face-to-Face*

Despite technological advances, the importance of gaining face-to-face interactions with donors has not diminished. When possible, nonprofit organizations attempt to engage with
donors and “make the ask” in person. These face-to-face interactions are invaluable to professionals and provide a unique opportunity to converse in person with a potential donor. These interactions may come about due to a special event, scheduled visit or other planned meeting. They are of particular importance when seeking major gifts or planned gifts (Maxwell 176). Similar to phone calls, but even more effective, these interactions all organizations to build relationship and gain feedback.

**Special Events**

Another common form of raising funds is to hold a special event. Events are popular, coming in many forms. They are useful for raising awareness and meeting face-to-face with donors. However, special events are costly and rarely do they result in a gift of increased size from the previous year’s gift (The Fundraising School 99). Special events should generally be used in correlation with some other fund development technique. Technology increases methods of inviting and following up with attendees of special events. As with all face-to-face interactions, these events are pivotal in building relationships and receiving feedback both on the organization, as well as on how well the organization is communicating its message.

**PAST TECHNIQUES**

**Videos**

In his book, *Marketing for Nonprofit Organizations*, David L. Rados references some new forms of media of the ‘90s, spending some time addressing the use of videos. Some nonprofit organizations attempted to capitalize on the trend of videos or VHS tapes by including taped messages in direct mailings. In theory, videos are an innovative way to capture an organization’s mission and services. It is slightly longer form than a letter and attempts to
capture the audience’s attention by presenting their organization’s message visually, as well as verbally or written.

However, VHS tapes are an example of why nonprofits should be careful in choosing to adopt new technology. Videos came with some financial roadblocks. In addition to the cost of filming and editing, which viewers would likely expect to be of network quality, was the cost of reproduction and mailing (Rados 290). No sooner had Mr. Rados written and published his book, than had tapes also come to be replaced by the invention of the DVD. Similarly, the DVD is now being phased out by Blu-ray. Though DVDs and Blu-rays are easier to replicate and lighter-weight with less of a mailing cost, it seems the more cost effective version of these technologies comes in the form of digital videos and websites like the popular video blog, Youtube.com. These forms will be discussed later.

**Brochureware**

“Brochureware” is considered the first type of webpage used by nonprofit organizations. It was known as Brochureware because the information was presented in a similar style to that of a brochure. Many organizations merely took their print publications and posted them to the web in their static form. The site was not interactive and the real benefit came from the fact that organizations could reach a larger audience through an emerging technology, while also avoiding the cost of printing. It also came around the same time as donors were becoming aware of the environmental concerns associated with mass paper production (Hart, Greenfield, and Johnston 84. 307). This form of communication, although not interactive, served as a means of increasing the availability of information to a new segment of prospective donors. Brochureware allowed organizations to appeal to those with a preference for the growing digital world.
CURRENT

WebPages

As web involvement increases, more nonprofit organizations have begun utilizing “actionware.” Elements of “actionware” include subscribing to newsletters, joining online communities, giving online, and sharing webpage content directly via linkages on the organization’s webpage (Burnett 308). Most organizations with webpages utilize this interactive interface, letting donors actively engage with the organization via the internet (84). This interactive piece is an essential improvement to the original brochurware in that it can provide organizations with more data, direct contact, and room for interaction with prospective and current donors. This information can then be applied to the organization’s personal marketing strategy.

Electronic Mailings & eNewsletter

As the internet grows in popularity and the public grows more tech-savvy, electronic mailings and newsletters increase. Organizations can reach donors for which they may only have an email address. They can also maintain regular communication with donors, reduce printing costs, and increase connectivity to an organization’s webpage and social media. This linkage between the eNewsletter and the organization’s webpage is a prime example of the use of the eMarketing Mix.

However, there exists a line between informational eMailing and SPAM. SPAM, or junk mail, can irritate potential and current donors to the point of voiding their relationship with an organization. Internet users can also set their internet mailboxes to block messages from certain addresses or to recognize and block emails being sent from bulk messaging systems. For this reason, care should be used to plan messages strategically, in terms of both timing and content.
Both can affect the future of the donor/organization “eRelationship,” and potentially the actual relationship. When creating an electronic mailing, organizations may offer an “opt-in” feature, preventing their mailings from automatically becoming SPAM in the future (Wymer Jr., Knowles, and Gomes 210).

