

CHAPTER TWO DEVELOPING A TARGET AUDIENCE—CENTERED MINDSET

Key Points

1. The purpose of the chapter is to develop the concept of a target audience centered mindset. In the past, managers have put the needs and desires of the organization at the center of the strategic process. It is the marketing manager's task to understand that the target audience ultimately determines the success of any strategy in a nonprofit organization.
2. A target audience centered mindset can be understood by looking at its opposite — an organization centered attitude. This philosophy may be summarized by the following attitudes: (1) the offering is inherently desirable; (2) a lack of motivation and ignorance by consumers impedes success; (3) research plays a minor role; (4) marketing tends to be viewed as promotion and sales (5) there is only one “key” strategy, and; (6) generic competition is typically ignored.
3. A target audience centered mindset is based upon an understanding of target audience needs and wants and focuses upon behavior as its bottom line. Research about target audiences provides this critical information. Markets are routinely segmented. Competition is seen to stem *from* a variety of sources, not just similar products and services. All elements of the marketing mix are used, not just communication or promotion.
4. Top management's commitment is essential to achieve a target audience centered mindset, as is positioning marketing as a tool for helping the organization to achieve its goals. The introduction of this new way of thinking is a *political* exercise within the nonprofit organization and therefore, moderate short-term projects with easily measured outcomes are best suited for the first marketing applications.

Chapter Outline

1. The Boundaries of Marketing
 - *Definition of Marketing*
 - *Examples of Failure to understand True Marketing*
2. The Evolution of Marketing Philosophy
 - *The Product/Service Mindset*
 - *The Sales Mindset*
 - *The Target audience Mindset*
3. Target Audience- Centered Organizations
 - *Reasons for not being target-audience centered*

4. Detecting an Organization-Centered Orientation
 - *Clue 1: The offer is seen as inherently desirable*
 - *Clue 2: Target audience ignorance and lack of motivation are seen as barriers to success*
 - *Clue 3: A minor role is given to target audience research*
 - *Clue 4: Marketing is defined as promotion*
 - *Clue 5: One really good strategy is seen as all you need*
 - *There is assumed to be no generic competition*
5. Characteristics of Target Audience-Centered Marketing Management
 - *A behavioral bottom line*
 - *Maintaining a target audience-centeredness*
 - *Reliance on research*
 - *A predilection for segmentation*
 - *A richer conceptualization of competition*
 - *Using the full marketing mix*
6. Introducing a Target audience Centered Mindset
7. How Far to Go in Adopting a Target Audience-Centered Orientation

Vignette: Sermons, Rock & Roll and Starbucks

An article in the NY Times, titled “Prepare Thee for some Serious Marketing”, addresses how several Protestant churches have started using marketing aggressively to solve attendance problems.

Using ideas from a number of consumer products companies, the United Methodist Church introduced a full array of o mainstream marketing approaches in some churches. Attendance in churches using these approaches has increased 10 to 19% and return rates for first-timers have risen four to seven percent.

Willow Creek Church in South Barrington, Illinois is a case in point; using branding, audience segmentation, modifications to the “offering,” promotions and other marketing techniques to drive church involvement. Actual activities included such things as mentoring, jazz and Christian Rock, and a Starbucks-like coffee shop and a cafeteria featuring pizza in the Church.

Chapter Summary

The purpose of this chapter is to define marketing and to strengthen the understanding that real marketing is focused on putting the target audience at the center of everything one does. The chapter begins by defining marketing management as *“the process of planning and executing programs designed to influence the behavior of target audiences by creating and maintaining beneficial exchanges for the purpose of satisfying individual and organizational objectives.”*

The definition focuses on exchanges and these involve the target audience taking an action, therefore the ultimate objective of marketing is to influence behavior.

The orientation toward marketing in the for-profit sector has evolved through three mindsets, and these also exist in the nonprofit sector. The product mindset holds that success will come to those organizations that bring to market goods and services they are convinced will be good for the public (build a better mousetrap and customers will beat a path to your door). The sales mindset holds that success will come to organizations that persuade customers to accept their offerings rather than the competitors. The target audience mindset holds that success will come to the organization that best determines the perceptions, needs and wants of target markets and satisfies them through the design, communication, pricing and delivery of appropriate and competitively viable offerings. Target audiences eventually fail to respond to the first two organization-centered mindsets and effective managers realize the need for a marketing mindset—that marketing planning must begin with the target audience, not with the organization.

