

Social Marketing and Federations*

STEVEN E. GELFAND

Assistant Director, Atlanta Jewish Federation

Federations conduct demographic studies, social service needs assessments, and priorities studies, but rarely if ever focus on attitudes with regard to: (1) charitable giving to Jewish causes in general and specific Jewish organizations, in particular, (2) how campaign proceeds are allocated, and (3) volunteering. Delving into these areas falls within the domain of market research. Federation leadership can no longer afford to assume that these attitudes are well known, that poor givers will never be good givers, that non-givers will never be givers.

IT comes as no surprise to Jewish communal service professionals that Federations are big businesses, responsible for multimillion dollar cash flows in annual campaigns, endowments, and capital funds. Although unlike General Motors, Exxon, or IBM in most respects, our social welfare organizations do share some things in common with the business world. At a very general level, a business' goal of maximum revenue is analogous to the Jewish communal goal of capacity giving.

Federations and many other not-for-profit organizations have borrowed liberally from the business world (e.g., accrual and fund accounting, tax implications of charitable giving, data processing) but minimally from what many in the profit sector consider business' most important specialty field—marketing. As does no other business specialty, marketing analysis defines an organization's *raison d'être*; its products, services, and programs; its objectives, strategies, and tactics. The time has come to relate community social work practice to marketing analysis and techniques within a Federation framework and learn what the business world can teach us.

From a marketing perspective, building campaign and community

through *tzedakah*—charity, righteousness, justice—has been accomplished through tactics Philip Kotler¹ defines as *social advertisements* and *social communications*. These are the simpler, more rudimentary antecedents of *social marketing*, the adoption of business marketing philosophy, concepts, and techniques to increase the acceptability of a social idea or cause, leading to change in a "target market's" attitudes and behavior. Given the increasing complexity of Federations, rapidly changing environment, and flat campaigns in many communities, we should begin to consider the application of social marketing analysis to Federation operations on a systematic basis. This paper has a heuristic goal: to generate a dialogue among lay and professional leaders on the feasibility of utilizing social marketing in the Federation field. Marketing concepts will be defined and an analytic framework will be introduced and related to Federation operations through a number of examples.

Marketing Defined

According to Kotler, "a market is the set of all actual and potential buyers of a product,"² and marketing management is

"the analysis, planning, implementation, and control of programs designed to create, build, and maintain *mutually beneficial exchanges* and

* I would like to thank David I. Sarnat and Joseph Huber for reviewing an earlier draft of this paper and making some excellent comments and suggestions.

relationships with target markets for the purpose of achieving organizational objectives. It relies on a *disciplined analysis of the needs, wants, perceptions, and preferences* of target and intermediary markets as the basis of effective product design, pricing, and distribution." (Emphasis added)³

Traditionally, marketing has been concerned with the process of exchange—trading a resource for a product or service. The most obvious examples of exchanges are found in the profit sector, but are also typical in the not-for-profit sector. Purchasing a Jewish community center membership and paying day school tuition or a Jewish family service fee are exchanges that occur in the not-for-profit sector. Examples in the Federation field are harder to think of, however. The Jewish community contributes money, attends programs, and volunteers its time, but a traditional product or service is not given in exchange at Federation. Paying a fee to service an endowment fund program is closer to the traditional idea of exchange, but goes further because the investor receives something more than a material service and is motivated for other than self-serving reasons. More often than not, Federation exchanges deal with intangibles: trading money, time, or expertise for status, education, or just a positive self-image.

The second major concern of marketing is satisfying human needs. Here again, it is easier to understand how a supermarket or other retail transaction meets a need, but it is also true that products and services valued in the billions of dollars in the not-for-profit sector meet needs. In many of these cases, the needs are less tangible, and this is true for the Federation field in most respects. Donating time and money does meet certain needs though, and they can be defined within the domain of marketing.

