



Developing a Marketing Strategy for Nonprofit Organizations: An Exploratory Study

Jennifer A. Pope PhD , Elaine Sterrett Isely & Fidel Asamoa-Tutu

To cite this article: Jennifer A. Pope PhD , Elaine Sterrett Isely & Fidel Asamoa-Tutu (2009) Developing a Marketing Strategy for Nonprofit Organizations: An Exploratory Study, Journal of Nonprofit & Public Sector Marketing, 21:2, 184-201, DOI: [10.1080/10495140802529532](https://doi.org/10.1080/10495140802529532)

To link to this article: <https://doi.org/10.1080/10495140802529532>



Published online: 27 May 2009.



Submit your article to this journal [↗](#)



Article views: 54403



View related articles [↗](#)



Citing articles: 26 View citing articles [↗](#)

Developing a Marketing Strategy for Nonprofit Organizations: An Exploratory Study

JENNIFER A. POPE

Seidman College of Business, Grand Valley State University, Grand Rapids, Michigan, USA

ELAINE STERRETT ISELY

Annis Water Resources Institute, Grand Valley State University, Muskegon, Michigan, USA

FIDEL ASAMOA-TUTU

Seidman College of Business, Grand Valley State University, Grand Rapids, Michigan, USA

Nonprofit organizations have grown tremendously in the last three decades. With this growth has come a greater interest from the nonprofit sector in the importance of marketing. Nonprofits did not apply marketing techniques until 1960–1970, but it is now a well accepted practice. Traditional marketing strategies do not work for nonprofit organizations, and this study proposes the development of a new marketing strategy specifically for this sector. Through the use of interviews and surveys, the authors examine issues of marketing strategy that are distinct for nonprofits. Unlike previous studies, this study examines these issues from the viewpoint of the nonprofit organization. The perception of marketing is different in nonprofit organizations, and the strategic implications of this finding are discussed.

KEYWORDS *marketing strategy, nonprofit marketing, nonprofit survey*

The authors would like to thank all of the nonprofit organizations that donated their time and effort to participate in this study. The authors would also like to thank Grand Valley State University's Seidman College of Business and the Dorothy A. Johnson Center for Philanthropy for providing funding for project expenses.

Address correspondence to Jennifer A. Pope, PhD, Grand Valley State University, Seidman College of Business, 401 Fulton Street West, Grand Rapids, MI 40401. E-mail: popeje@gvsu.edu

INTRODUCTION

Nonprofit organizations (NPOs) are an important part of our modern society. Although it may seem counter-intuitive, in the United States these organizations contribute significantly to the national economy. Since the early part of the 21st century, jobs in the nonprofit sector have grown at a faster rate than those in the for-profit sector (Bilzor, 2007), currently making up almost 11% of the total workforce. While the individual nonprofit employee tends to make less than his or her for-profit counterpart, the nonprofit sector overall paid out more in total wages in 2004 than the utility, wholesale trade, and construction sectors combined (Bilzor, 2007). Furthermore, NPOs contribute billions of dollars to the economy every year in products and services—products and services that our state, local, and federal governments are relieved from supplying. In four counties in western Michigan alone, NPOs had an economic impact of \$3.4 billion in 2006 (Community Research Institute, 2007).

The number of NPOs in the United States has grown tremendously in the last three decades. This has created more competition for the limited amount of funds available to NPOs from individual donors, the government, corporations, and foundations (Clark & Mount, 2000; Gwin, 2000; Katz, 2005; Pelozo & Hassay, 2007). This in turn has resulted in greater interest from the nonprofit sector in marketing and in the importance of the marketing profession overall (Clarke & Mount, 2000; Katz, 2005). In general, NPOs did not use marketing techniques until the “late 1960s and early 1970s,” but it is now a well accepted—if often misunderstood—practice (Wenham et al., 2003).

While there is general agreement that NPOs have a greater need for marketing than they did 30 years ago, there is little agreement on how NPOs should approach marketing. The goal of traditional marketing efforts at for-profit firms is most often improving the company’s bottom line. An example of a common definition of marketing states that it is “the management process responsible for identifying, anticipating and satisfying customer requirements profitably” (Smith & Saker, 1992, p. 6). For NPOs, this type of definition is problematic. A Michigan “nonprofit corporation” is one that is incorporated for any lawful purpose “not involving pecuniary profit or gain” for its directors, officers, shareholders or members (Michigan Compiled Laws 450.2108(3)1993). This creates a disjoint between traditional marketing and the need for NPOs to do marketing. So, to assist local NPOs in western Michigan in improving their marketing and planning efforts, we have begun the development of a model nonprofit marketing strategy. The first steps in this process were to determine how NPOs viewed marketing and to identify real and perceived challenges and obstacles to these current NPO marketing efforts.

