Cause Related Marketing.
How for-profit and not-for-profit brand managers can work
together for the benefit of stakeholders

David Bishop

A thesis submitted for the degree of Doctor of Philosophy
in the Department of Marketing
at the University of Otago, Dunedin, New Zealand

December 2012
Abstract

This research investigates the attitudes and beliefs of marketing managers in For Profit Organisations (FPOs) and Not For Profit Organisations (NFPOs) towards and about each other in order to find what factors influence how productive any joint marketing relationship between them might be. The potential value of this research increased in the first decade of the 21st century as public trust of business declined and FPOs sought to improve their image by being seen as good citizens. Associating their brands with respected NFPO brands through activity such as Cause Related Marketing (CRM), or simply assisting NFPOs as a means of demonstrating Corporate Social Responsibility (CSR), is a growing feature of marketing activity by FPOs.

A literature review summarises the key differences between FPOs and NFPOs. The literature on brands and the differences between the brands of the two types of organisation are reviewed with particular reference to those situations where brands might work together, such as is the case with CRM. Past research has shown there to be an imbalance of power between the two organisations in such activity. The primary qualitative research reported here shows how the balance of power has changed in recent years and what factors may contribute to any imbalances and influence the way that FP and NFP managers will manage their brands in a CRM context.

The findings show that historically there has been an imbalance of power based on four key factors: Firstly that NFPOs generally focus on their need to raise funds and do not push potential FPO partners hard enough; secondly that NFPOs fail to realise the full benefits that association with their brand might bring to a FPO brand; thirdly that FPO managers are seen by both FPO and NFPO managers as being superior to NFPO managers and lastly: the two organisations usually have quite different management styles which can lead to conflicts between the two.

This thesis provides a view of the world in which managers from the two types of organisation can work together and advances new theories as to how the effectiveness of both can be improved for the benefit of all concerned: FPOs, NFPOs and stakeholders including customers, beneficiaries and society in general.
Acknowledgments

This thesis has taken six years to complete. Its presentation represents the transition of its author from a marketing practitioner and teacher to a marketing academic. At times it has seemed as if it would never be completed, but now it has.

The thesis itself is expected to be useful to people with an interest in improving their marketing performance. For the researcher it has provided the opportunity to develop improved research skills and learn more about the world of marketing in a variety of organisations. This then conforms to the requirement that teachers in tertiary institutions should be research informed. This teacher is now better informed not only about the particular situations investigated but also about the ways in which such research is conducted. Future students will benefit from this.

The research shows how important it is that people understand each other, and have mutual respect for what each brings to any activity. This is particularly so with the people who have assisted with this research:

Dr Robert Hamlin & Dr James Henry of the Department of Marketing, University of Otago. As supervisors they have been very patient and occasionally, quite rightly, impatient. Very knowledgeable, always supportive, always positive.

The staff and students of the Marketing Department, University of Otago, who have encouraged, inspired, amused and motivated me as a very mature student over the last six years.

The many marketing practitioners who willingly gave of their time to be interviewed in the field work for this research. The conditions under which this research was conducted prevent their names being mentioned, but they will know who they are.

Finally, my family: Polly who has been so patient and understanding, and our two sons. I had a race with Andrew and Simon with the intention of beating them to their postgraduate degrees. They both beat me... but only just.
# Table of contents.

**Chapter 1: Introduction.**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 The Research Problem</td>
<td>12</td>
</tr>
<tr>
<td>1.2 Initial stimulus for the research</td>
<td>13</td>
</tr>
<tr>
<td>1.3 Structure of the thesis</td>
<td>13</td>
</tr>
<tr>
<td>1.4 Summarised outcome of the research</td>
<td>14</td>
</tr>
<tr>
<td>1.5 Specific contributions of the research</td>
<td>15</td>
</tr>
<tr>
<td>1.6 Theoretical underpinnings</td>
<td>16</td>
</tr>
<tr>
<td>1.7 Limitations</td>
<td>16</td>
</tr>
</tbody>
</table>

**Chapter 2: Literature review and background discussion.**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Introduction</td>
<td>17</td>
</tr>
<tr>
<td>2.2 Definitions of terminology as adopted for this thesis</td>
<td>18</td>
</tr>
<tr>
<td>2.3 Overview of organisational structures.</td>
<td></td>
</tr>
<tr>
<td>2.3.1 Historical background and legal status</td>
<td>20</td>
</tr>
<tr>
<td>2.3.2 How the legal status of an organisation influences its behaviour in the marketplace</td>
<td>22</td>
</tr>
<tr>
<td>2.4 Organisational structures and focus</td>
<td>23</td>
</tr>
<tr>
<td>2.4.1 For Profit organisations</td>
<td>23</td>
</tr>
<tr>
<td>2.4.2 Not for Profit organisations</td>
<td>25</td>
</tr>
<tr>
<td>2.4.3 The social enterprise spectrum</td>
<td>32</td>
</tr>
<tr>
<td>2.4.4 Management of NFPOs</td>
<td>34</td>
</tr>
<tr>
<td>2.4.5 Charities in New Zealand</td>
<td>36</td>
</tr>
<tr>
<td>2.4.6 Sources of income for NFPOs. NFP fundraising and resource attraction</td>
<td>38</td>
</tr>
<tr>
<td>2.4.7 Competitive situations for NFPOs</td>
<td>47</td>
</tr>
<tr>
<td>2.4.8 Satisfaction for both the donor and the recipient</td>
<td>48</td>
</tr>
<tr>
<td>2.5 Brands</td>
<td></td>
</tr>
<tr>
<td>2.5.1 What is a brand?</td>
<td>50</td>
</tr>
<tr>
<td>2.5.2 Brand image</td>
<td>52</td>
</tr>
<tr>
<td>2.5.3 Brand image</td>
<td>61</td>
</tr>
</tbody>
</table>
2.5.3 Components of a brand .......................................................................................... 53
2.5.4 Brand positioning and differentiation ................................................................. 55
2.5.5 Brand value .......................................................................................................... 56
2.5.6 Brand equity ........................................................................................................ 58
2.6. FP and NFP Brands ................................................................................................. 62
  2.6.1 Branding in NFPOs ............................................................................................ 62
  2.6.2 Some NFPOs fail to realise that they own a brand ........................................... 63
2.7. Brand management ................................................................................................. 64
  2.7.1 Brand management in NFPOs ........................................................................... 68
2.8. Social Marketing, Corporate Social Responsibility and Cause Related marketing ....... 75
  2.8.1 Social Marketing ............................................................................................... 75
  2.8.2 Corporate Social responsibility ......................................................................... 77
  2.8.3 The people factor in CSR ................................................................................ 82
  2.8.4 Cause Related Marketing ................................................................................ 82
  2.8.5 Potential hazards in cause-related marketing .................................................. 89
  2.8.6 Relationship between CRM and Sponsorship ............................................... 91
2.9. FP and NFP cooperation in CRM contexts .......................................................... 92
  2.9.1 Mutually satisfying transactions between FPOs and NFPOs .............................. 92
2.10 Summary of literature review .................................................................................. 93

Chapter 3: Research propositions.

3.1 Issues emerging from the literature review ......................................................... 94
3.2 The research problem .......................................................................................... 95
3.3 Research Propositions ......................................................................................... 95
3.4 Testing the research propositions ....................................................................... 97

Chapter 4: Research Methodology.

4.1 Introduction ........................................................................................................... 98
4.2 Restatement of the research problem ................................................................... 98
4.3 Research Methodologies found in the literature ................................................ 99
4.4 Selecting the research paradigm ......................................................................... 100
  4.4.1 Thomas’s General Inductive Approach ......................................................... 102
4.4.2 The Post Positivist Paradigm ................................................................. 102
4.4.3 Qualitative -v- Quantitative Research .................................................. 103
4.4.4 In depth interviews .............................................................................. 104
4.4.5 Inductive and deductive approaches ..................................................... 106
4.4.6 The paradigm selected ........................................................................... 107

4.5 Methodology ......................................................................................................... 108
4.5.1 Face-to-Face interviews ....................................................................... 109
4.5.2 Structured -v- Unstructured Interviews ............................................... 109
4.5.3 Research Sample .................................................................................. 111
4.5.4 Validity of the sample .......................................................................... 113
4.5.5 Recruitment of respondents ................................................................. 114
4.5.6 Stated objectives of the research .......................................................... 114
4.5.7 Analysis of interviews .......................................................................... 115
4.5.8 More on how data was analysed ........................................................... 115
4.5.9 Why a thematic analysis is appropriate to this research ....................... 116
4.5.10 Application of the techniques ............................................................... 116
4.5.11 Pretesting of the interview questions .................................................... 119
4.5.12 Multiple interviews within some organisations ..................................... 119
4.5.13 Ethical considerations .......................................................................... 120
4.5.14 How the questions were asked and responses were recorded .......... 120

4.6 Research objectives and groups of questions .................................................... 121
4.6.1 The questions asked ............................................................................... 121

Chapter 5: Research findings.

5.1 Introduction ....................................................................................................... 123
5.2 The findings ....................................................................................................... 123
5.2.1 Question 2 ................................................................................................. 124
5.2.2 Question 3 ................................................................................................. 124
5.2.3 Question 4 ................................................................................................. 124
5.2.4 Question 5 (a) ........................................................................................... 125
5.2.5 Question 5 (b) ........................................................................................... 126
5.2.6 Question 5 (c) ........................................................................................... 126
5.2.7 Question 6 (a) ........................................................................................................ 127
5.2.8 Question 6 (b) ........................................................................................................ 127
5.2.9 Question 7 .............................................................................................................. 128
5.2.10 Question 8 ............................................................................................................ 128
5.2.11 Question 9 ............................................................................................................ 129
5.2.12 Question 10 (a) .................................................................................................... 130
5.2.13 Question 10 (b) .................................................................................................... 136
5.2.14 Question 10 (c) .................................................................................................... 144
5.2.15 Question 11 (a) .................................................................................................... 146
5.2.16 Question 11 (b) .................................................................................................... 148
5.2.17 Question 11 (c) .................................................................................................... 149
5.2.18 Question 11 (d) .................................................................................................... 153
5.2.19 Question 11 (e) .................................................................................................... 155
5.3 Summary of Research findings .................................................................................. 161

Chapter 6: Analysis and discussion of findings.

6.1 Ways in which managers perceive themselves and other managers and brands in society .................................................................................................................. 162
  6.1.1 Managers perceive themselves and other managers differently ............... 163
  6.1.2 Managers perceptions of the importance of brands to their respective organisations can differ .......................................................................................................... 163
  6.1.3 Managers’ perceptions of their brands’ differ only slightly ..................... 164
  6.1.4 FP and NFP brands are seen as being managed differently ..................... 164
  6.1.5 Awareness of brand value is influenced by different personal agendas and length of experience of managers ............................................................. 164
  6.1.6 Perceptions of competition between brands are different ...................... 165
  6.1.7 FP and NFP managers have different means of measuring success ....... 166
  6.1.8 Managers are aware of increasing public distrust of businesses ............ 166
  6.1.9 How FPO managers view their organisations and roles within them ... 167
  6.1.10 How NFPO Managers view themselves.................................................... 167
  6.1.11 How NFPO managers view their organisations and their roles .......... 168
  6.1.12 How FPO managers view NFPO organisations and their managers .... 168
  6.1.13 How NFPO managers view FPO organisations and their managers .... 168
6.1.14 Issues arising from people’s perceptions of other people and their organisations .......................................................................................................................................................................................... 169

6.2. Perceptions of brands differ in FP and NFP contexts ................................................................................................................................. 169
6.2.1 The public’s trust of brands ........................................................................................................................................................................... 170
6.2.2 Managers’ assumptions about public awareness of NFPOs .......................................................................................................................... 171
6.2.3 Managers realise the possible risks to the public image of brands of being involved in inappropriate activity or associating with other brands ......................... 172
6.2.4 Managers realise the risks to NFPO brands of being more focussed on fund acquisition than careful management of their brands ......................... 173
6.2.5 Managers’ perceptions of consumer interactions with FP and NFP brands ...................................................................................................................... 173
6.2.6 Different levels of brand awareness .................................................................................................................................................................. 174
6.2.7 Managers describe the differences between FP and NP organisations . 174
6.2.8 FPO brand sincerity -v- NFPO brand sincerity .................................................................................................................................................. 175

6.3. There are various causes of conflict between FP and NFP managers ........................................................................................................... 176
6.3.1 FPOs are resistant to long term commitments to particular NFPOs in CRM .............................................................................................................. 177
6.3.2 The importance of personal relationships in CRM management ................. 177
6.3.3 FP managers may regard themselves as being superior to NFP managers and be inclined to dominate CRM relationships .................................................. 178
6.3.4 Different levels of business education and personal motivation ................. 178
6.3.5 FP peoples’ perceptions of NFP people ......................................................................................................................................................... 179
6.3.6 FP peoples’ perceptions of FP people .......................................................................................................................................................... 179
6.3.7 NFP people’s perceptions of FP people .......................................................................................................................................................... 179
6.3.8 NFP people’s perceptions of NFP people ......................................................................................................................................................... 180
6.3.9 Different interpersonal skills required in FPOs and NFPOs ......................... 181
6.3.10 Potential for interpersonal conflict between NFPO and FPO people ... 181

6.4. Uncertainty as to where the power lies in CRM relationships ................... 182
6.5 Differing views on how CRM is managed .................................................................................................................................................................... 184
6.5.1 CRM is often regarded as short term marketing activity by FPOs .......... 184
6.5.2 Wider benefits of CRM ....................................................................................................................................................................................... 185
6.5.3 Difficulties in withdrawing from CRM ....................................................................................................................................................... 186
6.5.4 CRM as an internal marketing tool for FPOs ............................................................................................................................................. 187
6.5.5 The attractiveness of some NFPOs as CRM partners can change .......... 187
6.5.6 Residuals from previous CRM .............................................................. 188
6.5.7 Reliability of NFPO people is important ........................................... 188
6.5.8 Power shifts in CRM .......................................................................... 189
6.5.9 Concepts of partnership in CRM ......................................................... 190
6.5.10 NFP managers may feel inferior when dealing with FPO managers ..... 191
6.5.11 Interpersonal relationships ................................................................. 191
6.5.12 National -v- local CRM management ............................................... 192
6.5.13 FPOs becoming more astute ............................................................... 193
6.5.14 ‘Fit’ as a factor contributing to the success or failure of CRM .......... 193
6.5.15 NFPs need to understand what drives FPOs ...................................... 195
6.5.16 Need for a vision of how the CRM relationship should develop ....... 196
6.5.17 Who really develops CRM and how ............................................... 196
6.5.18 CRM can take a long time to organise ............................................. 199
6.5.19 The value of NFP brands to FPO brands .......................................... 199
6.5.20 Converting FPO managers to be supporters of the NFPO cause ....... 199
6.5.21 Respect ............................................................................................ 200
6.5.22 How FPO managers view CRM ....................................................... 201
6.5.23 How NFPO managers view CRM ..................................................... 202

Chapter 7: Conclusions drawn from the research and implications for theory.

7.1 Reiteration of the original propositions upon which the research was constructed and the researcher's responses based on the research findings .......................... 204
7.2 New Theory proposed .............................................................................. 205
  7.2.1 Based on P1: NFPO brands represent valuable, but potentially underutilised, resources for FPOs ................................................................. 206
  7.2.2 Based on P2: FPOs need to work in partnership with NFPO brands for CSR and / or CRM activity to work ............................................................. 208
  7.2.3 Based on P3: Misunderstandings between personnel in FP and NFP Organisations may lead to failure to maximise the return on CRM marketing activities ............................................................. 210
  7.2.4 Based on: P4 FPOs are resistant to long term commitments to particular NFPOs in CRM ..................................................................................... 212
7.2.5 Based on: P5. A mind set based on acquiring untagged/unattributed ‘donations’ exists within many NFPOs ............................................................. 214

7.2.6 Based on: P6 FP Managers regard themselves as being superior to NFP managers ............................................................................................................. 216

7.2.7 Based on: P7 NFP managers regard themselves as being inferior to FP managers ............................................................................................................ 218

7.3 Concluding comments ....................................................................................... 221

7.4 What this research set out to do ......................................................................... 222

7.4.1 What the research has contributed ................................................................. 222

7.5 Limitations ......................................................................................................... 226

7.5.1 Sample size and geographical limitation ......................................................... 226

7.5.2 The adoption of CRM and CSR ................................................................. 226

7.6 Future research ................................................................................................. 227

Chapter 8: References and Appendices.

8.1 References ......................................................................................................... 228

8.2 Appendices

8.2.1 Appendix 1. Selected verbatim quotes from interviews (CD) ................. 255

8.2.2 Appendix 2. Tabulation, in general terms, of responses to questions ... 256

8.2.3 Appendix 3. Historical background notes ................................................. 261

8.2.4 Appendix 4. Two case studies unearthed during this research .......... 263

8.2.5 Appendix 5. Proof of ethical approval ...................................................... 265
Chapter 1. Introduction.

1.1 The Research Problem: Brand Management in the context of Cause Related Marketing.

“When Cause Related Marketing is undertaken, what inter-organisational factors may determine whether it will be successful or not?”

Cause Related Marketing (CRM) is activity in which a commercial brand seeks to enhance its image by associating itself with a good ‘cause’, generally a charity. Usually the commercial brand offers to make a payment to the charity in return for a customer’s purchase of one or more of its products.

Organisations, whether For Profit Organisations (FPOs) or Not For profit organisations (NFPOs), all have brands. The academic literature traditionally takes the view that a brand is something that is positively created as a means of adding value to a product or service, and readings on the subject usually go on to discuss some aspect of brand management from either the point of view of the proprietor of the brand or the user of the brand. The situations in which FP and NFP brands work together has only received considerable attention by academics in relatively recent times, the particular area of CRM having been first discussed in detail by Varadarajan & Menon (1988). CRM can best be explained as an arrangement in which a FPO offers to make a contribution to a cause that the FPO’s customers support, in return for purchasing specified products.

Typically CRM relationships are seen as being beneficial for all parties: The commercial marketer gets the benefits of a special claim, possibly only an association, to increase sales to its publics; the charity, usually embodied in a NFPO, receives income or support at little or no financial cost to itself. As a result consumers receive an opportunity to support a cause they feel empathy with by doing no more than brand switching or remaining brand loyal when purchasing the products or services of the FPO. (Adkins, 1999; Berglind & Nakata, 2005)

However, there have been some concerns, reported in the media, of causes being less than well served by the commercial organisations they align themselves within CRM activities. The literature suggests that problems arise because there is an imbalance of power and knowledge between the two parties, generally in favour of the for-profit organisation. Either deliberately or by accident the CRM activity does not work as well as it might have been expected to or the
rewards received by the cause are significantly less than a fair distribution of the overall benefits of the CRM activity might have allowed. This research adds to the body of academic knowledge by identifying what some of the underlying reasons for this imbalance might be as a contribution to knowledge.

1.2 Initial stimulus for the research.

The researcher has extensive experience in marketing management as a practitioner. This has been gained in both for-profit (FP) and not-for-profit (NFP) organisations. As a practitioner the researcher became aware that cooperative activity between FPOs and NFPOs was gaining in popularity amongst marketing practitioners in the late 1990s but the outcomes of such activity rarely seemed to be as good as they might have been expected to be.

A conversation between the researcher, as the then marketing manager of a large NFPO, and the General Manager of a large FPO revealed that the FPO person thought that marketing managers in FPOs were superior to those in NFPOs. The reasons for this were not clear.

This research aims to clarify whether this is true or not and what might contribute to this if it is true.

1.3 Structure of the thesis.

The document is composed of eight chapters. Following this introductory chapter:

Chapter 2 reviews and discusses literature pertinent to the research area. This secondary research reviews, summarises, synthesises and critiques the literature and theories on the legal framework for both FPOs and NFPOs, branding and marketing management. It also examines CRM and CSR and a broader description of the NFP sector is given. An understanding of past research reported in the literature is presented as a base for later development of research questions put to practitioners. Information sourced, in part, from Statistics New Zealand, unpublished industry reports and interviews with practitioners is also presented to better assess the nature, size and structure of the NFP sector in New Zealand.
Chapter 3 concentrates on the information gaps identified in Chapter 2 and defines the propositions that were formulated and investigated through the later primary research. The research questions developed to test these propositions are presented and explained.

Chapter 4 outlines the research methodology used to address the questions developed in Chapter 3. The methodology employed is qualitative, exploratory and utilises face-to-face interviews with NFPO and FPO managers to develop and investigate issues identified in the secondary research.

Chapter 5 reports the findings of the primary research.

Chapter 6 discusses the findings and draws comparisons with previous published research and discusses the extent to which the propositions tested were proved or disproved. It identifies themes that emerge from the research.

Chapter 7 discusses the extent to which the propositions put forward in Chapter 3 were supported, or not, by the findings. The implications for brand management in both FP and NFP organisations research and practice, limitations and opportunities for further research are then discussed.

Chapter 8 consist of, firstly, a list of references and secondly an appendices section in which material that gives additional depth to what is reported in the body of the thesis is made available.

**1.4 Summarised outcome of the research.**

The research generated new understandings of the ways in which NFPO and FPO brands and their managers inter-relate within the context of CRM.

Descriptions of determining factors and barriers to successful CRM relationships from the perspective of FPOs and NFPOs were created from the research findings. The research propositions developed from the literature review and their validity was then tested against the information revealed by the research. From this new theory was generated.
This work is important because the roles of NFPOs in CRM may still be seriously under researched. Various implications of this are considered. In particular there appears to be a serious imbalance of academic attention with much given to the FPO partners and stakeholders while very little is directed at the role of the NFPO, and its marketing staff, in any such cooperative arrangement.

The significance of solving this problem is that NFPOs and FPOs may not be maximising the productivity of CRM activity and a better understanding of how NFPO and FPO brands interact is needed. The apparently growing area of CSR also requires channels for these efforts which are usually connected with NFPOs and their core activities.

1.5 Specific contributions of the research.

The NFP sector is a significant and growing part of most developed economies (Hibbert & Horne, 1996; Dixon, 1997; Bennett, 1998; Sargeant, 1999; Chaney & Dolli, 2001). Few articles have been published, in the academic or practitioner arenas, to develop an understanding of how NFPOs manage their brands. This thesis draws together existing information on how brands in NFPOs are managed in New Zealand and in other countries as a background to understanding how CRM works. While originally inspired by the researcher’s personal practitioner experience and further encouraged by Hankinson’s (2001) mainly quantitative research, this research is qualitative in nature. The reasons for the methodological differences are, as explained in Chapter 4, because the research explores if, and if so how, FPOs and NFPOs capitalise on the value of their brands in CRM and then identifies the management issues and other factors, internal and external, which might influence how the two types of brand might interact.

The results of this research are valuable in that they develop theory that can be used to improve brand management practice in CRM for both FPOs and NFPOs which could lead to more productive joint activity for all concerned.
1.6 Theoretical underpinnings.

