

**Social Marketing Institute**

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# **Conference Report**

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Nonprofit Marketing Summit Conference

*Tampa, Florida*

*March 16-17, 2000*

Co-sponsored by:

*The Social Marketing Institute*

*The David and Lucile Packard Foundation*

*The McDonough School of Business, Georgetown University*

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## Introduction

On March 16, 2000, some 35 professionals from across the country gathered in Tampa, Florida, for the first-ever Nonprofit Marketing Summit -- the first national convening of practitioners and theorists committed to advancing the independent sector's use of marketing concepts and tools. The Summit was organized by Alan R. Andreasen, a Professor of Marketing at Georgetown University and Executive Director of the newly forming Social Marketing Institute and co-sponsored by the Institute, The McDonough School of Business at Georgetown and the David and Lucille Packard Foundation.

For an unprecedented few days, the cream of the nonprofit marketing profession -- a small, but growing cadre -- enjoyed the rare opportunity of meeting and learning from each other; discussing, clarifying, and codifying their common goals and disparate experiences; acknowledging the obstacles to success -- even as they began to shape realistic strategies for overcoming them.

Their organizational titles ranged wildly. Back at their home offices, these professionals were variously known as the Vice President for Marketing; Public Relations Director; Chief of Communications and Advertising -- terms that reflect the uncertain, frequently uneasy position that marketing still occupies within the nonprofit sector. Indeed, when Summit organizers first contacted many of the nation's leading nonprofits to recruit participants, their request to speak with the top marketing person was frequently met with baffled silence, followed by a furious fishing through the organizational Rolodex.

Participants agree that marketing is largely misunderstood within the nonprofit sector. For many nonprofit managers and governing boards, it remains a source of uncertainty and anxiety -- even suspicion. Throughout the sector, the skills, expertise, and enthusiasm of marketing professionals remain under-utilized. Their potential contribution is muted.

The aim of the Nonprofit Marketing Summit -- in Tampa, and beyond -- has been to help illuminate marketing's role within the nonprofit sector and to help its practitioners find ways to be more effective in applying their concepts, tools and talents. The Summit's participants aimed to combine their theoretical knowledge, training, and experience to improve their own job performance, while advancing the effectiveness of their peers. Through activities like the Summit and the initiatives it engendered, they hope to build the field, encourage crucial research, and help establish a new generation of professionals whose high idealism will be matched by their practical skills. In a word, they aspire to forge a movement that will contribute to making our society and our world a more just, equitable, and beautiful place.

The Summit was a gathering of peers. There were no experts dominating the proceedings, no agenda for advancing a single point of view. Rather, the participants took full advantage of an unusual opportunity for exhilarating collegial exchange and knowledge-sharing.

The Summit was constructed around six topical sessions scheduled over two days. Each session began with a brief presentation by an academic or nonprofit practitioner, followed by vigorous discussion and debate.

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## Talk in the Hallways, Conversations Over Coffee:

### What Do We Mean By "Nonprofit Marketing?"

*Marketing* -- "working with markets to bring about exchanges for the purpose of satisfying human needs and wants" (Kotler and Armstrong, *Principles of Marketing*)

From the beginning of the Summit, it was clear that all of the participants -- those from the largest, most sophisticated national organizations to those from much smaller local and regional groups -- shared one troubling concern: the reluctance or inability of their colleagues to grasp marketing's legitimate role within the context of nonprofit endeavor.

And so the participants began their two days together by frankly discussing what seems like a critical language barrier.

It is no secret that nonprofit managers and staff frequently regard the language of marketing with wariness. Rare is the nonprofit manager who instinctively warms to the notion that his cause, organization, or constituency ought to build "brand value." The language of marketing -- so apt in business -- nevertheless grates in the ears of many nonprofit leaders. With this obstacle in mind, summit participants agreed that they must find intriguing, persuasive means of expression to reach their colleagues. They must fit the language with the listener.

How do marketers accomplish this feat? Over the course of the Summit -- including many casual conversations in the hallways and over coffee, as well as in the six formal sessions -- the participants suggested a variety of strategies.

One professional noted how she avoids the term "marketing" altogether. Instead, she alludes to organizational activities that stimulate "conversation and education." Another proposes that one refer to marketing merely as "furthering." In college settings, marketing sometimes finds itself translated into terms of "enrollment management."

In all these cases, marketing professionals take pains to describe marketing not as an end in itself, but rather as a tool inextricably linked to mission. (The Nature Conservancy, for example, characterizes marketing as at base "a conservation strategy.") Another participant suggested the exchange of one jargon set for another in order to take advantage of the latest and more acceptable buzz words: His boss always proves more congenial to marketing when it assumes the trendy mantle of "strategic management."