LITERATURE REVIEW

Most NPOs, especially smaller organizations, strive to make a bigger impact within their communities—both economically and socially. There has been a considerable amount of research in the last 30 years into the reasons behind charitable giving and the role of the for-profit firm in cause-related marketing, as well as the application of economic and sociological theories to the management of NPOs (Helmig, Jergers, & Lapsley, 2004). However, there has been little research into marketing from the NPO's point of view. While some may feel that marketing practices used by for-profit companies are applicable to nonprofit firms, Clarke and Mount (2000) point out that marketing's "dominant exchange paradigm ... is currently ill equipped for use in the nonprofit sector, in particular the voluntary nonprofit sector" (p. 79). Along with recent increased recognition of the importance of marketing to NPOs, Andreasen and Kotler (2007) found that marketers still recognize that for-profit marketing practices often do not apply within the context of NPOs.

Perhaps the most obvious reason for this lack of fit is that NPOs have three target markets to which they must appeal: clients or customers, volunteers, and donors or funders (Helmig et al., 2004; Padanyi & Gainer, 2004). Often these three target markets are very distinct and respond to the marketing mix in different ways (Padanyi & Gainer, 2004; Andreasen & Kotler, 2007). Furthermore, the benefits gained by these multiple constituencies are often non-monetary in nature, making it more difficult for NPOs to communicate clear benefits to each of these markets (Padanyi & Gainer, 2004, MacMillian, Money, Money, & Downing, 2005). This necessitates the need for NPOs to develop multiple marketing strategies aimed at radically different markets.

The NPO Consumer

For many NPOs, getting customers or clients in the door is not a problem. NPOs are generally created to provide services that the government does not offer or which the private, for-profit sector cannot be trusted to provide (Andreasen & Kotler, 2007). However, although the organizational employees are often passionate about their NPO's cause, they often lack business experience or long-term objectives (Bissell, 2003). Citing Akchin (2001), Wenham et al. (2003) suggest that NPOs lack a customer orientation in their marketing practices, and few embrace a marketing approach to their marketing operations.

Much of the research into NPO consumers focuses on targeting customers of arts organizations or use of direct marketing (Arnold & Tapp, 2003, Izquierdo & Samaniego, 2007, Hume & Mort, 2008). For example, Hume and Mort (2008) investigated ways for nonprofit organizations to measure the perceived value of performance arts and the impact of those

perceptions on customer satisfaction. Another study examined the impact of direct marketing on fundraising and season ticket sales for an arts organization and found that such marketing methods had a greater impact on the consumers than on the donors (Arnold & Tapp, 2003). However, most articles referring to NPO customers were actually focused on donors rather than clients (Arnold & Tapp, 2003, Kristoffersen & Singh, 2004).

The NPO Volunteer

Furthermore, little has been written about what encourages or modifies volunteer behavior in the nonprofit sector. While volunteers are essential to the survival of many NPOs (Govekar & Govekar, 2002), most of these organizations do not understand volunteer recruitment and management as a marketing function. Therefore, nonprofit organizations often run into difficulty recruiting and keeping good volunteers.

One recent study discussed the need to develop a practice of relationship marketing in developing committed volunteers (Bussell & Forbes, 2006). These authors found that it is not simply a matter of finding individuals who are passionate about the NPO's cause. Nonprofit organizations must also provide volunteers with some benefit (e.g., self-esteem, material goods) in return for their time and effort (Briggs, Landry, & Wood, 2007). When the benefits of volunteering are ignored, individual passions can diminish and volunteers fade away. Andreasen and Kotler (2007) found that the day-to-day management of volunteers is one of the more frustrating tasks for nonprofit managers. One manager developed what he called the rule of thirds: one third of the volunteers could always be counted on, one third volunteered for the sake of volunteering, and the middle third worked well if targeted well (Andreasen & Kotler, 2007). NPOs should consider volunteers as an additional target market for their marketing campaign. They should determine not only what drives an individual to volunteer in general, but also what motivates a particular individual to volunteer for a particular NPO doing a particular job, and what keeps them coming back (McCurley, 1994).

This is especially true of volunteer board members. Unlike other volunteers, board members are asked to make long-term, legal commitments to the NPO. These board volunteers are also generally passionate about the NPO's cause, but they can be reluctant to make tough decisions when needed (Katz, 2005). One study found that only 17% of NPO executives thought that their board of directors was effective (Jansen & Kilpatrick, 2005).

The NPO Donor/Funder

One issue that all NPOs struggle with is determining what motivates individuals to donate to a particular charity. Several authors suggest that, just

like for-profit firms, NPOs need to segment their markets and only target those individuals who are most likely to donate to their cause.