The extant theory on CRM states that it brings FP and NFP brands together in activity intended to be of benefit to all parties concerned. There is a significant body of literature on branding (e.g. Aaker, 1996; Kotler, Brown, Adam & Armstrong, 2001; Keller, 2002; Holt 2004; Ehrenberg, 2005) but it is rarely specific to NFPOs. There is general agreement amongst academic writers that NFPOs tend mainly to operate in ‘service’ areas (Gallagher & Weinberg, 1991; Kotler & Andreasen, 1996; Bennett, 1998, 2003; Blankson & Kalafatis, 1999; Hankinson, 2001; Laidler-Kylander & Simonin, 2009), in comparison to FPOs which have a mix of product based and service based brands, yet many of the features of NFPOs are similar to those of FPOs in nature (Blois, 1999, pp. 547-560).

1.7 Limitations.

There are a number of limitations to the generalisability of the findings from the research undertaken in this thesis and are as follows:

1. The primary research is geographically limited to New Zealand and findings may not be reflective of what might be found in other countries, although some respondent organisations will be subsidiaries of multi-national organisations.

2. Due to the small sample size it is unlikely that it gives more than a general indication of what wider behaviours might be. This is in the nature of qualitative research. The results may not apply to some parts of the NFP sector outside of the research sample which is mainly in the charitable sector.

3. This area is of increasing interest to researchers. As a result there have been a number of additional pieces of research published in the academic literature since the field work for this thesis was conducted. As necessary this research is referred to where it adds to the value of cited research. This represents a limitation since the findings of the research which are represented as new may have been replicated in parts. Where later events may effect this thesis some information has been included retrospectively.
Chapter 2. Literature review and background discussion.

2.1 Introduction.

To create an in depth understanding of the key issues surrounding CRM this chapter reviews literature that gives insights into definitions of FP and NFP organisations and the organisational frameworks on which they are built. Literature is reviewed and common themes and points of agreement, and disagreement, identified. The literature on NFP marketing, Branding, FPOs and NFPOs, Marketing, Social Marketing and CRM is reviewed. Where appropriate it also considers areas where these broader categories overlap or a topic needs to be traced back to its historical origins. Given the limited amount of academic literature on the New Zealand situation, the problem is contextualised by reference to industry reports and conversations with practitioners in New Zealand. The structure of the literature review is shown diagrammatically as follows:
2.2 Definitions of the terminology as adopted for this thesis.

**Brand:** “A name, term, sign, symbol or design, or a combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of other sellers.” This is the definition agreed by the American Marketing Association (AMA) in 1960 and virtually unchanged since then. (AMA, 2012)

**Cause Related Marketing (CRM):** “Cause Related Marketing can be defined as a strategic positioning and marketing tool which links a company or brand to a relevant social cause or issue, for mutual benefit.” (Pringle & Thompson, 1999, p. 3.)

In CRM a commercial brand seeks to associate itself with a NFP brand, and generate a relationship which can create benefits for both sides. (Varadarajan & Menon, 1988). The FPO attempts to transfer positive attributes from the NFP brand to its own brand. It may also, without directly transferring brand attributes, enhance its own brand by being seen as assisting a ‘needy’ organisation through lending its strong brand to the weaker NFP brand and asking its supporters to indirectly support the NFP by buying the FP product. Revenue in the form of a fixed sum payment or contributions based pro-rata on FP unit sales is paid by the FPO to the NFPO. (Varadarajan & Menon, 1988; Tennant, 1994: Berglind & Nakata, 2005).

**Charity:** The provision of services to those in need, who do not have means of their own to meet those needs. Usually provided by others who do have resources or can marshall those resources but have no expectation of any financial or other material reward for their actions. This therefore excludes a number of organisations such as sports clubs and societies set up for the betterment of their memberships.

**Corporate Social Responsibility (CSR):** The following definition of CSR is taken from Kitchin (2003, p. 313). “Activities which have no direct short term profit motive, but which they [organisations] perceive to have long term benefits in protecting reputation, quelling future discontent, or building commercialisable goodwill.” At an operational level it is further described as: “The brand specific duties and resultant actions of commercial organisations in relation to their communities of need – defined and delivered outside the core transactional context of the business.” (Kitchin, 2003, p. 316)
**Marketing:** “Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements” (Sargeant, 1999, p. 9). The definition quoted by Sargeant was coined by the English Chartered Institute of Marketing who added the word ‘profitably’ at its conclusion. The use of the word ‘marketing’ assumes adoption of a marketing orientation, the requirements and implications of which will also be reviewed.

**‘For Profit’ Organisation (FPO):** “The social responsibility of business is to increase its profits.” (Friedman, 1970, p. 32) This definition assumes that the organisation under consideration exists to maximise the wealth of the people investing in the enterprise. This may or may not include the people actually involved in running the organisation on a daily basis.

**‘Not for Profit’ Organisation (NFP):** A not for profit organisation is “one that exists to provide for the general betterment of society, through the marshalling of appropriate resources and /or the provision of physical goods and services. Such organisations do not exist to provide for personal profit or gain and do not, as a result, distribute profits or surpluses to shareholders or members. They may however, employ staff and engage in revenue-generating activities designed to help them in fulfilling their mission” (Sargeant, 1999, p. 4).

**Profit:** ‘Profit’ is taken to be ‘the creation of surpluses’ recognised as a financial output from business activity in terms of dividends and other payments to stakeholders in a for-profit business. This is the implied definition used in work by Gallagher and Weinberg (1991, p. 28), Lawson, Tidwell, Rainbird, Loudon & Della Bitta, (1996), Kotler and Andreasen (1996, p. 13). Finding deeper definitions of ‘profit’ in the academic literature proved difficult. Even as recently as 2011 writers, Svensson & Wood (2011) for example, skip over the terms when referring to what they term ‘profit driven’ (PD) organisations.

**Sponsorship:** Sponsorship is an arrangement where a person or organisation gives their support to some form of activity which could be in a variety of activities including cultural, sporting and social. A sponsor provides a resource (usually financial) to the sponsored organisation and in return the sponsored organisation provides benefits such as logo placement in advertising or discounts. (Daellenbach, Davies & Ashill. 2006)

In the interests of brevity some oft repeated terms are reduced to acronyms: For example CRM, CSR, FPO and NFPO as indicated above.
2.3 Overview of Organisational structures.

2.3.1 Historical background to the organisational frameworks and their legal status.

Geoffrey M Hodgson (2002) provides a useful background to the origins of ‘firms’. While legal entities first appear in medieval times the concept of the ‘Firm’, ‘Corporation’ or ‘Company’ developed in Britain during the industrial revolution with one of the first legal definitions being seen in the Company’s Act of 1844. In America similar legislation was enacted in 1837 in Connecticut. “The concept of the firm as a ‘legal fiction’ was thus established in law. By a legal fiction it was meant that a specified organisation could be treated in law as a single individual.” (Hodgson, 2002, p. 40)

An initial assumption made in this research is that brands are managed in different ways in FP and NFPOs because the people who manage the organisations come from different business ‘cultures’. A major driver behind this could be the legal status of the organisations concerned. Many FPOs seek the protection of limited liability but are also bound by laws related to the conduct of companies. The interests of shareholders and the general public are well protected. This creates both limitations and opportunities for managers in FPOs.

NFPOs can be operated by anybody who wishes to do so but, this can involve some personal risks for such people. While NFPOs are not obliged to seek formal legal status they do face a number of restrictions and limitations on what they do because they are subject to the application of common law principles (O’Brien, Sanders & Tennant, 2009) as the law, generally, takes the actions of an unincorporated group as actions taken by each of its members.

Further, since such groups are rarely commercially viable, in contrast to the case of FPOs, most NFPOs in New Zealand decide to formalise their legal personality in a number of ways. It appears that similar actions are taken in the more developed economies around the world. The acquisition of a legal personality applies to larger NFPOs but can also apply to relatively small organisations. As well as giving personal legal protection to individuals legal registration of some sort is necessary if the organisation is to receive funding from government or philanthropic funding agencies. (O’Brien et al., 2009)
As well as giving legal protection a formal legal personality allows NFPOs to claim a special tax status, for example, and gives respectability to the organisation which may underpin the trust of the general public who are becoming more suspicious of the ‘bona fides’ of some organisations that ask for their donations, large or small. Not all NFPOs are concerned with charitable work, as will be seen elsewhere in this literature review.

Membership based organisations, such as sporting or other social clubs in New Zealand, frequently incorporate under the Incorporated Societies Act, 1908. Organisations in the Charitable area usually incorporate themselves under the Charitable Trusts Act, 1957, while others that run as an otherwise commercial organisation with the aim of achieving charitable objectives can be incorporated under the Companies Act. The Governments’ Ministry of Economic development is charged with determining whether or not an organisation is allowed to register as an incorporated society or charity.

Legal status can be established in a number of ways based on the nature of an organisation’s core activities. Each form of incorporation has its own different rules, membership requirements and other aspects of its operation. Dealing with the administration of this can be very onerous, especially where NFPOs are run by volunteers with no specific training or skills in this area. O’Brien et al., (2009) report that compliance can be a major issue for many organisations.

Having a clear legal status is important for NFPOs. As most claim a particular status because they provide ‘public benefits’ they need to be sure that they comply with legal requirements, for the setting up of charitable trusts for example. Some trusts may outlast individual officers of the society and the ownership of its assets needs to be clear. A clearly defined status is required to enjoy tax exemptions and donors may also be able to claim tax concessions for donations if the charity is accepted as a donation gathering organisation by the Inland Revenue Department.

The question of who owns the assets of an incorporated society has been clarified by the Law Commission (Law Commission, 2011, p. 44). In New Zealand an attempt has been made to clarify and simplify issues by the creation of the Charities Commission. Under the Charities Act, 2005, assistance is given to NFPOs to clarify their legal status and registration with the Commission is now regarded as a useful means of establishing the status of a NFPO, particularly in so far as recognition by the tax department is concerned.
It is tempting to think that the establishment of a clear status as a legal entity relates mainly to obtaining tax, and other benefits. (Weisbrod, 1998; Lakdawalla & Philipson, 1998) But, as pointed out by Glaeser & Shleifer (2001) many NFPOs had sought and obtained legal personalities before such status attracted tax benefit in the USA. In New Zealand the ability to claim tax refunds for charitable donations appears to have originated in the Income Tax legislation from 1904. As recently as May 2012 the Charities Commission, when asked, were unable to confirm the exact date. (Personal conversation with a representative of the Charities Commission)

Further historical background to charitable activity in Great Britain is contained in Appendix 3.

2.3.2 How the legal status of an organisation influences its behaviour in the marketplace.

The main difference is in the nature of the way that businesses are run and in their overall objectives.

a) For profit organisations, which are usually funded by risk capital, are bound by legislation such as the Commerce Act and Fair Trading Act in New Zealand and operate to create and distribute wealth to their owners. FPOs can have some level of protection by registration as a limited liability company. Charities are also bound by the same legislation but can have similar protection if they adopt the status of an Incorporated Society. This protects individuals from unlimited liability for unpleasant outcomes. The Companies Act, where it allows for limited liability, also protects individuals and can be used to ring fence member companies of a larger corporate body. Protection from negative outcomes and the freedom to generate positive outcomes alters the balance of decision making when it comes to making business decisions that might be ‘risky.’ Normally the riskier a business initiative might be the higher the likely return needs to be to encourage a business to take a risk. Here a major difference appears between FP and NFPOs. NFPOs are rarely in a position to take a commercial risk as they lack the financial capital to do so while FPOs regularly take such risks.

b) Investing in marketing expenditure. Creating demand or persuading customers to buy is at the heart of free enterprise business. It is expected that a proportion of any income will be spent on developing, supporting or increasing that income with activities such as advertising. This is more difficult for many NFPOs, especially charities. An organisation that is seen to be raising funds
for its cause may undermine its attractiveness to donors if it is seen to be spending its income on anything other than funding the activity that it exists to support. (Pope, Isely & Asamoah-Tutu, 2009; Eikenberry, 2009)

2.4 Organisational structures and focus.

As the main thrust of this thesis is towards improved understanding of how FP and NFP management behaves in CRM a review of the literature on the nature of FPOs and NFPOs, and how they conduct their marketing, is required before looking more closely at the management of CRM in those organisations.

2.4.1 For Profit organisations.

The purpose of an FPO, as expressed by the economist Milton Friedman, is reflected in his definition of what the responsibility of an executive in a FPO should be:

“In a free-enterprise, private property system, a corporate executive is an employee of the owners of the business. He has direct responsibility to his employers. That responsibility is to conduct the business in accordance with their desires, which will generally be to make as much money as possible while conforming to the basic rules of society, both those embodied in law and those embodied in ethical custom.” (Friedman, 1970, p. 32)

Friedman goes on to state that any FP executive who gives his organisation’s money away to charities and the like is guilty of theft, unless the shareholders have explicitly instructed him to do so.

Calvin Coolidge is generally regarded as the first person to say, in the 1920s, that “The business of America is business”. (Kirsch, 2009, p. 352). In 1952 Charles Wilson, the head of General Motors (GM) is often credited with having said “What’s good for the country is good for General Motors and what’s good for General Motors is good for the country [America]”. (By, Burnes & Oswick, 2011, p. 40) The underlying message here appears to be that FP businesses do not and should not be concerned about any other issues than the creation of wealth through their activities.

The events of 2008 - 2012 including the Global Financial Meltdown, failure and recovery of the US Motor Industry, Royal Bank of Scotland, and other financial institutions, Indictment of
Bernie Maldorf (Werhane, Hartman, Archer, Bevan & Clark, 2011) and the collapse of many financial institutions in New Zealand (Yahanpath & Cavanagh, 2011) together with revelations about the practices of Rupert Murdoch’s media empire, to name but a few, cast a shadow over that thinking now. (Randall, 2012). Where business may have once been regarded as respectable by communities that image is now tarnished and trust in big business reduced. A natural justification for businesses’ hard approaches has been the ‘Trickle Down’ theory (Todaro, 1977) that the wealth generated by FPOs is for the benefit of the organisation’s owners but it does filter through to populations in a number of ways: Availability of want satisfying products, economic benefits of production specialisation, wages for employees, payments to suppliers, taxes paid, dividends distributed and the roll on benefits of the expenditure of those cash flows.

A similar theme is noticeable in Adam Smith’s ‘An inquiry into the Nature and Causes of the Wealth of Nations’ (1776). The creation of wealth through business has often generated negative responses from a number of people. Mathew Josephson (1934), for example, coined the term ‘Robber Barons’ to describe leading American industrialists. The use of the word ‘Robber’ suggesting that something is stolen from somebody. More recent events, especially in 2008/2011, with job losses and bail outs for economies such as Greece and not just business corporations, can only have increased public distrust of FPOs that have publicly expressed Friedman like views and then manipulated businesses and customers for the benefit of high level executives. It gets even closer to home when people see state pensions reduced, job losses and foreclosures on people’s homes (Stevenson & Wolfers, 2011).

As the main purpose of this thesis was to improve understanding of how FP and NFP organisations work together in CRM it was not felt necessary to go in to a deep description of how FPOs operate. In the paragraphs that follow the focus is on how NFPOs operate and, where necessary, comment is made on observed similarities and differences to the ways that FPOs operate.

FPOs usually finance their operations from one or more of three main sources: Proprietor owned funds, non-proprietor’s investment in terms of shareholdings and borrowed money. Proprietor’s funds here refer to money owned by the proprietors of the business or borrowed directly by the proprietor. In larger organisations the funds utilised may be from retained profit from earlier operations or inter-company loans within a business.
Non-proprietors’ funds are those typically generated by the issue of share capital. Investors have legal ownership of the business in proportion to the amount that their shareholding represents as a proportion of all shares in the business. Borrowed money may take the form of legally binding agreements to borrow and pay fixed sums of money, usually with a fixed sum of interest payable on the loan linked to a finite period of time. Borrowed money, usually through financial institutions, usually confers no management rights on the lender but, as is the case with a commercial bank as lender, some title to realisable assets of the company may be assigned to the lender as security against the loan. In some cases repayment insurance may be required to be taken out by the lender at the borrower’s expense.

In New Zealand, funding for FPOs is much the same although the country has a reputation for being more conservative and financially responsible. New Zealand had a history of financial stability until early in the 21st Century but, in recent years, has been unable to escape the international effects of the global financial meltdown and the consequences of that (Yahanpath & Cavanagh, 2011).

Marketing, or customer, orientated FP businesses in New Zealand have been taking an increasingly sophisticated approach to how they market themselves. The country’s historical background, as a food-producing outpost of the British Empire, left the country at a disadvantage when Britain looked more and more towards Europe. As a result the country has had to transform itself from a producer of primary products for a limited number of markets to a competitor in world markets. (National Business Review, 2007)

2.4.2 Not for Profit organisations.

“The number of nonprofit organisations has grown enormously over the past twenty years. Not only have their numbers increased but the scope of their work has widened also, to the point where they are involved with almost every aspect of human endeavour – right across the globe.”

(Sargeant, 1999, p. 7)

The origins of many NFPOs in New Zealand, especially charities, lie in British social history before, during and after the industrial revolution. As these origins are not particularly relevant to
this present study they are not discussed further here but a summary of the historical background is attached as Appendix 3.

Not-for-profit organisations operate in a wide range of areas worldwide, a number of these are summarised in Table 2.1.

Table 2.1  Broad categorisation of the NFP sector, based on Kotler & Andreasen (1996) and Sargeant (1999).

<table>
<thead>
<tr>
<th>Category</th>
<th>Areas of activity included</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>General and specific areas of health and rehabilitation; mental health, crisis intervention; mental retardation, developmentally disabled.</td>
</tr>
<tr>
<td>Social</td>
<td>Culture, educational research, education/instruction and related; crime and delinquency prevention, public protection; employment, jobs; housing, shelter; public safety, emergency preparedness, relief; youth development; human service, recreation. Other including multipurpose; civil rights, social action, advocacy; voluntarism, philanthropy and charity; religion related, spiritual development.</td>
</tr>
<tr>
<td>Other</td>
<td>Arts, culture, humanities; environmental quality, protection and beautification; animal related; consumer protection, legal aid; food nutrition, agriculture; recreation, leisure, sports, athletics; international, foreign; fund raising and grant making, foundations; research, politics, planning, science, technology, technical assistance; mutual membership benefit creation. International activities, business and professional associations and unions.</td>
</tr>
</tbody>
</table>

These three broad categories and their components, which may not be exhaustive, illustrate the variety of activities into which NFPOs extend their operations. While this list is mainly based on a classification of NFPOs in the United States, it resembles the range of NFPOs seen in other countries (Sargeant, 1999; Statistics New Zealand, 2007). In terms of content the list validates the assumption that the majority of NFPOs operate in service areas (Lovelock, et al., 2001; Sargeant, 1999; Fisk, John & Grove, 2000).
A comprehensive definition of what the term ‘Not-for-Profit’ means can be synthesised from the tables in this section which summarise the characteristics of a NFPO, cited by leading writers on the subject.

**Table 2.2 Characteristics of not-for-profit organisations.**

<table>
<thead>
<tr>
<th>Characteristics of NFPOs</th>
<th>Significant Contributors in the literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFPOs have many similarities to FPOs, but also some significant differences in their management structures based on multiple stakeholders and the predominantly service based nature of their business and high levels of volunteer labour.</td>
<td>Ramanathan (1982); Balbanis, Stables &amp; Philips, (1997); Hankinson, (2001); Harris &amp; de Chernatony (2001); Laidler-Kylander &amp; Simonin, (2009).</td>
</tr>
</tbody>
</table>

NFPOs are characterised and differentiated from FPOs as organisations that do not seek to make a distribution of profit, in monetary terms, to stakeholders. Instead the profit they generate is maintenance of, or an increase in, welfare for stakeholders, mainly beneficiaries (Drucker, 1990; Sargeant, 1999). Individuals or organisations involved with NFPOs fall into two groups:

1) Beneficiaries, in this context who are those people, groups or organisations that receive the benefit generated as the output of NFPOs.
2) Donors and/or funders which are the main suppliers of the resources required to provide for the running of NFPOs. In some cases the beneficiaries may also be funders where users pay or contribute, as far as they are willing or able, for services received (Shapiro, 1973; Kotler, 1979).

Not-for-profit organisations operate in a wide range of areas. For the purpose of this research a number of categories are summarised in the table below:

**Table 2.3 Number of Non-profit Institutions in New Zealand, by activity group, 2005.**

<table>
<thead>
<tr>
<th>Non-profit Institution activity group</th>
<th>Number of NFPOs</th>
<th>% of all NFPOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Culture and recreation</td>
<td>43,220</td>
<td>44.6</td>
</tr>
<tr>
<td>2 Education and research</td>
<td>7,400</td>
<td>7.6</td>
</tr>
<tr>
<td>3 Health</td>
<td>2,210</td>
<td>2.3</td>
</tr>
<tr>
<td>4 Social Services</td>
<td>11,280</td>
<td>11.6</td>
</tr>
<tr>
<td>5 Environment</td>
<td>1,310</td>
<td>1.4</td>
</tr>
<tr>
<td>6 Development and housing</td>
<td>7,580</td>
<td>7.8</td>
</tr>
<tr>
<td>7 Law, advocacy and politics</td>
<td>2,500</td>
<td>2.6</td>
</tr>
<tr>
<td>8 Grant making, fundraising and voluntarism promotion</td>
<td>610</td>
<td>0.6</td>
</tr>
<tr>
<td>9 International</td>
<td>300</td>
<td>0.3</td>
</tr>
<tr>
<td>10 Religion</td>
<td>8,890</td>
<td>10.2</td>
</tr>
<tr>
<td>11 Business and professional associations, unions</td>
<td>3,130</td>
<td>3.2</td>
</tr>
<tr>
<td>12 Not elsewhere classified</td>
<td>7,560</td>
<td>7.8</td>
</tr>
<tr>
<td>Total</td>
<td>97,000</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Statistics New Zealand (2007, p. 14)

*Note: These numbers may be misleading. Some NFPOs are registered as one entity; others may have several regional or functional identities. The Plunket Society, for example, has over 123 branches employing more than 650 clinical staff and supported by in excess of 8,000 volunteers. (Plunket Annual report, 2002)*

NFPOs tend to fall into one of two extremes in terms of a range of financial viability. This affects the role of marketing in each type of organisation. At one end of the spectrum are NFPOs
with a high degree of financial viability and performance. Organisations such as building societies, some schools, universities, private not-for-profit hospitals, mutual societies and golf clubs fall into this category. At the other end of the spectrum are charity based organisations like food banks and other relief organisations, which do not have guaranteed funding or active and ongoing paying subscribers or a well established infrastructure. This spectrum is similar to that demonstrated by Dees (1998) and explained later in 2.3.4.

A marketing function exists, implicitly or explicitly, within both types. Shapiro (1973) found that there was a definite marketing function in many private NFPOs and that an understanding of the exchange process, realistic marketing analysis and planning could enable other private organisations to substantially improve their operations. Kotler & Andreasen (1996, pp. 211-212) support this view as do Vazquez, Alvarez & Santas (2002) following their study of the market orientation concept in private NFPOs. Their study produced indicative evidence of the positive effect of market orientation on non-profit outcomes and the fulfilment of the organisations’ missions. As this literature review develops it will focus more on the charity segment of NFPOs. Having touched on the term ‘not-for-profit’ in Chapter 1 it needs to be further defined in the context of NFPOs, and contrasted with some meanings of the term ‘for-profit’. Generally, the term ‘profit’ is taken to be a monetary profit. A social capital approach would suggest that profit is more than a monetary concept (Kotler et al., 2001). It is a way of recognising the improvement in welfare that a society experiences as a result of productive activity.