**Social Media**

As mentioned earlier, giving via internet sources is up. While this giving is not necessarily directly via social media, social media provides a connection and means of communication with these internet philanthropists. Based on a survey from the Association of Fundraising Professionals, it is estimated that two-thirds of nonprofit organization utilize some form of social media in their communications with donors and even some clients (Alves).

This growth could stem from the overall increase in social media interest from adults. Forester Research collected data in 2009 showing that 75% of U.S. adults now participate in social media (Solis). This increased participation also translates into a growing number of users from a variety of age groups. By engaging in social media such as Facebook and Twitter, organizations create a presence for an increasingly large audience; Facebook reports 500+ million users and Twitter reports over 175+ million users (Facebook; Twitter). Additionally, sites providing social media services are also expanding. While Facebook and Twitter are the frontrunners in the social media race, LinkedIn, Flickr, MySpace, and Wordpress also provide an arena for social media activity, as well as growing sites like Groupon, FourSquare, Jumo, and Digg. The chart below from the “Nonprofit Social Network Benchmark Report 2010” outlines those forms of social media prevalently utilized by nonprofit organizations.
These increases in social media usage create a type of peer pressure in the sector. As the number of people and nonprofit organizations on social media increases, so increases the number of constituents searching for an organization’s presence on social media. Though an organization may not be disregarded entirely for lack of social media presence, it may weaken a person’s tie to an organization or lead them to question the organization’s transparency. A supplement to other technology and communications, social media can provide contact to an increasingly demanding audience; it consistently engages followers and maintains their interest. Additionally, social media improves ease of access. The more people able to stumble across an organization’s name or logo will lead to an increase in people seeking further information about an organization.
Fundraising directly via social media may not garner significant results. According to a recent survey, approximately 45.8% of nonprofit organizations use social media as a fundraising platform. Of these organizations, 77.6% raised $1,000 or less (The Nonprofit Social Network Benchmark Report 3). In fact, organizations surveyed through the “Nonprofit Social Network Benchmark Report 2010,” the majority did not state their primary use of social networks as fundraising, but marketing, as demonstrated in the graph below.

Therefore, it seems a more reliable expectation that the primary use of social media will be marketing and raising awareness. Social media consultant Jay Baer suggests, “Take the cake you’ve already bought, and then add social media frosting to it” (Baer). Social media will not provide overnight miracles and should not become the dominate means of communicating. A communications plan including social media should strive for interconnection among all mediums. As in a basic fund development plan where direct mail and email support face-to-face communications, social media can support face-to-face conversation, direct mail, and email. Other forms of communication can mention social media and social media can fill the gaps between more targeted efforts.
Digital Videos & YouTube

As a more cost effective alternative to the DVD mailing, nonprofit organizations have begun utilizing digital videos. Presented through eMailings or eNewsletters, and most commonly on the popular site Youtube.com, organizations are able to translate their message into live action. Additionally, they can gain almost instantaneous feedback on the materials as most sites provide users with the ability to leave comments and rate the video in some way. Youtube.com lets users to create an account or “channel,” allowing organizations to create a comprehensive collection of video messages to be shared with the “world’s largest video-sharing community” (YouTube). Google, Yahoo, and other sites also feature the ability to upload videos. Videos can contain an array of content, from television news segments, to commercial-like videos, to personal testimonials from clients and volunteers.

One of the main benefits of online video sharing sites is the ability to transform flat, written prose transform into a visual appeal. A strong example comes from the viral video “The Girl Effect” (The Girl Effect). This video took advantage of the pop culture media-hungry visitors to this social video sharing site, and gave them a new type of web-video creativity. Through visual imagery, candid wording and the use of music, this organization created an abstract, trendy case expression; more people were drawn in to watch it beginning to end due to its use of a unique presentation style. By targeting this demographic and taking a risk, “The Girl Effect” has become an internet sensation and received over 700,000 views on the YouTube channel, “girleffect.” This video and its associated initiative are now presented through a website, www.girleffect.org. This animated text style is also being mimicked by other organizations including Indiana University’s own IU Foundation. In 2010, The Girl Effect
released a sequel to their original video that achieved similar success to its predecessor with over 600,000 views via the YouTube channel (YouTube).

