
Nonprofit Marketing with a Purpose: Developing a Strategic Marketing Plan to Engage New Audiences

By Shelli Bischoff¹

Strategic Marketing Steps

- 1. Goals*
- 2. Situation*
- 3. Segmentation*
- 4. Criteria and selection*
- 5. Strategies*
- 6. Programs*
- 7. Promotion*
- 8. Implementation*

Introduction

In this day and age of increased noise in the marketplace, the need for nonprofit organizations to reach out and engage new audiences is more important and more difficult than ever. Increasingly, there is overlap of issues and programs and increased competition for donors and supporters. Organizations can no longer afford to have one audience for fundraising, another for programs, and yet another for membership. The resources are limited and the work is urgent.

To reach and engage new audiences, many organizations find a strategic marketing plan useful, if not essential. The purpose of this article is to:

- ◆ illustrate the application of basic marketing principles to nonprofits
- ◆ present a step-by-step guide to creating a strategic marketing plan
- ◆ show that defining and understanding the target market is necessary to effectively reach and engage them
- ◆ give an example of how a strategic marketing plan can be used and applied

Strategic Marketing

Step One: Develop the Goals

The first step in developing a successful marketing plan is to define the specific and tangible marketing goal. What does the organization want to achieve as a result of these marketing efforts? The goal should be long term. A strategic marketing plan is not a quick fix to a funding or image problem. A concise, clearly defined goal will help measure success.

¹ Special thanks to Jennifer Burstein for her assistance with this article.

Knowing and understanding the environment in which a nonprofit operates is critical to its success.

For example, a marketing goal for a project completed with a statewide environmental organization was “to engage citizens who care about the environment to be both financially supportive and/or to visibly and vocally participate in the protection of the state’s environment.” In the case of a human services organization, the goal was to “gain increased recognition, support, and status for the organization.”

The marketing goal helps focus the organization on the purpose of marketing—whether to increase funds, membership, or participation. Commonly, the marketing goal is to increase awareness. It is important for an organization to define why it wants to increase awareness and what it wants people to do once they are aware.

Step Two: Situation Analysis

An important and often overlooked step in creating a strategic marketing plan is evaluating internal, market, and external conditions. Knowing and understanding the environment in which a nonprofit is operating is critical to its success. Internal conditions include such things as values, skills, staff, systems, and structures. Market conditions include the funding climate, a comparative analysis of other organizations, and the organizational niche or distinctive competence. Further, an organization must understand the external conditions in which it is working. External factors include social, cultural, technological, ecological, economic, and political factors.

A situation analysis is typically completed through a combination of primary and secondary research. Primary research includes focus groups and interviews. Secondary research involves a review of the current literature related to the organization or its industry. The board of directors and staff play an invaluable role in sharing information about trends and issues. The board brings a broader, more multidisciplinary perspective to understand issues. A good staff offers a wealth of information about what is going on in the field.

Organizations will want to pay attention to issues that directly affect its industry, like child welfare laws for human services groups or Clean Water Act enforcement efforts for environmental groups.

The way an organization thinks about its constituencies determines how it interacts with them.

Organizations must also pay attention to larger, macro issues, such as trends in the foundation world, the ethics of nonprofits, and general marketing trends influencing its audience.

For example, environmentalists trying to reach Baby Boomers should know that LOHAS (lifestyle of health and sustainability) is a \$230 billion industry that markets goods and services to consumers who make buying decisions based on their values of environmental and social justice issues. Organizations trying to mobilize any of the 71 million Millennials and Generation Ys should know that the retail clothing store Hot Topics is the number one (in sales) of all retail stores targeted to that market. Once an organization has a clear understanding of the trends and issues affecting it, it can begin to define and understand its target markets.

Step Three: Market Analysis and Segmentation

The next step in developing a strategic marketing plan involves analyzing and understanding the market. Market is defined as a group of people who behave in similar ways relative to an organization's product or service. Market is synonymous with audience, constituents, or clients.

Segmentation is the process of defining the largest potential market in a way that is most useful to an organization. Market segmentation is done by dividing the whole into definable parts to identify, name, and describe these pieces in a way that makes sense for an organization. Typically, the market is segmented by demographics—by age, gender, and education. It is also useful to segment the market by psychographics—values, attitudes, and lifestyles. One tool for thinking about the market in a more useful way is to ask, “How does the potential audience relate to x?” with “x” being the organization's cause or issue.