Shapiro (1973) said that a private NFPO has two constituencies: 1) Clients to whom it provides goods and/or services, and, 2) Stakeholders in the form of donors and/or funders, from whom it receives resources. This appears to be too simple a summary of the multiple constituencies that might be involved.

Other writers have expanded on the list of potential stakeholders (e.g. Kinnell & McDougall, 1997; Sargeant, 1999). Kinnell & McDougall suggested that stakeholders could include financial institutions, the media, government, community groups, the general public and staff of the organisation.

Conflicts and differences of opinion could occur between any individual or groups of stakeholders (Dartington, 1996; Bennett, 2003) and include conflicts between marketing people and other stakeholders (Lewis, French & Steane, 1997; Catano, Pond & Kelloway, 2001).
can appear as described later, where conflicts between marketing people in NFPOs who need to ‘get on’ with people in FPOs but may simply not communicate well because their agendas are so different or they simply do not ‘speak the same language’ (Berger, Cunningham & Drumright, 2004).

In the case of a FPO the marketing function is aimed at facilitating a direct two-way exchange which simultaneously includes resource allocation to allow creation and delivery of goods and services, and resource attraction to generate revenue reflecting the two level classification of Shapiro (Blois, 1999; Kotler et al., 2001). But in NFPOs the activities involve, usually, quite different individuals or groups of people for each function. For the NFPO the approach or personnel it uses for client interactions may not be the same as that used for interactions with donors/funders. The Royal New Zealand Plunket Society, for example, uses nurses as the primary deliverers of services to the society’s clients. It would be quite inappropriate to ask these 650 nurses to assist directly with fundraising in the same way that non-nursing staff and supporters of the society, including 8,000 volunteers, do. Nor could those volunteers who assist with fundraising through 123 branches across the country, be allowed to deliver nursing services. (Source: Personal conversation with CEO, Plunket Society, 2010)

The roles of service delivery and fund generation in NFPOs often seem to be more than separate, they appear polarised (Sargeant, 1999). A broader view of the NFP sector needs to be taken here. Not all are philanthropic in the sense that they have two groups of constituents: donors and beneficiaries. (Shapiro, 1973) This is a point which seems to have been overlooked in much of the academic literature: Kotler & Andreasen (1996), for example, do not mention that the organisation may need to promote its services to those that need them. Five years later Kotler et al.,(2001), in their definition of non-profit marketing, still seem to miss this: “Non-profit marketing involves activities by organisations not motivated by profit which ultimately lead to a donation, bequest or some other donation” (Kotler et al., 2001, p. 348). They do not seem to interest themselves in what a NFPO actually does in terms of creating needs satisfying outputs.

There are significant differences between ‘private’, ‘public’ and ‘government’ NFPOs. Essentially donors, who make contributions to organisations, have complete discretion as to whether they use and/or contribute to ‘private’ NFPOs (Sargeant, 1999). In the case of ‘government’ NFPOs, such as the Army, or Prison Service, taxpayers are required to contribute, via the government, to their funding whether they wish to or not, whether they use them or not.
The division between private and government NFPOs is not as simple as this because many private NFPOs work, as independent entities, under contract to government (either local or central) for parts of their business. Recognising the differences between ‘private’ and ‘government’ NFPOs is important (Kinnell & MacDougall, 1997). In support of this Sargeant, (1999), makes the point that “non-profits play a major role in almost every society, helping to provide health, education and social welfare to literally millions…” (Sargeant, 1999, p. 7.)

In situations where market forces dictate whether a product or service is made available it seems inevitable that some services, offered for the good of society, will not attract much or any funding sympathy from individuals. The supplying of many services traditionally provided by government, prisons or the army for example (Horne & Laing, 2002), are unlikely to attract voluntary financial support from the public. Medical services and education, on the other hand, might find support from some members of the public through private fee paying schools and hospitals even though government provides the bulk of medical services to the majority of the population (Sargeant, 1999, p. 250). This could be based on self interest by subscribing to ‘non-profit’ health insurers or more altruistically by making donations to organisations like Red Cross. Where an organisation serves a need that government is not prepared to fund or that benefiting individuals are unable to pay for, such organisations depend entirely on their own efforts to raise money by asking for support from the public on a charitable basis (Kinnell & MacDougall, 1997, p. 142; Sargeant, 1999, p. 125).

The distinction between types of NFPO becomes blurred when private organisations are financed partially from government funds, through grants or commercial contracts for the provision of services. This can include universities, health and community organisations like Plunket, Barnardos, and IHC in New Zealand. This blurring is discussed by Hibbert (1995) who looked at challenges facing managers of British medical charities in the mid 1990s where they needed to effectively distinguish their cause and their organisation in an environment of rapidly increasing competition for funding. Sargeant (1999, p. 250) noted that “as hospitals now begin to face competitive pressures a few are starting to recognise the need to market their services.”

Hibbert’s findings confirm characteristics that best serve to discriminate one competing charity from another as:

- whether they are effective at doing what they are expected to do;
- how widespread the condition or ailment they are addressing is;
- the extent to which they are seen as being a reputable organisation, and
- whether the problem concerns the whole of society.

2.4.3 The social enterprise spectrum.

For the purpose of this thesis the term ‘profit’ has been taken to mean ‘surpluses created’ and is
recognised as a financial output from business activity in terms of dividends and other payments
to stakeholders in a FP business. Some of those surpluses are re-invested in the enterprise but
some is paid out of the system. In the case of NFPOs any surplus is not paid out of the system
although it might be allocated from one part of the NFPO to another. An example here would be
the Cancer Society which raises funds not only for the provision of its own services but also for
Cancer research and then pays those funds out of the organisation to another, possibly
independent, organisation that conducts the research. In effect the Society subcontracts to
another supplier. (Personal conversation with CEO of Cancer Society, Otago/Southland, 2011).

The non-monetary profit definition is the implied definition used by Gallagher & Weinberg
profit in a FPO is usually monetary the profit of a NFPO is usually non-monetary. “As their
name suggests, nonprofits do not even have a theoretical goal of profit maximisation” (Gallagher
& Weinberg, 1991, p. 28). However, informal discussions with NFPO practitioners (Personal
conversations: 2009 – 2012) suggest that most are in fact very aggressive in their determination
to maximise the sums of money that they raise.

While one might expect income to ideally equal outgoings in a NFPO, it may, just like a FPO,
need to retain part of its income as reserves. Surpluses, if the NFPO can achieve them, often
represent funds that may contribute, as retained ‘profits’, to future capital developments, as a
cushion against possible future funding shortfalls and so forth (Wood, 2000). Financial
problems, which the Southern Cross Medical Care Society of New Zealand faced in 2002, for
example, were only survivable because of prudently retained ‘profits’ (Southern Cross Medical
Care Society, 2002). Dees (1998) demonstrates the differences between purely philanthropic and
purely commercial organisations as shown in Table 2.4 on the following page.
Table 2.4 The Social Enterprise Spectrum (Adapted from Dees, 1998, p. 60).

<table>
<thead>
<tr>
<th></th>
<th>Purely Philanthropic</th>
<th>Purely Commercial</th>
</tr>
</thead>
</table>
| **Motives, Methods and Goals** | - Appeal to goodwill  
- Mission driven  
- Social value | - Mixed motives  
- Mission and market driven  
- Social and economic value | - Appeal to self-interest  
- Market driven  
- Economic value |
| **Key Stakeholder: Beneficiaries** | Pay nothing | Subsidised rates, or mix of full payers and those who pay nothing | Pay market rate prices |
| **Key Stakeholder: Capital** | Donations and grants | Below market capital, or mix of donations and market-rate capital | Obtain capital at market rates capital |
| **Key Stakeholder: Workforces** | Volunteers | Below-market wages, or mix of volunteers and fully paid staff | Market-rate compensation |
| **Key Stakeholder: Suppliers** | Make in-kind donations | Special discounts, or mix of in-kind and full-price donations | Market-rate prices |

Dees (1998) shows, in his social enterprise spectrum, extremes and intermediate points between organisations that are either purely philanthropic or purely commercial. Table 2.4 demonstrates the key differences in motivation, methods and goals as well as the way in which prices are set, for both inputs and outputs, at both extremes.

To achieve their objectives in their marketplaces organisations, whether FP or NFP, need a marketing strategy as part of their overall business strategies (Sargeant, 1999; Kotler et al., 2001) There may have to be different elements of an overall plan aimed at different stakeholders, such as those shown in Table 2.4 above.
2.4.4 Management of NFPOs.

Balbanis, Staples & Philips. (1997) found that a major barrier to market and customer orientation in NFPOs was the generally diffused nature of management structures within many NFPOs in the United Kingdom. A number of writers, including Ramatharan (1982), Mokwa (1990) and Hankinson (2001), suggest that control over NFPOs and the way they run themselves is spread and shared across a wide range of stakeholders. This makes organisation wide coordination, communication and responsiveness difficult and may create major barriers to the adoption of true market orientation. A finding hinted at by Hankinson (2001), rather than specifically mentioned, is the likelihood that perceived current performance may be as much a function of past performance as it is of current activity. This seems plausible as the general public’s attitudes to NFPOs, especially charities looking for donations, appears more likely to be influenced by what is perceived as the charity’s past record than by short term current advertising campaigns (Fink-Jensen, Dowden & Fryer, 1998). One of the longer term benefits of brand equity, as will be discussed later in this review, is that a brand and what it stands for has a significant impact on an organisation’s future performance in terms of appealing to its various publics. This is confirmed, in the case of NFPOs, by the BRC (Fink-Jensen et al., 1998) research in New Zealand.

As an NFPO develops, two separate roles emerge at the head of the organisation. The governance roles, typically through a board, in larger charity organisations are different to the management roles of those people who actually organise the day-to-day running of the organisation. Gallagher & Weinberg (1991) provide a useful description of the two roles. Table 2.5, on the next page, shows where the main responsibilities lie and where they may overlap. Note that, while the roles may be different, some may be performed by the same person.
Table 2.5 Management, Board and shared responsibilities in not-for-profit organisations. (Adapted from Gallagher & Weinberg, 1991).

<table>
<thead>
<tr>
<th>Senior management Responsibilities</th>
<th>Shared responsibilities</th>
<th>Board responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gather relevant environmental information</td>
<td>Determine what social profit the organisations should provide</td>
<td>Draw up a clear, understandable mission statement.</td>
</tr>
<tr>
<td>Ensure that the mission is well understood throughout the organisation.</td>
<td>Decide what goals are necessary to achieve the mission (Primary goals).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Assess constraints and what is necessary to overcome them.</td>
<td></td>
</tr>
<tr>
<td>Plan and implement activities to achieve primary and secondary objectives.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A survey conducted for a group of charities in New Zealand (Fink-Jensen et al., 1998) found that while the aggregate value of donations seemed constant over time the growing number of charities seeking support had led to increased selectivity amongst donors. This underpins the need for NFPOs to develop competitive business and marketing strategies to obtain, retain and increase donor support when soliciting charitable donations. Similarly, NFPOs often find themselves in competitive tendering situations in competition with other NFPOs for funding, from Government for example. These needs, which are driven mainly by increasing competitive pressures for funding, are reflected in Table 2.5 which shows the need to adopt a marketing orientation, recognise the role of marketing as an important management function and some of the factors that appear to have prevented this in some organisations. The senior management responsibilities shown are similar to those suggested as contributing to marketing orientation by Kohli & Jaworski (1990) and Narver & Slater (1990). A number of issues that arise from the literature are summarised in the rest of this section.
2.4.5 Charities in New Zealand.

A feature that needs to be recorded here, since most of the NFPOs considered in this research are charities, is the decision of the New Zealand Government, in 2003, to create a new Charities Commission to monitor the operations of charities in the country (New Zealand Charities Commission, 2004). As at April 2012 this was still being developed although various initiatives to assist NFPOs, mainly charities, have been developed. Initially this appeared to have been mainly driven by a need to clarify the tax status of some organisations but also to ensure that NFPOs are managed in a responsible way.

The range of charities operating in New Zealand is wide and varied. Some of them are local branches of international organisations and some operate solely in New Zealand. Many charities have such extremely powerful brands that they are virtually cultural icons: Red Cross, for example, has a large sign outside its Dunedin, New Zealand office which shows the Red Cross symbol and the words “How to say ‘Don’t shoot’ in 350 languages.” The Red Cross brand, its meanings and what it stands for – modified to Red Crescent in some countries – represents an asset of huge value. (Moorhead, 1998) This value is built on the perceptions of a wide variety of stakeholders, many of whom will never have any direct contact with the organisation as clients. Yet, because of the very nature of the organisation it can never be commercialised in the ways that most FP brands are. Such a brand has value, but value beyond money, and the organisation cannot risk damaging its reputation for neutrality by becoming aligned with any commercial or other organisation. Many other NFP brands, however, are capable of commercial alignments without undermining their credos (Polonsky & Speed, 2001).

The increasingly competitive market in which many charities operate has been highlighted by world events in every year of the twenty first century thus far. There have been, earthquakes, floods, hurricanes, wars and famines creating massive demands for the kind of aid typically provided by NFPOs in many parts of the world (Katz, 2005; Peloza & Hassay, 2007; Pope et al., 2009; Fortin & Uncles, 2011.) Considerably increased pressure has been put on relief agencies heavily dependent on the work of volunteers and funding from public donations. A consequence of this has been an increase in the demand for public philanthropy and donations. When the demand for such funding increases, and the supply stream of such funds does not increase proportionately, the effects impact on all organisations seeking support. A reasonable assumption, supported by Katz (2005) and Pope et al., (2009) would be that those with the
strongest stories to tell, the most pressing cases to put, supported by the strongest brand imagery of uniqueness, competence, efficiency, reliability and honesty, do best. Those with lesser brand values can be expected to do less well.

NFPOs exist to provide for the general betterment of society, not to provide for personal profit or gain or distribute profits or surpluses to shareholders or members (Sargeant, 1999). But NFPOs operate in areas well beyond the realms of natural and manmade disasters. The sector includes a broad range of organisations (as shown in Table 2.1) including those supporting the arts, education, environmental, sporting, social and health-orientated organisations, many of which are regarded as charities. The impact of NFPOs in developed economies, their size, number and rate of growth has increased over the last 35 years (Hibbert & Horne, 1996; Sargeant, 1999; Bennet, 2006). They act, generally, as providers of goods and services to those who need them, or may be organisations that mobilise funding for others who make such deliveries.

With a population of 4.4 million people New Zealand (Statistics New Zealand, 2012) offers a relatively small, and geographically well delimited, area for investigation. Its cultural and economic similarities to larger economies may allow for comparisons with other economies overseas (Chaney & Dolli, 2001).

Estimates as to the number of NFPOs in New Zealand vary but a growth trend is evident with numbers increasing from 25,000 in the mid 1990s (Lawson et al., 1996) to 60,000 in 2000 (Chaney & Dolli, 2001). Statistics New Zealand (2007) which is probably a more reliable source reported that, in October 2005, the number was 97,000. This number might be misleading because some organisations register local branches as individual organisations. International organisations also have a presence: Oxfam, Red Cross and Amnesty International, for example. Even taking a very conservative estimate of 50,000 NFPOs in New Zealand suggests that there is one organisation for every 85 men, women and children in the country. Interestingly, by July 2008, the New Zealand Charities Commission was reporting that only 25,000 organisations had officially registered for charitable organisation tax status with the New Zealand Inland Revenue Department (IRD). This indicates that while many NFPOs might be small there are, none the less, a significant number of organisations whose operations are big enough to justify a tax entity status. Whether this is of value to the NFPO will depend on the size of the organisation and the ability of such an organisation to claim tax credits.
In New Zealand some NFPOs are bigger than many FPOs and face similar commercial problems. Income and expenditure reported for the March 2004 year showed income of NZ$8.94 billion and expenditure of NZ$7.14 billion with an apparent ‘operating surplus’ of NZ$1.8 billion. Overall their financial contribution to GDP was 2.6%. This may seem small, but, is probably grossly understated because of non-inclusion of voluntary work inputs and unrecorded donations in cash and kind. (Statistics New Zealand, 2007. pp. 18 – 22).

2.4.6 Sources of income for NFPOs. NFP fundraising and resource attraction.

NFPOs might be principally concerned with meeting a specific need or with assisting other organisations to achieve their aims, or both. Examples of the former in New Zealand are organisations like the Royal New Zealand Plunket Society and Foundation for the Blind which provide services and aim to fund their operations from various combinations of sources.

The second type is represented by philanthropic funding organisations that make grants available to other service creators/providers. Philanthropic NFPOs in New Zealand have their origins in the commercial sector, similar to major funding foundations in the United States. Examples of key players are organisations like: The Lotteries Commission, Todd Foundation, Lion Foundation and the Tyndall Foundation (Philanthropy New Zealand, 2003). The Lotteries Commission is a pseudo public organisation while the others mainly have their origins in family businesses. A group of organisations that closely mirror the American Community Foundations model are the various regionally based Community Trusts in New Zealand that had their origins in the Trust Bank movement of the 1980s. Their role is to manage a considerable body of financial investments, retain and build that wealth on behalf of their communities, and allocate funding from profits in their local areas to support a wide variety of community activities. (Community Trust of Otago, 2008)

An interesting development, internationally, since 2000 has been a change in the way that many of the major sources of funding now become more involved in how their money is spent rather than simply providing the funds. Frank (2007) talks about a new generation of philanthropists. The rich have historically donated large sums to charity. Often as a “cheap way to burnish their ego” (Frank, 2007, p. 162). “They’re no longer content just to hand over a check… they want a say in where their money goes and they want results” (Frank, 2007, p. 163). Charity, or more
precisely, Philanthropy, is also becoming increasingly competitive. “Today’s rich don’t just want to do well by doing good: They want to be the best at doing good.” (Frank, 2007, p. 166)

In New Zealand the general public mostly equate NFPOs to Charities that look to raise funds through public donations in order to be able to offer services to the needy or the sick (Fink-Jensen et al., 1998). In America it would appear that writers like Kotler & Andreasen (1996) give most of their attention, under the heading ‘fundraising’, to major foundations. An implication is that these do not make a large number of small individual donations as Kotler & Andreasen go on to say that these organisations deal in multimillion-dollar donations. They can be family foundations which simply disperse money from the very rich for various reasons. General foundations, such as the Ford and Rockefeller Foundations, and more recently the Bill and Melinda Gates Foundation, support a variety of causes while some others concentrate on particular causes such as health or, in the case of the Carnegie Foundation, education. Foundations are often set up by major corporations, usually to fulfil a perceived need to be seen as a good citizen (Wymer & Samu, 2003). Finally, there could be Community Foundations set up as vehicles for pooling bequests and donations from many private sources including individuals, corporations, foundations, and non-profit organisations (Kotler & Andreasen, 1996). Most community foundations appear to support activity within the education, human services, arts, the humanities and health sectors.

The concept of ‘user pays’ might offer a useful model at this point. Many social clubs and friendly societies are NFPOs, but members pay fees or dues for what they use. The purpose of the organisation is to meet the needs of the people that fund it. Organisations like country clubs, chambers of commerce and consumer cooperatives might therefore be described as NFPOs. Art galleries are often NFPOs (Kotler & Andreasen, 1996) since they supply a service which might not otherwise be made available to society. Similarly universities, especially in the current competitive environment, conduct fundraising and seek major donations and bequests for the benefit of the institutions and future participants (Sargeant, 1999).

A reasonable long-term objective for many NFPOs, mostly charities, might be to make themselves unnecessary. The Cancer Society (Cancer Society of New Zealand, 2009) reports that it works mainly on support, research into and care for cancer sufferers as well as education and prevention. In addition it provides information and support for the families and caregivers of sufferers. Remember that this is an organisation that does not necessarily provide services itself:
It often provides funding to allow other organisations to supply required services. Its mission is to help find a cure for cancer and thence have no further role in society. In practice such closure seems to rarely happen, especially where the aims of a NFPO are general rather than specific. Somewhere an animal is always likely to need protection, so the need for the services of the Society for the Prevention of Cruelty to Animals (SPCA) will remain in the long term. On the other hand, the organisation set up in New Zealand to Halt All Racist Tours (HART) lost its central purpose when New Zealand sports teams ceased playing against racially selected sporting teams and the apartheid system in South Africa collapsed.

NFPOs generate income from a variety of sources (Shapiro, 1973). These include ‘user pays’ fee income, where the client is also the payer, funder or donor. Unlike FPOs they do not have ‘shareholder equity’ as they have no shareholders. Their means of obtaining funds is different. While FPOs usually raise capital and loans through financial institutions this can not be so for Charities. Essentially they have no assets that could be used as collateral against commercial loans. Even if possible it is unlikely that commercial investors would be interested as there are rarely appreciating assets or positive cash flows to reward investors. Charitably funded income typically sees the client making no contribution while members of the public, who are often not clients, are the donors. In many charities marketing is seen as little more than as an aid to fundraising. (Brady, Brace-Govan, Brennan & Conduit, 2010)

Government, national or local, may also pay for the provision of services to non-paying clients. Such financial arrangements are usually made as a result of tender from more than one NFPO prepared to supply the service and the funders monitor performance and ensure compliance. (Sargeant, 2005; Barman, 2007)

Recent developments in Cause Related Marketing (CRM) and Corporate Social Responsibility (CSR) have seen an increased interest from FPOs in associating with appropriate NFPOs and their brands. This has triggered increased interest from NFPOs who see their brands as a potential source of additional income through CRM and similar methods (Wymer & Samu, 2003). In a CRM relationship the business organisation seeks to improve its public image by assisting a good cause (Sargeant, 1999; Eikenberry, 2009) while generating additional income for itself and the cause.
In reality most CRM activity appears to add value to the FPOs by attaching some of the values of the NFP brand to their own, or being seen to be assisting something that their customers would like to see supported. While there are many definitions of CRM in the literature, a particularly concise one is “an offer from the firm to contribute a specific amount to a designated cause when customers engage in revenue exchanges that satisfy organisational and individual objectives” (Varadarajan & Menon, 1988, p. 159).

A more recent form of CRM appears when organisations enter into long-term arrangements where the NFPO lends its name to an FPO in return for an annual fee (Wymer & Samu, 2003). Examples of this would be the Plunket Society in New Zealand which lends its name to Watties, a leading food manufacturer, to promote babyfood, and Kimberly Clarke, to promote disposable nappies (Source: Conversation with CEO, Plunket Society, 2010). In both cases the NFPO lends its brand values, and the right to use its logo, to a FPO in return for an annual payment (Chaney & Dolli, 2001; Svensson & Wood, 2011).

Resource attraction can be more than raising monetary income. It could also include obtaining voluntary labour, services and goods such as raw materials. Many NFPOs enter into a form of brand leveraging where they sell wholly or in part, under their own brand, various items as ‘Fundraisers’. A good example would be New Zealand Girl Guide Biscuits (Guiding New Zealand, 2008).

