



The State of Nonprofit Marketing: A Report On Priorities, Spending, Measurement, And The Challenges Ahead

THE AMERICAN MARKETING ASSOCIATION
AND LIPMAN HEARNE
KEY INSIGHTS JULY 2008

Dear Colleagues:

The American Marketing Association and Lipman Hearne are pleased to publish *The State of Nonprofit Marketing: A Report on Priorities, Spending, Measurement, and the Challenges Ahead*. This inaugural publication is a resource for nonprofit marketing professionals and includes valuable insights on challenges, priorities, budgets, staffing and strategies.

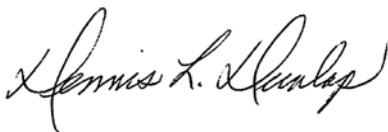
The report is based on feedback from nonprofit marketing professionals representing more than 1,000 nonprofit organizations across the nation who generously gave their time and shared their insights.

The American Marketing Association and the AMA Foundation serve as essential resources for nonprofit marketers. This report is one of a growing number of knowledge leadership initiatives, such as our annual Nonprofit Marketing Conference, Nonprofit Marketing Bootcamps®, Symposium for the Marketing of Higher Education and our newly minted Nonprofit Marketer of the Year Award.

For more than 40 years, Lipman Hearne has been devoted to helping nonprofit organizations improve their impact and reach through strategic marketing and communications. Thought leadership is a core value of the firm; among Lipman Hearne's other recent studies are *High-Achieving Seniors and the College Decision* and *A Report on Marketing Spending at Colleges and Universities*, both of which can be accessed free of charge on Lipman Hearne's website.

We welcome your feedback and involvement as we continue to serve the needs and advance the cause of nonprofit marketing.

Best regards,



Dennis Dunlap
Chief Executive Officer
American Marketing Association



Tom Abrahamson
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Nonprofit Marketing: Priorities, Spending, Measurement and the Challenges Ahead
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A year ago, Lipman Hearne and the American Marketing Association Foundation asked a group of nonprofit marketers to tell us what they found to be most challenging about their work.

Their answers? They have to constantly juggle priorities because resources are tight. They are the organization's brand champions, but they must share this authority with other departments. New web-based technologies are intriguing, but complicated to understand. What all agreed: they would benefit from learning how other mission-based organizations are successfully using marketing resources, because their priorities and challenges are unique.

In response, we set out to provide the nonprofit industry with benchmark data on challenges, priorities, budgets, staffing, strategies and spending to guide decision-making about marketing at nonprofit organizations. In May 2008, we sent a nationwide survey on these topics to marketing professionals working for social service agencies, health care organizations, universities, professional associations, museums, arts organizations and other nonprofits.

The comments from the 1,012 survey participants, outlined in this report, confirm what we heard last summer. Nonprofit marketers are working very hard to build awareness and engage their constituents, often with limited resources and limited metrics. But as experienced marketers—often with years of for-profit marketing experience—they are doing so with creativity and an eye to ensuring that their missions get the attention they deserve.

About Lipman Hearne

Lipman Hearne is the nation's leading marketing and communications firm serving nonprofit organizations. The firm's clients include many of the nation's most prestigious universities, foundations, associations, health care and cultural institutions.

With offices in Chicago and Washington, D.C., Lipman Hearne is led by marketing specialists whose backgrounds include tenures in nonprofit management, advertising and branding, market research, fundraising and public affairs. For further information about Lipman Hearne, please visit www.lipmanhearne.com or call (312) 356-8000.

About the AMA and the AMAF

The American Marketing Association is the largest marketing association in North America. It is a professional association for individuals and organizations involved in the practice, teaching and study of marketing worldwide. The AMA is a resource that marketers turn to every day to deepen their marketing expertise and achieve better results for their companies. AMA members are connected to a network of experienced marketers nearly 40,000 strong.

The American Marketing Association Foundation's mission is to be an essential resource to nonprofits, helping them achieve greater success through effective marketing. As the nonprofit philanthropic arm of the AMA, the AMAF achieves this goal through support of nonprofit marketing conferences and other training initiatives, scholarships, research, on-line and electronic resources.

For more information on the organizations, please visit www.MarketingPower.com.

Survey Method

The online survey was developed by Lipman Hearne, the American Marketing Association (AMA) and the American Marketing Association Foundation (AMAF). The survey

was distributed to nearly 125,000 members of the nonprofit marketing community with the support of the AMA, *The Nonprofit Times* and Blackbaud, Inc.

