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# A Study of the Perceptions of Bay Area Planned Giving Professionals as to the Value and Effectiveness of Various Techniques Used to Market Planned Gifts

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A Study of the Perceptions of Bay Area Planned Giving Professionals  
as to the Value and Effectiveness of Various  
Techniques Used to Market Planned Gifts

A THESIS SUBMITTED

by

Suzanne Levi

In Partial Fulfillment of the Requirements

for the Degree of

Master of

Nonprofit Administration

The University of San Francisco

May 14th, 2003

A Study of the Perceptions of Bay Area Planned Giving Professionals  
as to the Value and Effectiveness of Various  
Techniques Used to Market Planned Gifts

This Thesis written by

Suzanne Levi

This Thesis written under the guidelines of the Faculty Advisory Committee, and  
approved by all its members, has been accepted in partial fulfillment of the requirements  
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## ABSTRACT

This study entailed a mail survey of the entire membership of the Northern California chapter of the Planned Giving Council to ascertain the ways in which Bay Area planned giving professionals perceived the effectiveness of certain marketing techniques in raising planned gifts for Bay Area nonprofit organizations. It further explored any differences in preference for various marketing techniques based on the professional experience of the planned giving professional, the annual budget of their organization, or the type of agency where they worked.

The study found that, broadly speaking, respondents favored the relationship marketing techniques, those requiring more personal interaction with donors. There was some difference in the overall responses when analyzed in relation to years of respondents' experience in the field, their organization's annual budget, and the type of agency in which they worked.

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## CHAPTER ONE: INTRODUCTION

### Background of the Issue

A major problem for most nonprofit organizations (NPOs) is attracting the resources necessary to carry out their programs. Over the years, NPOs have increasingly relied on marketing techniques (such as direct mail, newsletters, and advertisements in organization publications) as a tool for raising funds for their programs. A particular type of fund-raising that relies most heavily on marketing techniques is planned giving. This type of giving includes bequests and life income gifts such as charitable gift annuities and charitable remainder trusts.

Until the 1970s, the concept of marketing for NPOs was regarded with disdain. It was seen by administrators and trustees as inappropriate for their agency as well as manipulative and unprofessional. During the 1970s, however, some practitioners and scholars began to turn their attention to the challenge of improving management practice in public agencies and NPOs. These managers recognized the need to understand the requirements and concerns of one's users or clients and to develop communication efforts to reach these groups (Lovelock & Weinberg, 1988).

In the 1970s and 1980s, NPOs focused their marketing efforts on mass marketing through direct mail. For the first ten years, many were successful in raising the bulk of their income by this means. While still used today, over time it has decreased in effectiveness as the market has become saturated with all kinds of mail appeals (Klein, 1994).

Prior to the 1980s, it was uncommon for most organizations to do any market segmentation. They tended to communicate with their whole donor base or other constituency. Except for colleges and universities and other types of NPOs that had access to personal information necessary to engage in effective target marketing, this type of marketing simply was

not available to most NPOs. However, mass communication can be very expensive and can add to “donor fatigue,” as additional communications may be received by donors for whom they are not appropriate (Sharpe, 2001).

During the 1990s, NPOs began to use market segmentation, in which contributors are grouped demographically, psychographically, attitudinally, or by some other characteristic in order to focus strategies and resources in reaching that particular market. There are a number of ways to approach market segmentation. For example, donors can be segmented according to their past levels of giving or to the date of their most recent gift. Alternatively, they can be segmented by age or length of membership, or connection to the organization, or ability to give (Sharpe, 2001).

In recent years, a trend toward relationship marketing (also known as frequency marketing) has been developing. Relationship marketing is a method of selling products and services by building a relationship with clients and prospects. This type of strategy emphasizes the individuality of each prospect and donor (Allington, 2000). Its primary objective is retaining high-value customers and increasing those customers’ purchases over time. It employs a variety of offers to attract customers into active, sustainable relationships with the sponsor. Usually characterized by database-driven and systematic communications between the two parties, the strategy typically depends on direct mail and toll-free telephone access (Barlow, 1995).

Planned giving programs rely heavily on marketing strategies such as the ones previously described to educate members, donors, and other constituents about planned giving vehicles such as bequests and life income gifts that are available to support the organization’s programs and services (Jordan & Quynn, 1995). Planned gifts provide a way for philanthropic donors to contribute to nonprofit organizations and simultaneously enjoy favorable financial tax

consequences. The planning component involves financial planners, estate planning attorneys, and/or gift planners helping the donor to consider estate planning issues, financial ramifications, and tax benefits (Jordan & Quynn, 1995; Kelly, 1998). Planned gifts fall into three categories: the outright gift, whereby the nonprofit can use the asset immediately, the bequest, whereby the nonprofit receives the asset at the donor's death, and the life income gift, whereby the donor receives a stream of income during their life and the nonprofit receives the remainder value of the gift upon the donor's death (Jordan & Quynn, 1995; Kelly, 1998).

Planned giving has become one of the most attractive ways for individuals to make gifts to a charity. Currently most of this country's wealth is held by older Americans, those aged 60 and older. Baby boomers have become middle aged and older Americans are living longer. The years ahead will see the largest intergenerational transfer of wealth in US History. This transfer of assets creates the need for close examination of tax issues. Passing wealth on to family members through planned giving options offers an attractive way to ensure current income while receiving tax advantages and providing for charity. Thus, NPOs need to emphasize sophisticated planned giving techniques that provide needed benefits to donors while building their own future (Jordan & Quynn, 1995).

Planned giving has changed over the years. Donors have become much more savvy and knowledgeable, and today's planned giving officer often has extensive contact with a donor's lawyer, financial advisor, trust officer, and/or accountant. Outside advisors are usually included in the process because of the range and complexity of gift vehicles available to donors of all ages, who have various personal and financial objectives (Jordan & Quynn, 1995; Kelly, 1998). Often the most overlooked and crucial part of a planned giving program is marketing. No amount of technical expertise will generate gifts unless individuals with donative intent learn

about the program. Marketing means not only educating prospects about planned giving vehicles, but also articulating the needs of the organization. Continuity, repetition, and perseverance are key qualities of a planned giving program. Planned giving materials must appear continually over a long period of time to educate donors and prospects. It is the cumulative impact of marketing to a philanthropic donor over time, along with follow up, that results in their making a planned gift (Jordan & Quynn, 1995). Planned giving, therefore, is the department in a development office most likely to conduct marketing and the individuals charged with running the planned giving program are likely to be well-versed in marketing fundamentals.

#### Statement of the Issue

While there is evidence that charitable organizations will receive bequests and other planned gifts with little or no active pursuit of this type of income, case after case shows that over time the programs that engage in proactive efforts in the area of planned gift development enjoy substantial growth in planned gift income. As a result, the majority of the leading charities in America have developed some sort of proactive planned gift marketing initiative (Sharpe, 2001). While there are many theories as to which are the most effective means of marketing a planned giving program, there is little information available on what planned giving professionals today actually perceive as the most effective marketing technique to promote their programs and raise planned gifts.

The purpose of this study was to determine the ways in which Bay Area planned giving professionals perceived certain marketing strategies (mass marketing, targeted marketing, and relationship marketing) to be effective in the raising of planned gifts for Bay Area NPOs. The study also explored any differences in preference for various marketing techniques based on the

professional experience of the planned giving professional, the annual budget of their organization, or the type of agency where they worked. It was expected that the study would indicate that the marketing strategies recommended would differ according to (a) the professional experience (years of experience with planned giving and tenure with their organization) of the planned giving professional, (b) the annual budget of the organization, and (c) the type of organization in question.

In order to avoid requiring confidential information from the subjects, the survey did not have the business practices of the organization as its focus. Instead, it aimed to gather information about the perceptions of planned giving professionals as to the most effective means for marketing their programs.

#### Research Questions

The perceptions of Bay Area planned giving professionals of the value and effectiveness of various techniques used to market planned gifts was investigated in this study. The specific research questions studied were:

- 1) How do Bay Area planned giving professionals rate marketing techniques as to their effectiveness in raising planned gifts?
- 2) To what extent do Bay Area planned giving professionals differ in the techniques they prefer based on their professional experience? (That is, their years of employment in the field of planned giving.)
- 3) To what extent do Bay Area planned giving professionals differ in the techniques they prefer based on the size of the annual budget of their organization?



4) To what extent do Bay Area planned giving professionals differ in the techniques they prefer based on the type of organization they work for? (That is, in the arts, in education, in health, in human services, or in the environmental)?

#### Definitions of Major Concepts

Bequest. A gift of property by will. The gift can be a percentage of a donor's estate, a specific amount of cash; a gift of property; or the residual, the portion of the estate remaining after all bequests have been made.

Charitable Gift Annuity. An agreement in which a donor makes a gift to charity, which in turn provides a stipulated annual income payment for life, to one or two persons, as dictated by the donor.

Charitable Remainder Trust. A trust made possible by the Tax Reform Act of 1969. It provides for a donor to transfer property to a trustee subject to his or her right to receive a percentage of the fair market value of the property for as long as he or she lives. Whatever remains in the trust at the person's death becomes the property of the beneficiary organization. In an Annuity Trust, the income to the donor is a fixed percentage of the initial net fair market value of the property to be gifted. In a Unitrust, the income is a percentage of the fair market value of the property transferred, determined annually.

Direct Mail. Impersonal fund-raising letters sent by bulk mail. Letters addressed to an individual or sent first class are not technically direct mail pieces, although these more personalized letters borrow from direct mail principles in that they are identical letters going to many recipients (Klein, 1996).

Legacy Society. A vehicle through which an organization recognizes a group of people who have either planned a life-income gift with the organization or have informed the

organization that they have made the organization a beneficiary of their estate plan.

Marketing. A comprehensive, integrated campaign designed to educate an organization's constituents about the organization and its needs for funding. It is the management function that most explicitly links an organization to its external environment.

Marketing Mix. The organization's efforts to facilitate transactions with its customers require that decisions be made in four broad areas, collectively referred to as the "marketing mix." These are: 1) the characteristics of the product that is offered in the marketplace, 2) the price that is charged in exchange, 3) how the product is distributed to the customer, and 4) the nature of the messages that are communicated to prospective customers and how these messages are transmitted.

Marketing Strategy. Determining the needs and concerns of the various constituencies served by the organization or program and ensuring that those needs and concerns are addressed in the design and delivery of programs.

Market Research. The form of marketing information primarily concerned with understanding the markets in which one's organization competes.

Market Segmentation. A key organizing concept underlying the development of effective marketing strategies. Target markets are divided in order to focus strategies and resources at homogeneous groups of customers in meaningful ways.

Mass Marketing. A style of marketing where the organization mass-produces and mass-distributes one market offer and attempts to attract every eligible person to its use. It is compatible with a selling orientation to marketing. The argument for mass marketing is that it would result in the lowest costs and prices and therefore create the largest potential market. The mass marketer pays little or no attention to differences in consumer preferences.

Planned Gift. A gift of money, land, or another asset that requires consideration and planning in light of a donor's overall estate plans.

Planned Giving Program. (Also known as a Gift Planning Program.) A program in which part of an organization's resources are devoted to the acquisition of planned gifts. At minimum, a charity with a planned giving program should be able to handle gifts made with securities, bequests, and charitable remainder trusts that are managed outside the nonprofit. A complete planned giving program is one that offers life income gifts such as charitable gift annuities, deferred gift annuities, a pooled income fund, and the opportunity to make gifts of real estate.

Relationship Marketing. (Also known as Frequency Marketing.) A method of selling products and services by building a relationship with clients and prospects. The object of this type of marketing strategy is to identify, maintain, and increase the yield from Best Customers, through long-term, interactive, value-added relationships.

Target Marketing. A style of marketing appropriate to a customer-oriented organization. In it the organization distinguishes between the different segments making up the market, chooses one or more of these segments to focus on, and develops a marketing strategy tailored for each segment.

### Importance of the Study

While the Bay Area planned giving professionals under study benefited most from this study, there was a value to be gained from it by the planned giving community as a whole. Overall, it provided planned giving professionals with an overview of the perceptions of their peers as to the effectiveness of certain marketing techniques in raising planned gifts. In addition, information was gained about the degree to which the type of organization, constituency

served, or annual budget is an important factor in the decision as to which marketing techniques were preferred to promote a planned giving program.

Within the region studied, a base of knowledge was gained about the kinds of marketing techniques favored by planned giving professionals. This would assist staff and board members in their future planning when either instigating a planned giving program or promoting an existing program.

## CHAPTER 2: REVIEW OF RELATED LITERATURE

### Planned Giving

Planned giving has changed over the years. Today, planned giving officers often have extensive contact with a donor's lawyer, financial advisor, trust officer, and/or accountant. Outside advisors are usually included in the process because of the range and complexity of gift vehicles available to donors who have various personal and financial objectives (Jordan & Quynn, 1995).

According to Klein (1996), bequests are the most common form of planned gifts and account for approximately five percent of all the money given to charitable causes by the private sector. This is an amount equal to funds given by foundations and greater than the amount given by corporations.