Instead of worrying about how to characterize marketing activities, some professionals simply confer privately with their department heads and launch into a low-keyed Socratic dialogue based on the central precepts of the profession. (They provoke discussions about such questions as: "Now who is the audience? And what do they think? What do they need? And how can we find out what they think and need....?") Alternately, some suggested that one should wear down resistance within organizations by incrementally increasing the use of marketing language,

thereby neutralizing its charge. (Get your staff to say "brand" and "position" two thousand times and it no longer sounds like Greek.)

Whatever the tactics, the point is sensitivity to the target audience, be it the executive, board, or co-workers. Marketing is a basic human activity. The only question is whether or not it is done consciously and competently – beginning with the way marketers speak about their intentions, tools, and outcomes.

From this discussion about language and the fundamental issue of credibility facing most nonprofit marketers, the Summit participants proceeded to explore other issues in six related sessions with a break for a stimulating guest speaker, Neil Howe.

## **Marketing on the Internet:**

### **The Advent of E-Everything**

Discussion leader: David Evancich, World Wildlife Fund

Perhaps the subject generating the most heat and interest during the Summit was the Internet and its related technologies -- and not exclusively due to its promise. Participants also considered many of the provocative and presently-unanswerable questions raised by the wired world.

Marketers recognize that they must confront the potential of the Internet. The technology's interactive character suggests heretofore unimaginable means for extending the dialogue between their organizations and their constituencies, the public-at-large, funders, volunteers: potentially everybody. It represents a paradigm shift not merely in marketing, but for the entire nonprofit sector.

With easily accessible one-way, two-way, and customizable communications, customers will find numerous means of locating nonprofit organizations and selectively employing their services. Marketers will be able to conduct tracking research (with their customers' permission) to determine who is sending e-mail or visiting their websites, and then use these insights to learn about the motivations, issues, and content that attract interest. The Internet is likely to become a standard tool for analyzing trends, products, and potential appeals.

With time, the Internet may reshape the traditional power of brand. Large nonprofit organizations that once dominated their fields may be forced to accommodate more aggressively wired start-ups whose inexperience and initial relative lack of value does not forestall their success. For many, access will be everything. And as the younger, more high-tech-adept generation steps into positions of wealth and influence, nonprofits can expect the demands of the Internet to become pervasive and implacable. The world turns into E-Everything.

Or so goes one perspective....

There is no debate that the Internet is the future, but how to address this future remains uncertain. At the Summit, participants debated how quickly they should adapt to new technologies, how much money they will need to invest. Should they choose to lead the pack, jump on board, or get left behind -- and what will any of these choices cost?

Given this uncertainty, the Internet can feel very threatening to nonprofit marketers. The Internet compresses time, hastening the pace of decision-making -- traditionally a languorous affair within the nonprofit sector. It demands sharper organizational reflexes, compelling nonprofit workers to digest information without delay, change their websites with the regularity of a daily newspaper, respond instantaneously to events provoked by their constituency's e-mail. Time compression may even speed up the need to negotiate and vet contracts -- a potential liability and the source of

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predictable grouching from attorneys who are hired to offer fastidious and well-considered caution. The Internet will not banish paradox from nonprofit life.

But it probably will shift power within organizations, ushering into leadership positions the technologically savvy and leaving behind all reluctant learners. It may also push new outcomes and projects: In a hay-wired world, technology can (mis)lead mission. The essential Internet challenge: With nobody in charge, nonprofits must still control the message.

So how do marketers keep from slipping off as they ride the wave of new technologies? How can they help each other?

Participants agreed they should share the names of exemplary consultants. (Wise counsel and adaptable models may spring from colleagues in the independent sector, government, or business.) They should encourage research to learn more about ways in which the Internet differs from other media in its power to attract, persuade, and convey complex information. They must take pains to insure linkages that they can live with -- their home pages cleared of pathways that in five clicks deliver web surfers from a child welfare organization into the hands of on-line gun merchants. They can resolve that their websites will reflect their mission and strategies -- not replace them. They can explore the potential for gathering fees and revenue through ads and sponsorships; receiving equity shares for corporate mall marketing; buying or trading ads on other websites to direct customers to their own sites.

Marketers must also persuade their leadership that Internet authority should be vested as close as possible to the organizational heart of marketing. Nonprofit web strategies should assert their differences from those of emerging corporate competitors on the Internet even as they strive to understand whether the public perceives the crucial distinction between dot.coms and dot.orgs -- and whether perception changes behavior. And while the internet is "the future" nonprofits must not neglect other effective means of communication, including direct mail. They must not fall prey to Internet exclusivity, even as the technology gallops forward.