In most NFPOs there is usually a specialist fundraising management function (Shapiro, 1973; Wilbur, Finn & Freeland, 1994; Kotler & Andreasen, 1996; Reider, 2001). Shapiro says that resource attraction, in a NFP context, typically takes one of two approaches: advertising or personal selling. He states that, as a general rule, advertising is used for broadcast communication to a large number of probably small donors. Personal selling is directed at selected individuals and expected to generate fewer but much larger donations. Just as with any FP marketing operation, the first task is to segment the donor ‘market’ into homogeneous groups and select which appeal or proposition will be directed at each segment (Shapiro, 1973).

Many of the North American writers talk about fundraising in the sense of attracting very large sums of money from large providers. In reality the bulk of most fundraising for charities, certainly in New Zealand, comes from a large number of private individuals making quite small
donations (Statistics New Zealand, 2007). In support of this assertion the following table is presented:

Table 2.6 Non-profit Institutional Transfer income, by Institutional Sector. Year to March 2004.

<table>
<thead>
<tr>
<th>Sector in New Zealand</th>
<th>$(000)</th>
<th>% of total transfer income</th>
</tr>
</thead>
<tbody>
<tr>
<td>From business enterprises</td>
<td>215,985</td>
<td>8.1</td>
</tr>
<tr>
<td>From government</td>
<td>758,829</td>
<td>28.5</td>
</tr>
<tr>
<td>From non-profit institutions</td>
<td>542,653</td>
<td>20.4</td>
</tr>
<tr>
<td>From households</td>
<td>1,146,758</td>
<td>43.0</td>
</tr>
<tr>
<td>Total Transfer income</td>
<td>2,664,225</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Statistics New Zealand (2007. p. 32) ‘Transfer income’ includes membership subscriptions, fees, donations, sponsorships and grants. It is assumed that CRM income is included but where it is recorded is unclear.

Kotler & Andreasen (1996) and, to some extent, Shapiro (1973) could be criticised for over emphasising the role of major donors when they consider fundraising issues. Certainly they focus on major funders where, perhaps, a significant portion of American NFPO funding comes from. However, this may only account for a small percentage of the overall body of donors. In New Zealand the behaviour of NFPOs suggests that they see the general public, typified by many donors making small individual donations, as a major source of revenue (Fink-Jensen et al., 1998).

In order to attract donations managers of NFPOs in New Zealand have been torn between the need to allocate scarce resources for service delivery and allocation of resources to generate additional income through fundraising activity (Plunket Annual report, 2002). This may create negative feelings from donors if they perceive that their donations are being spent on promotion rather than providing the services of the NFPOs (Fink-Jensen et al., 1998; Statistics New Zealand, 2007).
The idea that the marketing role within NFPOs is split between promoting its services and attracting resources, makes sense. The organisation needs to ensure that those who need its services are aware of them and how to access them. At the same time, the organisation needs to generate income to fund its ongoing operations (Sargeant, 1999). The two are not always directly connected.

NFPOs in New Zealand have experienced increasing difficulties in fundraising (Chaney & Dolli, 2001), similar to those seen in other countries. Emerging issues include: reductions in government funding; growth in the number and size of organisations; number of organisations looking for donations from the public; a reduction in the number of people willing to volunteer their time or collect for charities; increasing fundraising costs; and increased public focus on the bona fides of NFPOs. These developments principally affect organisations that appeal to the ‘person in the street’ or knock on doors in neighbourhoods asking for small donations. (Chaney & Dolli, 2001)

The contribution of volunteers is often missed when considering the scale of NFPO operations but some measure of it is indicated by the following table:

**Table 2.7 Comparison of Volunteering for non-profit Institutions.**

<table>
<thead>
<tr>
<th>Country</th>
<th>% contribution to GDP of Voluntary labour for NFPOs</th>
<th>% of population volunteering for NFPOs</th>
<th>Average hours worked per week per volunteer</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand (2004)</td>
<td>2.3</td>
<td>31</td>
<td>5.1</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3.0</td>
<td>39</td>
<td>N/a</td>
</tr>
<tr>
<td>Australia (2000)</td>
<td>1.4</td>
<td>32</td>
<td>3.2</td>
</tr>
<tr>
<td>Canada (2000)</td>
<td>1.4</td>
<td>27</td>
<td>3.1</td>
</tr>
<tr>
<td>United States (1995)</td>
<td>2.2</td>
<td>27</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Source: Adapted from Statistics New Zealand (2007, p. 40)

NFPOs employ thousands of paid staff and many thousands more part-time or unpaid volunteers. A more accurate count of volunteers could easily double the number of people involved in the
operation of NFPOs. Woods (1998, p. 16) estimated that, in the four weeks prior to the 1996 census, just over a million people in New Zealand chose to work for others without payment. The data in Table 2.7 suggests that in 2005 that number had increased to over 1.3 million. Published annual reports show that the Plunket Society employed 753 fulltime equivalent staff, with an estimated 8,000 volunteer supporters working through 123 branches in 2002 and incurred expenses in excess of $30 million. Barnardos spent more than $40 million on its operations in 2002 and The Royal New Zealand Foundation for the Blind had, in 2001, operating costs of over $68 million. In 2003 IHC received government contract funding of over $100 million and had total running costs of $130 million (Information extracted from Annual Reports of the organisations concerned).

Many NFPOs now operating in New Zealand had very small beginnings and the scope of their operations has changed and often increased. This has been the case with Barnardos, Red Cross and Plunket, for example. Many NFPOs are registered as ‘Incorporated Societies’ under the Incorporated Societies Act, 1908 (Philanthropy New Zealand, 2003). This gives special legal status and protection for individual officers of the society. Provided the society operates as per the requirements of the act and the rules and objects of the society permit, the society is capable of undertaking any lawful activity.

From the 1990s there appears to have been a growing awareness in New Zealand of the need for NFPOs to adopt a more professional approach to their management extending, in the late 1990s, to marketing management (Lawson, et al., 1996; Boaz, 1996; Chaney & Dolli, 2001). While many New Zealand NFPOs have had management teams of a high calibre for some time there now seems to be more movement of management people from FPOs to NFPOs. This has advantages and disadvantages. In New Zealand many NFPOs have restructured their head office functions to attract people who have developed skills outside the NFP area. This brings in new thinking and skills. Often, however, they displace long serving staff members who have risen through the ranks of the organisation and corporate memory can be lost (Source: Personal conversations with NFPO managers, 2009 – 2011). This tendency has been noted overseas (Santora & Sarros, 2001, 2001a).

To further emphasise the fund raising problems faced by NFPOs in New Zealand Chaney & Dolli (2001) gave a rare insight into developments in New Zealand over the prior ten years. While their research primarily focussed on CRM, it touched on issues of fundraising. These
issues, also mentioned elsewhere in the literature, include an increasing number of organisations looking for donations from the public; a reduction in the number of people willing to collect for charities; a static population; increasing collection costs and increased public focus on the bona fides of NFPOs. These developments principally effect organisations that appeal to the ‘person in the street’ or door knock in neighbourhoods for small donations and were reflected in work done by Fink-Jensen et al., (1998) at BRC Marketing & Social Research, Wellington, as reported in December 1998.

The competitive pressure for funding from the government and its agencies and commercial sponsors is also increasing as the available pool of funds generally remains static but the number of organisations seeking funding increases. Chaney & Dolli (2001) saw these developments as having been the stimulus for many NFPOs to take a new look at marketing orientation: “This difficult period in time [the late 1990s] led to a shift in mindset for many NZ organisations who had previously perceived the use of marketing as anathema. Nonprofits realised they had to develop a level of professionalism if they were to avoid shrinkage of their share of a NZ$1bn market” (Chaney & Dolli, 2001, p. 157).

The long term impact of the economic recession of 2008/2012 has yet to be seen but it is anticipated that the market for NFPOs in the fundraising area will become more difficult although, paradoxically some people think that hard times may see donors “not automatically tighten their altruistic belts first. And for those who lose their jobs, volunteering will offer an opportunity to keep connected with their communities and maintain their skills or learn new ones, while also making an important contribution.” (Molloy & Cordery, 2009. p. 48)

The BRC research (Fink-Jensen et al., 1998) gives further, but rather dated, insights into public perceptions of NFPOs in New Zealand. In the context of charitable NFPOs, 811 respondents, selected as a representative sample of the New Zealand population, were asked to say what characteristics of an organisation would make them likely to support that organisation by way of a donation. Key characteristics identified were that:

- they provide for a need no one else fills;
- are well known;
- have a good reputation;
- support people known to the respondent;
- support people in the respondent’s area;
- help a wide range of people;
- spend money wisely and have low administration costs.

These characteristics are broadly the same as those reported by Hibbert (1995) in the UK and cited earlier in this review. From this we might conclude that there may be more than one reason for a particular NFPO to be supported by a donor but nearly all supporters are influenced by their overall impressions of, and the image of, the organisation which is often encapsulated in a brand.

Cano, Carillat & Jaramillo (2004) conducted a meta-analysis of the relationship between market orientation and business performance across five continents. Part of this focused on the different performances of FP and NFP organisations in these continents. It generated a useful review of literature which highlights key differences between FP and NFP actions. Cano et al. (2004) remind us that Kotler (1979), in describing the broadening of the marketing concept beyond that simply of its application to physical products and FPOs, proposed that marketing is relevant to different business objectives which can include both FP and NFP organisations and activity.

Kotler and Andreasen (1996) asserted that market orientated strategies were far more familiar in FPOs than in NFPOs. The key point here seems to be that the different ‘profit’ objectives for the two types of organisation led to quite different approaches to the way the organisations managed their marketing. Cano et al., found that, when they conducted their research from 2000 onwards, most researchers now recognised that the approaches of practitioners to marketing within FP and NFPOs had become increasingly similar.

Cano et al., (2004) hypothesised that the relationship between market orientation and business performance would be stronger in NFPOs than in FPOs. In fact their research proved that this was not actually so although those NFPOs which adopted a market orientation did perform better, overall, than those NFPOs that did not seem to adopt a market orientation. In their discussion of findings they say that an explanation for this may be that marketing orientation is less noticeable in NFPOs than in FPOs. Therefore NFPOs might gain a competitive advantage by leveraging their brands better. This is consistent, they say, with Hunt’s (2002) resource advantage theory that suggests that where “a firm is market orientated and its competitors are
not, then a market orientation strategy may be a resource that moves the firm’s market place position [to competitive advantage and superior performance]” (Hunt, 2002, p. 282.).

2.4.7 Competitive situations for NFPOs.

The literature on the competitive situations in which many NFPOs increasingly find themselves is summarised in Table 2.8.

Table 2.8 Competitive situations for NFPOs.

<table>
<thead>
<tr>
<th>Competitive situation</th>
<th>Significant Contributors in the literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFPs are under increasing pressure for funding</td>
<td>Andreasen (1982); Norman, (1994); Dees, (1998); Frumkin &amp; Kim, (2000); Horne &amp; Laing, (2002); Sargeant &amp; Jay, (2002); Katz (2005); Bennet (2006); Pope et al (2009)</td>
</tr>
</tbody>
</table>

In many cases NFPOs are under pressure to generate the necessary funding to operate and find themselves in increasingly competitive situations (Andreasen, 1982; Sargeant & Jay, 2002; Katz, 2005; Bennet, 2006; Pope et al., 2009). The more successful NFPOs in this situation tend to be those that adopt a marketing orientation (Sargeant, 1999, p. 13; Katz, 2005; Pope et al., 2009). A number of issues arise from this: NFPOs have had to become, and are becoming, more sophisticated in their marketing, although it has been rare to find organisations with a clearly defined marketing management function (Ford, 1976; Shapiro, 1998). Where external marketing may be evident it does not necessarily follow that this is carried through to internal marketing within the organisation. Various elements of a marketing function tend to be diffused across the organisation (Yorke, 1984; Wood, 2000).
Many NFPO brands exist but NFPO management appears not to realise the potential of their brands, or under utilises them (Hibbert, 1995; Hankinson, 2001; Bishop, 2006). Those organisations that recognise that they own a brand have often been practising what would be recognised as brand management without realising it (Kotler & Levy, 1969; Hankinson, 2001). Few organisations have policies in place to protect their brands (Collis, 1996; Charity Commission for England and Wales, 2002; Checco, 2003).

2.4.8 Satisfaction for both the donor and the recipient.

Satisfaction with a transaction is important for NFPOs. If a donor, or other supporter, feels unhappy with an encounter this could severely effect future transactions (Fink-Jensen, et al. 1998). Kotler & Andreasen (1996) give examples of NFPO marketing programmes that respond to consumers’ needs, wants and perceptions, and not just the organisation’s own needs. They ask why some NFPOs do not achieve successful and profitable relationships. Their answer appears to be that many organisations do not have a true customer-centred mindset, or if they do, it has not been absorbed into the consciousness of every member of the organisation who has responsibility for or contact with potential or existing customers.

A customer-centred organisation is one that makes every effort to sense, serve, and satisfy the needs and wants of its clients and publics within the constraints of its budget (Kotler & Andreasen, 1996). A charitable NFPO might claim to be customer centred when in fact it means ‘client-centred’. This term, ‘client-centred’, is used here to mean the prime focus of the organisation being on meeting the needs of the people that it perceives itself as having been set up to serve. This may be somewhat myopic in that the support it requires to meet these needs may imply that effort is required to satisfy the needs of not only clients but also supporters, in various forms. Customer centred NFPOs often rely heavily on research about their customers, define competition broadly and use “all the elements of the marketing mix” (Kotler & Andreasen, 1996, p. 51). This echoes the findings of Kohli & Jaworski (1990) and Narver & Slater (1990) from their research into market orientation. The need for NFPOs to focus attention on “understanding of customers, competitors, and to ensure that this information is disseminated through the organisation” is emphasised by Brady et al., (2010, p.90).
A possible pitfall for charities may be encountered if they take too acquisitive an approach to their market places. Graulich (1991) points out that, in the case of some professional service firms (Note here that Graulich was not referring to NFPOs), more resources are devoted to developing new clientele than in measuring the satisfaction levels of past and current clients as part of a retention strategy. Charities that concentrate on acquisition rather than fostering long-term relationships with their publics may be falling into the same trap. While efforts are made to acquire new users or supporters, that may result in a loss of focus on existing users and supporters which may far outweigh any new gains. The generally diffuse nature of many NFPOs could result in the head office function not being aware of the grass roots support that it gets and undervaluing it in terms of public communications through public relations and advertising (Andreasen, 1982; Bennett, 1998; Sargeant, 1999).

With FPOs the proxy for success is often the amount of profit, current and future, generated by the organisation. (Laidler-Kylander & Simonin, 2009). However, in the NFP sector, monetary profit is not the measure of success (Gallagher & Weinberg, 1991; Laidler-Kylander & Simonin, 2009). Success in any field is a comparison between what was intended to happen and what is observed to have happened. Laidler-Kylander Simenon (2009) go on to say that “Nonprofits are mission driven organisations. They lack the common profit objectives shared by for-profit companies” (Laidler-Kylander & Simenon, 2009, p. 58).

For a NFPO Gallagher & Weinberg (1991) raise two questions: Firstly, are goals set at all in NFPOs and are the organisation’s goals meaningful and achievable? Secondly, since resources are usually insufficient to achieve all goals, can the organisation categorise multiple goals and make appropriate tradeoffs? In the case of NFPOs it might be that ‘success’ is taken for granted by the public and public focus falls on failures to deliver or bad publicity resulting from relatively minor incidents (Sprott, 1997). It is possible that an organisation that does not set meaningful goals and spreads itself too thinly across too many tasks may be regarded as a failure even though parts of what it does have been very successful and the overall effect will be to undermine their attractiveness to clients and donors.
2.5 Brands

2.5.1 What is a brand?

A comprehensive understanding of what the term ‘brand’ means, and later in FP and NFP contexts, will be synthesised from the summary of writers’ contributions shown in tables which follow. Each table is accompanied by discussion and elaboration of the issues raised by the key writers in the literature summarised.

Table 2.9, which follows, summarises the main constituent elements of a brand definition. A brand is an identifier based on an image or group of images in a person’s mind. It is symbolic of the product or service it is attached to and based on imagery resulting from consumers’ perceptions and experiences of dealing with the products and services carried under the brand. While real intrinsic differences between competing products may exist the more important ones are those that position the product or service as being unique and better in some way. A brand can therefore differentiate a product from those of competitors with broadly similar characteristics.

People often define themselves by the brands that they use, or do not use. They live within a brandscape, “a material and symbolic environment built by consumers with marketplace products, images, and messages and invested with local meaning” (Sherry, 1995, p.17). Consumers construct their own identities by association with brands. Holt (2004) discusses the idea that brands are actually co-created, and that highly successful brands become virtual icons - “exemplary symbols that people accept as a shorthand to represent important ideas.” For brand owners seeking to build iconic brands, the challenge is to develop “identity myths that address emerging contradictions in society” (Holt, 2004, p. 220).

NFP brands and symbols such as Red Cross, the Cancer Society, Heart Foundation and so forth, are as likely to fit into the selection of cultural icons that make up people’s brandscapes as FP brands like Pepsi, Nike, Harley Davidson and other super-brands.

Table 2.9, on the next page, summarises some of the characteristics of a brand found in the literature.
Table 2.9  Contributions to brand definition.

<table>
<thead>
<tr>
<th>Contribution to Brand definition</th>
<th>Significant contributors in the literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>A brand is an identifying name, term, symbol or design.</td>
<td>AMA, (1960); Aaker, (1991); de Chernatony &amp; McDonald, (1992); Kotler et al., (2001).</td>
</tr>
<tr>
<td>A brand is a symbolic representation of its parent organisation and what it stands for.</td>
<td>Hart &amp; Murphy, (1998); LePla &amp; Parker, (1999); Gotsi &amp; Wilson, (2001).</td>
</tr>
<tr>
<td>Physical characteristics are less important than perceived characteristics. Brands are symbolic devices.</td>
<td>Arnold, (1992); de Chernatony &amp; McDonald, (1992); Marconi, (1999); Aaker, (1996); Lovelock &amp; Wright, (1999); Buchholz &amp; Wordemann, (2000).</td>
</tr>
<tr>
<td>Brands have a ‘personality’.</td>
<td>Alt &amp; Griggs (1988); de Chernatony &amp; McDonald (1992); Arnold, (1992); Goodyear (1993); Marconi, (1993); Aaker (1996); Ambler, (1997); Hart &amp; Murphy (1998); LePla &amp; Parker, (1999).</td>
</tr>
<tr>
<td>A brand is a blend of complementary physical, rational and emotional appeals.</td>
<td>Arnold, (1992); Aaker, (1996); Hart &amp; Murphy (1998); Lovelock &amp; Wright, (1999).</td>
</tr>
<tr>
<td>A brand is built on points of difference compared to similar product / services based on consumer experience and trust of it.</td>
<td>Aaker, (1991); Winters, (1991); Keller, (1993); Marconi, (1993); Aaker, (1996); Ambler, (1997); LePla &amp; Parker, (1999, p. 74); Buchholz &amp; Wordmann, (2000); Keller, Sternthal &amp; Tybout, (2002).</td>
</tr>
<tr>
<td>A brand is a differentiator</td>
<td>Arnold, (1002); de Chernatony &amp; McDonald, (1992); Aaker, (1996); Hart &amp; Murphy, (1998); LePla &amp; Parker, (1999); Kotler et al., (2001)</td>
</tr>
<tr>
<td>Brands are applicable to Services</td>
<td>Berry, Lefkowith &amp; Clark, (1988); Turley &amp; Moore (1995); Hart &amp; Murphy (1998); Kurtz &amp; Clow, (1998); LePla &amp; Parker, (1999); Lovelock &amp; Wright, (1999); Lovelock, Patterson &amp; Walker, (2001)</td>
</tr>
<tr>
<td>Brands are ‘co-created’</td>
<td>Prahalad &amp; Ramaswamy (2000); Holt (2004)</td>
</tr>
</tbody>
</table>
Branding can and has been applied to consumer goods and services, industrial goods and even to government departments. It has been shown to have existed in antiquity (Hart & Murphy, 1998) where it may have originally signified the ownership of a product such as livestock (de Chernatony & McDonald, 1992, p. 24). Aaker (1991) quotes examples of branding in its modern sense having origins in the late 1800s.

There is ample evidence of branding in ancient times. The symbolism of the cartouche of Rameses 11 who ruled Egypt in 332 BC (Empereur, 1999), for example, carries the symbols and meanings of a brand. Over time, especially with manufactured products, the brand came to be recognised by consumers as indicating the origins of a product as well as an implied or explicit guarantee as to the serviceability, reliability, suitability and consistency of a product (Aaker, 1991; Kotler, et al., 2001). In modern times the term has mainly been used in the context of commercial brands, like IBM, Coca Cola, Sony and Marks & Spencer (Doyle, 1999). A risk facing some organisations with a very successful brand is that it can become so strongly established that it becomes the generic term for a product such as Cellotape or Kleenex (Hart & Murphy, 1998). As well as being applied to individual products or services, branding, either through a name or a logo, can become symbolically representative of its parent organisation and what it stands for (Hart & Murphy, 1998; Gotsi & Wilson, 2001).

In the case of otherwise generic products a brand can add value and differentiate it from essentially similar products (Hart & Murphy, 1998, p. 4). Uncle Ben Rice is rice that is differentiated and made to seem more valuable by the use of the brand name Uncle Ben and all that it signifies (Mars, 2003). While the differences may be real, for instance guaranteed high quality of a branded product’s inputs and processing as well as packaging and presentation, a brand is essentially an accumulated set of beliefs about the branded product or service in the minds of consumers (Arnold, 1992; LePla & Parker, 1999; Kotler et al., 2001; Holt 2004).

A brand also differentiates a product or service from those of competitors (de Chernatony & McDonald, 1992; Hart & Murphy, 1998; Kotler et al., 2001).

2.5.2 Brand image.

The AMA definition quoted in Chapter 2.2 might be criticised because of an apparent over emphasis on the physical elements of the product itself. It misses the existence of the brand as
part of an individual’s personal brandscape (Sherry 1987, 2005) and property in terms of experience, preferences, prejudices and self-image. The brand ‘McDonald’s’ is more than a hamburger. It might, for example, be an expression of individuals’ perceptions of themselves and their chosen way of life (Hart & Murphy, 1998; LePla & Parker, 1999).

Some of the more often used definitions quoted by Wood (2000) are those that emphasise brands as an image in the consumers’ minds (Martineau, 1959; Keller 1993; Holt 2004); brand personality (Alt & Griggs, 1988; Goodyear, 1993; Aaker, 1996); brands as value systems (Sheth, Newman & Gross, 1991); and brands as added value (Levitt, 1962; de Chernatony & McDonald, 1992; Murphy, 1992; Wolfe, 1993; Doyle, 1994).

Aaker (1996, p. 141) in defining what ‘brand image’ is uses the term ‘brand personality’ which he defines as “the set of human characteristics associated with a given brand”. This is usually described in terms such as sincerity, competence and sophistication. Understanding brand ‘personality’ can: “… help brand strategists by enriching their understanding of people’s perceptions of and attitude toward a brand, contributing to a differentiating brand identity, guiding the communication effort and creating brand equity…” (Aaker, 1996, p. 150).

