
P A R T O N E

The Money-Losing Nonprofit Brand

*How Branding Often Goes Wrong for
Nonprofit Organizations*

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C H A P T E R O N E

How and Why Commercial-Style Branding Can Torpedo Your Organization

Thinking about rebranding to improve your fundraising results? Think again. Commercial-style branding is the wrong tool for nonprofits. If you try to attach that type of brand to your organization, you can expect painful drops in revenue and engagement.

The Color Master held us in the palm of his manicured hand.

He was part of a team of Brand Experts who'd been flown in to hand down my client's new brand—a thing of beauty that would launch the organization into a new era of public visibility, skyrocketing revenue, and cutting-edge design. (That's how an energetic memo from the VP of marketing put it.)

The audience of 50 or so “stakeholders” sat in a darkened meeting room, staring like goldfish at the Color Master's slides.

The stake I held was helping the organization produce its direct-mail and online fundraising. I was at this daylong seminar with experts from the branding agency to get my “marching orders” on how the new brand would play out in fundraising.

The screen showed a solid rectangle of purple.

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“Warm Medium Eggplant,” the Color Master said. None of his colors had regular names like “purple,” and most of them had two adjectives. “Warm Medium Eggplant creates a sort of visual embrace.” Long pause. “It makes you feel cozy and included. Like you’re six years old and sitting in Grandma’s kitchen. It evokes the aroma of baking—something delicious, with a hint of cardamom.”

Everyone in the room swooned. All that from *purple*—excuse me—*Warm Medium Eggplant*?

“This is going to be a grand slam,” someone behind me stage-whispered.

While I pondered what a “grand slam” might be for a color, images of purple things flashed by quickly on the screen. A thick purple blanket. Grapes. A teapot—old-fashioned, yet purple.

Then the screen went dark. The Color Master’s face, floating above his black turtleneck, was the only visible thing in the room. “Warm Medium Eggplant,” he intoned, “is our main primary accent color.” That meant it was one of the two colors of the yet-to-be revealed new logo, and we would be required to use it in great abundance.

“Whoever would have dreamed of *purple*?” The stage whisperer asked from behind me. “It’s so *creative*.”

I never would have dreamed of it, I thought. The organization was a venerable American institution that had been helping the poor for three generations. It owned a piece of psychological real estate that most fundraisers would give their firstborn to have: Its donors saw giving as a sign of patriotism. The old, soon-to-be-scrapped logo tapped into that perception: It was red, white, and blue, and included a stylized stars-and-stripes flag.

Reliable sources had it that the rebranding work was costing the organization \$300,000. But hey, what’s \$300,000 when you consider the benefits the new brand was going to bring? According to the Brand Experts, we could look forward to:

- Paradigm-crushing improvements in awareness and revenue! (That’s exactly how they put it.)

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- Access to an elusive but promising new demographic of young, smart, affluent donors!
- An end to a dated look that was, frankly, a résumé stain for any self-respecting creative person!

The investment in the brand would more than pay off—tangibly and intangibly—before we knew it! (Also exactly how they put it.)

The screen became a block of yellow. A pale yellow, almost white. “Light Vibrant Butter,” the Color Master intoned. He said it with such solemn drama that hearing God say “Let there be light” could hardly have been more arresting.

He told us how butter changes hue throughout the year with the diet of cows. In summer, when they’re eating green grass, the butter is a darker yellow. In winter while they eat hay, the butter lightens up, almost to white. Light Vibrant Butter, the Color Master said, captures the color of butter after its palest winter hue when grass has just returned to the cows’ diets.

Someone near the front of the room made the type of sound you give especially good fireworks displays: *Ooooh!* Honestly, the Color Master’s presentation had earned that reaction. I wish all the business presentations I attend were half as well done.

We watched a series of pale yellow things on the screen. None of them was butter. He followed with a quicker tour of the rest of the palette. There was no flag red. No flag blue. There was a bluish gray called Montana Pine Smoke.

