

**MARKETING  
FOR  
FUNDRAISING & CHARITIES**

Marketing can help you raise money for your Fundraiser or Charity!

As a marketing author, I believe that marketing is broad, multidimensional and applicable to all areas of our lives. In this report, I focus on an area that is becoming increasingly important: fund raising and charity work. A lot of fundraising organizations and charities really struggle to raise money. Why? One big reason is the lack of understanding and proper implementation of the fundamentals of marketing principles.

In this report I will show you how to use marketing for effective fund raising!

### **Let's review Marketing 101**

Before we get into specific strategies, let's define marketing. Once you understand my mindset, you will develop your own methods. Mindset is everything in the world of marketing.

I believe marketing is no more than the process of bringing value to the marketplace. The world always pays for value. When you create value for your fund raiser or charity, people will willingly support the cause, and you won't have to spend so much time to appeal to people's good conscience.

The key to remember about marketing is that it is not about you, your product or idea. It is getting other people on board. It is getting them to feel the same level of passion and possibility. It is not about hype, it is about facts, and presenting them in an appealing way to make people respond and get involved.

For people to donate time or money to your cause, they need to be sold on the benefit to them. It can't just be an emotional sell. It is a fact of life that the world does not care about you, your product, service or idea. **What it cares about is how your product, service or idea can make their lives better. Top marketing people always talk in the context of the customers' needs and wants.**

Now I hear you say, "A charity or fundraiser is a good cause." Of course it is, but the reason many don't contribute is that they don't see any immediate results as a direct measure of their contribution. And today's society seems to care all about "immediate gratification."

There are also thousands of other charities and fund raisers. To use marketing terms, the fundraiser market is a "commodity market." The only way to win in a commodity market is to clearly show your customers how you are different and better! How do you stand out from the crowd? What is your value proposition?

People have a choice when it comes to donating money. Show them in no uncertain terms why they should favor you versus anyone else. It is the same way products compete in the open market. If you want to really be successful at fundraising, treat it like a business and develop a marketing mindset, which is "for you to get what you want, you need to help others get what they want."

## **The Pitfalls and Challenges of Conventional Fundraising**

**At the end of the day, fundraising is selling.** You are either selling a product to raise money, or selling people on the idea of making a donation. But few people in fundraising organizations have had any formal sales training or even read a book on sales. Would you allow a person that has never had any medical training to do an operation on your

brain? In the same way, why would you send out people with no sales training to raise funds?

Don't be alarmed or surprised - professional sales is one of the most underutilized areas of business today. I would estimate that less than ten percent of all professional sales people have had any formal training in selling. This is a real issue, and another reason I wrote my book *Marketing is King!*

Now let's look at the other side of the equation: people in a position to buy, or the people you're trying to convince to donate! They have their own issues with fundraising. From my research, I have come up with six reasons why people are hesitant to donate money to charities and fundraisers:

1. People do not trust the funds they donate will be adequately used for the original cause for which they are intended.
2. There is little or no feedback on the results, or what is done with the funds. This is the so-called "Black Hole" approach.
3. People are confused about which organization to support.
4. Where can they make the greatest impact? There are a lot of fundraisers - What makes you different? What is your USP (Unique Selling Proposition)?
5. People feel their contribution will have little or no impact on the cause for which it was collected.
6. People feel a lack of acknowledgment for their efforts.
7. People cannot see the goal. It seems like there is no end to the collection process. How much do you need in Phases 1, 2, 3? What are the milestones and what are the goals?

All the above can be summarized in three words: **LACK of TRUST.** The best way to address most of the issues is to develop a **regular** Communication pattern with each and every person who donates to your organization. I will be giving you marketing's biggest secret (the power of a database) very shortly. But for now, remember the quickest way to gain and build trust is to keep people informed. Send a regular mailing to all people who have donated and tell them:

- How much was collected
- Broken down by region
- This way people can relate to their contribution
- What was the target?
- How much more is needed?
- What will be done with the funds?
- Audited financial statements

The point is, let people feel like they're watching a movie. Keep them excited, involved and entertained. If you are collecting funds for a religious establishment, be it a mosque, church or synagogue, show a photo of the progress of the building every three months. Tell people how their donation has moved the building from Phase one to Phase two. Offer the opportunity to buy a name plaque for the entrance area for \$50 to \$1,000.

Call them to each milestone, have a "mini celebration." Run raffles, get local store owners to donate something. At the special event, show people Phase two, and offer the opportunity to get in early. Offer to name a room after them (as an example, the Ali Pervez Library!) Sell this at a premium price! See and seize every opportunity to make money!