For example, a project for a Canadian environmental group asked, “How do people in a specific geographic area relate to the landscape?” They determined the segments were people who saw the landscape as their neighborhood, their heritage, part of their personal identity, as a financial investment, and as their livelihood.

Select target markets deliberately—given strategic focus, goals, criteria, and market research.

Some people saw the landscape for its inherent ecological value. This process of segmentation helped develop a different understanding of the market that didn't emerge with the more typical stereotypes of ranchers and environmentalists.

Step Four: Target Criteria and Selection of Target Markets

After segmenting the market, target markets are selected. Target markets are those audiences that are most likely to take action on an organization's behalf. The target markets are the priority segments for which an organization ultimately creates its product, position, packaging, and promotion strategies.

When selecting target markets, it is useful to have a conversation about the selection criteria. These criteria are based on an organization's overall goals and may include such gauges as impact and leverage. Unless an organization has unlimited resources, it should select only one or two target markets.

Once the target market is selected, organizations can create a more defined profile of this audience. Oftentimes, staff, board, and advisers know the audience well enough to create a useful description. Other times, it may be necessary to conduct primary or secondary research. In the Canadian project, staff and volunteers from a variety of organizations, who were also part of this market segment, built a preliminary profile. Focus groups and interviews helped validate and elaborate on that profile.

Creating the target market profile goes beyond demographics. It is necessary to understand the values and attitudes of the group—what motivates them, how they make decisions relative to an organization's product, what they read, and who influences them.

Step Five: Develop Market Strategies for Target Markets

Once an organization thoroughly understands its target market, it is relatively easy to know how to reach that market. Engaging a market, however, is much more than promotion or communication tools. Market strategies are the comprehensive approach an organization takes to engage its target markets. This includes not just what an organization says, but more important, what it does,

*Targeting is essential
for focusing limited resources
for the greatest returns.*

in everything, in every way. Strategies include how the organization designs and delivers programs and services; how it positions itself on issues; how it designs campaigns; where it locates or places its programs and information; how it prices or values its services; as well as how it executes its communication, public relations, and outreach efforts.

For example, an organization trying to engage Gen Xers will want to provide program opportunities for meaningful and results-driven participation. It is important to remember that an organization cannot be different things for different markets.

Step Six: Programs and Services

To reach and engage its target market, an organization may need to redesign or develop new programs. An organization's programs are the most visible and profound way it distinguishes itself in the marketplace and defines who it is. Programs must support the mission and demonstrate the congruency between the organization's activities and messages. Nonprofit audiences want and need substance behind a promise or message. They look closely at what an organization is doing to determine alignment with their own values and needs.

Step Seven: Promotion and Outreach

Promotion refers to all communications, public relations, and outreach efforts. It is important that these strategies connect, engage, and develop relationships with an organization's target market. Promotion and outreach strategies are not tools for one-way communication. Rather, they are about facilitating meaningful connections. While not often considered by many organizations because it is assumed to be too costly, the most effective outreach is individualized, personalized, and direct contact. Even mass-marketing trends are about personalizing mass communication.

The most important thing about any marketing strategy is that it aligns with the intended target market. For instance, programs destined to be less successful include those that are not convenient for busy, already oversubscribed 30-somethings, electronic commu-

Implementation takes commitment, focus, and the unrelenting passion for which nonprofits are so well known.

nications for the over-70s crowd, or direct mail for the highly mobile, highly connected 20-somethings.

Step Eight: Implementation and Leadership

Implementation of a strategic marketing plan can be as much a shift in mindset and attitude as a physical or tangible change. It can be as simple as asking, “Who are our target markets?” “What do we know about them and what would they want?” Or as complex as creating, repositioning, or eliminating programs and activities. In many cases, implementation requires a reallocation of resources, rather than additional resources. Over time, the implementation of a strategic marketing plan is cost effective due to a more coordinated approach and more effective outreach and promotion.

Finally, a non-negotiable, critical element for implementing a strategic marketing plan is leadership. Leadership means identifying a clear and consistent direction, communicating that direction, and removing obstacles to move in that direction. Leadership is necessary because hard choices may be required, and short-term gains may be sacrificed for long-term results.

Principles in Practice—A Case Study

The following case study illustrates the process of developing a strategic marketing plan for an environmental organization.

