



Marketing 101

“Warm Up”

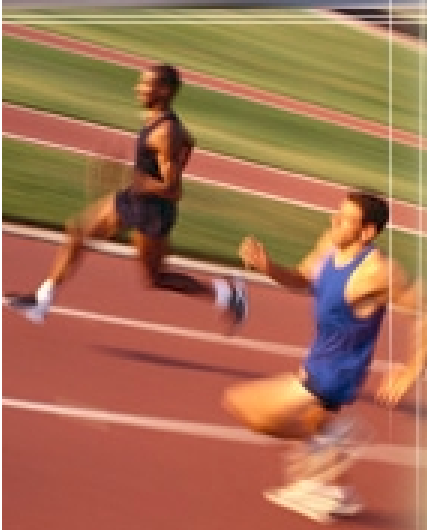
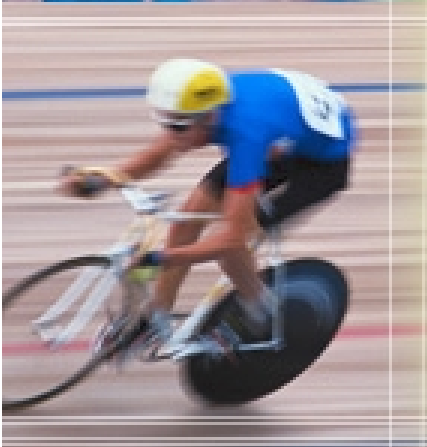
Maryann Lamer

Partner

Lamer Gray Marketing and

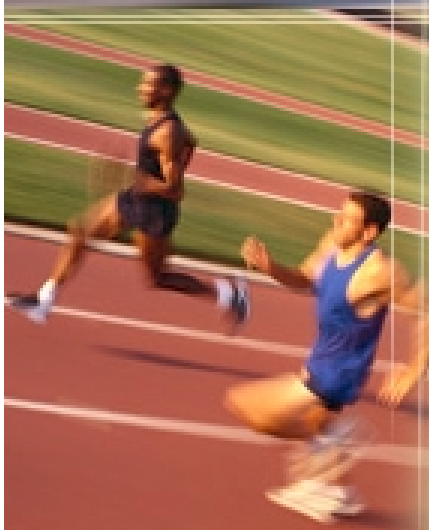
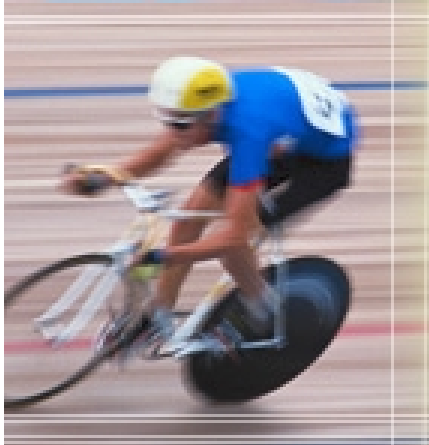
Public Relations

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Objectives

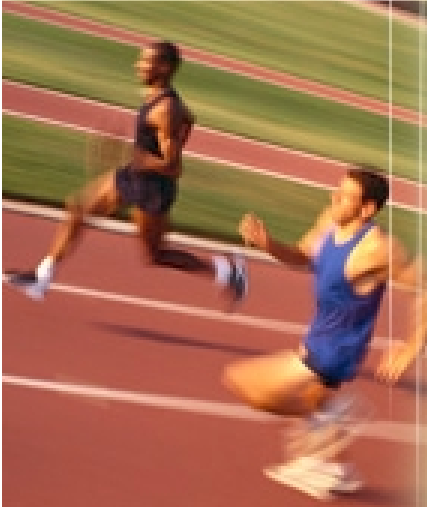
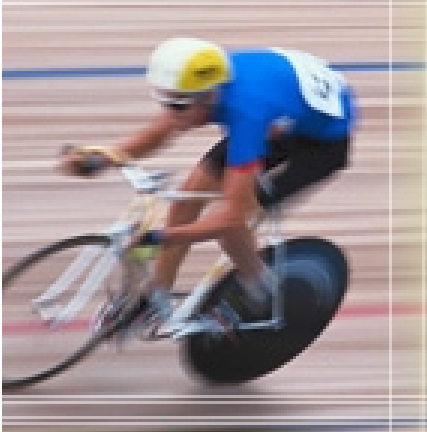
- What is Marketing
- Market Segmentation
- Determining Demand
- Channel Marketing
- The Marketing Mix
- Differentiating/Positioning
- Measuring Results
- Marketing Recap



- In the fast-paced world of nonprofits there's no time to step back and examine the overall marketing health of an organization right?

Make the time.

Seeing the big picture is well worth the effort.



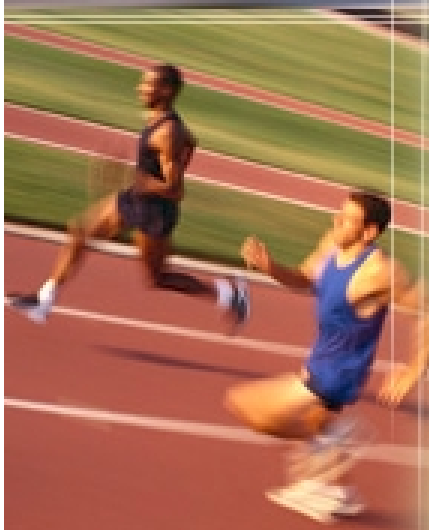
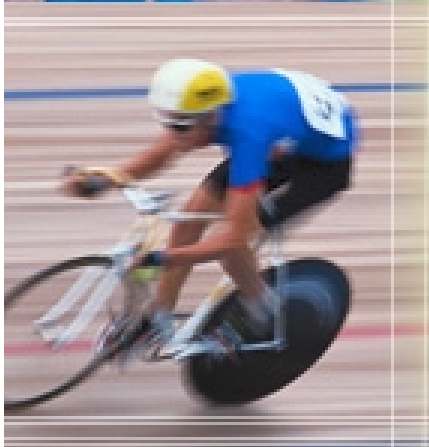
Nonprofit Trends

- *“One of the biggest trends in nonprofits in recent years has been the exposure to a range of management practices including entrepreneurship. The for-profit sector, at the same time, is learning about missions and values.”*

Peter Frumlin, Kennedy B-School

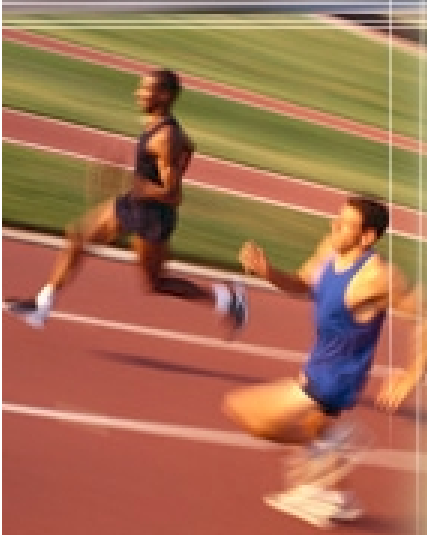
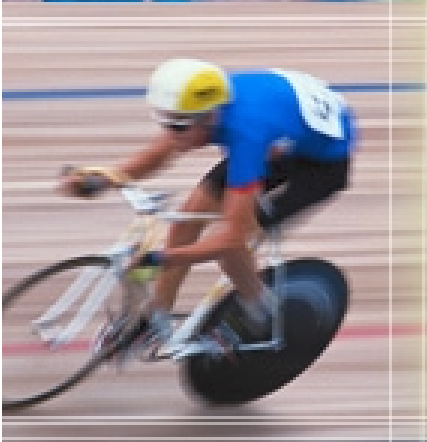
- *“One of the issues is that anything that has to do with business can’t have anything to do with helping people. But some involvement in commercialism can enhance what a nonprofit does, if you are selective about it.”*

Lisa Schorr, Harvard B-School



What We Know

- Nonprofit sector is a significant piece of the national economy and a critical part of local communities
- Many nonprofit managers are mired in problems and crises that make it difficult to understand the context of marketing their organization
- Rarely is there a chance to come up for air and think about the strategy behind their marketing program



Marketing Myths

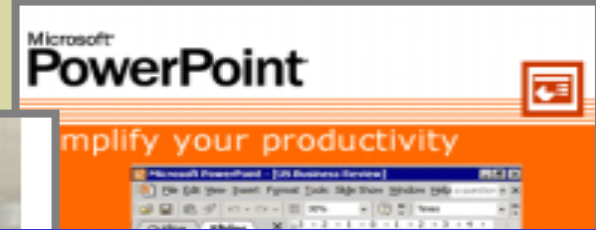
- **Myth:** Citizens cannot be compelled by nonprofit organizations to give their time or money in support of any collective goal.
- **Myth:** Nonprofits must draw on a large reservoir of good-will alone.
- **Myth:** Marketing harnesses the power of coercion that only public sectors possess. It is a source of strife and contention.



