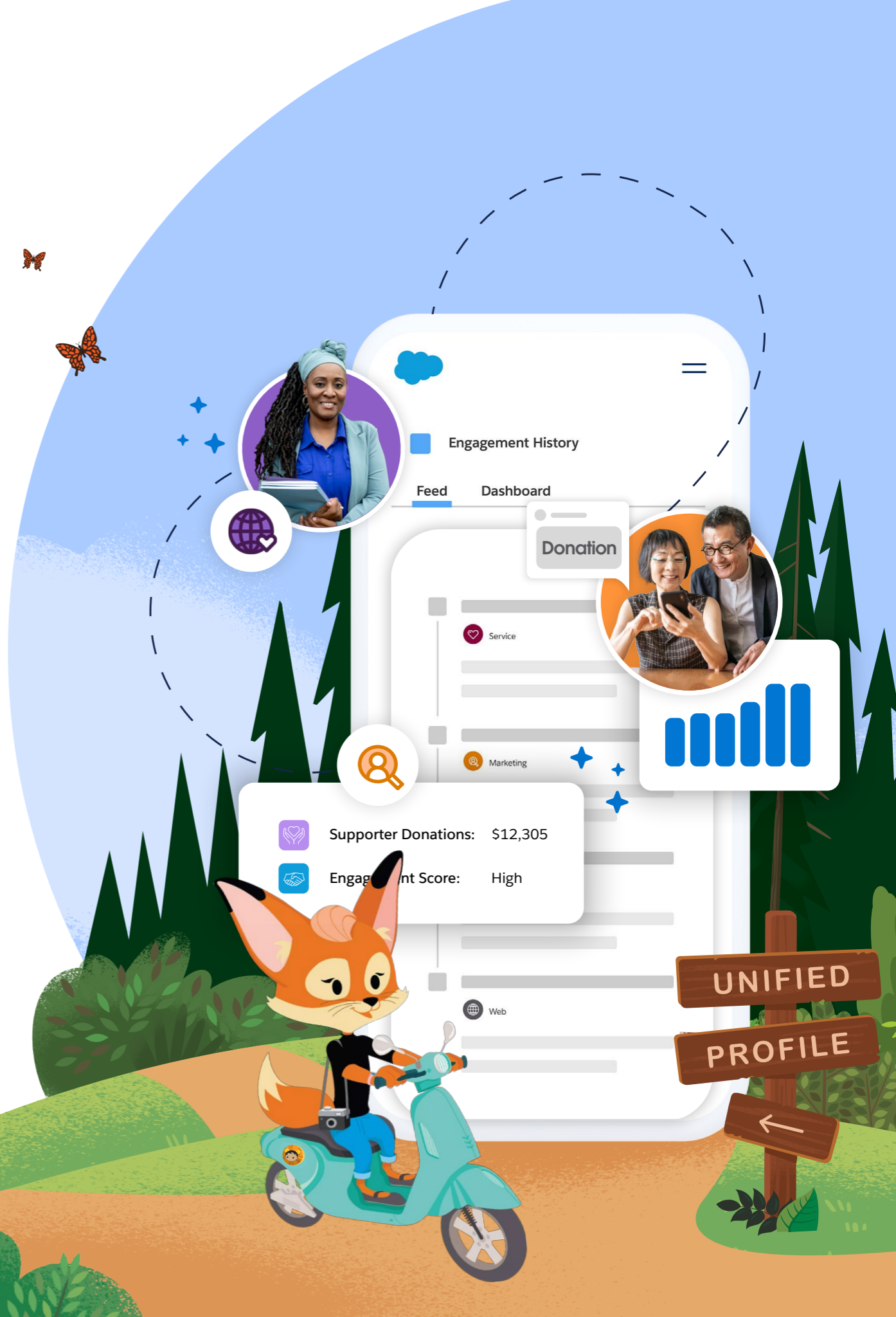




SECOND EDITION

State of Marketing for Nonprofits

Insights and trends from over 6,000 global marketers, including 180 nonprofits.



	Supporter Donations:	\$12,305
	Engagement Score:	High

UNIFIED
PROFILE



What You'll Find in This Report

Salesforce Research surveyed 6,000 marketing leaders, including 180 nonprofits worldwide to discover how marketers are:

- Evolving in the face of uncertainty
- Preparing for the retirement of third-party cookies
- Removing silos to enhance the customer experience
- Innovating to meet changing customer needs

This report is based on a third-party, double-blind survey conducted from June 20 to August 8, 2022, which generated responses from marketing managers, directors, VPs, and CMOs. Data not relevant to the nonprofit space was excluded.

Platform data referenced in this report comes from aggregated data from the activity of over two trillion messages sent using the Salesforce Platform between 2020 to Q2 2022. Additional data hygiene factors are applied to ensure consistent metric calculation. The Salesforce Shopping Index and related datasets are not indicative of the operational performance of Salesforce or its reported financial metrics including gross merchandise value (GMV) growth and comparable customer GMV growth.

Due to rounding, not all percentage totals in this report equal 100%. All comparison calculations are made from total numbers (not rounded numbers).



6,000 marketing leaders surveyed worldwide*



Salesforce Research provides data-driven insights to help businesses transform how they drive customer success. Browse more reports at salesforce.com/research.

* n = 180 marketing leaders for data specific to the nonprofit industry

What You'll Find in This Report

Breakdown of Marketing Performance Levels

Throughout this report, we classify survey respondents across the following tiers of marketing performance.