### 2.5.3 Components of a brand.

Various components of a brand, as well as the requirements and characteristics of each, have been proposed (Arnold, 1992; Boone & Kurtz, 1999; Baker, 1999; Kotler et al., 2001; Holt 2004). For example, a brand name should be simple, memorable, easily verbalised, have symbolism that communicates the brand in forms other than words and numbers. Symbols like McDonald’s Golden Arch, the Tip Top Swirl and the New Zealand Post ‘envelope’ device are important in communicating brand identity. Berry, Lefkowitz & Clark, (1988) argued that, with services, the company name is the brand name and that such services do not lend themselves to individual branding the way tangible products do. This may be true in some cases: Lawyers tend to use their surnames as their brand but that is not to say that they could not brand themselves more simply, as ‘Lawlink’ for example.

There is a great deal of difference between a simple descriptive name and a brand. Holt (2004) explains this by considering a new product or service that has just been introduced. “Although the product has a name, a trademarked logo, unique packaging, and perhaps other unique design
features – all aspects that we intuitively think of as the brand – the brand does not yet truly exist.” (Holt, 2004, p. 3) The symbols mentioned are no more than material markers. It is only after people have had experiences of what the brand represents that these markers actually begin to become filled with meanings.

Branding distinguishes a product or service from intrinsically similar offerings and presents it to be worth more than a non-branded competitor with similar physical characteristics. In terminology used by economists the creation of a brand generates an effective monopoly and allows ‘monopolistic competition’. This is “a market situation typified by a large number of small firms selling products which are close substitutes and which are in some way differentiated from the products of competitors” (St John & Stewart, 2000, p. 122). Wong (2006) admits that it is tempting to think of brands as monopolies. If a brand is strong enough then a consumer may simply see no acceptable substitute.

A brand may be underpinned by real differences or unique properties that are only associated with that brand. In reality the intrinsic difference between one fast moving consumer good and another, soap powder for example, may be very small. But the consumer’s perception of the product under their chosen brand may be that it is very different, quite unique and that no other substitute will be accepted (Aaker, 1991; Bucholz & Wordemann, 2000).

Physical products can be characterised by tangible attributes such as physical presence, quality, durability, reliability and performance which will be reflected in their brands (Aaker, 1996, p. 73; Lovelock & Wright, 1999, p. 67). Services usually have no physical presence other than implicitly through physical proofs of existence (Berry et al.,1988; Turley & Moore, 1995; Hart & Murphy, 1998; Kurtz & Clow, 1998; LePla & Parker, 1999; Lovelock & Wright, 1999; Lovelock, Patterson & Walker, 2001). This latter term is intended to mean symbols representing services: For example, the logos of service providers placed on their buildings and vehicles, delivery staff uniforms, letterhead and in advertising. Lovelock et al., (2001, p. 17) refer to this as a part of meeting the challenge “to ‘tangibalise’ the intangible.”

Effective branding can add value by evoking feelings of trust, confidence, security, strength, speed, status and exclusivity (Turley & Moor, 1995). In the case of services their intangibility may mean that, where there is no physical foundation for a consumer to build their impressions on, to ‘fill in the markers’ as Holt (2004) would put it, effective branding and image creation
might be more important to those services than they are in the case of physical, tangible, products (Hart & Murphy, 1998; LePla & Parker, 1999; Lovelock et al., 2001).

2.5.4 Brand positioning and differentiation.

While an organisation may have a clear technical description of what it does, and for whom, it may not have paid attention to where it fits conceptually in people’s minds (Keller, 1993; Aaker, 1996; Baker, 1999; Bucholz & Wordmann, 2000; Holt, 2004). Marketers use a positioning strategy to distinguish their firm’s products or services from those of competitors and create marketing activity that communicates and reinforces that positioning. This has been widely covered in the marketing literature. Baker (1999, p. 307), for example, notes that: “For marketing it is crucial to see how the product’s benefits are perceived by consumers rather than how they are defined by production experts. Product positioning is a market research technique which seeks to elicit from buyers a description or ‘map’ of how alternative brands are seen”.

One might counter argue that research does not in itself create positioning, rather it establishes what current positioning is in the minds of the consumer and may also give some indications as to what positionings might be possible.

The definition in Baker (1999) is inadequate in that it does not emphasise that one of the major tasks facing marketers is to manage their products or brands into the most desirable ‘positions’ in the minds of target audiences. Kotler et al., (2001, p. 68) overcome this problem by defining positioning as: “Arranging for a product to occupy a clear, distinctive and desirable place relative to competing products in the minds of consumers; formulating competitive positioning for a product and a detailed marketing mix.” The emphasis therefore falls on to actions rather than observations to establish brand positioning.

In many cases an established brand now stands for exactly what it did at its inception many years ago. Some brands may have not altered over time, changed only slightly or been significantly repositioned. Where the attitudes and behaviour of target consumers have altered, so too has the positioning of some brands been altered (Kotler, et al., 2001). In some cases, the NFPO Barnardos for example, the public has beliefs about what the organisation does which are quite different to what it actually does. (Personal conversation with CEO of Barnardos NZ, 2010)
The correct positioning of brands “in the minds of consumers to differentiate the brand from competitors” (Fuchs & Diamantopoulos, 2010) is important. “If positioning is effective it has the potential to build powerful brands; however, if done incorrectly, it can also result in disaster.” (Fuchs & Diamantopoulos, 2010, p. 1764). Possible positionings might be based on physical or non-physical attributes, price/quality, and comparisons with competitors, who users are or where the product fits within the field of groups of similar products. The ability to be clearly seen as serving, in a unique way, a specific segment of a market by achieving a positive positioning in people’s minds has definite advantages for both FP and NFP organisations (Arnold, 1992, p. 90; LePla & Parker, 1999; Sargeant, 1999). In many cases a positioning may be hung off a central device such as a corporate or organisational brand name or logo. (Aaker, 2004)

Managers responsible for positioning brands seem to have traditionally concentrated on points of difference between brands, the unique benefits that set each brand apart from its competitors for example (Aaker, 1996, p. 151; Hart & Murphy, 1998). Often, according to Keller, Sternthal & Tybout (2002) such points of differentiation are what consumers remember about a brand. Marketers need to ask: Are the differences real, as well as deliverable, and are they really recognised and wanted by consumers? Brands need to differentiate themselves from others and maintain an advantage (Arnold, 1992; Aaker, 1996; Hart & Murphy, 1998). Indeed it may not be the organisation that creates these perceived differences but the consumer (Holt, 2004). Keller et al., (2002) cite three attributes that should be reinforced by differentiation:

- Firstly desirability: to be regarded as valuable a brand’s point or points of difference must be attractive, relevant and believable.
- The second attribute is deliverability: the actual product or service must keep the promise made in any promotion for the brand.
- Thirdly, consistency: the various components of the brand must not conflict with each other. An example of a conflict would be a brand which claimed to be exclusive but was widely sold in discount stores at a reduced price.

2.5.5 Brand value.

Sherry (1987) noted that brands had become so ubiquitous in America that people could be said to be each living in unique worlds composed of brands, a ‘brandscape’. They define themselves
in terms of the brands that they do, or do not, adopt, that they will or will not use. They live within their brandscapes, the “material and symbolic environment built by consumers with marketplace products, images, and messages and invested with local meaning” (Sherry, 1987, p.17) and construct their own identities by association with brands. Holt (2004) discusses the idea that brands are co-created, and that highly successful brands become virtual icons - “exemplary symbols that people accept as a shorthand to represent important ideas.” (Holt, 2004, p.1) “People identify strongly with cultural icons and often rely on these symbols in their everyday life”. For brand owners seeking to build iconic brands, the challenge is to develop “identity myths that address emerging contradictions in society” (Holt, 2004, p. 220).

A brand therefore has value in addition to its basic material content which might be founded on factors such as unique formulation, past experience, reliability, consistency, and image. Mental images could be negative as well as positive and combine to create an overall brand description. Brand description is tailored to the needs and wants of a target market using the marketing mix of product, price, place and promotion (Hart & Murphy, 1998). The ‘for-profit’ attractions of getting this right are clear as the success or otherwise of this process determines a brand’s strength or the degree of brand loyalty (Fuchs & Diamantopoulos, 2010).

A brand’s value is determined by the degree of brand loyalty given by consumers, as this implies a guarantee of future cash flows (Wood, 2000). But another way, and more closely related to profits, is suggested by Aakers “The best measure of brand equity would be the discounted present value of future earnings attributable to brand-equity assets.” (Aakers, 1991, p. 26)

Buchholz & Wordmann (2000) suggested that whereas a brand may have originated as a stamp of origin or ownership, it may now represent more than an impression of a product’s intrinsic ingredients. “Consumers make a choice for the virtually superior product, even if another product is objectively better” (Buchholz & Wordmann, 2000, p. 19). This agrees with Joe Marconi (1993) when he talked about ‘brands of choice’ where a selection is based on the brand’s image and its value judged on price and quality, or perceived quality. A brand’s strength is a function of the loyalty that a user has to their brand of choice. Kotler et al., (2001, p. 299) warn that ‘habit’ and ‘loyalty’ are not necessarily the same thing. Consumer loyalty is based on considerations of perceived value and image, including both the brand’s own ‘personality’ and its reputation, trustworthiness, convenience and availability, satisfaction from previous
encounters, service levels associated with brand delivery and guarantees/warranties whether
specific or implied (Marconi, 1993; Ambler, 1997; Hart & Murphy, 1998).

If a brand is to be counted on to have a high degree of consumer loyalty the need to reinforce it
with marketing efforts still remains. As Kennedy and Ehrenberg (2001, p. 4) point out:

“Marketers still need to publicize and sell their brand, make it memorable and look and
sound interesting, refresh brand associations, sustain quality and availability, deal well
with complaints and generally keep the brand salient... Marketing activities can help a
brand to stand out from its similar competition and maintain some feeling of interest or
even excitement”

2.5.6 Brand equity.

Table 2.10, which follows, summarises the views of writers on how the value of brands might be
classified. From this it can be seen there is wide agreement that brands represent value in terms
of brand equity for both marketers and consumers. Therefore they can represent a significant
asset for any organisation.

Table 2.10 Brands as assets.

<table>
<thead>
<tr>
<th>Brands as assets.</th>
<th>Significant contributors in the literature.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A brand also represents added value to a consumer.</td>
<td>Levitt, (1962); de Chernatony &amp; McDonald, (1992); Murphy, (1992); Wolfe, (1993); Doyle, (1994); Aaker, (1996); Hart &amp; Murphy (1998); LePla &amp; Parker, (1999); McDonald, de Chernatony &amp; Harris (2001).</td>
</tr>
</tbody>
</table>
Brand equity has been described as a consumer’s perception of the value added to the functional product or service by associating it with the brand name (Aaker, 1991). On a larger scale, seen from a purely financial point of view, a company may view brand equity as the future discounted profit stream attributable to the price premium or enhanced loyalty generated by the brand name (Aaker, 1991; Ambler, 1997; Wood, 2000). Feldwick (1996) suggests broadly similar possible meanings for brand equity but adds three other aspects:

- the total value of a brand as a separate asset when it is sold or included on a balance sheet;
- a measurement of consumers’ attachment to a brand, and
- a description of associations and beliefs the consumer has about the brand. They do not necessarily follow in that order. The term equity has nothing to do with fairness in this context, but instead refers to the financial value of a brand.

Feldwick (1996) also uses the term ‘brand description’. Where marketers refer to brand equity they tend, in fact, to mean a variety of things, from brand description to brand strength. These terms are also sometimes referred to as ‘consumer brand equity’ to distinguish them from the financial asset valuation meaning. This helps to clarify where the value added by a brand to a product or service can be seen as being of value to a consumer since it is based on its consistency, quality, satisfactory past experiences and the reputation of the brand owner (Marconi, 1993; Ambler, 1997).

The accounting profession considers that a brand should be regarded as an asset on the balance sheet of a company (McWilliam & de Chernatony, 1991; Tollington, 2000; Wood, 2000). Wong (2006, p. 9) says that “brands today are measured on largely financial measures. And it is hard to fault that approach in an era of marketing ROI-dominated discussions. But measures of brand value don’t address the real essence of a marketing based monopoly: How easy is it, psychologically as well as physically, for a consumer to buy from someone else?” Those last few words seem to summarise the essence of brand loyalty. Brands are regarded as profit generators since their long-term value is recognised in terms of potential increased sales, higher realised prices and improved bottom lines (Ambler, 1997; Hart & Murphy, 1998; Wood, 2000), but all of this is contingent on the obtaining and retention of consumer brand loyalty. (Kennedy & Ehrenberg, 2001)
The following assessment, adapted from Business Week (2002), of the value of the ‘brands’ associated with several major organisations and expresses each valuation as a percentage of the overall capitalisation of each organisation.

Table 2.11 Indication of brand valuations.

<table>
<thead>
<tr>
<th>Company</th>
<th>2002* Brand valuation</th>
<th>% of co. cap 2002*</th>
<th>2011** Brand valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coca Cola</td>
<td>$69.6bn</td>
<td>51%</td>
<td>$71.8bn</td>
</tr>
<tr>
<td>Microsoft</td>
<td>$64.1bn</td>
<td>21%</td>
<td>$59.1bn</td>
</tr>
<tr>
<td>IBM</td>
<td>$51.2bn</td>
<td>39%</td>
<td>$69.9bn</td>
</tr>
<tr>
<td>GE</td>
<td>$41.3bn</td>
<td>14%</td>
<td>$42.8bn</td>
</tr>
<tr>
<td>Intel</td>
<td>$30.9bn</td>
<td>22%</td>
<td>$35.2bn</td>
</tr>
<tr>
<td>Nokia</td>
<td>$30.0bn</td>
<td>51%</td>
<td>$25.0bn</td>
</tr>
<tr>
<td>Disney</td>
<td>$29.3bn</td>
<td>68%</td>
<td>$29.0bn</td>
</tr>
<tr>
<td>McDonalds</td>
<td>$26.4bn</td>
<td>71%</td>
<td>$35.6bn</td>
</tr>
<tr>
<td>Marlboro</td>
<td>$24.2bn</td>
<td>20%</td>
<td>$21.3bn#</td>
</tr>
<tr>
<td>Mercedes-Benz</td>
<td>$21.0bn</td>
<td>47%</td>
<td>$27.5bn</td>
</tr>
</tbody>
</table>

Sources: *Business Week, Interbrand/JP Morgan league table, 2002
** Interbrand’s Best Global Brands, 2011
# Marlboro not reported separately in 2011, 2008 figure used.

Brands often provide the primary points of difference between competitive offerings, and as such they can be critical to the success of companies. However, Wood (2000) warns that the management of brands needs to be approached strategically because, sometimes, a lack of effective dialogue between managers in the company may create barriers within organisations. Such barriers are recognised in research into the acceptance of a marketing orientation within organisations (Narver & Slater, 1990; Kohli & Jaworski, 1990; Avlonitis & Gounaris, 1999).

Later, when discussing brand management in NFPOs, this issue will arise again as communications problems between marketers and their internal and external contacts are revealed (Berger et al., 2004).

Thinking on the longer term potential of brands is developed by Ambler and Styles (1997) who suggest that managers of brands must choose between taking profits today or storing them for the future, with brand equity being a store of profits to be realised later. Reducing costs, as a means of boosting current profitability, suggests undermining some of the points of difference, perhaps product quality for example, that underpin a brand. Similarly, reduction of advertising
budgets may improve short-term profits but could undermine the consumer’s perceptions of the brand as it reduces its ‘share of shout’ in the market place (Ambler, 1997).

The definition of brand equity used by Srivastava & Shocker (1991, p. 92) highlights a longer term view that brand equity is: “….the aggregation of all accumulated attitudes and behaviour patterns in the extended minds of consumers, distribution channels and influence agents, which will enhance future profits and long term cash flow.” Definitions based on consumer familiarity and trust, as well as the value added by positive consumer association and perceptions of a brand, are echoed by Winters (1991) and Keller (1993). The opportunity for improved margins, in essence marketers can usually charge more for a branded product than an unbranded one even though the essential costs of production are the same, is also supported by Leuthesser (1988).

McDonald et al., (2001) develop thinking on added value when they define the difference between a brand and a commodity as being summed up in the words ‘added values’. The theory of ‘co-creation of brands’ (Prahahad & Ramaswamy, 2004) has been widely discussed in the literature. It may be that consumers rather than manufacturers are more important in creating brand equity. This certainly reflects Holt’s comment that brands start as little more than markers and it is the consumer that fills the brand with meaning and value (Holt, 2004).

From an accounting perspective Lucey (1985, p. 465) defines added value as: “…. the difference between sales income and [the cost of] bought in goods and services…. Value added is the wealth that a firm creates by its own efforts.” This may be far too simplistic because acceptance of the co-creation of brand concept tends to make Lucey’s definition look very production orientated.

To conclude this general review of what a brand is: The meaning and value added by brands is composed of both tangible and intangible elements, often incorporated in brand equity (Aaker, 1996). A brand adds value for the consumer in terms of familiarity, reliability and consistency (Aaker, 1996; Lovelock & Wright, 1999). Because these are benefits over and above the intrinsic value of the brand, they can generate consumer loyalty towards the brand (Aaker, 1991; Bucholz & Wordmann, 2000). Brands are recognised and valued by businesses as profit generators because they represent opportunities for future sales, higher prices and improved bottom lines (Ambler, 1997; Hart & Murphy, 1998; Wood, 2000).
It is important now to consider what the differences between brands in FP and NFP contexts are.

2.6. FP and NFP Brands.

The following section reviews literature related to the study of branding in FP and NFP contexts where appropriate. In part it summarises the key contributions of writers in the form of summary tables. Particularly relevant contributions are examined in more depth, disagreements between writers are critically analysed and gaps in the literature are identified.

2.6.1 Branding in NFPOs.

Hibbert suggests that understanding the concept of ‘positioning’ in the minds of those who are to be influenced would be useful to NFPOs. Stride (2006) talks about increased use of branding and brand management by NFPOs. She cites Tapp (1996) and Hankinson (2000, 2001) and mentions that values are at the core of what NFPOs stand for, and the brand is a symbol/reflection of those values. Related stories from other research suggests that many NFPO managers regard branding as a “dirty word” (Stride, 2006, p. 120) and that the use of branding may indicate some ‘selling out’ of the organisation’s values by becoming too commercial. Stride’s article makes no mention of CRM. Tan (2003) talks about NFPO’s need to brand and increase use of Brand Management techniques and how difficulty in obtaining funding leads to short term survival activity rather than long term strategic planning. Funding comes from a variety of sources and funders want to see clarity of purpose in the programs and organisations they support. A strong brand is useful in this because it adds to understanding of the context within which the entire enterprise of the organisation is understood. “Clear brand architecture also establishes ownership of past and future programs… a strong brand suggests that an organisation has the commitment and capacity to work as a sustainable enterprise…” (Tan, 2003, p. 2).

Stride suggests that many NFPOs use their brands in limited ways ‘to market to the same donors and foundations year after year’. Few of the organisations she researched had designated brand managers, many organisations seemed suspicious of brand management. She makes no mention of CRM type relationships, Tan (2003) does not mention CRM either.
2.6.2 Some NFPOs fail to realise that they own a brand.

An insight into how some NFPOs still seem to fail to realise that they own valuable brands was revealed in the media in 2003. In April 2003, the Auckland District Health Board (ADHB) decided that it would change the name of its Starship Children’s Hospital to Auckland City Children’s Services. It seems that the senior management and board members did not realise that they owned a major brand, ‘Starship’, that added value for a wide range of stakeholders. Protests from patients, parents, staff and the general public resulted in an embarrassing back down by the board (Starship Foundation, 2003; TVNZ One News, 2003; Personal conversation with the CEO of Starship Foundation, December 2008). This one example suggests lack of senior management understanding of branding as well as poor internal communication on branding and marketing issues, fuller details are included in Appendix 4. Other research reflects this kind of finding (Tapp, 1966; Bishop, 2005; Laidler-Kylander & Simonin, 2009).

Branding, as a discrete part of marketing which requires management, does not seem to be recognised by many NFPOs as shown in the summary of literature below where some of the possible reasons for this are summarised in Table 2.12.

Table 2.12 Branding in NFPOs.

<table>
<thead>
<tr>
<th>Observations about branding in NFPOs</th>
<th>Significant Contributors in the literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFPOs do not seem to recognise the need to protect their brands from adverse publicity</td>
<td>Collis, (1996); Hibbert &amp; Horne, (1996); Chevron, (1998); Ritchie, Swami &amp; Weinberg, (1999); McCurry, (2001); Charity Commission for England &amp; Wales (2003); Checco, (2003).</td>
</tr>
</tbody>
</table>
Shapiro’s paper, ‘Marketing for nonprofit organisations’ (1973), might now be criticised for not mentioning the word ‘brand’ once. However, in terms of assisting understanding of differences between FP and NFP marketing it still offers valid advice, reflected in the work of more recent writers. Concentrating on NFPOs, Shapiro identified three major marketing tasks for a NFP manager. It is notable that he did not say marketing manager. This appears to signal that marketing management was not regarded, at the time, as a separate role in NFPOs. Shapiro simply listed the NFP manager’s marketing tasks as: Resource attraction, resource allocation and persuasion.

Shapiro suggested that there are four key business concepts contributing to marketing thought and activity in the NFP sector:

- The first is self interest, in which both buyer and seller believe that they are receiving greater value than they are giving up.
- The second is the marketing task, which stresses the importance of satisfying consumer needs.
- The third concept is the marketing mix covering product, place, price and promotion.
- A fourth concept is distinctive competence, meaning that the organisation should concentrate on what it clearly does best, and better than others.

In other words, their approach is very similar to that taken in FPOs.

2.7 Brand management.

Brands are created, sustained or destroyed by action or inaction on the part of those that manage them, usually brand managers. (Blumenthal & Bergstrom, 2003) But some might say that that is too simplistic: “You can’t manage your brand because you don’t own it … your stakeholders do” (Tim Kitchin, quoted in Blumenthal & Bergstrom, 2003, p. 330).

Brand Management, as a management function, is traced back, by David Aaker, to Proctor & Gamble who, in 1931, put forward the idea of developing ‘a brand management team’. “The solution, creating a brand management team responsible for the marketing program and its coordination with sales and manufacturing, was a key event in the history of branding.” (Aaker, 1991, p. 5) It is notable that even this definition still mentions coordination with manufacturing
which would suggest a ‘product management’ role in terms of physical involvement with production rather than more non-physical management of intangible brand elements.

Thus far it has been seen that brands can be created and developed over time. In addition brand management has been described as being about balancing a variety of inputs (Arnold, 1992) and stands at the junction between a company and its customers (Arnold, 1992; de Chernatony & McDonald, 1992; Hart & Murphy, 1998). Companies, and similar organisations, typically have management structures built around specialist functions such as production, marketing, sales and accounting. Brand management generally fits in to the marketing area of an organisation where it acknowledges and deals with relationships between external marketplaces and the internal capabilities of the company or organisation (Arnold, 1992; Wood & Tandon, 1994). The role of the brand manager is to act and be seen as the expert on the brand and market requirements (Panigyrakis & Veloutsou, 1999). Brand managers rely on staff relationships (Katsanis, 1999) and work as part of a multidisciplinary team of managers where they act as the representative of the marketplace (Hankinson & Cowking, 1997; Panigyrakis & Veloutsou, 1999; Harris & de Chernatony, 2001).

