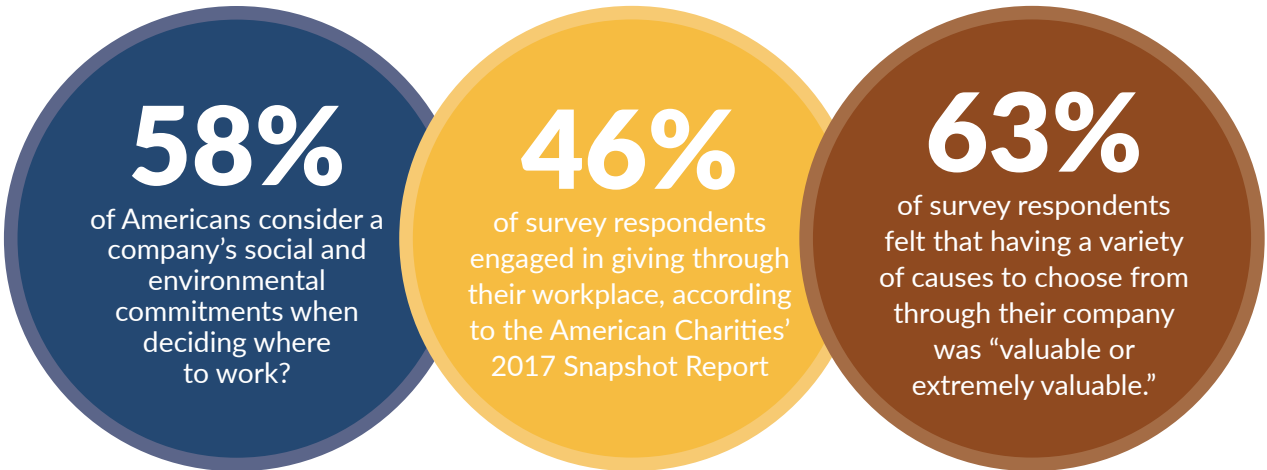


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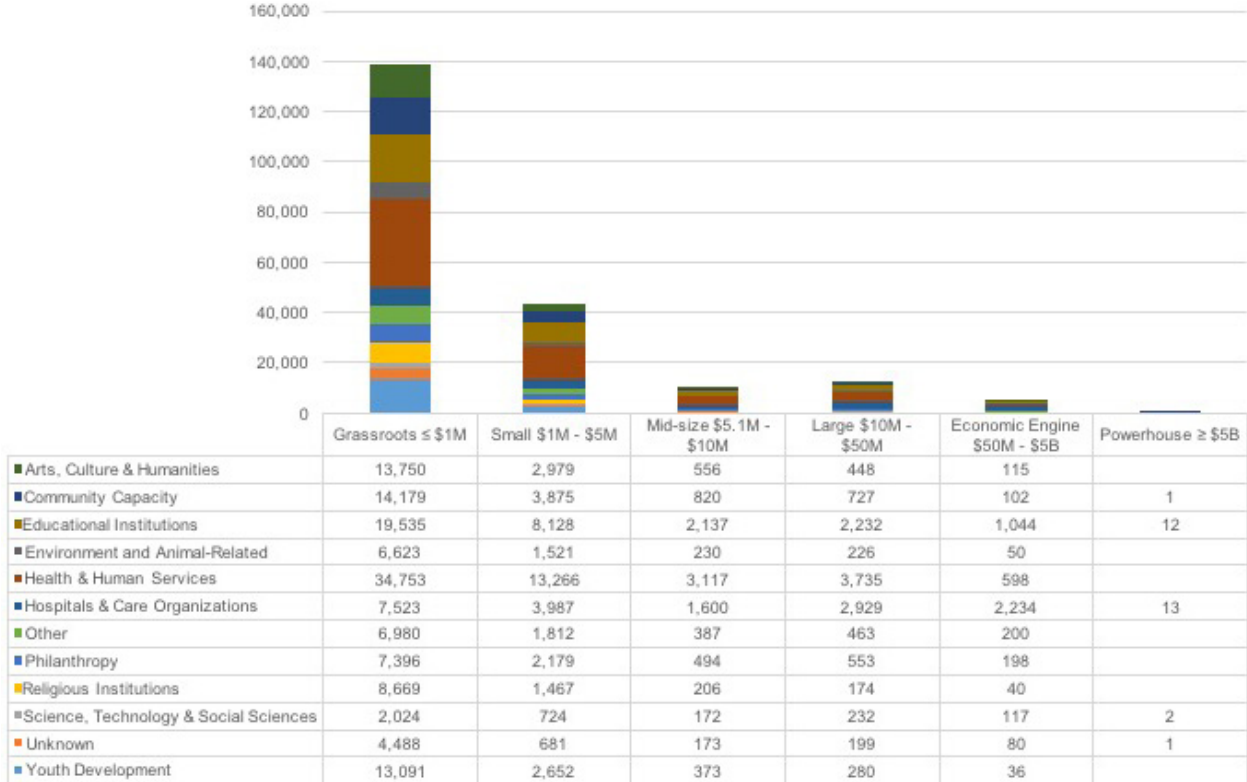
Industry overview

In general, tax-exempt organizations are classified as 501(c) organizations. The purposes that nonprofits have vary widely. Their mission may be charitable, religious, educational, scientific, literary, testing for public safety, fostering international or national amateur sports competition, or the prevention of cruelty to animals or children. The IRS lists 26 different types of nonprofit organizations. Most nonprofits are structured similarly to for-profit organizations. They have officers of the corporation, a board of directors, by-laws, and annual meetings. Their staff members include executive directors, membership directors, program officers, communications and public relations directors, human resource managers, development and grant officers, financial managers, I.T. staff, and associates and assistants. Hard as it may be to believe, the nonprofit sector contributes enormously to the American economy, providing 5.4 percent of the country's entire gross domestic product (GDP), the equivalent of \$905.9 billion of output, according to the National Center for Charitable Statistics.