Survey Participants

Participants were marketing executives working throughout the nonprofit industry, with significant education and experience.

- 64% were Senior Marketing Directors and above
- Almost 75% had worked in nonprofits for more than 5 years
- 49% held bachelor's degrees, 32% master's degrees
- 43% had previously worked in the for-profit sector before taking their current positions at a nonprofit organization

Their Organizations

More than a third of survey responses came from health care and social service organizations, reflecting their dominance of the nonprofit industry. Another 20% of respondents work in education, including universities, schools and other educational organizations. Remaining participation came from arts and cultural institutions as well as museums, foundations, professional associations, faith-based organizations and advocacy organizations.

FIGURE 1

Title of Survey Participants

Survey Item: "What is your position within your organization?"

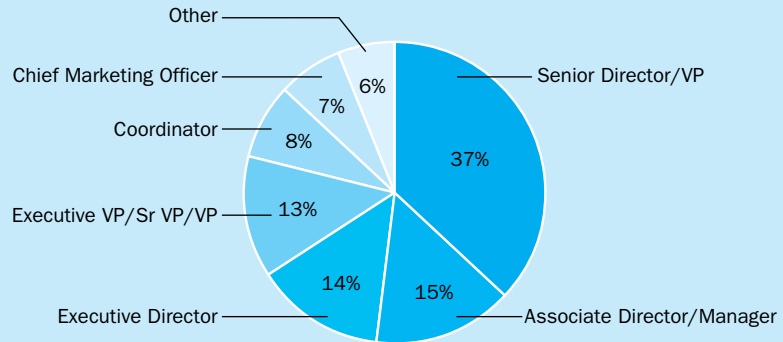
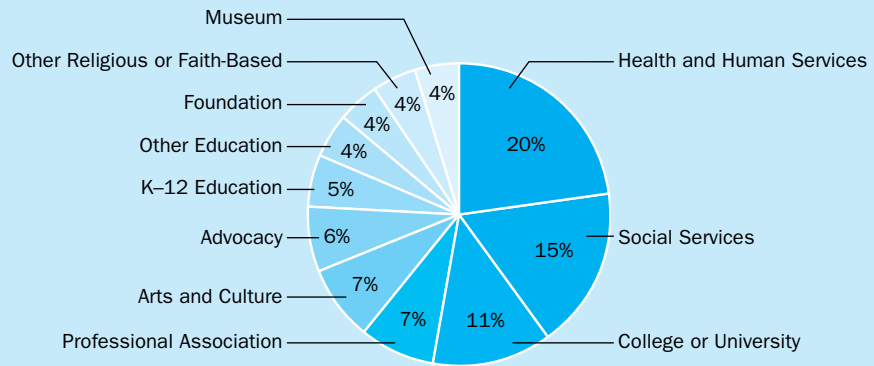


FIGURE 2

Type of Organizations

Survey Item: "What kind of nonprofit is your organization?"



Finding #1: Building awareness, generating revenue, branding and acquiring and retaining members and customers are top marketing priorities for nonprofit organizations.

Organizations identified building awareness as their leading priority, regardless of size or subsector. The exception was professional associations, which identified member acquisition and retention as their main concern. Generating revenue was listed as the second highest priority across small, medium and large organizations, especially those in social services, primary and secondary schools (identified as K-12 education) and arts and culture. Branding and positioning were identified among large organizations as their third priority. Acquiring and retaining members was the third highest priority among organizations with an operating budget of less than \$20 million.

TABLE 1

Top Priority by Organization Size*

Survey Item: "What are your organization's three highest marketing priorities? Please rank your first, second and third priorities."

	Nonprofit Size		
	Small	Medium	Large
Building Awareness	46%	34%	28%
Generating Revenue	20%	22%	18%
Member Acquisition and Retention	10%	11%	9%
Customer Engagement	4%	4%	11%

NOTE: Small = less than \$4.9 million, Medium = \$5 - \$19.9 million, and Large = over \$20 million

*Based on operating budget

TABLE 2

Top Priority by Subsector

Survey Item: "What are your organization's three highest marketing priorities? Please rank your first, second and third priorities."

	Subsector				
	Professional Association	Social Service	Arts and Culture	College and University	Health and Human Services
Building Awareness/Visibility	x	x	x	x	x
Positioning/Branding				x	
Revenue Generation		x	x		x
Member Acquisition/Retention	x				

TABLE 3

Marketing Priority by Organization Size

Survey Item: "What are your organization's three highest marketing priorities? Please rank your first, second and third priorities."

