

The Marketing Plan

It takes all the running you can do to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!

-Said the Queen in *Alice in Wonderland*

By Lewis Carroll

What is “marketing”? While plenty of people use the word, fewer use the concept. In the fundraising business, people sometimes tend to think of marketing in terms of websites, mailings, brochures, seminars, social media and other forms of outreach. These are vehicles of communication, not marketing, just communication. Marketing is something wholly different.

Many practitioners in the field focus on gift vehicles and taxes because tax technicalities may cause them fears and insecurities. They often turn away opportunities to learn marketing and management principles as they relate to planned giving and opt, instead, for courses in gift design, bequest mailings, or software-generated taxes/deduction calculations. However, to use the technical information learned in those courses **you must have a prospect to talk to**. Finding those prospects and then getting them to meet with you one-on-one is your ultimate goal. Without effective marketing you may as well “talk financial and taxes” to the closest wall.

There is a real separation between producers and consumers when you realize that the maker of the goods does not necessarily use the goods, and the consumer of goods does not make them, but may need them. The provider of the service does not necessarily benefit from the service, but the consumer of a service needs the service for his or her benefit. Despite the separation of the two parties, they are necessarily interrelated because this separation is accompanied by an interdependence. As soon as a person produces a good or service, s/he is in the market for a consumer. As soon as a person develops the capacity or need to consume, s/he is in the market for a producer. That is what the “market” is; a real interdependent relationship between producer and consumer.

The force, or catalyst, that makes a potential market connection between the two parties into a realized, happening market contact is generally what is known as “marketing.” Marketing is any “motion” or activity that actualizes the potential relation of the producer and consumer, turning it into real relationship. Marketing in its widest sense, therefore, is any activity that actualizes a potential market relationship between the makers and users of economic goods and services.

In the fundraising world, we do not ordinarily think in terms of producers and consumers, but we should. Nevertheless, organizations serve in the role of the “producer” of gift opportunities and the donor is the “consumer” of those opportunities. We need to think along these lines.

Peter Drucker said “Marketing should make selling superfluous.” In planned giving, marketing should make a hard ask or a “sale” superfluous. Marketing for planned giving should create the demand that makes the undertaking of transfer into a gift vehicle a logical thing to do. You simply solve a problem for the donor or family.

Let us break this down into a simple definition. Planned giving marketing is the process of identifying target markets, assessing and identifying the wants and needs of those markets, creating perceptions of meeting those wants and needs with planned gift vehicles, effectively communicating that perception to the prospects and effectively implementing the gift transaction.

Three Marketing Models of Planned Giving

Identifying the planned giving market is better understood when looking at the three marketing models. They are listed by type and distinguished by their relationship to their constituents and/or their market. The chart identifies and demonstrates who they serve and who they target for funding. See Screen Shot “Three Marketing Models”.

Type 1 is the closed marketing system – organizations serving a particular group that also rely on that same group for some degree or most of its funding. Type 1 organizations do not need to educate their prospects about the organization to the same degree the other models do because their constituency is their market. Their constituency is already familiar with, and invested in, their services, which means they can move more quickly toward the benefits to the donor of planned giving vehicles. These types of organizations include churches, schools and hospitals.

Type 2 organizations are in an open marketing system, where they serve one group of the population as their constituency, but look to others for financial investment and support. Social service agencies and true charities fall under this type. These organizations need to serve up plenty of education and selling of the “intangible product” they provide before prospects might consider planned gifts. They need support from people other than those they serve, in general. The organization must communicate who it is, what need it serves, why that need is important, why this organization does it better than others delivering the same or similar service, how much it costs to provide the services, and why someone should fund it. Once that uphill battle is done, the financial benefits of planned giving vehicles can come into play with the prospect. However, if the initial step is missed, it is not likely that a gift will be made.

Type 3 organizations are a bit of a hybrid, in that the program’s product or service is an intangible benefit that people enjoy or experience, but it does not directly touch them in the same way a religious or educational affiliation does. For example, an environmental organization generally improves the quality of life around a person and the person appreciates and understands that benefit. But the intangible benefit deriving from the program’s existence must be communicated in order to tighten up the linkage between the intangible service provided and the benefit to the donor prospect. Consider also civic or community organizations that better the quality of life, such as a symphony, or a museum. The prospect didn’t go to school there, and doesn’t go to church there, but the organization does positively affect the quality of life in that community. Thus, the organization has to do some education as to how the prospect’s life is bettered by the organization’s existence, which then leads to its ability to communicate why a planned gift to support it makes sense. It’s not as easy to do planned giving fundraising as it is with a church or school, but it is easier than a Type 2 organization.