I think you get the point. Get people involved and keep them involved. Be proactive! Remember, marketing is a continual process of education, education, education. It does not have to be expensive or time consuming. With e-mail and automated systems you can easily set up a process to be in constant touch with your donors.

In my book, I teach that business is a relationship, no different from any other relationship. Why should it be? We always deal with people, and people have feelings, emotions and desires.

In the world of marketing, a name equals money. When people donate money, they've put up a hand to show they want to help with your cause. Your job now is not to abuse that help, but to nurture it, and make them a part of your team. So establish a regular communication protocol with each and every one of your donors. Keep them informed and involved in each step and they will become loyal to your cause.

### How Fund Raising is Done Today

The conventional approach to fundraising includes a few special events:

- Fundraising dinners and lunches
- Special items sales (cookies, candy, etc.)
- Pancake breakfasts

These are good approaches and can bring in short term or "one shot" revenue, and may even generate a few thousand dollars. But if you want to move from a few thousand to a few hundred thousand or million dollars, see yourself and your enterprise as a business, and implement proven and powerful marketing techniques. This is how to give your fundraiser exponential growth.

If you are looking to make a few thousand dollars, I would highly recommend you go with Scratch and Help at [www.scratchandhelp.com](http://www.scratchandhelp.com). It meets the two basic P's of marketing:

P - Product - A good salable product

P - Profit - Earn up to 90 percent profit margin

These are the two basic criteria required for any good fundraising program. Have a good and profitable product to sell, and you will reach your goal faster. (I have no relationship with this organization; my goal is simply to make you aware of some alternatives.)

Because Scratch and Help has a good marketing mix, in both product and price, it is considered to be one of the most profitable fund raising programs in the USA. Buy booklets imprinted with your logo for \$20 each. Give them to 100 people. Each person scratches and donates the amount revealed (usually 50 cents to \$3). Keep all the collected funds (\$100 per book).

In return, give FREE coupons for discounts at major retailers (Penney's, Jiffy Lube, Pizza Hut, TCBY, Mrs. Field's, etc.). When used, the coupons cover the cost of the amount paid for the scratch. It makes people feel good about donating, and makes money, too!

Notice how the vouchers are things used in everyday life. Many **fundraisers sell products you don't really need at a premium price.** Good marketing brings value to the marketplace.

Since you collect \$100 for each one, and pay only \$20 upfront, the profit is \$80 per booklet! If thirty people sold one booklet each, you'd make \$2,400! Not bad for a few days work.

If you use conventional fundraising, make sure your time and effort is well utilized, choose a product you can sell easily that gives a maximum profit in the shortest period of time. Plus you don't have to stock or hold inventory!

## **Now let's add some marketing horsepower to your fundraising**

We have discussed the pitfalls and challenges of conventional fundraising. Now, let's move our discussion into high gear, and show you how to step up your fundraising into the hundreds of thousands and maybe the million dollar mark. Learn to market your organization like a professional company.

### **1. Set Goals**

Whatever your mission, have goals if you want to be successful. All great marketing plans have a target or goal in mind.

One of the biggest problems with convincing people to donate to fundraisers or charities is that there seems no end to the process. We see few results from our donations. Not one of us can continue to write open checks. Some people who get into fundraising after a natural disaster or other event become too emotionally involved. I have said it in my book, and I will say it again, that there is no room for emotion in business.

You can't just say, "We want to raise as much as we can." Be rational and objective and set a specific goal, for example, "The goal for phase one is \$300,000, which will provide enough food and housing for 300 people over the next six months." Remember our minds only work intelligently when given specific targets.



How many charities or fundraising advertisements or flyers have you seen that clearly and explicitly state the goal? Instead, many ask you to just send money to some P.O. Box! Unless we are philanthropists, most of us simply can't afford to donate without knowing what the goal or outcome will be.

Sure, you may need five million dollars, but according to an old Chinese proverb, "The man who moves mountains begins by carrying away small stones."

Don't scare people with huge and lofty goals. Break them down into stages and be specific as well as realistic.

Goals are not just to keep you focused, but also maintain focus for those benefiting from the funds and those donating. Get everyone on the same page. These goals should appear on every piece of collateral. Any letter you write or any ad (TV, radio, newspaper, flyer, poster) you make should say, "Our goal is to raise one million dollars, which will provide food and shelter for 100 families for six months."

This is what we call the "headline" in marketing. Headlines always get attention, and are read five times more often than the main body or script. When a marketing professional writes copy, he or she always uses a headline, which implies the results, benefit, and outcome expected.

Be clear on what you and your organization are working toward, be committed to the goal, and then get people on board with it. Without a goal, you have a moving target which very few can hit!