	Under \$1M	\$1 – 4.9M	\$5 – 9.9M	\$10 – 19M	\$20 – 49M	\$50M +
Building awareness/visibility	58%	38%	33%	35%	24%	30%
Revenue generation	15%	24%	22%	23%	21%	15%
Member acquisition/retention	7%	13%	11%	10%	10%	9%
Customer engagement	4%	5%	4%	5%	9%	12%
Positioning/branding	4%	6%	9%	10%	15%	17%
Marketing return on investment	2%	1%	–	2%	3%	2%
Corporate relations	1%	<1%	–	–	1%	1%
Entering new markets/channels	1%	<1%	1%	–	3%	1%
Foundation relations	1%	<1%	–	1%	1%	–
Integrating marketing strategy across multiple locations/agencies	1%	1%	4%	2%	4%	2%
Leveraging technology	1%	1%	–	–	–	–
Leveraging the Internet	1%	<1%	–	–	1%	–
Government relations	–	1%	1%	3%	2%	1%
Launching new products/services	–	1%	3%	1%	–	1%
Donor relations	–	–	–	–	–	–

NOTE: M = \$1,000,000

TABLE 4

Top Marketing Priority by Organization Type

Survey Item: "What are your organization's three highest marketing priorities? Please rank your first, second and third priorities."

	Prof. Assoc.	Health/ Human Services	Social Service	Advocacy	K-12 Education	College University	Other Education	Arts/ Culture
Member acquisition/retention	43%	7%	4%	6%	6%	13%	5%	13%
Building awareness/visibility	12%	43%	45%	52%	32%	31%	43%	37%
Positioning/branding	10%	10%	6%	8%	9%	14%	9%	3%
Revenue generation	10%	18%	24%	12%	28%	14%	20%	34%
Customer engagement	6%	6%	1%	–	6%	11%	7%	7%
Entering new markets/channels	4%	2%	–	2%	4%	1%	–	–
Integrating marketing strategy across multiple locations/agencies	4%	1%	6%	2%	–	2%	–	–
Launching new products/services	1%	1%	1%	2%	2%	–	–	1%
Marketing return on investment	1%	1%	1%	2%	–	3%	–	–
Corporate relations	–	–	–	–	–	2%	2%	–
Donor relations	–	–	–	–	–	–	–	–
Foundation relations	–	1%	1%	–	–	–	–	–
Government relations	–	<1%	3%	6%	–	–	–	–
Leveraging technology	–	–	–	–	–	2%	–	–
Leveraging the Internet	–	<1%	1%	2%	–	–	–	–

Finding #2: Public relations, community relations and customer and member relations are considered the most effective strategies to build awareness and visibility.

This study found that the most effective strategies varied slightly depending upon the organization's marketing priority. The majority who selected "building awareness" as their top concern said that public relations and community relations were their most effective means of reaching and persuading their audiences. Organizations that selected membership acquisition as a top priority said that customer and member relations, customer relationship management and event marketing were their best marketing strategies.

The need for public relations and personal relationships reflects the uniqueness of the nonprofit market. On the one hand, there's the power of the media. "Being mentioned in the media is priceless, because it gains nonprofit organizations attention as well as third-party endorsement of their work," Rodney Ferguson, managing director and principal at Lipman Hearne, said. "In a world of literally millions of commercial marketing messages, getting in the news is where nonprofits can prevail."

And on the other hand, there's the advantage of the personal conversation. "Major donors, foundation leaders, policy makers, governmental officials and other 'influencer' audiences demand more personal marketing as well as 'consumer-direct' approaches," according to Donna Van De Water, managing director and principal at Lipman Hearne, and the research director for the study. "These core audiences for nonprofits need to see specific evidence of the organization's impact, not just general messages about the organization's work."

TABLE 5

Most Effective Strategies in Use to Achieve Top Marketing Priority

Survey Item: "You mentioned earlier that [] was a priority for your organization. How effective are each of these activities in helping your organization achieve this goal?"