What Marketing Isn't

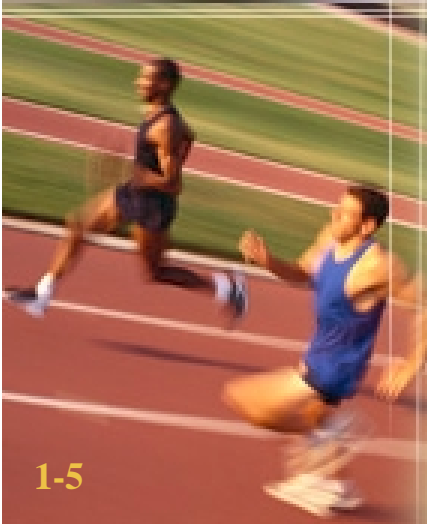
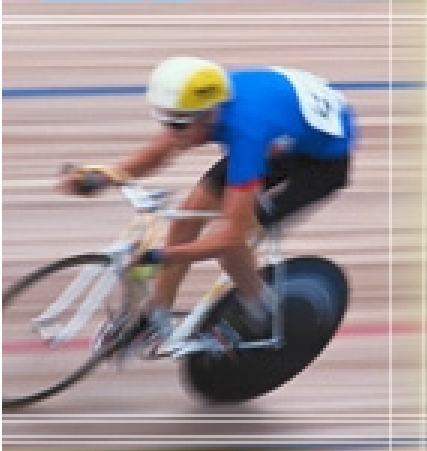
- Marketing is not just advertising.
- Marketing is not just public relations.
- Marketing is not just for profit seeking organizations.
- Marketing is not just packaging, product placement or even promotions.
- Marketing isn't a single one of these – but about all of these and more.

What Marketing Isn't



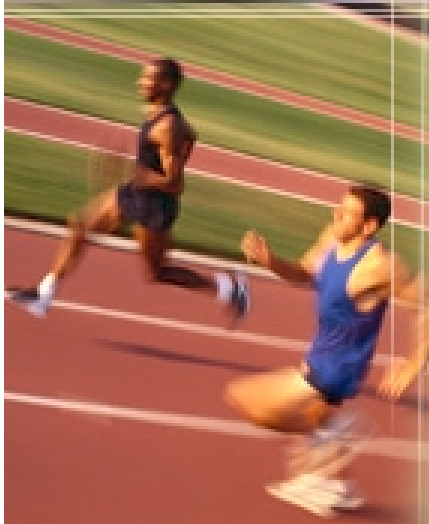
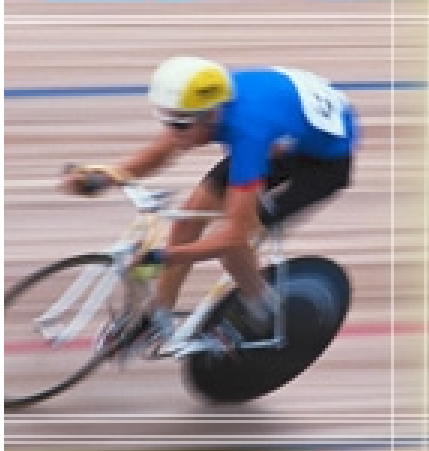
Even on a corporate level the definition of marketing is not clear.





Marketing Is Important!

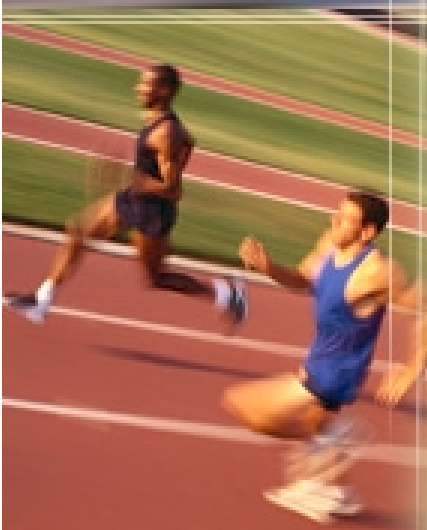
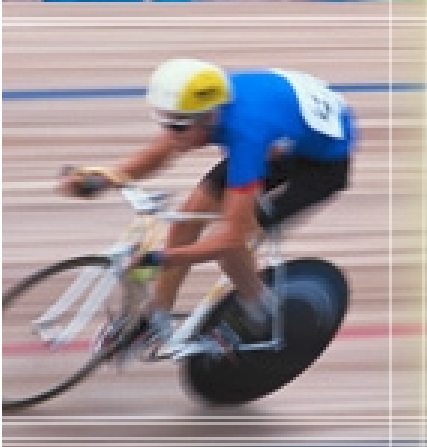
- Why Marketing?
- Marketing impacts all of us in our lives
 - Gives us choices
 - Drives innovation and economic growth
 - Stimulates contributions and promotes giving



Marketing Defined

- All functions of the business which are involved with getting the correct product/service to the correct customer(s) at the correct price and correct place/time employing the proper methods of promotion.





Maryann's Corollary

- Marketing is more than the 4P's covered in your Basic Marketing Class.
- Marketing is a blend of art, science, business and patience.





Core Concepts of Marketing

Target Markets & Segmentation

Needs, Wants, and Demands

Product or Offering

Value and Satisfaction

Relationships and Networks

Marketing Channels

Competition

Marketing Environment

The ~~Four~~ Five P's of the Marketing Mix

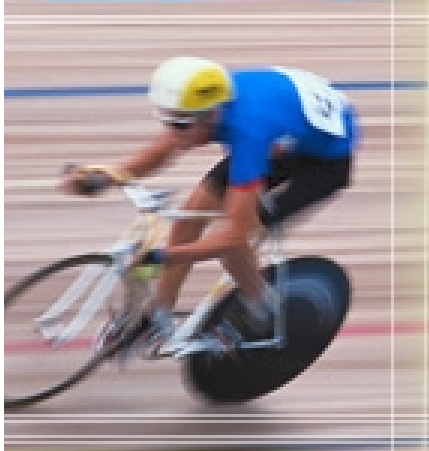
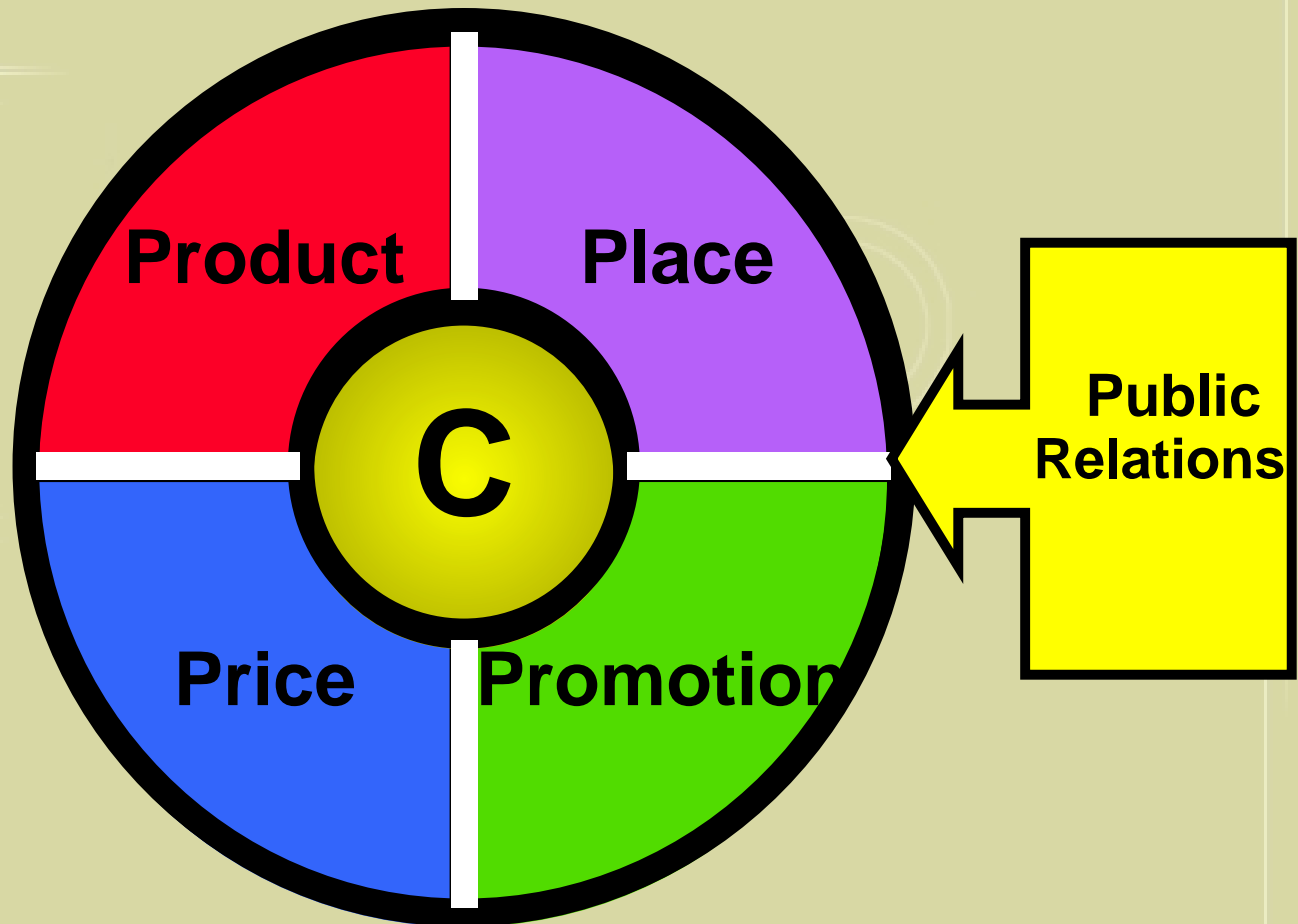
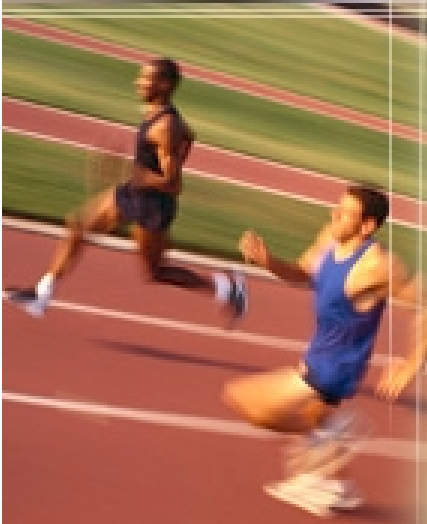
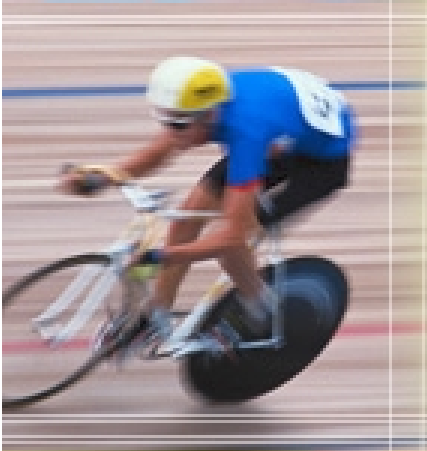