Kotler proceeds to discuss how some philosophies that drive an organization

relate to meeting consumer needs. In the not-for-profit sector, the philosophies of most interest are *selling* and *marketing*.⁴

The Selling Concept

Do consumers purchase a product or service because it meets a need or because something or someone convinces them that they need it? The selling concept assumes the latter: consumers can be convinced to buy through effective sales campaigns. Little information about the preferences of the consumer is required because he or she can be induced to buy what the business entity has to sell. On a short term basis this can be quite effective, as the popularity of fad items proves. In order to assure stability or future growth, however, the business must continually develop and sell fad items, a near impossible task, or it must focus on consumer needs, the emphasis of the marketing concept.

To a very real extent, Federations operate within a selling context. Tzedakah is certainly a Jewish value we hold dear, and have for thousands of years, but those uninvolved in Jewish community life often must be *induced* to give, and those who are involved must often be *persuaded* to increase their gifts. Bluntly put, they must be sold and cajoled. To the extent that generalizations are valid, this is often true when it comes to attending programs and volunteering time. Obviously, not everyone fits the mold. We all know of individuals who contribute capacity gifts every year with no solicitation, who volunteer countless hours whenever asked, with little formal recognition, and who eagerly attend our programs. Exceptions exist, but the generalization remains.

The Marketing Concept

The consumer is king according to the marketing philosophy. An organi-

zation's *raison d'être* begins with the needs and wants of target markets rather than simply with a product or service it wishes to offer. The marketing organization's primary tasks are to research the preferences of these target markets, develop products or services to meet the discovered needs, and communicate the availability of the product or service to the target market. According to Drucker, selling and marketing are antithetical. Marketing aims to understand a consumer sufficiently well so that the product or service sells itself.⁵

Within the not-for-profit sector, the marketing concept is not always distinct even when identifiable products or services are involved, rarely the case for Federations anyway. *Social marketing* applies marketing concepts and techniques in an effort to increase the acceptability of a social idea or cause, such as contributing money, becoming a solicitor, volunteering time on committees, attending programs, or participating in letter writing efforts. It includes four elements.⁶

1. *Market Research*

It is difficult to develop meaningful plans in the absence of good information. Market research provides useful information on important variables, needs and wants, attitudes, and the probable effectiveness of different marketing approaches. Such research could be designed to focus on one or more areas such as motivation (why you give), service or program location (i.e., distribution), social values (how you want your money used), and market characteristics (including demography). Planning market research involves the same steps as social science research: problem definition, research design, field work, data analysis, and reporting.

2. *Product Development*

On a product-service-program con-

tinuum, Federation tasks and responsibilities increase from left to right. The importance of product development remains the same, however: to search for the best way to fulfill a need rather than simply to sell whatever is available. Thus, the Jewish community should not be *exhorted* to give. Rather, "products" must be developed that meet specific needs for giving. A clear example is endowment funds. Philanthropic and tax goals of large contributors are being met increasingly through endowment programs and new, creative programs will continue to be developed.

Developing diverse "products" that meet a variety of needs can help assure a greater involvement of people in Federation. When there is an *active* women's division, community relations committee, and young leadership program, it makes sense that more people will be attracted and involved.

3. *Incentives*

Many not-for-profit organizations are adopting incentives as a way to increase the probability of the desired attitude or behavior change. A number of fund-raising groups, similar to mass mailing magazine distributors and publishers, run contests. This is not a likely prospect for Federations, but other incentives are certainly used. Personal meetings with influential politicians and others as part of fund-raising or community relations programs can be considered incentives, as are subsidized missions. The status conferred on leadership is an important incentive.

4. *Facilitation*

In order to change an attitude or behavior, people must invest time and effort, and the social marketer must find ways to make this easier. Conveniently located programs at convenient times are examples. Worker training prior to

soliciting is also an example of facilitation.

Before these elements of social marketing can be adopted by Federations, a great deal of thought must be given to applying them creatively, a difficult and challenging task for Federation leadership.

Finally, social marketing involves coordinating all components of the marketing mix: product/service/program, price, distribution, and promotion (also known as the "four P's": product, price, place, promotion). These will be discussed further below.