	Building Awareness/Visibility	Revenue Generation	Member Acquisition	Positioning/Branding	Customer Engagement
Public relations	4.2	4.0	4.1	4.3	4.1
Community relations	4.2	3.9	3.7	4.2	4.1
Customer/member relations	4.1	4.2	4.4	4.1	4.4
Publications	4.1	3.9	3.9	4.1	4.4
Development/fundraising	4.0	4.4	3.7	4.1	4.3
Customer relationship management	4.0	4.1	4.3	4.2	4.0
Print	4.0	3.9	3.8	4.1	4.0
Website/digital media	4.0	3.8	4.0	4.2	4.1
Media relations	4.0	3.8	3.9	4.2	4.1
Event marketing	3.9	4.1	4.2	4.1	4.2
Copy writing/editorial	3.9	3.8	3.9	4.2	4.1
Graphic design	3.8	3.9	4.0	4.2	4.1
Brand management	3.8	3.7	3.7	4.3	3.9
Print advertising/media planning	3.8	3.6	3.8	4.2	3.7
Print advertising/media placement	3.8	3.6	3.7	4.1	3.8
Direct mail	3.7	4.0	4.1	3.8	4.0
Sponsorship	3.7	3.8	3.5	3.7	3.7
Product service/innovation	3.7	3.7	3.7	3.9	3.7
Corporate communications/relations	3.7	3.7	3.6	4.0	4.0
Video development/production	3.7	3.5	3.6	3.7	3.5
Interactive media	3.6	3.7	3.8	3.8	3.9
Government relations	3.6	3.5	3.6	3.6	3.5
Interactive advertising/media planning	3.5	3.6	3.7	3.7	3.7
Interactive advertising/media placement	3.5	3.5	3.6	3.6	3.5
Public service announcement	3.5	3.2	3.3	3.4	3.6
Market research	3.4	3.7	3.8	3.9	3.9
Database marketing	3.3	3.7	4.0	3.8	3.9

NOTE: Rated on 5-point scale (Very effective = 5; Poor = 1)

Finding #3: The nation's nonprofit marketers are limited when it comes to measuring the effectiveness of marketing programs. They track event participation, overall revenue and member recruitment, but are less satisfied with their ability to measure the impact of advertising, search engine optimization, earned media and web traffic, among others.

Measuring the effectiveness of marketing tactics is important, but the highest rated metrics—event attendance and revenue—scored only average as indicators of success. While considered a top strategy, public relations efforts were not being effectively measured. Print and interactive advertising, often considered essential in brand building, were also among the lowest in being examined for identifiable, measurable results. In many cases, nonprofits were not measuring results at all. More than a quarter of survey participants were not monitoring web activity or public relations responses.

Measuring Success: Use What You Have

Rich Bartecki, vice president at the Chicago Botanic Garden, uses several low-cost opportunities to measure success. His organization tracks hits to their website using free online applications. When the Garden sends out an e-newsletter, Mr. Bartecki watches the web traffic to see how many people buy tickets online to events and classes featured in the newsletter. "We can track those numbers immediately," says Mr. Bartecki. "It's also a matter of just keeping track of numbers you already have."

Online surveys have been a particularly successful tactic at the Chicago Botanic Garden, which has more than 750,000 visitors annually. In recent surveys sent out to members, Mr. Bartecki offered participants one free ticket to a Garden exhibit or event in exchange for responding. This strategy earned him close to 1,000 responses and cost nothing to distribute, because they were sent by email.

As an added bonus beyond the free data he collected, giving away one free ticket created an added incentive for visitors to come to the Garden. They also brought along others who then bought tickets at full price.

TABLE 6

Effective Measurement

Survey Item: "How effective is your organization's measurement of each of the following today?"

	Mean Rating	No Measurement*
Event attendance	3.0	4%
Revenue	3.0	4%
Increase in number of members/ clients	2.8	8%
Number of unique visitors to website	2.7	19%
Length of time spent on website	2.6	25%
Number of clips/impressions	2.6	23%
Number of repeat visitors to website	2.6	23%
Member/client experience with product/service	2.6	15%
Member/client loyalty and/or satisfaction	2.6	12%
Earned media	2.5	26%
Increase in number of volunteers/ volunteer hours	2.5	14%
Creative/design awards	2.4	28%
Market share	2.4	28%
Product/service innovation	2.4	24%
Public relations effectiveness	2.4	23%
Specific marketing campaign effectiveness	2.4	20%
Name brand awareness/equity	2.3	26%
Interactive advertising	2.2	32%
Print advertising	2.2	28%
Search engine optimization	2.2	28%
Net promoter score**	2.1	36%

NOTE: Rated on 4-point scale (Very effective = 4; Poor = 1)

*Survey participants were able to select "No Measurement" for a particular tactic.