9%

High performers

Completely satisfied with their overall marketing performance and the outcomes of their marketing investments

26%

Underperformers

Moderately or less satisfied with their overall marketing performance

65%

Moderate performers

All other marketers

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Executive Summary

01

Nonprofit Marketers Remain Optimistic Amid Change

Although macroeconomic instabilities have teams examining their budgets and fine-tuning their tech stack, marketers remain optimistic in the face of change. **Seventy-seven percent of marketers say their work provides greater value now than it did a year ago.**

02

Innovative Channels and Tactics Redefine Supporters' Engagement

Nonprofits are investing in a combination of channels and technologies to reach their audiences and build lasting supporter relationships. **Eighty-three percent of marketers say their marketing organizations engage supporters in real time across one or more marketing channels.**

03

Nonprofit Marketers Walk the "Personalization vs. Privacy" Tightrope

Marketers are adapting to changes in privacy regulations and calls for data transparency.

04

KPIs Shift as Marketers Adopt Real-Time Intelligence

Marketers are tracking more metrics than ever before. Speed to insight remains a competitive advantage, with **72% of high-performing marketers able to analyze marketing performance in real time.**

05

Distributed Teams Unite with Collaboration Technology

Recognizing that remote and distributed work is here to stay, leaders are making investments in how marketing teams collaborate.

06

Marketers Lead with Values

Today's for-profit customers and nonprofit supporters want their values reflected in the brands they buy from, and marketers are responding.



INTRODUCTION

Today's marketers have more tools, technology, and data than ever before, with sophisticated strategies in place to build lasting customer relationships. But macroeconomic uncertainty has brought about roadblocks, with insufficient human resources, strained global supply chains, and budgetary constraints creating challenges for nonprofits and their supporters alike. Amid all of this change, marketers are still more optimistic than ever, with **77% of nonprofit marketers saying their work provides greater value now than it did a year ago.**



01

Nonprofit Marketers Remain Optimistic Amid Change

Marketers are striving to get the most out of their investments. Technology is front and center in this effort. Modernizing and improving their technology is their biggest challenge **and** their top priority.

Nonprofit Marketers Focus on Tools and Innovation to Meet the Moment

Nonprofit Marketers' Top Priorities

- 1 **Improving our use of tools and technologies**
- 2 **Modernizing tools and technologies**
- 3 **Increasing budgets**
- 4 **Experimenting with new marketing strategies/tactics**
- 5 **Complying with privacy regulations**

Nonprofit Marketers' Top Challenges

- 1 **Ineffective use of tools and technologies**
- 2 **Complying with privacy regulations**
- 3 **Outdated tools and technologies**
- 4 **Resistance to new marketing strategies/tactics**
- 5 **Budgetary constraints**



01

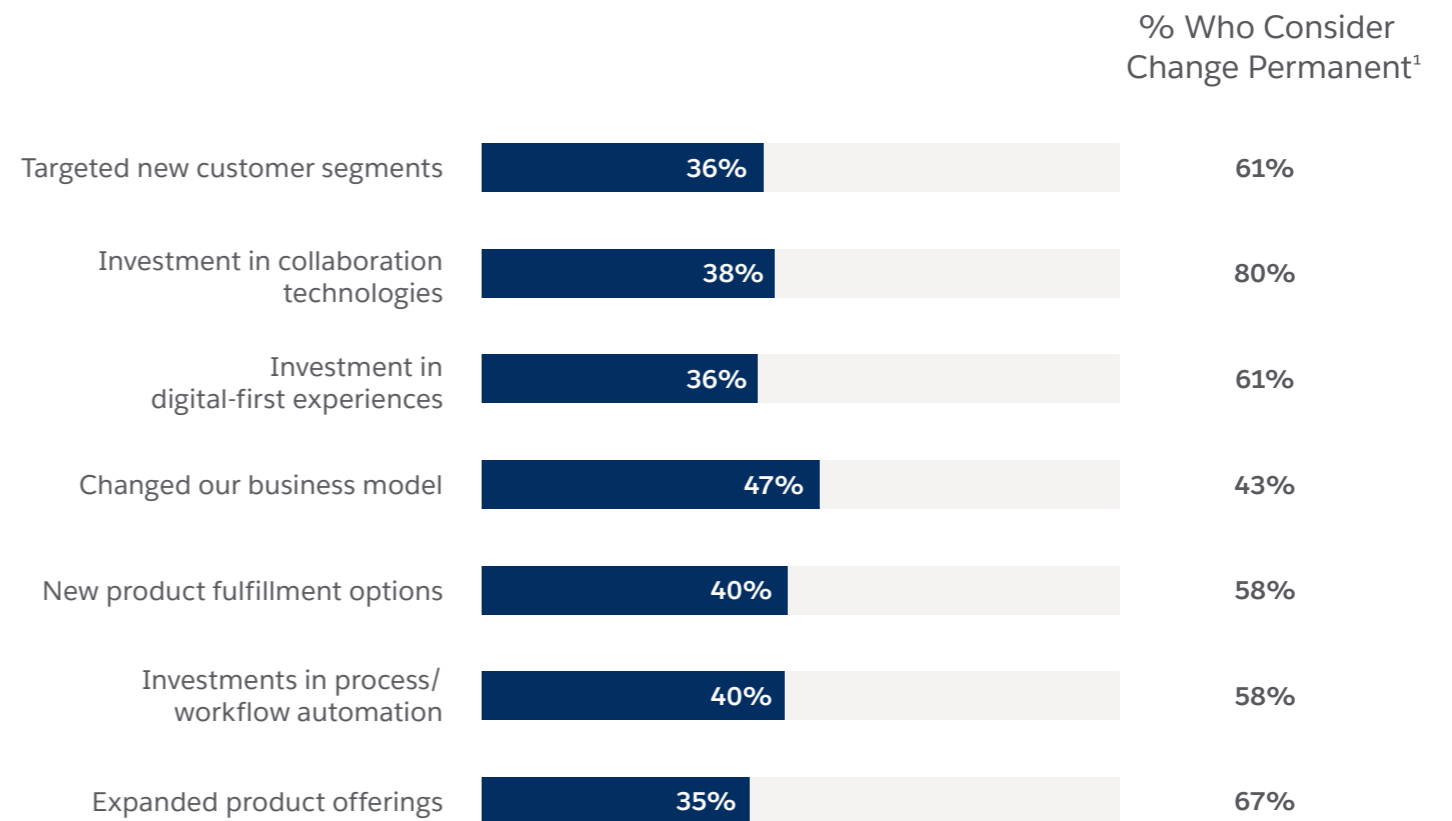
Nonprofit Marketers Remain Optimistic Amid Change