The watchwords of the future will be much like the past -- speed, flexibility, economy, and message control.

Finally, the Summit's participants agreed that they should pay attention to the lessons of history. There's a gold rush now taking place on the Internet. The final disposition of its fortunes is unpredictable. But nonprofits must not let their actions be based on the fear that they will somehow miss out on the future -- that without an absorbing focus and full financial commitment to the new technologies they will be left behind while everybody else gets to wherever it is they're supposed to be going. Remember: During the California Gold Rush of 1849, the great fortunes were not piled up by the prospectors. Rather, the riches were reaped by the provisioners who kept the world running.

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## Cause-related Marketing:

### Opportunities for Alliances

Discussion leader: Minette Drumwright, University of Texas

*Cause-related marketing* -- marketing alliances between the for-profit and nonprofit or government sectors where alliance outcomes meet important objectives of each party

In recent years, cause-related marketing has offered enormous benefits to nonprofits and their corporate collaborators. But cross-sector alliances in pursuit of complementary benefits also raise a number of questions for nonprofits regarding potential liabilities -- and the outer limits of possible gain. During this session, Summit participants discussed these issues with unusual candor.

To begin, there is the fundamental question of value. Frankly: Are nonprofits giving too much away? Many organizations undervalue their side of the contribution in corporate partnerships and underestimate both the financial and psychic costs from start to finish. Consider, for example, nonprofit contributions in co-sponsoring a bike race. The nonprofit provides the volunteer staff, but may neglect to factor this cost into negotiations with its corporate sponsors. (The company expects no less from their existing private sector partners.) A certain hard-headed realism is overdue in these matters: Other nonprofits might learn from the Nature Conservancy, which makes a standard practice of contacting competitors before signing with any corporate sponsor to assess the possibilities of obtaining a better deal. That's a braver, tougher standard than exacted by most groups. It also reflects the ethic of competition, the essence of the private sector with whom nonprofits are making common cause.

Similarly, nonprofits need to secure a fair share of increased revenues derived from cause-related marketing. The Girl Scouts of America in this respect has an unusually forthright arrangement with Dreyer's: 10% of the profits for the ice cream that bears the youth organization's name and logo go to the Girl Scouts. This agreement comports with standard business practice in which licensing fees average 5-20% of net gain. How many nonprofits undersell their good name or fail to demand a minimum return that will guarantee their corporate partners' conscientious follow-through?

Nonprofits also have to take a harder look at any corporate body they even fleetingly embrace. (If a group decides to partner with Kraft, does this mean it is also married to Phillip Morris? In some people's eyes, yes -- and that's another cost, perhaps incalculably high for some groups in terms of goodwill and reputation.) Beyond the possibility of establishing an embarrassing linkage to corporations who may not share a nonprofit's mission and values, it is important to always be thinking about the future. Who does the nonprofit want to be associated with five years from now? Are present corporate sponsors positioning the nonprofit to acquire new and improved alliances -- private sector collaborators who exude the esteem to which the nonprofit aspires? Or will the

nonprofit be stuck in a fruitless lifetime union with the first suitor who comes knocking at the door and who insists on unwarranted exclusivity?

Which brings up the matter of fidelity....

Corporations frequently demand that nonprofits collaborate with them exclusively. Should nonprofits allow businesses to court every other attractive nonprofit group that strolls down the block or are they willing to hold them to the same standard of exclusivity?

These questions, concluded the Summit participants, do not have easy answers. But they must be elevated to consciousness if nonprofits are to prosper. Corporations lease nonprofit credibility. That's a precious commodity accumulated through the dedication and striving of countless people over the years. Nonprofits would honor these lifetime efforts by justly pricing their good name and insisting on fair treatment by their corporate partners.

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## Branding in the Nonprofit Environment:

### Promises and Limits

Discussion leader: Cynthia Currence, American Cancer Society

*Brand* -- The relationship between the company and customer that secures future profits by securing preferences and loyalty. (A name, term, sign, symbol, or design or a combination of these designed to identify the goods and services of one seller and differentiate them from those of competitors)

For many nonprofits, one of the most confounding aspects of marketing is the matter of branding. Once again, nonprofit management and workers can be imagined to be skeptically raising an eyebrow: We're people, not products; we represent causes, not Kleenex.

Again, no argument. The challenge facing marketers is to reinterpret the value of branding -- the name and logo that is the sum of what is often decades of contacts between their organization and customers that underscore the organization's value and consolidate its identity -- in ways that make vivid sense to nonprofit managers and boards. Powerful causes deserve powerful brands. Branding should influence the entire organization, prompting staffers and volunteers alike to constantly reinforce and burnish the organization's essence and identity. Consistency is not boring; it serves a critical orienting function for nonprofit customers and communities.