**Net promoter score is calculated by subtracting the percentage of detractors from the percentage of promoters when asked "How likely is it that you would recommend product/service to a friend or colleague?"

Finding #4: Five years from now, marketers believe that they will be challenged to generate revenue, enter new markets and channels and leverage the web more effectively. Organizations with more than \$20 million in operating budgets expect to focus on branding and positioning.

More than 40% of survey participants indicated that generating revenue will become a top priority, much higher than building awareness (20%). They also feel they will be challenged to enter new markets and marketing channels, launch new services and products and leverage technology.

Measuring Success: Why Branding Is So Important For Colleges

Mike O' Hara, director of development for Union College, says it's crucial for higher education institutions to establish their own distinctive brands, especially if they are small colleges.

"We found through our own surveys that we weren't underperforming, we were an unrecognized institution," Mr. O'Hara said. The tipping point came when *The New York Times* listed Union College as a "hidden gem" in higher education. "It sounds nice at first, but then you say, 'Wait, if it's so great, why is it hidden?'," says Mr. O'Hara. "We had to preach our virtues to the choir and everyone else."

Small liberal arts colleges tend to promote themselves in a similar way—as places where students get extra attention as individuals. While true, this benefit is getting lost as parents become more concerned about escalating tuition costs. Brand marketing helps colleges stand out in the crowd by identifying messages and experiences that are uniquely differentiating.

TABLE 7

Marketing Challenges

Survey Item: "What do you see as your organization's three greatest marketing challenges today? What do you think the three greatest marketing challenges will be in five years?"

	Today	In 5 Years
Building awareness/visibility	49%	20%
Revenue generation	44%	41%
Positioning/branding	34%	19%
Member acquisition/retention	25%	21%
Leveraging the Internet	21%	24%
Customer engagement	17%	16%
Marketing return on investment	14%	16%
Integrating marketing strategy across multiple locations/agencies	14%	16%
Leveraging technology (e.g., database or CRM applications)	12%	18%
Entering new markets/channels	11%	28%
Corporate relations	9%	10%
Launching new products/services	6%	17%
Foundation relations	5%	7%
Government relations	4%	7%

TABLE 8

Marketing Challenges Today by Organization Size*

Survey Item: "What do you see as your organization's three greatest marketing challenges today?"

	Under \$1M	\$1 – 4.9M	\$5 – 9.9M	\$10 – 19M	\$20 – 49M	\$50M +
Building awareness/visibility	56%	52%	48%	44%	44%	45%
Revenue generation	53%	50%	42%	44%	34%	34%
Member acquisition/retention	26%	24%	29%	22%	29%	19%
Customer engagement	17%	15%	19%	19%	19%	18%
Positioning/branding	25%	35%	31%	35%	41%	46%
Marketing return on investment	12%	13%	10%	17%	16%	18%
Corporate relations	10%	12%	4%	7%	6%	7%
Entering new markets/channels	9%	10%	10%	7%	17%	11%
Foundation relations	10%	5%	2%	4%	5%	3%
Integrating marketing strategy across multiple locations/agencies	5%	7%	17%	16%	24%	26%
Leveraging technology	10%	16%	13%	18%	9%	9%
Leveraging the Internet	18%	18%	26%	22%	19%	23%
Government relations	4%	3%	7%	6%	2%	3%
Launching new products/services	5%	5%	7%	5%	5%	9%

*Based on operating budget

TABLE 9

Marketing Challenges Today by Organization Type

Survey Item: "What do you see as your organization's three greatest marketing challenges today?"

	Prof. Assoc.	Health/ Human Services	Social Service	Advocacy	K-12 Education	College/ University	Other Education	Arts/ Culture
Building awareness/visibility	39%	48%	55%	52%	51%	56%	57%	45%
Revenue generation	23%	44%	55%	43%	53%	26%	43%	60%
Positioning/branding	28%	35%	33%	27%	28%	56%	27%	21%
Member acquisition/retention	59%	17%	14%	22%	28%	15%	25%	37%
Leveraging the Internet	13%	19%	19%	17%	23%	20%	20%	27%
Customer engagement	28%	19%	10%	5%	19%	22%	9%	24%
Marketing return on investment	19%	16%	10%	14%	9%	12%	18%	16%
Integrating marketing strategy across multiple locations/agencies	10%	15%	21%	16%	6%	21%	11%	9%
Leveraging technology	22%	11%	8%	19%	13%	9%	11%	18%
Entering new markets/channels	14%	14%	12%	10%	4%	13%	9%	7%
Corporate relations	9%	10%	11%	19%	6%	5%	11%	7%
Launching new products/services	10%	9%	5%	2%	2%	5%	2%	6%
Foundation relations	1%	5%	3%	11%	9%	3%	5%	6%
Government relations	10%	5%	4%	8%	2%	4%	5%	3%

TABLE 10

Marketing Challenges in 5 Years by Organization Size*

Survey Item: "What do you see as your organization's three greatest marketing challenges in 5 years?"