Marketers have transformed where and how they work, with many changes here to stay. No longer bound by geography or time zone, many marketers are finding success by unlocking new supporter segments, investing in digital-first experiences, and hosting virtual and hybrid events.

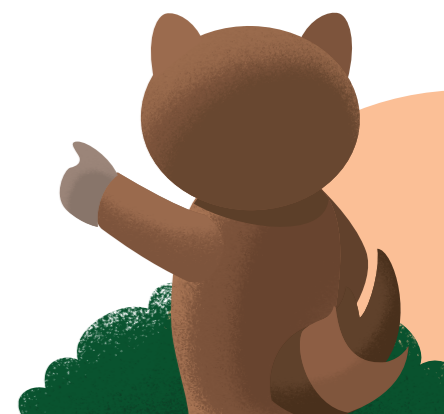
The shift to distributed marketing teams has coincided with a flurry of investment in collaboration technology, with 80% of such investments viewed as permanent.

New Strategies Have Staying Power

Nonprofit Marketers Who Made the Following Strategy Shifts Since the Pandemic



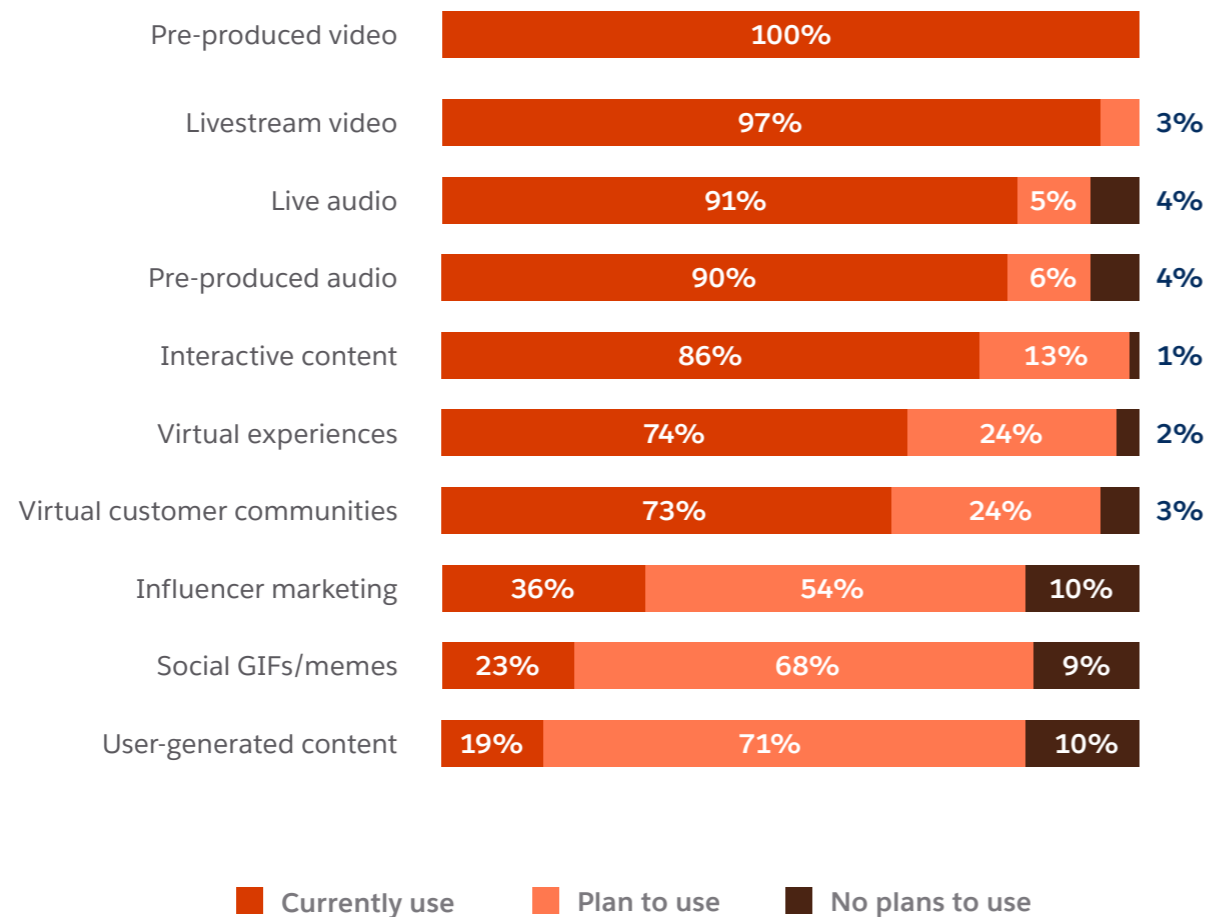
¹ Base: Respondents who selected the corresponding strategy shifts



02

Innovative Channels and Tactics Redefine Supporters' Engagement

Top Marketing Tactics Currently in Use at Nonprofits



Where supporters lead, marketers follow, and marketers are increasingly experimenting with new digital channels to reach them.