These lessons, so feverishly embraced by business, tend to get lost in the nonprofit sector -- or dismissed by those with a bias against "all things business." Nonprofits typically lack brand focus - - which should be reflected at every touch point with customers, not just external contacts and communications. Unfortunately, it is difficult to enforce brand discipline among nonprofits because there are no repercussions for the violation of uniform standards -- no jeopardy to the franchise, no loss of job. (By contrast, a Coke distributor in San Bernardino isn't going to change the corporate logo when the fancy strikes. But participants noted that local branches of large nonprofits routinely mutate and manufacture new brands without penalty or censure.) Perhaps most important: Branding is a new idea for most nonprofits. Nonprofit marketers must make it familiar, enticing, irresistible.

To address these problems, Summit participants suggested that marketers need to provide templates for their organization's website, letterhead, and graphics that can simplify the task of maintaining brand integrity and building its equity. They must offer assistance to their affiliates that proves instructive, not punitive -- making their lives easier by embracing the brand, rather than reinventing it. They must drive home the point that in the long run, it's cheaper for 17 affiliates to adopt a uniform brand logo than to refashion the logo 17 different ways (and then jiggle the differences for decades to come....)

Summit participants also discussed the limits of branding. The American Cancer Society, for example, enjoys 97% name recognition and high approval ratings -- but the public also displays limited understanding of the venerable organization's mission. (Not to mention differentiating it from some 2,000 other groups who intermingle "cancer" into their names, making brand recognition a growing challenge.) Occasionally, branding may even prove at odds with the mission. Partners for a Drug Free America noted that they had avoided branding their drug use messages directed at teenagers, believing that identification with a "parental" organization might deepen adolescent cynicism. However, when the group offers related messages to adults -- the nation's voters and the tenders of the purse strings -- they aim for brand recognition that will ensure their organization's political and financial support.

Once again, it all comes back to appropriate tactics linked to sound planning borne of a clear mission -- a message that marketers can usefully reiterate to their supervisors, boards, and peers as another essential in the pursuit of effective marketing.

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## **Social Marketing:**

### A New/Old Approach to Social Change

Discussion leader: Alan Andreasen, Social Marketing Institute

*Social Marketing* -- the application of concepts and tools from the commercial world to influence the voluntary behavior of target audiences to improve their lives and/or the society of which they are a part.

Social marketing is a special concentration within the larger arena of nonprofit marketing. The goal of social marketing is to change behavior, particularly problem behaviors. Social marketing is a powerful tool for persuading people to stop polluting, adopt healthier diets, engage in family planning. It is essentially a method for achieving social change. In this sense, it should not be confused with campaigns that merely seek to provide education or alter attitudes, and it certainly is not merely a form of advertising. Many participants at the Summit noted that they pursue social marketing goals, along with their on-going responsibilities for marketing their organizations. But few would identify themselves as exclusively being social marketers.

Social marketing starts by identifying target audiences -- which may extend well beyond the people directly engaged in negative behaviors to include policy-makers, the media, even the nonprofit's own staff and board. It emphasizes the need to listen to the target audiences and learn what may motivate them to change; it also pinpoints the various obstacles that occlude the path to preferred behaviors. It does not hector, inveigle, or overwhelm its audience with facts, figures, or moralistic homilies. Instead, social marketing offers realistic alternatives to problem behaviors that can be reasonably embraced by the target audience. In the effort to stop the spread of AIDS, for example, social marketers have promoted the concept of safe sex -- along with subsidized and readily-available condoms.

Like the larger realm of nonprofit marketing, social marketing is a vastly under-utilized tool. To advance its potential for addressing many of the world's most vexing problems, the Social Marketing Institute has recently been founded.

The Social Marketing Institute is a virtual organization -- the locus of national expertise -- committed to taking on challenging projects that advance both the public good and the collective knowledge of social marketers. The Social Marketing Institute serves as a kind of traffic manager, bringing together professionals to accomplish work that can have an important impact on society. Summit participants expressed a keen interest in the organization, along with their desire to participate in it individually and as a group. Indeed, they believe that the formation of the Social Marketing Institute is helpfully coincident with the Summit, and the two groups can be expected to aid one another in the future.

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## **Guest Speaker: Niel Howe**

### **“The Impact of Generations on the Nonprofit Sector”**

While the Summit was populated largely by nonprofit practitioners, with the occasional academic adding context and analysis, there was one outside speaker in attendance. Historian and economist Neil Howe spoke after dinner on the first evening of the Summit about the book he recently co-authored with William Strauss: *Generations: The History of America's Future, 1584-2069*. (They have also co-authored *The Fourth Turning, 13th Gen: Abort, Retry, Ignore, Fail?* and the forthcoming *Millennials Rising*.)

