

NONPROFIT • *The cost of success*

Invest in the future by branding the organization

By **ELAINE FOGEL**

With more 1.3 million nonprofits in the United States and another 150,000 registered charities and nonprofits operating in Canada, the third sector is proliferating at warp speed. In fact, nearly 40% of all charities have been created in the past decade or so. With these wonderful missions comes the need to get the message out in order to generate revenue and sustainability - and there lies the challenge.

Based on a recent discussion among the American Marketing Association's Nonprofit Special Interest Group (SIG) members, marketing plans and overarching strategies are often nonexistent. For many, overall organization budgets are tight and marketing tactics frequently relegated to communications staff for media relations, e-newsletters, Web sites and other marcom initiatives.

As the keynote speaker at a recent AMA Lincoln Brand Camp, my nonprofit colleagues anecdotally shared a frustration they have communicating with their senior leaders and boards about their need for more marketing and branding. The marketers understand that the key to growth and revenue generation is to improve their organizations' brands, but their internal audiences don't always "get it." There's a misperception that the brand is the logo, the font style and the graphic appearance of their organizations.

In the for-profit marketing world, the brand is the intangible sum of a product's attributes: its name, packaging price, history, reputation and customer experience. It can help differentiate products and services from competition, build relationships, create trust, increase visibility, reduce risk, and increase company worth. The brand is represented by every touch point - everyone on the inside who comes in contact with customers can make or break the brand.

It's the same for nonprofit brands, but with a twist. Nonprofit brands are different because they represent the organizations themselves. There's a higher expectation of nonprofits and the public is less forgiving of these paragons of virtue. Once trust is broken, it's almost impossible to gain it back. Unlike consumer packaged goods companies that can afford major media and marketing campaigns when something goes wrong, nonprofits don't often have the resources to bounce back easily. It can take years to recover from a scandal, crisis or error.

According to Ken Burnett, author of *The Zen of Fundraising: 89 Timeless Ideas to Strengthen and Develop Your Donor Relationships*, a nonprofit brand is "the set of ideas, images, feelings, beliefs, and values that are carried around in a person's head."

So rather than focus on how many people an organization serves in any given year, or how its infrastructure works, the focus should be on the images, feelings, beliefs and values of prospects. It's the emotional connection and brand experience that leads to success.

Benefits of Nonprofit Branding

The benefits of nonprofit branding are many. With a concerted effort and investment of time, nonprofit organizations can generate significantly more of what matters, including:

- ◆ Increased profile and visibility;
- ◆ Ability to attract and retain loyal members, clients, donors, volunteers and program participants;
- ◆ Increased credibility and legitimacy;
- ◆ Differentiation in a crowded nonprofit marketplace;

- ◆ Ability to make and sustain long-term relationships;
- ◆ Growth;
- ◆ And most importantly, increased revenue.

Yet, nonprofit marketers struggle to know where to begin and how to convince their leadership that the effort is worth it. The changes that nonprofits can make now and over time to build their brands are not always costly.

Living the Brand

Consistency is crucial. The information that one staff person gives to a donor, member or client must be the same as that of someone in another department or location. Products or services should be similar anywhere the organization operates. The look and feel of the organization must be applied the same throughout whether communication comes from the CEO, a volunteer, or a receptionist. Inconsistency breeds confusion and sometimes contempt. Developing communications standards and customer service protocols can benefit any organization, small or large.

Professionalism must reign. If everyone acts as if the next person on the phone or through the door is carrying a \$25,000 check, it can help improve the organization's level of professionalism immensely. Common sense is part of this equation: If the organization has an airline sponsor for its big fundraiser, then accepts a competitor airline's prize for the silent auction, that's not professional. Giving the larger event sponsor the first right of refusal is the right way to go.

A positive attitude is absolute. When staff and volunteers have a positive attitude, it shows. If the internal customer service level isn't positive, how can the organization manage external relationships well? A toxic or dysfunctional internal environment can only create a staffing turnstile and negative morale - time for a culture change.

Everyone has a role to play. Branding is not the responsibility of the marketing or communications staff. It belongs to everyone and the board and senior staff must support it 100 percent or it's a dead-end effort. Paychecks come from keeping nonprofit stakeholders not just satisfied, but as enthusiastic brand ambassadors. Word of mouth goes far in the nonprofit world.

Before beginning, it's wise to do some research and answer some pertinent questions. The following are some questions to keep in mind:

- ◆ How do our different stakeholders feel about our brand?
- ◆ Why do our supporters choose our organization?
- ◆ Which others do they support and why?
- ◆ What is the best and most effective way to position our brand?
- ◆ What are the emotional drivers we can tap into to attract new supporters?
- ◆ How can we enhance our stakeholders' experiences so they continue to support our organization?
- ◆ What can we do to put aside the necessary funds for more marketing and branding?
- ◆ How can we get our board on the same page to tackle this?

In my 2006 interview with Northwestern University's Kellogg School of Management Prof. Philip Kotler, he states, "Marketing for nonprofit organizations, which had its formal beginnings over 30 years ago, has made progress, but still requires further understanding and implementation. Nonprofit organizations must recognize that:

- ◆ Marketing expenditures are partly an investment, not just a cost.
- ◆ Small and medium-size nonprofits can profit from getting professional help regarding strategy and methods of low-cost marketing research and low-cost communication.
- ◆ The CEOs of nonprofits are the key to success insofar it is they who must understand that marketing is the adoption of a thoroughgoing client orientation with the goal of client assistance and satisfaction.”

Ultimately, here’s the recipe for success in branding nonprofits: Combine the mission and vision plus the strategic plan plus the business and marketing plan, which incorporates the branding strategy; and finally, add implementation and reinforcement.

If nonprofits don’t capture the hearts and minds of their target audiences, others will. It’s an investment in your organization’s tomorrows.

Elaine Fogel is president and CMO of Solutions Marketing & Consulting LLC, a Scottsdale, Ariz.-based boutique-style agency that works with nonprofits and businesses to help them build their brand.