Video continues to play an important role as both a channel and a tactic, with pre-produced video and livestream video both rising to the top of the marketing mix. With supporters looking for more ways to engage online, marketers are increasingly tapping into a wide variety of interactive and user-generated content to meet demand.

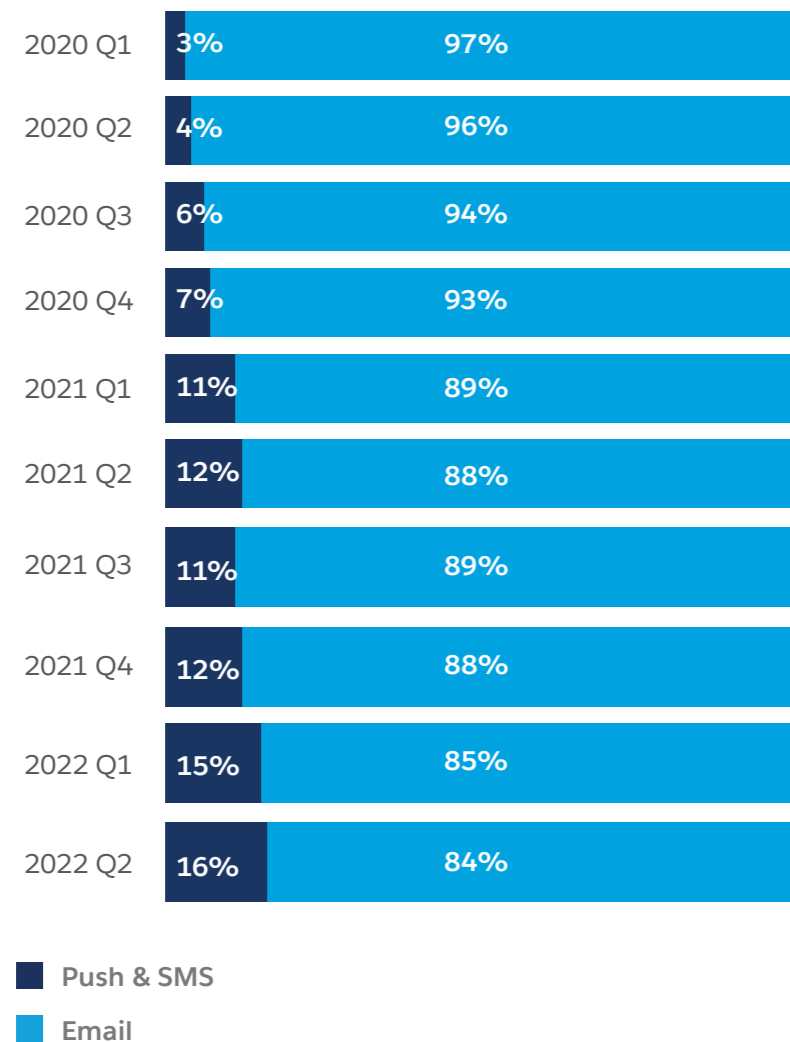
02

Innovative Channels and Tactics Redefine Customer Engagement

Cross-Industry Data*

Email Remains Dominant Even as Other Channels Grow

Share of Message Sends by Type Across All Industries Surveyed ¹



* On this page, and on any future page with this mark, the data reflects the 6,000 respondents surveyed across all industries, including but not limited to nonprofits

In their pursuit of multichannel engagement, marketers are incorporating more push and mobile messaging alongside email campaigns.

However, email marketing still reigns supreme. According to Salesforce Marketing Cloud product data based on *trillions* of message sends, email use has increased year over year, accounting for 80% of all outbound messaging.¹ Moreover, **the number of outbound emails increased 15% in the last year.** When it comes to sheer volume of sends, email remains an effective digital channel. In fact, customers say that email is among their preferred channels to interact with brands, second only to the phone ².

Shifts in customer expectations continue to keep marketers on their toes. **Seventy-one percent of marketers say that meeting customer expectations is more difficult than a year ago.**

¹ "The Shopping Index," Salesforce, July 2022

² "State of the Connected Customer," Salesforce, May 2022



02

Innovative Channels and Tactics Redefine Customer Engagement

Cross-Industry Data*

For marketers, personalization is not just about targeted messaging, but hyperpersonal understanding. According to recent research, **73%** of customers expect companies to understand their unique needs and expectations¹. In response, 83% of marketers are using dynamic customer insights to adapt their strategies and optimize the impact of each interaction.

Regardless of how they approach their multichannel strategy, marketers are going the distance to deliver exceptional customer experiences – with high-performing marketers particularly taking this to heart. Eighty-two percent of high-performing marketers say customer experience is a key competitive differentiator, and feel confident that they're getting closer to cracking the code. Eighty-six percent of high-performing marketers say they engage customers in real time, a testament to their ability to unlock actionable data.