**Banner Ads**

Banner ads combine text and graphics in an attempt to transfer visitors from other sites to the site of the organization. As John Burnett states, “The performance of banner ads to date has been less than stellar” (Burnett 223). However, as demonstrated in the eMarketing Mix, this can help direct traffic to the organization’s website. Through this method an organization can gain constituents that may not have otherwise been familiar with the organization were it not for coming across it in other, unrelated web activities. In a sense, this acts somewhat as a replacement to cold calls or door-to-door soliciting. While an organization can look to target those websites likely to attract visitors with potential interest in the organization’s mission there is uncertainty involved in how many visitors will actually become donors.

Generally, banner ad space is priced by charging the organization per the number of people that actually click through the ad to the organization’s website (223). While banner ads can be relatively costly, programs such as Fetchback, a service provider that bases ad placement on the consumers previously viewed websites, can allow nonprofits greater control over who views and clicks their ad. Though this service provider comes at a cost, those that see and click the ad may be more likely to donate or at the very least have some previous interest in the organization or related issue. In addition, Fetchback has an opt-out feature, while not ideal for fund development, may be perceived as convenient by donors. This helps to customize interactions based on donor preferences.
UP AND COMING TECHNOLOGICAL TECHNIQUES

Text-to-Donate

In January of 2010, the American Red Cross raised over $32 million in one month towards the Haiti earthquake relief effort. This success encouraged other organizations to attempt replicating the success of this new form of donation technology (Hamblen). However, usage of this medium as been met with mixed success. While it provides organizations the ability to reach donors seeking an easy, mobile means of giving, there are downsides to this effortlessness. Donors using texting to give to an organization are limited to a gift of $10. Organizations receiving these gifts often receive little to no information on the donor, meaning thanks and other follow-up is limited, if not non-existent. There is also a relatively high overhead cost of implementing such a system (Feiler).

This is an example of a fundraising vehicle that has limited abilities in the realm of marketing. While an organization may be able to raise funds quickly and with little effort on behalf of the user, there is little room for information collection, feedback or follow-up. As mentioned previously, text-to-donate proved to be a successful means of quickly raising funds for a high profile natural disaster. However, fundraising for issues that are not as urgent or for organizations that are looking to sustain regular annual funding, this system may not be an ideal choice.

Personal Fundraising Pages

Certain organizations are taking the popularity of social media and translating it into a new form of giving. With personal fundraising pages, donors are encouraged to create a site for family and friends and engage in their own campaign. These pages have been used with walk-a-thon type events, but have also been used as a supplement to an organization’s current campaign
or initiative. For instance, Mercy Corps encourages its donors to create a personal fundraising page after they have given. The user is able to tweak the message, explain why the particular initiative is important on a personal level and then direct family and friends to the page. The page then shows any donations, allowing donors to that personal page to leave messages. Mercy Corps incentives the use of these pages by offering small prizes and matched donations (Mercy Corps). St. Baldrick’s Foundation has also initiated the use of personalized fundraising pages. Here, participants in the increasingly popular head-shaving fundraiser can post a personal message as to why they have chosen to shave their head for charity and provide a “before” and “after” picture (St. Baldrick’s Foundation).

The personal fundraising pages include links to additional organizational information and are loaded with branding. Todd Baker from OrgMarketing.com cites this technology “as another way to empower people to champion your cause and turn donors into fundraisers” (Baker). By empowering individuals to become fundraisers, close friends or family members of the individual may feel a closer linkage to the organization, which may increase their interest. These pages are a type of loophole in creating an initial relationship with a donor, as the relationship comes from the friend or family member speaking on behalf of the organization. They also increase the strength of the relationship between the personal fundraiser and the organization.

**Search Engine Optimization**

Approximately 30 percent of donors utilize search engines in finding organizations online (Hart, Greenfield, and Johnston 191). As the internet becomes an increasingly muddled playground for websites from nonprofit, private, government and personal users, organizations have to put extra effort into improving their placement in search engine results. In an overview
of basic search engine optimization, Dave Chaffey references, “The Google SEO Starter Guide,” as a useful introduction into the complicated and sometimes mysterious world of search engine optimization (Chaffey). This can be an extremely important step for increasing the visibility of an organization, both for the purposes of marketing and for fundraising.

