

The Non-Profit Dilemma

A white paper by Updentity,
an internationally acclaimed marketing
firm located in Indiana.



About the author: Kristen Boie, MBA, has over 25 years of experience working in marketing in a strategic capacity. She has been involved with numerous non-profit organizations, as well as served on the board of several non-profits over the years. She has an MBA from Bryant University and formerly led a marketing agency where she helped small to mid-sized businesses and non-profit organizations with strategic marketing planning as well as achieving their marketing goals.

The Non-Profit Dilemma

It's a vicious cycle - the non-profit organization does not have the money or resources to promote itself but in order to generate interest in the organization, the non-profit must find a way to promote itself to more people. After all, the more people who learn about the non-profit, the more people will want to support the organization, right?

How to Promote Passion

One thing is certain, most non-profit directors, their boards and all of the people who support the organization are extremely passionate about the non-profit's cause. The people who are involved with non-profits do so because the cause has touched them in some profound way and it has meaning well beyond their website or their fundraising event. The cause has impacted their lives and transformed them into the people they are today - and they are passionate beyond words. They would tell the story of their cause to anyone and everyone who would listen. But how? How does a non-profit promote its passion beyond its existing supporters?

Therein lies the non-profit dilemma. How does a non-profit promote its passion and tell its story to more people to generate interest, compassion, and support for the cause?

According to notable non-profit fundraiser, Dan Pallotta, non-profits have not advanced in their percentage of the gross domestic product for over forty years, and as a whole non-profits have consistently only been able to represent a mere 2% of the GDP. In 2014, Updentity conducted a survey of non-profit organizations to determine which marketing methods work to promote causes and which do not. Updentity conducted the study to understand why non-profits have such difficulty spreading the word about the causes they represent. Why, if people are so passionate about a cause, do they find it so difficult to spread the word? In other words, how does a non-profit promote its passion and garner support from more people than it ever imagined possible?

In order to understand this dilemma fully, we must start with an analysis of the non-profit marketing budget.

The Non-Existent Non-Profit Marketing Budget

Ask most non-profit executives where they'd cut money from their annual budget in times of crisis and the first word out of their mouths would resoundingly be "marketing". Many non-profits proceed into the budget planning process with good intentions. They understand the value of marketing and promotion but ironically, it is the first budget item they look to slash whenever the budget doesn't make sense to the board.

Even the most well-intentioned executive directors know that in order to promote the organization effectively, they need a promotion budget. Yet, when questioned, they give in rather than fight for what they know to be true - marketing dollars spent often equate to a greater return on investment than any other budget item. For-profit businesses understand this notion, as do many of the members that sit on the non-profit board. However, most cannot seem to justify a non-profit spending money on marketing, advertising and promotion. So how exactly are people to learn of the organization and the people it supports if the organization does not promote itself beyond its current supporters?

What to Spend

Perhaps the reason most non-profit directors slash from the marketing budget is because it often represents a sizable portion of the budget. The American Marketing Association conducted a study and determined that most non-profits who have a marketing budget only allocate 2-3% of their budget towards marketing activities. Most marketing experts recommend that organizations spend 10-20% of their projected revenue towards marketing. Even for an organization that errs on the conservative side, this could equal a significant amount of money for an organization with sizeable annual revenue.

Even if the marketing budget doesn't scare off the board, it could be the lack of return on investment that causes most board members to force the budget slashing. If an executive director cannot justify the spending on worthwhile marketing activities that produce results, it is likely the board will continue to slash the budget until it feels the director has a better handle on its return on investment.

Where to Promote

Executive directors who cannot tackle the return on investment question often buckle to the board because it cannot justify how the marketing activities are going to produce revenue for the organization. That is because most executive directors do not track the success or failure of the organization's marketing activities. If they do not have fancy reports and graphs to show the board, as well as bottom line results that have generated from the specific marketing activities, it becomes an exercise in futility.