A target audience-centered organization is one that makes every effort to sense, serve and satisfy the wants and needs of its various stakeholders within the constraints of its budget, staffing and political realities. Most organizations are not target audience centered enough because they lack the needed resources or power over employees, because they choose to concentrate on something other than audience satisfaction, or because they are intentionally unresponsive to the public.

When diagnosing an organization's marketing philosophy, there are several clues that indicate an organization-centered orientation: Clue 1: The offer is seen as inherently desirable; Clue 2: Target audience ignorance and lack of motivation are seen as barriers to success; Clue 3: A minor role is given to target audience research; Clue 4: Marketing is defined as promotion; Clue 5: One really good strategy is seen as all you need, and; Clue 6: There is assumed to be no generic competition. Changing these traits is essential if a nonprofit organization is to adopt a target-audience centered mindset.

A nonprofit that has fully adopted target audience-centered marketing has several characteristics. These include: (1) A behavioral bottom line; (2) Maintaining a target audience-centeredness; (3) Reliance on research; (4) A predilection for segmentation; (5) A richer conceptualization of competition, and; (6) Using the full marketing mix, not just promotion and communication.

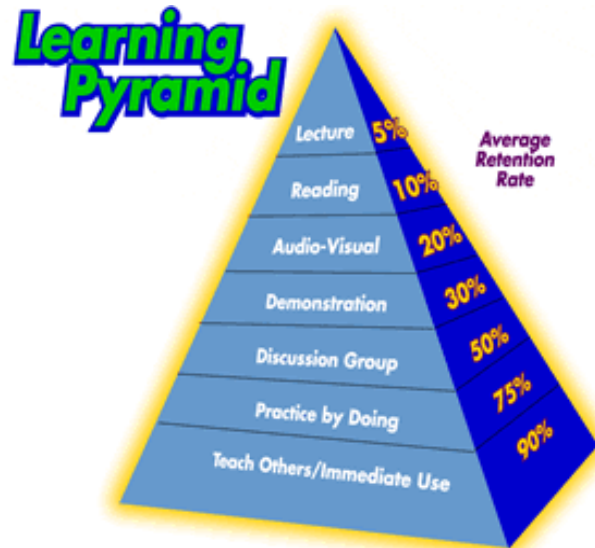
Introducing a target audience-centered philosophy must be done carefully, with the full support of management in order to be effective. Pressures within the organizations must be recognized and the use of for-profit marketing techniques translated carefully to fit into the nonprofit sector. The marketer should start by identifying the things that the organization is already doing which could be classified as marketing, and work to educate the internal audiences to understand that definition. Initially, it is best to select short-term marketing projects with results that are obvious to key decision makers.

The introduction of a marketing mindset is really a *political* activity with allies in the form of top managers to be sought and enemies whose traditional views are threatened assumed to exist.

Above all, marketing should be positioned as a sub-area of management that supports the organization's missions, goals and objectives. Thus, using marketing and being target audience-centered are not goals, but rather, are a means of achieving goals. The question of how far marketing should go is under the control of the organization's management.

Teaching Suggestions

1. If focusing on the learning pyramid, it is better to assign chapter reading BEFORE lecture.
2. It is helpful to use slides (powerpoint or transparency), video or other visual support – even white board or chalk board to reinforce key points visually during lecture.
3. Frequent class interaction with open ended questions reinforces learning as form of demonstration. Here, it might be helpful to ask students to help summarize the key points from the previous class period's lecture.
4. Frequent discussion helps to illustrate key points – discussion of text points can lead to the next text point or key learning. Possible discussion points for this chapter include:
 - This chapter is essential for understanding the central thesis that marketing begins and ends with the target audience. First, it is important to establish what marketing IS NOT. Get students to give examples from both for-profit and nonprofit organizations that illustrate product selling and marketing mindsets. What mindset does their own organization (or one they know well) have and why? What could be done to shift it into a target audience-centered mindset?
 - Take the list of what constitutes characteristics of an organization-centered mindset and the list of what constitutes a target audience-centered mindset, and have the student cite examples of each characteristic.