Planned giving accounts for up to 50% or more of total fund-raising revenue of mature programs, and, for most programs, bequest revenue is continuing to grow year by year (Mangone & Thomas, 2001). Many organizations, however, do not seek planned gifts. One of the reasons for this is that people feel awkward talking to anyone about their death. Many board members and staff, even fund-raising staff, may not want to have a conversation with a potential donor about their money and their death at the same time (Klein, 1996).

Marketing to key stakeholders, therefore, is essential to promoting planned gifts for NPOs. It is an important way for donors to help ensure that what they believe in and contribute to will continue into the future. No amount of technical expertise will generate gifts unless individuals with donative potential learn about the program. Marketing means not only educating prospects about planned giving vehicles but also articulating the needs of the organization and making a case for having a planned giving program (Jordan & Quynn, 1995).

## Planned Giving & Marketing

Continuity, repetition, and perseverance are key qualities of the marketing component of a planned giving program. Planned giving materials such as brochures, newsletters, and advertisements must appear continually over a long period of time to educate donors and prospects. It is the cumulative impact of marketing to a philanthropic donor over time, along with follow up, that results in a donor's making a planned gift (Jordan & Quynn, 1995). As is the case for marketing of NPOs generally, planned giving programs have been promoted through the years using various marketing techniques. These techniques have included mass marketing, targeted marketing, and, more recently, relationship marketing.

Kateman (1999) surveyed 47 charities listed in the Nov. 5, 1998, issue of the *Chronicle of Philanthropy* as "the Philanthropy 400" to investigate their marketing initiatives. At that time, nearly three quarters of those surveyed had a formal planned giving marketing plan. Those surveyed reported seven major benefits of marketing planned gifts: awareness and education of planned giving (52%), generation of new gifts (32%), generation of repeat gifts (23%), generation of leads (19%), building of endowment (6.5%), donor reassurance (3%), and promotion of the organization's mission (3%). Nearly one half of the respondents stated that there were no disadvantages to marketing planned gifts. Kateman found that the charitable vehicles being marketed were wills and bequests (100%), charitable gift annuities (91%), charitable remainder trusts (87%), and retirement plan assets (74%). The methods used to market them were newsletters (87%), personal visits (84%), Web sites (84%), advertising (77%), targeted letters (74%), telephone contact (74%), seminars (71%), direct mail (65%), legacy society (39%), video (16%), and special events (10%).

### Rise of Nonprofit Marketing

Marketing has become a buzzword in the nonprofit sector because of the increased competition. According to Shiffman (2000), over the last five years, the IRS has reported a 22% growth in 501(c)(3) charities. At the same time, cuts in federal and state funding have created an even greater need to raise even more private support. As noted by Berg and Shiffman (1996), marketing strategies can be effectively applied to better understand and reach individuals in an organization's audience, identify prospects, maintain a relationship with donors and prospects, and reinforce donors' decisions to make a charitable gift to an organization.

### Mass Marketing

The first marketing technique that began to be used by NPOs during the early and mid-70s was mass marketing. Mass marketing is a strategy that involves the mass-production and mass-distribution of one market offer that attempts to attract every eligible person to its use. The argument for mass marketing is that it results in lower costs and prices. The mass marketer pays little or no attention to differences in consumer preferences (Kotler & Andreason, 1982).

One form of mass marketing that has become extremely important over the years is direct mail. Although other authors define direct mail differently (Lister, 2001; Warwick, 1996), Klein (1996) defines fund-raising by this means as fund-raising letters sent by bulk mail. Direct mail letters are sent in minimum quantities of 200, pre-sorted by zip code for the post office. Direct mail solicitation was first used on a mass scale in 1968 for the Barry Goldwater for President campaign. For the next ten years, it was popular and many organizations derived the bulk of their income from it. Over time its effectiveness has decreased. Some fund-raising professionals have questioned the continued use of direct mail as an effective strategy. Despite this, direct mail remains the least expensive way an organization can reach the most people with

a message they can examine at their leisure. Many organizations use direct mail to communicate with current donors and ask for additional gifts (Klein, 1996).

There are three reasons why direct mail is widely used as a fund-raising tool. First, the cost of personal solicitation is high. Second, the availability of specialized mailing lists has grown. And, third, the emergence of computer technology has permitted NPOs to use mailing lists at very low costs (Kotler & Andreason, 1982).

According to Klein (1996), direct mail has two functions: donor acquisition and donor retention. Donor acquisition is getting someone to give for the first time. It is the primary purpose of direct mail. Many organizations do this by purchasing or trading lists of members or donors with another organization. Donor retention is getting someone to repeat their gift. Other types of mass marketing include charity cans in stores, door-to-door solicitation, TV and radio advertisements, raffles, walkathons, and Web sites.

#### Planned Giving & Mass Marketing

Mass marketing techniques have served as the foundation for planned giving marketing programs for many years.

#### Newsletters

As a component of marketing, newsletters and direct mail remain the central marketing activities of planned giving programs. Newsletters have been effective in making people aware of an organization's planned giving program and in prompting qualified prospects to self-identify (Mangone and Thomas, 2001).

Successful planned giving programs usually include a planned giving newsletter three or four times a year to educate prospects about the benefits of planned giving. It is part of a long-term cultivation process that is conducted so that an NPO's prospects become familiar with



planned giving opportunities and remember the organization when they begin their estate planning (Carmichel, 1999).

However, response rates to newsletters have been decreasing. Ten years ago, it was common for an NPO to experience a 1–2% response rate. Today, response rates are in the 0.5% rate (Mangone & Thomas, 2001). With over 600,000 charities sending out planned giving newsletters each quarter, NPOs need to do more (Shiffman, 2000).

#### Media Advertisements

Newspaper and magazine advertisements are other examples of effective mass marketing tools for planned giving programs. However, they are expensive. Furthermore, advertisements placed in publications outside of those of the organization can often elicit responses that are more motivated by tax savings than donative intent. Pomona College, however, used advertisements in financial papers for many years to effectively raise planned gifts by stressing the tax advantages. They raised more than \$50 million from non-alumni over a 35-year period. Also, the Arthritis Foundation placed a highly successful advertisement for bequests from wills or estates in Modern Maturity, a magazine appropriate for their target market. The Cleveland Orchestra also had good results with a gift annuity commercial on the local classical music radio station (Carmichel, 1999).

#### Organization Publications

Quarterly magazines, alumni publications, annual reports, and other organization publications are all good sources of marketing planned giving. An NPO can include planned giving articles in these publications and encourage readers to write or call for more information (Carmichel, 1999).

### The Web

Planned giving home pages on the Web have become increasingly common. These pages most often contain information on how to plan a bequest for the NPO, sample bequest language, and information on available life-income gifts. Some NPOs also publish their planned giving newsletters on the Web (Carmichel, 1999).

A surprising number of seniors are adept at navigating the Web. A study released in 2001 revealed that the number of Web surfers aged 55-64 grew 20% over the prior six months. Currently, the 55-64 age group is approximately 8.5% of the US adult population, or about 24.2 million consumers. That growth rate was the largest increase for any age group in the study. According to the report, 43% of that age group now use the Internet on a regular basis. Thirty-seven percent sent e-mails (an increase of 20% over the past six months and 46% over the past 18 months), 27% report general web browsing, (13%) investment tracking, (9%) personal purchases, (8%) travel reservations, and (4%) business purchases (Mangone & Thomas, 2001).

The mass marketing techniques discussed above form the backbone of most planned giving programs. In today's competitive market, however, mass appeals have lost their effect. It is not enough to simply identify an audience. The key to reaching an audience today is to understand who they are and how they differ from each other, and to create appeals to the particular needs and interests of the different segments of that audience (Shiffman, 2001).

### Target Marketing

There are often wide differences between one consumer and another in terms of needs, behavior patterns, and other characteristics. Not everyone is a prospective customer; in fact, the target audience for most nonprofit programs is a tiny fraction of the total population. Further, some prospects are much more significant than others in helping an organization achieve its

mission. Market segmentation is a means of singling out certain subgroups or market segments as required (Lovelock & Weinberg, 1989; Sturtevant, 1997).

Methods of market segmentation include identifying key stakeholders of the organization such as current and past donors, alumni, patients, congregants, relatives, friends, board members, volunteers, people who have been helped by the organization, staff, and allied professionals. Surveys are also a vital way to gather demographic information and information about the personal interests, values, concerns, and specific programmatic interests of prospects. Research is a third key component of market segmentation. Today, research can be easily conducted to determine a prospect's giving potential. Among the many attributes that can be readily investigated are giving history, affiliations, voting history, political party, educational background, stock and real property holdings, and many others (Berg & Shiffman, 1996).

Target marketing is a strategy that utilizes market segmentation. It uses the information gathered about the target market through market segmentation to develop an approach that is tailored to meet the needs of each segment. Once the demographic and psychographic information is gathered, an overall profile of the donors and prospects can be determined, allowing NPOs to focus fund-raising efforts on the needs, wants and desires of the donor population and to find prospects who share the commitments and ideals of the organization (Klein, 1996).

Segmentation must be based upon detailed, specific information gathered in an objective manner. Managers need data about the size and structure of the market, trends in the environment that may influence demand from a certain segment, and the nature and extent of competitive activities. Further information concerns include how different kinds of customers

make choices, what benefits they are looking for, and what factors or individuals influence their decisions (Lovelock & Weinberg, 1989).

Target marketing began to be incorporated into the marketing strategy of many NPOs during the 1980s. Previously, advertising and promotion “pushed” products through the market by creating consumer demand. Increased competition made it vital for NPOs to discover what targeted customer groups want and then to find the services and products to meet those needs. Target marketing allows an NPO to learn what distinguishes their particular market from others, requiring different approaches and messages. An example of the effectiveness of using segmentation to create a targeted appeal was a message tailored specifically to those who graduated in the class of 1960 at the University of Minnesota. This appeal generated a nine-percent response rate, compared to past response rates of less than one percent (Shiffman & Berg, 1996).

While target marketing is still used today, it has become somewhat outdated. According to Sexton (1999), marketing segmentation is more effective than mass marketing, but does not go far enough. Sexton states that the only market segmentation that is relevant today is actual behavior.

#### Planned Giving & Target Marketing

Target marketing is essential to marketing planned gifts because not everyone involved with an organization is eligible or very likely to make a planned gift. Through market segmentation, an NPO can identify the best planned giving prospects and then tailor their appeals accordingly.

### Identifying Prospects

The best planned giving prospects are those who will receive personal satisfaction from assisting the organization, are retired or nearing retirement age, have sufficient wealth to make a major gift, and are childless or otherwise without family financial obligations. An organization's ability to segment its audience according to age, length of affiliation with the organization, and assets (stock and real property holdings) is essential to creating an effective planned giving marketing component (Carmichel, 1999).

Past National Council on Planned Giving (NCPG) President, Frank Minton, conducted a study of NPOs in the early 1990s that researched how planned giving donors had initially been identified. The following were the sources of planned giving prospect/donor identifications, in order of importance: previous planned giving donor, referred by donor or volunteer, attended estate planning seminar, responded to target mailing, referred by allied professional, responded to newsletter, responded to annual giving solicitation, referred by development staff, attracted by article in organization publication (Minton, 1992).

Once this information has been obtained and the marketing segments determined, an organization can develop tailored marketing appeals as well as make better use of their marketing resources. For example, an organization may choose to mail out their planned giving newsletter to those segments identified as over the age of 50, rather than to their entire constituency (Carmichel, 1999).

### Annual Solicitation/Mail Survey

The Minton survey indicated a high level of prospect identification through annual giving solicitations. By simply including a reply card or questionnaire with these mailings that asks if the prospect has included the organization in their will or estate plan, bequests were

made known to the planned giving staff and prospects were made aware of the possibility of making such a bequest or a life-income gift. Once these types of reply card or questionnaire are returned, these donors then become part of a different segment, which would be approached in a completely different way. Prospects would then become either top prospects or planned giving donors (Carmichel, 1999).

#### Donor Seminar

The Minton survey also showed estate planning seminars to be an effective method of exposing prospects to estate planning concepts. Inviting key stakeholders of an organization, such as those who fit the profile discussed earlier, is an effective way of marketing planned gifts. Organizations conducting these types of seminar most often use outside professional advisors (Carmichel, 1999).

#### Relationship Marketing

More recently, NPOs have begun to realize the benefits of marketing through personal contact, utilizing an approach that focuses on finding solutions to meet the needs of their contributors. This latest trend is called relationship marketing, also known as frequency marketing. The term relationship marketing refers to the category of marketing strategies that have as their primary objectives retaining current high-value customers and increasing those customers' purchases over time. The key to relationship marketing's effectiveness is that it emphasizes the individuality of each prospect and donor. While prudent fund-raisers have been using this type of strategy for years, there have never been so many ways to effectively and cost-efficiently use relationship marketing to help build and solidify a donor base (McKenna, 1991; Shiffman, 2001).