If a webpage is already in existence, the process of search engine optimization begins with a placement review. By typing in key words associated with the organization into various search engines and noting the ranking the webpage receives, if any (Hart, Greenfield and Johnston 70). Once aware of the page’s current rank in searches, tweaks can be made to the current pages to improve the page’s positioning in the results. Images make for a visually stimulating webpage, but search engines cannot read these images. A combination of clear text and images allows the search engine better access to the information. Titles should head every page and be short, succinct and clear. Organizations can assign a summary to each page. Search engines read these summaries and utilize keywords to improve ranking (Google). Additionally, adding tags to the page and the accompanying images allows search engines to catalogue these portions of the site. Tags should contain the organization’s name, as well as keywords commonly associated with the organization and can be <IMAGE> tags, <TITLE> tags, and invisible <META> tags (Hart, Greenfield, and Johnston 71). Another recommendation is to link to other noteworthy sites whenever possible. From sister agencies to corporate sponsors to social media, any digital linkage that can be made improves the search engine result (Sargeant 321).

**Personalized Landing Pages**

One of the newest developments in fund development is personalized landing pages (PURLs). These pages take direct mail to a new level by customizing the donor experience and integrating direct mail with the digital world. PURLs allow the organizations to customize the
landing page a specific donor views and similarly, allows donors to input future customization (Prospectclick.com). This will help organizations increase their ability to cater to target audiences. Organizations with many initiatives or broad missions may have a large amount of information available for donor use. Rather than try to synthesize all available information, donors can choose the focus areas on which they wish to receive information. In addition to allowing users to individualize the information they receive, the organization receives specific data regarding user trends. It can then use this information to create targeted messages to other donors in similar demographic categories.

**IMPROVING USE OF TECHNOLOGY**

Can organizations apply a marketing perspective to manage these evolving technologies more effectively? With an expanding number of options available for communicating with current and prospective donors, marketing strategies can help organizations decide which technologies they should apply. It also allows the organization to communicate better with limited pool of resources available and connects more fully with all stakeholders.

**STRATEGIC PLANNING**

Because of the breadth of technology available, the first step to the development of a marketing strategy is strategic planning. As mentioned initially, some organizations inundate individuals with many messages without considering the preferences of that individual or individuals in a similar demographic. However, by working to streamline the communications process and reach donors in a more purposeful and strategic way, efficiency and effectiveness increase. The strategic planning process may look different for each organization, but applying some forethought to the marketing plan is the key. As an organization looks to expand its
technological efforts, it will be useful to define its future expectations by: 1) defining its audience, 2) deciding technology’s purpose, 3) setting SMART goals.

Defining its audience will allow the organization to tailor its message via new these new technological resources. The organization must then decide if they will rely primarily on certain types of technology or if technology will supplement other, more traditional forms of communicating with donors. Additionally, technology should have some purpose and not merely be implemented because it seems popular. Each organization has individual needs meaning that the popularity of some technology is not necessarily transitive to that organization.

Once the purpose of technology’s use has been decided the organization can set SMART goals—Specific, Measurable, Attainable, Realistic, Timely (Wymer Jr., Knowles, and Gomes 256). For instance, an organization looking to connect with other, similar organizations via social media may set the following goal: “Our social media will help us connect with 10 organizations like us by December 31st.” This goal will help to direct the types of interactions that take place on social media over that period. It will also help in the process of future analysis and defining what social media success looks like to that specific organization.

The importance of planning is simply but powerfully stated by Timothy Seiler, “The better the planning, the better the fundraising results” (Seiler 23). To begin the planning process, it may be useful for an organization to consult the Fundraising School’s Fundraising Cycle. This can help an organization better understand the fundraising timeline and assist in the creation of a coinciding marketing plan.
The Fundraising Cycle
The Fundraising School, 2002
SWOT ANALYSIS

One of the most basic steps in a strategic planning process involves a SWOT analysis. The SWOT analysis consists of four basic processes: an analysis of strengths, weaknesses, opportunities and threats (Burnett42). Analysis of opportunities involves areas in which the organization has a well-defined advantage, an analysis of weaknesses involves areas in which the organization needs a great deal of improvement and an analysis of threats involves outside areas that have the potential to cause the organization some form of harm, usually in the form of competition. While organizations may use a SWOT analysis to analyze the organization in its entirety, it can also apply specifically to the marketing plan itself. For example, does the organization possess any staff with strengths in particular technological areas? Does the organization possess data showing certain trends among their donors’ preferences? The chart below from Excelsia Consulting Resources provides a more detailed visual of SWOT analysis components.