Exhibit 2-7

Product

- The flow of resources to a nonprofit depends entirely on the quality and relevance of its mission and its capacity to delivery VALUE
- To the extent a nonprofit is doing well, donors will be attracted to it
- Product is the first and most important part of the marketing mix

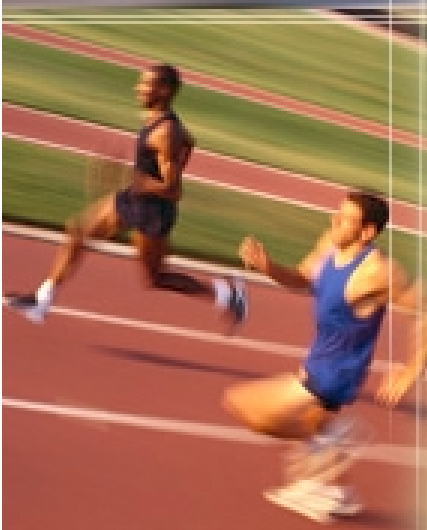
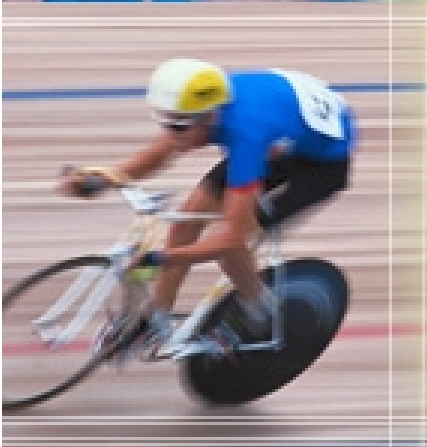


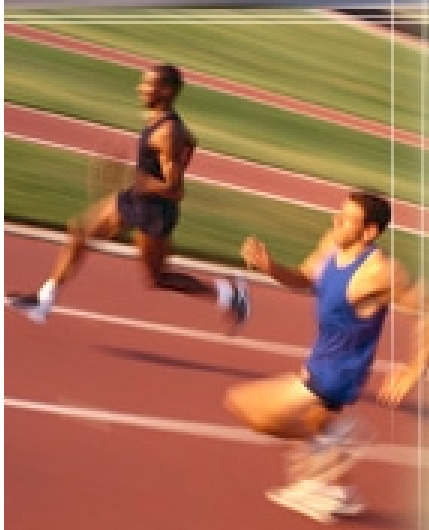
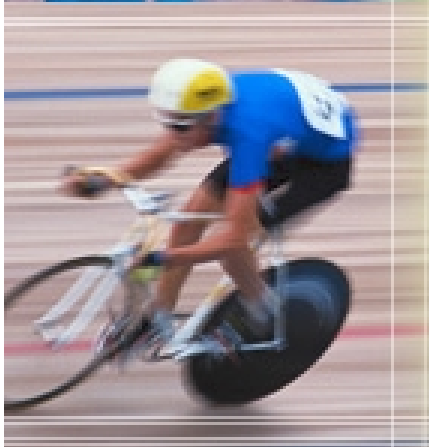
Pricing

- Pricing is the marketing mix element that produces revenue. The others produce costs.
- Price is most flexible and can be changed quickly.
- Price for nonprofit is the cost of the donation.

Profit?

- Profit need not be a dirty word at a nonprofit organization.
- With government grants and private donations drying up, nonprofit marketers are looking at earning their own way.
- Can nonprofits effectively serve two masters, their nonprofit mission and the call of the market?



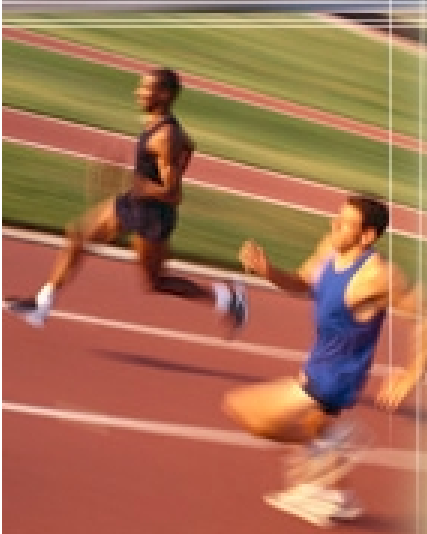
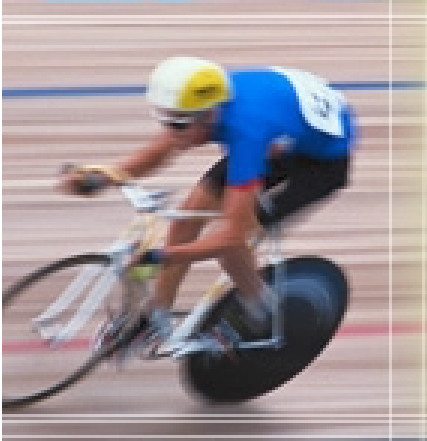


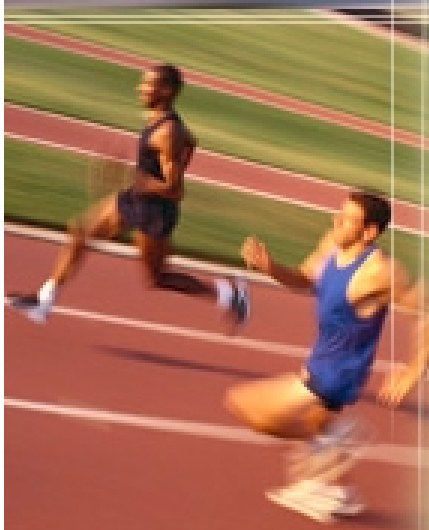
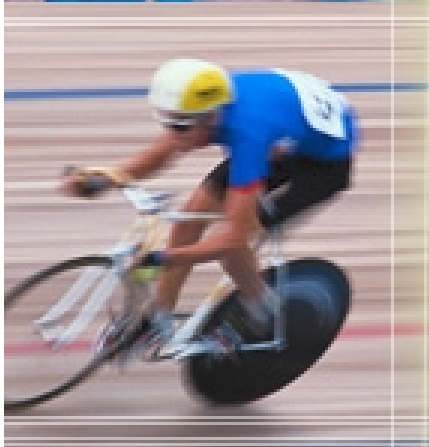
Place

- Place means “Bring Your Mission to others.”
- If your expectation is that people are going to support your business because of who you are and what you do, those people may come to you once.
- It takes more time and effort to land a new donor than it does to satisfy an existing one.
- Most people buy based on what they need as consumers; they will evaluate your product on price, quality and service – not pity.
- Remember, there are other nonprofits out there who compete for the same funds.