People will help you, if they feel:

1. There is a clear end / target in site
2. Their contribution will get you to that target.

## **Let people know how far you are toward achieving your goals**

Again, the biggest obstacle in raising money is that people don't feel they know where the money is going. Does it reach those who need it? Does it have an impact? This concern makes many skeptical and not willing to participate.

Always show people how close you are to the goal. Perhaps after three months, change your headline to read, "We need only \$100,000 to reach our goal of feeding 100 people for six months!"

All human beings want to be a part of something and need to be acknowledged and rewarded. Develop a formal mechanism to provide feedback to each and every person involved in your campaign. They are team members! Very few charities and fund raising organizations today provide any level of feedback on how funds are used. **Lack of feedback leads to disillusionment. People want to see results, not just depressing images!**

A true marketing professional and astute business person knows companies cannot keep investing in advertising without seeing results. In the same way, you cannot continue to collect donations unless you show progress from how the previous funds were used. People want to see management skills before they invest more. This is done through formal feedback.

**If you want to have a super successful Fundraiser, always treat it as a business!**

Don't kid yourself: fund raising is a business. **It's primary purpose is to generate sales.** You are simply selling a mass audience on the need to raise money. And if you see it as a business, be in it for the long term.

It is a business, since you incur overhead (people and expenses), and at the end of the day, the goal is to make

maximum profit. The more profitable products you sell, the more money you raise.

The challenge is the same when I teach job hunting. Job hunting is essentially learning how to market a product. (Here the product is you!) People who recognize this fact make quantum leaps forward. I personally train students who get interviews within 24 hours, just by understanding that job hunting is marketing.

Likewise, as a charity or fundraising operation, once you see it as a business (in being proactive and generating sales), you will be amazed. It's too bad many organizations and businesses are reactive. They prefer customers to just turn up, or hope that people will send in money with minimal effort.

Although you may frown at the idea of becoming a sales person, change your mindset. Selling is more than knocking door to door, it is about being able to show people you have something of value and benefit to them. This can be done by phone, mail or in person.

We all sell, all the time. Doctors, dentists and attorneys sell their services, parents sell ideas to their children.

Wherever you get sales training, **become good at persuading people to your point of view**. Dale Carnegie says 85 percent of our success in life comes through the ability to relate and connect with people, not how academically intelligent we are. Sales is a MUST! Your mission is to convince as many people as possible in the shortest period of time that yours is a worthy cause. It's no different than a business owner convincing a customer to buy a product!

It's important to you and your organization to make sure you understand how to sell. **A FUNDRAISER OR CHARITY IS ALL ABOUT SELLING.** Many people involved in charities and fundraising do so on a part time basis and have never had formal sales training, yet are expected to raise money. Now you see where the problem lies.

Spend an hour a day studying, reading and learning how to sell. It will serve you well, and not just in fundraising. There are defined and well proven ways to persuade people. Master these and you will do your fundraising organization justice. You'll also give a jump start to your next career!

Don't forget that you are not the only game in town. There are thousands of fundraisers. Why should I give to you?

I recently went to a fundraising dinner and the organizer told me how well it was going. I suggested he was limiting the amount of funds he could collect, and told him to get each person in the room to refer three to five other people that would donate to the cause. This alone would net a 300-500 percent increase above what he collected from the dinner. He was blown away! It's called leverage, getting a lot from a little. Sales skills give leverage. Because I am trained in sales, I know referrals are the lifeblood of any top salesperson. **To be good at fundraising, you need to be good at sales. First and foremost, you are a sales organization.**

## **2. Run your fundraiser as a business, not a promotional campaign.**

Most people in the business world do not run businesses, they run promotions. They go out and create excitement for their product, service or idea, get people to buy it once, then wait and hope that their customers will come back, time and time again. But this does not always happen.

In the same way, you can turn fundraising into an on-going event or perpetual process. By perpetual, I mean that once you have a customer, you have the opportunity to

get that customer to buy more, and buy more often. The implication of changing your mindset from that of an event organizer to a business professional will have a significant and profound impact on your potential sales.

### **3. Don't lose two thirds of your revenue potential!**

Most businesses usually use one or two revenue generating tools. In many cases these are a professional sales force or advertising, maybe visits to trade shows. But what you will find is that the bulk of the revenue will come from either the sales force or referrals.

Many fundraisers or charities do essentially the same thing when they run an event.

1. Have a fundraising dinner / lunch
2. Sell special items door to door.
3. Hold a special event - concert etc.

These are good and noble things to do. But they have a severe limitation. They make fundraising out to be a "promotion," a one-off event, instead of recognizing the fundraiser has long term implications.

