

## The Extreme Fundraising Ezine, Vol. II Issue 1

### "Creating Donor Evangelists: Lessons from Napster"

Happy New Year! I'm thrilled that so many of you wanted me to keep up the series based on "Creating Customer Evangelists" by Jackie Huba and Ben McConnell.

Many of you also wanted a series on goal setting. In response to that request, I've created the Pitman Coaching Goals Program. Go to my other web site <http://marcpitman.com> to subscribe. The content is great but the name isn't. If anyone has a suggestion for a better name, let me know! I'm offering a free coaching session (valued at \$250) to the person with the best suggestion.

For our new subscribers, I've been exploring some concepts referred to in "First Break All the Rules" by the Gallup Organization's Marcus Buckingham and Curt Coffman. Buckingham and Coffman briefly mention a study done by Gallup that found "partnership" and "advice" to be the two highest forms of customer expectations that are necessary in moving customers from mere patrons to committed advocates. "Creating Customer Evangelists" is a step-by-step handbook on how to do just that. McConnell and Huba distilled their observations to six themes:

1. Customer Plus-Delta: Understanding the Love
2. Napsterize Your Knowledge: Give to Receive
3. Build the Buzz: Spreading the Word
4. Create Community: Bringing Customers Together
5. Bite-Size Chunks: From Sampling to Evangelism
6. Create a Cause: When Business is Good

I've been exploring how we can apply these same themes to nonprofits so that we can create "donor evangelists." We've covered the first theme in a previous ezine. If you missed the previous ezines, you can find them at <http://fundraisingcoach.com/>. Click the ezine tab and look for them in the archives. Today we'll move on to the second: Napsterize Your Knowledge.

### **HOW CAN 'NAPSTERIZING KNOWLEDGE' APPLY TO NONPROFITS?**

Napster was program that revolutionized the music industry. It made it incredibly easy for people to share the music on their computer with other Napster users. Part of the appeal was that a user could sample an artist before buying an expensive CD. The recording industry is still reeling from this change. Despite the free access to music, studies have shown that Napster actually helped stimulate record sales. Huba and McConnell cite a Yankelovich Partners study that confirmed that 59% of people that downloaded a song using Napster later went out and bought the CD. Record sales have been on a steady decline since the recording industry brought Napster to court.

Huba and McConnell write, "Companies that share their intellectual property and business processes with customers and partners increase the perceived and actual value of their products and services." They share examples of this from the four industries: software (Linux),

manufacturing (the Ennex Company), publishing (Seth Godin's "Unleashing the Ideavirus"), and education (MIT).

Let's look at how Seth Godin and MIT "napsterized" their knowledge. The story of "Unleashing the Ideavirus" is incredible. To prove the point that we've moved into a new way of looking at marketing,

Seth Godin gave his book away free. You can still go to <http://www.ideavirus.com/> and download a free copy.

One of the book's themes is that "the more you give away, the more it's worth." He encouraged people to get it free and to tell their friends. 400,000 people downloaded the book in the first 30 days. Now over 1 million have downloaded it. He then offered a hardcover version of the same exact book on Amazon for an expensive \$40. The hardcover book reached the number four on Amazon's bestseller list. It's definitely counter-intuitive. Why would anyone pay for information they already have for free? Whatever the reasons, thousands did it!

MIT is "napsterizing" in a similar way. They're in the process of publishing its *entire* curriculum to the web. You won't need to pay anything or get any special passwords. Just go to the MIT web site and click on "OpenCourseWare." Now anyone—prospective students, parents, alum, researchers—can read what is being taught at MIT. My guess is that this openness increases both MIT's prospective student applications and alumni pride. Since admissions and development are the two basic income sources for schools, I bet MIT will see a financial payoff from their napsterizing.

McConnell and Huba offer several key lessons from Napster's rapid growth and influence.

1. *Making intellectual property widely available can open avenues for new products and services.*
2. *The Internet and peer-to-peer technology used in Napster allow information to be shared and passed to others at light speed.*
3. *The creation of new technology is unending; marketers must continue to adapt and innovate to ride the waves of opportunity that new technologies bring.*
4. *Customers expect open platforms and try-before-you-buy models.*
5. *Customers like to join communities to share and exchange data on one-to-one or one-to-many level.*

## **WHAT ABOUT YOU?**

So what in the world can Napster teach nonprofits? Plenty. Having bite-sized tastes of your intellectual capital allows donors to feel closer to your organization. Napsterizing also makes it extremely easy for them to introduce your nonprofit to their friends. They get to pass on

something of value to their friends; your nonprofit gets to be introduced to people it never had access to before. Evangelism happens!

Here are a few napsterizing ideas:

- Schools could easily move to openly publishing their curriculum on the web.
- Conservation groups could create a small desktop application that pops up when something newsworthy happens in the users region.
- All nonprofits could start online communities. Something as easy (and cheap) as a Yahoo! Group (<http://groups.yahoo.com>) could be a good place to start.
- All nonprofits could consider starting a monthly electronic newsletter.

Remember, letting donors know how your organization is making an impact in the world on a day-to-day basis is one sure way to increase the value of your organization in their eyes.

So, what about you? What can you easily do this week to start napsterizing YOUR knowledge? Let me know! Reply to this message or email me at: [marc@fundraisingcoach.com](mailto:marc@fundraisingcoach.com)

## **GOALS REMINDER**

Be sure to go to <http://marcpitman.com> to subscribe to the Goals Program email. The system I describe is one I use myself. It's simple AND powerful. Remember that the best suggestion for a better name than "Pitman Coaching Goals Program" receives a free coaching session. Reply to this email with your creative best!

To your extreme fundraising success!

Marc

PS I highly recommend reading "Creating Customer Evangelists" I'm sure it's at any local library. If you want to use my affiliate link to buy the book, go to:  
<http://www.amazon.com/exec/obidos/ASIN/0793155614/marcpitmancom>

---

Marc A. Pitman is an executive coach to nonprofit leaders. An expert in helping people identify their natural abilities, he's committed to providing down-to-earth information that will decrease stress and put the "fun" back into fundraising!

The Extreme Fundraising Ezine is a complimentary newsletter of The Fundraising Coach (<http://fundraisingcoach.com>). Feel free to pass it on!

(c) 2004 The Pitman Group.

"Fundraising is an extreme sport" and "Extreme Fundraising" are trademarks of The Pitman Group.

---