

Strategic Actions for a Just Economy (SAJE): A Case Study of a Nonprofit Organization

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ABSTRACT

This case study guides graduate business students about the funding needs of the small nonprofit organization SAJE (Strategic Actions for a Just Economy). Students will be able to learn about the core marketing problems by employing various marketing analyses, such as situational analysis, segmentation, targeting, and positioning (STP) analysis, and strength, weakness, opportunity, and threat (SWOT) analysis. In addition, this case study thoroughly covered the marketing mix (4 Ps: Product, Place, Promotion, and Price) of SAJE and provided suggestions to its communications director. In addition, the students will learn about the latest AI tool (ChatGPT) 's prompt engineering to enhance a business's strategic marketing decisions. This case study is based on the real world of nonprofit fundraising for SAJE and a real-world business scenario.

Keywords: Marketing, Nonprofits, Social Media, Fundraising, Relationship Marketing, AI-copilot

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INTRODUCTION

SAJE is a long-standing nonprofit focused on economic justice and tenant rights in Los Angeles. However, SAJE must adapt as its market evolves to stay relevant and competitive. To do so, SAJE needs to reach and appeal to new donor audiences, grow its brand and reputation, and balance its messaging across various channels that reach diverse audiences. A thorough analysis of the organization indicates that the members (e.g., low-income tenant clients) are the focus of the business. Still, in an industry with low barriers to entry, competition has and will continue to increase. Internal constraints, such as limited resources and insufficient private funding, affect SAJE's ability to attract new private funding to remain competitive. A few issues have been outlined as specified by the Communications Director, and recommendations have been provided. If the solutions prove successful, SAJE could not only remain competitive but continue to grow and expand despite its crowded industry.

SITUATIONAL ANALYSIS–SEGMENTING

Internal–Company

GE MATRIX: See Appendix 1

SAJE's competencies include the following: SAJE is well-respected in the community for its achievements and wide presence; it blends policy advocacy with community organizing; it has significant expertise in land use (e.g., preventing displacement caused by gentrification); it is perceived as a strong collaborator, community partner, and bridge builder, especially in the Latino community; and it primarily serves South LA tenants and has a record of successfully collaborating with partners, allies, and social justice activists. SAJE aspires to have the strongest reputation among all L.A.-based housing equity nonprofits. It wants to be the leader that innovates policies related to economic justice and the go-to expert among politicians, tenants, and foundations for economic justice and housing rights knowledge. Like many nonprofits, SAJE operates on a constrained budget and a small roster of full-time and part-time employees.

Customers

There are two categories of “customers” at SAJE. The first category of customers is referred to as “members,” who receive services from SAJE. Members generally include 30- to 65-year-old Latinx low-income and working-class tenants, South Los Angeles and Los Angeles County residents, monolingual Spanish-speaking and community activists, and tenants facing housing problems who want to know their rights. The second category of customers, where much of this case study will focus, comprises donors and backers, including government agencies, grantmaking charitable foundations, corporate sponsors, and private donors.

External–Competitors

There are several competitors in the housing rights and economic justice space. The most prominent are the Housing Rights Center (HRC), a nationwide civil rights nonprofit focused on housing rights, primarily resolving tenant issues; Community Power Collective, an independent

organization that builds power with low-income tenants and workers through transformative organizing to win economic justice and community control of land and housing; Inquilinos Unidos, a nonprofit that empowers low-income Los Angeles tenants through community organizing, education, and advocacy; Alliance of Californians for Community Empowerment (ACCE), a multi-racial, democratic nonprofit organization that fights against economic, racial, and social injustice; Coalition for Economic Survival, a nonprofit that empowers, educates, and organizes tenants living in subsidized housing to ensure tenants' rights to safe, affordable housing; and Tenants Together, a nonprofit dedicated to defending and advancing the rights of California tenants to safe, decent, and affordable housing.

