

# Marketing's Application to Fund Raising

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How effective are marketing concepts and tools when applied to a nonbusiness enterprise? The authors sought to determine the answer to this question through the application of marketing techniques to a charitable fund drive. They found that careful marketing analysis and planning produced the first net increase in donations the fund had experienced in twelve years.

**I**N a recent issue of the *JOURNAL OF MARKETING*, Professors Kotler and Levy maintained that marketing is a societal activity which goes considerably beyond the selling of toothpaste, soap, and steel.<sup>1</sup> They suggested that the basic concepts of product development, pricing, distribution, and communication also apply to nonbusiness organizations interested in services, persons, and ideas. Further, they challenged marketing people to expand their thinking and to apply their skills to an increasing range of social activity rather than to a narrowly defined business activity.

This article is in part a response to that challenge. It discusses a specific case study which applied marketing concepts to a March of Dimes fund raising campaign. The concepts utilized in the study include many of those suggested by Kotler and Levy, plus some additional systematic factors (which are often peculiar to the marketing of ideas and causes). In addition, the article provides some specific examples of communication factors.

## The Case Study

This particular case concerns a March of Dimes fund raising drive held in Travis County, Texas, in January, 1970. Despite limited funds and facilities, or perhaps *because* of these limits, the authors had an opportunity to experiment with marketing concepts in an area not traditionally considered a business enterprise.

Anyone who has worked with charitable or volunteer organizations probably is well aware that very few of these organizations have a formally established plan. If they do have a "handbook," it is usually filled with anecdotes, success stories, or invocations to positive thinking. This was not the case for the March of Dimes Foundation, which has pioneered many solicitation techniques that are widely copied by other associations and agencies. However, the perspective of the handbook seemed curiously dated as if one were inspecting the organizational chart of a sales-oriented company back in the 1950s rather than a marketing-oriented company of the 1970s. Despite these difficulties, the authors attempted to translate the Foundation's handbook into a meaningful marketing plan, utilizing recent contributions from systems analyses as well as flow diagrams.

## Marketing Analysis

The first handicap the authors encountered in conducting the marketing analysis was the lack of primary research data

*Journal of Marketing*, Vol. 35 (July, 1971), pp. 18-18.

<sup>1</sup> Philip Kotler and Sidney Levy, "Broadening the Concept of Marketing," *JOURNAL OF MARKETING*, Vol. 33 (January, 1969), pp. 10-15.

about the "heavy giver," his demographic characteristics, the location and size of this particular market, and his basic motivations for giving or not giving. In view of the fact that since its inception in 1934 through 1960 the National Foundation had raised \$618.5 million, and that in 1967 it was the fourth largest public health agency in terms of contributions (some \$22 million), one would expect a wealth of primary marketing data. However, the policy of the National Foundation of the March of Dimes has been to spend money on medical research rather than on consumer or marketing research. A review of past Chapter records data, in addition to exploratory investigations in the local community, did indicate the following problems:

1. *An apathetic and uninformed public who still considered the major aim of the organization to be the prevention of polio.*

With the advent of the Salk (1955) and later the Sabin (1962) vaccine, an effective prevention for polio was achieved. Although the National Foundation had announced interests in other related diseases, particularly birth defects, as early as 1958, relatively few people had changed their "image" of the March of Dimes.

A preliminary telephone survey conducted in Travis County indicated that only 17.5% of the respondents volunteered birth defects for the March of Dimes on the unaided recall basis. When aided, only another 13.4% made the association. Thus, 30.9% of those surveyed realized that the March of Dimes was becoming concerned with birth defects.

Therefore, although the product had been redefined, the Travis County public was not aware of this "redefinition."

2. *Decreasing interest in the organization and a subsequent decline in involvement by volunteers.*

This was attributed to a general deemphasis in the importance of birth and child-rearing by women, with subsequent lessened interest in the birth process, and increasing competition from other "causes" needing volunteers.

