

COMMUNITY FOUNDATIONS: A CASE FOR REGIONAL MARKETING

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Introduction

Why Regional Marketing?

Community foundations are operating in a rapidly changing landscape. New types of donors, new ways of giving and increased competition for donors from nonprofit and commercial organizations alike

— all pose new challenges. And in this new charitable giving arena, community foundations are, all too often, the best-kept secret.

To make sure donors and other stakeholders know more about who they are and the unique benefits they bring, community foundations across the country are marketing themselves in new and innovative ways. One of the most notable of these innovations is regional marketing. Increasingly, community foundations are looking to join forces with others in their region and leverage their collective talent, resources and time.

It's about leveraging our collective strength to benefit each community foundation.

But that is not as easy as it sounds, and many community foundations worry that regional marketing

will take away from their local identity and limit their independence. They ask how is this regional marketing done? What are examples of efforts that succeeded?

Why should my community foundation join together with others and market regionally?

Defining a region.

Regional marketing efforts can include a metropolitan area, a county served by multiple community foundations or a multicounty area. One example of an effective region in Michigan includes 14 community foundations serving 10 counties. These foundations have assets ranging from \$250,000 to \$200 million with combined assets of close to \$300 million.

Important questions to ask when defining a region for collaborative marketing include the following:

- What are the past/current social and economic relationships among the communities in the proposed region? *Similarities are helpful.*
- What is the nature of the relationships among the community foundations? Do tensions or conflicts exist within the region, or are their existing collaborative relationships? *Trust must be built first.*
- How well do the CEOs know one another? Are there personality conflicts that might influence the ability of the group to collaborate? *Mutual benefit is key.*
- Do the community foundations in the region share the same media coverage? *Natural regions may appear.*
- How far are people willing to drive to attend meetings? *Less than 90 minutes is best, and overnight requirements hinder participation.*

This article shares the benefits, challenges and lessons that emerged from community foundation efforts to market regionally in Michigan both on a state level and within eight smaller regions. Drawing on six years of evaluation, research methods include: 1) individual interviews with 20 CEOs (conducted in 2000 and again in 2002) and five board members (conducted in 2002), 2) instrumented group interviews with two regional collaborations, 3) an in-depth ethnographic case study of one group over six years, and 4) review of documents developed by the regions.



Background

In the mid 1990s, a group of Michigan community foundations came together through Michigan Community Foundations' Ventures, a supporting organization of the Council of Michigan Foundations. Recognizing advantages of leveraging common resources, the foundations decided to explore the ways in which they could collaborate. They had two objectives. One was to establish common messages and create a regional/ statewide "community foundation" brand. The other was to emphasize that they are independent, local organizations.

Building brand while working to maintain independence would create a critical tension throughout this effort. One way Michigan community foundations addressed this tension was to differentiate marketing efforts that were regional, such as advertising and hosting joint speakers and other events, from those that were local, such as developing relationships with donors. Another way to address this tension was to emphasize in the regional

marketing materials community foundations' unique characteristics that differentiate them from other giving options including their: community leadership roles, long-term personal relationships with local donors and grantees, expertise in grantmaking, and, most importantly, knowledge of their communities.

The issue of standards of performance also emerged. The logic was as follows:

- Community foundations need a stronger presence in the market.
- A stronger presence requires that they promote their affiliation.
- Promoting their affiliation creates risk.
- Managing risk requires consistent performance.
- And consistent performance requires standards.

To address this issue, community foundations adopted standards for

Michigan community foundations in areas of governance, administration and finance, asset development and grantmaking.

"People we talk to now get the overall picture and understand that our community foundation is part of a larger field. This increases our credibility locally."

Community Foundation CEO

Today, a diverse group of more than 60

community foundations and affiliates are working together in eight smaller regional collaborative groups within the state. Each group holds regular meetings (ranging from monthly to quarterly) to develop marketing strategies for their region and to share ideas and effective practices.

Efforts in other parts of the nation are underway and having success, such as the visibility campaign undertaken by the League of California Community Foundations and the standards initiative by the Wisconsin community foundations.

Activities

Community foundations decided their priority is to advance their relationships with three primary audiences: existing donors, prospective donors and professional advisors. Research identified professional advisors including estate planners, attorneys, CPAs and financial agents as a target audience. Since advisors' influence is often regional (clients come from other cities and

towns), it made sense to come together as a field to build relationships with them.

"Working regionally helps us get our name out. We have a bigger presence."

Community Foundation CEO

The regional marketing resources included common messages, a portfolio of products to respond to current market opportunities, promotional tools and programs that help community foundations build their capacity as marketing organizations.