According to Barlow (1995), the term frequency marketing derives from the frequent-flyer programs that began in 1981. The origins of this loyalty-focused approach can be found in the trading-stamp programs that were popular in the 1950s and 1960s and in earlier marketing promotions such as the various Ovaltine children's clubs, which used existing media (radio, network television, and direct mail) to establish ongoing relationships with customers. As the post-World War II American economy soared, however, mass media options increased, offering a continuously broader reach for advertising. The emerging mass market environment was dominated by a fixation on customer acquisition. When the US economy slowed in the 1970s and 1980s and technological advances in data processing and telecommunications created new opportunities to communicate with customers individually, marketers began to reconsider the potential for building sales through programs aimed at current customers rather than new customers.

The launch of the frequent-flyer programs in May of 1981 exemplifies this trend. American Airlines was a pioneer in this foray with its American Advantage ® program. Tracking individual travel activity was facilitated by the development of a computerized reservation system database that provided a simple and accurate way to track mileage (the precise air travel distance flown on American by each enrolled traveler) and limit liability through capacity controls (the number of free "award" seats made available on any given flight). This technological advance permitted the airlines to move from recognition to reward, offering free or discounted air travel and special treatment to its most valuable customers. Other companies, particularly credit card issuers, retailers, and long-distance telephone companies, began to create marketing strategies based on enhanced special recognition and services for special customers, offering added value through discounts on other companies' products and

services. For example, American Express developed a variety of services, usually stratified by customer type: Green Card versus Gold Card versus Platinum Card. Extended warranty offers were included for all “cardmembers.” Gold Cardmembers got access to special blocks of tickets for plays, concerts, and other events. Platinum Cardmembers got access to events designed for and available only to them (Barlow, 1995).

Retailers like Neiman-Marcus (InCircle® and NM Plus®), Saks Fifth Avenue (Saks First), Sears (Sears Best Customer, Craftsman Club), Kmart (Preferred Reader®, through its specialty chains such as Waldenbooks), and Egghead Software® (CUE) offered preferred customers special discounts, private sales, free services, special financing terms, priority attention, and even free merchandise, based on purchase behavior. Such programs produce initial sales increases from participating customers in excess of 10%, and research has shown they account for sustainable incremental sales of approximately that same amount (Barlow, 1995).

As discussed by Kanter (1991), what differentiates all relationship marketing programs from offer-driven traditional direct marketing, event-driven sales promotion, and prize-driven continuity schemes is the priority focus on relationship building over the long term. Using rewards, recognition, and special treatment to involve high-value customers in an ongoing dialogue, these programs seek to “turn customers into members,” who will then willingly collaborate with the sponsor in the continuing marketing process.

With these collaborative relationships established, customers become “insiders.” In this new dynamic, customers become ready and willing to contribute their time, opinions, and discretionary purchase volume in favor of the sponsor (Peppers & Rogers, 1993). The basic elements of relationship marketing are:

- 1) A database to track purchase activity and maintain other relevant customer information.



- 2) A format or structure for establishing and maintaining the relationship with the customer.
- 3) The benefits or added value designed to attract the customer into the relationship and maintain his or her commitment.
- 4) The communications with the customer, designed to interact with the customer, sending and receiving information.
- 5) The ongoing analysis of the program, designed to refine it in accord with customer preferences. (Barlow, 1995; McKenna, 1991).

#### Planned Giving & Relationship Marketing

The financial aspect of planned gifts, as well as the consultative relationship between the planned giving officer and the donor, make the relationship a critical factor in the marketing of planned gifts. Donors are a vital source of information as to their intentions to make a bequest (which is revocable until their death) and as to their situation with regard to their assets. (Shiffman, 2000)

According to Leavitt (1986), the economic theory of “supply and demand” does not apply in the relationship between buyer and vendor because the theory presumes that the work of the economic system is immune to human intervention. In an effective relationship, Leavitt holds, the buyer shares his plans and expectations with the vendor or at least makes it possible to know his intentions. This theory of supply and demand is increasingly less relevant as the product complexity intensifies, such as with planned gifts.

Relationship marketing techniques that can be applied to planned giving programs include talking to planned giving prospects one-on-one; making sure that planned giving materials express the mission of the organization and the case for having a planned giving

program; conducting a survey in the organization newsletter; holding donor councils, and roundtables; including a virtual suggestion box on the organization Web site; conducting focus groups; inviting testimonials from key stakeholders; monitoring negative comments to mailings; making sure to have an ongoing dialogue with donors; using personalization of letters to current donors; attempting to involve donors in the organization, striving to find out what motivates a donor; developing appeals directed to a specific interest of prospects or donors; and reaching the donor the way they want to be reached (e-mail, voicemail, radio, fax, Web, television) (Shiffman, 2000).

In Kateman's (1999) survey of the Philanthropy 400, certain strategies were identified to support these relationship marketing elements. These include personalized target letters for top prospects, regular and consistent contact and communication, and peer communication for top prospects.

Focus groups are also a good example of a primary resource where attitudes, beliefs, opinions, motivations, and reactions of planned giving donors and prospects can be explored. They encourage suggestions and recommendations for future directions, programs, and services. They identify those who have an interest in the organization's program. For example, the American Cancer Society asked a group of individuals about its newsletter. They expressed concern about the fact that no case was being made. The University of Minnesota conducted focus groups that identified preferred methods of recognition that were far from what was currently being offered (Shiffman, 2000).

Leavitt refers to this kind of stewardship as the "Total Product Concept." He describes the gift as "the core." Thanking the donor is "the expected product." Potential and unexpected products are key to supporting the total product. These include quick responses to

all inquiries and appropriate response pieces, items or articles of interest sent to the donors, follow up calls, legacy societies, regular communications about the organization, and ease of doing business with the organization via both the internet and a toll free phone number (Leavitt, 1986).

The planned giving program involves a unique blend of complicated gifts that require discussions about sensitive issues such as personal assets, estate planning, and death. It is particularly important, therefore, for planned giving donors to feel as if they are part of the organization's family. In a way, by making an organization a beneficiary of their estate plans, donors are making the same gesture. Relationship marketing is a unique strategy that ensures that this type of donor stewardship and recognition are wholly integrated in and are priorities of the program. Many planned giving professionals believe it is vital to the success of an organization's ability to cultivate planned gifts.

## CHAPTER 3: METHOD

### Subjects

Information was gathered from planned giving professionals at San Francisco Bay Area nonprofit organizations (NPOs). These professionals were selected on the basis of their membership of the Northern California chapter of the Planned Giving Council (NCPGC).

The subjects reflected a variety of broad program types and sizes. NCPGC members were chosen because it was felt that each would be able to offer significant information or opinions about raising planned gifts and the use of marketing strategies.

### Research Design

The entire NCPGC constituency of 280 members was surveyed to explore the preference for marketing strategies in raising planned gifts in Bay Area NPOs. The survey was aimed at determining whether respondents favored mass marketing, targeted marketing, or relationship marketing in their choice of communication tools.

A quantitative reporting of the perceptions by Bay Area planned giving professionals of marketing strategies was conducted. Specific aspects examined were the professional background of these planned giving professionals, the characteristics of the agency where they were employed, and the perceptions and attitudes of the respondents toward certain marketing techniques.

The study was based on a non-probability census. Due to the absence of a random sampling technique, the study did not intend to be representative of the perceptions of all planned giving professionals.

### Instrumentation

An anonymous survey (Appendix A) was sent to NCPGC members as a method of data collection. The survey consisted of defined and closed-ended questions. The survey method was chosen because of its advantage in providing easily quantified information from a large group of subjects.

The survey questions sought the following information:

- 1) Respondent's professional background (Questions 1-3):  
years worked in the field of planned giving (Question 1);  
years worked with current organization (Question 2);  
scope of responsibility within the organization (Question 3).
- 2) The organization type, constituency, and annual budget of respondent's organization (Questions 4-6):  
type of organization (Question 4);  
type of constituency served (Question 5);  
annual budget (Question 6).
- 3) Respondent's perceptions about the effectiveness of certain mass marketing, targeted marketing, and relationship marketing techniques (Questions 7-9).

### Procedures

With the full knowledge and consent of the Chair of the Membership Committee of the NCPGC, the survey was mailed out to each member of the NCPGC members with a cover letter and in a self-addressed and stamped envelope. The cover letter described the survey and the purpose of the survey. (See appendix B.)

### Operational Definition of Relevant Variables

The independent variables are

- 1) number of years experience with planned giving (ordinal) (Question 1);
- 2) number of years with current organization (ordinal) (Question 2);
- 3) scope of responsibility at organization (nominal) (Question 3 - 4);
- 4) type of organization (nominal) (Question 5);
- 5) type of constituency served (nominal) (Question 6);
- 6) amount of organization annual budget (ordinal) (Question 7);
- 7) marketing techniques used to raise planned gifts (nominal) (Questions 8-10).

The dependent variables are

- 1) ways in which marketing techniques are rated in terms of their effectiveness in raising planned gifts (ordinal) (Question 8);
- 2) ways in which an overall marketing strategy is rated in terms of its effectiveness in raising planned gifts (ordinal) (Questions 9-10).

### Treatment of the Data

A quantitative analysis of the survey data was conducted to determine the marketing strategies perceived by the subjects as most effective for raising planned gifts. Differences in preference for various marketing strategies (such as marketing segmentation, prospect research, personalized letters, and donor visits) were explored based on the experience of the planned giving officer, the type of organization, and the annual budget of the organization. Preferences related to the use of marketing practices in fundraising for planned gifts as they relate to characteristics of the executives and to the resources of the agencies were explored.

A series of crosstabs was run in order to look at the importance given to each marketing technique by respondents and their professional experience, budget size of the organization, and type of the organization. The crosstabs were collapsed to compare the number of years in planned giving with the ranking of marketing techniques and to compare the agency budgets with the ranking of marketing techniques. Internal measures were collapsed as necessary.

## CHAPTER FOUR: RESULTS AND FINDINGS

This chapter reports the results of analysis of responses to a questionnaire mailed in October, 2002 to members of the Northern California Planned Giving Council (NCPGC). A description of respondents and their institutions is followed by a discussion of the data gathered to answer the study's four primary research questions:

- 1) How do Bay Area planned giving professionals rate marketing techniques as to their effectiveness in raising planned gifts?
- 2) To what extent do Bay Area planned giving professionals differ in the techniques they prefer based on their professional experience? (Years of employment in the field of planned giving.)
- 3) To what extent do Bay Area planned giving professionals differ in the techniques they prefer based on the size of the annual budget of their organization?
- 4) To what extent do Bay Area planned giving professionals differ in the techniques they prefer based on the type of organization they work for (i.e.; arts, education, health, human services, and environmental).

### Description of Respondents

Of the 280 surveys that were mailed, 83 completed questionnaires were returned, for a response rate of 30%. Respondents were asked to indicate how long they had worked in the field of planned giving. They were given five possible answers: less than one year, one to three years, four to six years, seven to ten years, and more than ten years. For the purpose of this analysis, the answers were grouped into three categories: zero to three years, four to six years, and seven and more years. Forty-seven respondents (56.6%) had been in the field of planned giving for seven or more years. Nineteen respondents (22.9%) had been in the field of planned



giving for three or less years. Seventeen respondents (20.5%) had been in the field of planned giving for between four and six years. There was a notable majority of 64 respondents (77.1%) who had been in the field for four or more years. Responses are shown in Table 4.1.

Table 4.1

Years Respondents Had Been in the Field of Planned Giving

Years	Number	Percent
0 – 3	19	22.9
4 – 6	17	20.5
7 +	47	56.6
Total Respondents	83	100.0

Description of Organizations

Respondents were asked to indicate what type of organization they work for. Nine categories were given as possible answers. The categories were: arts, education, environmental, health, human services, religious, law firm, financial services company, consulting firm, community foundation, and other. For the purpose of this analysis, health and human services organizations were grouped into one category as were law firms and financial services companies. Respondents to the survey represent a wide variety of types of organizations. Of the 83 respondents, 19 worked for educational organizations (22.9% of total responses), with health and human services organizations having the second greatest number, 15 respondents, or 18.1% of total responses. Responses are shown in Table 4.2.

Table 4.2

Type of Organization for which Respondents Currently Work

Type of Organization	Number	Percent
Arts	4	4.8
Community Foundation	6	7.2
Consultant	6	7.2
Education	19	22.9
Environment	8	9.6
Health/Human Services	15	18.1
Law/Finance	12	14.5
Religion	9	10.8
Other	4	4.8
Total Responses	83	100.0

The approximate amount of the organization's annual budget was also requested in the survey. Respondents were given seven categories as possible answers for the annual budget of their organization. The categories were: under \$100,000; \$100,000 to \$500,000; \$500,001 to \$1,000,000; \$1,000,001 to \$500,000,000; \$500,000,001 to \$10,000,000; \$10,000,001 to \$25,000,000; and above \$25,000,000. Responses ranged from less than \$1 million per year to over \$10 million. For the purpose of this analysis, the answers were grouped into three categories: \$1 million and less, \$1 million to \$10 million, Over \$10 million. According to the data, respondent organizations generally had a large budget. Of the 75 people who answered the

question, 45 (54.2%) responded that their annual budget was \$10 million or more. Responses are shown in Table 4.3.