- Challenge the students to come up with instances and organizations where a target-audience mindset might not be suitable and where a sales or product mindset is better. Record all the suggestions on a board or flip-chart and then stimulate a debate on each proposal that necessitates revisiting the subtleties of what it means to use a target audience-centered orientation to achieve an organization's goals.
5. "Practice by doing" is difficult from a single class perspective, but in the first few classes, activities can be defined to force this issue throughout the semester, then discussed in future classes. These might include such things as:
- Partnering with the University's "Service Learning" program(s) for volunteer work or academic credit to identify activities in which the students may engage as part of the class
 - Establishing a "class project" as if the class was a nonprofit organization – identify an issue, such as cleaning up the campus, reducing smoking on campus, encouraging weight loss with students or other "behavioral" objective, and have the class work through to stage an event, "market it" and measure – before and after – the results of the effort.
 - Assign a "homework assignment" to volunteer a given number of hours with a local nonprofit organization and then keep a diary of the experience – with entries tied to the subjects discussed in class. Diaries can be assigned as class projects for credit.
 - Hold a class off campus at the site of a nonprofit – include a tour and a guest lecture by a nonprofit manager
 - As a term project – select a nonprofit or multiple nonprofit organizations and either in groups or individually write a marketing plan which then would have to be presented to that nonprofit's board or management team.
6. To get students to "teach others" – use frequent student presentations such as "marketing briefs", topic reports, group work and group presentations, and volunteer or nonprofit activity experience reporting. As a class assignment, you could divide the class into groups, then provide the following case (or any case of your own choosing) and have a key set of questions for the case, such as: What elements of the offering, price, promotion and place were adapted to the target audience? How might a different marketing mix be created for other target markets? The groups can then report their findings. Depending on the size of the class and make-up, one technique might be to assign groups for the entire semester and conduct a series of such case analyses in class, awarding "points" to each group based on results of the presentations, keeping a running total through the semester and awarding prizes or grade-points based on the group's final standing.

SAMPLE CASE:
United States Holocaust Memorial Museum

During the 1994-95 school year, 1,274 high school students and 100 teachers from Washington D.C. public schools have joined in a challenging and demanding adventure in learning called, "Bringing the Lessons Home: Holocaust Education for the Community." This program, annually, has expanded to a series of multi-national seminars. In the summer of 2000, 100 high school students from Germany, Luxembourg, Washington, D.C., and from American communities where churches have been burned, attended the Museum's week-long *Bringing the Lessons Home* Summer Seminar for Students. Together they explored the Nation's Capitol, American Democracy, and the implications of the Holocaust for their lives today. Through the program, young people learn about Holocaust history, consider the implications of this history for their own lives and begin to examine basic issues of morality, responsible citizenship and the effects of silence and indifference on the suffering of others. Program highlights include pre-visit classroom programs or Website visits, in depth tours of the exhibits, teacher's workshops, classes and internships for students. Special tours conducted by interns were conducted for 305 teenagers, parents and grandparents in the D.C. program during the 1994-1995 school year, and more than 100 students from around the world attend the summer program in 2000. In recent years, the program's learnings have expanded to develop community education series called *Community Partnerships*. Community Partnerships encourages new audiences to study the Holocaust. The museum works closely with its partners in a variety of communities, locally and nationally, to create programs that best fit their needs. These programs serve as models for replication in other communities around the country.

The success of each program stems directly from the participation and input of the museum's partners — youths, adults, and community leaders — upon whom we rely to answer the question: "What does the Holocaust have to do with me?" The idea for these programs grew out of the Museum's successes. Although some teachers had expressed interest in the Museum, few requests for assistance came from the District of Columbia's public schools. Clearly the Museum needed to become more accessible to the local community. This program was conceived to address that need and ultimately as a model for the museum to provide in depth programs for students and communities nationwide through the Community Partnerships program.

Case Questions:

What elements of the offering, price, promotion and place were adapted to the target audience?

How might a different marketing mix be created for other target markets;?

How does this program meet the needs of local students, parents an community members?

Why is this program target audience-centered rather than organization-centered?

What target audience segments did the museum reach or focus on with these programs?

What additional target audience segments might the museum reach?