After the Color Master, the presentation went downhill. He was clearly the star player on the team of Brand Experts.

The Font Guy spoke in a soft monotone. He avoided eye contact, preferring to turn to us and look at his own slides on the screen, which was behind and above him. His big reveal was the new brand font: I’ll call it Unreadable Sans, along with its sidekick, Unreadable Sans Extra—tall, anorexic fonts. The ascenders were extra-long, while the descenders were oddly short, as if afraid to venture too far from their letters. For most fonts, the word “extra” means bold. For Unreadable Sans, it meant extra thin.

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“This font will really catch fire,” the Font Guy muttered, “when you reverse it against Medium Warm Eggplant.” The idea of flaming type captured my imagination, so I couldn’t focus on him any further.

Next up was the Imagist. She would have been called a photographer most places, but the executive who introduced her pointed out that she was no mere shutterbug: She’d had work exhibited in the Museum of Modern Art. He didn’t say which Museum of Modern Art.

The Imagist’s guidelines for photography under the new brand boiled down to this: We were always to show beautiful, happy children in multiracial groups of three to eight, all of them wearing colors that matched the new palette. A sad, fearful, or even pensive face would undermine the charity’s Brand Promise, which was “hope.”

That’s right—the entire promise had been boiled down to one word: *Hope*.

The happy children in the photos were always to be cut out from their surroundings and set against backgrounds of Medium Warm Eggplant or Light Vibrant Butter—to avoid the possibility of revealing any squalor, poverty, or other signs of hopelessness that might be lurking in the real world behind them.

Finally, the Wordsmith stepped up to the podium. He was pale and seemed to be in a constant state of flinching—clearly the lowest in the hierarchy of the Brand Experts. In their world, words are an afterthought. Color, font, and images do the real work.

His only thunder had been stolen by the Imagist when she revealed the Brand Promise, “Hope.”

The Wordsmith’s hands shook when he held up a copy of the new communications standards document. Among the new rules for copy were that we were required to say “food insecurity” rather than “hungry,” and “marginalized” instead of “poor.” Those tired old terms undercut the dignity of those the organization served, and were “not up to the standards of a modern brand.” The Wordsmith briefly smiled while he said that last phrase. I suppose he considered it some of his best work.

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He went on to explain that all marketing and fundraising materials must use the word *hope* as often as possible. But it should never be used as a verb, as in *They hope someone like you will help them*—because that would be “hokey.” The brand promise would achieve its full power only as a conceptual noun.

Even the stage whisperer sounded unconvinced. He made a sound like “Yuh”—it might have been “Yeah,” but it sounded more like “Yuck.”

Before the tide of unbelief could rise, they brought out their big finish: the logo. The Color Master stepped back up to the podium with his personal cloud of charisma to show the logo: the organization’s name, set in Unreadable Sans, colored Medium Warm Eggplant and Light Vibrant Butter. He assured us that minute adjustments—invisible to all but the most advanced type experts—had been made to the font to increase the visual impact.

“Up to date!” someone said from the back of the room. The Color Master gave us a thumbs-up, and applause rippled across the room. “Let’s bring this puppy to life!” he said, and showed us images of the logo on a key fob, a baseball cap, the Times Square Jumbotron, a white Mini Cooper, and the screen of an iPad. No envelopes, letterhead, or reply forms. This logo existed for everything *but* direct mail.



That didn’t mean they’d entirely forgotten the idea of getting donors. He showed a full-page ad designed to run in high-end magazines like *Vogue* and *GQ*. It was the word *hope*, reversed out against a page of Medium Warm Eggplant. The new logo sat in the

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lower right corner, and below that, much smaller, the organization's URL. Space had already been bought in upcoming issues. We could expect an influx of new donors—wealthy, urban, cool people like you and me and our friends.