![SWOT Analysis](Excelsia Consulting Resources 2009)
ANALYTICS

Because many studies of new technology speak generally of its benefits for nonprofits, it can be difficult for an organization to translate that information into a specific guide. The best way for an organization to decide if its efforts are successful is to use the analytics tools attached to individual platforms. These results can then be used as a portion of the measurable outcome set in a SMART goal.

In addition to the tools provided directly by social media platforms, email and eNewsletter software, there are also external applications that will analyze social media use. Hootesuite and Klout provide constructive analysis of Twitter use. Utilizing tools similar to these can help an organization recognize trends of success or failure. Unfortunately, an increasing number of analytical tools require a fee, but even with these basic tools, assessments and improvements can occur.

EASY AS EXCEL

While the use of “marketing strategies” can sound daunting or complex, the actual process can be as simple as an organization keeping an excel spreadsheet and recording dates when communication or contact with donors occurs. This simple step can prevent an organization from sending out repetitive messaging, messaging too frequently or not making enough contact.
POSSIBLE OBSTACLES

Charitable organizations that choose to ignore technological developments potentially miss a large audience. However, nonprofits may be discouraged from use for any number of reasons. Some of the most common include time, expenses, and expertise (Pope et al. 195).

TIME

Organizations may site a lack of time as the reason for avoiding new technology. However, by developing a marketing plan that integrates technology into the marketing mix, time may be saved by avoiding communications that are outdated or do not reach a target audience. For instance, a younger generation may have a higher rate of return on an email messaging campaign than a direct mailing. By investing time into the creation of the email time rather than the direct mail, the organization has saved time.

EXPENSES

While some technology does come at a price, if budgeted into an overall marketing plan, the use of this technology can save money over time or reduce waste in other ways. Similar to the time saved by utilizing email, money can be saved by using email for constituents with a preference for that medium. When email is used in correlation with a direct mailing, it may produce a higher rate of return to the direct mailing. This then made the money spent on both the email campaign and direct mailing a more effective use of funds.

EXPERTISE

As new technologies develop, it may be difficult for current staff to maintain their current tasks, while also learning of these new developments. However, many free or low cost webinars
have been created to aid in educating nonprofit staff. There are also sites and blogs that provide information, tips and other insights from professionals in the field.

Board members can also be particularly helpful in navigating new technology. Acquiring a board member with a background or familiarity with technology will help both in understanding how new technology can help an organization market to donors. It can also help make the case for budgeting for donor technology. If possible, bringing on a new staff member to focus on the technological side of fundraising can also be helpful (Pope et al. 196). If a new staff member is not an option, a consultant to the organization may serve as an alternative. The current staff may also seek training to incorporate technology or strategy into the tasks they currently perform.

CONCLUSION

As organizations seek to improve their fund development strategies, the techniques common to marketing can assist. Care must be taken in assuring the donor does not feel that they are the product of some marketing scheme to produce revenue, but instead help each donor realize their place and importance in relation to the organization’s mission. However, by utilizing strategic methods—focusing on regular, but purposeful communication—can ensure that donors feel a stronger connection to the organization. Making the process more calculated and steady through marketing strategies will build stronger relationships. Rather than make connections by chance, marketing can assist the organization in creating a system by which donors are acquired and retained. These relationships improve the chances that donors will return, translating to a sturdier donor base.
One way to improve the relationship between an organization and its donors is to increase the avenues through which donors can connect. This connectivity can be achieved using technology. Among its benefits, technology allows for the incorporation of donor preferences, as well as an organization’s ability to gain feedback react in real-time. They also have the potential to increase their reach and supplement traditional methods of donor recruitment and solicitation. Marketing strategies can also be applied to the use of these technologies, assuring that the technology is used strategically and as a means of furthering the organization’s mission.

Despite any negative attitudes toward developing technologies, one thing that can be agreed upon is that technology, the internet included, is not going away anytime soon. While the technology can appear intimidating, avoiding it can work against the nonprofit and hurt its potential for fund development. Conversely, ePhilanthropy will not replace fund development tools like direct mail. As Nonprofit Internet Strategies points out, “Just as television failed to kill the radio, yet changed it significantly, so, too, will the Internet change traditional forms of fundraising, not by eliminating them, but by changing their utility and increasing their effectiveness” (Hart, Greenfield, and Johnston 9). An understanding of the importance of the integration of internet into fund development strategic planning is important when attempting to reach a new generation of independent philanthropists.
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