Where should a non-profit promote itself while providing the reports it desires, including where the revenue generating activities are coming from? To assess where to promote, it's important to identify the traditional marketing activities that have not satisfied boards in the past and why.

Print Advertising: Printed newspapers and magazines reach a limited demographic on a very limited schedule. Newspaper and magazine advertising success is measured by circulation - that is the number of people in the newspaper distribution list. Newspapers and magazines have no way of determining exactly how many people saw or read an ad, and most non-profits are not savvy enough to put a specific call to action in place to track the ad. Newspaper and magazine advertising is also expensive compared to most other types of advertising.

TV and Radio Advertising: TV and radio advertising can reach a broader demographic of people on a broader scale, but the cost is also very expensive and reaching a specific target market can be very challenging. Here again, unless there is a specific call to action with a tracking code, something most non-profits don't ordinarily do, it is almost impossible to determine where leads are generating from. TV and Radio advertising is also quite expensive for most non-profits.

Email Marketing: Email marketing to a cultivated list can be quite effective, especially because it represents a relatively low cost to implement in terms of staff time and distribution service. However, email marketing oftentimes does not take into account new prospects. Non-profits typically do not solicit people via email unless the person has opted into their email distribution list nor do they generally know how to grow their email list. Most non-profits would not ordinarily purchase a list and distribute emails to an unknown group of people.

Direct Mail: Direct mail to a cultivated list can also be quite effective, but this method also does not take into account new prospects. While the return on investment can be quite high and fairly easy to measure with a targeted direct mail campaign, the disadvantage is it does not reach new people. Like email marketing, most non-profits would not consider purchasing a mailing list and sending a direct mail piece to people it did not know. Even with all of the benefits of direct mail, the biggest disadvantage is list attrition. If people move or pass away, the quality of the direct mail list diminishes over time, unless the organization aggressively works to maintain a quality list.

Website Advertising: Banner ads and other types of website advertising can be effective if the ads appear on targeted partner sites. Website advertising can reach a specific target market and depending on the website traffic of the partner site, the ads can be seen by more people than traditional methods of advertising. Success in website advertising is measured in impressions and conversions. Impressions are the number of people who saw the ad and conversions represent the number of people who clicked on the ad. When a person clicks on a non-profit ad, it typically goes to a landing page on the non-profit's website. In most cases, they send the person to the non-profit's home page and most non-profit home pages do not suffice to truly convert a visitor to a supporter.

Online Advertising: Online advertising, through one of the major search engines can be effective if produced properly. Writing ads for pay per click advertising campaigns can be difficult in producing the results a non-profit is looking for. On the contrary to the difficulty of writing ads, the simplicity is on the reporting and tracking functionality. Search engines can

provide advertisers with reports that highlight the number of impressions and conversions the ads received. Online advertising has greater potential to reach more people within a target market than regular website advertising and ads can be tailored to the specific search parameters of the person searching.

Which Method to Choose

Non-profit boards are generally concerned with return on investment, when speaking of marketing activities. Most boards consist of business-minded people, that focus on the promotional method that yields the most qualified leads and exposes the organization to the most people, with the least amount of money spent. Most non-profits have traditionally selected those mediums that are least expensive and many still rely solely on word-of-mouth advertising. Historically, this doesn't yield the impact that is needed to sustain or catapult an organization's revenue stream.

The Marketing Shift

In order to advance, non-profits must shift their thinking about the way they promote their organization. During the 1990's, businesses quickly realized that the Internet was going to be revolutionary for how they conducted business. It took most non-profits another ten years to realize they needed a website. It then took most non-profits another ten years to recognize the power social media could have on a non-profit - think ice bucket challenge. Non-profits historically follow behind the trends of for-profit organizations, but eventually they do catch up and embrace the marketing activities businesses are utilizing.