SOURCE: United States Holocaust Memorial Museum Website -
<http://www.ushmm.org/education/>

Short Answer Questions

1. Describe the three marketing orientations
 - Product orientation (Build a better mousetrap and customers will beat a path to your door)
 - Sales orientation (persuasion)
 - Target audience-centered orientation (based on the needs and wants of the target audience)
2. Describe the organization-centered philosophy and the clues to identifying it
 - The offering is inherently desirable
 - Customer ignorance and lack of motivation cause lack of organizational success
 - There is a only a minor role for research
 - Marketing is defined as only promotion and communication
 - Only one marketing strategy is being used
 - Generic Competition is ignored.
3. Describe the target audience-centered approach to marketing management
 - Uses a behavioral bottom line
 - Begins and ends with target audience needs and wants
 - Relies on research
 - Uses market segmentation to design separate marketing programs
 - Defines competition as whatever competes for the target audience's time, energy and money
 - Uses the whole marketing mix of product, place, price and promotion
4. How can an organization introduce a target audience-centered mindset?
 - Use it to support and not substitute for organizational management
 - Allow for pressures on the organization
 - Acknowledge what the organization is doing right
 - Adopt short term projects with limited costs and which are easily evaluated and have a high likelihood of success
 - Consider marketing acceptance as a political activity
5. Describe how marketing fits into the management of an organization
 - Marketing is a sub area of management
 - Its target audience orientation achieves organizational needs
 - Marketing should never compromise the organization's mission—it is not oriented toward “anything goes” just to please the masses

Multiple Choice Questions

1. The ultimate objective of marketing is to
 - a. promote goods and services
 - b. influence behavior (Easy; p 36)**
 - c. educate
 - d. change values or attitude
 - e. communicate
2. Organizations which offer goods and services that they decide are good for the public are called
 - a. consumer oriented
 - b. sales oriented
 - c. product oriented (Easy; p 38)**
 - d. promotion oriented
 - e. marketing oriented
3. Organizations are often NOT target audience-centered because they
 - a. pursue their mission and goals
 - b. consider the needs and wants of the target audience
 - c. concentrate on products, services and ideas (Moderate; p 46)**
 - d. focus substantially on research
 - e. segment their target audiences
4. Which of following is NOT an example of a marketing mindset?
 - a. We are dependent on our target audiences
 - b. We want the transaction at any cost (Moderate; p 47)**
 - c. Customers do not necessarily control our mission definition
 - d. We focus substantially on research
 - e. Marketing is used to maximize our revenues
5. An organization-centered orientation holds that
 - a. Customer research is very important
 - b. Advertising and promotion need not be the most important activities
 - c. several marketing strategies are necessary
 - d. Our competition is anyone that competes for our customer's time, energy or money
 - e. customer ignorance and lack of motivation cause programs to fail (Moderate p 42)**

6. A target audience-centered orientation considers
 - a. The perceptions, needs and wants of the customer
 - b. The best Advertising strategy
 - c. The satisfaction of the target audience
 - d. a and c (Challenging; p 46)**
 - e. a, b and c
7. Research can
 - a. clarify the perceptions, needs and wants of the customer
 - b. anticipate changes in the perceptions, needs and wants of the customer
 - c. indicate how and why people behave
 - d. what audiences are potential targets for the organization
 - e. all of the above (Easy: p 47)**
8. Generic competition for museum attendance would NOT include
 - a. an exhibit at another museum (Moderate; p 52)**
 - b. a football game
 - c. thunderstorms
 - d. failure to take risks and change the status quo
 - e. symphony concerts
9. The authors believe that the most serious competition nonprofits often face is
 - a. the growth of other nonprofits
 - b. the status quo (Moderate; 52)**
 - c. generating funding
 - d. enlisting volunteers
 - e. identifying generic competition
10. Target audience-centered marketing means that the organization might undertake
 - a. a change in the value proposition (product, service or idea itself) (Moderate; p 52)**
 - b. a change in organizational goals
 - c. increase use of multiple advertising or communication strategies to reach its audiences
 - d. focusing more advertising on the organization's single primary audience
 - e. a reduction in research to allow more money in promotion

11. Marketing should

- a. replace management's organizational goals with those that are target audience focused
- b. support management (Easy; p 56)**
- c. change the mission statement
- d. modify organizational objectives
- e. challenge any organizational decision that isn't target audience focused