SWOT ANALYSIS

Strengths

SAJE's expanded vision (its holistic approach to cover both short-term issues and long-term advocacy) sets SAJE apart from competitors who only focus on reacting to current housing equity issues, which could be a differentiator to prospective donors. SAJE has a strong reputation with its highly talented staff experts in tenant rights and economic justice, successfully covering various issues. SAJE received more funding in 2018-2022, resulting in exponential growth. As part of that expansion, SAJE founded a Communications Department in 2020, enabling SAJE to dedicate focused resources to social media and written communications. Subsequently, in 2022 SAJE formed a new Development Department focused on diversifying revenue streams, including outreach to private donors. In addition, SAJE's Executive Director works closely with a contracted part-time consultant to apply for and secure grants.

Weaknesses

SAJE has limited brand recognition among low-income tenants in an increasingly crowded market. They also struggle to prioritize long-term storytelling in their branding because SAJE is bombarded with a constantly changing, chaotic environment. The Communications and Development Departments have limited expertise in marketing principles and minimal manpower—the Communications Department consists of just one Communications Director (in charge of the website and all written communications), one Communications Specialist (in charge of content creation and managing social media platforms), and one part-time Communications Assistant (handles photography and video production). Unrestricted grants and donations unrelated to specific deliverables typically fund these positions. With 12 active campaigns at SAJE, the Communications Department regularly operates at full capacity. In addition, SAJE cannot link its social media platforms directly to fundraising success, which has the leadership questioning its marketing effectiveness. SAJE needs to attract more private donors to diversify its funding streams and learn how to better balance how it communicates its long-term vision and stories versus its urgent day-to-day alerts and events.

Opportunities

SAJE has identified an untapped market of private donors who have not been reached yet but are highly interested in solving the housing crisis and homelessness. New funding from

private donors would allow SAJE to prioritize its most important projects and goals because private donations come with “no strings attached,” unlike grants with stipulations and strict requirements. To tap into this market, SAJE should increase the volume and consistency of its communication to prospective donors and local businesses and companies. SAJE will leverage its vision and expertise to build a stronger reputation and use its existing networks and supporters to grow its private donor base. In 2022, SAJE hired a Development Associate whose primary focus is to organize fundraising events and increase the number of future private donors—this opens the door for more revenue stream diversification. In addition, SAJE will be hosting its first annual Gala event to raise money. Engaging with private donors can create and build trustworthy, long-lasting relationships, which may produce additional leads. That way, these private donors are more willing to provide more resources for the company, which may benefit SAJE in the long run.

Threats

Los Angeles is leading the nation in homelessness. New entrants into the housing equity nonprofit industry will lead to more competition for government and foundation grants, with limited funding available yearly. Diversifying funding streams would help SAJE mitigate the threat of grant competition and economic downturns. In addition, government and private foundation grants could dry up if there is a recession, significantly hurting SAJE’s revenue stream. Homelessness can be controversial; donors who care about the issue may have different opinions on how SAJE should deploy its funds.

TOWS MATRIX: See Appendix 2

DEVELOPING COMPETITIVE ADVANTAGES

SAJE has two main sustainable competitive advantages. First, SAJE stands out from other nonprofit housing organizations because of its primary focus on jointly advocating for long-term economic justice policy change alongside short-term housing rights issues. For example, SAJE collaborated with several alliances to settle with the state of California over the Covid-19 rent relief program’s eligibility. In the meantime, they organized the community and helped individual members make a case for larger policy advocacy. The long-term and short-term approaches create synergy with each other. SAJE conducts original studies for policy advocacy. The members eligible for the policy can serve as case studies or focus groups. The studies, in turn, help SAJE educate the members and the landlords. The competitors tend to focus on either short-term housing assistance to the members or long-term policy advocacy. Second, SAJE has developed a strong partnership with local governments (e.g., the City of Los Angeles and Los Angeles County) and with reputable philanthropic foundations. The relationship helped SAJE stay ahead of potential policy opportunities and engage in bolder advocacy, such as the Fareless Transit in Los Angeles. Both of SAJE’s sustainable competitive advantages are difficult to replicate and offer SAJE a competitive edge to receive more government funding, add additional resources, and gain new partnerships with future donors.