In one study, Bennett (2003) found clear evidence that both personal values and demographic factors such as age, income, and education influence individual choices about which charities to support. Surprisingly, he did not find personal experience to be a universal determinate in donation behavior. For example, individuals who owned pets were more likely to donate to animal rescue organizations, but individuals who have had or who currently have family members or friends with cancer were not necessarily more likely to donate to cancer research organizations. In a subsequent study, Bennett (2006) looked at factors that contributed to repeated donations to a particular NPO. He found that the length of the relationship that the donor had with the charity, the donor's overall involvement in charitable giving (e.g. number of charities donated to), and the so-called "helper's high" all contributed to continued and repeated donations to an individual NPO.

Sargeant, West, and Ford (2003) examined the impact of donor perceptions about particular charities on donor behavior. These authors found that perceived effectiveness and efficiency of a NPO influences whether a person donates. They also discovered that family ties to an organization or its cause impacted donor behavior, but that those individuals needed a different message for encouragement to donate.

An important stumbling block to NPO marketing is the fact that individual donors and many large funders often do not see the importance of marketing and view marketing expenses as a waste of money (Helmig et al., 2004; Bennett & Savani, 2004). Many funds are restricted, and NPOs wanting to do marketing have to solicit money specifically for that purpose (Pope, 2006). However, fundraising is not the only area NPOs can and should engage in marketing. Many NPOs have an educational component to their mission and strive to raise public awareness of the various causes that they champion (e.g., children's rights or animal welfare), which could provide marketing opportunities for which funding might be less of a problem.

A Special Note on Internet Marketing

Internet marketing is "the use of the Internet to achieve marketing objectives" (Wenham et al., 2003, p. 213). According to Hart (2002), NPOs are increasingly turning to the Internet to raise funds, improve relationships, increase their advocacy efforts, and keep their publics well-informed. However, not all NPOs are taking full advantage of their online resources. Waters (2003) found that many NPOs focused only on one-way online communication, instead of using the Internet as a method to develop client and donor relationships. Hart (2002) recommends the prudent use of e-mail,

“send to a friend” invitations, “pass-along” marketing, and Internet-based donations (Hart, 2002).

Another major failure of NPO’s Internet use was poor “capture efficiency”, or the failure of search engines to return the NPO’s Web site near the top of the search list (Wenham et al., 2003). However, to resolve this, the NPO need only ensure the proper registration of a Web site with these search engines (Hart, 2002). The key to this form of marketing is having someone on staff with the time and ability to maintain the Web site. Unfortunately, for many NPOs, lack of expertise, financial resources, or available technology hindered them from taking full advantage of these online resources and opportunities (Pinho & Macedo, 2006).

METHODOLOGY

In 2005, we set out to assist local NPOs in western Michigan with their marketing and marketing planning efforts. A review of current marketing theory produced no useful results, and we sought to develop a new nonprofit marketing strategy from which to make recommendations to these local organizations. To start this process, we began an in depth literature search, coupled with informal, personal discussions with the executives of local NPOs. Based on the information gleaned from this research period, in 2006 we drafted a marketing survey for nonprofit organizations. This survey asked open-ended questions about NPOs’ current marketing practices, use of volunteers, and areas where marketing efforts needed improvement (Appendix). It was mailed to random samples of NPOs from the U.S. International Revenue Service list of over 42,000 NPOs (or NPO chapters) in the state of Michigan (Internal Revenue Service, 2003). We mailed a hard-copy of the survey to a random sample of 400 NPOs, and subsequently mailed invitations to complete the same survey online to four additional random samples of 500–800 NPOs. In all, 3,301 surveys or invitations to complete the online survey—and follow-up reminder post cards—were mailed to NPOs throughout Michigan in 2006–2007.

These mailings resulted in responses from 124 NPOs (3.8%) of varying types and sizes (Tables 1 and 2) and 96 returns from the U.S. Post Office (2.9%). We read the responses, searching for patterns and trends in the data, and then analyzed the results. The 29 survey respondents that indicated that marketing was only “somewhat important” or “not important” to their NPO and the 17 respondents who did not complete the survey because they “did not do marketing” were pulled aside and examined separately.