Businesses have known for years that online advertising is an important part of their marketing mix, and they have included online advertising as part of their budgets ever since. Businesses have embraced the notion that being listed first in the results of the most popular search engines is vital to their success.

Online advertising is becoming the leader in providing non-profits the best return on investment than any other method of promotion for several key reasons.

- 1) Online advertising can be customized by specific search parameters. If a person is searching "cure cancer" or "help with domestic abuse", online ads can be displayed based on where a person searching is located and by what they are searching for.
- 2) Online advertising, through the utilization of Google Ad Grants, is the most cost effective form of promotion of all other methods. Google, the search engine leader, offers eligible non-profits a grant valued at \$120,000 to promote their organization on the search network. Non-profits use the grant to pay for the ads, via Google's pay per click system. When someone converts - clicks on an ad, the account is charged against the grant value. An organization can spend up to \$10,000 per month on Google pay per click advertising.
- 3) Online advertising with Google produces reports based on ad activity and measures the number of impressions and conversions an ad receives over a period of time. Numerous ads can be developed and each campaign can run independently of one another,

meaning a non-profit can advertise an event in one ad and promote its fundraising campaign in another.

Leading a Revolution

Is it possible for non-profits to surpass for-profit businesses in the area of online advertising, especially since most businesses have been advertising online for decades. Is it possible for non-profits to lead this revolutionary ideology? **Funding is the key.**

Small businesses make up 90% of the business market. Most savvy small businesses allocate 10-20% of their annual revenues to marketing with a good portion of that budget allocated towards online advertising. Businesses can only spend what they have allocated in their budget and although their budgets may be larger than that of most non-profits, non-profits can acquire a grant to offset the cost of the online advertising expenses. Rather than spending their budget on the advertising expenses exclusively, they can utilize a small portion of their marketing budget to hire a professional marketing team to launch their entire online advertising program.

For the first time in history, non-profits who embrace the idea that online advertising can reach more people than any other method of advertising and armed with an online advertising grant, they can surpass businesses in the online advertising arena.

With this knowledge and these resources, non-profits can finally do what they have always wanted to do. They can change the world.

The Results

Research indicates that 75% of donors go online to determine where to give time and money. In fact, 84% of Gen Y-ers said they did or wanted to donate via a website during the year.

According to Network for Good, online giving was up 14% in 2013.

A research study by Target Analysis Group in 2007 showed that online donors average both a higher initial giving amount and a longer lifetime giving rate. This study reinforces the importance of driving increased online giving and keeping online donors engaged.

Furthermore, the Museum of Fine Arts, Boston, for instance, received an online donation of \$150,000 while the University of Arizona at Tempe got a gift of \$125,000.

How Updentity can Help

Online advertising through the Google network is time consuming, complex and confusing for most non-profit leaders. Most non-profits do not have an in-house marketing staff to coordinate their online advertising programs. For those that do, they do not necessarily have the skills or expertise needed to run a Google AdWords campaign. **Updentity** employs certified Google AdWords experts who can guide a non-profit through the entire process.

Step 1: Grant Acquisition

The first step in implementing a Google AdWords campaign is for a non-profit to secure the grant from Google. The grant is valued at \$120,000 per year or \$10,000 per month and is available to spend on AdWords campaigns. In order to acquire the grant, a non-profit must demonstrate it has proficiency in developing and successfully running an AdWords campaign. Something that is complicated for even the most advanced web users and marketing professionals.

AdWords complexity can be compared to that of a trained mechanic. Most people can add windshield wiper fluid to their car but most people wouldn't have the first clue as to how to change a transmission. AdWords is an advanced program that can take months, if not years to understand and implement correctly. Most people would not attempt to change their transmission on their own. Rather, it is something best left to a professional who understands the complexities and can make the car run properly. The mechanic is similar to the certified AdWords professionals employed by **Updentity**.

