



STANFORD
GRADUATE SCHOOL OF BUSINESS

STANFORD SOCIAL INNOVATION *review*

Upfront

No Market for Marketing: Nonprofits do not use – and often don't want – for-profit marketing techniques. By Maia Szalavitz

Stanford Social Innovation Review
Winter 2005

Copyright © 2005 by Leland Stanford Jr. University
All Rights Reserved



STANFORD
GRADUATE SCHOOL OF BUSINESS

Stanford Social Innovation Review
518 Memorial Way, Stanford, CA 94305-5015
Ph: 650-725-5399. Fax: 650-723-0516
Email: info@ssireview.com, www.ssireview.com

ance expectations about worker-to-worker incivility; teaching skills such as conflict resolution, stress management, and listening; and reacting swiftly to transgressions are all things organizations can do to curb incivility. Also, getting “360-degree feedback,” or anonymous input from workers of all levels, improves the accuracy of feedback about all employees. Finally, if employees do leave, delaying their exit interviews may allow them to report their real reasons for leaving the organization.

As for Chang, what does she think her supervisor could have done to avoid incivility? “She could have heard more about what I was saying,” she says. —Shirley Wang

No Market for Marketing

Nonprofits do not use – and often don’t want – for-profit marketing techniques

When the Center to Advance Palliative Care was founded in 2001, Sharyn Sutton, then a consultant to the center, used her corporate public relations knowledge to resolve one of the group’s biggest tensions: While activists had long focused on improving “end-of-life” care, neither patients nor their doctors wanted to see patients as “dying.”

By branding pain management and quality-of-life enhancement as

“palliative” rather than “end-of-life” medicine, the group rapidly advanced its agenda. In 2003 alone, the number of hospital-based palliative care programs increased by 22 percent, says the American Hospital Association.

But the nonprofit world usually does not make such good use of marketing techniques like branding, reports a study in the Summer 2005 *California Management Review*. The



NATIONAL CENTER FOR
FAMILY PHILANTHROPY

FAMILY PHILANTHROPY TELECONFERENCE SERIES

“PARTICIPATING IN THE FAMILY PHILANTHROPY TELECONFERENCE SERIES IS AN EASY AND CONVENIENT WAY TO STAY UP-TO-DATE ON RELEVANT TOPICS AND PRACTICES. THE SERIES FEATURES OUTSTANDING PRESENTERS. I HAVEN’T BEEN DISAPPOINTED ONCE!”

—PAST PARTICIPANT

WINTER EVENT SCHEDULE

THE FUTURE OF FAMILY PHILANTHROPY
WITH NATIONAL CENTER PRESIDENT VIRGINIA ESPOSITO
AND KATHERINE FULTON OF GLOBAL BUSINESS NETWORK
DECEMBER 15, 2005, 12-1:30 P.M. (EST)

★ ★ ★ ★ ★

THE PRACTICES OF EFFECTIVE FAMILIES
WITH CHARLES COLLIER, SENIOR PHILANTHROPIC ADVISOR
HARVARD UNIVERSITY
JANUARY 12, 2006, 12-1:30 P.M. (EST)

PAST PRESENTATIONS COMING SOON ON CD

MEASURING EFFECTIVENESS AS A FAMILY PHILANTHROPY WITH DOUG BAUER
SENIOR VICE PRESIDENT, ROCKEFELLER PHILANTHROPY ADVISORS

★ ★ ★ ★ ★

CHOOSING A PHILANTHROPIC AGENDA: FIVE FACTORS TO CONSIDER WITH
BRUCE SIEVERS, ADJUNCT PROFESSOR, STANFORD UNIVERSITY

★ ★ ★ ★ ★

RAISING CHARITABLE CHILDREN
WITH KATHRYN AGARD OF LEARNING TO GIVE

REGISTER NOW
AT WWW.NCFP.ORG!

REGISTRATION IS \$75★
PER LOCATION.

★ REGISTRATION IS REQUIRED FOR EACH EVENT
AND IS FREE TO OUR FRIENDS OF THE FAMILY
AND TO COMMUNITY MEMBERS OF OUR
FP ONLINE SUBSCRIBERS.

FOR MORE INFORMATION ABOUT THE NATIONAL CENTER, THE TELECONFERENCE SERIES, FRIENDS OF THE FAMILY, FP ONLINE, OR ANY OTHER PROGRAMS, PLEASE VISIT WWW.NCFP.ORG OR CALL 202.293.3424

survey of 48 marketing managers with prior for-profit experience shows that the U.S. nonprofits in which they now work either do not use major marketing tools (e.g., demand forecasting, demographic segmentation, market share analysis) at all or do so with far less intensity than do for-profit companies. Indeed, the most savvy nonprofits make less use of marketing tools than the least savvy for-profits. The study further finds that many nonprofits do not have a marketing plan, and that many nonprofit executives do not have a marketing perspective.

The article's authors are Alan R. Andreasen and Ronald C. Goodstein, both of the McDonough School of Business at Georgetown



The Boys & Girls Clubs of America's Web site gives marketing advice to local affiliates.