MARKETING GOALS AND OBJECTIVES

The goal is to provide a well-researched Marketing Proposal to the SAJE Communications Department, which accounts for the constraints on SAJE's resources but offers feasible and actionable recommendations. If successful, this plan will drive a broader and deeper base of private donors to SAJE—measured by increasing the makeup of SAJE's revenue streams from 10% private donations to at least 30%.

The Communications Department's mission is to increase awareness and appreciation of SAJE with key audiences and the public to advance their agenda and raise money, as aforementioned in the SWOT Analysis. One of their core objectives is to balance better long-term storytelling about economic justice successes with short-term events and announcements on SAJE's social media.

MARKETING STRATEGY AND MARKETING MIX—TARGETING & POSITIONING

Primary Targeting Mix

For SAJE to diversify its revenue streams effectively, it should focus on three main targets: first, wealthy liberal donors who are passionate about housing rights issues and homelessness. Second, target companies in the housing industry, asking them to provide in-kind donations to unhoused members. Third, contact non-housing-related companies in Los Angeles that want to sponsor SAJE events for local exposure (*corporate social responsibility*).

Marketing Positioning - 4Ps

Product

Product - 1 - Individual Donors

To improve donor engagement, the Communications and Development Departments should create a quarterly e-newsletter highlighting SAJE's accomplishments and plans. When new donors give, the Development Associate can work with SAJE members to send out personalized "Thank You for Your Donation" letters and videos. SAJE can enhance the "prestige" associated with donating by hosting, for example, an annual VIP Donor Luncheon. SAJE can establish "Donor Loyalty Rewards," for example, swag like SAJE-branded t-shirts, mugs, and backpacks for repeat donors.

Product - 2 - For-Profit Housing Corporations

Partnering with companies, contractors, and suppliers in the housing industry, for example, Boxabl. Boxabl is an American housing construction technology company that provides a prefabricated home to form a self-contained transportable housing unit. SAJE could build partnerships with companies like Boxabl, where the housing companies donate goods and services for members, and in exchange, the housing companies receive positive public relationships. SAJE can demonstrate to private donors that they provide the best tenant resources among its competitors.

Product - 3 - For-Profit Los Angeles Corporations (Outside Housing Industry)

SAJE could partner with local, Los Angeles-based companies (even those outside the housing industry), for example, Disney, Hulu, and Snapchat. SAJE would invite these corporations to sponsor SAJE events and activities (e.g., rallies or fundraisers). In exchange, the companies would display their logo in event materials (e.g., t-shirts, posters, pamphlets) for positive marketing and press exposure.

Price*Price (All 3 Segments)*

To incentivize diverse individual and corporate donors, SAJE should define and advertise donation levels with increasingly attractive rewards (e.g., your name/company logo on SAJE Rally T-Shirts; your name/company logo on our website; your name as a presenting sponsor at SAJE's Annual Gala). Also, adopt existing platforms that SAJE can use to be discovered by anonymous donors who care about economic and housing justice but may only want to make a "one-time" or project-specific donation (e.g., GoFundMe projects; PayPal Giving Fund). Offer more Luncheons, Galas, and similar paid experiences for donors and corporate sponsors.

Promotion*Promotion - 1 - Individual Donors*

Invite individual donors to volunteer with SAJE, such as at rallies and clinics. Invite donors to "meet-and-greet" SAJE members to experience SAJE's impact firsthand. Create targeted fundraising drives tailored to specific campaign work (e.g., send Keep LA Housed and Right to Counsel campaign work information to private donors who care about homelessness). Make videos, testimonials, and impact data accessible on the SAJE website. Launch a physical mailing campaign to prospective and past donors (e.g., outreach to "LYBUNT" donors who gave Last Year But Unfortunately Not This year). Examples of campaign content include impact reports sent virtually and physically to highlight how donations made a difference to SAJE and upcoming plans and goals. Host fundraising events like galas to expand SAJE's brand and donor exposure. Host annual telethons (televised fundraising events) via TikTok to collect small, one-time donations. Adopt CRM and Communication technologies (e.g., Salesforce; Mailchimp) to manage donor relationships and data.