Table 4.3

Annual Budget of Respondents' Organizations

Annual Budget	Number	Percent
\$1 million & less	15	20
\$1–\$10 million	15	20
Over \$10 million	45	60
Total responses	75	100
Non-responses	8	

In an effort to understand whether certain budget categories were composed of a majority of certain types of organizations, the answers to the budget and type of organization questions are shown in Tables 4.4 and 4.5. The type of organization with the highest budget was the environmental organizations. All respondents from environmental organizations reported budgets of \$10 million or more. This was followed by educational organizations. Fifteen (83.3%) of respondents from educational organizations reported budgets of \$10 million or more. The type of organization with the lowest annual budgets was religious organizations. Six (66.7%) respondents from religious organizations reported budgets of \$1 million or less.

Table 4.4

Annual Budget of Organization Sorted By Type of Organization

Type & Budget Amount	Number	Percent (rounded)
<u>ARTS</u>		
\$1 million and less	0	0
\$1—\$10 million	2	50.0
Over \$10 million	2	50.0
Total responses	4	100.0
<u>COMMUNITY FOUNDATION</u>		
\$1 million and less	2	33.3
\$1—\$10 million	1	16.7
Over \$10 million	3	50.0
Total responses	6	100.0
<u>CONSULTANT</u>		
\$1 million and less	3	60.0
\$1—\$10 million	0	
Over \$10 million	2	40.0
Total responses	5	100.0
Non-responses	1	
<u>EDUCATION</u>		
\$1 million and less	0	
\$1—\$10 million	3	16.7

Type & Budget Amount	Number	Percent (rounded)
Over \$10 million	15	83.3
Total responses	18	100.0
Non-responses 1		
<u>ENVIRONMENT</u>		
\$1 million and less	0	
\$1—\$10 million	0	
Over \$10 million	7	100.0
Total responses	7	100.0
Non-responses 1		
<u>HEALTH/HUMAN SERVICES</u>		
\$1 million and less	2	14.3
\$1—\$10 million	2	14.3
Over \$10 million	10	71.4
Total responses	14	100.0
Non-responses 1		
<u>LAW/FINANCE</u>		
\$1 million and less	2	22.2
\$1—\$10 million	2	22.2
Over \$10 million	5	55.6
Total responses	9	100.0
Non-responses 3		

Type & Budget Amount	Number	Percent (rounded)
	1	
<u>RELIGION</u>		
\$1 million and less	6	66.7
\$1—\$10 million	3	33.3
Over \$10 million	0	
Total responses	9	100.0
<u>OTHER</u>		
\$1 million and less	0	
\$1—\$10 million	2	66.7
Over \$10 million	1	33.3
Total responses	3	100.0
 TOTAL RESPONSES	 75	
NON-RESPONSES	8	

Table 4.5

Type of Organization Sorted by Annual Budget

Type of Organization	\$1 million & less		\$1–\$10 million		Over \$10 million	
	#	%	#	%	#	%
Arts	0		2	13.3	2	4.4
Community Foundation	2	13.3	1	6.7	3	6.7
Consultant	3	20.0	0		2	4.4
Education	0		3	20.0	15	33.3
Environment	0		0		7	15.7
Health/Human Services	2	13.3	2	13.3	10	22.2
Law/Finance	2	13.3	2	13.3	5	11.1
Religion	6	40.0	3	20.0	0	
Other	0		2	13.3	1	2.2
Total Responses	15	100.0	15	100.0	45	100.0
Non-responses	8					

## Research Question 1

The primary research question of this study explored how Bay Area planned giving professionals rated certain marketing techniques. Respondents were given 12 marketing techniques and were asked to rate them on a scale of one to seven in terms of their effectiveness in raising planned gifts. For the purpose of this analysis, the answers were grouped into three categories: techniques given a rating from one to two, from three to four, and five and greater.

Overall, relationship marketing techniques, those requiring the most personal interaction rated the highest. Over 97% of respondents rated visits with donors with a score of five or higher. This technique had the highest mean score of 6.5. Personalized cards and letters for donors rated a score of five or higher from nearly 76% and had the second highest mean score of 5.4. Events for donors scored a five or higher from more than 72%. Respondents, however, did not favor spending an organization's resources on conducting a survey of planned giving donors. This technique received a score of one or two from more than 33% of respondents.

The target marketing technique of mailing newsletters to qualified potential donors received a score of five or higher from nearly 76% of respondents. An event for qualified potential donors received a score of five or higher from more than 65%.

Overall, mass marketing techniques received the lower ratings. Mailing newsletters to the entire constituency received a score of five or higher from more than 63%. Planned giving advertisements in an organization's newsletter scored five or higher from more than 57%. Direct mail sent to the entire constituency of an organization scored three or four from about 45% of respondents. A planned giving Web page on an organization's Web site only received a score of three or four from 42% of respondents. An article in a local newspaper or other publication received a score of one or two from about 36% of respondents and had a mean score of 3.3. An advertisement in the same type of publication received a score of one or two from more than 48% and had the lowest mean score of 2.6.

Respondents were also asked to rank three marketing approaches (mass marketing, target marketing, and relationship marketing) in order of importance in raising planned gifts. More than 89% of respondents rated relationship marketing as the most important marketing



approach of the three. The same percentage gave target marketing second place. All of the respondents found mass marketing to be the least important of the three.

The final question of the survey asked respondents to select one area they would like their organization to focus on in the next year. The choices were raising awareness of potential donors about the planned giving program (mass marketing approach), increasing organizational research on potential planned giving donors (target marketing approach), and building loyalty and retention of current planned giving donors (relationship marketing approach). When the question of marketing approach was phrased in this way, the results were different from those on the previous question. More than 66% of respondents selected the mass marketing approach of raising awareness of potential donors about the planned giving program.

Table 4.6 shows respondents' ratings. Table 4.7 shows the marketing techniques ranked in order of mean scores received. Table 4.8 shows respondents' ranking of three marketing approaches in order of importance to raising planned gifts. Table 4.9 shows respondents' choice for the area upon which they would like their organization to focus in the next year.

#### Research Question 2

The second research question explored whether Bay Area planned giving professionals of differing amounts of experience in the field rated certain marketing techniques differently from the ways their peers did. As stated earlier, 47 respondents (more than 56%) had been in the field of planned giving for seven or more years and 64 (more than 77%) had been in the field for four or more years.

There was a notable difference in the responses of planned giving professionals with seven or more years of experience as compared to respondents with three or less years of experience in the field. Respondents with less experience gave higher ratings to a wider variety

of marketing techniques. For example, 21.1% of those with experience of three or less years rated an advertisement in a local newspaper (mass marketing) at five or higher whereas only 8.5% of those with seven or more years gave the technique a rating of five or higher. Nine professionals with three or less years of experience (47.4%) rated a planned giving Web page on an organization's Web site (mass marketing) a score of five or higher. Only 14 (29.8%) professionals with seven or more years of experience agreed.

The more junior professionals also gave higher scores to sending a survey to planned giving donors and having an event for donors (both relationship marketing techniques) than their more experienced colleagues. More than 47% with three years or less of experience, but only 25.5% of those with seven years or more, gave sending a survey to planned giving donors a score of five or higher. Sixteen (84.2%) of the less experienced professionals rated an event for donors with a score of five or higher, compared with only thirty (63.8%) of the more experienced professionals.

Respondents with more years of experience favored a newsletter being sent to qualified potential donors (target marketing); more than 80% of those with seven plus years experience rated it at score of five or higher. A similar score was given by only 57.8% of professionals with three or less years of experience. The only other marketing technique to which more than 65% of the more experienced professionals gave a rating of five or higher was visits with donors (relationship marketing). This technique scored a five or higher from 100% of these professionals. Their more junior colleagues also favored this technique, though not unanimously. Seventeen (89.4%) of those with three or less years of experience gave visits with donors a score of five or higher. Table 4.10 shows how the differing levels of professional experience related to each of the marketing techniques.

Table 4.6

Marketing Techniques Rated by Respondents

Score Received on Survey (least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%
MASS MARKETING TECHNIQUES						
Article in local newspaper or community publication	30	36.5	28	34.2	24	29.3
Ad in local newspaper or community publication	40	48.8	32	39.0	10	12.2
Ad in organization's Newsletter	9	11.1	24	29.6	48	59.3
Webpage on organization's website	16	19.8	35	43.2	30	37.0
Direct mail sent to entire constituency	8	9.6	39	47.0	36	43.4
TARGET MARKETING TECHNIQUES						
Newsletter sent to qualified potential donors	6	7.2	14	16.9	63	75.9
Event for qualified potential donors	8	9.8	20	24.4	54	65.8
Newsletter sent to donors	9	11.0	20	24.4	53	64.6
RELATIONSHIP MARKETING TECHNIQUES						
Survey sent to donors	28	34.2	26	31.6	28	34.2
Cards or letters sent to donors	3	3.6	17	20.5	63	75.9
Event for donors	6	7.3	16	19.5	60	73.2

Visits with donors	1	12.0	1	12.0	81	97.6
Non-responses	10					

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Table 4.7

Marketing Techniques Ranked in Order of Respondents' Ratings

Technique	Marketing Approach	Mean Score
1) Visits with donors	relationship	6.5
2) Cards or letters sent to donors	relationship	5.4
3) Newsletter sent to qualified potential donors	target	5.2
4) Event for donors	relationship	5.1
5) Event for qualified potential donors	target	4.8
6) Newsletter sent to donors	target	4.7
7) Ad in organization's newsletter	mass	4.5
8) Direct mail piece sent to entire constituency	mass	4.2
9) Web page on organization's website	mass	3.9
10) Survey sent to donors	relationship	3.4
11) Article in local newspaper or community publication	mass	3.3
12) Ad in local newspaper or community publication	mass	2.6

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Table 4.8

Marketing Approach Ranked by Respondents in Order of Importance to Raising  
Planned Gifts

	First Priority		Second Priority		Third Priority	
	#	%	#	%	#	%
Mass marketing	0		0		76	100.0
Target marketing	8	10.5	68	89.5	0	
Relationship marketing	68	89.5	8	10.5	0	
Total responses	76					
Non-responses	7					

Table 4.9

Area Respondents Would Like to Focus on in the Next Year

Type of activity	# of Responses	% of Responses
Raising awareness of potential donors	50	66.7
Increasing organization's research on potential donors	9	12.0
Building loyalty and retention of current donors	16	21.3
Total responses	75	100.0
Non-responses	8	

Table 4.10

Marketing Techniques Rated by Respondents Sorted by Years in Planned Giving

Survey Score (from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%
MASS MARKETING TECHNIQUES						
Article in local newspaper or community publication						
0 - 3 Years	6	31.6	7	36.8	6	31.6
4 - 6 Years	6	35.3	5	29.4	6	35.3
7 + Years	19	41.3	15	32.6	12	26.1
Total Responses	31	37.8	27	32.9	24	29.3
Non-responses	1					
Ad in local newspaper or community publication						
0 - 3 Years	11	57.8	4	21.1	4	21.1
4 - 6 Years	8	47.0	7	41.2	2	11.8
7 + Years	21	45.7	21	45.7	4	8.6
Total Responses	40	48.8	32	39.0	10	12.2
Non-responses	1					
Ad in organization's newsletter						
0 - 3 Years	3	15.8	7	36.8	9	47.4
4 - 6 Years	1	5.9	3	17.6	13	76.5
7 + Years	5	11.2	14	31.1	26	57.7

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Survey Score (from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%

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Total Responses	9	11.1	24	29.6	48	59.3
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Non-responses 2

#### Web page on organization's website

0 - 3 Years	2	10.5	8	42.1	9	47.4
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4 - 6 Years	3	17.6	7	41.2	7	41.2
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7 + Years	11	24.4	20	44.5	14	31.1
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Total Responses	16	19.8	35	43.2	30	37.0
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Non-responses 2

#### Direct mail piece sent to entire constituency

0 - 3 Years	3	15.8	8	42.1	8	42.1
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4 - 6 Years	1	5.9	7	41.2	9	52.9
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7 + Years	4	8.5	24	51.1	19	40.4
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Total Responses	8	9.6	39	47.0	36	43.4
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#### TARGET MARKETING TECHNIQUES

##### Newsletter sent to qualified potential donors

0 - 3 Years	4	21.1	4	21.1	11	57.8
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4 - 6 Years	1	5.9	2	11.8	14	82.3
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7 + Years	1	2.1	8	17.0	38	80.9
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Total Responses	6	7.2	14	16.9	63	75.9
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Survey Score (from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%
Event for qualified potential donors						
0 - 3 Years	1	5.3	2	10.5	16	84.2
4 - 6 Years	3	17.6	6	35.3	8	47.1
7 + Years	4	8.7	12	26.1	30	65.2
Total Responses	8	9.8	20	24.4	54	65.8
Non-responses 1						

#### Newsletter sent to donors

0 - 3 Years	5	26.3	3	15.8	11	57.9
4 - 6 Years	2	11.8	2	11.8	13	76.5
7 + Years	2	4.4	15	32.6	29	63.0
Total Responses	9	11.0	20	24.4	53	64.6
Non-responses 1						

#### RELATIONSHIP MARKETING TECHNIQUES

##### Survey sent to donors

0 - 3 Years	7	36.8	3	15.8	9	47.4
4 - 6 Years	6	35.3	4	23.5	7	41.2
7 + Years	15	32.6	19	41.3	12	26.1
Total Responses	28	34.1	26	31.8	28	34.1
Non-responses 1						



Survey Score (from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%
Cards or letters sent to donors						
0 - 3 Years	1	5.3	3	15.8	15	78.9
4 - 6 Years	1	5.9	0		16	94.1
7 + Years	1	2.1	14	29.8	32	68.1
Total Responses	3	3.6	17	20.5	63	75.9
Event for donors						
0 - 3 Years	2	10.5	1	5.3	16	84.2
4 - 6 Years	2	11.8	1	5.9	14	82.3
7 + Years	2	4.4	14	30.4	30	65.2
Total Responses	6	7.3	16	19.5	60	73.2
Non-responses	1					
Visits with donors						
0 - 3 Years	1	5.3	1	5.3	17	89.4
4 - 6 Years	0		0		17	100.0
7 + Years	0		0		47	100.0
Total Responses	1	1.2	1	1.2	81	97.6
Non-responses	10					

There was not a notable difference among the three groups of respondents in their choice of the marketing approach they would most highly recommend for raising planned gifts. All respondents with between four and seven years of experience chose relationship marketing as the first priority. This was slightly higher than the other groups. More than 87% of respondents with the most experience (seven and more years) chose it as the first priority, while 83.3% of the more junior respondents agreed. All respondents agreed that mass marketing was the third priority.