Then the Color Master started to show the redesigned web site. The moment I saw the reversed-out word *hope* dominating the home page, I fled. I didn't wait for an elevator, but took the stairs 22 floors down to the ground. I wasn't ready to talk to anyone because I needed to think about the uncertain future my client's fundraising faced.

Out on the sidewalk, I turned my back to a stiff wind and started walking. I ran through the changes that had just been mandated:

- We no longer had the patriotic flag logo.
- The new colors were basically black and white, but more expensive and difficult to work with. Beyond that, we were now required to stay within a color palette of cold, dusty colors, most of which would reproduce poorly in four-color process printing—which, unless you're the royal family of a first-world nation, is how you print all fundraising materials.
- We were required to use fonts that became almost unreadable at anything more than eight words or smaller than 24-point size.
- The photo guidelines outlawed the entire class of images that were integral to every successful fundraising campaign we'd ever done—sad-eyed children who compelled compassion in anyone who looked at them. Now it was beautiful, untroubled children who showed no need for help.
- No one had ever put the old Brand Promise in writing, but if they had, it would have been something like *Be a good American and help fellow Americans in need*. Now we had a Brand Promise in writing: Hope. A one-word abstraction. Not only an abstraction, but an overused one.
- And the one-word magazine ad campaign? I already knew how that was going to turn out. You can't raise funds with

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one word. Unless that word is *earthquake* and there's been a catastrophic earthquake in the last 48 hours. Even then, you need a few more words plus a picture or two.

Almost everything anyone had ever done to raise funds for the organization was now in violation of the new brand standards.

The coming year was now a blank fundraising calendar. With no proven performers, we needed to invent new messages from beginning to end. A normal fundraising schedule changes and grows from year to year. It typically has a mix of winners, decent projects you're working to improve, and a few fatigued projects that you need to repair or replace. Our new schedule had no winners, no decent performers to improve. Just question marks. If you know fundraising, you know that most new ideas don't fly the first time you try them. Success comes from trying a lot of ideas and building on the better ones, while you trash the ones that don't work. We were suddenly floating free, no winners to work with. And no idea in what direction to seek success. Our only guidance: the new brand standards, which eliminated the approaches most likely to work.

Millions of dollars in revenue were now at risk. A string of weaker fundraising campaigns would hit the bottom line immediately. The cumulative impact would be collapsing donor retention as donors failed to respond. Every time a donor doesn't give, she moves closer to leaving your file forever. This meant years of famine ahead of us, even if we learned at miraculous speed how to make the new brand work.

A snowball's chance in hell? That theoretical snowball has more reasons for optimism than our fundraising program did that day.

Of course, that's not how the Brand Experts saw it. Their conception of what they'd done was this: They'd tossed aside a tired old marketing scheme that barely worked. The brilliance of the new brand virtually guaranteed dramatic improvements. The organization was in the midst of some of the healthiest fundraising growth in its history, but they dismissed that. It was nothing compared to what they were about to bring to life. They were sure they could leap-frog recent years of success and learning. They were young and optimistic.

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Later on, I'll show you how things went after the new brand launched. But here's the one-sentence summary:

The new brand was a revenue disaster.

(It wasn't as bad as it might have been: The organization made some key compromises about rolling out the brand that protected a lot of revenue. More on that later, too.)

The most disturbing thing about this story is that I could tell it several times over. The details would differ, but the outcome is the same each time: Exciting new brand rolls out, followed by a damaging drop in fundraising revenue. If you've been in the fundraising business for a while, you've probably seen it, too.

Brand Experts show up on their white horses, promising transformation. Then they heedlessly change almost everything that worked, and replace it all with cool new ideas that have never been exposed to the donor marketplace. It takes a special form of ignorance—the kind that's common among the Young and Talented—to do so much damage.

WHY THE NEW BRAND DIDN'T WORK

Wishful thinking. It gets you every time.