By way of comparison, the "selling side" of social marketing is *social advertising*, mass advertising campaigns designed to influence and motivate new attitudes and behavior—UJA promotional material is a good example—and *social communications* or personal selling, such as a Federation president's statement on the importance of the campaign, and editorial support in addition to mass advertising. Federation newsletters and the Anglo-Jewish press are social communications. Federation's public relations departments are quite skilled at these types of tasks, but Federation goals might better be served by adopting, in addition, a social marketing perspective and a business approach to market analysis.

A Framework for Analysis

The basic marketing concepts have now been defined, but by themselves have a limited value. The concepts must be operationalized to make them meaningful and beneficial to federations. A comprehensive market planning approach begins with an analysis of the organization at the present point in time, considers relevant factors in the environment, and concludes with strategic and operational planning. The outline of such an analysis follows and its components will then be discussed.

- I. *The Organization Today*
 - A. Raison d'etre
 - B. Objectives
 - C. Strategies and Tactics
 - D. "Distinctive Competence"
- II. *Environmental Analysis*
 - A. Demographic
 - B. Economic
 - C. Cultural
 - D. Religious
 - E. Political
 - F. Technological
 - G. Competitive
- III. *Planning*
 - A. Market Research
 - B. New and/or Confirmed Objectives
 - C. New and/or Confirmed Strategies
 - D. Marketing Mix Alternatives and Decisions
 - (1) Target Markets
 - (2) Product/Service/Program
 - (3) Price
 - (4) Distribution
 - (5) Promotion

The Organization Today

In order to plan for tomorrow, an organization must have some idea of where it is today. This doesn't necessarily require a full management study, but neither should it be treated casually. All too often people within an organization hierarchy believe its objectives and functions are understood, at least implicitly, and are agreeable to the majority. Conducting a simple analysis of the organization can demonstrate how untrue this may be. Clear understanding of the organization is a primary factor in "Japan Inc.'s" competitive edge, and the same principle has been applied successfully in this country by a number of corporations. Hewlett-Packard, for example, writes, reviews, and publishes its corporate objectives for all employees, and has reaped many benefits because of it.

Questions in this part of the analysis concern the organization's *raison d'etre*: why does the Federation exist and what is its major purpose? Does everyone agree that the answer is fund raising in

support of Jewish needs? As a corollary, does the Federation exist to serve UJA's needs, or does UJA exist to serve Federations' needs?

Generally and specifically, what does the Federation expect to accomplish; that is, what are its objectives? What means are used by the Federation to accomplish its objectives (strategies and tactics)? How does staffing structure relate to objectives? What does the Federation do particularly well, or what is its "distinctive competence?" Finally, what are its strengths and weaknesses?

Environmental Analysis

From a marketing perspective, an environmental analysis focuses on relevant input to the planning process, threats and other problems, and opportunities. An increasing proportion of elderly in the population, an economic downturn, religious factionalism, and an anti-Israel politician might be considered threats. More young couples in the area and new philanthropic tax incentives are examples of opportunities. The same factor might even be both a threat (local politician voices support for the PLO) and an opportunity (more money is raised and allocated to public relations to counter the politician).

This type of analysis need not be based on formal research. Kotler, for example, discusses four modes of scanning the environment:

1. *Undirected Viewing*: General exposure to information where the viewer has no specific purpose in mind.
2. *Conditioned Viewing*: Directed exposure, not involving active research, to a more or less clearly identified area or type of information.
3. *Informal Search*: A relatively limited and unstructured effort to obtain specific information for a specific purpose.
4. *Formal Search*: A deliberate effort—usually following a preestablished plan, procedure, or methodology—to secure specific information relating to a specific issue.⁷

The output from these efforts comprises an organization's intelligence system. As the environment continues to increase in complexity, a good intelligence system will be a key factor in determining Federations' effectiveness.