Goals

The first step in creating this marketing plan was to develop specific organizational goals. To do this, a project team of board members and staff established the following goals:

- ◆ build meaningful relationships with a broader core constituency
- ◆ improve the perception of the environmental community
- ◆ increase civic engagement in environmental protection, conservation, and stewardship

The situation analysis was completed by analyzing more than 80 surveys and studies on environmental issues and consulting a significant amount of sociocultural and commercial marketing research.

Situation Analysis

Next, a situation analysis was completed. In this case, because so much polling and survey work had already been done on the potential audience, the analysis did not include primary research. Instead, the situation analysis was completed by analyzing more than 80 surveys and studies on environmental issues and consulting a significant amount of sociocultural and commercial marketing research. Conclusions were tested and enhanced by the project team.

Market Analysis and Segmentation

For this environmental organization it was decided that the total market was the 86 percent of the population who say they are concerned about the environment. Knowing that it is not likely or even feasible to reach this entire market, segmentation was completed. Segments for this particular marketing plan were defined by how people relate to the environment with a particular emphasis on the values that motivate them towards action, engagement, and commitment.

This market segmentation was developed from extensive analysis of environmental polls, articles, and books from nonprofit, marketing, and sociology fields, as well as research conducted with hundreds of focus groups and constituents from conservation organization across the country. Based on this analysis, the following are the market segments developed for the environmental organization.

Market Segment or Constituency Group	How They Relate to the Environment
Heritager	Environment is my legacy
Self-focused	Environment is for my use or enjoyment
Holistics	Environment is sacred
Activists	Environment is a crisis or a problem
Quality-of-lifers	Environment is part of quality of life
Overwhelmed	Environment is not a priority
Worlders	Environment is our world, our future

Target Criteria and Selection of Target Markets

To help the organization select which market segments would be most effective in reaching its goal, they developed the following

selection criteria that were realistic, practical, and had a high potential for success.

- ◆ impact—get results
- ◆ leverage—influencer others

For the environmental organization, all segments except the activists (who are already markets) and the overwhelmed (not likely to act) were considered potential target markets. However, given that the first criteria for selecting the target market was impact and second was leverage, the target markets most likely to get results and influence others are Holistics and Worlders.

Target Market Profiles						
Worlders						
Lifestyle characteristics	Self-definition	Prominent values	Prevailing attitudes	Decision/behavior influences	Activities	Alliances/affiliations
High achievers Make things happen Get involved Work together Service to others Technologically savvy and globally connected	Confident Team players Special Responsible for improving the environment, community and civic institutions	Drive Traditional values of home, family, community, and education Strong work ethic Diversity, globalization, and environment are just part of life	Optimistic Will help shape future See themselves on cutting edge Feel like they can make a difference	Deliberate, thought-out choices Will follow honest authority Visual and interactive Action over talk No hypocrisy Structured Distrustful of media	Civic deeds Clubs Online communities Organized sports	More traditional service organizations Start own clubs or projects Online communities
Holistics						
Distinct from mainstream Voluntary simplicity Consumers of books, NPR, arts, culture Not into status	Do not define lives by consumption, but rather by own self-growth Holistic	Balance Integration Community Spiritual growth Ecological sustainability Interconnect- edness	A social conscience Social justice and fairness World is too complex for linear thinking	Experiential Authentic Don't trust ads Demand good, solid information Want the whole story, not bullet points Well-informed	Experiential Adventure travel and ecotourism Weekend workshops and classes Enhance self-growth and self-actualization	Not part of traditional groups Fluid networks Yoga classes Holistic health networks Organic foods

Market Strategies for Target Markets

Once the profiles for the two target markets were developed, it became clear what marketing elements were necessary to reach and engage them. The following chart shows the ideal brand, position, and image for engaging Worlders and Holistics. While different in age, Worlders Holistics have similar characteristics.

Engaging Worlders and Holistics

Brand	Integrity and results
Position	Holistic—part of a larger whole, future-oriented, values and results driven
Image	An organization they can relate to, and that makes a difference

*In developing, designing,
and repositioning programs,
keep the target market in mind.*

Programs and Services

With the target market profiles in mind, it was determined that for both Worlders and Holistics, programs need to allow for meaningful involvement in the process. Programs must be designed to demonstrate a holistic approach—they can't just be about the environment separate from other issues. Both Worlders and Holistics are likely to look below the surface for intent, substance, and consistency.