	Under \$1M	\$1 – 4.9M	\$5 – 9.9M	\$10 – 19M	\$20 – 49M	\$50M +
Revenue generation	45%	42%	45%	43%	29%	40%
Leveraging the Internet	23%	27%	29%	24%	19%	18%
Entering new markets/channels	21%	27%	28%	31%	22%	37%
Member acquisition/retention	21%	21%	23%	17%	16%	24%
Customer engagement	20%	15%	13%	16%	19%	14%
Leveraging technology	20%	17%	13%	20%	27%	15%
Launching new products/services	17%	17%	20%	20%	14%	15%
Building awareness/visibility	16%	23%	25%	17%	21%	18%
Corporate relations	16%	11%	5%	7%	10%	11%
Positioning/branding	16%	19%	17%	21%	24%	25%
Marketing return on investment	14%	13%	19%	15%	23%	18%
Foundation relations	10%	7%	6%	4%	4%	5%
Integrating marketing strategy across multiple locations/agencies	9%	12%	18%	12%	27%	23%
Government relations	7%	8%	5%	9%	8%	5%

*Based on operating budget

TABLE 11

Marketing Challenges in 5 Years by Organization Type

Survey Item: "What do you see as your organization's three greatest marketing challenges in 5 years?"

	Prof. Assoc.	Health/ Human Services	Social Service	Advocacy	K-12 Education	College/ University	Other Education	Arts/ Culture
Revenue generation	46%	36%	46%	39%	54%	35%	35%	46%
Member acquisition/retention	39%	18%	17%	21%	16%	17%	28%	28%
Launching new products/services	32%	22%	13%	11%	12%	15%	10%	15%
Entering new markets/channels	26%	24%	28%	21%	30%	39%	20%	26%
Customer engagement	25%	12%	13%	18%	16%	14%	18%	15%
Leveraging technology	25%	14%	17%	16%	6%	17%	20%	31%
Marketing return on investment	16%	14%	15%	18%	12%	17%	12%	18%
Building awareness/visibility	14%	25%	23%	15%	22%	22%	20%	15%
Leveraging the Internet	14%	22%	26%	30%	18%	24%	25%	25%
Integrating marketing strategy across multiple locations/agencies	13%	20%	19%	16%	8%	15%	15%	6%
Government relations	10%	12%	5%	13%	4%	6%	12%	5%
Corporate relations	7%	10%	10%	15%	12%	6%	12%	17%
Positioning/branding	7%	26%	21%	23%	12%	27%	18%	20%
Foundation relations	3%	7%	4%	10%	18%	4%	5%	6%

Finding #5: Marketing spending for half of nonprofits is small, reflecting the small size of the most organizations.

A total of 56% had less than \$100,000 to spend and 42% were overseen by one individual. Social service agencies had the smallest budgets, while arts and culture organizations had the smallest staffs. In contrast, colleges and universities had the largest budgets and staffs, reflecting the overall size and market- and donor-driven nature of their institutions. Overall, marketing budgets were typically 2% to 3% of the organization's overall operating budget, not including salaries and benefits. This percentage decreased with an increase in organizational size.

Measuring Success: How Marketing Drives Donations

Limited financial resources drive the imperative at most nonprofits to be strategic and creative in how they spend their marketing dollars.

NPower Greater DC Region is a nonprofit firm that advises other nonprofits on how to effectively use online technology. The organization's director of development and marketing, Jocelyn Harmon, says she never uses direct mail campaigns and advises her clients to avoid them as well, because they are so costly and have limited effectiveness. Instead, Ms. Harmon relies on free tools available online to promote her organization's work.

"We really leverage the Internet to communicate with our donors and prospective clients," says Ms. Harmon. "You can get so much more targeted with email, and You Tube and Blogger are great free ways for getting out your message."