Planning

If Federations are going to concentrate on meeting the needs of the Jewish community within a marketing context as well as a social planning context, lay and professional leadership will have to drop the expedient belief that it knows the needs and wants, concerns and perceptions, of its various constituencies. Federations conduct demographic studies, social service needs assessments, and priorities studies, but rarely if ever focus on attitudes with regard to: (1) charitable giving to Jewish causes in general and specific Jewish organizations in particular, (2) how campaign proceeds are allocated, and (3) volunteering. Delving into these areas falls within the domain of market research. Federation leadership can no longer afford to assume that these attitudes are well known, that poor givers will never be good givers, that non-givers will never be givers. Is *tzedakah* the primary motivation for contributing? Do people donate to Federation, invest in Israel bonds, and create endowment programs for the same reasons and are we aware of them? Are Federations creating the kinds of volunteer opportunities that people want? The answers are elusive because the needs, as perceived by the "consumers," are not often Federation's focus.

Once leadership understands where its organization is today, what is happening in the environment, and the perceived needs of the Jewish community, already existing objectives and strategies can be confirmed or altered based upon the information that has

been collected. In this task, there is little difference between social welfare and business planning. There is a significant difference in the way tactics are conceptualized, however.

In market planning, there is a mix of decisions to be made. The first decision concerns the target market(s) and, to arrive at the target, the total market must be segmented. This means simply selecting one or more variables to subdivide the total market. The most obvious example within the Federation field is segmentation by level of contribution and in larger Federations by trade or industry of donor. Federations also segment markets by sex (e.g., Women's Division) and age (e.g., Young Leadership). When the full range of target segments have been identified, means must be developed for meeting the needs of those segments in a way that is consistent with the Federation's *raison d'être* and objectives.

Given that Federations exist primarily to raise money, programs must be created to meet the charitable, investment, voluntary, and educational needs of the target donors. Different programs might be required for different target markets. The essential point is that these programs should be geared to the donors' reasons for giving which have been identified through market research. How many Federations never realize their campaign potential because prospective big givers' needs are not identified and met? A program for young women on social welfare problems in Israel might be inappropriate if those young women want more money to remain in the community for services to their elderly parents or children. Scheduling a training program for workers who don't believe they need training, and don't attend the meeting, does nothing to improve the campaign. Additional examples are evident in all areas of Federation responsibility.

After target markets have been selected and programs developed, decisions must be made about whether to charge for the program or service (i.e., price), location of the program (i.e., distribution or place), and promotion. Consideration must also be given to the incentive and facilitation factors discussed above. All Federations continuously make these types of decisions; the only point to be emphasized is that they are part of a set of marketing decisions and should be considered in relation to other elements in the mix.

Federation Responsibilities and a Marketing Philosophy

Whether or not things were simpler years ago, today Federation is a complex organization with multiple goals, various constituencies, and a multitude of concerns. The political and economic environment presents new complexities and the Federation of the future will require fresh, innovative approaches not just to grow, but to remain effective at the present level of operation.

Much to the credit of the Federation movement, some of the elements of a marketing philosophy are evident across the country. As mentioned above, segmenting donor markets for campaign purposes is an excellent example. Social communications are also used effectively. One area where marketing has been applied more systematically within the past couple of years is new gifts.

UJA's New Gifts Department is leading the way. The marketing theme is evident in recent publications:

... don't try to impose the campaign on the uncommitted the way you sell it to the committed—you're dealing with a different market. (Emphasis in original)⁸

The first step is determining the interests and concerns of potential givers—then, match what you have to offer to those expressed interests.⁹

Presently, we have only 'hunches' as to what might motivate non-givers to give. We must find out what message and what medium will strike a responsive chord in their emotional/social makeup.¹⁰

Carrying these ideas a step further, the marketing approach would raise a question about how we define "committed" and whether the needs of the "committed" are actually being met. Further, once a market's interests are identified, the Federation should not limit itself to matching already existing programs to the needs, but should consider whether new programs might better meet those needs. All local communities will be assisted in this effort by the National Attitudinal Study of Non-Givers.