Promotion - 2 - For-Profit Housing Corporations

Reach out to targeted for-profit housing corporations to propose a potential bilateral partnership where SAJE members receive free or discounted goods/services, and the donating company receives exposure and positive public relationships.

Promotion - 3 - For-Profit Los Angeles Corporations (Outside Housing Industry)

Invite groups of employees of Los Angeles companies to volunteer with SAJE in exchange for the company paying a nominal donation. By creating this relationship with L.A.-based

employees, the individual employees will be more likely to donate to SAJE and consider them for future volunteering. This can also open the door for larger sponsorships.

Place

Place - 1 - Individual Donors

SAJE should publish content on its blog that includes member and donor testimonials. Social media should be reserved for reaching tenants and activists—avoid asking for donations on social media since this alienates and anger SAJE’s members and activist audiences. On the SAJE website, redesign the “donate” landing page to allow donors to engage with SAJE (e.g., leave a comment), add the ability to choose a specific campaign or project to donate to, and automatically subscribe donors to the new quarterly e-newsletter. Also, add donor profiles and highlight donors’ contributions and impact. Host events for prospective and current donors in the physical L.A. office.

Place - 2 - For-Profit Housing Corporations

If SAJE has a sufficient budget, it could send its Development Associate to meet with housing corporations to discuss and close partnership opportunities. However, knowing this is likely a constraint, SAJE should invite housing corporations to meet SAJE virtually via Zoom or on-site at their Los Angeles office.

Place - 3 - For-Profit Los Angeles Corporations (Outside Housing Industry)

Given that SAJE and its employees are based in Los Angeles, their Development team should travel to local companies to pitch the benefits of sponsoring SAJE to L.A.-based companies. They can also invite local companies to come to SAJE’s office or its local events to experience the power of SAJE for themselves.

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APPENDIX 1: GE MATRIX

| | | | | |
|------------------------------------|---------------|-------------|---------------|---------------|
| Market Attractiveness | <i>High</i> | | | |
| | <i>Medium</i> | | | |
| | <i>Low</i> | | | |
| | | <i>Weak</i> | <i>Medium</i> | <i>Strong</i> |
| SAJE's Competitive Strength | | | | |

APPENDIX 2: TOWS MATRIX

| | Strengths | Weaknesses |
|---|---|--|
| | <ul style="list-style-type: none"> Strong reputation (members) Exponential growth New Communications Department New Development Department Talented and highly-driven staff Holistic approach | <ul style="list-style-type: none"> Limited brand recognition by low-income tenants in an increasingly crowded market constantly changing environment. Limited Resources Social media platforms have never been successful platforms for SAJE fundraising |
| Opportunities | SO – Strategies | WO – Opportunities |
| <ul style="list-style-type: none"> Untapped market of private donors & corporations Increase communications Build reputation Use existing networks and supporters to grow donor base More fundraising events | Its expanded vision sets SAJE apart from competitors who only focus on reacting to current tenant problems. This could be a differentiator for prospective donors and corporate sponsors. | New funding from private donors would allow SAJE to prioritize its most important projects because private donations come with “no strings attached.” Engaging with private donors can create long-lasting relationships. |
| Threats | ST – Strategies | WT – Opportunities |
| <ul style="list-style-type: none"> New entrants into the housing equity nonprofit industry = more competition for grants Potential recession = grants could dry up | Diversifying funding streams would mitigate the threat of grant competition and economic downturn. SAJE should invest and save funding year-to-year to ensure a “nest egg” in case of worsening economic environments. | SAJE should implement marketing strategies to attract more private donors. SAJE also needs to balance better how it communicates its long-term vision and stories with the urgent day-to-day alerts and events. |

WEB APPENDIX: CHATGPT CO-PILOT

Reflection

The objective was to feed concise and direct questions to ChatGPT that would help identify additional resources to support our holistic approach in our recommendations. In return, some of the prompt responses complemented our recommendations which helped solidify our approach to the main issue where the client requested support with. Most of the ChatGPT prompts referred to the “who” and “how” to narrow down specific answer responses. The idea was to (1) identify key players (who) and (2) describe the actions (how) to apply with said key players.