*Generations* offers a provocative new way of viewing American history. Instead of explaining the evolution of societies by emphasizing pivotal events, social trends, economic upheavals, or the influence of "great men" upon events, Howe argued that our nation's history is best interpreted in terms of a "four-stroke generational cycle" – the recurring appearance of a quartet of generational types that have repeated themselves in the same order over the past three centuries. Each of these generations has its own character, worldview, victories, and disappointments – its own path towards influence and ultimate senescence. By grasping how these generations think, behave, and affect each other, nonprofit marketers can better understand the kinds of messages and motivations that will prove effective in addressing society's problems today.

To illustrate his thesis, Howe pointed to the often-contentious succession in the 20th century of first the Missionary Generation (Franklin Roosevelt's cohort, born in the aftermath of the Civil War); then the Lost Generation (born between 1883 and 1900, and considered wild and untutored by their parents); followed by the G.I. Generation (veterans of the Depression and World War II); and trailed by the Boomers (raised in the wake of post-war prosperity.) By analyzing the behavior of the same four generations in earlier eras of American history, Howe contends that predictions could have been made about the behaviors of today's generations. The Boomers, he noted, have begun to show a moralistic streak as they enter mid-life – a trait that can also be found among their counterparts in prior generations. (The generation that once refused to trust anybody over thirty, quipped Howe, now wants to police the morals of everybody under that age.) As the cycle turns again, the 13th Generation (today's children, born between 1982-2000) are expected to resemble the G.I. Generation, with its penchant for action, building, and investment in the future.

For nonprofit marketers, this perspective offers a certain orderliness in societal evolution and in the expectations of those living at any point. If the 1980s, as Howe suggested, were about self-immersion, the empowerment of the individual, then 2000 and beyond will be concerned with establishing a social endowment, the provisioning of tomorrow. By looking at ways in which the past shapes the future, nonprofit marketers may more readily anticipate and respond to the changes that they hope to influence.

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## **Spreading Marketing Thinking in Your Organization:**

### **What Marketing Needs In Order to Flourish**

Discussion leader: Joseph Fay, American Red Cross

Many nonprofit marketing professionals migrate to their present positions directly from the private sector where they have learned their craft. But not everybody survives the journey.

What accounts for a successful transition? During this session, Summit participants pointed to a number of related traits.

Certainly, negotiation skills are helpful. The switch from product promotion to altering people's lives -- from acquiring shelf space to fomenting social change through volunteer efforts, government support, unconventional alliances -- can prove confusing for marketers bereft of mediation and management abilities. Setting goals, taking charge, giving orders are the norm in the private sector. Yet the style and demeanor that are successful there often fail in environments pervaded by styles that are driven by trust, cooperation, civility.

A realistic view of nonprofit finances is also essential. Where the private sector budgets amply for market research, most nonprofits fail even to provide a line item. If this situation is ever to be ameliorated, it must first be faced squarely. Where corporations have large promotional budgets and modest behavioral expectations (a 1% market share growth), the nonprofit world is rife with high expectations and limited resources (conquer hunger in America with \$1 million). Perhaps most important, nonprofit marketers must be comfortable with ambiguity, including the fluid state of recognition, understanding, and appreciation for their own efforts. Call it: Creative Flexibility -- and not everybody has it. A participant from one large national nonprofit noted that the organization had originally combed the private sector for a new brand manager, but found it necessary to hire a professional who had already made the transition to nonprofits. Most corporate candidates simply were not sufficiently realistic about the nonprofit sector's culture, values, and finances to function at top form.

In the end, successful marketers must be able to negotiate with equal aplomb through the intellectual and organizational labyrinths of both the nonprofit and private sectors. After all, they are transporting the strategies and insights of the business world into the realm of public benefit. They need to be bi-lingual and bi-cultural -- a foot, an ear, perhaps even their hearts, residing in both camps.

Beyond the skills and personal traits that shape professional performance, success is also determined by the position of marketing within the organizational structure. Of course, the politics of organizational hierarchies -- who works for whom? -- is fraught with complication and risk.

Ideally, marketing should serve as an umbrella for all related functions designed to influence behavior of target audiences, including advertising, public relations, sales, branding, even Internet technology. (Only one individual at the Summit could boast of this sound, happy, and rare arrangement.) Too often marketing is attached to irrelevant offices, adrift in structural chaos, subjugated to a hostile or uninformed supervisor and without the control over parts of the enterprise that are essential to powerful influence strategies.