University, and Joan W. Wilson, a marketing consultant.

"The data suggest that nonprofits have a way to go before they reach even the level of nonsavvy for-profits," says Andreasen. He suggests that nonprofits' resistance to cultivating marketing savvy comes from the normal fear many people have of change and novelty. Another barrier is nonprofits' perception of

for-profits: "In some circles, business ideas were seen as suspect and potentially contaminating," he says.

Sutton, who is now managing direc-

tor for communications and social marketing at the American Institutes for Research, agrees with Andreasen. "Even the term 'marketing' is not acceptable" to some nonprofits, she notes. Sutton further points out that, ironically, marketers have not done a good job of marketing their knowledge to nonprofits. Marketers know that one of the biggest errors is assuming that simply informing

SAVE THE DATE!

SEPTEMBER 16–19, 2006

Radisson Riverfront Hotel
Saint Paul, Minnesota

www.grassrootsandgroundwork.nwaf.org



WHAT COMMUNITIES ARE DOING TO GET OUT AND STAY OUT OF POVERTY



The reality is that persistent poverty is about lots more than recent headlines. It's a harsh reality for millions of women, men and children every day. It's also just as true that there are communities—many of them throughout the country—working today to reduce poverty long term. Some of their ideas and experiences may help your efforts.

Come hear about proven, practical and innovative strategies and tools from the people actually doing the work—community members, civic and business leaders, nonprofits, economic developers and others. They'll describe successes and challenges in:

- NEW IDEAS BEING EXPLORED
- STRATEGIES WITH SUCCESSFUL TRACK RECORDS
- ADVOCACY INITIATIVES THAT ARE GAINING POLICYMAKER SUPPORT FOR COMMUNITY-FOCUSED, POVERTY-REDUCTION EFFORTS

Five hundred people from all across the country attended the 2004 conference. Save the Date for a place at the 2006 event. Your voice is needed.

SPONSORED BY  Northwest Area Foundation

people of the value of your product will be enough. And yet marketers have often come to nonprofits with just that attitude. “We’ve done a very bad job at practicing what we preach,” she says.

Another problem with translating for-profit marketing techniques for nonprofits is that some concepts just don’t cross over very well. Florence Green, executive director of the California Association of Nonprofits, points to the conflicts many nonprofits have about who their customers are. Nonprofits want to help those to whom they provide services, but in many instances, the people they really have to serve are their funders. This is a complex marketing challenge.

Kurt Aschermann, the chief marketing and development officer of the Boys & Girls Clubs of America, points out an additional factor that influences whether a nonprofit adopts marketing techniques: its board. His board, for example, includes CEOs of Fortune 500 companies who recognize marketing’s power and are familiar with its tools. They were initially reluctant to mix marketing with their nonprofit work, but that discomfort didn’t last. In the early ’90s, for example, the Boys & Girls Clubs had a \$280 million budget. “Then we got aggressive on a branding strategy. This year, we’ll crack \$1.2 billion.”

Andreasen says that as more nonprofits become familiar with marketing tools and see their results, the barriers he saw will fall. In the meantime, marketers like Sutton have to reassure nonprofits that borrowing marketing tools from the business world is not antagonistic to their goals and values: “I say it’s like accounting – you can use it to do your books or you can use it like Enron. It’s how you use it that matters.” –Maia Szalavitz

Happy-Face Blues

How supervisors exhaust their workers by constraining their emotions

A job that requires constant contact with demanding clients can be emotionally exhausting. But supervisors affect whether the job is ultimately rewarding or a complete drain, reports an article in the September 2005 issue of the *Journal of Applied Psychology*. The authors show that managers who push frontline workers to “put on a happy face” tend to burn out their employees.

“It’s not being required to know products well or even being monitored that gets to people,” explains study co-author Steffanie Wilk, “but rather being pressed to detach from what’s going on and adhere to certain ‘display rules’ – narrow requirements governing the kinds of emotions they can show on the job.” Wilk, an expert in human relations at Ohio State University, co-authored the study with Lisa M. Moynihan, an organizational behavior specialist at the London Business School. While previous studies established that interpersonally demanding jobs lead to burnout, Wilk and Moynihan are among the first to explore how supervisors can improve or worsen employees’ experience.

In the authors’ survey study, more than 1,000 call center workers in a large telecommunications company reported how frustrated they are with their jobs. Then the workers’ supervisors expressed how much importance they place on workers’ product knowledge, technical competence, and interpersonal skills. Workers whose supervisors strongly emphasized interpersonal skills – requiring that employees remain calm and cheerful with even the most irate callers – had elevated burnout scores.

Paul Ekman, author of “Emotions Revealed” (Times Books, 2004) and originator (in 1969) of the term “display rules,” suggests that managers give workers in tough client-facing jobs outlets for their true feelings. “Maybe they need breakout sessions to debrief and vent,” he says.

One San Francisco Bay Area domestic violence organization does just that.



For all their bang, nonprofit auctions generate few bucks.