We also conducted in-person interviews with the executive directors or board presidents of 43 NPOs—most of which were located in or near the city of Grand Rapids in the western lower-peninsula of Michigan. Although these NPOs were asked the same questions that were on the written survey, the

TABLE 1 Categories of Participating NPO-Respondents

Categories	Interviews	Surveys
Medical	1	5
Advocacy	8	7
Social welfare	11	23
Education	4	25
Religious	2	12
Sports (Education/Training)	2	5
Fundraising	0	5
Philanthropic	0	6
Environmental	2	3
Animal welfare	3	1
Arts and entertainment	5	13
No response or not applicable	0	7

respondents provided more detailed answers and we were able to ask follow-up questions. Using the snowball method to obtain additional interviews (Denzin & Lincoln, 2000), we increased the interview response rate to almost 90% (87.7%): 43 of the 49 NPOs contacted agreed to an interview. Some of the NPOs contacted were more willing to be interviewed if we had been directly referred by a colleague or business associate. All interviews were recorded onto coded audio tapes, but several were unusable due to technical problems. As a result, 38 interviews were transcribed by student workers. The responses were analyzed using the same methodology as the survey responses.

RESULTS

This study has revealed several key findings that both support and contradict previous research. Unlike most studies, this research focused on marketing from the viewpoint of the NPO, rather than on marketing from the perspective of either donors or for-profit corporations. Furthermore, unlike other studies, such as Andreasen and Kolter (2007), we focus specifically on smaller, local non-profits. This provides a unique view into the world of the

TABLE 2 Full-Time and Part-Time Staff-Size of NPO-Respondents

Number of employees	Interviews	Surveys
0–10 employees	15	60
11–20 employees	5	11
21–30 employees	9	6
31–40 employees	1	4
41–50 employees	1	3
50+ employees	7	16
No response or not applicable	0	7

NPO. When asked about limitations to their organizational marketing efforts, interview and survey subjects answered almost universally the same: money, time, and/or resources (personnel). This refrain is also a common theme in the literature. However, the results here show several other impediments to marketing efforts for the NPO.

Defining Marketing

One hundred percent of the interview subjects and 62.1% of the survey respondents said that marketing was important to their organization, but often they were less clear about what marketing meant. Marketing was usually tied to fundraising or fund development, and generally not to communications with clients or volunteers. Moreover, 82.4% of interview respondents stated that they did not have a specific target market for their fundraising efforts. They either focused on friends of board members, individuals who had donated previously, or—if the NPO had the financial capability—a purchased list from a promotions firm. NPOs generally recognized the need for marketing, but often not the how of marketing. In addition, 65.8% of the NPO interview subjects in this study did not distinguish between marketing, public relations, and fundraising (see Table 3 for results).

Twenty three (23.4) percent of the survey respondents stated that marketing was only “somewhat important” or “not important” to their organization. We looked for themes or trends among these respondents, but none were apparent. Just over half (55.1%) of these survey respondents were advocacy, educational, or social welfare NPOs, and the remaining 44.9% ran the gamut for services provided or consumers served. Furthermore, 48.2% of these respondents were funded primarily through membership fees or the sale of products or services, with 51.8% of respondents receiving funding from a variety of sources. However, 75.8% of this group of survey respondents did not have a marketing plan. In fact, only three of these survey respondents confirmed that they had one in place, two were working on it, and two did not respond to the question. While not all NPO-respondents that felt that marketing was “important” had marketing plans in place, they were far more likely to have clearly-stated marketing goals than those in this latter group (Table 3).

There were 17 respondents that contacted us (either in writing, through e-mail, or by telephone), stating that they did not engage in marketing activities or that they were somehow otherwise unqualified to respond to the survey. Of this group, 58.8% stated that they did not do ‘fundraising’ or otherwise deal with donors, and 23.5% stated outright that they did not do marketing. The ‘no fundraising’ respondents included a sorority, a professional guild, a lodge organization, a family foundation, and NPOs supported only by their membership. The ‘no marketing’ respondents

TABLE 3 Summary of Results

Results	Interviews
View that marketing was important	100%
Failure to define target market	82.4%
Failure to separate marketing from fundraising or public relations	65.8%
Have a marketing plan in place	57.9%
Lack of resources for marketing	100%
Identified direct competitors	64.8%
Have no trouble finding clients	73.7%
Use volunteers	92.1%
Use volunteer board	100%
Have a Web site	100%
Solicit online donations	21.0%

Results	Surveys
View that marketing was important	62.1%
View marketing as somewhat or not important	23.4%
Did not use marketing	13.7%
Have a marketing plan in place	34.6%
Lack of money for marketing	36.3%
Lack of staff for marketing	13.4%
Lack of time for marketing	12.1%
Lack of marketing skill sets	11.3%
Problems of visibility	8.1%
Identified direct competitors	44.9%
Use volunteers	86.0%
Have a Web site	77.6%

included a 'non-paid, all volunteer' lake-beautification group, NPOs that rely solely on 'word of mouth', and an NPO that only advertises in local newspapers. Three (17.6%) of these respondents stated that there was no time or no one at the NPO to answer surveys; three more said that the survey was not addressed to the right person (and therefore would not be answered); one NPO was inactive and expected to dissolve within a couple of months; and one respondent stated that he had lost the survey and had no Internet access.