ChatGPT 3.5 Prompts and Responses

Prompt 1: Who can nonprofit organizations partner with?

1. Nonprofit organizations can partner with various entities, such as
 - a. Local businesses and corporations
 - b. Foundations and grantmaking organizations
 - c. Government agencies
 - d. Other nonprofits and community organizations,
 - e. Educational institutions
 - f. Faith-based organizations,
 - g. Individual philanthropists and activists

Prompt 2: How can nonprofit organizations identify potential donors?

2. Nonprofit organizations can identify potential donors by:
 - a. Researching grant databases and foundation directories
 - b. Attending networking events and conferences
 - c. Building relationships with local businesses and community leaders
 - d. Connecting with alums or previous beneficiaries
 - e. Utilizing social media and online crowdfunding platforms
 - f. Collaborating with other nonprofits and community organizations

Prompt 3: Who are potential donors for nonprofit organizations?

3. Potential donors include:
 - a. Individuals
 - b. Local businesses and corporations
 - c. Foundations and grantmaking organizations
 - d. Government agencies
 - e. Community organizations
 - f. Faith-based organizations
 - g. Alums or previous beneficiaries

Prompt 4: Who can nonprofit organizations partner with to identify potential donors?

4. Nonprofit organizations can partner with entities such as fundraising consultants, grant-writing professionals, or other nonprofits to identify potential donors.

Prompt 5: Who should nonprofit organizations collaborate with to identify potential donors?

5. Nonprofit organizations should collaborate with partners who deeply understand their mission and target audience, such as other nonprofits, community organizations, grant-writing professionals, or fundraising consultants.

Prompt 6: Which private donors support economic justice issues?

6. Private donors supporting economic justice and housing rights may include individuals or organizations focused on income inequality, fair wages, labor rights, or equitable resource access. Examples include the Ford Foundation, Open Society Foundations, and the W.K. Kellogg Foundation.

Prompt 7: Which private donors support housing rights issues?

7. Private donors supporting housing rights issues may include individuals or organizations focused on affordable housing, homelessness, tenants' rights, or fair housing policies. Examples include the MacArthur Foundation, the Gates Foundation, and the Kresge Foundation.

Prompt 8: How can nonprofit organizations collaborate with partners to identify potential donors?

8. Nonprofit organizations can collaborate with partners to identify potential donors by:
 - a. Sharing resources and knowledge about donor prospects
 - b. Co-hosting fundraising events or campaigns
 - c. Collaborating on grant applications and proposals
 - d. Developing joint programs or initiatives to attract funding
 - e. Utilizing partner networks to expand reach and connections

Prompt 9: How does a nonprofit organization start looking for potential donors?

9. A nonprofit organization can start looking for potential donors by:
 - a. Assessing their funding needs and priorities
 - b. Creating a clear and compelling case for support
 - c. Researching potential funding sources, such as foundations, corporations, or government grants
 - d. Building relationships with community leaders, local businesses, and other nonprofits
 - e. Develop a fundraising plan that includes various strategies, such as events, online campaigns, or major gifts

Prompt 10: How does a nonprofit raise money with private donors?

10. A nonprofit can raise money with private donors by:
 - a. Cultivating relationships with potential donors through networking events and personal connections
 - b. Creating a compelling case for support that demonstrates the impact of the organization's work
 - c. Developing targeted fundraising campaigns and strategies, such as major gifts, planned giving, or online crowdfunding
 - d. Regularly communicate with donors to maintain engagement and update them on the organization's progress
 - e. Expressing gratitude and appreciation for their support through personalized thank-you notes, recognition events, or public acknowledgments.