Placement may be destiny, but marketing professionals also need allies to improve their organizational clout— starting with an organizational champion. Preferably this person will be a high-level manager who can resolve competition between marketing, public relations, and development. The champion paves the road to the leadership table, where marketers must tactfully take their place if marketing is to be driven deeply throughout the organization.

Clearly, the CEO and board must also embrace marketing as a philosophy and sound business practice. At the Boys and Girls Clubs of America, reports to the board are delivered by the chairman of the Board Marketing Committee, not the line marketing staff — an unmistakable message to everyone about marketing's fundamental role.

Overall staff commitment is similarly important. At the Summit, many participants endorsed the tactic of leading their colleagues towards an incremental understanding of marketing — rather than overwhelming them all at once with the complete theory and practice. Real world experience is always an improvement on abstractions: Better to illustrate your value by launching into practical marketing projects likely to reap quick results. You're far more likely in this way to build support and instill a sense of ownership — and thereby help the values and practices of marketing to permeate the organization.

Given these strenuous demands on securing marketing's role within nonprofit organizations, it might seem that experienced professionals would feel less than sanguine about marketing's future in this new and sometimes strange world. Yet at the Summit, optimism proved the rule. As one experienced practitioner remarked: If you can grasp our mission and value, we can teach you the marketing basics. Formal marketing training and background, agreed that participants, is less important than a belief in the marketing mission and enthusiasm for learning a set of powerful new tools. (One organization confided that its young interns routinely proved better prepared to negotiate the nonprofit culture than many highly-trained private sector people.) In short: You cannot have enough marketing to compensate for a lack of idealism — just as you can't have enough idealism to make up for a lack of marketing skills.

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## **Future Trends That May Have Important Impact on Nonprofit Marketing:**

### Challenges and Opportunities

Discussion leader: Paul Bloom, University of North Carolina

If participants were asked to point to the signal result of the Summit, it would probably be the strengthening of their collective optimistic conviction regarding the future of nonprofit marketing. Individually, these professionals have long known that nonprofit marketing offers enormous, untapped potential. The Summit provided an auspicious opportunity to join together and plan to unleash its power.

Of course, the propulsion of marketing strategies and tools into the nonprofit sector will not occur in a vacuum. Participants identified several trends that will shape future marketing efforts.

**THE OVERWHELMINGNESS OF E-EVERYTHING.** Many people today feel like they are drowning in too-much-information. But the electronic flood of the future will make the present look like a mere trickle. In reaction, audiences will revolt, demanding the reinstatement of their peace and privacy. Marketers must brace themselves for the inevitable backlash -- and learn how to use, not abuse, the Internet and its related technologies. They also need to establish a code of ethics for communicating with potential customers concerned about intrusions into their personal worlds.

**AN OLDER AMERICA.** That great gaggle of individuals collectively known as the baby boomers is aging. And as America grows grayer, our society should benefit from a large pool of potential volunteers who can assist good causes with a variety of sophisticated skills. These aging boomers will also make huge demands on society's financial and human capital. In the middle of this equation of opportunity and need stands the nonprofit sector -- and the marketing professionals who must address both sides.

**ADVANCES IN BIO-TECHNOLOGY.** What does this recondite area of scientific research have to do with marketing? In the future, there will be a cure for many of the terrible diseases that have long plagued humankind. With their disappearance, so too will vanish the central mission of many healthcare nonprofits. Organizations will need assistance from marketers in reinventing themselves and their public message as did the March of Dimes in years passed.

**GENERATION X TAKES CHARGE.** As the baby boom ages, its children, the Gen Xers, will step into positions of power and responsibility. Gen Xers will be comfortable with e-everything; it's how they've grown up. They will continue to demand entertainment with their education, self-improvement as an ingredient in all pursuits. They will prove harder to attract to old businesses and traditional styles of community service. Yet they will also bring tremendous energy reconfigured in positive new ways: their penchant for group activities fits perfectly with nonprofit

workstyles and norms. The emerging power and confidence of young women promises growing pools of talented nonprofit leaders. Nonprofit marketers need to devise the means of reaching these key demographics.

**THE STOCK MARKET BOOM (AND BUST) AND BOOM. AND. . .** America is on a roller coaster ride of net worth: the stock market jolts skywards one day, plunges the next. What does the combination of increased wealth and heightened risk mean to investors' willingness to donate? How will a society increasingly oriented by the market to expect a return on its investments affect the nonprofit culture? Will the social entrepreneurship model championed by dot.com billionaires reshape philanthropy? How can the sector's professionals deal with misguided efforts by the news media to rate nonprofits as though they had a clear bottom line? Should nonprofits create their own index for evaluating their sector, despite its divergent aims and organizations?