Though using these types of media still involves the cost of time and resources to create messages and stories that have viral appeal, there are some compelling examples of how nonprofits are using online tools to maximize their publicity.

DC Goodwill Fashion Blog is one great example, according to Ms. Harmon. Along with general content about the world of fashion, the blog features vignettes about new arrivals at the Goodwill store, and has prominent links to Ebay so visitors can buy these items.

By using this relatively low-cost medium to promote its thrift store, Goodwill connected with a younger audience and earned substantial media attention, including coverage on CNN.

"One of the stories was so compelling, I just had to send them money," said Ms. Harmon. "It's a perfect example of a charity I wouldn't have known about without the Internet and You Tube."

FIGURE 3

2008 Operating Budget

Survey Item: "What is your 2008 operating budget?"

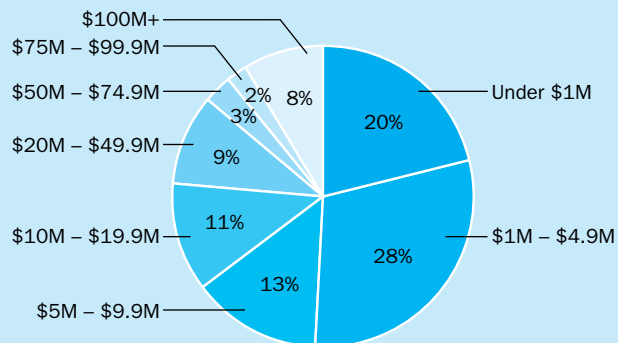


FIGURE 4

2008 Marketing Budget

Survey Item: "What is your 2008 marketing budget?"

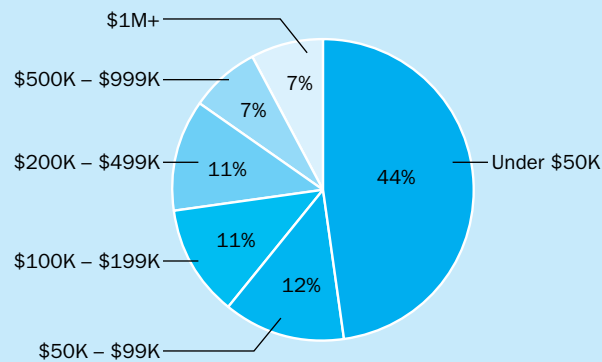


TABLE 12

Full-Time Marketing Staff by Organization Type

Survey Item: "How many full-time staff work in the marketing/communication department of your organization?"

	Prof. Assoc.	Health/ Human Services	Social Service	Advocacy	K-12 Education	College/ University	Other Education	Arts/ Culture
1	34%	44%	53%	48%	57%	13%	49%	61%
2-3	26%	34%	31%	25%	25%	23%	27%	26%
4-9	21%	14%	14%	17%	16%	30%	19%	7%
10-14	10%	3%	2%	4%	-	17%	5%	4%
15 or more	9%	6%	-	6%	2%	18%	-	2%

TABLE 13

Marketing Budgets by Organization Size*

Survey Item: "What is your 2008 marketing budget?"

	Under \$1M	\$1 – 4.9M	\$5 – 9.9M	\$10 – 19M	\$20 – 49M	\$50M +
Under \$50,000	84%	56%	30%	30%	13%	18%
\$50,000 to \$99,999	8%	19%	14%	11%	9%	7%
\$100,000 to \$199,999	2%	11%	22%	16%	18%	10%
\$200,000 to \$499,999	2%	9%	15%	17%	24%	15%
\$500,000 to \$999,999	1%	2%	12%	13%	16%	11%
\$1,000,000 or more	1%	–	2%	6%	15%	32%
Don't Know/Not Sure	3%	4%	5%	7%	5%	7%

*Based on operating budget

TABLE 14

Marketing Budgets by Organization Type

Survey Item: "What is your 2008 marketing budget?"

	Prof Assoc	Health/ Human Services	Social Service	Advocacy	K-12 Education	College/ University	Other Education	Arts/ Culture
Under \$50,000	35%	52%	56%	53%	46%	13%	55%	46%
\$50,000 to \$99,999	16%	10%	13%	11%	17%	7%	14%	12%
\$100,000 to \$199,999	10%	12%	9%	13%	17%	14%	9%	9%
\$200,000 to \$499,999	10%	10%	7%	8%	2%	23%	7%	15%
\$500,000 to \$999,999	6%	4%	4%	5%	2%	14%	7%	9%
\$1,000,000 or more	13%	6%	3%	5%	8%	18%	5%	6%
Don't Know/Not Sure	9%	6%	8%	5%	8%	10%	5%	3%

TABLE 15

Percent of Operating Budgets Devoted to Marketing by Organization Size*

Survey Item: "What is your 2008 operating budget? What is your 2008 marketing budget?"