There seems to be some overlap between definitions of brand management and product management. For example, Wood & Tandon (1994, p. 20) used the terms interchangeably when they talked about the emergence of a brand management role in companies. They say that, as initially developed, a single executive, namely the product or brand manager, is assigned responsibility for planning, co-ordinating, and integrating the activities of research and development, finance, accounting, production, distribution and marketing with the ultimate objective being achievement of a pre-established level of profitability for a specific product or brand.

From the perspective of a FPO key issues in the management of brands include the planning, development and maintenance of a brand or brands (de Chernatony & McDonald, 1992; LePla & Parker, 1999; Wood, 2000). This suggests that both long and short term perspectives are required. A major source of concern for managers might be short term activities on the part of the organisation that might undermine the positive public perceptions of the brand and thus undermine brand equity (Sheth et al., 1991; Srivastava & Shocker, 1991; Arnold, 1992; Aaker, 1991, 1996; Feldwick, 1996; Ambler, 1997; LePla & Parker, 1999, p. 31; Wood, 2000).
Most FPOs realise that brands need to be managed (Arnold, 1992; Ambler & Styles, 1996; Feldwick, 1996; Ambler, 1997; Leuthesser, 1998; LePla & Parker, 1999; Wood, 2000) and that effective planning and management of a brand should result in enrichment of people’s perceptions and attitudes towards it (de Chernatony & McDonald, 1992; Winters, 1991; Marconi, 1993; Aaker, 1996; Hart & Murphy 1998).

Management of a brand is more likely to be successful within marketing focussed organisations. Yet FP brands appear vulnerable to internal conflict between various parts of the business, especially if the organisation lacks a true marketing orientation (Drucker, 1990; Kohli & Jaworski, 1990; Narver & Slater, 1990; de Chernatony & McDonald, 1992; Arnold, 1992; Hart & Murphy, 1998; LePla & Parker, 1999). If a product does not meet the advertising promise, or staff do not deliver what the customer has been led to expect, then brand equity can be undermined. Earlier it was noted that a brand management role stands at the junction between the company and its consumers (Arnold, 1992; de Chernatony & McDonald, 1992; Hart & Murphy, 1998; LePla & Parker, 1999) and brands are usually more successful where they have a ‘Product Champion’ within the organisation’s management team (de Chernatony & McDonald, 1992; Hart & Murphy, 1998; Harris & de Chernatony, 2001). Therefore, if such a role is not present in a NFPO, that might be a factor contributing towards some NFPOs not fully realising the potential of their brands (Tapp, 1996; Hankinson, 2001a). Table 2.13, on the following page, summarises the brand management literature reviewed. This is considered later when we look at brand management in NFPOs.

From the perspective of both FP and NFPOs key issues in the management of brands are very similar: The development and maintenance of a brand needs to be planned (de Chernatony & McDonald, 1992; LePla & Parker, 1999; Wood, 2000) and take both long and short term approaches to its management (Sheth et al., 1991; Srivastava & Shocker, 1991; Arnold, 1992; Aaker, 1991, 1996; Feldwick, 1996; Ambler, 1997; LePla & Parker, 1999; Wood, 2000).

A summary of key contributions and contributors is shown in Table 2.13, on the following page.
Table 2.13   Brand Management.

<table>
<thead>
<tr>
<th>Brand Management</th>
<th>Significant Contributors in the literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management of a brand is only effective within truly marketing focussed organisations.</td>
<td>Drucker, (1990); Kohli &amp; Jaworski, (1990); Narver &amp; Slater, (1990); de Chernatony &amp; McDonald, (1992); Arnold, (1992); Hart &amp; Murphy, (1998); LePla &amp; Parker, (1999); Copulsky (2011.)</td>
</tr>
<tr>
<td>Brand management’s role stands at junction between company and customer. Depends on a marketing orientation to be successful.</td>
<td>Arnold, (1992); de Chernatony &amp; McDonald, (1992); Hart &amp; Murphy (1998); LePla &amp; Parker, (1999); Panigyrakis &amp; Veloutsou, (1999).</td>
</tr>
</tbody>
</table>
2.7.1 Brand management in not-for-profit organisations.

The issue of brand management responsibility in NFPOs seems to have only been addressed in the literature since the 1990s. Tapp (1996) found that many charities were already using day-to-day brand management techniques without describing them as such, but brand development work was scarce. Hankinson (2001a) reported that those marketing people who were using their NFPO’s brands as a strategic resource were not getting much support from within their organisations. Conservatism from the top was a significant barrier to the introduction of new ideas, particularly by those from non-commercial backgrounds (Hankinson, 2001a). This should be contrasted with Kotler’s advice (quoted in Drucker, 1990, p. 81) that “Marketing doesn’t get anywhere in an organization without the head of the organization getting interested in it.”

Hankinson found, as Tapp did and Kotler suggested to Drucker in the context of marketing generally, that many charity managers had in fact been practising brand management in a fragmented way for a number of years (Hankinson, 2001a). A major problem highlighted was that de facto brand managers felt hampered by a lack of organisational responsibility for the brand, so that brand management was carried out piecemeal and without central coordination. This indicates that there is considerable room for improvement with opportunities for managers to manage their brands, treat them much more like assets and ensure that branding becomes more of a team based activity (Wood, 2000).

Academics and some practitioners have long recognised the value of brands to NFPOs (Drucker, 1990; Ritchie, Swami & Weinberg; 1999; Hankinson 2001a) although the available literature gives little attention to theoretical or practical issues behind the actual management of brands within NFPOs. Hankinson (2001a) reported a lack of detailed scholarly activity on brands and their management in the charity sector, despite the fact that marketing ideas had been applied to the charity sector for at least the previous 30 years. What information that did exist relied primarily on case study reports and brand practice papers (Hankinson, 2001a). Research consulted showed that marketing activity within NFPOs is often more sophisticated than may appear to the general public and is worthy of further research (Hankinson, 2001a; Sargeant, 1999).

The benefits to organisations of adopting a marketing orientation have been widely recognised and described (Kohli & Jaworski, 1990; Narver & Slater, 1990). The applicability of the
marketing concept to NFPOs has been observed and discussed for more than three decades (Kotler & Levy, 1969; Shapiro 1973; Yorke 1984; Drucker, 1990; Kotler & Andreasen, 1996;). Marketing orientation suggests, among other things, that an organisation’s operations are focussed on the needs of its clients and other stakeholders. This could be modified for NFPOs in that they may be focussed on the needs of their stakeholders – some of whom might not actually be their clients. This differentiates NFPOs from FPOs and shifts consideration towards issues of social marketing.

An additional characteristic of marketing oriented organisations is a focus on the activities of competitors (Kohli & Jaworski, 1990; Narver & Slater, 1990). This appears to only have developed in many NFPOs since the growth in the number of NFPOs and stagnation in funding forced some NFPOs to realise that they need to compete more aggressively for funding (Hankinson, 2001a; Sargeant, 1999).

As the number and size of NFPOs increased, the competition for resources such as government funding, donations or volunteer support, also increased (Andreasen, 1982; Bennett, 2003; Dees, 1998; Tapp, 1996) but the availability and amount of funds did not. In for-profit competitive situations, brands and brand differentiation are used as powerful marketing tools by for-profits. Yet, branding appears to be an underutilised tool for many not-for-profit organisations (Hankinson, 2001; Hankinson, 2001a; Sargeant, 1995; Sargeant, 1999; Tapp, 1996, Bishop, 2005; Bishop, 2006). Some NFPOs may have simply failed to realise that their brand is a valuable asset, capable of providing competitive advantages; furthermore, many lack the management resources and commitment needed to maximise their brand’s potential (Andreasen, 1982).

Brand management as a defined role within NFPOs was rarely seen. Findings from a variety of writers are summarised in Table 2.14.
Table 2.14  The role of marketing management in NFPOs.

<table>
<thead>
<tr>
<th>Observations, taken from the literature, concerning the role of Marketing Management in NFPOs.</th>
<th>Significant Contributors in the literature.</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFPOs have tended to ignore marketing as a separate management function &amp; management functions tend to be diffused across the organisation.</td>
<td>Yorke, (1984); Andreasen (1982); Ramanathan, (1982); Drucker, (1990); Gwin, (1990); David, (1995); Hibbert, (1995); Balbanis et al., (1997); Kinnell &amp; MacDougall, (1997); Sargeant, (1999); Wood, (2000); Hankinson, (2001)</td>
</tr>
<tr>
<td>General lack of recognition by NFPO management that marketing can be an internal as well as external tool.</td>
<td>Hibbert, (1995); Sargeant, (1999); Hankinson, (2001)</td>
</tr>
</tbody>
</table>

A major objective, in conducting this literature review, was to develop an understanding of how NFPO managers think about brands in general and theirs in particular and how important their brands are to their organisations. Surprisingly, the literature provided no definitive answers. Sargeant (1999, pp. 9-11) describes how some NFPOs developed a marketing function as a response to a need to generate income or promote internally generated products or services. This
seems to result, as will be seen later in this review, in marketing being defined as a function mainly concerned with fundraising and public relations.

A market orientation, as seen in most FPOs, would see marketing as a key management function contributing to all elements of the business with a designated marketing manager or director role (Sargeant, 1999, p. 13). Shapiro (1973) identified the marketing tasks that a NFPO should perform but was not clear who should actually do it. Kotler and Drucker (in Drucker, 1990) concluded that the CEO of a NFPO should head the organisation’s marketing function but that it should be delegated to someone else in the organisation. Hankinson (2001) found that many managers, not specifically marketing managers, had been effectively fulfilling the role of marketing managers, possibly without realising it themselves, and with little recognition or support from senior management.

A marketing management role is important because organisations, whether FP or NFP, need to prepare and execute marketing strategies and plans that will lead to the achievement of organisational objectives. These plans and broader business and marketing strategies should also incorporate the need to satisfy multiple stakeholders and it is difficult to see how this could be achieved successfully and consistently without it being a specific person’s responsibility. The term ‘Marketing Strategy’ seems to have a variety of definitions, including: “An organisation’s overall program for selecting a target market” (Boone & Kurtz, 1999, p. 173), another is “The marketing logic by which the business unit hopes to achieve its marketing objectives” (Kotler et al., 2001, p. 862). Within this, ‘brand strategy’ can be defined as an indication of “the direction in which a brand should be developing to achieve the objectives set for it” (Kotler, et al., 2001, p. 360).

The Southern Cross Medical Care Society of New Zealand (2002), for example, reported in 2002 that to ensure ongoing financial viability it needed to promote demand and consumer preference for its services and products. Bennett’s empirical study (2003) of British charities found that many were beginning to focus on competitive strategies but most were doing it poorly. This change may vary across countries and cultures. In the case of charitable organisations, the need to compete in the market for public donations may not be fully appreciated by service delivery staff employed by the organisations (Kotler & Andreasen, 1996).
Marketing management, as far as FP marketing practitioners and academics recognise it, seems to have gained attention in NFP contexts through the 1990s (Drucker, 1990; Hibbert, 1995; Ritchie et al., 1999; Lindsay & Murphy, 1996; Sargeant, 1999). This was not widespread, however. It barely gets a mention in many publications aimed at practitioners concerned with the management of NFPOs (e.g. Ramatharan, 1982; Hammack & Young, 1993; Smith, 202; Reider, 2001). Kotler & Andreasen do not discuss marketing managers, let alone brand managers, as such, and mention branding only in the context of a NFPO applying its brand to items that it sells (Kotler & Andreasen, 1996, p. 374). These authors do not mention how branding is or might be managed in NFP marketing.

Ramatharan (1982) makes no mention of marketing, brands, advertising or even fundraising. In a work aimed at practitioners, such as Ramanathan’s, it is not unusual to find a lot of emphasis put on non-academic research and anecdotal reports. But, from an academic point of view, where we observe and try to explain the behaviours seen in a market place, it is important to note that NFPO practitioners appear to be rarely exposed to and, if they are, rarely act on academic research. To substantiate this claim it is noted that in a ‘Non-profit Sector Bibliography’ prepared in 2008 for the New Zealand Office for the Community & Voluntary Sector, there is no mention of any of the academic groundwork papers uncovered in this literature review (Sanders, O’Brien & Tennant, 2008). In fairness their brief may have been to trace the history of the sector to the present day but marketing practitioners will find little to help their marketing efforts in this area.

It is important to understand what information practitioners are exposed to in order to explain or influence their actions. Marketing features only briefly in ‘Nonprofit Organizations in a Market Economy’, an anthology of papers edited by Hammack & Young (1993). Management of branding is not mentioned at all and the discussion of advertising is limited to whether it is ethical. David Billis, in Hammack & Young (1993, pp. 319-338) touches on what NFPs and business can learn from each other, but is mainly concerned with general management issues and makes no mention of marketing issues. Drucker (1990, pp. 81-82) mentions marketing and how it is managed in NFPOs but includes no mention of the role of brands, branding or advertising. Drucker suggests that CEOs should be responsible for marketing their organisations, but delegate the day-to-day management of marketing to ‘someone else' in the organisation.
Wilbur et al., (1994) give some basic guidance on how NFPOs should market themselves, but do not mention brands or hint at their existence or value. Like Drucker and Kotler they ponder on who should be responsible for marketing in NFPOs: “Organizations vary greatly in the way in which marketing is handled. In many nonprofits, each individual function area is responsible for marketing its own programs…..” (Wilbur et al., 1994, p. 117). Note here the emphasis on marketing individual programmes rather than the organisation itself as an entity.

Narver & Slater (1990), Kohli & Jaworski (1990) and Wilbur et al., (1994), like Drucker and Kotler, also suggest that a marketing orientation needs to be driven from the top and if the CEO, or equivalent, is not committed then marketing is likely to become a side issue in the overall running of the organisation. This appears to happen in many NFPOs. (Sargeant, 2005)

Market orientation represents a set of processes touching on all aspects of the organisation (Shapiro, 1998) and an organisation can only be market orientated if it completely understands its market and the minds of the decision makers within it. Shapiro, reflecting the work of writers like Kohli & Jaworski (1990), emphasised that “To be of greatest use customer information must move beyond the market research, sales and marketing functions and permeate ‘every corporate function’” (Shapiro, 1998, p. 120). Yet, three years later, Reider (2001) published his book entitled ‘Improving the Economy, Efficiency and Effectiveness of not-for-profits’ in which marketing, brands and advertising are not mentioned, although it includes a sizeable section on fundraising. There is no mention of recruiting or training marketing specialists nor are possible benefits of coordinated internal and external marketing mentioned. This contrasts with Balbanis et al., (1997) who asserted, in their empirical study of market orientation in the top twenty British charity organisations, that the marketing concept has been taken on board by many charitable organisations. So it appears that some do and some do not.

Balbanis et al., (1997) used the terms charity and not-for-profit interchangeably. During their research they found numerous articles, papers and texts in the 1990s which confirmed not only growing acceptance of the idea of market orientation in NFP and charitable organisations, but also an elevation of the status of marketing in such organisations. In practice what is called ‘marketing’ might more properly be defined, in many NFP contexts, as limited parts of a conventional marketing and promotional mix. This might only include elements such as public relations, communications and fundraising.
Blumenthal & Bergstrom (2003) talk about brand stakeholders, doing good, and the benefits that CSR might have in building corporate brands. But do not mention NFPOs in any ways that suggest they might be active players in CSR activity, for example. They also include the previously mentioned quote from Tim Kitchin: “You can’t manage your brand because you don’t own it… your stakeholders do” (Tim Kitchin, quoted in Blumenthal & Bergstrom, 2003, p. 330).

Possible confusion about what ‘marketing’ might mean in NFPOs could be due to the differing interpretations of the word by NFPO managers, stakeholders and marketing academics. People in NFPOs might use words in ways that signify something clearly amongst themselves but mean something quite different, or nothing at all, to outsiders (Cousins, 1990; Krippendorfer, 1993; Hudson, 1995; Davies & Chun, 2003). Metaphors abound in language used by marketers and an organisation might consider itself to be marketing orientated when in fact it is sales or production orientated (Davies & Chun, 2003).

The marketing concept may be defined by saying there should be: “Company wide consumer orientation with the objective of achieving long-run success” (Boone & Kurtz, 1999, p. 21). This definition highlights the need for truly market orientated organisations to be aware of the needs of their stakeholders and focus on the separate needs of these as well as the needs of the organisation itself. The marketing concept, which underpins market and customer orientation, was developed to guide FP organisations and has been the subject of many studies (e.g. McNamara, 1972; Shapiro, 1988; Webster, 1988; Kohli & Jaworski, 1990; Narver & Slater, 1990; Gray, Matear & Matheson, 2002). Adoption of the marketing concept appears to be indicated by three significant features in an organisation (Narver & Slater, 1990):

1) Customer focus,
2) Some degree of coordinated effort, and,
3) An intention to adopt it as a means of improving current and/or future profitability.

In support of this third element, Kotler & Andreasen (1996) assert that NFPOs need to survive through generating adequate revenues to achieve long-term organisational objectives. The traditional altruistic imperative, that the organisation exists only to do good with no thought of monetary reward, was supported by Drucker (1990, p. 89): “Non-profits do not base their strategy on money, nor do they make it the centre of their plans…. The non-profits start with the
performance of their mission”. However competition in the market place makes it essential that NFPOs take a wider view of their operational needs in the broader market place, particularly for central government funding and acquisition of public donations (Norman, 1994; Sargeant, 1999; Bennett, 2003).

During conversations with Philip Kotler (Drucker, 1990, p. 73), Peter Drucker asked whether NFPOs had no awareness of marketing, or of the need to market. Kotler’s reply then was that he had observed that some of them appeared to be doing it but without any awareness of how to do it well. This is supported by research from the UK, which suggests that many NFPO brands may not be consciously created at the inception of many NFPOs as the organisations often starts out as a small group of people getting together to address a particular need that has not been met from other sources (Tapp, 1996). Initially they may not have the marketing sophistication, direction, identity or resources to develop a brand. The brand, it seems, evolves as an expression of their developing identity. If such brands ‘just happen’, as Tapp suggests may sometimes be the case, then the concerns expressed earlier, voiced by Gotsi & Wilson (2001) arise again: How can staff be enabled to understand the brand if management does not understand it?

2.8 Social Marketing, Corporate Social Responsibility and Cause Related marketing.

2.8.1 Social Marketing.

NFPOs, as their name suggests, do not have a theoretical goal of profit maximisation (Gallagher & Weinberg, 1991). Yet NFPOs do produce outputs which are usually improvements in the welfare of clients, in parts or all of society (Kotler & Andreasen, 1996). Social marketing is a term that has its intellectual roots within the marketing field in the work of Kotler & Levy (1969) and Kotler & Zaltman (1971). Its origins as a practice, recognised in the marketing academic literature, go back at least as far as the 1960s when, for example, the promotion of family planning was introduced (Andreasen, 2002, p. 3).

When considering the range of NFPOs listed by Kotler & Andreasen (1996) and Sargeant (1999) in Table 2.1 it becomes clear that many NFPOs are in fact closely involved in changing attitudes and behaviour within society so they could be said to be involved in Social Marketing. The term social marketing has come to mean the organising of programs aimed at increasing the acceptability of a social idea or practice (Kotler & Roberto, 1989). Social marketing can be
applied in any situation in which a socially critical individual behaviour needs to be addressed for a target audience (Andreasen, 2002). Even clearly commercial organisations have been seen to adopt a social marketing element in their marketing mixes (Mason, 2002).

Andreasen (2002, p. 7) suggests a number of features that should be used to identify if an organisation could legitimately be classified as being involved with social marketing. These include having a stated, rather than implied, objective aimed at changing behaviour when designing and evaluating interventions. Social marketing projects use ‘audience’ research, pre-test investigations and interventions and resources that are directed at appropriate segments of populations to avoid waste of scarce resources. Audiences are exposed to attractive and motivational exchanges which are relevant to them and all 4 Ps of the traditional marketing mix are used with careful attention paid to the alternatives to the desired behaviour that might be available.

Policymakers and managers may still be uncertain as to what social marketing actually means, what it might achieve and what it ought to achieve (Kotler & Andreasen, 1996, p. 388). Kotler & Andreasen make a distinction between what they call generic and social marketing. The objective of generic marketing is usually to influence behaviour for the benefit of the marketer. Social marketing seeks to influence social behaviours for the benefit of the target audience and society in general (Kotler & Andreasen, 1996, p. 89). When considering the range of NFPOs listed in Table 2 and considering the implications of what social marketing means it appears that many NFPOs are involved in social marketing to some extent.

In a social marketing context, a traditional 4 Ps marketing mix, consisting of issues to do with Product, Place, Price and Promotion, becomes more difficult to apply (Sargeant, 1999, p. 270). Social marketing need not be concerned with the promotion of a service, or product, but merely seek to alter behaviour such as persuading drivers not to drink and drive or children not to play with fire (Vivian, 1996). This may require a different approach to the 4 Ps. Indeed Sargeant (1999) suggests that a 6 P framework be adopted. The two ‘new’ Ps are Partnerships and Policy. The term ‘partnerships’ suggests that the NFPO needs to work with other like-minded organisations to ensure consistency of approach and because individual organisations may simply not have the resources to work alone. Policy refers essentially to public policy. In many cases the only method of achieving a desirable social outcome may be for government or its agencies to compel individuals/institutions to institute a desirable change in behaviour (Sargeant,
1999, p. 271). Examples could include compulsory wearing of seat belts, use of child car restraints, and banning of smoking in public places. At the start of the new millennium, Andreasen, Gould & Gutierrez (2000), when reviewing the impact of marketing on the 20th century, added that few people would be surprised to hear that the last 25 years of the century had witnessed the growing contribution of marketing to efforts aimed at addressing important social issues.

Differences between social marketing and NFPO marketing need to be clarified. Social marketing relates to changing attitudes and behaviours amongst populations. The emphasis in such activity will fall upon communications. NFPO marketing relates to delivery of services and possibly products as well as having some element of social marketing. Telling people about what the organisation can provide, raising funds for the organisation, persuading both clients and supporters of the value of the organisation and then delivering its products and services raises the importance of the people that the organisation uses to achieve its objectives.

The work of Gummesson, (1994) in devising the notion of ‘Part time marketers’ is very relevant and earlier it was reported that marketing often ‘happens’ in NFPs and brands develop almost as an accidental consequence of ‘non-marketing people’, such as service deliverers and volunteer supporters, doing what they do do well.

2.8.2 Corporate Social responsibility.

The following summary of what Corporate Social Responsibility (CSR) means is illustrated by Kitchin (2003):

“Activities which have no direct short term profit motive, but which they [organisations] perceive to have long term benefits in protecting reputation, quelling future discontent, or building commercialisable goodwill.” (Kitchin, 2003, p. 314).