3. *Declining returns from each campaign in Travis County.*

4. *Lack of primary marketing research data on the composition of donors and the location of prime market segments for the current year or for the previous year.*

5. *Evidence that nationally prepared campaign materials did not apply to the local situation.*

There was a feeling that the national campaign was too organization-centered and not benefit-centered. The use of such themes as "250,000 defective babies are born each year with birth defects" was not personally invol-

ing, and the shock effect of a single poster child with missing and disfigured limbs seemed too negative and too removed to be effective.

In addition to the problems, a market analysis indicated several potential opportunities:

1. *A long public association of the March of Dimes Organization with the area of public health.*  
A nationwide opinion survey conducted by the American Institute of Public Opinion found that 83% of the population in the U.S. could identify the March of Dimes.
2. *Recent breakthroughs in the area of birth-defect prevention and detection coupled with a high number of people exposed to the problem.*
3. *The organization and structure of the March of Dimes, with a nucleus of dedicated individuals.*
4. *Receptivity at the local level to experiment with new marketing and communication techniques.*

#### Application of Marketing Techniques

Once a marketing plan had been instituted and the problems and opportunities analyzed, various marketing techniques were applied using Kotler and Levy's classification.

#### Target Group Definition—Market Segmentation

In general, the National Foundation's fund raising strategy was to view its potential market as basically undifferentiated. Although the standard March of Dimes fund drive had attempted to contact business and industry, had conducted a mother's march, and had instituted teenage and school pro-

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grams, the concept of locating the "heavy donor" or "user" was not used nationally or locally. Thus, very little market segmentation information was available.

However, in the marketing of consumer products, the "heavy-user" concept has been widely accepted as a truism. Several authors have indicated disproportionate consumption skews for several product lines. For instance, fewer than 4% of the male population make 90% of the car rentals; 8% take 98% of the air trips in a year; and 26% of the population uses 81% of the instant coffee.<sup>2</sup> What about fund raising? Common sense would indicate that the market for the March of Dimes and birth defects is also segmented, and this was validated by research conducted during the study. The prime market for the March of Dimes was felt to consist of parents. Past research had ascertained that 48.5% of the population could be placed into this category.<sup>3</sup> More realistically, however, it was estimated that only 31.4% (young married, no children; young married, youngest child under six; and young married, youngest child six and over) would comprise the prime target for the campaign.

Another indication that the market could be segmented was provided by an analysis of contributions from the direct-mail campaign. It indicated that five of the 24 census tracts in the Travis County area (containing 19.8% of the population) had made 41.3% of the contributions.

Therefore, the key to a successful March of Dimes campaign appeared to be isolating the "heavy user" rather than marketing to an undifferentiated population.

#### The Search for a Differential Advantage

Despite more than 10 years of promotion efforts, the "top-of-mind awareness" to the March of Dimes and birth defects was relatively low as shown by the initial telephone survey. It was felt that a thematic perception test would aid in determining which type of appeal would best differentiate the March of Dimes "new" birth defects' image from both the established image of polio as well as from the other charitable causes. This strategy utilized many current and past March of Dimes' slogans and a number of newly created themes. A trivariate

analysis<sup>4</sup> test was then conducted on the various thematic appeals.

Twenty-four themes in three specific categories were rated on the three factors of *distinctiveness* (or exclusiveness), *interest* (rather than desirability), and *believability*. The first category of themes included the ones used by the March of Dimes during the last five years:

- Keep our future bright by fighting birth defects today.
- Give for a brighter tomorrow.
- Help make a child whole again.
- Shut the door on birth defects.
- Fight the great destroyer, birth defects.
- Give to the March of Dimes.
- Join the fight against birth defects.
- Where there's help, there's hope.
- Prevent birth defects.

The second category contained locally created themes that were largely centered around the emotional fear technique:

- Your next baby could be born with a birth defect. 500,000 unborn babies die each year from birth defects.
- Dying children can be helped.
- Birth-defect babies can't be sent back to the factory.
- Help tomorrow's birth-defect child live.
- Protect your family's health.
- God made you whole. Give to help those He didn't.