Most businesses and fundraisers continue to focus on getting new customers (donors), when most of the opportunity to sell is on the back-end. I'll show you math – when we focus on the "front-end," we miss the real opportunity.

In plain English, most of the opportunity to sell (and the easiest, most profitable and least time consuming) lies with existing customers! If someone has made a donation, he or she is already pre-disposed to your cause, wants to be involved, and wants to help. Now your job is to make the most of this fact and guide and help them along.

How? First of all, get a database, so you know who they are. Then work that database. Be in touch, acknowledge donations, show progress, make another offer of

something that can be a win/win. Offer something of use to sell at a high profit margin, and everyone comes out a winner.

A big advantage of being a charity or fundraiser is that you can buy items at huge discounts or get them free. Your job is to add the profit margin and get the word out, and the best way to get the word out is in the form of a direct mailing.

To make a lot of money, buy low, sell high, and sell a lot! The way to you sell a lot is by getting a database and then marketing to the database!

You probably worked very hard to do your "promotion," so why do you want to go out and do it again? Simply change the offer, and put a new product down your existing pipeline.

What I teach is something we marketing folks call a "back-end strategy." When you see an infomercial on TV, you order the product. When you call to order, they also try to sell you all the peripherals and ancillary parts. Then they continue to mail you every three months with new offers. You can do the same thing! If you are still skeptical, let me show you the math. Here is the basic sales revenue formula:

Sales Revenue = Units x Price x Frequency

If I buy one unit of product at \$1, and buy it once, my sales volume is \$1. Now if I buy that same one, but twice as much of it, and twice as often, what happens?

Sales Revenue = Units x Price x Frequency

$$1 \times 2 \times 2 = 4$$

I just drove my sales volume up 400 percent!!! In marketing **most of the money in marketing is made on the back end, not the front end. Get people to buy more and more often!**

Sales Volume =	Units x	Price x	Frequency
	Front	Back	Back
	Buy	Buy More	Buy More
	1/3	1/3	Often

Two thirds of the potential revenue is on the back end! So by simply selling to people and not getting those to buy more, or more often, you actually have lost two thirds of the revenue potential. This is what happens when you have a “special event” or you only sell a product once.

#### 4. Get a Database

I introduced the concept of a database earlier. It is so simple and powerful, sometimes even seasoned business owners miss it.

As I showed you above in very simple terms, **two thirds of the sales volume revenue potential lies on the back end, not the front end.**

I showed you three ways to get sales:

- getting people to buy
- getting people to buy more
- getting people to buy more often.

But most fundraising and charity organizations just get people to buy, through some special event, then let the other two thirds of the revenue opportunity slip through their fingers.

How do you prevent this? Put into place a database of all people who contacted or purchased from you. It can be a simple Excel or Access program. Now you have a basis to get the other two thirds of the revenue!

**The biggest leverage any business has outside of its employees is a database.** When I consult for companies who need to make serious cash in 30-90 days, the first

thing I do is "work the database." Send a direct mailer to customers, renew a relationship, and get them to buy. Maybe tell them about a special. A certain percentage (usually 20-30 percent) will always respond.

So, in the same way, if you sell cookie dough, chocolates, or whatever, make sure to get the contact details of each and every customer. This is the start of your long term relationship.

## **5. Work Your Database**

Now, once a month, send these folks two things.

1. An update on the last fundraiser.
  - i. How much was collected?
  - ii. What was it used for?
  - iii. How far way are you from your goal?
  - iv. What are the results? Give a progress report.

Keep your customer base informed and educated, and they will be more than willing to support your cause, because they will feel a part of it.

2. Tell them about an upcoming promotion

A lot of the above can be set up automatically. Automated e-mailing can be set up with any web design company, and a non-profit group can probably get a deep discount.

## **6. Use the Power of Direct Marketing**

A database is ideal to work existing customers. But at the same time, reach out to new customers. Get as many people into your database as possible. We marketing folks always prospect for new people to support the cause.

The best and most cost effective way is to do regular



mailings to a defined target list (those people already pre-disposed to donating money to charities). Rent or buy lists from list brokers. The best place to find list brokers is through a source called the SRDS ([www.srds.com](http://www.srds.com) - The Standards Rates and Data Service). You can view it free at any local library. This huge reference document is considered to be the "gold standard" for every direct marketer. Here you will find the name and contact detail of every media outlet in the USA.

Marketing is a very sophisticated field, especially in America. As a nation, we most probably have the best marketing information systems in the world.

You can buy/rent a list of people of a certain age, who have purchased a certain type of product, live in a certain area. It is not by chance you get those mailings that are specifically appealing to you.