Market research is also a growing concern at the local level. A number of communities have conducted research with an eye to improving public relations. The current thrust appears to focus on identifying new prospects. Boston, for example, has identified 30,000 new prospects and mailed a survey to a random sample of 1,500. Thirteen questions were asked in areas such as Jewish organizational membership, allocation preferences, and the reasons for giving to Jewish causes.¹¹

The Dallas Federation provides an excellent example of how a marketing approach can be adapted to a new prospects program. As with all such efforts, the long range goal is to increase the number of contributors and the money raised. The study served to "develop a marketing approach that would identify our target public's attitudes and to develop the appropriate programs and strategies to serve them."¹² Following a review of the literature, the researchers conducted interviews with large donors and campaign leaders, and listed the following dominant giving themes: affiliation with other givers, affiliation as Jews, security or fear (i.e., regarding

anti-Semitism), sense of obligation, and guilt. The next steps involved identifying new potential big givers using a number of existing business sources and other lists, and the designing of an affiliation program. Program components were developed based upon interviews "with about two dozen apparently high-potential newcomers and with approximately 100 apparently less affluent newcomers."¹³ Major outcomes suggested that the unaffiliated had not been invited to affiliate, had no knowledge of what was available, and were concerned about the cost of affiliating. A significant conclusion was that making a friendly contact is more important than type of contact (i.e., "approach methodology"). Shalom Dallas, a fully developed newcomer program, was created to involve people. Significantly, raising large amounts of money from newcomers is not an initial program goal. The first step is involvement.

What Dallas and no doubt other communities have done can be accomplished elsewhere, even in communities not located in the sun belt. At this point, a systematic approach is needed to pull together all of the Federation-related marketing tasks currently undertaken and add those tasks which have yet to be considered.

This is a monumental job. For each Federation to work its way through the analytic framework outlined above is nearly impossible, especially when day-to-day operations consume almost all the time of lay and professional leaders.

The dynamics of Federation decision-making can also prove problematic, especially in communities where attention to proper process is lacking. Federations work through a democratic governance structure and consensus, but some people are more equal than others. Large contributors can exercise significantly more influ-

ence than an equal number of smaller givers. A major marketing implication arises when there is a conflict in meeting the needs of different target markets. The largest contributor in one community, for example, made a clear threat about reducing his gift if the amount or proportion of money sent to Israel was reduced. Many younger people in the community wanted more for local use. The community is now moving toward compromise, for a variety of reasons, but leadership made a clear statement about whose needs were more important. Professionals in each Federation must come to grips with its leadership's ability to work through a proper process, and not permit this kind of influence.

Despite these problems, it is possible to put this subject on the agenda for Federation discussion and possible for national agencies and local Federations to begin adopting more elements of the marketing approach. Given time, expertise can be developed at the community level.

The Council of Jewish Federations and United Jewish Appeal could develop conference sessions devoted to discussions of marketing by Federations. Out of such discussions might come a pilot effort on social marketing. A market research instrument focusing on one or more specific areas could be developed, pre-tested, and implemented in a number of communities. These communities could then take responsibility for following through with other social marketing components, including the market mix.

If the marketing philosophy has merit for Federations, the Council of Jewish Federations can also develop continuing education courses for professionals and encourage schools of social work and Jewish communal service to offer social marketing courses as well. On the community level, the creation of informa-

tion systems to monitor the environment might be a suitable topic for discussion at state association meetings. Associations with this purpose abound in the profit sector. Monitoring tasks could then be divided among the participating Federations and information could be shared.

Community executives and department heads could also be more sensitive to the needs of Federation consumers and attempt to plan accordingly. Instead of planning worker training sessions only on the professional's perceptions of worker's needs, some simple market research to assess those needs could be done. A variety of social science research techniques are adaptable to market research requirements (e.g., key informant technique, community forum, nominal group technique).

Many more examples of creative social marketing within Federations could be given, just as more examples could be cited of current practices that fit the definition of social marketing. More discussion is needed now rather than more examples and one hopes it will begin. David Eskenazi's discussion of marketing and Jewish community centers is a good example of how to get the ball rolling.¹⁴ Marketing is not a panacea or a substitute for good social work practice. Nevertheless, not-for-profit marketing is receiving increasing attention in the popular and professional literature; with the sophisticated level of Jewish communal lay and professional leadership, Federations can be in the vanguard of creating marketing applications in the not-for-profit sector.