Table 4.11 shows how the professionals at differing levels of experience ranked each of the approaches to marketing.

Table 4.11

Marketing Approach Rated by Respondents Sorted by Years in Planned Giving

Priority Level	First Priority		Second Priority		Third Priority	
Responses	#	%	#	%	#	%
<u>0-3 years</u>						
Mass marketing	0		0		12	100.0
Target marketing	2	16.7	10	83.3	0	
Relationship marketing	10	83.3	2	16.7	0	
Non-responses	7					
<u>4-7 years</u>						
Mass marketing	0		0		17	100.0
Target marketing	0		17	100	0	
Relationship marketing	17	100.0	0		0	

<u>7+ years</u>					
Mass marketing	0		0	47	100.0
Target marketing	6	12.8	41	87.2	0
Relationship marketing	41	87.2	6	12.8	0
Total responses	76				
Non-responses	7				

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When asked to nominate the area on which they would like their organization to focus in the next year, the majority overwhelmingly agreed that their organization should focus on raising awareness of potential donors. Slightly more of the more junior respondents supported this choice, with 75% of their group making this selection. More than 25% of respondents with the most professional experience selected building loyalty and retention of current planned giving donors (a relationship marketing approach) as their choice. The more junior respondents did not agree. Only 8.3% of their group made this selection. The junior respondents were more interested in increasing organizational research on potential donors, with more than 16% selecting this target marketing approach.

Table 4.12

Area Respondents Would Like to Focus on in the Next Year Sorted by Years in Planned Giving

	#	%
<u>0-3 years</u>		
Raise awareness of potential donors	9	75.0
Increase organizational research on potential donors	2	16.7

	#	%
Building loyalty and retention of current donors	1	8.3
Non-responses	7	
<u>4-7 years</u>		
Raise awareness of potential donors	10	62.6
Increase organizational research on potential donors	3	18.7
Building loyalty and retention of current donors	3	18.7
Non-responses	1	
<u>7+ years</u>		
Raise awareness of potential donors	31	66.0
Increase organizational research on potential donors	4	8.5
Building loyalty and retention of current donors	12	25.5
Total responses	75	
Non-responses	8	

### Research Question 3

The third research question explored whether Bay Area planned giving professionals from organizations with annual budgets in various budget categories, compared with their peers at organizations in other budget categories, in the levels at which they rated the various kinds of marketing technique. As stated earlier, respondent organizations generally had large budgets. Of the 75 people who answered the question, 45 reported annual budgets of \$10 million or more. There was a notable difference in the responses from planned giving professionals who worked for organizations with an annual budget of \$1 million or less as compared with those from

organizations with an annual budget of over \$10 million. Those with a smaller annual budget favored the target marketing technique of events for potential donors (80% gave this technique a score of five or higher) while only 55.6% of professionals from organizations with budgets of over \$10 million gave this same technique a score of five or more.

Professionals from the smaller organizations also gave higher marks to the mass marketing technique of sending a direct mail piece to their entire constituency. Sixty percent gave this technique a score of five or higher while only 44.4% of their peers at organizations with an annual budget of \$10 million or more agreed.

Slightly more of the professionals from organizations with an annual budget of \$1 million or less favored having a planned giving Web page on an organization's Web site (mass marketing) than their peers. Forty percent of respondents from the smaller organizations gave the Web site a score of five or higher. Just over 31% of their colleagues at the large organizations agreed.

Planned giving professionals from organizations with an annual budget of \$10 million or more favored the mass marketing technique of placing an advertisement in the organization's newsletter. More than 71% gave this technique a score of five or higher. Only 33.3% of the professionals from the smaller organizations agreed.

More than 84% of the professionals from the larger organizations also gave sending a newsletter to qualified potential donors a score of five or higher. A smaller percentage of their peers at the smaller organizations (66.7%) gave this target marketing technique a similar rating. Professionals at the larger organizations also favored sending a survey to planned giving donors. Forty percent gave this relationship marketing technique a score of five or higher. Only 20% of

their colleagues from organizations with a budget of \$1 million or less agreed. Table 4.13 shows how respondents from different types of organizations rated each marketing technique.

Table 4.13

Marketing Techniques Rated by Respondents Sorted by Budget of Organization

Score Received on Survey (from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%
<u>MASS MARKETING TECHNIQUES</u>						
Article in local newspaper or community publication						
\$1M and Under	3	20	7	46.7	5	33.3
Between \$1M and \$10M	7	46.7	6	40	2	13.3
Over \$10M	18	40.9	12	27.3	14	31.8
Total Responses	28	37.8	25	33.8	21	28.4
Non-responses	1					
Ad in local newspaper or community publication						
\$1M and Under	7	46.7	6	40	2	13.3
Between \$1M and \$10M	9	60	4	26.7	2	13.3
Over \$10M	19	43.2	19	43.2	6	13.6
Total Responses	35	47.3	29	39.2	10	13.5
Non-responses	1					

Score Received on Survey (from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%
Ad in organization's newsletter						
\$1M and Under	0		10	66.7	5	33.3
Between \$1M and \$10M	4	26.7	6	40	5	33.3
Over \$10M	4	9.3	7	16.3	32	74.4
Total Responses	8	11	23	31.5	42	57.5
Non-responses 2						
Web page on organization's Web site						
\$1M and Under	2	13.3	7	46.7	6	40
Between \$1M and \$10M	4	26.7	5	33.3	6	40
Over \$10M	8	18.6	21	48.8	14	32.6
Total Responses	14	19.2	33	45.2	26	35.6
Non-responses 2						
Direct mail piece sent to entire constituency						
\$1M and Under	0		6	40.0	9	60.0
Between \$1M and \$10M	4	26.7	8	53.3	3	20.0
Over \$10M	4	8.9	21	46.7	20	44.4
Total Responses	8	10.7	35	46.7	32	42.7

Score Received on Survey (from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%
<u>TARGET MARKETING TECHNIQUES</u>						
Newsletter sent to qualified potential donors						
\$1M and Under	3	20.0	2	13.3	10	66.7
Between \$1M and \$10M	1	6.7	5	33.3	9	60.0
Over \$10M	2	4.4	5	11.1	38	84.4
Total Responses	6	8.0	12	16.0	57	76.0
Event for qualified potential donors						
\$1M and Under	2	13.3	1	6.7	12	80.0
Between \$1M and \$10M	0		5	33.3	10	66.7
Over \$10M	6	13.6	13	29.5	25	56.9
Total Responses	8	10.8	19	25.7	47	63.5
Non-responses 1						
Newsletter sent to donors						
\$1M and Under	4	26.7	1	6.7	10	66.7
Between \$1M and \$10M	2	13.3	7	46.7	6	40.0
Over \$10M	3	6.8	8	18.2	33	75.0
Total Responses	9	12.2	16	21.6	49	66.2



Score Received on Survey (from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%
Non-responses	1					

#### RELATIONSHIP MARKETING TECHNIQUES

##### Survey sent to donors

\$1M and Under	8	53.3	4	26.7	3	20.0
Between \$1M and \$10M	5	33.3	4	26.7	6	40.0
Over \$10M	14	31.8	12	27.3	18	40.9
Total Responses	27	36.5	20	27.0	27	36.5

Non-responses 1

##### Cards or letters sent to donors

\$1M and Under	1	6.7	3	20	11	73.3
Between \$1M and \$10M	1	6.7	5	33.3	9	60
Over \$10M	1	2.2	6	13.3	38	84.4
Total Responses	3	4	14	18.7	58	77.3

##### Event for donors

\$1M and Under	4	26.7	1	6.7	10	66.7
Between \$1M and \$10M	1	6.7	3	20.0	11	73.3

Score Received on Survey (from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%
Over \$10M	1	2.3	7	15.9	36	81.8
Total Responses	6	8.1	11	14.9	57	77.0
Non-responses	1					
Visits with donors						
\$1M and Under	2	13.3	0		13	86.7
Between \$1M and \$10M	0		0		15	100
Over \$10M	0		0		45	100
Total Responses	2	2.7	0		73	97.3

There was not a notable difference among the three groups of respondents in terms of their response to the marketing approach they would most highly recommend for raising planned gifts. All agreed that mass marketing was the third priority. The organizations with the smallest annual budgets were slightly more interested in a relationship marketing approach. More than 93% of respondents from this group selected relationship marketing as their first choice. Only 80% of each of the other two groups made the same choice. Table 4.14 shows how respondents ranked each approach to marketing.

Table 4.14

Marketing Approach Rated by Respondents Sorted by Budget of Organization

Priority Level	First Priority		Second Priority		Third Priority	
Responses	#	%	#	%	#	%
<u>\$1 million and under</u>						
Mass marketing	0		0		15	100.0
Target marketing	1	6.7	14	93.3	0	
Relationship marketing	14	93.3	1	6.7	0	
<u>\$1-\$10 million</u>						
Mass marketing	0		0		15	100.0
Target marketing	3	20.0	12	80.0	0	
Relationship marketing	12	80.0	3	20.0	0	
<u>Over \$10 million</u>						
Mass marketing	0		0		45	100.0
Target marketing	9	20.0	36	80.0	0	
Relationship marketing	36	80.0	9	20.0	0	
Total responses	75					
Non-responses	8					

When asked to name the area on which they would like their organization to focus in the next year, the majority of organizations with an annual budget of between \$1 million and \$10 million selected building loyalty and retention of current planned giving donors. Their peers from the smaller organizations, those with budgets of \$1 million and under and those from the

largest organizations overwhelmingly chose raising awareness of potential planned giving donors. While only 33.4% of the middle budget category made this mass marketing selection, 80% of organizations with an annual budget of \$10 million or more chose raising awareness of potential donors and over 73% of respondents from the smallest organizations agreed.

Table 4.15

Area Respondents Would Like to Focus on in the Next Year Sorted by Budget of Organization

	#	%
<u>\$1 million and under</u>		
Raise awareness of potential donors	11	73.4
Increase Organizational Research on Potential Donors	2	13.3
Building Loyalty and Retention of Current Donors	2	13.3
<u>\$1-\$10 million</u>		
Raise awareness of potential donors	5	33.4
Increase Organizational Research on Potential Donors	2	13.3
Building Loyalty and Retention of Current Donors	8	53.3
<u>Over \$10 million</u>		
Raise awareness of potential donors	36	80.0
Increase Organizational Research on Potential Donors	4	8.9
Building Loyalty and Retention of Current Donors	5	11.1
Total responses	75	
Non-responses	8	

#### Research Question 4

The fourth research question of this study explored whether Bay Area planned giving professionals from differing types of organization rated certain marketing techniques in ways that were distinct from or contrary to those of their peers. As stated earlier, the type of organization returning the highest number of responses was educational organizations, making up almost 23% of respondents. Health and Human Services organizations were grouped together and formed the second most popular type of organization with 18.1% of respondents. Arts organizations were represented with the lowest number of respondents (4.8%), other than those “other” types of organization not represented by any of the named categories.

Most types of technique were favored strongly by one or more types of organization. The mass marketing technique of placing an advertisement in an organization’s newsletter was favored (given a score of five or higher) by 87.5% of respondents from environmental organizations, 78.9% of those from educational organizations, and 75% of those from arts organizations.

A planned giving Web page (mass marketing) was favored by 75% of respondents from arts organizations, a considerably higher rating than other respondents gave it. Just 8.3% of respondents from legal or financial organizations favored this type of technique and only 33.3% of respondents from community foundations agreed.