Look for groups of people that you know already give to charities and attend fundraisers. You can even rent lists from your competitors, offering them a cut of the money generated.

A list broker will many times give a large discount for charities and fundraisers. Do a top quality letter, print some labels and you are ready to go. In terms of a top quality letter, make sure that your letter follows the guideline that all top copywriters in marketing use - AIDA.

**A: Attention:** Say something first that gets their attention "Earthquake: \$1 million is needed immediately to provide food, housing and shelter."

**I: Interests: Show the reader why they should be interested** "You have the opportunity to save 100 lives immediately!"

**D: Desire: Give them the desire to be involved**  
"Together, we can make a huge impact!"

**A: Action: Outline clearly the next steps.**

“Visit our web site, call...”

**Remember, you are selling, so your copy needs to appeal on an emotional and rational basis. Use the following guideline.**

**Credibility**

Immediately establish credibility. When were you established? Who runs the organization? What is the track record? What are the founding principles, mission and goals? What is unique about the organization versus all the others? Why should I trust you?

How successful was your last project? Can you share a success story with me instead of giving more depressing images? Do you have any major celebrities involved?

**What are your goals for this fundraiser?**

(Remember this should be your headline.) What are they? How long do you anticipate it will take? How will the funds be used?

**What is the offering?**

If I send you money, what do I get in return? Even if you are a charity, try to offer something. It's a business, and people always want some form of acknowledgement.

**What do I do next?**

Outline in no uncertain terms your expectation. What do you want me to do? Set a time limit, or people will simply say that they will do it, and never will.

**Follow Up / Follow Through**

You absolutely, absolutely must follow up each mailing with a phone call. This will increase the effectiveness of your

mailing by at least 400 percent. Why? Because **"I am busy" does not mean "I am not interested."** Follow up in the right way, using the 2P's of marketing. In being both polite and professional your results are almost always guaranteed!!

### **Once you get the funds:**

-Always acknowledge with a letter receipt of funds. Never let people feel that their money went into a black hole. As I told you, the whole game of marketing is about making it a continual and perpetual process. The goal is to build your database. Databases are gold in marketing. You should in the follow up letter remind people their donation is tax deductible, and send a receipt. This will show donors you care, and will set you apart from other fundraisers.

### **7. Always get referrals.**

I touched on what I think is the one of the most powerful but underutilized areas of marketing, and that is referrals. I also stated the biggest obstacle for fundraising or charities is simply that **people do not trust their donations will be used for the stated cause.**

**Trust does two things in business - Lack of trust means things take longer and cost more. Sound trust means things will happen faster and cost less!**

A referral is no more than people giving you access or permission to their network, because they TRUST you. It is basically network marketing. The quickest way to build a business, build a fundraiser, make friends, get to trusted people is always through a referral or network contact. You absolutely must ask each and every one of the people you contact, meet, or who are in your database, "Who else do you know that might be willing to help us in our cause?"

It's very simple, but it has the impact of an atom bomb. So why do most business owners and entrepreneurs assume people will refer them? Assumption is the **"kiss of death"** in

marketing. Never assume, always ask.

In fact, put in a formal referral system that guides people on the steps to take. Bank of America, Verizon Wireless and other giants have formal referral systems. **“Formal is the word.”** Don’t leave it to luck or chance.

There’s a whole science behind referrals. Take your existing customer base, make contact and ask for referrals. Assuming each customer gives you three referrals, and you are able to convert one third of them, what does this do for your business or fundraising? It doubles it! People who have bought from you are already pre-disposed to buy more from you, as well as refer you to their friends.

## **Summary**

The principles outlined here are standard marketing /business growth strategies I teach companies that want to grow sales. They are time tested and proven. I have used these principles myself to triple the sales of a division that I ran, and to generate multi-million dollars for product lines that I have been responsible for. Believe me, they work.

I hope you are starting to see that marketing is systematic, logical and very powerful, if done correctly. I call myself a scientific marketer, because I truly believe it is a science. If you do defined things in a defined way, you will get defined results.

The ideas and tactics I have shared are just a few, but they show how powerful marketing can be in its impact and approach.

As a charity or fund raising entity, your goal is to become a “sales and marketing engine.” Sell and market better than your competition. Have the ability to raise as much money as quickly as possible for your worthy cause.

I hope my thoughts and ideas have proven useful to you. Start by setting clear and realistic goals, and communicate

these goals to all involved. Collect in a systematic way all names and contact details of everyone you contact, and then make "irresistible offers" to these folks on a regular basis. Follow up by getting to know their friends and family, and you will see your sales and donations start to grow in ways I think you deserve.