The collaboration incorporated a number of activities, including the following:

- ❖ **Marketing capacity training.** Many community foundations had little experience in marketing. To better comprehend its importance and implementation, they attended a series of six seminars designed to help them to understand their target audiences (especially professional advisors), plan their marketing objectives and leverage the regional work on a local basis.

Activities

❖ **Core messages and promotional materials.**

Community foundations worked together to develop core messages and promotional materials, realizing that consistent messaging throughout the state could benefit each, as well as the whole. This included the positioning statement, "For Good. For Ever.," ads, presentations, handouts and mailers. Some regions worked to jointly develop and disseminate information, including a regular newsletter for professional advisors, an article highlighting each of the community foundations and their grantmaking, and informational packets of materials for specific audiences.

❖ **Regional advertising.** Regional and statewide promotion aimed at creating awareness of community foundations includes joint media buys in print publications, public radio and Internet throughout the state. Purchasing media regionally allows advertising to have a greater impact and to be more affordable.

❖ **Joint seminars and events.**

Regions are holding programs and technical seminars, especially for professional advisors. Several community foundations are able to share not only the benefits, but also the costs, of these important events. Sometimes, nationally known speakers are brought in to discuss estate planning and/or charitable giving. These events help community

"Cost sharing on projects is a big bonus. We gain greater visibility through regional advertising and are assured that the message is consistent within our region. We are able to share the cost of big ticket items."

*Community Foundation
Professional Advisor
Services Coordinator*

foundations build relationships with key individuals and demonstrate the resources they can provide to professional advisors and their clients. One region invited women of wealth to a special luncheon where they learned more about the host community foundations' work.

❖ **Joint use of marketing staff.**

Many smaller community foundations have not only limited financial resources, but also limited people resources. By jointly hiring and/or sharing staff, they were able to share the marketing responsibilities and workload. For example, several community foundations pooled their resources and hired a communications specialist. This person spends part of his/her time at each community foundation and coordinates joint marketing efforts. In addition,

many of the larger community foundations helped their teams by offering their marketing and communications staffs as resources for team activities, such as database management, event planning and media management.

❖ **Vehicle for regional grantmaking.**

In one region, community foundations realized they needed a way to serve donors interested in regionwide projects. Because of the level of trust developed through their collaborative activities, this group of five community foundations was able to form a regionwide supporting organization.

❖ **Community foundation brand.**

The community foundations completed a brand assessment exercise. A statewide and local brand system created a common identity that also emphasized each as an independent, local organization. Now, every community foundation benefits from regional and statewide promotion while maintaining its local identity.

Benefits

❖ **Increased visibility and credibility.** Participating community foundation CEOs find that regional marketing increases their visibility by participating in promotional activities that they could not undertake on their own. In

addition, it also increases their credibility in the minds of a number of audiences. Chief among audiences are professional advisors, who feel reassured by shared standards of performance. They care that

the foundations are not competing, therefore they are not bombarded with materials from all community foundations in their service area. Advisors also learn the local community foundations that can help them serve their clients wherever they live.

❖ **Economies of scale.** “Having a set of common tools that can be customized saves on both development costs and staff time,” said one community foundation CEO. “Our staff now spends more time doing marketing and less time creating materials.” Said another, “We get a bigger bang from our buck when we work regionally.”

❖ **Opportunities to learn.** Working regionally creates a community of practice among participating community foundations. Leadership and staff find that they learn from the practices of other foundations, share ideas and experiences with

colleagues and feel that they are no longer on their own. New CEOs said it helps them get oriented, develop needed skills and knowledge and “get up to speed” more quickly.

Other Interviewees commented

“A regional approach provides a more polished, professional image. It provides increased credibility and integrity for the potential donor.”

*Community Foundation
Board Member*

that working regionally lessens their feelings of isolation (especially for small, minimally staffed foundations), provides them with professional development opportunities, and is a welcome antidote to burnout. As one person said, “It is hard to take the

time away from the office, but I always come back from meetings energized and inspired. They are well worth the time away, and I wouldn’t miss one for anything.”

❖ **Trustee interest and involvement.** Participating CEOs reported that the regional marketing activities are also valued by board members, who find new opportunities to network, learn from others, and share effective practices. Some board members become more involved with their community foundation’s marketing efforts.

❖ **Leverages new philanthropic resources.** It is difficult to directly link and measure the extent to which regional marketing efforts result in community foundations obtaining new gifts. Marketing in general, and regional marketing in particular, is about increasing visibility and communicating community foundations’ value as a community-based philanthropic vehicle. The seeds that are sewn today may take years to mature and bear fruit. Nonetheless, community foundation CEOs interviewed all expressed confidence that their local and regional marketing efforts would leverage new resources. Some could offer specific examples of new gifts and link them back to their recent marketing efforts; others pointed to how many more people know about the community foundation and the range of possibilities for giving.