References

1. Karen F. A. Fox and Philip Kotler, "The Marketing of Social Causes: The First 10 Years," *Journal of Marketing*, Vol. 44 (Fall, 1980), pp. 24-33. For those interested, an excellent source of information on this subject is Philip Kotler's *Marketing for Nonprofit Organi-*

- zations, 2nd Ed., Englewood Cliffs, NJ: Prentice Hall, 1982.
2. Philip Kotler, *Marketing Management: Analysis, Planning, and Control*, 4th Ed., Englewood Cliffs, NJ: Prentice Hall, 1980, p. 21.
 3. Kotler, *op. cit.*, p. 22.
 4. Three other marketing philosophies are discussed by Kotler: (a) *production*, in which consumers prefer products that are available and affordable, and management attempts to improve production and distribution efficiency; (b) *product*, in which consumers prefer products that offer the most quality for the price; and (c) *societal marketing*, in which management attempts to assess and meet needs and wants in a manner that will enhance society's well being.
 5. Peter F. Drucker, "*Management: Tasks, Responsibilities, Practices.*" New York: Harper & Row, 1973.
 6. Fox & Kotler, *op. cit.*
 7. Kotler, *op. cit.*, p. 606.
 8. "Motivations to Giving," United Jewish Appeal, undated.
 9. "New Gifts: A New UJA Campaign Program," United Jewish Appeal, Winter, 1983, p. 20.
 10. "Motivations to Giving," *op. cit.*
 11. "Survey: Involvement and Participation in Jewish Community Activities"; Combined Jewish Philanthropies of Greater Boston; also personal communication with Stanley M. Hurwitz.
 12. Lifson, Herman, Blackman, & Harris, "Market Research Project: Summary Interim Report, Implications, Suggested Course of Action." Jewish Federation of Greater Dallas, October, 1981.
 13. *Ibid.*, p. 8.
 14. David Eskenazi, "Understanding the JCC Marketplace: A Celebration of Volunteerism and the Volunteer Process," *Journal of Jewish Communal Service*, Vol. 58, No. 4 (1982), pp. 306-316.

From this *Journal* Twenty-five Years Ago

The international aspects of Jewish communal services trace back to projects undertaken about the turn of the century both here and in Europe, to help adjust the immigrant to this country. Some were financed from the Old Country, notably through the Baron de Hirsch and the Baron de Rothschild Funds. The Woodbine School in the 90's, the Industrial Removal Office, and the Galveston Movement were in this category. Traditionally help from the U.S. was sent to the institutions in Palestine through the 'meshulochim,' the ambassadors to the Galuth. American Jews were actively interested in immigrants, through the establishment of relief and acculturation agencies at the ports of entry and in the interior cities to which immigrants were directed, through HIAS, the landsmanschaften, the cooperatives, and the other Old-World institutions which they adapted to this country. The cessation of the immigrant flood during the First War and again following the restrictive legislation of the 20's provided respite. The Nazi-driven refugees forced the mobilization of resources, notably the National Refugee Service, the sections of the National Council of Jewish Women, which had included service to the foreign-born from their beginnings in the 90's, and local community agencies throughout the country. New organizations sprang up, services were given, funds found, vested interests formed; some degree of stability was finally achieved, maybe coincidental with the ebbing of the tide. The bulk of this service was carried with the professional skills developed in the older-established and ongoing communal services.

Established early in the First War, the several Jewish war relief societies soon merged into the Joint Distribution Committee, followed by the United Palestine Appeal, ORT (though its origins are older) and the many appeals which were organized to secure American Jewish support for the Old World Jewries of Eastern Europe and Palestine, and for the upbuilding of Palestine. These programs originated in emergencies, they highlighted new and centuries-old needs and problems.

George W. Rabinoff
Fall, 1959