Updentity has a 100% Google grant acquisition ratio for the non-profits it has applied for. Applying with **Updentity's** assistance increases the likelihood the organization will receive the grant from Google. **Updentity** currently manages hundreds of thousands of dollars worth of Google grant funds for non-profit clients.

Step 2: Technical Setup

Google AdWords utilizes specialized algorithms that change frequently, as well as scientific methods to determine which ads are placed where, on the results page. When someone searches a term, like "cure cancer", results appear at the top of the listings. These are the AdWords ads. Let's assume a cancer related non-profit wants to be at the top of the search results whenever someone types, "cure cancer", the organization would include the phrase "cure cancer" as part of its keywords.

The **Updentity** AdWords specialists determine the most effective keywords and phrases to implement as part of the campaign with a goal of optimizing the campaign for the best results possible.

Step 3: Establishing the Budget

The next critical step in the process is establishing the budget. In order for certain phrases to appear in the results page when a search is conducted, a budget must be established for each word or phrase that can be searched. **Updentity** professionals can help a non-profit spend its Google grant funds properly without wasting money on ineffective ads that do not produce the desired results.

Step 4: Writing Ad Content and Ongoing Ad Tuning

As with any good advertising campaign, copywriting is essential to the success of the ad. Copywriting is an advanced marketing skill set that most novice marketers do not possess. **Updentity** employs trained and educated copywriters who can develop ad copy that will stand

out among the other Google AdWords ads that may be competing for attention. Most people are familiar with Google results and the listings that appear after a search is conducted. The copy that is written must be engaging and relevant to the keywords searched in order to display properly and also, to entice people to click on the ad. Ads must be continually refined and tuned in order to continue to produce the desired results.

Good copy will stand out from the competition and produce better results for the non-profit looking to generate interest in its cause.

Step 5: Developing Landing Pages

In addition, the landing page where the ad is directed also plays a factor in whether the ad for this non-profit will display on the first page of the search results for the keyword phrase “cure cancer”. The dedicated landing page plays a role in the search results and if implemented correctly, will include specific calls to action that will entice a person to click on something in the ad. Suppose a person clicks on an ad that comes up in the search results for the keyword “cure cancer”. The ad takes the person to the organization’s specialized landing page that asks the person to make a donation to help further the cause.

There is a button that says, “make a donation” that the person can click on which takes them directly to the non-profits online donation portal. **Updentity** AdWords professionals create visually appealing landing pages designed specifically to generate conversions from the calls to action on the page.

Step 6: Reporting to the Board

As mentioned earlier, return on investment is something that most board members are primarily interested in when it comes to marketing and promotion. With Google AdWords online advertising, the **Updentity** team provides the non-profit with reports with the results of the number of impressions and conversions, as well as the most successful AdWords campaigns and keywords.

Will the Right Promotion Help

Updentity currently manages hundreds of thousands of dollars worth of Google grant funds for non-profit clients. Success is measured by campaign type, and Updentity has run advertising campaigns for many of the more common types, including: fundraising campaigns, social media campaigns, event promotion campaigns, volunteer recruitment campaigns, newsletter signup campaigns and much more.

Some of **Updentity’s** testimonials include the following:

“Updentity Ad Grants for Nonprofits sponsorship program increased my online visitors by more than 3,000 new visitors in the first three months” ~ The Dixie Sternwheeler

“We were thrilled with Updentity’s professionalism in helping us secure our Google Ad Grant and their expertise with setting up our Google Adwords campaigns. We could not have done this without them.” ~ SORSI

“We couldn’t have found a better way to get the word out about the atrocities of human trafficking than online advertising using the Updentity Ad Grants Program. It’s been a remarkable program for our spreading the word and engaging people to help with our cause.” ~ Orphan Secure

The Bottom Line

AdWords truly is a complex process and if not done correctly, an organization can waste its online advertising dollars. **Updentity** will walk a non-profit through the entire process, from completing the grant application, through the development of keywords and copy for the ads, to developing landing pages and reporting to the board.