❖ **Spin-offs.** As trust is built and relationships develop, collaboration in other areas may start to occur. Examples of these spin-offs include: regional grantmaking efforts, leveraging resources from national funders to address regional issues at the local level, developing regionwide scholarship funds, developing regional orientations and other training opportunities for community foundation board and youth advisory committee members, and representatives from the collaborative serving as liaisons to regional taskforces. Regional collaboratives may develop regional leadership roles in much the same way community foundations serve in these roles locally.

Challenges

The key challenge became to continually negotiate/balance the set of natural tensions that emerge when local foundations are collaborating on a regional basis: “shared advantages” vs. “critical differences,” “unified” vs. “independent,” “broad promotion” vs. “unique messages,” and “statewide brand” vs. “local identity.”

More specific challenges included:

- Defining meaningful, workable regions.
- Creating common marketing mindsets among community foundations and agreement to use similar marketing strategies and methods.
- Establishing trust and managing tensions, especially between small and large community foundations.
- Making sure that everyone has an equal place at the table.
- Managing differences among community foundations of what they are able to contribute financially to group activities.

Lessons Learned

❖ It takes time to build trust.

Make a minimum three-year commitment to a regional collaborative. Collaboration is about developing relationships. Effective efforts take the time to address any past or current tensions among participants.

❖ Working collaboratively is cost effective.

It allows many community foundations to implement marketing activities that they could never afford to do on their own, including placing regional advertisements, hosting national speakers, and hiring marketing staff.

❖ Regions have to be carefully defined to ensure success.

A shared media service area is key. Problems arose in those regions in which partners didn't share the same media area, and therefore were unable to benefit equally from regional marketing efforts.

❖ Come to the table as equals.

Regional collaborations where everyone is considered an equal at the table, regardless of size or asset level, work better than groups where there is a hierarchy.

❖ Consider a coordinator function.

Regions comprised of only small community foundations can benefit from having a part-time paid coordinator to facilitate moving the project forward. Groups comprised of both large and small foundations usually depend upon the larger foundation's staff to fulfill the coordinator function.

❖ Regions with too many players are less effective.

It takes too long to agree and move forward on projects. Distance also tends to limit the number of face-to-face meetings people are willing to attend.

❖ Learning together is easier than struggling alone.

Strategic marketing is a new concept and activity for many community foundations. Sharing ideas, plans, successes and failures provides learning opportunities for everyone involved.

❖ Effective regional marketing must address a number of key strategic questions.

On strategy: Who are we targeting? Why? What objectives do we want to accomplish? How? On branding: How do we want community foundations to be perceived? What messages and activities will help us build this position? On products: What specific offerings do we want to promote as valuable to our target audiences and our field (e.g., Donor Advised Funds, gifts of appreciated stock, etc.)? On programs: What campaigns or events would best advance our strategy?

“Marketing regionally picks up those people in the cracks who aren't connected to any specific community foundation.”

*Community Foundation
Board Member*

Conclusions

We have learned that it is possible for community foundations to work regionally while maintaining their independence and strong local identities. Regional marketing serves as an innovative vehicle that community foundations can use to leverage resources for their work at the local level. To be an effective vehicle, community foundations must address the key issues of developing a brand and common identity, implementing a common set of standards, defining functional regions and establishing close working relationships. Regional activities can include: developing a community foundation brand, producing core messages and promotional materials, conducting regional advertising, holding joint seminars and events, developing marketing capacity through joint training opportunities, sharing marketing staff, and conducting regional grantmaking.

Working regionally has multiple benefits as well as a few challenges. Carefully defined regions collaborating on marketing activities can result in increased visibility and credibility, economies of scale (cost and time), opportunities to learn, increased trustee interest and involvement in marketing activities and leveraging of new philanthropic resources. As trust is built, other types of collaborative efforts may emerge. Establishing trust and developing working relationships take time and are critical to successful regional marketing efforts.

Individually and collectively, community foundations will be able to better accomplish their missions when they are no longer the “best kept secret in town.” Regional marketing is an effective vehicle for strengthening community foundation capacity. The seeds that are planted today are expected to leverage the resources that community foundations have to do their work in the future.

“You have experience and expertise with a group that you don’t have as an individual community foundation.”

*Community Foundation
Board Member*

Resources

Council on Foundations
(National standards for community foundations.) www.cof.org

Tice, Karin
Standards for Community Foundations: Challenges and Lessons Learned. (2001)
Grand Haven, MI: Council of Michigan Foundations. (Available for download at www.cmif.org/tools.htm)

Michigan’s statewide community foundation website at www.forgoodforever.org

The League of California Community Foundations website at www.forgoodforeverca.org

A national website with marketing tools for community foundations. www.cfmarketplace.org
(e-mail nmat@cof.org or nmat@cfamerica.org)

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