Respondents from consulting firms and religious organizations favored sending a direct mail piece to the entire constituency. More than 66% of each of these types of organizations gave this mass marketing technique a score of five or higher. This can be compared to just 33.3% of both health and human service organizations and community foundations.

Educational and health and human service organizations (at 89.5% and 86.7%,

respectively) favored the target marketing technique of sending a newsletter to qualified potential donors, while respondents from community foundations unanimously favored a newsletter being sent to donors. A lesser percentage of respondents from arts organizations (75%) and educational organizations (73.7%) agreed.

Consultants unanimously favored an event for qualified potential donors and 88.9% of respondents from religious organizations agreed. This can be contrasted with 50% of respondents from environmental organizations and just 25% from arts organizations.

Respondents from arts organizations unanimously favored the relationship marketing technique of events for donors while only 60% of respondents from health and human service organizations agreed. Respondents from arts organizations also favored the relationship marketing technique of a survey for donors (75%) while most of their colleagues disagreed. Only 16.7% of consultants favored the idea of a survey.

Respondents from community foundations unanimously favored sending personalized cards or letters to donors. This relationship marketing technique received high scores from most respondents. Respondents from the legal, financial, health, and human service fields, however, did not give it quite as high a ranking as their peers, with only 58.3% scoring it at five or more, compared with over 66% of health and human service representatives.

Visits with donors scored high marks from all respondents. The lowest scores were from environmental (87.5%) and religious (88.9%). The rest gave this technique a score of five or more. Table 4.16 shows how respondents from different types of organizations rated each marketing technique.

Table 4.16

Marketing Techniques Rated by Respondents Sorted by Type of Organization

Score Received on Survey						
(from least to most preferred)						
	0-2		3-4		5+	
	#	%	#	%	#	%
<u>MASS MARKETING TECHNIQUES</u>						
Article in local newspaper or community publication						
Arts	2	50.0	1	25.0	1	25.0
Community Foundation	1	16.7	3	50.0	2	33.3
Consultant	2	33.3	3	50.0	1	16.7
Education	10	55.6	4	22.2	4	22.2
Environment	3	37.5	2	25.0	3	37.5
Health/Human Service	4	26.7	6	40.0	5	33.3
Law/Finance	4	33.3	4	33.3	4	33.3
Religion	4	44.4	3	33.3	2	22.2
Other	0		2	50.0	2	50.0
Total Responses	30	36.6	28	34.2	24	29.2
Non-responses 1						
Ad in local newspaper or community publication						
Arts	2	50.0	1	25.0	1	25.0
Community Foundation	3	50.0	2	33.3	1	16.7

Score Received on Survey						
(from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%
Consultant	2	33.3	4	66.7	0	
Education	9	50.0	7	38.9	2	11.1
Environment	4	50.0	3	37.5	1	12.5
Health/Human Service	4	26.7	8	53.3	3	20.0
Law/Finance	7	58.3	4	33.3	1	8.3
Religion	7	77.8	1	11.1	1	11.1
Other	2	50.0	2	50.0	0	
Total Responses	40	48.8	32	39.0	10	12.2
Non-responses	1					
Ad in organization's newsletter						
Arts	0		1	25.0	3	75.0
Community Foundation	0		5	83.3	1	16.7
Consultant	0		4	66.7	2	33.3
Education	1	5.6	2	11.1	15	83.3
Environment	1	12.5	0		7	87.5
Health/Human Service	2	14.3	4	28.6	8	57.1
Law/Finance	4	33.3	4	33.3	4	33.3
Religion	0		4	44.4	5	55.6



Score Received on Survey						
(from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%

Other	1	25.0	0		3	75.0
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Non-responses: 2

#### Web page on organization's Web site

Arts	0		1	25.0	3	75.0
Community Foundation	1	16.7	3	50.0	2	33.3
Consultant	1	16.7	4	66.7	1	16.7
Education	4	21.1	8	42.1	7	36.8
Environment	1	14.3	2	28.6	4	57.1
Health/Human Service	2	14.3	8	57.1	4	28.6
Law/Finance	6	50.0	5	41.7	1	8.3
Religion	1	11.1	3	33.3	5	55.6
Other	0		1	25.0	3	75.0
Total Responses	16	19.8	35	43.2	30	37.0

Non-responses 2

#### Direct mail piece sent to entire constituency

Arts	1	25.0	1	25.0	2	50.0
Community Foundation	0		4	66.7	2	33.3

Score Received on Survey						
(from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%
Consultant	0		2	33.3	4	66.6
Education	2	10.5	9	47.4	8	42.1
Environment	1	12.5	3	37.5	4	50.0
Health/Human Service	2	13.3	8	53.3	5	33.3
Law/Finance	1	8.3	9	75.0	2	16.7
Religion	0		3	33.3	6	66.7
Other	1	25.0	0		3	75.0

#### TARGET MARKETING TECHNIQUES

Newsletter sent to qualified potential donors

Arts	0		1	25.0	3	75.0
Community Foundation	0		2	33.3	4	66.7
Consultant	0		3	50.0	3	50.0
Education	0		2	10.5	17	89.5
Environment	1	12.5	1	12.5	6	75.0
Health/Human Service	1	6.7	1	6.7	13	86.7
Law/Finance	1	8.3	2	16.7	9	75.0
Religion	2	22.2	2	22.2	5	55.6
Other	1	25.0	0		3	75.0
Total Responses	6	7.2	14	16.9	63	75.9

Score Received on Survey						
(from least to most preferred)						
	0-2		3-4		5+	
	#	%	#	%	#	%
Event for qualified potential donors						
Arts	0		3	75.0	1	25.0
Community Foundation	1	16.7	1	16.7	4	66.7
Consultant	0		0		6	100.0
Education	1	5.6	7	38.9	10	55.5
Environment	3	37.5	1	12.5	4	50
Health/Human Service	2	13.3	3	20.0	10	66.7
Law/Finance	0		3	25.0	9	75.0
Religion	1	11.1	0		8	88.9
Other	0		2	50.0	2	50.0
Total Responses	8	9.6	20	24.1	54	65.1
Non-responses 1						
Newsletter sent to donors						
Arts	0		1	25.0	3	75.0
Community Foundation	0		0		6	100.0
Consultant	0		2	33.3	4	66.7
Education	0		4	22.2	14	77.8
Environment	1	12.5	3	37.5	4	50.0

Score Received on Survey						
(from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%
Health/Human Service	2	13.3	5	33.3	8	53.3
Law/Finance	1	8.3	4	33.3	7	58.3
Religion	4	44.4	0		5	55.6
Other	1	25.0	1	25.0	2	50.0
Total Responses	9	11.0	20	24.3	53	64.7
Non-responses	1					

## RELATIONSHIP MARKETING

### TECHNIQUES

Survey sent to donors

Arts	0		1	25.0	3	75.0
Community Foundation	2	33.3	2	33.3	2	33.3
Consultant	2	33.3	3	50.0	1	16.7
Education	4	22.2	6	33.3	8	44.5
Environment	5	62.5	0		3	37.5
Health/Human Service	5	33.3	6	40.0	4	26.7
Law/Finance	4	33.3	5	41.7	3	25.0
Religion	4	44.4	1	11.1	4	44.4
Other	2	50.0	2	50.0	0	
Total Responses	28	34.2	26	31.6	28	34.2
Non-responses	1					

Score Received on Survey						
(from least to most preferred)						
	0-2		3-4		5+	
	#	%	#	%	#	%
Cards or letters sent to donors						
Arts	0		1	25.0	3	75.0
Community Foundation	0		0		6	100.0
Consultant	0		1	16.7	5	83.3
Education	0		3	15.8	16	84.2
Environment	0		2	25.0	6	75.0
Health/Human Service	0		5	33.3	10	66.7
Law/Finance	2	16.7	3	25.0	7	58.3
Religion	0		2	22.2	7	77.8
Other	1	25.0	0		3	75.0
Total Responses	3	3.6	17	20.5	63	75.9
Event for donors						
Arts	0		0		4	100.0
Community Foundation	1	16.7	0		5	83.3
Consultant	0		1	16.7	5	83.3
Education	0		4	22.2	14	77.8
Environment	0		2	25.0	6	75.0
Health/Human Service	1	6.7	5	33.3	9	60.0

Score Received on Survey						
(from least to most preferred)	0-2		3-4		5+	
	#	%	#	%	#	%
Law/Finance	0		2	16.7	10	83.3
Religion	4	44.4	0		5	55.5
Other	0		2	50.0	2	50.0
Total Responses	6	7.3	16	19.5	60	73.2
Non-responses 1						
Visits with donors						
Arts	0		0		4	100.0
Community Foundation	0		0		6	100.0
Consultant	0		0		6	100.0
Education	0		0		19	100.0
Environment	0		1	12.5	7	87.5
Health/Human Service	0		0		15	100.0
Law/Finance	0		0		12	100.0
Religion	1	11.1	0		8	88.9
Other	0		0		4	100.0
Total Responses	1	1.2	1	1.2	81	97.6

When asked to rank the three marketing approaches, all of the respondents from each of the different types of organizations agreed that mass marketing was the third in terms of priority for raising planned gifts. The types of organizations with the most responses for

relationship marketing were law firms and financial services companies, religious organizations, environmental organizations, consultants, and community foundations. More than 80% of each of these groups selected relationship marketing as their first choice. This was notably different from respondents from arts organizations. Only 50% of respondents from arts organizations agreed.

Table 4.17

Marketing Approach Rated by Respondents Sorted by Type of Organization

Priority Level	First Priority		Second Priority		Third Priority	
Responses	#	%	#	%	#	%
<u>Arts</u>						
Mass marketing	0		0		4	100.0
Target marketing	2	50.0	2	50.0	0	
Relationship marketing	2	50.0	2	50.0	0	
<u>Community Foundation</u>						
Mass marketing	0		0		6	100.0
Target marketing	1	16.7	5	83.3	0	
Relationship marketing	5	83.3	1	16.7	0	
<u>Consultant</u>						
Mass marketing	0		0		6	100.0
Target marketing	1	16.7	5	83.3	0	
Relationship marketing	5	83.3	1	16.7	0	

Priority Level	First Priority		Second Priority		Third Priority	
Responses	#	%	#	%	#	%
<u>Education</u>						
Mass marketing	0		0		18	100.0
Target marketing	4	22.2	14	77.8	0	
Relationship marketing	14	77.8	4	22.2	0	
Non-responses	1					
<u>Environment</u>						
Mass marketing	0		0		8	100.0
Target marketing	1	12.5	7	87.5	0	
Relationship marketing	7	87.5	1	12.5	0	
<u>Health and Human Services</u>						
Mass marketing	0		0		13	100.0
Target marketing	1	20.0	12	80.0	0	
Relationship marketing	12	80.0	1	20.0	0	
Non-responses	2					
<u>Law and Finance</u>						
Mass marketing	0		0		11	100.0
Target marketing	1	9.0	10	91	0	
Relationship marketing	10	91.0	1	9	0	
Non-responses	1					



Priority Level	First Priority		Second Priority		Third Priority	
Responses	#	%	#	%	#	%
<u>Religion</u>						
Mass marketing	0		0		8	100.0
Target marketing	1	12.5	7	87.5	0	
Relationship marketing	7	87.5	1	12.5	0	
Non-responses	1					
<u>Other</u>						
Mass marketing	0		0		4	100.0
Target marketing	0		4	100.0	0	
Relationship marketing	4	100.0	0		0	
Total responses	78					
Non-responses	5					

When asked to nominate the area on which they would like their organization to focus in the next year, the majority of respondents agreed on raising awareness of potential donors. Eighty- nine percent of respondents from educational organizations agreed, as did more than 87% of respondents from environmental organizations. In contrast, only 5.5% of respondents from educational organizations chose building loyalty and retention of current donors and none of the respondents from environmental organizations made this selection. The one group of respondents that favored building loyalty and retention of current donors was that from law firms and financial service companies, at more than 63%.

Table 4.18

Area Respondents Would Like to Focus on in the Next Year Sorted by Type of Organization

	#	%
<u>Arts</u>		
Raise awareness of potential donors	2	50.0
Increase organizational research on potential donors	1	25.0
Building loyalty and retention of current donors	1	25.0
<u>Community Foundation</u>		
Raise awareness of potential donors	2	33.3
Increase organizational research on potential donors	2	33.3
Building loyalty and retention of current donors	2	33.3
<u>Consultant</u>		
Raise awareness of potential donors	5	100.0
Increase organizational research on potential donors	0	
Building loyalty and retention of current donors	0	
Non-responses	1	
<u>Education</u>		
Raise awareness of potential donors	16	89.0
Increase organizational research on potential donors	1	5.5
Building loyalty and retention of current donors	1	5.5

	#	%
<u>Environment</u>		
Raise awareness of potential donors	7	87.5
Increase organizational research on potential donors	1	12.5
Building loyalty and retention of current donors	0	
<u>Health and Human Services</u>		
Raise awareness of potential donors	11	78.6
Increase organizational research on potential donors	1	7.1
Building loyalty and retention of current donors	2	14.3
Non-responses	1	
<u>Law and Finance</u>		
Raise awareness of potential donors	4	36.4
Increase organizational research on potential donors	0	
Building loyalty and retention of current donors	7	63.6
Non-responses	1	
<u>Religion</u>		
Raise awareness of potential donors	4	57.1
Increase organizational research on potential donors	2	28.6
Building loyalty and retention of current donors	1	14.3
Non-responses	2	
<u>Other</u>		
Raise awareness of potential donors	3	100.0
Increase organizational research on potential donors	0	

---

	#	%
Building loyalty and retention of current donors	0	
Non-responses	1	
Total responses	76	
Non-responses	7	

---

### Chapter Summary

Analysis of the data gathered from 83 planned giving professionals in the Bay Area who responded to a written survey in October, 2002, presented interesting results. The findings, however, were based on a very small number of cases and should be taken as tentative and suggestive of directions for further research.