Lack of Resources/Support for Marketing

All interview subjects mentioned either the lack of staff, time, funding, a clear marketing message, or the basic knowledge of what to do as impediments to their ability to market their NPO. For the survey respondents, lack of money was the most popular reason for problems with marketing (36.3%), followed by lack of staff (13.4%), lack of time (12.1%), lack of marketing skill sets (11.3%), and problems with visibility (8.1%). Two interview subjects specifically mentioned that they could not

spend as much as they wanted to on marketing because donors specified that their funds must go toward the NPO's cause. One interview subject observed that it was difficult to get the public and potential donors to understand all facets of the organization, including the importance of marketing the NPO. Another interview subject discussed how difficult it was to get even their board to see the importance of marketing and to include funding for it in the annual budget. This is further complicated at some NPOs by how much they try to accomplish. Many of the NPO-respondents mentioned that they had a hard time focusing their resources because they were trying to meet so many different needs.

Ambiguous Target Markets and Competition

Another issue making NPOs less efficient in their marketing efforts is the lack of clear target marketing for all three NPO target markets. All of the NPOs could clearly identify their target market for clients, but they were often unable to do so when it came to donors or volunteers. When asked about competitors, 64.8% of the NPO-respondents identified their direct competitors (for goods or services provided), but also identified every other NPO as an indirect competitor (for funding). Interestingly, only 44.9% of survey respondents identified direct competitors. Those that did not focused on the uniqueness of their service, or on cooperation rather than competition.

Low Brand Recognition

Interview subjects and survey respondents associated with small, local NPOs had concerns about lack of brand recognition. While most (73.7%) of interview respondents stated that they had no trouble finding clients, one interviewee stated that her NPO was unable to reach clients in certain ethnic or economic groups, despite several attempts to do so. She noted that one of the organizational goals was to educate different groups within the community about the importance of the NPO's mission, and the difficulty in reaching these other groups was likely because of differing perceptions and cultural attitudes toward the services offered. Another interview subject stated: "We have been around nine years; people (still) don't know us." Smaller NPOs continue to have trouble getting their name out there, whether it is from lack of funding or lack of knowledge about how to reach their target markets.

No Targeted Marketing to Volunteers

Ninety two (92.1) percent of the NPO-interviewees and 86.0% of the survey respondents utilized volunteers in some way at their organization. For those NPOs that did not, the primary reason for not using volunteers was the

nature of their organization (e.g. sensitivity of information, size of organization, or need for certain qualifications or skills). None of the NPO-respondents mentioned that they had trouble finding volunteers, but there was some lack of clarity about how often or how much the volunteers worked for the organization. Moreover, none of the NPO-respondents had marketing plans specific to attracting and keeping volunteers. All of the NPOs that used volunteers also had a volunteer board. However, some NPOs felt that their board was missing certain skill sets, including marketing. While all of the interviewees praised the work of their boards, three asked the interviewing author if she would be interested in joining the board for their NPO.

Failure to Use Online Marketing

All of the interview subjects and 77.6% of the survey respondents had Web sites for their NPOs; however, none of the NPO-respondents were using these Web sites to their fullest potential. Interview subjects discussed a desire for online donation capabilities, but only eight had implemented the process at the time of the study – five of these were part of national NPOs. Most of the smaller, local NPOs had yet to establish the capability to solicit on-line donations. Although all had expressed the desire to do so, with lack of someone to manage the site as the most common reason for not have that available on the Web site. As noted above, most study participants used their Web sites for only one-way communications, although they did provide contact information—either through a direct link on the Web site or via e-mail.

DISCUSSION

Developing a Nonprofit Marketing Strategy

Traditional marketing strategies are not well-adapted to meeting the goals of NPOs. Because NPOs are not motivated by the financial bottom line, these for-profit strategies fall short in helping NPOs reach out to their three main

TABLE 4 NPO Responses to Whether there is a Marketing Plan in Place

Response	Interviews	Surveys
Yes	22	37
No	10	42
Working on it	6	12
No response or not applicable	0	16

marketing focus areas: clients, volunteers, and donors or funders. A new nonprofit marketing strategy needs to be developed to assist this sector with meeting its various missions and long-term and short-term objectives, including guidelines for all three NPO target markets. While developing new marketing strategies is difficult task for any business, NPOs lack the resources and expertise, making the process all the more complicated.