Promotion

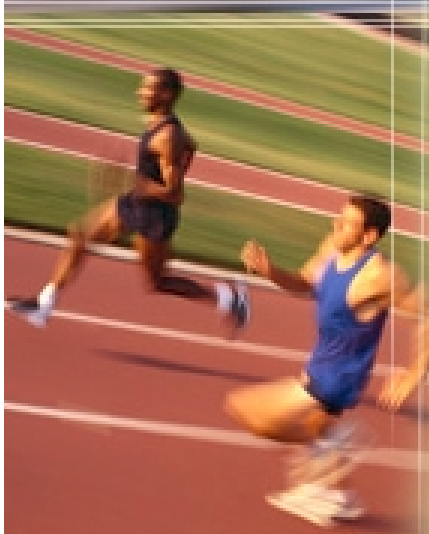
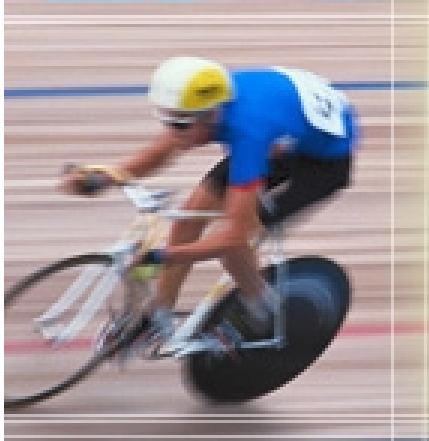
- Promotion tends to be thought of as being all marketing activities apart from advertising, personal selling, and public relations.
- *Advertising brings the horse to water, promotion makes it drink.*





Public Relations

- Public Relations is the act of developing mutually beneficial relationships
- Improve the life of your publics
- Create win-win situations



Marketing Strategy

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The Value-Delivery Process

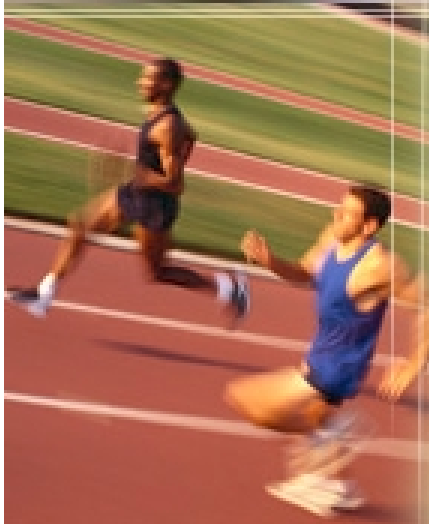
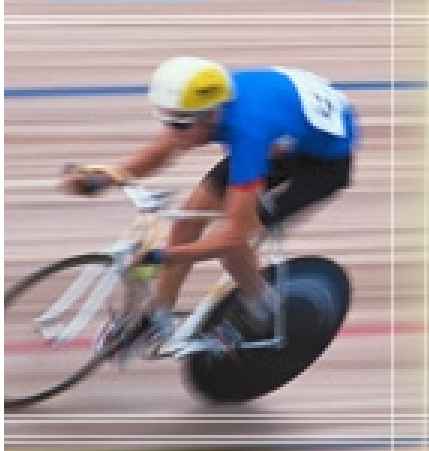
Value creation & delivery sequence

Choose the Value Provide the Value Communicate the Value

Strategic marketing

Tactical marketing





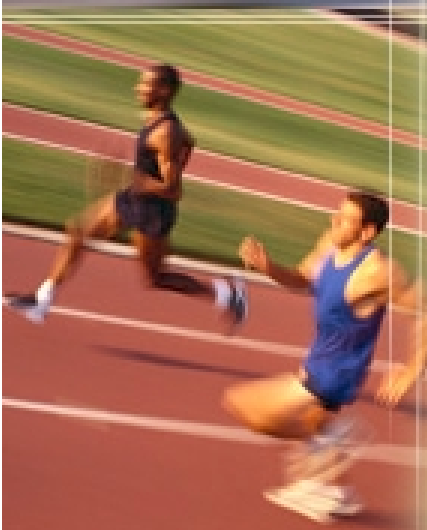
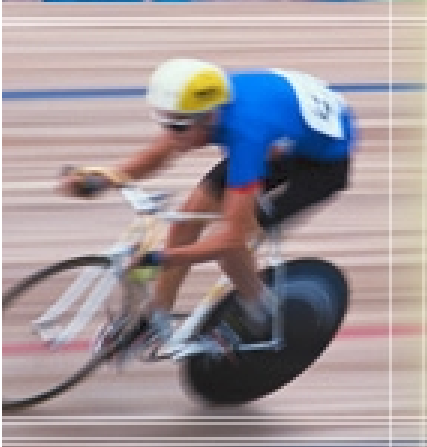
Marketing Channels

Reaching Your Target
Audience

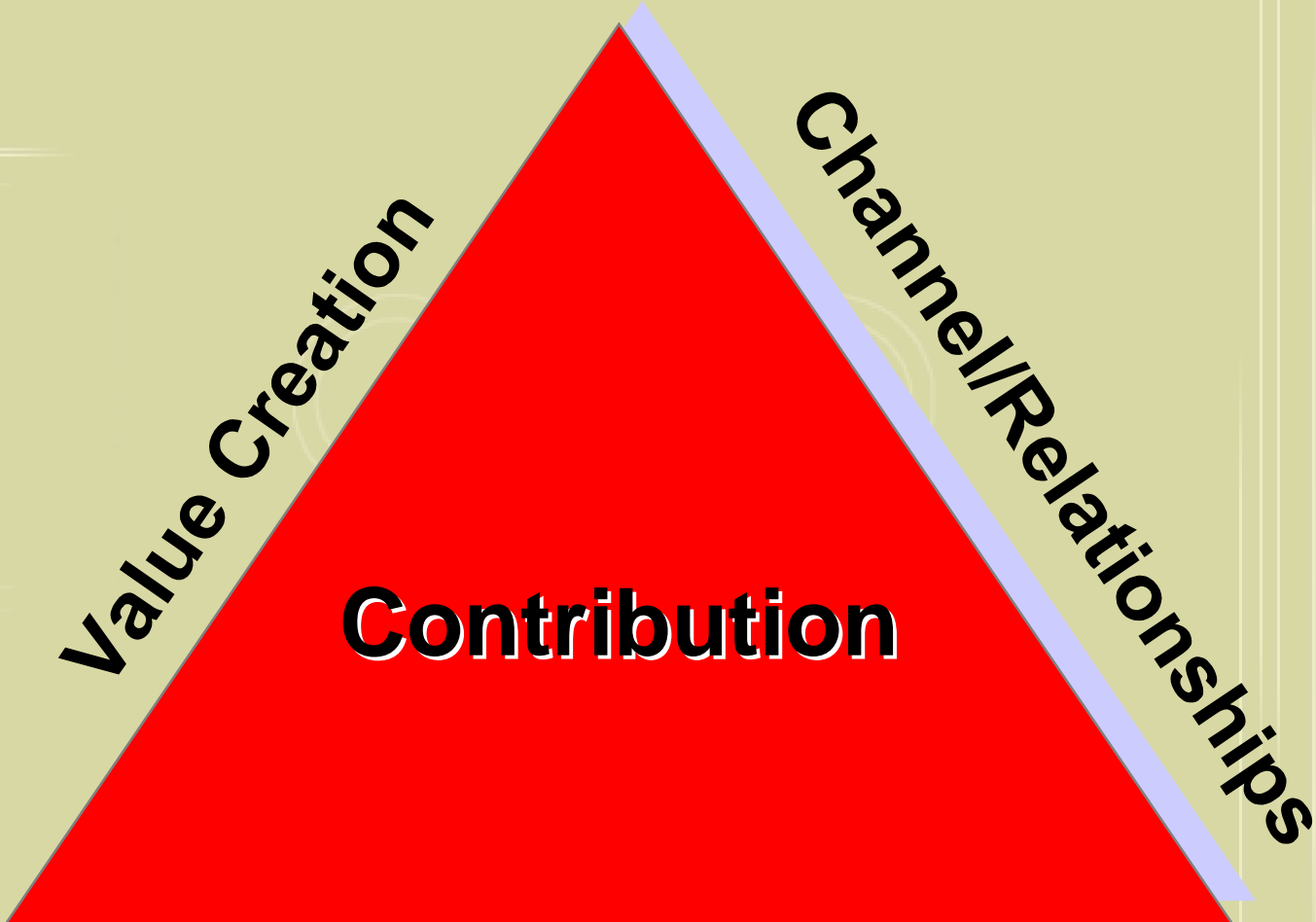
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Channels

- Marketing Channel - set of interdependent operations involved in the process of making a service available for use or consumption
- Channels should be chosen according to their efficiency, controllability and adaptability

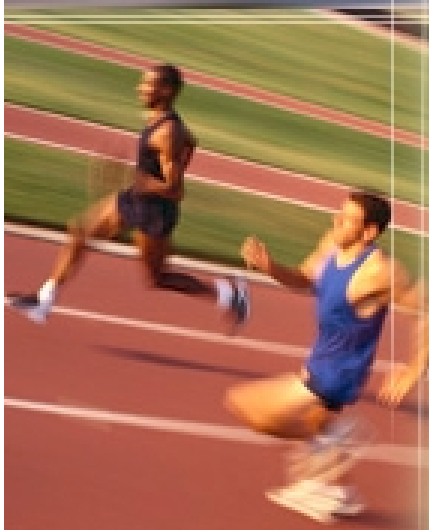
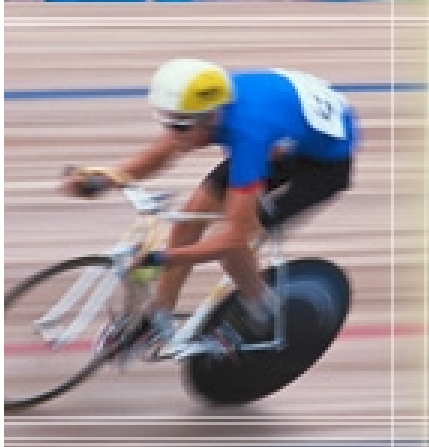


The Contribution Triangle



Differentiator

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Channel Examples

- Schools
- Hospitals
- Business Organizations
- Church
- Other Nonprofits
- Board Members
- Court System
- Clients