Overall, relationship marketing techniques were more strongly favored and the mass marketing techniques earned the lowest scores. This was reflected in the data returned by respondents asked to select specific types of technique as well as to rank the three marketing approaches.

Further analysis of the responses disclosed differences among the responses from planned giving professionals of differing tenure in the field. Those with less time in the field (three years or less) tended to favor a wider variety of marketing techniques than their peers. The more junior professionals gave higher marks to both a planned giving Web page and sending a survey to planned giving donors than did their more experienced colleagues.

When asked which marketing approach they would most highly recommend, there was not a notable difference in the responses among the different levels of experience, although those with between four and seven years of experience more strongly favored a relationship marketing approach.

Analysis of responses based on the annual budget of respondents' organizations revealed further differences among their preferences. Answers by respondents from organizations with an annual budget of \$1 million or less differed from the responses of their colleagues at organizations with an annual budget of \$10 million or more. Those from the smaller organizations preferred a wide variety of mass marketing techniques, such as a planned giving Web page and mailing a direct mail piece to their entire constituency. Respondents from the larger organizations favored a smaller number of target and relationship marketing techniques, favoring their organization's newsletter as a marketing tool as well as the more personalized techniques of visits and letters.

Respondents from the smaller organizations were slightly more in favor of a relationship marketing approach to marketing than their peers. This same group, however, chose raising awareness of potential donors, a mass marketing approach, as the activity they would most like their organization to focus on in the next year.

Responses to the survey were also analyzed according to the types of organization represented by respondents. While those from each of the various types gave high scores to the relationship marketing techniques of visits with donors and sending personalized letters and cards, there were some marked differences. Environmental, educational, and arts organizations chose newsletters as important target marketing tools for planned gifts. Arts organizations strongly favored such mass marketing techniques as a Web page and mailing a survey to donors.

Consultants and representatives of religious organizations agreed that the mass mailing of a piece of direct mail to the entire constituency was an effective technique. These two types of organization, however, were represented in the segment that selected relationship marketing as the approach they most highly recommended. Other types of organizations in this category were law firms and financial services companies.

## CHAPTER FIVE: SUMMARY AND CONCLUSION

### Review of the Problem

Attracting the resources necessary to carry out programs is a major problem for most nonprofit organizations. Revenue from bequests and other types of planned gifts is a necessary stream of income for them. In a depressed economy where donors have less money to spend on outright gifts, charities are increasingly interested in promoting their planned giving programs.

Therefore, finding the most effective and efficient ways of promoting a planned giving program has become a major focus within the nonprofit field. Over the years, this has meant relying on marketing techniques such as direct mail, newsletters, and advertisements in organization publications.

Most of the current literature on marketing for nonprofits advocates a comprehensive and personalized system of marketing techniques. Prior to this study, however, marketing techniques had not been rated by planned giving professionals and statistically analyzed to explore whether or not those in the field agreed with the literature. The purpose of this study was to conduct such a test. The study examined which marketing techniques were favored by Bay Area planned giving professionals and explored how their responses differed from one another based on a variety of factors.

### Discussion of the Findings

Owing to the complexity of the research issue and the variety of institutions involved, the study did not reveal definitive, categorical results regarding patterns of marketing techniques favored by planned giving professionals. Nor did the results of the study reveal unanimous approval of all relationship marketing techniques and a disdain for mass marketing.

The study did, however, shed light on the subject of personalized marketing techniques and their popularity among Bay Area planned giving professionals. While mass marketing and target marketing may have been the norm in years past, the survey revealed the addition of relationship marketing to the other types of marketing technique to create a more comprehensive marketing system. The relationship marketing techniques that involved a more personalized approach to interacting with donors and prospective donors ranged in media and cost. Based on this study, they appeared to be widely available and were rated to be highly effective.

Visits to and cards and letters sent to donors were the marketing techniques that required the most personal interaction out of the choices given in the survey. These techniques were rated highest by respondents, with over 97% rating visits with donors at a score of five or higher. This technique also had the highest mean score of 6.5. Personalized cards and letters for donors rated a score of five or higher from nearly 76% of respondents and had the second highest mean score of 5.4. These were both techniques that, depending on how far away the donors lived from the organization, could be the least expensive of the possible methods surveyed. Donor visits and letters exemplified marketing through personal contact. Each of these techniques emphasized the individuality of each prospect and donor and efficiently and cost-effectively used relationship marketing to help build and solidify a donor base.

Target marketing techniques such as events for potential donors and sending newsletters to specific segments of an organization's constituency received the next highest marks. More than 64% of respondents gave them a score of five or greater and each received a mean score of greater than 4.7 on a scale of 1 to 7. This level of response illustrated that market segmentation and research still played a key role in the marketing of planned gifts.



The techniques that required the least personal contact and the least research towards rating and qualifying the potential market reached also scored the lowest mean scores. For example, an article in a local newspaper or other publication received a score of one or two from about 36% of respondents and had a mean score of 3.3. An advertisement in the same type of publication received a score of one or two from more than 48% of respondents and had the lowest mean score of 2.6. Both of these marketing techniques were likely to require a considerable cost and may not have reached the constituents of an organization.

Direct mail sent to the entire constituency of an organization received a score of three or four from about 45% of respondents and a mean score of 4.2. While direct mail could be an effective tool, cost may have been one of the factors that kept its scores down. Its success will also have depended upon the demographics of the organization's constituency in terms of age and potential to make a planned gift.

Respondents were asked to select the marketing approach they would most highly recommend for the raising of planned gifts. Over 89% selected relationship marketing as the most important and target marketing was selected as second priority by the same percentage. All of the respondents selected mass marketing as the third priority.

The final question of the survey asked respondents to select one area that they would like their organization to focus on in the next year. This question was asked in an attempt to determine whether building loyalty and retention of current donors, a relationship marketing approach, would be a priority in terms of strategic planning for the next year. The majority of respondents named raising awareness of potential donors as their choice. Over 66% made this selection while just over 21% selected building loyalty and retention of current donors.

While this may seem contradictory to the previous responses, it is not necessarily the case. Following the relationship marketing approach does emphasize raising awareness of potential donors because current donors are potential donors for future gifts. Therefore, raising awareness of potential donors could be interpreted as a relationship marketing approach since one could achieve this through relationship marketing techniques such as writing a personal letter or paying a visit to a donor. These two activities, raising awareness of potential donors and building loyalty of current donors, are therefore inextricably linked. Further, selecting one or the other does not necessarily suggest that the respondent preferred mass marketing techniques to achieve this end. Therefore, in retrospect, the wording of this question may have been confusing. It could have been more specific as to the type of approach to be used to achieve respondents' choice as the focus of their organization in the next year.

Data from this study suggest that respondents with seven or more years of experience were more convinced of the importance of relationship marketing techniques than their peers with three or less years of experience in the field. Respondents with less experience, however, rated a wider variety of marketing techniques highly. One can speculate why this was so. Their relative lack of experience may have made them more comfortable with attempting diverse ways to promote planned giving. They may have held less senior positions within the organization and have had less knowledge of the budgetary implications of their choice. Their responses may have represented techniques they would like to try, budget permitting. The survey specifically did not inquire as to what their organizations did to raise these types of gift but asked for respondents' personal opinions. Possibly the less experienced respondents tended more to cite the techniques they would like to try, whereas the more senior professionals responded with the more "tried and true" techniques.

Overall, as shown in Table 4.10, the more junior professionals rated the relationship marketing techniques with lower scores than their peers. In addition, their responses to the question of which marketing approach they would most highly recommend illustrates, as shown in table 4.11, a lower interest in the relationship marketing approach than their more senior colleagues.

All of the respondents in the middle segment of experience in the field of planned giving, those with between four and seven years of experience, responded that they would most highly recommend relationship marketing over the other two marketing approaches. This was a higher rate of approval than in the other groups, more than 82% of which nevertheless also found this approach the most favorable. Responses from this middle segment to question eight of the survey (shown in Table 4.11) corresponded to their selections for specific marketing techniques (reflected in Table 4.10). They consistently rated relationship marketing techniques higher than the more junior segment did and higher than, or as high as, did the more senior segment.

A greater number of respondents with seniority in the field selected the relationship marketing approach of building loyalty and retention of current donors as a priority for the next year than did their more junior peers. More than 25% of those with seven or more years of experience chose to focus on current donors in the next year, while only 8.3% of those with three years or less in the field agreed. This may have been because the less experienced had not yet built up the number of relationships with planned giving donors that they would need to make donor retention a priority over donor acquisition. This same segment's responses to the question about their choice of marketing approach also indicated an interest in relationship marketing. More than 87% of this segment selected a relationship marketing approach over the

other choices. This was also reflected in this segment's selections for specific marketing techniques, as shown in Table 4.10.

When results were analyzed by the size of the annual budget of respondents' organization, relationship marketing techniques scored high marks from all respondents. Personalized cards, letters, visits, and events for current donors were given a score of five or greater by more than 60% of all respondents. Overall, slightly more respondents from organizations with budgets of \$10 million or greater favored these personalized techniques, perhaps because the staffing resources were available to devote to these types of activities or because the larger organizations had attracted the major planned gifts that require a personalized level of stewardship.

Respondents from organizations with a smaller annual budget favored events for potential donors. This may have been because organizations with a smaller annual budget had a smaller pool of potential donors and therefore the relative cost of an event for potential donors would be lower than for a similar event for a larger organization.

More than 84% of the professionals from the larger organizations gave sending a newsletter to qualified potential donors a score of five or higher. A smaller percentage of their peers at the smaller organizations (66.7%) gave this technique a similar rating. The reason may have been that a larger organization would be more likely than a smaller organization to have the resources to create a newsletter for a select group of potential donors. Larger organizations may also have been more able to support a research staff and the resources necessary to properly rate and qualify potential donors for this type of mailing.

Slightly more of the professionals from organizations with an annual budget of \$1 million or less favored having a planned giving Web page on an organization's Web site than

their peers. Forty percent of respondents from the smaller organizations gave the Web site a score of five or higher, compared with just over 31% of their colleagues at the large organizations. This was a surprising result, as organizations with a higher budget might be expected to have had a stronger Web presence as well as the technical resources to create a more comprehensive site. It may be that a planned giving Web site was relatively inexpensive and did not demand much in the way of staff resources when compared to other mass marketing techniques such as direct mail and advertising. These characteristics may have given a Web site higher priority in the allocation of marketing resources for smaller organizations than for the larger ones.

Professionals from the smaller organizations also gave high marks to the mailing of a piece of direct mail to their entire constituency. Sixty percent scored it at five or higher while only 44.4% of their peers at organizations with the largest budgets agreed. Cost and size of constituency may have been a factor in this outcome as well as the fact that smaller organizations may have had a smaller pool of recipients and therefore lower mailing costs.

Planned giving professionals from organizations with an annual budget of \$10 million or more favored placing an advertisement in the organization's newsletter. More than 71% gave this technique a score of five or higher. Only 33.3% of the professionals from the smaller organizations agreed. Perhaps smaller organizations were less likely to have a newsletter with advertisements.

All of the respondents from each of the budget categories responded that a mass marketing approach to planned giving was their bottom priority. While 80% of respondents from the two larger budget categories selected relationship marketing as their first choice, more than 93% from the smallest organizations made this selection. These results, as shown in Table

4.13, correlate with the individual techniques selected by respondents, as discussed above and shown in Table 4.14.

A slight majority (53%) of respondents from the middle budget category, those with an annual budget of between \$1 million and \$10 million, favored building loyalty and the retention of current planned giving donors as their area of focus for the next year. This contrasted with a bare 11% from the larger organizations and just over 13% from the smallest. The discrepancy may be put down to the wording of the question, as previously suggested.

When results were analyzed by the type of organization represented by each respondent, relationship marketing techniques scored high marks from all. Broadly speaking, respondents rated the more personalized techniques higher and mass marketing techniques lowest. It was difficult to analyze the differences in responses by each of the types of organization represented in the study beyond these broad themes because of the number of different types of organizations and the many ways in which they might differ from one another in their programs, constituency, locale, and budget size, among other factors.