Promotion and Outreach

For both Worlders and Holistics, peer-to-peer contact, networking, and interpersonal connections are key elements of any outreach strategy. This does not mean reaching thousands of people face-to-face, but reaching a handful of key people. Reaching these key people is essential to starting the buzz and reaching the fuller market. Further, effective outreach strategies for Worlders and Holistics are more appropriately focused on activities, action, and results. Activities should be interactive, with the intent to engage, not just inform.

The following marketing plan synthesizes all information gained from analyzing and understanding the two target markets. The plan shows the optimal position, brand, image, programs, place, and outreach and promotion strategies based on the target market's profile.

Marketing Plan to Reach Worlders and Holistics

Worlders

Market Profiles	Prominent Values	Position, Brand, Image	Programs	Place	Outreach and Promotion
<p>New to the world</p> <p>Make decisions about their lives and what is important</p> <p>Experiment, try new things</p> <p>Altruistic, idealistic, but also practical</p>	<p>Drive</p> <p>Traditional values of home, family, community, and education</p> <p>Strong work ethic</p> <p>Diversity, globalization, and environment are just part of life</p>	<p>Holistic, future-oriented</p> <p>Values and results driven</p> <p>Integrity</p> <p>An organization they can relate to, that makes a difference</p>	<p>Opportunities for involvement and connection at a meaningful level</p> <p>Programs that build relationships and demonstrate values they believe in</p> <p>Environmental issues integrated with others, more holistic approach</p> <p>Seeks alternatives and options</p>	<p>Electronic networks, community at university, service club, church, school</p> <p>Activity-based and integrated into other activities</p>	<p>Direct, one-to-one information networks</p> <p>Peer-to-peer</p> <p>Electronic connections</p> <p>Word-of-mouth</p> <p>Through programs</p> <p>Targeted publications and online sites</p>

Holistics

<p>Seek balance, peace, simplicity</p> <p>Converge social, ecological, and spiritual issues</p> <p>Seek alternative ways and a better world</p> <p>Hopeful, high potential for engagement</p>	<p>Balance</p> <p>Integration</p> <p>Community</p> <p>Spiritual growth</p> <p>Ecological sustainability</p> <p>Interconnectedness</p>	<p>Holistic, future-oriented</p> <p>Values and results driven</p> <p>Integrity</p> <p>An organization they can relate to that makes a difference</p>	<p>Opportunities for involvement and connection at a meaningful level</p> <p>Programs that build relationships and demonstrate values they believe in</p> <p>Environmental issues integrated with others, more holistic approach</p> <p>Seeks alternatives and options</p>	<p>Informal networks</p> <p>Community</p> <p>Personal development and avocational connections</p> <p>Activity-based and integrated into other activities</p>	<p>Direct, one-to-one informal networks</p> <p>Peer-to-peer</p> <p>Part of program activities</p> <p>Word-of-mouth</p> <p>Cause-related marketing</p> <p>Targeted publications</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Implementation and Leadership

At its fullest, implementation of this strategic marketing plan achieves the goal of building stronger relationships with target markets, positively shifting perceptions, and increasing civic engagement. By following this strategic marketing approach, the environmental organization is able to develop meaningful, effective relationships with its constituents and align programs and services to engage those constituencies for organizational support and mission success.

Conclusion

A strategic marketing plan presents a synthesis of data and information about potential new constituencies and suggests strategies for engagement that are aligned with their values and beliefs. By following these steps, any organization can develop a strategic marketing plan to effectively reach and engage new audiences. The marketing plan can be implemented to shape new programs or make existing programs more relevant. It can also be used to reposition or reinvent an entire organization to better address the challenges of the 21st century.

About the Author

Shelli Bischoff is a partner in Conservation Impact and founder of Marketing Impact. She has worked with more than 350 nonprofit organizations throughout the United States and Canada, teaches in a master's of nonprofit management program, and is an invited speaker at national conferences. Bischoff specializes in strategic marketing and organizational development. She helps organizations create Constituent-Centered Nonprofits™ through a unique approach to market segmentation and target marketing. She is best known for her customized consulting services that range from one-day marketing planning sessions to comprehensive strategic repositioning projects. For more information, contact her at 303-223-4886 or shelli@conservationimpact.com.