The new brand was designed to please its creators: the Brand Experts and the the people at the organization who hired them. As is typical, they were a homogeneous group of youngish, educated, urban professionals with strong opinions about matters of design and communication. They saw anything old-fashioned as toxic: tired, overdone, clichéd.

They despised our direct and literal copy. Our old-line design. Our strong, vivid colors. When the Brand Experts came along and told the organization *Leave all that behind*, it was a dream come true.

What happened was what always happens when you walk away from any established style of communicating: You're also walking away from the audience it was designed for—in this case, the donors who made the organization possible.

WHY THE NEW BRAND DIDN'T WORK

Some rebranding efforts never consider the possibility that abandoning your audience might have consequences. They simply walk away from their donors as if there were no such thing as distinct audiences with particular tastes.

The more sophisticated rebrands do it with their eyes open. Our Brand Experts did in-depth research—mainly focus groups—where they discovered an exciting new demographic segment. (I'll describe it later. I bet you can hardly wait to hear about it.) This group promised to be a better fit for the organization than the old donors. They were just waiting to be discovered, like veins of gold under a blighted landscape. They were going to take the organization to new levels because they're wealthier, they care more, and they have the sophistication and education to really appreciate the organization's values and methods. The research reports showed idealized stock-photo images of them: attractive, happy couples who live in gigantic houses.

In real life, our new segment had every desirable characteristic except one: They weren't *donors*.

It doesn't matter how well your brand platform is built if it's designed for people who aren't ready to climb up onto it with you. By the time you realize the painful truth, you've lost most of the people you used to count on to support you year in and year out. Ouch.

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Aiming at unresponsive audiences isn't the only error Brand Experts tend to make.

For the sake of argument, let's imagine that the Brand Experts embraced the donors and understood the fundraising situation clearly—and thus didn't get every single thing wrong. It could happen. I've seen it happen.

Even then, Brand Experts can still create a failure. That's because their work involves more than just ill-considered choices about the

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audience and communication standards. The commercial-style branding the Brand Experts bring to the table is the *wrong tool* for fundraising. You might as well use a buzz-saw to brush your teeth.

LET'S BE FAIR TO THE BRAND EXPERTS

Am I just a little bit biased against Brand Experts and the work they do with nonprofits? Put it this way: On my list of Undesirable Groups, Brand Experts fall somewhere between Plagues of Locusts and Lobbyists for Puppy Mills.

Now that we've cleared the air about that, I'll be the first to admit that I'm not being completely fair about this. Not all Brand Experts deserve my ire. I'm fully aware I've made the Brand Expert a sort of straw man throughout this book. He's a "poster child" who symbolizes everything that goes awry when nonprofits misapply branding.

But nonprofit branding doesn't always go wrong.

I've met and worked with Brand Experts who get it. They bring branding into organizations in ways that add lasting value. They boost fundraising revenue and tighten the bond with donors. They do exactly what we need them to do.

You could hire Brand Experts and be better for it.

But that's not what this book is about.

We're looking at what can and does go wrong with nonprofit branding, and what you can do instead that will help you accomplish your goals.

So please—be wary, be mindful, be as cagey as a riverboat gambler when it comes to hiring branding help. And here's something that should really make you nervous: You could fend off the bad kind of Brand Experts and still fall victim to the most insidious and dangerous Brand Expert of all: The Brand Expert Within.

Not the turtleneck-clad outsider, but someone inside your organization who longs to solve every problem by applying

(continued)

HOW COMMERCIAL BRANDING WORKS

commercial-style branding to your marketing and fundraising. That person could even be you.

Because there's a little bit of Brand Expert in each of us.

We'd all like to find quick solutions to tough problems like eroding response rates, shrinking market share, and shifting media use. We all feel the weight of the vast budgets of commercial marketing, and we suspect they've discovered secrets we haven't dreamed of. We're all susceptible to the glamour of the advertising world, with its French Riviera award festivals, huge expense accounts, and mind-boggling production budgets. Any of us can walk away from the things we know about donors and how they interact with us, choosing instead empty theories that are so much more exciting.