Channel Management

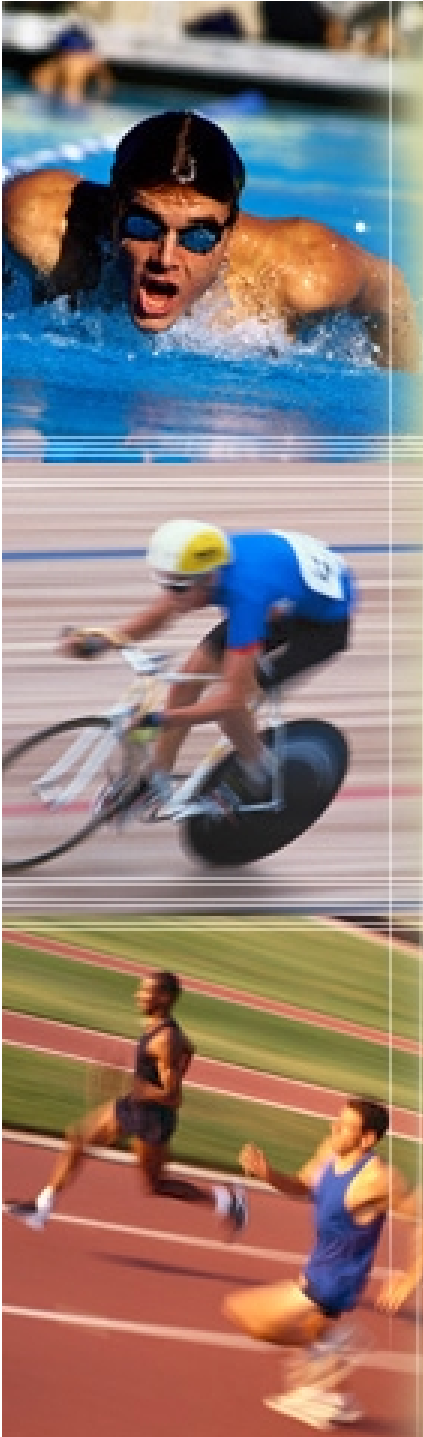
Selecting

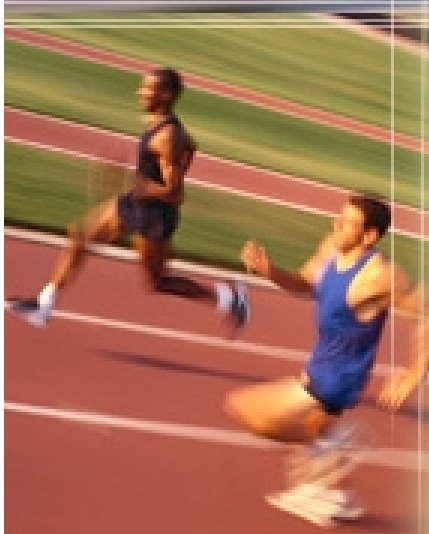
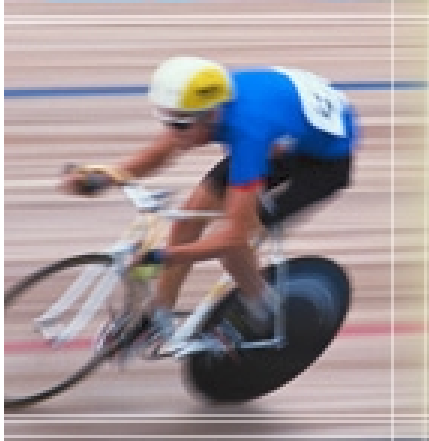
Training

Motivating

Evaluating

FEEDBACK





The Marketing Mix



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The Marketing Communications Mix



Advertising

Any Paid Form of Non-personal Presentation by an Identified Sponsor.

Promotional Events

Short-term Incentives to Encourage Trial or Purchase.

Public Relations

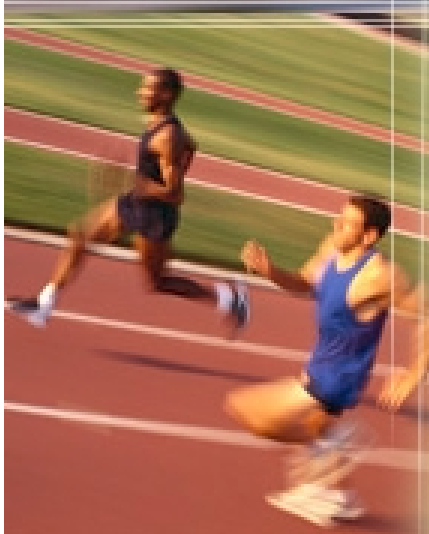
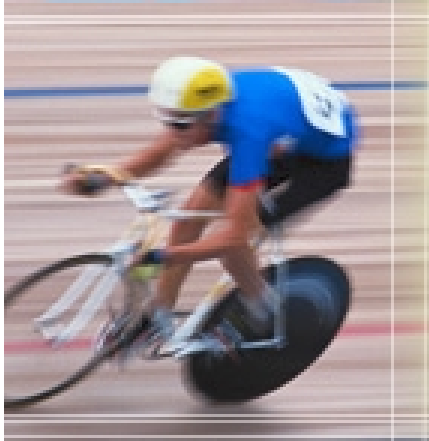
Protect, promote and build reputation with publics

Personal Selling

Personal Presentations.

Direct Marketing

Direct Communications With Individuals to Obtain an Immediate Response.



Segmentation and Demand

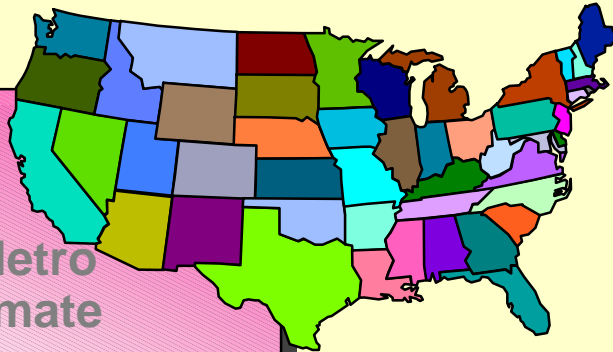


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Bases for Segmenting Consumer Markets

Geographic

Region, City or Metro
Size, Density, Climate



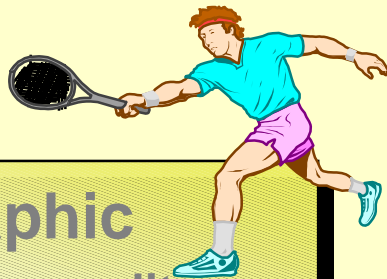
Demographic

Age, Gender, Family size
and Fife cycle, Race,
Occupation, or Income ...



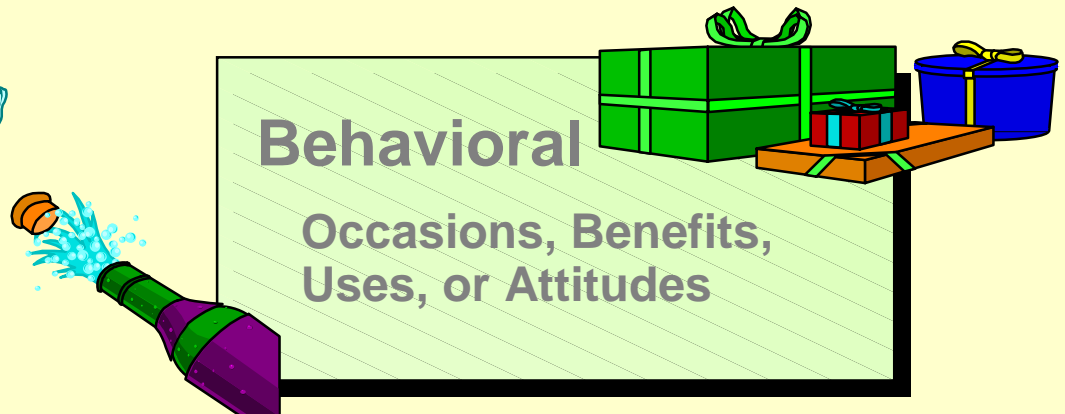
Psychographic

Lifestyle or Personality



Behavioral

Occasions, Benefits,
Uses, or Attitudes



Steps in Market Segmentation, Targeting, and Positioning

Market Segmentation

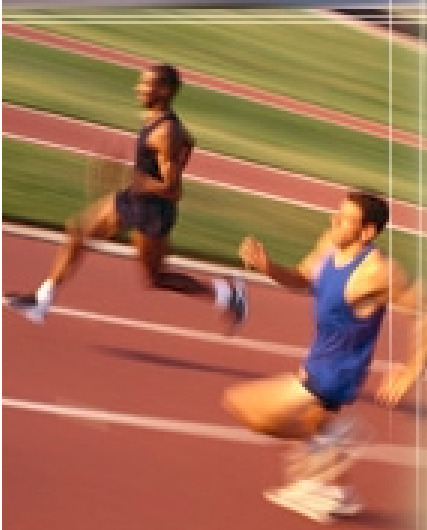
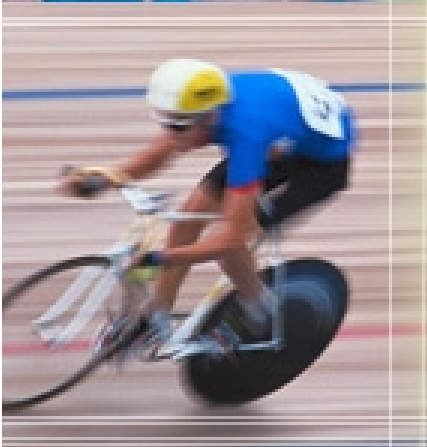
1. Identify segmentation variables and segment the market
2. Develop profiles of resulting segments