The third category also contained locally created themes, but their appeals were more rational:

- 700 children are born each day with a birth defect. A birth-defect baby is born every other minute in the U.S.
- Birth defects are: cleft palate, club foot, open spine—curable.
- The March of Dimes has given you: Polio Vaccine, German Measles Vaccine, 110 birth-defects' counseling centers.
- Your gift to the March of Dimes is like money in the bank.
- You owe it to your children to contribute to the March of Dimes.
- Insure your family's health by giving to the March of Dimes.

In trivariate analysis a representative sample rates various themes randomly on three factors. The mean scores for the themes are calculated on each of the factors, and are then plotted on a two-dimensional chart (the mean of the theme on the third

<sup>2</sup> Carl H. Sandage and Vernon Fryburger, *Advertising Theory and Practice* (Englewood Cliffs, N.J.: Richard D. Irwin, Inc., 1967), p. 199; Philip Kotler, *Marketing Management* (New York: Prentice Hall, Inc., 1967), p. 61; Daniel Yankelovich, "New Criteria for Market Segmentation," in *Marketing Management and Administrative Action*, Stuart H. Britt and Harper W. Boyd, Jr., eds. (New York: McGraw Hill Book Co., 1968), p. 189.

<sup>3</sup> John B. Lansing and Leslie Kish, "Family Life Cycle as an Independent Variable," in *Marketing Management and Administrative Action*, Stuart H. Britt and Harper W. Boyd, Jr., eds. (New York: McGraw Hill Book Co., 1968), p. 213.

<sup>4</sup> Dik Warren Twedt, "New 3-Way Measure of Ad Effectiveness," *Printer's Ink* (September 6, 1957), pp. 22-23. See also Dik Warren Twedt, "How to Plan New Products, Improve Old Ones and Create Better Advertising," *JOURNAL OF MARKETING*, Vol. 33 (January, 1969), pp. 53-57.

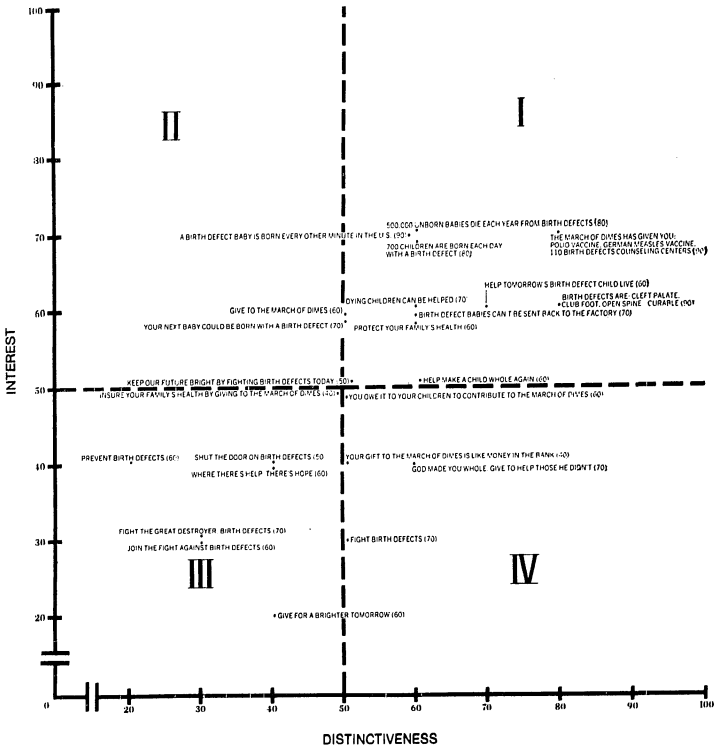


FIGURE 1. Trivariate analysis of possible themes.

factor, believability, is shown in parentheses). Figure 1 charts the results achieved by each of the March of Dimes' themes on the interest and distinctiveness factors, with the believability mean in parentheses. It is conceded that although the test is an efficient means of testing probable effectiveness of factual claims, it seems less applicable to advertising approaches that depend heavily on emotion or upon graphics. Despite these limitations, Figure 1 provides some interesting insights:

1. The majority of the March of Dimes' themes did not score in Quadrant I where the most

interesting and most distinctive themes are found.