**THE LOGIC OF THE MARKETPLACE OVERWHELMS NONPROFITS.** American society's current infatuation with business and the achievements of capitalism has provided some helpful reminders to nonprofits about the value of accountability, organizational effectiveness, and the necessity of listening to customers. Yet as people turn increasingly to the marketplace for solutions to our social problems, the nonprofit sector faces the prospect of losing some of its unique character in a strained effort to imitate the highly-successful private sector. . Nonprofit managers and marketers need to select the best from the business world, while comprehending, retaining, and improving their sector's fundamental, invigorating differences.

**ONE BIG MALL.** Walk into any shopping mall anywhere in America, and you discover: It's the same mall all over. Consumer buying options are beset by an increasing homogeneity. This poses a challenge for companies longing to differentiate themselves -- and an opportunity for nonprofits to come to the rescue and initiate partnerships through cause-related marketing ventures that can add to brand value and create brand differentiation. Nonprofit marketers have only begun to explore this potential.

**THE NEW FACE OF DIVERSITY.** Over the past two decades, immigrants from Asia and Latin America have flocked to American shores in record numbers. Islam is emerging as a major religion. Inter-marriage is spawning a new generation whose preferred category of ethnic identity is "other." As new subgroups rearrange the American mix, nonprofit marketers face the challenge of differentiating their appeals to an unprecedented plethora of audiences.

**INSATIABLE LONGINGS AND THE URGE FOR COMMUNITY.** In an era of expanding wealth, our society paradoxically exhibits an endless hunger for more of everything. America has become a nation of compulsive eaters, shoppers, and spenders. Nonprofits will certainly continue to address the negative spillovers of these longings -- health problems, drug abuse, the societal imbalances of personal greed. But they also have to examine the limits of their influence, the depth to which they can address issues that lie deep in individuals' psychological core. The flip side of insatiable longing is the urge for belonging, connectedness, community. Throughout society, the best nonprofits can serve as the rallying point to meet enduring needs for community-building and personal satisfaction.

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## **Where Do We Go From Here?**

The closing group discussion focused on next steps in building the power and influence of marketing in the nonprofit world.

Within the complicated context of a changing society, there are several steps that professionals can take now to expand the role of marketing within the nonprofit sector. By the Summit's conclusion, participants had agreed on the following.

### **1. The conversation should be continued**

At the Summit, participants learned a great deal from each other -- including the fact that they still have much more to learn. Participants decided that, during the year 2000, they will meet once again, face-to-face, outside of their offices and beyond the call of daily labors. Prior to this gathering, they will identify key issues and arrange for presentations and workshops that will stimulate the same high level of discussion and exchange as the Summit. They will also invite outside experts to deliver in-depth lectures on technical aspects of the field.

For the present, their gatherings will remain small: 35-45 seasoned professionals from across the country with ties to large national organizations and networks. Prior to the next convening, participants in several regional hubs, including New York, Texas, and Washington, DC, will conduct planning sessions for expanding the interest in nonprofit marketing within their own geographic areas.

### **2. Create a permanent network of nonprofit marketing professionals**

Beyond the continuing conversation, the Summit's participants expressed a strong interest in founding a national organization to promote nonprofit marketing. The organization would be action-oriented, dedicated to planning and executing various strategies over time to strengthen the field. In terms of mission and culture, the new organization would less resemble a conventional professional association than a dedicated cadre committed to expanding its numbers and extending its influence throughout the nonprofit sector.

To this end, the organizers of the next meeting will expand their constituency. Instead of exclusively addressing professional nonprofit marketers, participants will strive to reach out to public health workers, advocates for children, policy analysts, and government officials in agencies such as the CDC, EPA, and FDA. They will also seek to incorporate representatives of the full range of nonprofit line staff, administrators, and board members whose efforts can be bolstered by skilled marketing.

The organization will form a speakers bureau to dispatch experts throughout the country. Its members will devise informational programs, materials, events, and presentations to circulate knowledge about the theory and practice of marketing among nonprofit groups of all sizes. Over the next several months, a select group of university deans and professors will be enlisted to ensure that nonprofit marketing emerges as a standard course and area of specialty within nonprofit education programs and business schools.

While building the organization and expanding its constituency, members will also participate in the Social Marketing Institute. By partnering with the Social Marketing Institute, professionals can have immediate access to networks of nonprofit marketers, academic experts, and a variety of provocative projects that will provide the basis for continuing learning. Indeed, the Social Marketing Institute could serve immediately as an umbrella organization advancing many of the goals espoused by Summit participants.