So when I talk about Brand Experts, I'm not just talking about outsiders. I'm also talking about myself. And I'm talking about you.

HOW COMMERCIAL BRANDING WORKS

Commercial-style branding is a clearly defined discipline, developed over the past hundred years or so for the marketing of goods. To simplify, it takes one of these approaches:

- The old approach: *Buy our stuff because it's great.* (Largely discredited, but still in use.)
- The new, more enlightened approach: *Buy our stuff for your own greatness.*

Both of these approaches generate a series of claims about the benefits of the products they're selling. When done right, these benefits make their claims about greatness believable to their target customers.

In either case, the customer can have a direct experience with the product. If you shell out money for an iPhone, you'll get an iPhone,

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and you'll quickly know whether it lives up to the promise of the brand. When the brand and product are aligned, it's a successful brand. When the product fails to deliver what the marketing promises, the customer feels cheated.

The whole notion of commercial branding—that you make a promise and fulfill it with a product—*collapses* when you apply it to charitable giving.

Think about what happens when you give money to a charity: If the nonprofit is well run, your donation triggers a prompt, thorough, and specific acknowledgment. If they're really on their game, you'll also get subsequent reports about the impact of your gift. That's nice—and important—but it isn't a firsthand experience.

It's as if you paid for an iPhone and they sent you an envelope full of glowing iPhone product reviews.

You'd be annoyed if Apple did that. But it's not a problem in the world of charitable giving. That's because unlike the experience of buying something, *most of the pleasure you derive from charitable giving happens before you give and while you're giving*. It's the well-documented "warm glow of altruism." It comes from within the donor, not from a direct experience with a product.

This is what evades practitioners of commercial-style branding when they go to work on a nonprofit. In charitable giving, the payment itself is the moment of exchanged value. Paying is not something donors consent to in order to get what they really want. "Paying" is what donors want in the first place.

Commercial branding is not designed to work within this basic reality of charitable giving. That's why it falls so flat when applied to nonprofits.

To see how and where they go astray when they enter the nonprofit world, let's look into the minds of Brand Experts when they're doing their best work. Nike is a brilliant commercial brand. It has managed to make shoes, the most pedestrian of consumer commodities, stand for *human aspiration*.

Footwear designers at Nike might dispute me on this, but let's face it: a shoe is a shoe. A truly great shoe is only slightly better than an okay shoe. Describing the features of a shoe only emphasizes how

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boring and undifferentiated they really are. It's not effective marketing.

To raise their shoes higher in our minds than pieces of leather you tie to your feet, the Nike branders looked upstream to the *meaning* of the shoe purchase. They asked, "Why do people wear these shoes?" Answer: To help in the pursuit of athletic activities. Then they went farther upstream and asked, "Why do people do these activities?" Answer: Because in one way or another, they're striving for achievement. It could be anything from losing weight to beating a cross-town rival—or a world record. They connected that striving with the striving of famous athletes. Suddenly, a pair of shoes was a glorious thing: *Just Do It*.

In charitable giving, paying is not something donors consent to in order to get what they really want. "Paying" is what donors want in the first place.

That's a well-built commercial brand. It's a triumph of the discipline.

But the same thinking takes you down a different path when you try to apply it to a nonprofit brand. Let's give it a try. . . .

Brand Experts, using the commercial logic they know, assume a donation is just like a purchase. In their world, the purchase is not where the psychological action is. So they pay no attention to the purchase and instead look "upstream" from the purchase to discover what's *really* going on.

They ask a series of questions that are a lot like the Nike shoe questions. Why do people give? To help the poor. Why do they help the poor? To make the world a better place. Within three or four questions, they arrive at what they think is the true purpose of the organization in the deepest sense. Which they assume is also the donor's purpose: the ideal, the deeper meaning. The "Just Do It."