2. Themes dealing with *positive, active* aspects of giving, the *results of giving*, or a description of what March of Dimes had done with contributions in the past did well in creating interest, in being distinctive, and in being believable.
3. Some of the emotional appeals showed potential in being interesting, but they would need to be altered in order to achieve higher levels of distinctiveness and believability.

In any event, data were available and used to create strategies for finding a differential advantage.

### Multiple Marketing Tools

One of the keys to the success of the March of Dimes' campaign was the "mothers' march," a day set aside for personal solicitations in the prospects' homes. Informal interviews with teams of marchers indicated a basic insecurity on the part of the soliciting mother concerning her behavior when confronting a potential donor at the door. Since these women were the key "salesmen," informational and motivational meetings were held. In addition, a detailed fact sheet was designed to explain the method of requesting funds and the use of prepared materials. Also, a brochure was designed to leave at the door in case the prospect was not at home.

Localized publicity materials which related to the other aspects of the promotional mix were prepared for both the print media, with its characteristic of permanence and exposure, and the broadcast news media, with its potential broad impact and visualization. The latter media had not been used with much effectiveness in the past.

### Marketing Audit—Continuous Marketing Feedback

Some of the research or feedback techniques used during the campaign such as "top-of-mind awareness" of March of Dimes, pretesting of appeals, and analysis of returns have already been described. The most critical tests concerned the evaluation of the overall impact of the campaign in meeting its objectives.

One of the objectives of the advertising campaign was to increase the association of birth defects with the March of Dimes. A precampaign audit yielded a 30.9% combined aided and unaided recall for the March of Dimes and birth defects. A second audit conducted a week after the direct-mail campaign showed that the figure had risen to 45.3% (a 50% increase). A third audit, conducted a week after the mothers' march, yielded a recall figure of 61.2% (a 100% increase from the pretest). DAGMAR criteria would indicate that the advertising had been effective in achieving penetration.

With respect to "sales," total income realized for the 1970 campaign increased by 33% over the previous year, but the increased expenses of "tailor-making" a direct-mail program, of preparing radio and T.V. announcements, and of providing handouts for mothers increased expenses by 14% over the previous year. Nevertheless, it was the first time in 12 years that contributions had increased.

Based on these results, the major recommendation for next year's campaign was to move even more strongly toward the "heavy-user concept" in direct-mail advertising. The mass campaign suggested by

the National Foundation consisting of impersonal "occupant-addressed" pieces did not take advantage of what marketers know about family life cycles and market segments. As many as half of the census tracts in the Travis County area could have been eliminated without substantially reducing net returns.

The same concentration could apply to the business and industry mailing. Although the number of direct-mail pieces sent to this sector was tripled, response actually decreased. This was attributed to the fact that a mass of letters was sent, rather than consecutive, selective mailings with personalized follow-up.

Much doubt was cast on the efficacy of publicity in motivating and stimulating response in the form of donations. The National Organization's primary emphasis in its communication program is to prepare news-release material containing appeals designed to elicit cash donations to the March of Dimes. It appears that this approach does not generate adequate donations and, in fact, may jeopardize the placement of other communications into the media dealing with the need for volunteers, meetings, and so forth.

### Conclusions and Implications

The results of the Travis County "test market" clearly suggest that marketing techniques and philosophy can be applied to ideas and social causes. It also seems clear that they could have national application for a foundation such as the March of Dimes.

Associations and their causes, like products, experience a life cycle. Patton suggests that a product will go through graduated intervals of development, beginning with an introduction stage which is followed by stages of growth, maturity, and decline.