¹ "State of the Connected Customer," Salesforce, May 2022

The Time for Real-Time Personalization Is Now

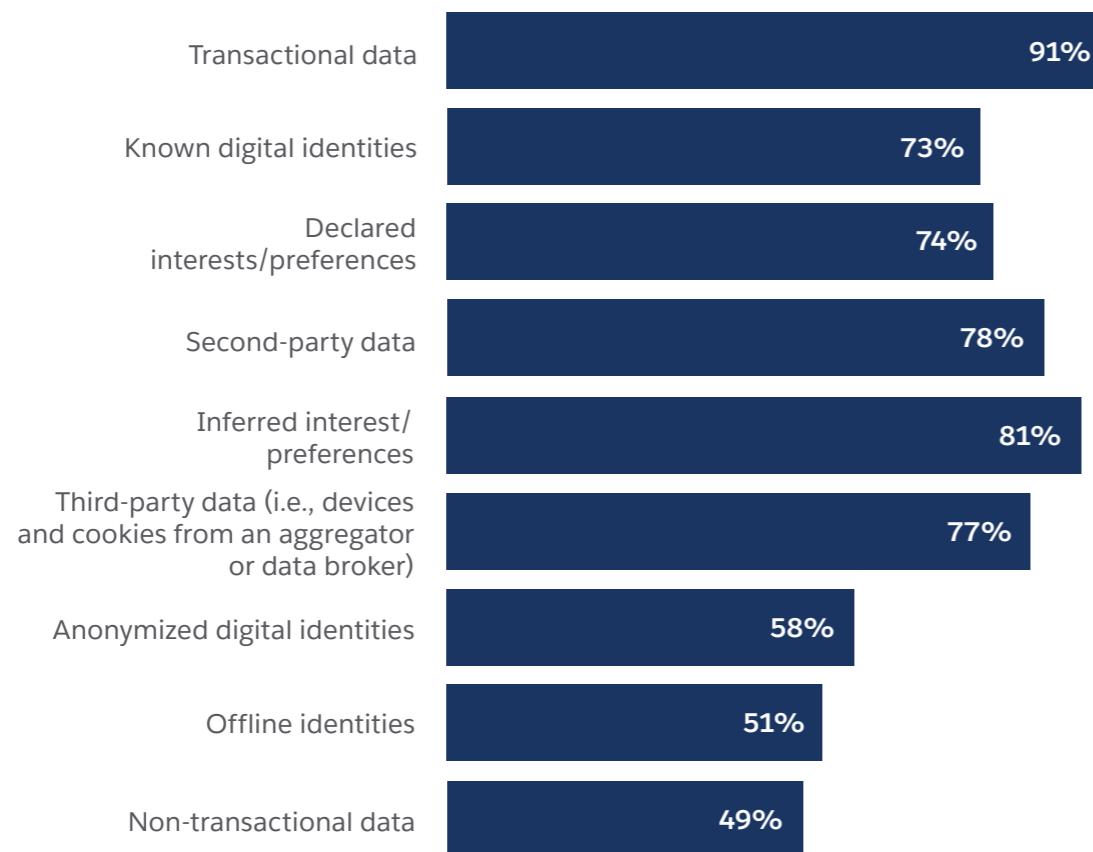
Marketers Who Agree with the Following Statements Across All Industries Surveyed



Nonprofit Marketers Walk the "Personalization vs. Privacy" Tightrope

Nonprofit Marketers Diversify Data Sources

Data Sources Used by Marketing Organizations



Marketers know that transformative, supporter-centric engagement relies on data – and lots of it. Nonprofits continue to anticipate an increase in the number of data sources used each year.

According to the Cross-Functional Customer Data Survey, just 14% of organizations achieve a 360-degree view of their customer. Among those who have achieved it, 44% of respondents say their 360-degree view is located in a customer data platform¹.

Despite the postponement of phasing out third-party cookies,² marketers are pivoting to zero- and first-party data. While not all third-party data is cookie-related, marketers will need to reconcile this strategy with looming changes in privacy regulations.

¹ "Market Guide for Customer Data Platforms," Gartner, Benjamin Bloom, Lizzy Foo Kune, March 2022. GARTNER is a registered trademark and service mark of Gartner, Inc., and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved.
² "Google Delays Cookie-Cutting to 2024," CNN, July 2022

03

Nonprofit Marketers Walk the "Personalization vs. Privacy" Tightrope

Over the past few years, changes in data privacy policies and regulations have had a significant effect on digital analytics.

From the European Union's General Data Protection Regulation (GDPR) to Apple's privacy policy update and everything in between, understanding how to maintain compliance while still serving up personalization has proved to be an ongoing challenge.

Nonprofit Marketers Gear Up for a Cookieless Future

Actions Taken to Prepare for Privacy Changes

56%

Providing information-sharing incentives for customers

55%

Creating a first-party data strategy

54%

Creating second-party data-sharing agreements

51%

Investing in new technologies (e.g., a customer data platform)

56%

Reducing internal data silos



03

Nonprofit Marketers Walk the "Personalization vs. Privacy" Tightrope

With data in one hand and innovation in the other, it's no wonder marketers continue to embrace the use of AI to improve supporter experiences and operate more efficiently. Indeed, three of the top five AI use cases are related to automation, highlighting the importance of scaling up speed and effectiveness with existing resources.

Marketing organizations are well aware of the benefits and continue to invest in AI applications that augment the customer journey – like resolving customer identities.

While customers are more online now than ever before, 43% still say they prefer non-digital channels.¹ This explains a prominent AI use case for marketers: bridging online and offline experiences.

