

Marketing Concepts to Communicate Your Message



Improving Mobility in Idaho

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This Session

- **Marketing**
 - What it is and what it can be
- **Strategy and Tactics**
 - Effective use of marketing by nonprofits

Marketing Fundamentals

- ***Marketing's Foundation:*** The exchange of value for value with both parties better off after the exchange than before.
- ***Marketing Tactics:*** Activities of an individual or organization intended to produce a desired exchange.
- ***Marketer:*** Any person who can potentially contribute to a successful exchange.

Why Marketing?

- **Exchanges are fundamental to the existence and survival of virtually all individuals and organizations**
- **All exchanges occur in the presence of competition or alternatives**
- **Marketing is the function designed to produce successful exchanges that build relationships in the face of competition**

Defining a Market

- A group of organizations or individuals that are similar in some demand-related respect and with which an organization want to make an exchange.

Primary Markets

- **Clients** - Acquire offerings for their own personal or organizational use.
 - For example: Individuals in need of transportation, Commuters, Employers to support employees, Environmentalists, etc.
- **Supporters** - Provide resources in the form of money, time, expertise, or other resources that contribute to the mission of the organization.
 - For example: Prospective volunteer drivers, Other local transportation providers as partners or potential partners, Board members, etc.

Marketing Strategy Exercise:

Step 1

- Select a group of organizations or a group of individuals your organization views as an existing client or supporter market.

Marketing Strategy Exercise:

Step 2

- What makes this market appealing or attractive?

Marketing Strategy Exercise:

Step 3

- Does your answer to Step 2 describe BOTH SIDES of the value exchange?
- If not, what is the value the other party believes it gets (or will get) from the exchange?
- How confident are you (on a scale of 5 to 1, 5 being “Certain” and 1 being “No idea”) that your answer is accurate?

Marketing Principles

- **1st Principle:** Recognizing and Identifying the Complete Desired Exchange is the Foundation of Marketing

Marketing Tactics

- **Activities designed to plan, price, promote, and distribute want-satisfying offerings for markets to achieve internal and external organizational objectives.**

Categories of Marketing Tactics

- Offerings
- Price
- Distribution
- Communications

Marketing Tactics

- Offerings
- Price
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- Communications

Product or Offering

A physical object, service, place, person, or idea offered by an organization to a market to achieve particular outcomes.

Typical Service Offerings of CTAI Associates

- **To Clients (e.g., commuters, employers, environmentalists)**
 - Education
 - Transportation alternatives
 - Network of likeminded people
 - etc.
- **To Supporters (e.g., local leaders, partners, volunteers)**
 - Board membership
 - Coordinated transportation services
 - etc.

Marketing Principles

- **2nd Principle:** Offerings are Conduits of Benefits, as such their value is in the benefits they provide
 - Corollary - Offerings have negative value

Marketing Tools

- Offering
- **Price**
- Distribution
- Communications

Price

- **The amount of money and/or other resources required to acquire an offering**

Price

- **Typical prices a market experiences include:**
 - **Purchase price (\$\$)**
 - **Search cost**
 - **Learning cost**
 - **Social, physical, financial risk**
 - **Opportunity cost**

Marketing Principles

- **3rd Principle: Price Takes Several Forms**
 - Corollary - Frequently money is not the most important price/cost

Price as a Motivator

- **Price (in all its forms) can be an incentive to act, neutral, or a disincentive to act**
- **Interpreting negative reactions to price: What the market says and what it really means:**
 - **“Insufficient resources” - Low priority?**
 - **“Insufficient value” - Wrong market?**
 - **“Insufficient information” - Failed communication?**

Marketing Tools

- Offering
- Price
- **Distribution**
- Communications

Distribution

- **Getting the offering to a market**
- **Two dimensions**
 - **Channel of Distribution** - The system through which a fixed offering changes *owners*.
 - **Physical Distribution** - The system through which a fixed offering changes *locations*.

Nonprofit Distribution

- **Market comes to nonprofit for the offering**
- **Nonprofit organization takes the offering to the market**

Marketing Principles

- **4th Principle:** Distribution Alternatives are the Most Frequently Overlooked Opportunities for Differentiation

Marketing Tools

- Offering
- Price
- Distribution
- **Communications**

Communications

- **Personal & nonpersonal messages of an organization primarily intended to influence markets.**

Communication Objectives

- **Inform**
- **Persuade**
- **Motivate**
- **Remind**

Communication Audiences

- **External**
 - Clients
 - Supporters
 - Influencers (publics)
- **Internal**
 - Employees
 - Volunteers
 - Board members

Communication Tools

- **Advertising (media, websites)**
- **Sales Promotion (e.g., Incentives)**
- **Public Relations**
- **Publicity**
- **Personal (face-to-face, telephone, email, social media)**

Marketing Principles

- **5th Principle:** Communicating is Deceptively Complex

Competition

- **Direct** - Alternatives that satisfy the same need or provide the same benefit
- **Indirect** - Alternatives that consume the market's resource(s)

Marketing Principles

- **6th Principle:** Competition in several forms always exists and is therefore a threat

Marketing and Organizational Resources

- Marketing consumes a significant portion of an organization's resources
- Marketing has not been held to a high standard of performance
 - Marketing tactics are generally assumed to be necessary
 - Results are difficult to measure

Marketing Principles

- **7th Principle:** Setting Goals and Measuring Results are Essential Components of Marketing

Assessing Marketing

- Are you satisfied with your marketing?
 - Do you see opportunities for improvement:
 - In how you think about the markets and their needs or desired benefits?
 - In how you conduct marketing?
 - In how you approach competition?
 - In goal setting and results measurement?

Information Resources

- Guidestar
 - www.guidestar.org
 - potential benchmarking, newsletters
- Aspen Institute
 - www.aspeninstitute.org
 - Select a Topic
 - Nonprofit philanthropy/research
- The Nonprofit Resource Center
 - www.nonprofitresource.com
 - Resources for managing nonprofits
- American Marketing Association
 - www.themarketingfoundation.org
 - 2010 Senior Nonprofit Marketers' Summit, Marketing Transformation

Marketing Strategy Resources

- www.KnowThis.com
 - Go to “marketing plans” to see several approaches
- www.marketingteacher.com
 - Compilation of marketing tools and concepts by British lecturers
- www.mplans.com/spm
 - Go to “sample plans” and click on “show free plans only”
- www.mapfornonprofits.org
 - Go to “Free Management Library” and click on “Marketing”
- www.census.gov
 - U.S. Census Bureau. National & state data on topics such as poverty, insurance, recreation, education, health care, etc.

Questions?

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