As volume rises and the market becomes increasingly saturated marketing steps to the center of the stage. Generally speaking at this point all competitive products are reliable and there is less and less to choose between them. Improvements in the product tend to be small with selling features or style changes dominant.<sup>5</sup>

The charity "market" has become increasingly competitive. Individual fund raising campaigns, exclusive of the United Fund campaign, are again on the upsurge across the country. Health organizations, which at first attempted to integrate with the United Fund approach, are now conducting their

<sup>5</sup> Arch Patton, "Top Management's Stake in the Product Life Cycle," in *Marketing Management and Administrative Action*, Steuart H. Britt and Harper W. Boyd, Jr., eds. (New York: McGraw Hill Book Co., 1968), p. 324.

own campaigns. Furthermore, some members of the United Fund are even conducting individual campaigns to supplement their United Fund receipts.

The increasing competition plus the problems already mentioned indicate that the National Foundation of the March of Dimes can be placed in the late stages of the "charity" life cycle, characterized by declining growth and campaign receipts. Even its advantage of being a pioneer in solicitation techniques seems to be dissipated by the competition for the volunteers needed in other organizations.

The question, therefore, is how long can basic market research be viewed as an unnecessary, unwanted expense by an organization such as the March of Dimes.

Research information could be translated into selective promotion, in contrast to the "mass" techniques used in the past. Computer data from the Internal Revenue Service are already available containing information on incomes, number of dependents, and taxes paid for each of the 35,000 postal Zip Code areas. These data, plus a regression and correlation analysis of March of Dimes' data from individual chapter records, could identify the means to efficiently reach the "heavy giver."

The need to apply other marketing management concepts is equally obvious. These concepts include redefining the "product" in a meaningful way, developing new marketing tools for the volunteer, and

arranging national test markets to test different types and levels of promotional appeals.

Perhaps readers who have been exposed to the frequently high-pressure techniques of charity organizations and professional fund-raisers with their "disease-of-the-month-club" solicitations might be "appalled" by the prospect of these organizations becoming marketing-minded. At the same time, the dedicated professionals and volunteers associated with these organizations might be "appalled" by the prospect of applying business and marketing techniques to a nonbusiness area.

Both groups might profit from reviewing Kotler and Levy's definition of what marketing really means: sensitively serving and satisfying human needs.<sup>6</sup> Such a definition of marketing challenges organizations which specialize in the marketing of causes and ideas to ask themselves if they are truly consumer-centered and not simply self-serving. It challenges their understanding of the principle that selling follows rather than precedes the organization's drive to collect funds. It also challenges the marketing man himself to understand that he will have to fit his concepts and techniques to the special goals and objectives of the individual organizations. It is hoped that this case study helps in contributing to the satisfactory acceptance of these challenges.

<sup>6</sup> Same reference as footnote 1, p. 15.

## MARKETING MEMO

### *A Scary Picture of the Youth Market . . .*

A customer profile of the young generation must include:

1. Their contention that, for most Americans, work is mindless, boring, servile and hateful—while "life" is confined to "time off."
2. Their insistence that our culture has been reduced to the grossly commercial; that those cultural values that fail to make a profit are taken off the market.
3. Their conclusion that our life activities are limited to wants forced upon us by marketing—and that marketing creates puerile wants.
4. Their cry that marketing produced a society adapted to the demands of the machine. They want the machine turned to human ends.
5. They opt for few distinctions of wealth or status. They deny the importance of hierarchy, status, authority, position.

Marketing dare not close its eyes to these concepts—to this very sketchy profile of our new youth.

—E. B. Weiss, "Today's consumer (and tomorrow's) gets a new look in our new society," *Advertising Age* (February 8, 1971), pp. 35-40, at p. 39. Reprinted with permission from the February 8/15, 1971 issue of *Advertising Age*. Copyright 1971 by Crain Communications Inc.