In attracting donors, NPOs' target marketing tends to be unfocused and even sporadic. And although individuals are often very specific in choosing NPOs to which to donate (Bennett, 2003, 2006), even regular donors or wealthy patrons limit their contributions in hard economic times (Katz, 2005). It is essential that NPOs understand what specifically motivates individuals to donate to a particular charity or category of charities. Any nonprofit marketing strategy must therefore address donor motives for making donations, including the particular incentives which motivate them to select specific charities.

For many NPOs, volunteers are a crucial part of their successful and long-term operations. However, it is often difficult to find the right volunteers for the right tasks at the right organizations. This study highlights NPOs' desires to attract and retain volunteers that are passionate about their missions, but that is often not enough. A volunteer's passion can cool if he does not receive the right "pay back"—whether it is self-satisfaction or some other material benefit. Nonprofit marketing strategies must also address the specific and overall motivations of NPO volunteers.

NPOs tend to have fewer problems finding customers or clients, although there may be a wide range of users depending on the type of good or services offered by the NPO. NPOs offering welfare services generally have little trouble finding people who need their help, but NPOs which are entertainment-based may have more difficulty in finding people to attend performances or support artists. Regardless of the size of the NPO or the goods or services provided, many NPOs struggle with name or brand recognition. A model nonprofit marketing strategy will have to address the various types of clients who might utilize NPO goods or services, but also the wide range of goods and services offered. Particular efforts need to be made to develop brand equity.

For any nonprofit marketing strategy to be successful, it must be straight forward, easy to implement and easy to measure. However, the development of such a novel model strategy will not be an easy task, given the wide variety of individuals that NPOs must attract for a wide variety of purposes (i.e., funding, services, and time/effort).

Implications for Nonprofit Management

It is clear that NPOs, like their for-profit counterparts, should be making investments of time and money in their marketing efforts. However, the first

step is for the NPOs to gain a broader understanding of what marketing is and why marketing is important to all aspects of NPO management. The first thing that NPOs must recognize is that marketing \neq fundraising. Marketing is a component of NPO fundraising, but it is also a component of attracting clients and volunteers from multiple sectors. There clearly needs to be more education about target marketing and brand recognition at the NPO-level, so that these organizations can reach new clients, more consistent donors and funders, and dedicated and long-term volunteers.

To address this need to do more marketing, NPOs can take some initial steps. Since NPOs often lack experience with marketing, this organizational gap should be addressed in board member selection. Board members, like most other nonprofit volunteers, are generally selected because of their passion for the NPO's cause. This is particularly true with smaller NPOs, where board members are often warm bodies to help with tasks and projects, as opposed to an expert that brings a particular skill to the organization. Although passion for the NPO's cause is important, by itself it does not help run an effective organization. It is recommended that NPOs carefully examine the particular skills needed by their businesses and target individuals with those skills when recruiting new board members.

NPOs must also invest time and energy in order to find funding for marketing. Some NPOs have fundraising campaigns specifically for marketing projects; however, this is not universal. All NPOs—regardless of the size of their staff and budgets—should develop a marketing plan to reach their various target markets and include a marketing line-item in their organizational budget. As many of our respondents noted, it may be problematic to ask funders for money for marketing, but there are those donors who are willing and able to provide assistance for general NPO operations. It is imperative that NPOs recognize marketing as such an operational requirement.

Finally, it is important that NPOs—especially small and local NPOs with limited time and staff—take advantage of the many resources that are available. In the 21st century, there is no reason why any NPO should not have a Web site or other online presence. For NPOs without staff expertise to maintain a Web site, there are several community-based webhosts designed for NPOs (e.g., I-Serve and the Community Media Center). These webhosts can help NPOs take better advantage of what the Internet has to offer. Furthermore, many universities have faculty and staff with expertise in many areas relevant to NPOs. In some cases, there are majors or focuses in nonprofit management, most often housed in public administration and business departments. A growing interest in nonprofit marketing in particular is signaled in part by recent special issues in marketing journals that have traditionally focused primarily on for-profit marketing practices, including the *European Journal of Marketing* and the *Journal of Marketing Management*. Since the academic community appears to be more open to working with NPOs, NPOs should take advantage of these opportunities.

Study Limitations and Future Research

As is common in studies relying on survey data, the response rate for survey respondents in this study was quite low (3.8%). Although more than 3,000 NPOs were invited to participate in the survey, only 124 NPOs responded. Of those, 13.7% responded only to say that they would not be participating in the study. A small number of NPO respondents indicated that they did not have the capability to access the online survey. Although we sent paper surveys to the NPOs that contacted us about this problem, it is likely that there were other NPOs that discarded the letter if they did not have the technological ability to easily respond to the survey. Another 2.9% of the total sample never received the invitation to participate in the study, because the address on file with the Internal Revenue Service was out-of-date. However, the response rate from NPOs invited to participate in in-person interviews was very high—almost 90%. We should note, these data were less random and more centralized to one region in western Michigan, but the in-depth responses we received made the interview data very helpful to our final analysis.