Did you know...



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The majority of nonprofits are grassroots organizations with annual budgets of less than \$1 million. From there, the number of organizations decrease as annual budgets increase. In this respect, the nonprofit sector may mimic your community with lots of small businesses and just a few really large ones.

Marketing

Of our list of 12 nonprofit communications strategies for nonprofits, these were the highest priority overall in the sector, based on our preliminary data:

- **Permission-Based Marketing** (71% say it's a high or essential priority). Permission-based marketing is sharing content with specific people who have signed up, subscribed, or otherwise agreed in advance to join your mailing lists and lists of social followers.
- **Content Marketing** (54% say it's a high or essential priority). Content marketing is attracting people to your work and retaining their interest in it by creating and distributing content they find especially valuable and relevant.
- **Event Marketing** (53% say it's a high or essential priority). Event marketing is using frequent events or participatory experiences to promote your programs and services, encouraging in-person interaction between your organization, supporters, and/or program participants. See below for the most common types of events.

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- **Relationship Marketing** (50% say it's a high or essential priority). Relationship marketing is creating strong, long-term, loyal relationships with specific individuals and focusing on the quality of those relationships, rather than on individual transactions with those individuals
- After that, the next most essential strategy comes in at 38% and that's Word of Mouth Marketing.

The Most Common Types of Nonprofit Events

The great majority – 78% – of nonprofits most frequently host cause, community, and educational events. Not surprisingly, 32% of them also host galas and fundraisers. But a significant portion of nonprofits also throw:

- Networking events (37%)
- Training and workshops (33%)
- Food and drink events (31%)
- Arts and entertainment events (22%)

Industry Trends

- Automation - Marketing automation for email strategy and social media automation for scheduling social media posts
- Digital Fundraising - Sharing compelling content and embracing creative storytelling
- Focus of Self-Care - Discussion and connection with a work/life balance
- Mindful of Gen Z - By 2020, Gen Z will account for 40% of all consumers; Gen Z's top causes include supporting youth, animals, and human services
- Hyper-personalization - According to a recent study, 96% of respondents believe personalization helps build customer relationships
- Utilization of E-mail - Email has a median ROI of 122% - 4x higher than other marketing formats including social media, direct mail, and paid search
- AI on the Rise - One of the simplest uses of AI is chatbots

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Talking Points

Corporate

The management and administration of nonprofits are charged with complying with bylaws, meeting organizational goals (advocacy, education, training, etc.), retaining staff, and developing long-term plans regarding donors and services. Some of the research needs involve identifying new industry trends, analyzing donation patterns, and finding ways to run the organization more efficiently. Talking points might include:

What technology systems are you using to manage the financial and operational duties of the organization?

Nonprofits may have been built from the ground up in piecemeal fashion, and could be using systems or software that do not promote the efficient management of the organization.

What partnerships have you considered to strengthen your organization?

Collaboration with other nonprofits, vendors or other third-party organizations can provide needed financial, labor or geographic support for specific initiatives, or as a long-term strategy. Partnerships must be approached with care, given the potential for conflict due to misaligned goals.

How is your organization staying current with regulations?

Regardless of their organization's legal structure, nonprofits must stay current with the legal and regulatory environment, which can include changes to labor laws, tax rules, and healthcare requirements. Using third parties to help sort out these issues can allow association executives to focus on their core activities and goals.

What other charities are competing for your donors' dollars?

Donor funds are limited, and it's important to identify the charities that will appeal to your prospective donors, and how to position your charity to remain or move to the top of a donor's priority giving list.

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Marketing

A nonprofit's marketing department coordinates the organization's research, marketing strategy, donor outreach, advertising, promotion, program development, and public relations activities. Much of this department's research needs will involve the collection and analysis of donor data, industry data, and trends, which can be used in marketing efforts to drive donation campaigns. Talking points might include:

What types of social media features have you included on your website(s) (e.g., blogs, podcasts, and video/photo-sharing sections, links to third-party social sites)?

Social media represents one of the fastest-growing forms of online content, and it's imperative that the organization investigate both on-site and external social media functionality, which enhances the look and feel of the site, and allows greater interaction between all stakeholders.

What key campaigns have other nonprofits or foundations used to drive interest?

What key takeaways or lessons learned can be applied to your organization?

Some organizations have launched very successful awareness campaigns or donor drives, and many lessons can be applied from other organizations, both within and outside your group's industry or area of specialization.

Donor Relations

Executives charged with maintaining and growing the donor base need to identify the trends in the community impacting giving and donations. Talking points might include:

How is your donor base changing, and what steps are you taking to draw in future donors?

With an aging demographic and a greater number of alternative giving options, nonprofits need to evaluate new ways of reaching existing and new donors to keep the organization strong in the future.

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Questions Being Asked

- How do nonprofits reach out to former donors to re-engage them? Are they using Facebook, Twitter, or email marketing to reconnect with people that may not have donated recently?
- How are nonprofits using mobile applications to connect with donors, and what benefits are they providing to the organization? Are they using external developers to write the applications or using a third party application?
- With the strong economy, are charitable foundations and nonprofits seeing an increase in gifts or donations?
- How do nonprofits decide upon the type and value of gifts used to say "thank-you" for a donation? Do they survey select donors, or is it decided by a committee? What evaluation process is used?
- What is the key decision making criteria used by donors when choosing to donate to a non-profit or charitable foundation?

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