At an operational level Kitchin further described it as “the brand specific duties and resultant actions of commercial organisations in relation to their communities of need – defined and delivered outside the core transactional context of the business.”
The deeper meanings of CSR seem to be explored more in management literature than marketing literature. Lindgreen, Swaen & Johnston (2009) give a detailed background review of the literature. The following quotation is taken from their findings:

“CSR is the firm’s consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm … to accomplish social benefits along with the traditional economic gains which the firm seeks.” (Lindgreen et al., 2009, p.304)

The possible impact of CSR, or the lack of it, is highlighted by Lindgreen et al., (2009) where they quote a 2004 Cone Corporation Citizenship Study which revealed that “74% of Americans surveyed consider an organization’s commitment to causes important when they decide which products and services to recommend to others. In addition, 86% of those surveyed would consider dropping an organisation with negative social practices.” (Lindgreen et al., 2009, p. 305). Note that this comment referred to the likely behaviour of individuals rather than larger funding organisations.

A cross over between CSR and CRM is mentioned by Berglind & Nakata (2005) where they report on NFPO involvement with CRM. Businesses partnering with NFPOs do so for a dual purpose: One to raise awareness, support, donations for good causes and the other, to enhance corporate reputations, customer loyalty, and achieve financial gains for companies.

Blumenthal & Bergstrom (2003) talk about brand stakeholders, doing good through adoption of CSR and the benefits of CSR to building corporate brands. They do not mention NFPOs in any ways that suggest they might be active players in CSR activity. This seems to reinforce a view that the active player in CSR and CRM is the FPO not the NFPO. There is a further implication of this in the work of Daellenbach et al., (2006).

While discussing mainly sponsorship relationships they do mention possible overlaps with philanthropy and CRM. In their review of the literature they report only on work that focuses on relationships (mainly sponsorship relationships) from the point of view of the sponsor. No mention is made of issues seen from the point of view of the sponsored organisation. They suggest an active role for the sponsor and a passive one for the beneficiary. They say that, for a FPO, sponsorship has become “a key line item on income statements” (Daellenbach et al., 2006, p. 73) and they add to definitions of Sponsorship and CRM. A sponsor “provides a resource
(usually financial) to the sponsored organisation and in return the sponsored organisation provides benefits such as logo placement in advertising or discounts.” (Daellenbach et al., 2006, p. 74) CRM is defined differently “In a cause-related marketing relationship, the amount of money given to the non-profit company is related to the amount of product or service consumers purchase.” (Daellenbach et al., 2006, p. 74). They note that much literature has considered the motivations of the sponsor, but say nothing about the motivations of the sponsored organisation.

It may be that the low profile of NFPOs in reported CRM or CSR relationship management is a result of poor sampling on the part of researchers. Evidence of this appears, for example, in Embley’s book (1993) which seems to concentrate mainly on CSR, and may well have been one of the earliest sources to address the issue in depth. It refers only once to CRM. And reports that, of the 62 individuals who helped with the research reported on, 52 were from FP organisations, only 4 from NFPOs and 6 appear to have been private individuals. This further supports a conclusion that this field is predominantly viewed and researched from the FP perspective and could explain the apparent skewing of reported power in such relationships to FPOs.

It appears that some writers, like Kitchin (2003) and Thomas (2008) think that CSR may in fact be a cynical form of public relations activity to cover organisations, who know that they are doing wrong, from negative public opinions. Thomas suggests that CSR may be a “Fad” (Thomas, 2008, p. 154) and Kitchin (2003) appears to agree when he says that “CSR’s heyday may yet prove to be exceedingly brief” (Kitchin, 2003, p. 312).

Kitchin then contradicts himself as follows:

“What they really mean by CSR are activities that have no direct short-term profit motive, but which they perceive to have long term benefits in protecting reputation, quelling future discontent, or building commercialisable goodwill.” (Kitchin, 2003, p. 314)

He also defines CSR as follows: “the brand specific duties and resultant actions of commercial organisations in relation to their communities of need – defined and delivered outside the core transactional context of the business.” (Kitchin, 2003, p. 316). As with other CSR papers there is little mention of NFPOs.
Kitchin talks about brands being built on trust. While every brand’s social responsibility is unique, not just to the business segment it operates in, or to its own operational impact, it needs to be carefully managed but unique to the promises that the brand has made, and unique to the delicate framework of trust it has established with its stakeholders. “Trust is built through subjective analysis and interpretation of the brand’s performance – not just towards oneself but towards others.” (Kitchin, 2003, p. 315). Elsewhere he states:

“Corporate philanthropy becomes social engagement – a process of involvement and feedback addressing new stake-taker groups, which seeks to clarify aims and discover areas of common interest or need, in order to enable collaborative resolution.” (Kitchin, 2003, p. 324)

The term ‘stake-taker groups’ is here taken to mean the entry of new influencers in to the corporate decision making team. An organisation like BP might, for example, take more notice of NFPOs concerned with environmental issues following its experiences with the Gulf of Mexico Oil Spill. This is implied in another quote from Kitchin:

“Corporate social participation becomes a benign form of environmental engineering. Despite the sinister overtones, environmental engineering is essentially then purposeful intervention in the systems environment of the company, to enable the future fulfilment of shared objectives among an ever-larger stakeholder group.” (Kitchin, 2003, p. 324-325)

As a measure of its effects in marketing terms, Mohr & Webb (2005) report on a study of adults’ views on CSR. Two scenarios were described to respondents manipulating CSR issues and price issues. Results indicate that CSR can have positive effects on consumers’ evaluation of a company and purchase intent. Their findings suggest that CSR issues may be more influential on purchase decisions than price issues. Four years earlier Mohr, Webb & Harris (2001) quote some further definitions of CSR: “A company’s commitment to minimising or eliminating any harmful effects and maximising its long-run beneficial impact on society” (Mohr et al., 2001. p. 47). Mention is made of socially responsible behaviour influencing a broad array of actions such as behaving ethically, supporting the work of NFPOs, treating employees fairly and minimising damage to the environment. But, as with much of the literature on this subject, there is no other mention of NFPOs in the article, suggesting they are thought of as channels for CSR but not
influential entities in themselves. Mohr et al., mention Stakeholder theory where the responsibility of company management is to consider effects of co-action and all it may impact on, and compare it to shareholder theory which states that the only issues that matter are those that influence the value returned to shareholders thus echoing Friedman’s views of the responsibility of business managers. They also talk about CSR adding to brand equity – as did Hoeffler & Keller (2002).

A very cynical set of insights can be found in Thomas (2008).

“The latest fad is Corporate Social Responsibility where companies construct a series of programmes, projects, charitable pledges, codes of conduct and impact assessments to show the beneficence of the company ... For some it is nothing but a PR tool to convince doubters that multinationals are good citizens. However there are those with a genuine belief in Corporate Social Responsibility who argue that multinationals and transnationals are hugely powerful entities that have the capacity to improve social conditions through the workplace. Globalisation and neo-liberal economics are not just a reality but the dominant consensus amongst politicians, corporations and ruling elites. Thus, supporters of CSR argue, there is a potential for consumers to pressure companies to change, as governments seem disinclined and unable to legislate against corporate excesses. For some Corporate Social responsibility is the only game in town.” (Thomas, 2008, p. 154)

Thomas quotes Neville Isdell, ex CEO of Coca Cola “We have a presence in people’s lives that reaches beyond that magical moment of providing that simple moment of refreshment. We’re also an employer, a business partner, a part of the community, a global citizen; and I believe we must play our role in supporting sustainable communities” (Thomas, 2008, p. 319). This suggests, even if indirectly, that the corporation will need to relate to and work with NFPOs. A further quote from Isdell seems to support this “The challenges facing our planet are too urgent and complex for governments alone, business alone, or NGOs alone to solve.” (Isdell, in Thomas, 2008, p. 320)
2.8.3 The people factor in CSR.

When considering brands in a broad context, Harris & de Chernatony (2001) emphasise the importance of people involved with an organisation as a brand’s ‘ambassadors’. These are people who promote and can influence the brand and its features within and outside the organisation. A brand’s emotional values are communicated not just by advertising, but also through employees’ interaction with different stakeholders. Gotsi and Wilson (2001, p. 103) comment on this in the context of maintaining an organisation’s corporate reputation. What they say seems applicable to NFPOs:

1) The public increasingly wants to know about the companies that stand behind the brands;
2) Staff behaviour projects images that characterise the organisation in the eyes of external stakeholders;
3) Aligning brand actions with brand promises is a critical test for managers and;
4) Staff have to understand the brand, if they are to ‘live the brand’ and its values.

Helm (2011) reports similar findings. An important feature here is the need for all people in the organisation to understand their role in marketing the organisation and internal marketing is essential if this is to be achieved. The extent to which this is achieved in NFPOs is influenced by the attitudes of management (Hankinson, 2001). The importance of internal marketing is one of the characteristics of successful marketing orientated organisations identified by Kohli & Jaworski (1990) and Narver & Slater (1990).

2.8.4 Cause Related Marketing.

The tying together of a NFPO and a FPO in a relationship where, on the face of it, the NFPO gains income through efforts on the part of an FPO, is referred to as Cause Marketing or Cause Related Marketing (CRM). Gourville & Rangan (2004, p. 38) suggests that a definition of cause marketing is “the linking of a for-profit firm to a nonprofit cause for the purpose of furthering the for-profit’s business strategy”. But they also ask how such firms, both from the FP and NFP, evaluate and value such relationships. And, how should either organisation decide whether such a partnership makes economic and strategic sense? Gourville & Rangan (2004) found from their research that managers, both FP and NFP rarely anticipate and capture the full potential of a
CRM relationship. Many are inadequately conceived, not sufficiently sensitive to the other parties needs, or how they will benefit, and only rarely anticipate issues of sustainability.

Gourville & Rangan (2004) report that most academic researchers quickly revert to a conclusion that CRM has, as its prime reason for being, a firm’s wish to increase the sales of their product/service offering by participating. This is consistent with the definition created by Varadarajan & Menon (1988) who define CRM as activity that prompts customer activity leading to a pre-determined donation to a cause. This is a keystone paper in that most later papers on CRM seem to miss a lot in terms of how the Cause may bring value to a CRM relationship. Gourville et al., are one of the few sources to mention that the value the NFPO brings to the relationship could be potentially as great as, if not greater than the value brought by the FPO. Yet the value of association with some NFPOs seems to have been long recognised. Stoolmacher (2004) reports that, since 1983, more and more companies have come to realise that linking their name to highly esteemed charities makes sound business sense.

Berger et al., (2004) delved into the relationships between FPs and NFPs in their paper ‘Social Alliances: Company/Nonprofit Collaboration’. They talk about the many diverse forms that corporate social initiatives might take. Note that they almost invariably report the corporate as the initiator. Efforts can range from CRM programmes to community involvement efforts and workplace supported volunteerism to social enterprises. While the impression they create is of the FP as the initiator they do mention that “Nonprofits have been spurred to reach beyond traditional sources and modes of funding by changes in their external environment.” (Berger et al., 2004, p.58). It should be remembered that they do not define what ‘nonprofits’ might be, in terms of their nature or size, so they might be referring to large national organisations rather than small local community initiatives.

The potential for clashes of goals, values, cultures, management styles and operating approaches are highlighted by a number of writers (Polonsky & Speed, 2001; Berger et al., 2004). A major source of conflict would be the friction created between the FPO’s economic objectives set for the FPO’s marketing and the fund-raising objectives of the NFPO. Much seems to depend on the stage that any relationship might have got to. James Austin (2001) talked about three stages that FP/NFP relationships might pass through. The first is the Philanthropic stage, where the NFP simply seeks corporate donations. The second is the transactional stage where a specific piece of activity, perhaps a CRM initiative, is set up between or more properly by, the two parties. The
third stage is the integrative stage where “The partner’s missions, people and activities begin to experience more collective action and organizational integration” (Austin, 2001, p. 26). At any point conflicts might emerge between the FPO and the NFPO.

Polonsky & Speed (2001) provide a comprehensive review of how CRM relationships might be developed but make no mention of the cause and how the cause manages its part in CRM relationship. The same was found in the work of Pracejus & Olsen (2004), Pringle & Thompson (1999) and Sen & Bhattacharya (2001) who made little mention of the ‘causes’ involved in CRM.

Foreman (2005), discusses funding problems for most NFPOs in the United Kingdom where traditional income from donations, legacies, investments and grants is waning. Development of partnerships with other organisations is getting more important. Similarly to Austin (2001) Foreman found that there seem to be three stages in such alliances: Starts with Philanthropic donations from corporations, then CRM, then a closer relationship/collaboration, then an integrative stage, virtually re-iterating what Austin said. Foreman defines CRM as being marketing activities that are characterised by contributing a specific amount to a designated non-profit effort that, in turn, causes customers to engage in revenue providing exchanges which seems to be talking more about fundraising than brand alignment. Foreman warns that too much involvement by the donor organisation may be seen by consumers as meddling with the Cause and too little may be seen as a superficial involvement not really intended to help the cause! Scepticism may emerge because of “cause exploitive intentions” (Foreman, 2005. p. 7). As with Austin, Foreman also makes no mention of any specific cause, its needs or its management.

The NFP literature, particularly that related to branding, reveals a lot of research findings based on empirical, often anecdotal, practitioner reports (Hankinson, 2000) although some more robust academic research into NFPOs has been done in the last sixteen years (Tapp, 1996; Sargeant, 1999; Hankinson 2000; Till & Nowak, 2000). The CRM literature tends to focus mainly on CRM from a FP perspective (Till & Nowak, 2000; Polonsky & Speed, 2001; Pracejus & Olsen, 2004; Trimble & Rifon, 2006).

When thinking more deeply about how a FPO and a NFPO might interact, a point at which the day-to-day management of NFP and FP brands meet, is where CRM is undertaken, creating a link. “Cause Related Marketing (CRM) can be defined as a strategic positioning and marketing
tool which links a company or brand to a relevant social cause or issue, for mutual benefit.” (Pringle & Thompson, 1999, p 3.)

As mentioned earlier a common reference point in the CRM literature is the paper by Varadarajan & Menon (1988). In CRM a commercial brand seeks to associate itself with a NFP brand, and generate a relationship which can create benefits for both sides. Varadarajan & Menon do not discuss the length of CRM relationships in any detail. The relationship is often a short term one based on a FPO’s tactical approach to a marketing problem (Till & Nowak, 2000) rather than a longer term strategic plan. The FP organisation attempts to transfer positive attributes from the NFP brand to its own brand, but possibly only in the short term. It may also, without directly transferring brand attributes, enhance its own brand by being seen as assisting a ‘needy’ organisation through lending its strong brand to the weaker NFP brand and asking its supporters to indirectly support the NFP by buying the FP product. Revenue in the form of a fixed sum payment or contributions based pro-rata on FP unit sales is paid by the FP organisation to the NFPO (Varadarajan & Menon, 1988; Berglind & Nakata, 2005).

The unbalanced nature of the possible relationships between FPOs and NFPOs is shown by Mason (2003) who talks about the need to ‘raise the bar’ on the part of NFPOs in CRM relationships. Mason’s research, into FMCG buying behaviour, had found that sales (for some products/services) had been doubled, to be more precise he said that sales had increased by as much as 116%, as a result of CRM. Marketers must raise the bar on their CRM and view it as a viable and essential element of business marketing strategy if they are to reap the benefits. Mason also mentions that there are three stakeholders in CRM: The cause (or charity), the company and the consumer. He lists them in that order in contrast to many other writers who seem to give a subordinate role to NFPOs in CRM and barely mention the role of consumers.

Varadarajan & Menon (1988) looked at CRM relationships with a heavy focus on the FP partner and gave little attention to the management processes within the cause that was supported and the NFPO’s inputs to the negotiations that led to the CRM. They made no mention of further research being needed into how the causes concerned managed their side of the process and concentrated more on issues of FPO marketing strategy and corporate philanthropy.

Varadarajan & Menon, (1988) defined cause-related marketing as “the process of formulating and implementing activities that are characterized by an offer from the firm to contribute a
specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives” (Varadarajan & Menon, 1988, p. 60). This seems too simple if described as a cause and effect relationship.

According to Pringle & Thompson (1999, p. 3): “Cause-related marketing can be defined as a strategic positioning and marketing tool which links a company or brand to a relevant social cause or issue, for mutual benefit.” This gives an insight in to the possibilities of what CRM might do for a FPO. The FP brand attempts to transfer positive attributes from the NFP brand to its own brand. Lichtenstein, Drumright & Braig (2004) found that corporates, by associating themselves with good causes, saw benefits emerging for both parties, even if not linked to a specific piece of CRM activity. The FP brand may, without directly transferring brand attributes, enhance its own brand by being seen as assisting a ‘needy’ organisation through lending its strong brand values to the weaker NFP brand and asking its own supporters to indirectly support the NFP by buying their FP product. In addition, some of the positive aura resulting from the public’s perception of the NFPO rubs off on to the FPO. Revenue in the form of a fixed sum payment or contributions based pro-rata on FP unit sales is paid by the FP organisation to the NFPO (Berglind & Nakata 2005; Varadarajan & Menon 1988).

A variant described by Crane (1998) is the WWF 1995 Plus Group green alliance between the World-Wide Fund for Nature (WWF) and 75 companies, keen to be seen as environmentally responsible. In this case the WWF acted as gatekeeper, managed and coordinated the alliance, whose “avowed aim is to ensure an acceptable level of environmental management at the forest sources used to produce the components of products marketed and sold by member companies” (Crane, 1998, p. 565), rather than generate income for the NFPO involved. Melillo (2006) reported the increasing importance, for teens to baby boomers, of companies aligning themselves with similar causes in much the same way.

Melillo (2006, p. 14) also quoted a source at Proctor and Gamble saying that CRM has a direct link to consumers’ purchasing decisions. If faced with a choice of purchase between two similar products Proctor & Gamble observed that a majority of consumers would break ties with brands they formerly supported. They might be persuaded to shift to a brand from a company that contributes to, and does, good things with a community cause they would like to support. Using CRM can help companies further differentiate themselves in an increasingly competitive world. FPO business people informed Melillo that they take a strategic view of community investment.
and build programmes that engage their employees and their customers, so that the company
wins, the charity wins and the cause wins. Interesting, Melillo’s respondents refer to the charity
and the cause as if they were two different things.

A recurring theme is that the majority of research in this area has looked at CRM relationships
with a heavy emphasis on the FP partner and the marketing strategy and corporate philanthropy
entailed, but with little attention to the management processes within the Cause that was
supported (Embley 1993; Sen & Bhattacharya 2001; Till & Nowak 2000; Lichtenstein et al.,
2004; Trimble & Rifon, 2006; van den Brink et al., 2006; Varadarajan & Menon, 1988).

The research of Lafferty & Goldsmith (2005) confirms that most previous research they had
reviewed was focussed on the FP brand and its consumers. Results of their research showed that
CRM can be beneficial to the Cause, especially if it is a ‘good’ cause but is relatively unknown.
“The results show that allying a cause with a familiar [For-profit] brand improves attitudes
towards the cause when the cause is unfamiliar but has less effect when the cause is more
familiar.” (Lafferty & Goldsmith, 2005, p. 421) In this sense it appears that the brand aura of the
FP may be transferred in some way to the NFP brand. Overall the effects of CRM on causes are
usually positive. These results also suggest that managers of unfamiliar causes rather than
familiar causes may have a greater difficulty in forming such a relationship. Their findings
suggest that in many CRM relationships the cause appears to benefit from the alliance to a
greater extent than the brand.

Lafferty & Goldsmith’s study supports the notion that the fit between partners plays a pivotal
role in consumer acceptance of the alliance as plausible and that familiarity with the cause
moderates the effectiveness of the alliance. Other research (Hamlin & Wilson, 2004) suggests
that ‘fit’ might not be so important. As reported elsewhere in this literature review Lafferty &
Goldsmith’s work seems to focus mainly on the FP and consumer with scant attention given to
the NFPO.

Lafferty & Goldsmith reported other research findings that three-quarters of consumers say they
will switch brands to a company involved with a charitable cause, if price and quality are equal.
(A common finding in the literature) The imagery attached to the cause should be consistent
with the image the FP company is seeking to build or sustain for its own brand. CRM may be
more effective when used consistently over time and it works better when communications focus
primarily on the brand and the related cause. Looking at their argument from a different direction, Lafferty & Goldsmith suggest that a relationship with a positive NFP cause should, it seems, work best for less familiar FP brands. This might simply be because benefits to the FP brand may be greater where the cause is ‘surprising’ or ‘novel’ to consumers of that brand (Lafferty & Goldsmith, 2004, p. 423.) To gain the maximum value of a cause relationship, a brand should leverage the cause relationship in as many areas of the marketing mix as possible. As in the cases of other research reported little mention is made of management issues for the cause except that it mentions “Cause-related marketing produces mutual benefits – it is not simply a means for the charity to secure a substantial contribution from a business.” (Lafferty & Goldsmith, 2004, p. 423).

There is still a feeling among some charity executives that this mutuality of benefits is dubious – it is alright for the cause to benefit but somehow not quite right for the sponsoring business to benefit. This viewpoint runs contrary to the success of the ‘good cause’ and reinforces the entirely incorrect – indeed egregious – idea that trading for profit is, in some way, of less value than working for some ‘noble’ cause’ (Lafferty & Goldsmith, 2004). CRM has “come a long way in recent years…. ‘Good causes’ have become more professional and more focussed… as concerned about their brand image and equity as you are…. Business has begun to realise that it should not be ashamed of its activities… the result is a more mature relationship between philanthropic works (causes) and the everyday world of business and commerce” (Lafferty & Goldsmith, 2004, p. 423). Trimble & Rifon (2006) claim that there is “limited and equivocal, empirical support for the positive effects of sponsor and cause compatibility in CRM campaigns” (Trimble & Rifon, 2006, p. 29) They report that others have found that compatibility can enhance brand recall, corporate credibility and consumer attitudes toward the sponsor. “The rising popularity of CRM has been attributed to its potential to cut through advertising clutter, but perhaps more for its ability to anthropomorphise a corporate sponsor, that is by giving it a heart and soul” (Pringle & Thompson, 2001, p. 44. ). They conclude by suggesting that “In order to successfully create CRM campaigns and to settle the question of consumers’ response to a corporate sponsor of a cause (regardless of the cause sponsored) managers should add another competency to the company – knowledge of the consumer.” (Pringle & Thompson, 2001, p. 45).

Tungate (2005) suggests that some CRM relationships may result in the cause turning on its FP supporter. Indicators of stresses between those corporates trying to ‘look good’ by associating
with Causes that might have, as their mission, mitigation of problems caused by the corporate. (Coddington, 1993; Eikenberry, 2009.)

van den Brink et al., (2006) examined the effects on consumer brand loyalty resulting from tactical and strategic CRM initiatives. They investigated relationships between CRM activity and brand loyalty and found that consumers perceive a significantly enhanced level of brand loyalty as a result of strategic CRM as long as the firm has a long term commitment to the campaign and it is related to a low involvement product. Consumers appeared to not change their brand loyalty significantly in cases of tactical CRM. This is an important point: Short term tactical CRM may be perceived as less desirable than long term CRM in terms of the benefits to the FPO. van den Brink et al., report that in 1998 a survey of Marketing Directors in the UK showed that the directors expected the amount of CRM activity to increase. Their research only investigated to “what extent consumers reveal an impact of CRM on brand loyalty” (van den Brink et al., p. 16) and made no mention of likely effects on perceptions of the cause’s brand. This may mean more tactical activity with various NFPOs rather than longer, deeper relationships with one or a few NFPOs if the driving force is tactical rather than strategic.