While this study examined the marketing practices of NPOs specifically in Michigan, to properly develop a new strategy of nonprofit marketing future studies will need to include NPOs in other states, and perhaps other countries. While it is anticipated that the results will be similar, NPOs in different areas of the country or with different cultural settings may provide additional insights into the motivations of donors, clients and volunteers, and into the other processes underlying NPO marketing strategy for NPOs. All of this information will provide the underpinnings for the development of a new, model nonprofit marketing strategy.

CONCLUSION

This preliminary study examines some of the marketing strategy implications for NPOs in Michigan. Previous studies have only adapted existing for-profit strategies to the NPO, and they have discovered that these do not really fit the needs of NPOs. This study is the first step in developing a new model strategy of nonprofit marketing.

NPOs must re-evaluate the importance of marketing, and place it higher on their hierarchy of organizational priorities. Specifically, NPOs should include marketing as a desired skill set for their board of directors, place marketing as a line-item on their annual budget, and take advantage of the resources available to them through local academic institutions and NPO service organizations. This will allow NPOs to address brand development and recognition, and any shortfalls they might have in all three NPO market areas: obtaining funding, reaching out to a diverse clientele, and effectively utilizing good volunteers.

This study reveals several marketing and managerial issues for NPOs that provide a starting point for the development of a new model nonprofit marketing strategy. NPOs struggle with a general lack of understanding of the true functions of marketing, difficulties in branding, and an inability to reach out to all of their target markets. Future studies will have to delve deeper into these topics in order to develop a functional marketing strategy that caters specifically to the needs of the NPO.

REFERENCES

- Akchin, D. (2001). Nonprofit marketing: Just how far has it come? *Nonprofit World*, 19, 33–36.
- Andreasen, A. R., & Kotler, P. (2008). *Strategic marketing for nonprofit organizations* (7th ed.). Upper Saddle River, NJ: Pearson Prentice Hall.
- Arnold, M. J., & Tapp, S. R. (2003). Direct marketing in non-profit services: Investigating the case of the arts industry. *The Journal of Services Marketing*, 17, 141–160.
- Bennett, R. (2003). Factors underlying the inclination to donate to particular types of charity. *International Journal of Nonprofit and Voluntary Sector Marketing*, 8, 12–29.
- Bennett, R. (2006). Predicting the lifetime durations of donors to charities. *Journal of Nonprofit and Public Sector Marketing*, 15, 45–67.
- Bennett, R., & Savani, S. (2004). Managing conflict between marketing and other functions within charitable organizations. *Leadership and Organizational Development Journal*, 25, 180–200.
- Bilzor, M. (2007, January). Employment in the US: Non-profits outpaces overall job growth. *The JHU Gazette*, 36(16).
- Bissell, J. (2003). Opening the doors to “cause branding.” *Brandweek*, 44(39), 30.
- Briggs, E., Landry, T., & Wood, C. (2007). Beyond just being there: An examination of the impact of attitudes, materialism and self-esteem on the quality of helping behavior in youth volunteers. *Journal of Nonprofits and Public Sector Marketing*, 18(3), 27–45.
- Bussell, H., & Forbes, D. (2006). Developing relationship marketing in the voluntary sector. *Journal of Nonprofit and Public Sector Marketing*, 15(1/2), 151–174.
- Community Research Institute. (2007). Economic impact of nonprofits in Kent, Muskegon, Nawaygo and Ottawa counties: 2006. Retrieved May 17, 2007, from <http://www.cridata.org/Publications.aspx>
- Clarke, P., & Mount, P. (2001). Non-profit marketing: The key to marketing’s “mid-life crisis?” *International Journal of Nonprofit and Voluntary Sector Marketing*, 6, 78–91.
- Denzin, N. K., & Lincoln, Y. S. (Eds.) (2000). *Handbook of qualitative research* (2nd ed.). Thousand Oaks, CA: Sage Publications.
- Govekar, P. L., & Govekar, M. A. (2002). Using economic theory and research to better understand volunteer behavior. *Nonprofit Management and Leadership*, 13, 33–48.