¹ "State of the Connected Customer," Salesforce, May 2022

AI Is Primarily Used to Scale Efforts

Ways in Which Marketing Organizations Use AI²



² Base: Marketers who use AI



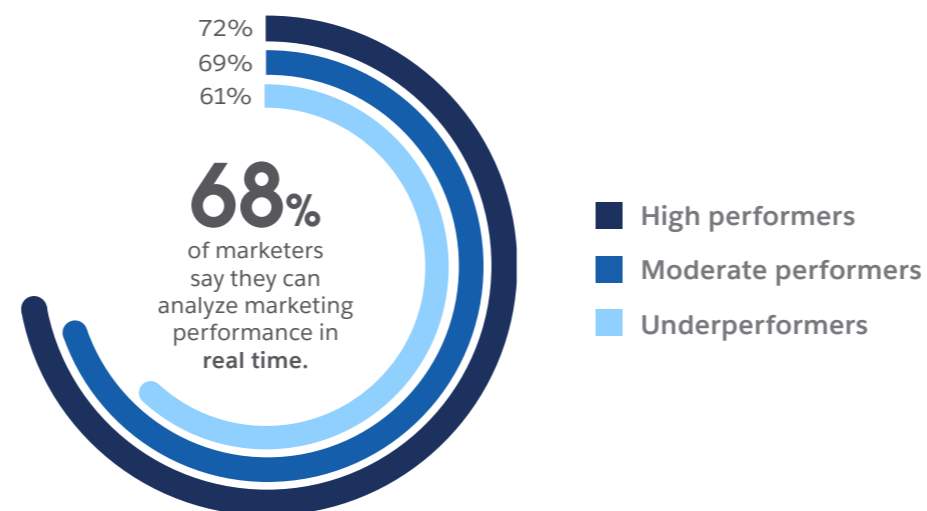
04

KPIs Shift as Marketers Adopt Real-Time Intelligence Cross-Industry Data*

Marketing without metrics is like driving with your eyes closed. In order to understand if their efforts are moving the needle, marketers are investing in analytics capabilities to get an accurate view of the impact of their messages, campaigns, and marketing spend. And the faster they can unlock these insights, the quicker they can respond to customer needs and make informed decisions to drive business growth.

Compared to 61% of underperforming marketers, nearly three-quarters (72%) of high-performing marketers are able to analyze marketing performance in real time, giving them an advantage when it comes to responding to and optimizing campaign performance. Unfortunately, 33% of marketers still say their marketing attribution is a manual process, a needle that has barely moved from 34% in 2020.

Attribution Accelerates to Real Time



04

KPIs Shift as Marketers Adopt Real-Time Intelligence Cross-Industry Data*

For organizations hoping to create efficiencies and maximize value, identifying the right metrics to track is a business imperative. As marketing budgets undergo strict scrutiny, analytics provide leaders with the insight they need to optimize spend and lower acquisition costs, further proving the value of marketing.

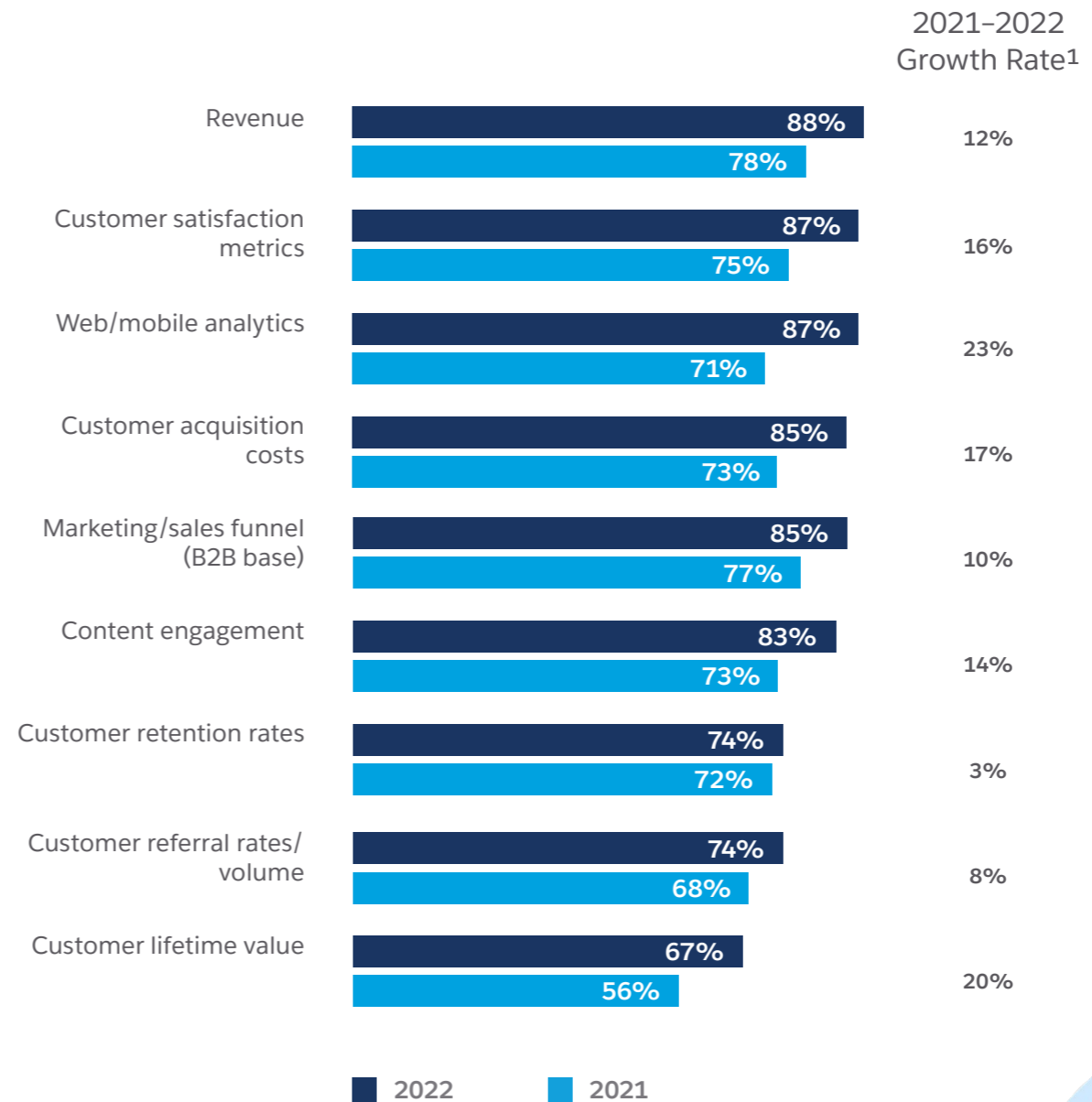
Analytics abound. Marketers now track a whole suite of metrics – like revenue and customer satisfaction year over year.