However, there were clear favorites selected by each of the different types of organization, as shown in Table 4.16. These differences appeared to correspond with budget size as well as constituency. For example, a planned giving advertisement in an organization's newsletter was favored by respondents from arts, educational, and environmental organizations, but not scored high by respondents from community foundations, health and human service organizations, or law firms and financial service companies. This may have related to the type and readership of the various organizational newsletters. Potential and current donors may have been less likely to be found on the distribution list of a newsletter published by a law firm or hospital than one printed for university alumni or members of an environmental organization.

Likewise, events for potential planned giving donors received high scores from consultants and religious organizations, perhaps because consultants were often hired specifically to coordinate such events. Such organizations may also have had a more locally based and smaller pool of potential donors than the arts and educational organizations represented, so that the allocation of resources for this type of event would have made sense for them as a more personalized cultivation tool.

One hundred percent of respondents from each type of organization selected a mass marketing approach as their last priority in the method of raising planned gifts, as shown in Table 4.17. A relationship marketing approach received the highest ranking by the majority of respondents. Responses to this question were consistent with respondents' ratings of specific marketing techniques in the previous question on the survey. For example, respondents that gave the highest marks to a relationship marketing approach in question eight (those from legal and financial, religious, and environmental organizations) also gave high scores to specific relationship marketing techniques such as cards and letters, events for donors, and visits with donors, as reflected in Table 4.16.

Responses to the final question nominating which area respondents would like to see their organization focus on in the next year did not correspond directly with the responses to the previous two questions on the survey. While respondents from the legal and financial fields continued to be leaders in their selection of relationship marketing above the other approaches, the respondents from other types of organization were not similarly consistent. Whereas more than 63% of the former favored both the relationship marketing approach of building loyalty in general and the retention of current donors for their preferred area of focus in the next year,

representatives of other types of organization who had also favored relationship marketing techniques in earlier responses, such as those from religious and environmental organizations, did not make comparable selections in question number nine. More than 57% of respondents from religious organizations and more than 87% of respondents from environmental organizations selected raising awareness of potential donors as their choice. This may be explained by the wording of the question, as previously suggested.

Overall, the results from this study seemed to reflect current literature on the importance of relationship marketing techniques in a planned giving program (McKenna, 1991; Shiffman, 2001). The data also indicated that, for these respondents, identifying key potential donors of planned gifts remained a vital task for planned giving departments. This reflected recent literature on the subject, which held that techniques using market segmentation continued to be incorporated into the overall strategy of many nonprofits (Minton, 1992; Shiffman & Berg, 1996).

Data from the study also showed that, for these respondents, mass marketing techniques continued to be important tools for donor acquisition and donor retention for planned giving programs. These techniques however received the lowest scores in the survey. While the literature has noted the fact that response rates from this type of marketing were down, it also confirmed that mass marketing techniques remained at the foundation of planned giving marketing plans (Mangone & Thomas, 2001; Shiffman, 2000).

#### Implications for Practice

The responses from this study reflected an understanding by Bay Area planned giving professionals that mass marketing techniques were still necessary, however much more was needed to create a comprehensive marketing system. Overall, responding planned giving



professionals made clear that a comprehensive marketing program consisted of the combined use of mass marketing techniques, target marketing, and the more personalized relationship marketing techniques. It is hoped that this study will generate interest by those in control of the marketing budgets of nonprofit organizations in allocating precious resources towards a variety of techniques involving the different marketing approaches. While direct mail and newsletters remain central to the marketing of a planned giving program, this study indicated that planned giving professionals also favored a multitude of other techniques that may be better tailored to their donors and more cost-effective.

It is also hoped that the high ratings that relationship marketing techniques received from respondents of this study will underscore the importance of stewarding current planned giving donors. While personalized stewardship such as visits and personalized letters may be time-consuming as well as taxing on staff time, these tasks are integral marketing activities and essential to the raising of new planned gifts.

In addition, data from this study revealed that the type of organization, constituency served, and annual budget are important factors in the decision as to which marketing techniques are suitable to promote a planned giving program. The techniques selected must be assessed for their appropriateness to the organization's annual budget and the pool of prospective planned giving donors who will be the objects of their application. Hopefully this study will serve planned giving professionals creating a marketing plan for their programs by alerting them to the techniques favored by respondents from similar organizations.

#### Suggestions for Further Research

As the importance of the revenue generated by planned giving programs increases, one can hope that continued investigation into the most efficient means for marketing these types

of gift will lead to better strategies for meeting the needs of nonprofit organizations and their constituents. Further research using a larger sample will be helpful in the exploration of some of the issues raised in this study.

Additionally, more extensive studies that address the inherent differences in the marketing needs of organizations of various budget levels and prospect pool sizes will be helpful. Studies that explore the differences will be instrumental in the development of comprehensive marketing systems for the variety of organizations that make up the nonprofit sector.

Further research as to what marketing techniques planned giving professionals are actually using in their programs would also be helpful. In order to avoid requesting confidential information about business practices from its respondents, the survey did not request information about the techniques utilized at their organizations. Future studies pose such questions as how the largest planned gifts came to an organization, how the donors of these large gifts learned about the planned giving program, and what stewardship program is in place to care for them.

A final suggestion for further research on this subject pertains to the last question of the survey in this study. Respondents were asked to select one area that they would like their organization to focus on in the next year. As previously pointed out, the intention of the question was to ask respondents to select one marketing approach (mass, targeted, or relationship) as a priority for their following year's marketing plan. The meaning of the data resulting from respondents' answers to the question was questionable because it was unclear whether respondents interpreted the question in the way it was intended. In most cases, responses were contradictory to those given previously, and the wording of the question itself

may have been the reason for the disparity. There could, however, have been another reason. One may speculate whether there might have been a stigma attached to the term “mass marketing.” It is possible that although when asked directly whether a mass marketing approach was a priority for their marketing plan, respondents replied as they did, if asked in some way that did not utilize the term “mass,” the answers would have been different. A future study to avoid this possible stigma could ask respondents to rank marketing techniques and approaches in a variety of different ways, both specifically naming the marketing categories and then asking separate questions that relate to the techniques and approaches without reference to a category. Such research would expand upon this study and would be helpful for the further exploration of planned giving professionals’ preferences as to marketing techniques used to promote planned gifts.

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## **APPENDIX A**

### **Survey of Northern California Planned Giving Professionals**

#### **Professional Experience**

1. How many years have you worked in the field of planned giving?

\_\_\_\_\_ Less than 1

\_\_\_\_\_ 1 - 3

\_\_\_\_\_ 4 - 6

\_\_\_\_\_ 7 - 10

\_\_\_\_\_ More than 10

2. How many years have you worked with your current organization?

\_\_\_\_\_ Less than 1

\_\_\_\_\_ 1 - 3

\_\_\_\_\_ 4 - 6

\_\_\_\_\_ 7 - 10

\_\_\_\_\_ More than 10

3. What is the scope of your fund-raising responsibilities at your organization? (Choose the **one** answer that best fits your scope of responsibilities.)

- ☐ Raising planned gifts
- ☐ Raising planned gifts for a regional office
- ☐ Raising planned gifts for a local chapter
- ☐ Raising planned gifts and current gifts
- ☐ Raising planned gifts and current gifts for a regional office
- ☐ Raising planned gifts and current gifts for a local chapter
- ☐ Advising nonprofit organizations in the field of planned giving
- ☐ Advising individuals in their estate planning
- ☐ Other (please specify) : \_\_\_\_\_

**Organization Information**

4. What type of organization do you work for? (Check the one that best describes your organization.)

- |   |   |
|---|---|
| <input type="checkbox"/> Arts           | <input type="checkbox"/> Law firm                       |
| <input type="checkbox"/> Education      | <input type="checkbox"/> Financial services company     |
| <input type="checkbox"/> Environmental  | <input type="checkbox"/> Consulting firm                |
| <input type="checkbox"/> Health         | <input type="checkbox"/> Community Foundation           |
| <input type="checkbox"/> Human Services | <input type="checkbox"/> Other (please specify) : _____ |
| <input type="checkbox"/> Religious      |   |

5. Please check the box that best describes your organization:

- ☐ A national organization
- ☐ A regional office of a national organization
- ☐ A local chapter of a national organization
- ☐ An organization serving the local area
- ☐ Other (please specify): \_\_\_\_\_

6. What is the approximate annual budget of your organization?

- ☐ Under \$100,000
- ☐ \$100,000 - \$500,000
- ☐ \$500,001 - \$1,000,000
- ☐ \$1,000,001 - \$5,000,000
- ☐ \$5,000,001 - \$10,000,000
- ☐ \$10,000,001 - \$25,000,000
- ☐ Above \$25 million



### Assessment of Marketing Techniques

7. Please **rate** the following marketing techniques as to their **effectiveness** in raising planned gifts on a **scale from 1 to 7**:

1                      2                      3                      4                      5                      6  
7

1 - Not at all useful for raising planned gifts                      -                      7 - Extremely useful for raising planned gifts

- \_\_\_\_\_ Article about a planned giving program in local newspapers or community publications
- \_\_\_\_\_ Ad in local newspapers and community magazines about a planned giving program
- \_\_\_\_\_ Planned giving ad in an organization's newsletter
- \_\_\_\_\_ Planned giving Web page on an organization's Web site
- \_\_\_\_\_ Direct mail piece on planned giving sent to the entire membership/constituency
- \_\_\_\_\_ Planned giving newsletter mailed to qualified potential planned giving donors
- \_\_\_\_\_ Estate planning event for qualified potential planned giving donors
- \_\_\_\_\_ Planned giving newsletter mailed to current planned giving donors
- \_\_\_\_\_ Written survey mailed to current planned giving donors
- \_\_\_\_\_ Personalized cards or letters mailed to current planned giving donors
- \_\_\_\_\_ Social event for current planned giving donors
- \_\_\_\_\_ In-person visits with current planned giving donors

8. Which of the following best describes the marketing approach to raising planned gifts that you would most highly recommend.

(Please **rank** in order of importance.)

- \_\_\_\_\_ Mass marketing. (Directing communication efforts about the planned giving program toward the entire constituency of your organization.)
- \_\_\_\_\_ Targeted marketing. (Directing communication efforts about the planned giving program toward a certain segment of constituents that have been selected due to their age, giving history, wealth, and/or other factors.)
- \_\_\_\_\_ Relationship marketing. (Directing communication efforts to current planned giving donors in an effort toward building a relationship with them, such as personalized letters and in-person visits.)

9. If you had to pick, which **one area** would you like to see your organization **focus on in the next year** ? (Please select **one**):

- \_\_\_\_\_ Raising awareness of potential donors about the planned giving program
- \_\_\_\_\_ Increasing organizational research on potential planned giving donors
- \_\_\_\_\_ Building loyalty and retention of current planned giving donors

**Thank you for your participation! Please return this survey in the enclosed self-addressed and stamped envelope.**

## **APPENDIX B**

Dear Northern California Council on Planned Giving Member,

My name is Suzanne Levi and I am a graduate student in the College of Professional Studies at the University of San Francisco, where I am seeking my Master's in Nonprofit Administration. As part of my graduate work, I am writing a thesis on Northern California planned giving professionals' perceptions as to the effectiveness of marketing techniques in raising planned gifts. It intends to explore similarities and differences in perceptions of how the techniques work and to determine whether there is a consensus as to which techniques are most effective.

You are being asked to participate in this research study because you are a member of the Northern California Council on Planned Giving (NCPGC). If you agree to take part in this study, I will ask you to complete the attached survey that asks you about your perceptions of marketing techniques for raising planned gifts. Completing the survey is expected to take approximately 10 minutes. I am not asking you to put your name on the survey, so I will not know which survey is yours if you choose to return it. Please return the survey in the enclosed pre-addressed, pre-stamped envelope to me by October 30, 2002.

You are free to decline to answer any questions you do not wish to answer or to stop participation at any time. Although I will know you were asked to participate, I will not know which survey answers are yours. Study records will be kept as confidential as is possible. No individual identities will be used in any reports or publications resulting from the study. Study information will be coded and kept in locked files at all times. Only study personnel will have access to the files. Individual results will not be shared with personnel of your or any other organization.

While there will be no direct benefit to you from participating in this study, the anticipated benefit of this study is a better understanding of how Northern California planned giving professionals perceive the effectiveness of certain marketing techniques for raising planned gifts.

There will be no costs to you as a result of taking part in this study, nor will you be reimbursed for your participation in this study.

If you have questions about the research, you may contact me at any time at 510.559.3470. If you have further questions about the study, you may contact the IRBPHS at the University of San Francisco, which is concerned with protection of volunteers in research projects. You may reach the IRBPHS office by calling 415.422.6091 and leaving a voicemail message, or by writing to the IRBPHS, University of San Francisco, Education Building – Room 023, Counseling Psychology Department, 2130 Fulton Street, San Francisco, CA 94115-1080.

Participation in this research is voluntary. You are free to decline to be involved in this study, or to withdraw from it at any point.

Thank you for your consideration. If you agree to participate, please complete the attached survey and return it to me in the enclosed pre-addressed, pre-stamped envelope by October 30, 2002.

Sincerely,

Suzanne Levi  
Graduate Student  
Masters in Nonprofit Administration  
University of San Francisco