Marketing on a shoestring in not-for-profit organisations

Sarah Mavrinac is founder and president of not-for-profit financial education organisation, aidha, which started operations last January in Singapore. Launched with the support of Unilevel’s National Committee, Singapore, aidha offers training courses in confidence-building, money management and entrepreneurship to women migrant workers, particularly those in domestic service.

A former academic from INSEAD, Mavrinac has worked actively for many years to promote financial literacy and economic empowerment of women. Last March, she was recognised as “International Woman of the Year 2007” by the American Women’s Association in Singapore.

In a recent talk organised by Singapore Management University, Mavrinac spoke on the topic “Marketing on a Shoestring — The Challenge of Not-for-Profit Outreach.” “We really can touch hearts and shape minds if we do our marketing properly,” she says. However, many non-profits seem not to succeed. A study carried out by the Canadian Centre for Excellence for Public Sector Marketing last year highlighted serious shortcomings in the marketing efforts of the not-for-profit and public sectors. These included the lack of investment in formal planning, poor consumer orientation, few incentives for marketing and service delivery, and lack of integrated “brand” marketing.

Mavrinac cited two main reasons for this state of affairs. “First, it is a hesitancy on the part of not-for-profit leaders to invest precious funding in marketing,” she explains. “Any dollar that comes in, they would want to go directly to the product or service that the not-for-profit offers. To divert some of that money away from needy children, impoverished women or beaten dogs is very difficult, particularly when you are not sure how to most effectively use the money.”

A second reason is what she terms the “ego problem” of the not-for-profit. “Many organisations believe they are somehow due free publicity because they are working for the public good... While understandable, this is a naive attitude. Every organisation must take responsibility for communicating its purpose and its value,” she says.

Social marketing

To counteract this problem, Mavrinac believes not-for-profits need to invest in social marketing, unique to not-for-profits. She likens it to selling a “social product” in the form of an idea, practice or tangible object. “Selling an idea would be an attempt to change a belief, attitude or value,” she explains. “Selling a practice would be convincing people to change their action or behaviour patterns — for instance, quitting smoking because it is bad for you. Selling a tangible object is literally selling a physical object such as birth control pills or condoms.”

Mavrinac firmly believes that marketing not-for-profit activities is vastly different from for-profit marketing. “We’re not trying to get someone to buy something that will impact their day-to-day lives. Quite often, what we’re selling is what someone else is benefiting from. We’re selling soul and inspiration,” she says.

Measuring the results of a not-for-profit marketing campaign can get murky as compared with the corporate world, where the yardstick is more distinct, such as sales figures. Another difficulty is the range of stakeholders involved, ranging from aid recipients to volunteers, donors and even other not-for-profits.

Funding is another major challenge. As many not-for-profits suffer from budget constraints, there is a great reluctance on their part to set aside money for marketing purposes.

Lastly, Mavrinac describes what she terms the “founder” problem. “This comes about when the individual who is leading the organisation has very particular ideas about what the organisation should do and not that broad-minded or willing to change... A lot of founders are also very emotionally connected to the causes they have started. They don’t want to spend any time thinking about issues such as marketing that are not directly associated with their cause,” she says. The solution to the “founder” problem, Mavrinac believes, lies in succession planning, which needs to be put in place to groom a successor for the future.

‘Cheap tricks’

In the past year, aidha adopted what Mavrinac jokingly dubs “cheap tricks” to market itself. “We frequently work with partners to leverage off their main brands. For example, we are a sister organisation of Unilevel... Unilevel is a world-recognised, reputed brand, so we like to be affiliated with it,” she says.

There are also tie-ins with the corporate social responsibility programmes of different organisations. aidha has links with insurance company AXA and financial advisory firm Ipac. It also received a donation of computer terminals from solutions provider SAP to help teach students computer literacy skills.

Word-of-mouth marketing has also proven useful. "To save costs, Mavrinac started a student referral programme instead of printing and distributing brochures about the organisation. Another “trick” that has proved effective is winning awards. Despite being new, aidha has already won a few. “You get great press and increased awareness. If you build a brand and people know you, more good stuff will come to you,” says Mavrinac. Other tactics include public education efforts where she seize every available opportunity to publicise her organisation by giving talks in schools, generating news events and leveraging on opportunities available on the Internet.

Drawbacks

There are limitations to these methods, Mavrinac cautions. While they can be practised by other not-for-profits, she is aware that some tactics are not as effective as she would like them to be. "Owing to the opportunistic nature of this marketing strategy, the message that the not-for-profit tries to convey often becomes dissipated. "Our strategy is contingent on other organisations’ activities. As a consequence, we must continually bend our message and style to shape the situation. Our messages then tend to get diluted because they are not focused on what the organisation is mainly about," she explains.

Also, opportunities such as web advertising require a distinctive “pull” factor, which Mavrinac is not sure that not-for-profits possess.

Overall, she notes that the not-for-profit community is evolving and requires a new mindset. "[We need to] put our egos aside and recognise that everybody has to invest in educating people about the work of a not-for-profit. Our work is never so important that others should automatically know about it," she says. "Also, be willing to think out of the box. Grasp new technologies available that might be potential marketing channels — Facebook, for instance. We have to come up with new ways of doing things and implementing them.”

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