- Gwin, C. F. (2000). The perspective of nonprofit organizations on cause-related marketing. *American Marketing Association Conference Proceedings*, 11, 348–349.
- Hart, T. R. (2002). ePhilanthropy: Using the internet to build support. *International Journal of Nonprofit and Voluntary Marketing*, 7, 353–360.
- Helmig, B., Jergers, M. & Lapsley, I. (2004). Challenges in management of nonprofit organizations: A research overview. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 15, 101–116.
- Hume, M., & Mort, G. S. (2008). Satisfaction in performing arts: The role of value? *European Journal of Marketing*, 42, 311–326.
- Internal Revenue Service. (2003). SOI tax stats—exempt organizations: IRS master file data for Michigan. Retrieved January 9, 2007, from <http://www.irs.gov/taxstats/charitablestats/article/0,,id=97186,00.html>
- Izquierdo, C. C., & Samaneigo, M. J. G. (2007). How alternative marketing strategies impact the performance of Spanish museums. *The Journal of Management Development*, 26, 809–831.
- Jansen, P. J., & Kilpatrick, A. R. (2005). The dynamic nonprofit board. *McKinsey Quarterly*, 2, 72–81.
- Katz, R. D. (2005). The not-for-profit sector: No longer about just raising funds. *Journal of Private Equity*, 8, 110–113.
- Kristoffersen, L., & Singh, L. (2004). Successful application of a customer relationship management program in a non-profit organization. *Journal of Marketing Theory and Practice*, 12(2), 28–42.
- MacMillian, K., Money, K., Money, A., & Downing, S. (2005). Relationship marketing in the not-for-profit sector: An extension and application of the commitment-trust theory. *Journal of Business Research*, 58, 806–818.
- McCurley, S. (1994). Recruiting and retaining volunteers. In R. D. Herman & Associates (Eds.), *The Jossey-Bass handbook of nonprofit leadership and management* (pp. 511–534). San Francisco: Jossey-Bass.
- Michigan Compiled Laws: 450. 2180(3) (2008). Retrieved June 1, 2008 from www.michiganlegislator.gov
- Padanyi, P., & Gainer, B. (2004). Market orientation in the nonprofit sector: Taking multiple constituencies into consideration. *Journal of Marketing Theory and Practice*, 12(2), 43–57.
- Peloza, J., & Hassay, D. N. (2007). A typology of charity support behaviors: Toward a holistic view of helping. *Journal of Nonprofit and Public Sector Marketing*, 17, 135–151.
- Pinho, J. C., & Macedo, I. M. (2006). The benefits and barriers associated with the use of the internet within the non-profit sector. *Journal of Nonprofit and Public Sector Marketing*, 16, 171–193.
- Pope, J. (2006). Personal interview with Jan Phillips, former head of the American Red Cross, Toledo Chapter, October 6.
- Sargeant, A., West, D. C., & Ford, J. B. (2004). Does perception matter? An empirical analysis of donor behavior. *The Service Industries Journal*, 24(6), 19–36.
- Smith, G., & Saker, J. (1992). Developing marketing strategy for the not-for-profit sector. *Library Management*, 13(4), 6–22.

- Waters, R. D. (2003). Nonprofit organizations' use of the internet: A content analysis of communication trends on the internet sites of the philanthropy 400. *Nonprofit Management & Leadership*, 18, 59–76.
- Wenham, K., Stephens, D., & Hardy, R. (2003). The marketing effectiveness of UK environmental charity websites compared to best practice. *International Journal of Nonprofit and Voluntary Marketing*, 8, 213–223.

APPENDIX

Marketing Survey of Not-For-Profit Organizations

1. How important is marketing to your organization?
2. Please state your organization's mission.
3. What services or products does your organization provide?
4. To whom are these services or products provided?
5. How many people work for your organization
 - a. Full-time?
 - b. Part-time?
6. Does your organization utilize volunteers?
 - a. How many?
 - b. How often do they do work for your organization?
 - c. Approximately how many hours do they work?
7. How is your organization funded?
8. What other funding sources have you pursued?
9. Do you have a current marketing plan?
10. Are there specific marketing goals in your strategic plan?
11. Do you use printed marketing materials?
12. How do you distribute your printed marketing materials?
13. To whom do you distribute your printed marketing materials?
14. Do you distribute different printed marketing materials to different groups? If yes, please explain.
15. When were your marketing materials last updated?
16. Do you have an organizational Web site?
17. Does your Web site have separate areas for different users?
18. Does your Web site provide more/different information than your printed materials?
19. When was your Web site last reviewed and updated?
20. Do you have an organizational domain name?
21. Who does the marketing for your organization?

22. How much time is spent doing marketing for your organization?
23. How often do you ask your target markets what they want? _____
24. Have you asked your target market how satisfied they are with your services in the past 24 months?
25. What are your organization's core competencies?
26. Who are your competitors?
27. Please identify any limitations to your current marketing efforts.