Market Targeting

3. Evaluate attractiveness of each segment
4. Select the target segment(s)

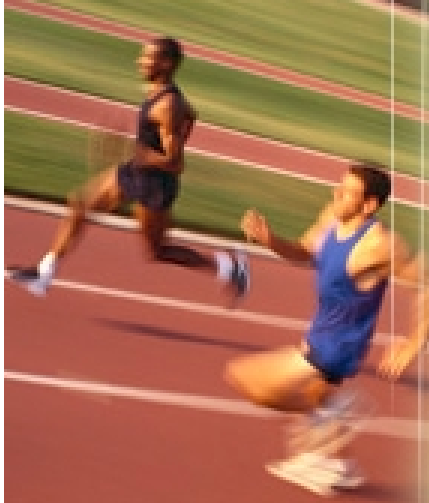
Market Positioning

5. Identify possible positioning concepts for each target segment
6. Select, develop, and communicate the chosen positioning concept



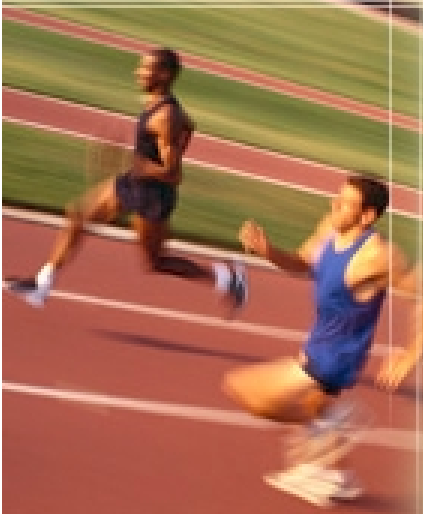
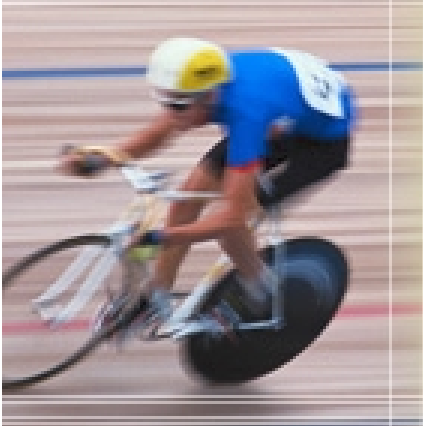
Segmentation Benefits

- Think Strategically
- Know your Audience
- Tie nonprofit investment to business strategy
- Nonprofit involvement helps segments meet community involvement objectives
- Start with low-risk activities first
- Sponsorship is about them NOT you



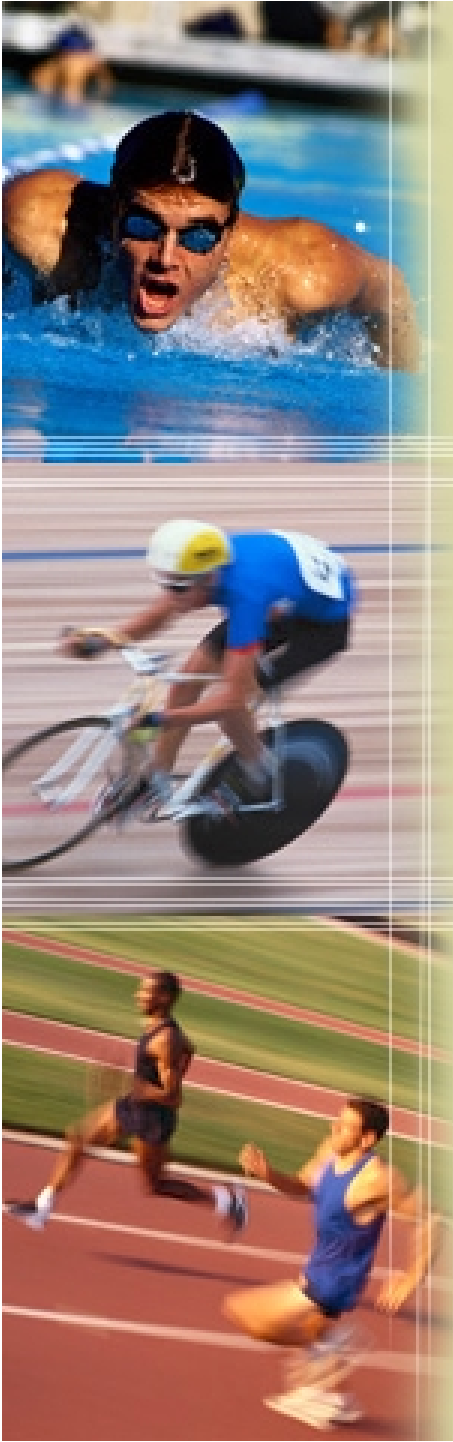
Market Demand

- A market consists of the set of actual and potential consumers of a market offer
- Size depends on how many people have interest, income and access to the market offer
- Segmentation is key to market demand
- Be aware of industries that are on the move
- Notice which companies are profitable and which are not
- Be aware of industries and companies on the decline, don't invest too much time there



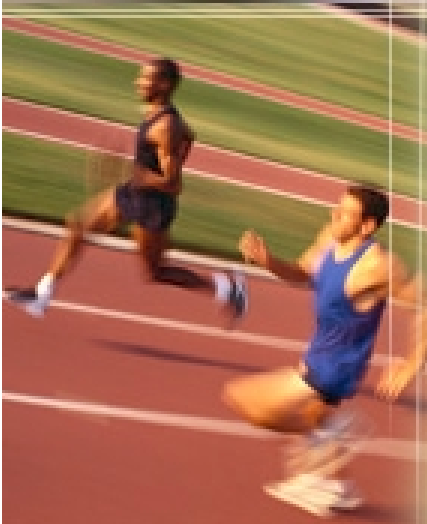
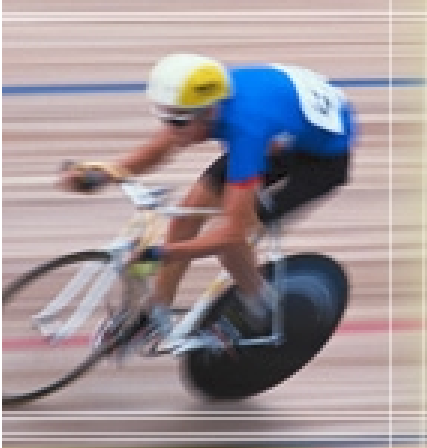
Measure of Market Demand

- Market Forecast
- Market Potential
- Industry Contributions
- Industry Market Share
- Organization Demand
- Contribution Forecast
- Contribution Potential
- Total Market Potential
- Area Market Potential
- Industry Sales
- Market Share



Positioning Differentiating Image Building

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Differentiation Defined

- Differentiation is the act of designing a set of meaningful differences to distinguish the organization's offering from its competitors' offerings

A Differentiator Must Be:

Important

A Value

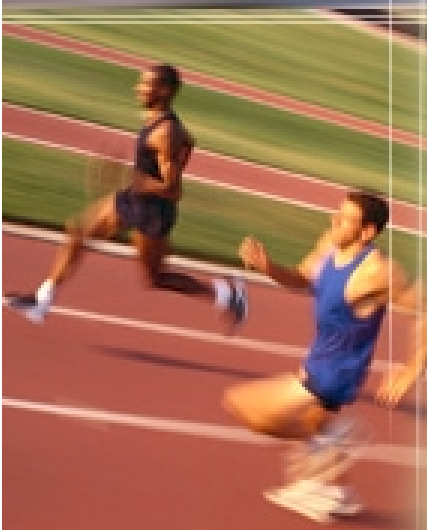
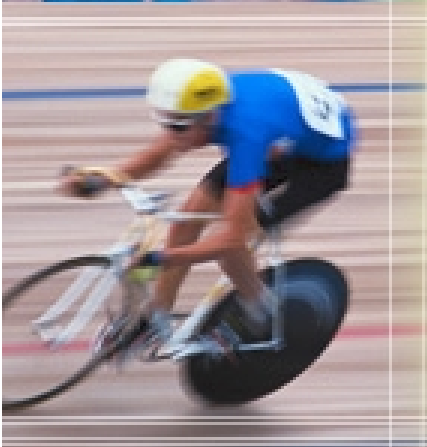
Distinctive

Differences Worth
Establishing

Affordable

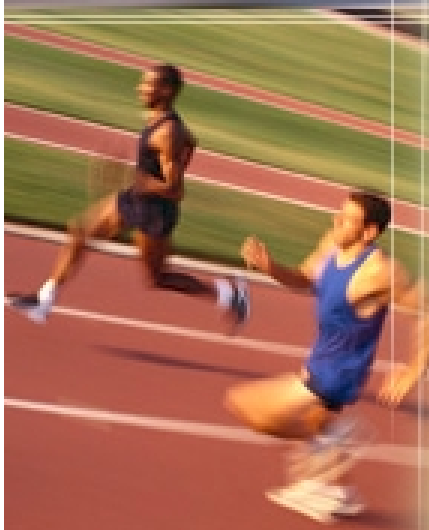
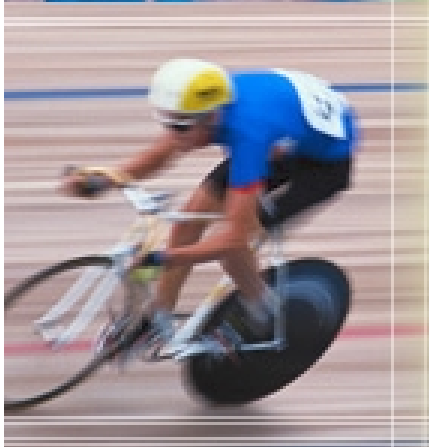
Superior