The problem is that the ideal is invariably a lovely abstraction. Instead of providing meals for hungry people, it is a value that's inspiring but vague: *Hope*. An aspiration, not an action.

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You might be shocked by how often Brand Experts arrive at Hope. It's almost as if Cap'n Crunch cereal, Ford Motors, and Tiffany Jewelry each independently arrived at *Just Do It* as their brand position.

On the surface, *Hope* looks a lot like *Just Do It*. But it's not even close. It doesn't take a donor anywhere because it doesn't motivate *action*. Abstraction isn't action.

This is the moment when commercial-style branding fails for nonprofits.

The problem compounds and spreads as it seeks ways of expressing itself: It usually finds visual expression in images of proud, happy people. Not people in need, not people donors feel compassion for. Copy has to be vague—not about the realities and concrete actions that change the world, but the high-flown ideals that are supposedly behind the urge to change the world. The brand they build might be stirring and beautiful, but it won't and can't reveal that the charity exists to meet needs, right wrongs, and save the world. This form of branding shows the world as if the desired change had *already happened*.

When you show donors a world where the problem has been solved, you might make them feel good, but you've told them, with absolute clarity, "We don't need you."

This is perhaps the most important point in this book: ***Stating abstract ideals is not fundraising.*** No matter how elevated those ideals are. Donors give to make specific things happen, not to identify with platonic ideals.

Stating abstract ideals is not fundraising. No matter how elevated those ideals are.

Our job as fundraisers is not to ennoble a boring old shoe with a glowing nimbus of the ideal. Our job is almost the opposite of that: *We connect a donor's ideals with a gritty and specific reality, so she can change the world.*

Commercial-style branding is structurally at odds with that reality.

Nonprofits that have never been through a formal branding process often have stronger brands than those that have.

SUMMARY

That's because they haven't wandered into the wilderness of abstract statements about their greatness. Instead, they're presenting their donors with specific actions those donors care about and are willing to pay for.

Even when they aren't savvy or experienced fundraisers, "underbranded" organizations quickly learn by trial and error to be specific and action oriented.

They have little choice but to focus on the real world. They don't have brand guidelines telling them they must rise above that. So they just put out clear, specific fundraising offers that allow donors to do things they want to do. That's how you raise funds. It's not glamorous, and it's not going to win awards or get written up in *Communication Arts*. But it *will* raise money.

Some rare nonprofits don't suffer fundraising disaster, even after they rebrand. They are the ones that already had well-defined fundraising offers that they refuse to abandon:

- They have the calls to action that both donors and people inside the organization understand—and that can't be obliterated by a fog of aspirational abstraction.
- They can make what they do clear and obvious visually and emotionally because they've learned what motivates donors to action.
- They connect with donors. Real donors whose names and preferences they know, not fancy new made-up demographics squeezed out of qualitative research in hopes of finding people they like better.

SUMMARY

If your organization has any visibility at all, the Brand Experts are looking for you. The Color Master, Font Guy, Imagist, Wordsmith, and the small army of suits who corral them see your organization the way a hungry lion sees an overweight, three-legged zebra. They're salivating at the prospect of getting your new brand into their portfolio.

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They may charge you a lot or they might do the work for free. Either way, it's going to cost you.

When brand experts come to you offering to build a commercial-style, super-polished, look-at-me brand—*just don't do it!* You can't afford the damage it can do to your relationships with donors and the revenue they provide. Your work is too important.

TAKEAWAYS FOR NONPROFIT BRAND BUILDERS

- Commercial-style branding is almost always the wrong tool for nonprofit organizations. That's why even when it's well executed, it can damage an organization's ability to raise funds.
- Stating abstract ideals is not fundraising. Fundraising is about action—putting specific actions in front of donors so they can change the world in specific ways.
- Creating a brand that's pleasing to you and your colleagues is a costly mistake.