Personalization and customer touchpoints are also a focus for marketers. More teams than ever before are tracking web/mobile analytics, content engagement, and customer lifetime value.

But marketers cite measuring marketing ROI/attribution as their #2 challenge, meaning there’s still work to be done when it comes to simplifying the reporting process.

Marketers Track More KPIs

Marketing Organizations That Track the Following Metrics Across All Industries



¹ Growth rate = (2022-2021)/2021. Calculations are made from total numbers.



05

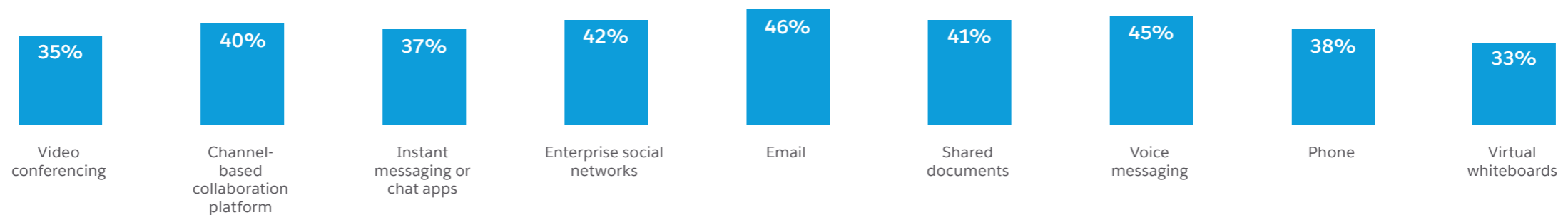
Distributed Teams Unite with Collaboration Technology

With rising customer expectations, challenges managing data, and changing KPIs, marketers have their work cut out for them. And with the pace of change in today's world, the speed and ease of collaboration can make – or break – a marketing team's success.

To help, marketers have adopted an average of four collaboration technologies to facilitate digital-first collaboration and unify their global marketing team. These are spread across a variety of communication tools, including video conferencing, collaboration platforms, and chat apps.

Distributed Teams Rely on a Variety of Communication Tools

Nonprofit Marketers Who Use the Following Collaboration Technologies



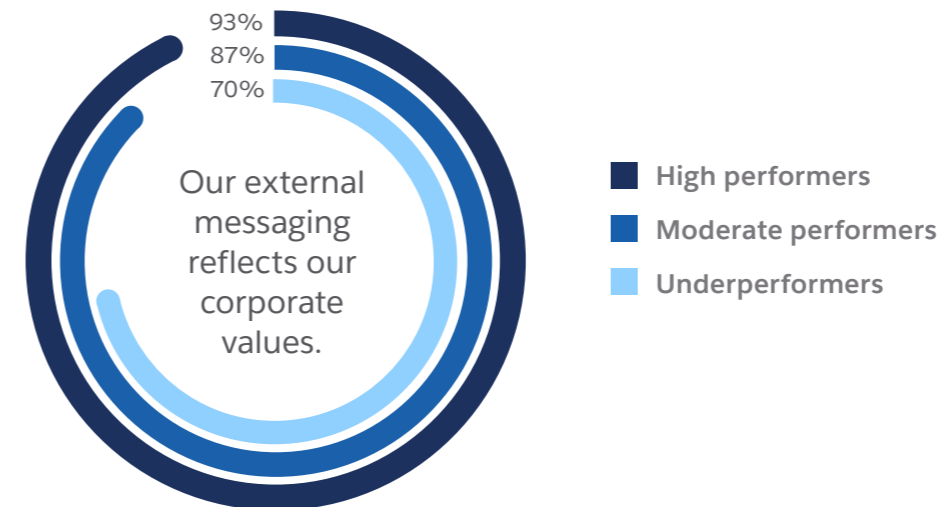
06

Cross-Industry Data* for Marketers Leading with Values

More than ever before, customers are looking to buy from companies that clearly state their values and prioritize ethical, social, and environmental objectives. **Sixty-six percent of customers have stopped buying from a company whose values didn't align with theirs.**¹ With 88% of customers saying they expect to see brands demonstrate clear and strong values, marketers recognize a unique opportunity to lead with a values-based message. In fact, 93% of high-performing marketers say their external messaging reflects their corporate values, compared to 70% of their underperforming competition.

¹ "State of the Connected Customer," Salesforce, May 2022

Marketing Messages Can Be a Beacon for Values





LOOK AHEAD: Building a Future-Proof Marketing Organization

Against a backdrop of rapidly-evolving technology, rising supporter expectations, and a shifting labor market, it's crucial to nurture a skilled talent pool of marketers. However, **talent gaps remain a top challenge for one in three marketers.**

Looking ahead, marketers see improving skills in content marketing, campaign strategy, and data analytics as crucial to success in the next 2 years. This provides marketing leaders with a clear direction –and opportunity – to upskill their teams, retain their top talent, and create future-forward career paths.