Preemptive



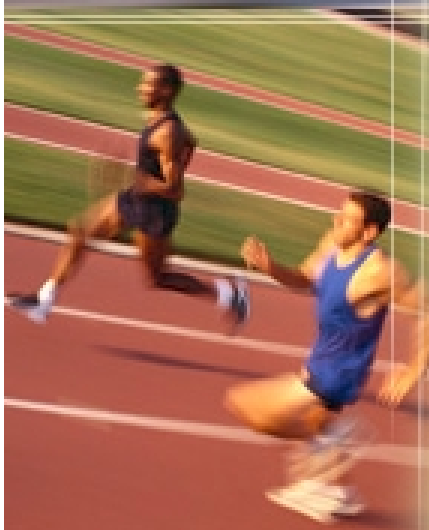
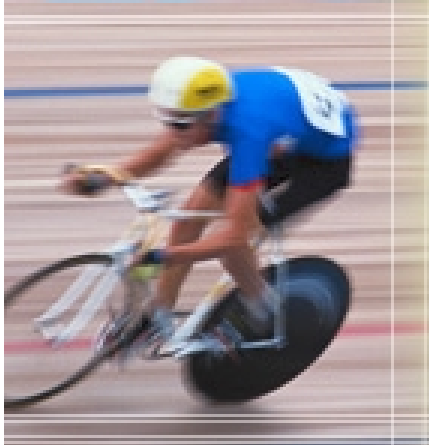
Differentiate Yourself

- What can you offer that is different?
- What are your organizational assets?
- What can you do for your sponsor?
- What value can you add to the relationship?
- Can your sponsorship provide an opportunity to launch or sell a new product or service?



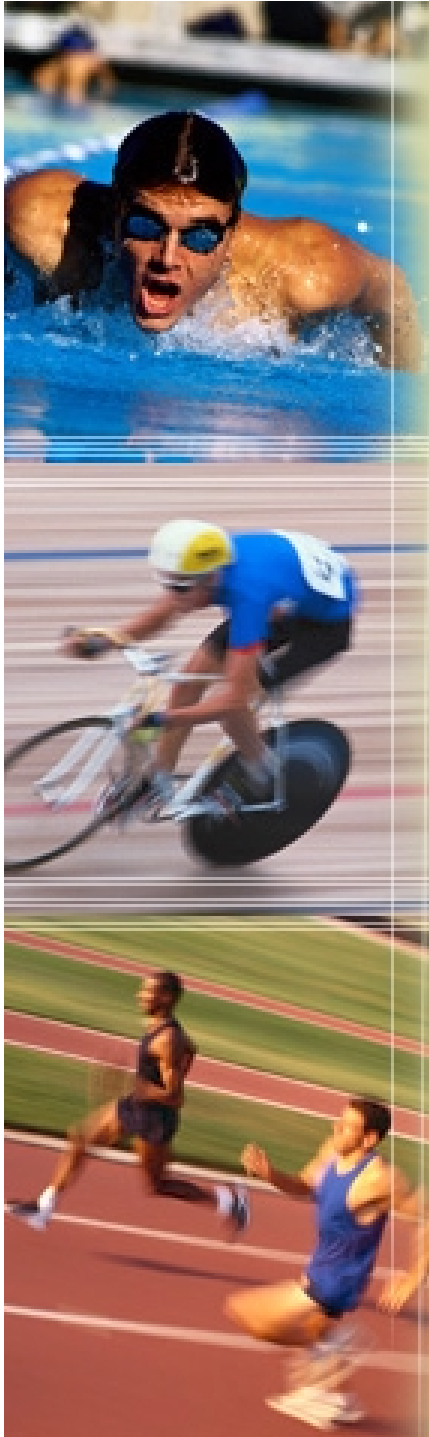
Differentiate Yourself

- You must “sell” your sponsorship opportunity.
- Develop benefits packages based on market input.
- Make sure your sponsors actually use their benefits to keep them interested, engaged and involved.
- Do you show continuous appreciation for your sponsors?
- Do you actively communication with all of your publics?



Identity and Image

- Identity - ways a company aims to identify or position itself or product
- Image - way the public perceives the company or its products

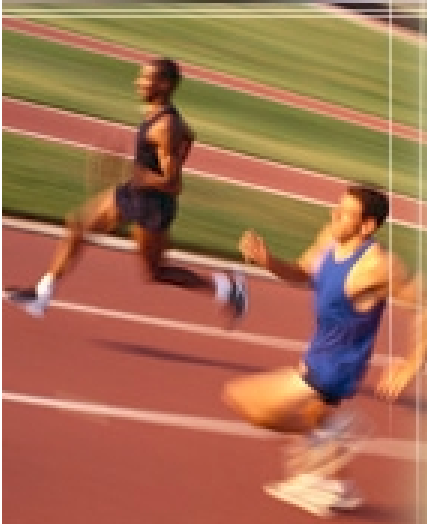
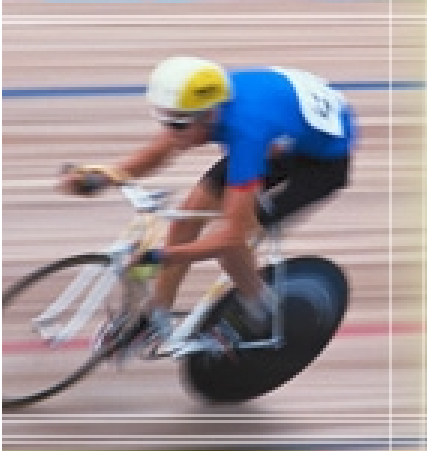


Positioning Defined

- Positioning is the act of designing the company's offering and image to occupy a distinctive place in the the target market's mind.
 - Attributes
 - Benefits
 - Use
 - User
 - Competing Entities
 - Product Category
 - Quality of Life
 - Ease of Contribution

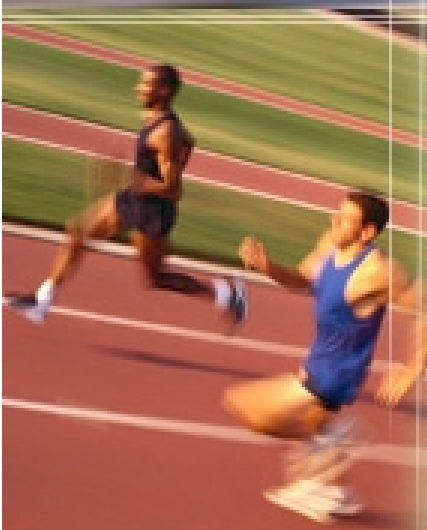
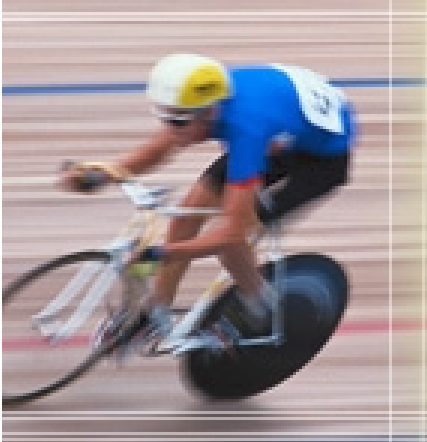
Positioning

- Positioning means a successful market focused value proposition
- It starts with your nonprofit/service
- It is not what you do to the nonprofit/service, but what you do to the mind of the prospect
- Position the product in the mind of the prospect



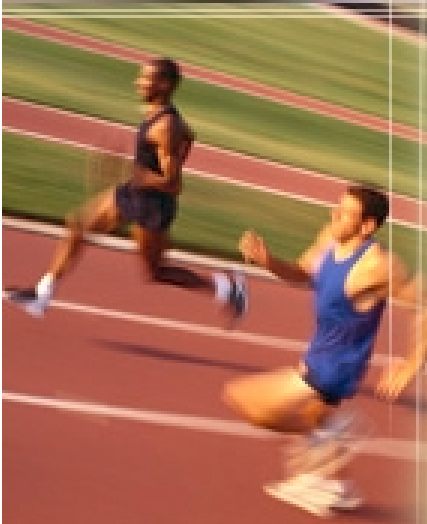
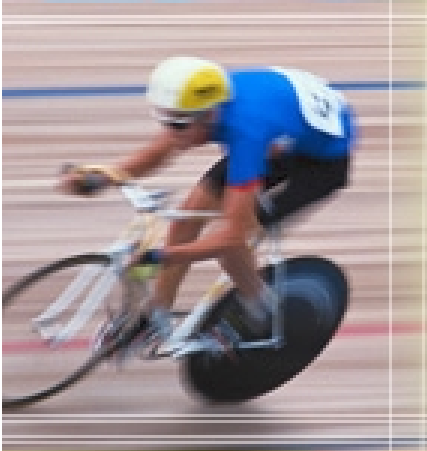
Positioning Quick Quiz!

- “Like a Good Neighbor...”
- Bouncing Smiley Faces and Falling Prices
- “We bring good things to life.”
- “We try harder.”
- “Just do it.”
- “Diamonds are forever.”
- "When it absolutely, positively has to be there overnight."
- "Because I'm worth it."
- "The ultimate driving machine."