	Under \$5M	\$5M to \$19M	\$20M+
Under .5%	–	15%	45%
.5% to under 1%	–	23%	8%
1% to under 2%	–	16%	33%
2% to under 3%	24%	21%	13%
3% to under 4%	11%	–	–
4% to under 5%	–	9%	–
5% to under 7%	12%	8%	–
7% or more	12%	8%	–
TOTAL	100%	100%	100%

*Based on operating budget

TABLE 16

Percentage of Operating Budgets Devoted to Marketing

Survey Item: "What is your 2008 operating budget? What is your 2008 marketing budget?"

	Prof. Assoc.	Social Service/Health/Advocacy				College			K–12/Other Education		
		Total	Under \$5M	\$5 – \$19M	\$20M+	Total	Under \$50M	\$50M+	Total	Under \$5M	\$5M+
Under .5%	5%	20%	–	24%	55%	26%	9%	46%	10%	–	22%
.5% to under 1%	3%	10%	–	28%	9%	8%	2%	15%	8%	–	8%
1% to under 2%	10%	11%	–	19%	26%	24%	11%	39%	13%	–	28%
2% to under 3%	24%	30%	48%	17%	15%	15%	28%	–	31%	43%	18%
3% to under 4%	15%	5%	10%	–	–	2%	4%	–	3%	6%	–
4% to under 5%	7%	2%	–	6%	–	1%	2%	–	1%	–	2%
5% to under 7%	29%	18%	36%	3%	–	14%	26%	–	30%	47%	10%
7% or more	7%	4%	6%	4%	–	10%	19%	–	3%	4%	2%

Finding #6: Marketing departments share responsibility throughout the organization—even in areas of marketing priorities.

Marketing departments typically have responsibility over communications—media, graphic design, publications and public relations. They share responsibility for their websites, direct marketing, event marketing and corporate communications. And while they feel challenged to raise money, they usually don't have responsibility over areas where funds are generated: development, membership, sponsorships and product innovation, despite the fact that revenue generation is one of their top marketing priorities. This highlights the need for continued attention to integrated marketing and coordinated strategies and tactics.

TABLE 17

Departments Responsible for Key Marketing Activities

Survey Item: "What department is responsible for each of the following marketing activities in your organization?"

		Top Priority			
		Building Awareness	Generating Revenue	Member Acquisition/Retention	Brand Positioning
Most Effective Strategy	Public Relations		Development Fundraising	Customer/Member Relations	Brand Management
Responsibility for Strategy					
Share Among Departments		33%	41%	61%	34%
Marketing Department Only		45%	15%	8%	45%
Other Than Marketing		20%	41%	27%	12%
Not Executed		2%	3%	4%	9%

TABLE 18

Departments Responsible for Key Marketing Activities

Survey Item: "What department is responsible for each of the following marketing activities in your organization?"

	Marketing Only	Marketing and Other Departments	Departments Other Than Marketing	Not Used
Media relations	54%	23%	20%	4%
Graphic design	49%	29%	17%	5%
Public service announcement	48%	20%	16%	16%
Print	45%	38%	14%	2%
Brand management	45%	34%	12%	9%
Public relations	45%	33%	20%	2%
Interactive advertising/media planning	43%	23%	9%	25%
Website/digital media	41%	38%	19%	2%
Publications	41%	38%	18%	3%
Copy writing/editorial	39%	41%	15%	5%
Market research	34%	33%	13%	20%
Video development/production	34%	29%	15%	23%
Interactive media	31%	31%	11%	26%
Direct mail	30%	41%	21%	8%
Event marketing	28%	51%	18%	4%
Corporate communications/relations	27%	42%	24%	7%
Database marketing	22%	35%	18%	25%
Sponsorship	17%	40%	32%	11%
Community relations	15%	56%	24%	5%
Development/fundraising	15%	41%	41%	3%
Customer/member relations	8%	61%	27%	4%
Customer relationship management	8%	58%	27%	7%
Product/service innovation	8%	42%	32%	18%
Government relations	6%	28%	48%	17%



KEY INSIGHTS

A research white paper

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