Marketers Seek to Uplevel Skills

Most Important Skills to Improve Over Next 2 Years

- 1 Content marketing
- 2 Campaign strategy
- 3 Creativity
- 4 Data Analytics
- 5 Communication



Appendix



Top Priorities by Role Across All Industries

CMO

- 1 Modernizing tools and technologies
- 2 Building/retaining trust with customers
- 3 Experimenting with new marketing strategies/tactics

VP, SVP, EVP, or Equivalent

- 1 Modernizing tools and technologies
- 2 Improving our use of tools and technologies
- 3 Improving collaboration

Team Lead, Director, or Equivalent

- 1 Improving our use of tools and technologies
- 2 Modernizing tools and technologies
- 3 Experimenting with new marketing strategies/tactics

Biggest Influences on Digital Strategy by Role

CMO

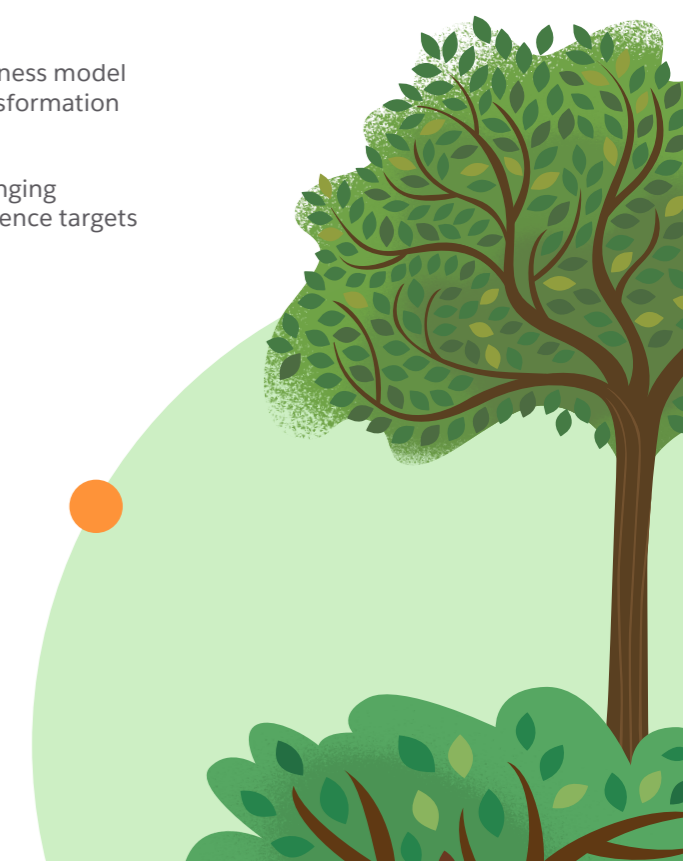
- 1 Customer preferences and expectations
- 2 Competitive pressure
- 3 Budget

VP, SVP, EVP, or Equivalent

- 1 Customer preferences and expectations
- 2 Technology
- 3 Budget

Team Lead, Director, or Equivalent

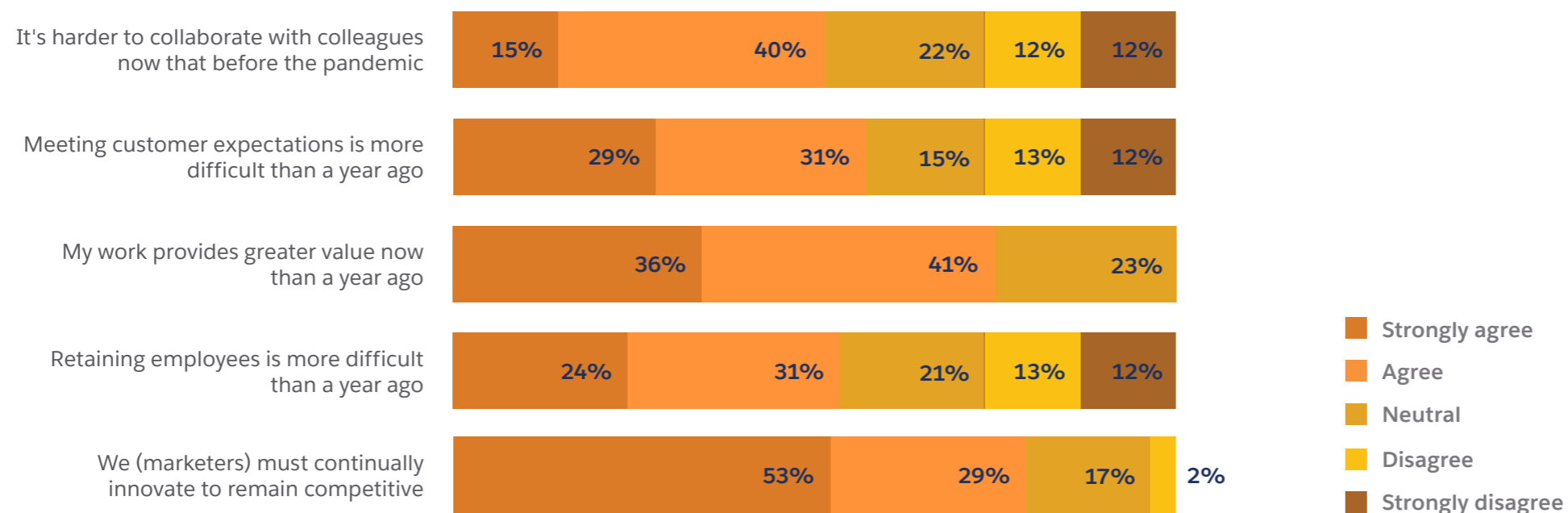
- 1 Customer preferences and expectations
- 2 Business model transformation
- 3 Changing audience targets



Nonprofit Marketers Who Agree with the Following Statements



Degree to Which Nonprofit Marketers Who Agree with the Following



¹ Growth rate = (2022-2021)/2021. Calculations are made from total numbers.

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