Positioning To Do List

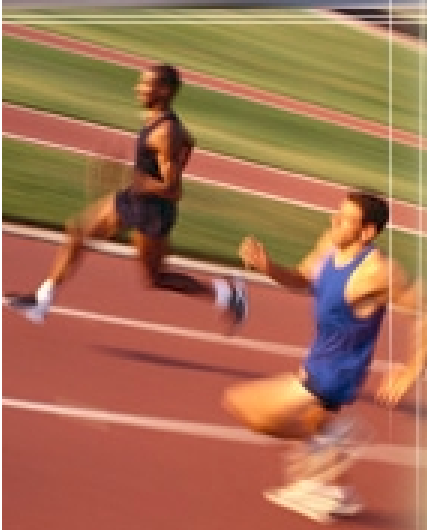
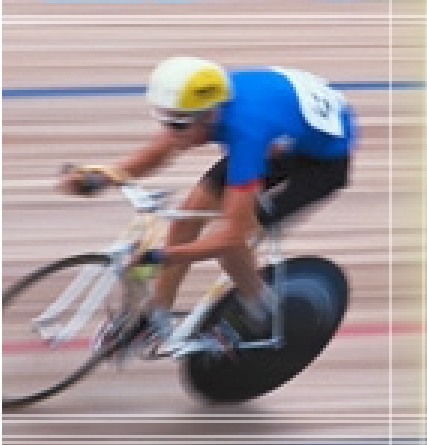
- Strengthen your position in the consumer mind
- Grab an unoccupied position
- Identify an important attribute or benefit your can convincingly own
- Deposition or reposition the competition

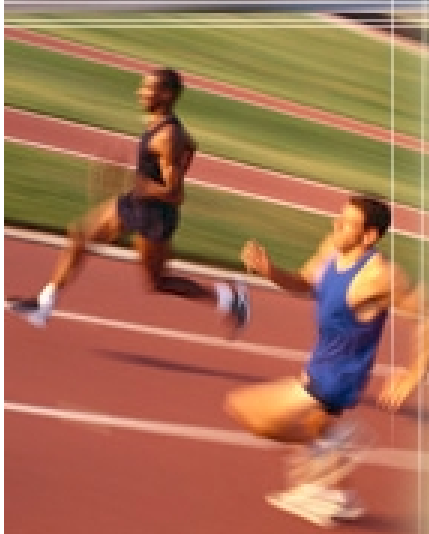
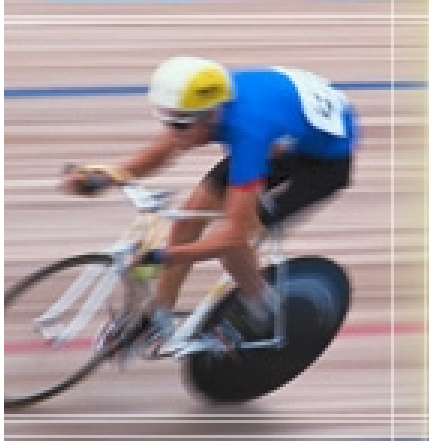




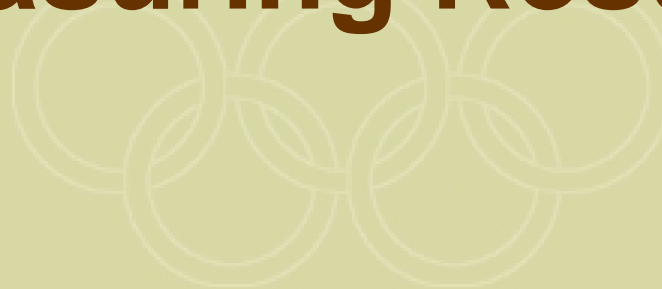
Positioning “Oops”

- Underpositioning - Lack clarity
- Overposition - Narrow image
- Confused Position - Too many claims
- Doubtful Positioning

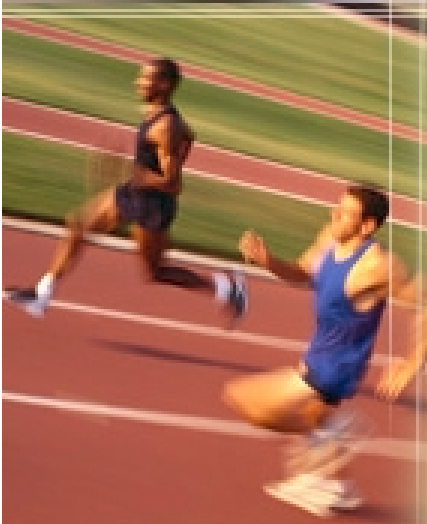
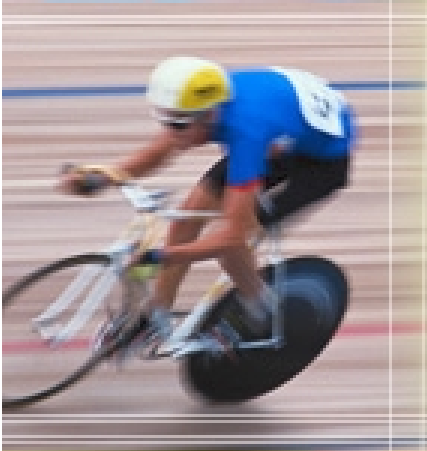




Measuring Results

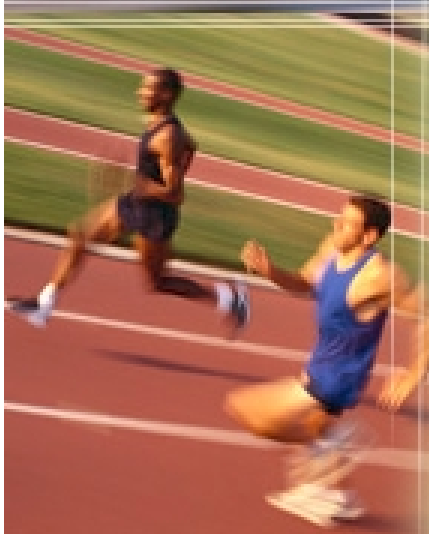
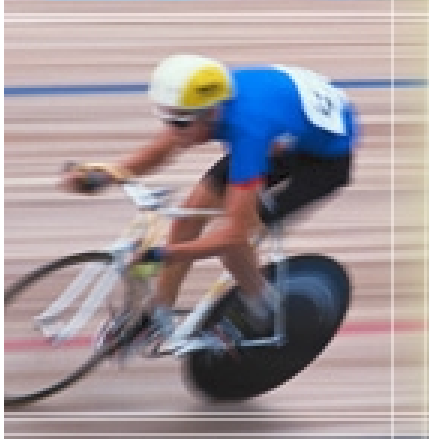


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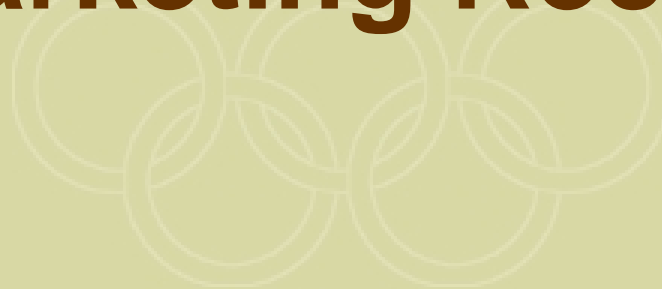


Measuring Results

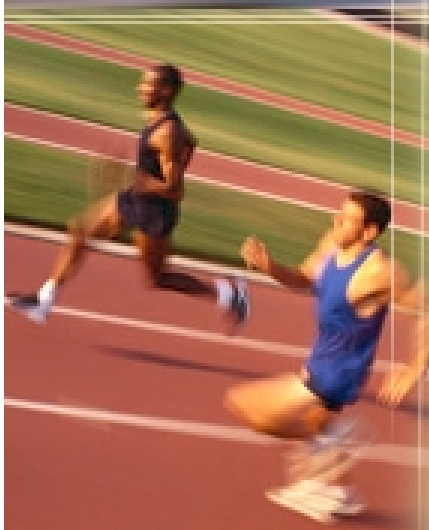
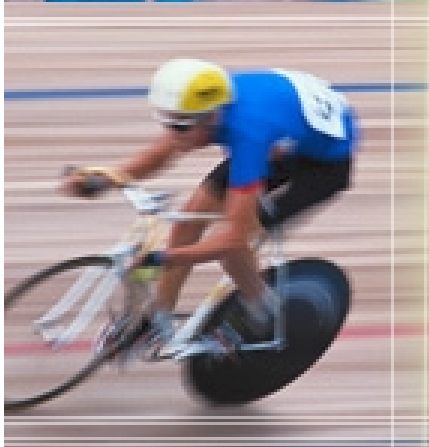
- Innovation and energy are critical for nonprofit marketing
- It is possible to measure progress in a way that satisfies all publics
 - Tangible data
 - Revenue Increases, Increases over Budget
 - Quality of Service Interviews and Testimonials



Marketing Recap



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Marketing Recap

- Marketing
 - Product, Price, Place, Promotion and Public Relations
 - Strategy
 - Reaching Your Target Public
 - Channels
 - Differentiate, Positioning, Image, Identity
 - Measure Results
 - Communicate

Questions?

Marketing is about getting to intimately know potential clients and allowing them to likewise know us.

Cicero summed up the essence of marketing and sales some 2000 years ago when he said, *"If you wish to persuade me, you must first think my thoughts, feel my feelings and speak my words."*

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