### **3. Link up electronically and continue investigations into the best use of technology**

Summit participants indicated that they regard the Internet and related technologies as an issue requiring continuing attention. At forthcoming meetings, they will revisit their focus on technology, striving to make practical advances in its use, while interpreting its promise and pitfalls in relation to other nonprofit marketing issues, such as branding.

Throughout these investigations, they will make certain that their own fledgling organization takes full advantage of all technological advances. To begin, they will create a web-based community to share information on nonprofit marketing tactics; the identity and location of skilled consultants; research projects; job openings; opportunities for promoting marketing on a regional and national scale. Security will be maintained on the server to ensure candor and privacy.

### **4. Conduct rigorous research**

Finally, professional marketers will encourage, monitor, and in the future conduct basic research into the theory, practice, and outcomes of nonprofit marketing. They will help define key topics for study, encourage academic investigations that add value to practical pursuits while advancing scholarly knowledge, draw talented students into the field, and assume responsibility for creating and disseminating case studies and summaries of best practices.

These four goals will not be accomplished overnight. Rather, they form the basis for launching a movement – the first steps that will launch major efforts for the new century.

The quest for establishing marketing within the nonprofit sector will involve considerable effort, time, enormous dedication from skilled professionals, and money. The Summit's participants are convinced that the demands on human and financial resources this effort will entail will be amply rewarded over the years as capable marketers help transform the nonprofit sector into a more effective, dynamic, and responsive sector of society.

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## **Appendix A: Conference Participants**

### **Academy for Educational Development**

Mary Maguire, Vice President and Director of Communications

### **American Association of Retired Persons (AARP)**

John Killpack, Legislative Representative

### **American Cancer Society**

Cynthia Currence, Vice President of Strategic Marketing and Branding

### **American Heart Association**

Vickie Peters, Director of Strategic Planning

### **American Red Cross**

Joseph Fay, Senior Director for Line of Service Marketing

### **Arthritis Foundation**

Lisa Carlson, Vice President, Population Health

### **Baylor University**

Charles Madden, Vice President of University Relations

### **Big Brothers/Big Sisters of America**

Viola Bostic, Vice President, Marketing and Communications

### **Boy Scouts of America**

J. Carey Keane, Director, Relationships/Marketing Group

### **Boys and Girls Clubs of America**

Kurt Aschermann, Senior Vice President, Marketing and Communications

### **Catholic Relief Services**

Nanci Martin, Director of Communications & Advertising

### **Duke University Health System**

Alvis Swinney, Vice President, Marketing And Planning

### **Girl Scouts of the U.S.A.**

Joyce Richards, National Director of Advancement

### **Habitat for Humanity International**

Dennis Bender, Vice President, Communications

### **Indiana University**

Christopher Simpson, Vice President of Public Affairs

**John F. Kennedy Center for the Performing Arts**

Joanne Steller, Director, Marketing Services

**Larry Jones International Ministries/Feed the Children**

Paul Bigham, Director of Development

**LifeCourse Associates**

Neil Howe, Co-Founder

**Lincoln Center for the Performing Arts, Inc.**

Janice Price, Vice President of Marketing and Communications

**Museum of Modern Art**

Elisa Behnk, Director of Marketing

**National Center for Tobacco-Free Kids**

Kathryn Kahler Vose, Vice President, Communications & Marketing

**National Multiple Sclerosis Society**

Lawrence Gottlieb, National Director of Marketing

**National Wildlife Federation**

Jaime Matyas, Vice President, Cause Related Marketing

**Newman's Own, Inc.**

Michael Havard, Vice President, Marketing

**Partnership for a Drug Free America**

Steve Dnistrian, Executive Vice President & Director of Public Affairs

**Planned Parenthood Federation of America, Inc.**

Helena Clarke, Director of Sales and Marketing

**Points of Light Foundation**

Denise Keyes, Director, Advertising and Promotions

**Project HOPE**

Jack Bode, Vice President, Development & Communications

**Save the Children**

Renee Wessels, Associate Vice President for Public Affairs and Communications

**Scholastic Marketing Services**

Richard Delano, President

**Smithsonian Institute**

Dan Stevenson, General Manager of Marketing Alliances

**Social Marketing Institute**

Alan Andreasen, Executive Director

**The Nature Conservancy**

Grace Vance, Vice President and Director, Marketing

**The University of Texas at Austin**

Minette Drumwright, Assistant Professor, Department of Advertising

**United Way of America**

Michael Wargo, Manager, Brand Stewardship

**University of North Carolina, Kenan-Flagler Business School**

Paul Bloom, Professor of Marketing

**Volunteers of America**

Stephen Abbott, Vice President of Communications

**World Wildlife Fund**

David Evancich, Vice President, Marketing, Membership & Communications

**YMCA of the USA**

Daniel Maier, Director, Association Advancement