2.8.5 Potential hazards in cause-related marketing.

Tungate (2005) and Melillo (2006) have both drawn attention to the dangers to a NFP brand of a ‘bad’ FP partner, and the risks to an FP of associating with a cause that might prove to be too controversial and adversely influence their own stakeholders. The effects of the United Way scandal in the USA are examined by Barnes (1994) and highlight the sort of risks that a ‘Cause’ might take if the CRM relationship is not well managed. Any loss of credibility on the part of the FP runs a risk of tarnishing the brand of the NFP; this could be especially damaging if such a tarnishing event relates to the cause’s core reason for being – for example, an environmental group associated with a firm that is subsequently accused of causing environmental harm (Coddington 1993). In another example a researcher has pointed out the “Paradox of some pink ribbon products: labels on the outside that promote breast cancer awareness and research, but chemicals on the inside that cause the disease in the first place.” (Eikenberry, 2009, p. 54)

Berger et al., (2004) highlighted a number of possible negative issues that might arise from ‘social alliances’ between FPOs and NFPOs. They found that there is ample ground for misunderstandings between the partners in a CRM relationship. Many NFPO managers are
simply not ‘street wise’ while some FP managers seem to have a lack of understanding of the operation of the NFPO or insufficient respect for the skills that NFP managers might be able to bring to the relationship. One side might misunderstand the ‘culture’ of the other, and essentially the two parties speak ‘different languages’. One side’s expectations of the inputs of the other may be very wide of the mark and this can cause tension and friction in the relationship. If the two are not well matched within the overall relationship then its effectiveness can be seriously diminished.

The success of CRM activity may rely on “how various organisational actors perceive their role in the process, and whether resistance is generated by the emergence of contradictory network identities” (Crane 1998, p. 574). There may simply be a lack of mutual respect between the two parties. The FPO might, perhaps sub-consciously, see the NFPO as lacking professionalism and focusing mainly on generating income for an apparently unprofitable venture. An assumption that the NFPO is focussed principally on short term fundraising rather than on ongoing ‘commercial’ relationships may lessen the FPO managers’ respect for the NFPO managers and lead them to underestimate what they can bring to the relationship. On the other hand the NFPO may see some unfairness, and lack of commitment, in a relationship where the NFPO needs the money but the FPO has control of it. (Crane, 1998; Berger et al., 2004).

Polonsky & Wood (2001) expressed concern that “the over commercialisation of cause-related marketing-type giving might harm society, and consumers” (Polonsky & Wood, 2001, p.9). They drew attention to potential hazard for NFPOs in situations involving a two-stage giving programme, where firms require consumers to buy the product and then undertake a second behaviour, such as mailing in vouchers. “If this task is too onerous for consumers and they do not undertake the secondary behaviour, donations are not triggered, and corporate generosity may be exaggerated” (Polonsky & Wood, 2001, p.14). This seems to over emphasise the short term ‘sales generation’ elements of CRM.

Berglind & Nakata (2005) also mention that, where a NFP brand becomes overused in CRM “people may simply tune out and say no because they can not process each and every request, or because they believe they have already donated enough.” (Berglind & Nakata, 2005, p. 447.) Similar comments are made by Flaherty & Diamond (1999) who report that some cause-related campaigns hinder future donations because consumers think their purchases are donations.
The Sunday Times (London) (2005) published a feature which reported on the development of CRM mainly in the context of schools and charities entering into CRM associations. The article also referred to what has been seen elsewhere: When consumers are faced with two identical products on a shelf, that which has a link with what the consumer perceives as a good cause will be selected. But the unnamed Sunday Times writer warns that companies need to be careful not to align themselves with controversial issues … and run the risk of alienating themselves to a large proportion of their customer base. NFPOs are also warned to be careful: “It can’t just be a case of taking the money and running.” A cause may take years to build up a good reputation – which a company may wish to tap into – but the cause can lose that good reputation quickly if it chooses a bad CRM partner.

Other research that also tends to focus on the FPO and its customers and, probably by omission, gives little consideration to the NFPOs involved in CRM is found in Embley (1993), Till & Nowak (2000) Sen & Bhattacharya (2001), Stoolmacher (2004), Trimble & Rifon (2006) and van den Brink et al., (2006). In terms of how corporates make donations to NFPOs, Lichtenstein et al., (2004) found that by associating corporates with good causes, benefits emerged for both parties, even if not linked to a specific piece of CRM activity. Where CRM may seem to be a coalignment of two brands – the FP brand and the Cause’s brand - this does not seem to be considered in literature which looks at activity such as cobranding (Kumar, 2005). Research conducted at about the same time (van den Brink et al., 2006) looked at the impact of CRM on consumer behaviour without mentioning issues internal to the cause and only be focussed on the FPO. A CRM relationship might not best serve the interests of either party and each may need to take more care than they might in other marketing activity. The article in the London Sunday Times (2005) warns of the dangers, to a NFPO brand, of a ‘bad’ FPO partner and the risks to an FPO of cobranding or associating with a cause that might prove to be too controversial and adversely influence their own stakeholders. Similar concerns are discussed by Tungate (2005) and Melillo (2006).

2.8.6 Relationship between CRM and Sponsorship.

While discussing mainly sponsorship relationships Daellenbach et al., (2006) mention possible overlaps with philanthropy and CRM. In their review of the literature they report only on work that focuses on relationships (mainly sponsorship relationships) from the point of view of the sponsor. No mention is made of issues seen from the point of view of the sponsored organisation.
which suggests an active role for the sponsor, passive for the beneficiary. They report how sponsorship has become “a key line item on income statements” (Daellenbach et al., 2006, p. 73) and offer definitions of Sponsorship and CRM. A sponsor provides a resource (usually financial) to the sponsored organisation and in return the sponsored organisation provides benefits such as logo placement in advertising or discounts. CRM is defined differently “In a cause-related marketing relationship, the amount of money given to the non-profit company is related to the amount of product or service consumers purchase” (Daellenbach et al., 2006, p. 74). They note that much literature has considered the motivations of the sponsor, but say nothing about the motivations of the sponsored organisation.

2.9   FP and NFP cooperation in CRM contexts.

2.9.1   Mutually satisfying transactions between FPOs and NFPOs.

Exchange is often stated as being at the heart of NFPOs (e.g. Shapiro, 1973; Kotler & Andreasen, 1996). Shapiro (1973, p. 124) having defined the two main players in that charitable exchange as ‘donors’ and ‘beneficiaries’. In the case of donors the role of the NFPO may often be best described as a channel for funds between those parties needing the services of the NFPO and those parties providing the funding for those services. Shapiro also mentions an important relationship as being that between the NFPO and its donors. The values on offer to donors relate to benefits in return for their inputs such as time, money and commitment, and are mainly psychological and social. These may include relief of guilt, reassurance that what the NFPO provides will be there if they need it, or to “ensure a place in heaven” (Shapiro, 1973, p. 126).

NFP managers need to recognise that marketing is based on the creation of such mutually satisfying transactions (Bennett, 2003). These can be between the NFP and its donors or the NFP and its beneficiaries. In the case of some NFPOs it may appear odd to think of their output as being satisfying for beneficiaries. For the operation of Alcoholics Anonymous to be successful the organisation might not actually offer ‘clients’ what they might regard as a satisfying experience. However, the need that the client has might well be met.

This thought generates other ideas concerning ‘satisfaction’ in the literature. For example, the act of making a donation may satisfy a need within the donor just as much as the need of the NFP to generate income (Bennett, 2003). Paradoxically the act of giving may also be an act of
receiving in that the donor creates value for themselves as a result of the transaction (Wilson & Pimm, 1996; Schlegelmilch, Diamantopoulis & Love, 1997). If people did not want to donate then they would not, but, marketing effort on the part of a NFPO might alter the propensity of an individual or group of people to donate (Sargeant, 1999, p. 128).

2.10 Summary of literature review.

The literature review in Chapter 2 has summarised the thoughts and contributions found in the literature to lay foundations for further research.

The nature of brands was reviewed as well as the way that they are, or have been managed. Then characteristics of a FPO and how it is managed, with particular reference to brands, were reviewed. As this is an area which has received a large amount of coverage in the literature this was kept relatively short. The legal frameworks on which FP and NFPOs are based was discussed as therein may lie some explanations for differences in the ways each operates. More emphasis was placed on reviewing literature on the nature of NFPOs as this may be a less familiar area to a reader. The role of NFP brands in CRM was assumed to be, as it will be seen to be, important so this was also reviewed. As the primary research to be conducted as part of this thesis was carried out in New Zealand information was gathered and collated on the New Zealand situation as well as the historical origins of NFPOs. The literature on ‘Not-for-Profit Marketing’ and Corporate Social Responsibility was also reviewed as each, to a greater or lesser extent, impinges on CRM relationships. This led on to examination of the literature on Cause Related Marketing and the possible benefits and risks to parties concerned were reviewed to complete an overall picture prior to developing the research exercise further.

CRM relationships are generally agreed to be relationships between brands. Brands are extremely valuable assets appreciated more, it appears from the literature, by managers in FPOs than NFPOs. There are significant differences between the two types: Legal frameworks are different and FPO brand management is generally more sophisticated. Yet there is a growing trend for both types of brands to work together for mutual advantage. What are the possible barriers to the development of such relationships? A number have been identified and defined in the literature. A key feature that keeps recurring is the lack of deeper academic study in to the role of NFPOs in CRM. The research which developed from this literature reviews explains why some CRM relationships may not work as well as they might.
Chapter 3. Research propositions.

3.1 Issues emerging from the literature review.

The review of the literature concerning how FPOs and NFPOs operate revealed that both types of organisation are believed to realise the value of brands to their organisation. When the two types of organisation come together, as with CRM and CSR for example, it appears that the two do not always work together well. A number of issues emerge from the literature based on different ways of operating, different views of the world, different agendas and possibly clashes of different cultures. FPOs tend to regard any joint activity as short term and tactical whereas as NFPOs, with ongoing funding problems, look for longer term involvements. Misunderstandings between staff in both organisations can lead to a failure to optimise CRM and or CSR activities.

The literature suggests that FPO managers have deep understanding of what their brands represent. NFPO managers think of them only briefly and miss the deeper fundraising possibilities represented by their brands, principally based on associating them with NFP brands. NFPO managers fail to press this because their own management tends to focus on the core ‘business’ of the NFPO and is reluctant to support activities which might over commercialise the use of their organisation. They need the funding but their organisations are reluctant to become too commercialised.

An underlying cause of failure to maximise the mutual benefits of CRM & CSR might be the way that FPO brand managers regard their opposite numbers in NFPOs, and vice versa. The FPOs have the funds, the NFPOs need the funds. Managers in FPOs seem to have more sophisticated education and business backgrounds, as well as tending to be better equipped in terms of marketing tools and support. They might see their NFPO opposite numbers as less well funded, less sophisticated in their marketing approaches and less driven in their approaches to business. This leads to a lack of respect each for the other and this can hinder cooperative ventures if FP managers see themselves as superior while NFP managers see themselves as inferior. From this an imbalance of power in any FP/NFP relationship develops to the extent that the NFPO does not argue its case strongly enough, FPO managers do not expect them to and, as a result, both fail to maximise the benefits of any CRM activity.
3.2 The research problem.

The research problem is best summarised as: Brand Management in the context of Cause Related Marketing. What are the determinants of success? This may be answered with the following research question: “When Cause Related Marketing is undertaken, what interorganisational factors may determine whether it will be successful or not?”

3.3 Research propositions.

A number of tentative explanations as to why there might be varying success in CRM were developed after consideration of findings from the literature and these are presented here. A ‘Proposition’ is defined as: A statement of presumed fact, to be confirmed or refuted by research.

P1 NFPO brands represent valuable, but potentially underutilised, resources for FPOs.

This is because CRM relationships, and some CSR activities, allow the FPO to be seen as helping a NFPO which the FPO’s customers, as well as large sections of society generally, perceive as being worth supporting so adding value to the FP brand. But FPO managers may not realise the value of their brand and fail to promote it properly to the FPO. (Tapp, 1996; Hankinson, 2000; Bishop, 2005; Stride, 2006; Laidler-Kylander & Simonin, 2009)

P2 FPOs need to work in partnership with NFPO brands for CSR and / or CRM activity to work.

This is because such activity depends on doing good but, if that action is directly controlled by the FP, it may not break away from public assumptions of corporate self interest on the part of business in CSR and CRM activity (Kitchin, 2003; Thomas 2008). Working together as partners rather than as simply a donor and beneficiary (Shapiro, 1973) can be more productive as the resultant promotional value (Bennett, 2003) may be greater than the sum of the two parts. (Austin, 2001; Gotsi & Wilson, 2001; Polonsky & Speed, 2001; Berger et al., 2004)
P3  Misunderstandings between personnel in FP and NFP Organisations may lead to failure to maximise the return on CRM marketing activities.

This is because each organisation has different approaches to how their organisations are run and this could lead to misunderstandings, disagreements, frustrations and possible failure to maximise benefits of joint activity opportunities. There might be fundamental differences in the way each organisation is run. Two much emphasis on maximising FPOs profits, as suggested by Friedman (1970) might lead to friction and misunderstandings between them and an NFPO (Dees, 1998). A number of other researchers reported similar situations. (Barnes, 1994; Crane, 1998; Austin, 2001; Hankinson, 2012; Berger et al., 2004)

P4  FPOs are resistant to long term commitments to particular NFPOs in CRM.

This is because of a tendency towards short term thinking on the part of FP managers who see CRM as a short term tactical tool rather than part of a longer term strategy. FPOs see it as one of many short term promotional activities (Blois, 2009; Reider, 2001; Bennett, 2003) – promotional budgets tend to be organised on a year by year basis (Kotler & Andreasen, 1996; Sargeant, 1999) which makes it difficult to make longer term financial commitments.

P5  A mind set based on acquiring untagged/unattributed ‘donations’ exists within many NFPOs.

This proposition is raised because it appears that NFPOs typically have tensions amongst stakeholders between wanting to acquire income to survive and resistance to anything that commercialises what is perceived as the purity of the organisation’s mission. This may cause internal tensions between the deliverers of what an NFPO does and its fundraisers (Wilbur et al., 1994; Tapp, 1996; Bennett, 2003; Berger et al., 2004; Bishop, 2005; Brady et al., 2010). Further, where marketing is seen as little more than fundraising, managers of NFPOs may be reluctant to adopt more overtly commercial marketing practices. (Ford, 1996; Yorke, 1994; Tapp, 1996; Shapiro, 1998; Hankinson, 2001; Pope et al., 2009)
P6 FP Managers regard themselves as being superior to NFP managers and try to dominate CRM relationships.

This is because the researcher, as a post-positivist, expected FP people to be younger and more aggressive than NFP people. They will perceive themselves as being of a higher calibre as marketers based on their education, experience, their self-image and the image of the organisation they work for. The literature review found both direct and indirect support for this proposition. (Shapiro, 1973; Kotler & Andreasen, 1996; Hibbert, 1996; Sargeant, 1999; Polonsky & Speed, 2001; Bennett, 2003.)

P7 NFP managers regard themselves as being inferior to FP managers due to an imbalance of power between the organisations and do not push their organisation’s cases strongly enough.

This is because the researcher, taking a post-positive approach to the research, anticipated that they would see themselves as less qualified in marketing management terms being less well trained and rewarded. Many will lack confidence and feel that they lack the support of their senior managers and be conducting marketing almost without their manager’s knowledge. (Kotler & Levy, 1969: Drucker, 1990; Hankinson, 2001; Bishop, 2005). They will also be aware of a primary need to raise funds and be less inclined to argue with FPO managers for fear of losing fund generating opportunities. Kotler & Andreasen, (1996), Sargeant (1999), Polonsky & Speed (2001) and Bennett (2003) made comments to support this.

3.4 Testing the research propositions.

Posing the precise questions to test the propositions listed above presents an opportunity to delve deeply into some of the reasons why some NFP brands may not perform as well as they might in CRM. The questions, and the methodology by which these questions were developed and posed, are shown and justified in Chapter 4.
Chapter 4. Research methodology.

4.1 Introduction.

This chapter develops and justifies the means by which information will be obtained to resolve the issues generated in Chapter 3 and add to the body of academic knowledge. While it defines the methodology used it also briefly discusses other possible approaches which were considered but later discounted.

A post-positivist paradigm was adopted because, on reflection, the researcher did not propose to take either a positivist approach or a social constructionist approach in attempting to resolve the research problem. As is demonstrated in this chapter a detached researcher searching for hard empirical evidence would not find a positivist approach appropriate since the data gathered in this research would be based on opinions of a variety of people. These could not be processed in to any form of hard statistical fact nor could any interpretation from the researcher be included. A social constructionist paradigm would not be the most appropriate either because the researcher did not intend to enter into a discussion with respondents to construct a joint view of reality. A post-positivist paradigm was adopted because the researcher did have some prior knowledge of the topics covered which would inevitably be influential in interpretation of any data gathered. As Clark puts it: “Under post-positivistic philosophy, the researcher and his or her perceptions were not seen as being wholly detached from the inquiry” (Clark, 1998. p. 1245). Further, the findings might only be applicable to the interactions of FPOs and NFPOs and not generalisable to other contexts. “The contextually bound nature of research findings, consequential in the acknowledgement of researcher and theoretical biases, warrants that knowledge deemed to be ‘truthful’ under post-positivistic inquiry is not universally generalisable to all cases and all situations.” (Clark, 1998. p. 1246)

4.2 Restatement of the research problem.

The research problem has already been stated as: “When Cause Related Marketing is undertaken, what interorganisational factors may determine whether it will be successful or not?” It was anticipated, from examining similar cases in the literature, that research undertaken in this thesis would be qualitative and exploratory in nature. This means it will seek to find and
describe features of FP and NFP organisations that may inhibit or encourage the creation of successful CRM. A review of methodologies used in previous research in this field was made to both broaden knowledge of the topics researched and assess the value of alternative methodologies.

4.3 Research Methodologies found in the literature.

The following table, Table 4.1, summarises the methodologies used by some of the more recent and significant writers quoted in the literature review. It is important that these be recorded as they will support the reasoning behind the research methods proposed later in this methodology section of this thesis.

Table 4.1 Summary of methodologies used in twenty examples of research consulted in the literature.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualitative</td>
<td>12</td>
<td>Some included tabulation of results</td>
</tr>
<tr>
<td>Quantitative</td>
<td>4</td>
<td>Mainly mailed questionnaires</td>
</tr>
<tr>
<td>Both qualitative &amp; quantitative</td>
<td>4</td>
<td>Usually qualitative then quantitative</td>
</tr>
<tr>
<td>Case study</td>
<td>6</td>
<td>Each based on one organisation.</td>
</tr>
<tr>
<td>Focus groups(s)</td>
<td>1</td>
<td>Used prior to a further study</td>
</tr>
<tr>
<td>Survey</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>In depth Interview(s)</td>
<td>7</td>
<td>Usually with topic guide</td>
</tr>
<tr>
<td>Tested instruments prior to use</td>
<td>5</td>
<td>Literature specifically mentioned testing only in 5 examples, but testing in some form was implied in most cases.</td>
</tr>
</tbody>
</table>

Source: Calculated from methodologies reported in research articles cited in this thesis.
As can be seen from the tables the majority of the research exercises undertaken recently in this field has been qualitative. Some of the reported studies started with pilot research based on qualitative interviews (Hoek, Dunnett, Wright & Gendall, 2000; Sargeant, West & Ford, 2001) and then moved on to a quantitative study with a larger sample. When exploring specific areas researchers tended to use in-depth interviews based on topic guides. This was usually to obtain an overall picture of what was going on from the perspective of people involved with organisations being investigated. Research samples were rarely selected at random. Prospects were usually screened, in the case of NFPOs, through registers of such organisations or based on their public reputations. Sample size for qualitative in-depth interviews varied from a single case study, to 28 (de Chernatony & Segal-Horn, 2003). In the specific not-for-profit area Tapp (1996) used a sample of 11 and Hankinson (2001a) a sample of 15.

4.4 Selecting the research paradigm.

In any form of research, a plan of action is an essential start to achieving an objective. As an overall plan of action some sort of framework or set of rules needs to be found and agreed upon. In this case the term ‘methodology’ is used to describe the ways in which the researcher goes about his research. The term ‘Methodology’ is defined by Easterby-Smith, Thorpe & Lowe (2002, p. 31) as a: “Combination of techniques used to inquire into a specific situation.” While this may be taken to be a guide to the way that various information and data are gathered and put together, an underlying framework for the research is also required. Researchers almost invariably refer to this as a paradigm. Neuman (2000, p. 515) defines the term as: “A general organising framework for social theory and empirical research. It includes basic assumptions, major questions to be answered, models of good research practice and theory, and methods for finding the answers to questions.”

Plack & Oxenham (2005) refined the definition of a paradigm as “A set of basic beliefs that represent a worldview, defines the nature of the world and the individual’s place in it, and helps to determine criteria used to select and define research inquiry.” (Plack & Oxenham, 2005, p. 17) While helping to define the manner in which an investigation is performed it also helps an investigator start to define what truth and reality are and how the investigator comes to know truth and reality. The selected paradigm guides the researcher as to the types of research to be conducted, the questions that will be asked, the methodological approach to the inquiry and
criteria for assessing the trustworthiness of any findings resulting from the inquiry (Plack & Oxenham, 2005).

The analogy of a map is used by Burrell & Morgan (1979, p. 24) but they define a paradigm in a slightly different way: “[For a social scientist] to be located in a particular paradigm is to view the world in a particular way…. Like any other map, it provides a tool for establishing where you are, where you have been and where it is possible to go in the future.”

In discussing the alternative paradigms, the words ‘Ontology’, ‘Epistemology’ and ‘Methodology’, are used as the basis for discussion. Carson, Gilmore, Perry & Gronhaug (2001) quote Perry, Reige & Brown (1999) which clarifies the meaning of terms used in this section as follows: “Essentially, ontology is reality, epistemology is the relationship between that reality and the researcher: and methodology is the technique(s) used by the researcher to discover that reality.” (Carson et al., p. 18.) A term like ‘Ontology’ immediately raises issues in the mind of a researcher: What IS reality? That in itself is hard to define although Plato’s allegory of the cave and his search for the ‘ultimate truth’ gives some guide as to what reality ‘is’. (Allan, 2006) It is not as simple as amending ‘I think therefore I am’ (Descartes, as quoted in Graffor, 1996) to ‘I think it is so it is!

From an ontological perspective one way of looking at reality is to take a positivist approach that would attempt to both describe and explain what is uncovered by the research. Carson et al. (2001) say that positivist researchers need to remain detached from the object of their research and “try to be emotionally neutral and make a clear distinction between reason and feeling” (Carson et al., 2001, p. 5). This may help advance a researcher from ‘I think it is’ to ‘I think I know it is’ towards ‘I think I know and can prove that it is.’

Burrell & Morgan (1979) delve into the sociology discipline to develop four other paradigms which might be utilised in any investigation into a society and the way it works. The four divisions are the functionalist paradigm; the interpretive paradigm; the radical humanist paradigm and the radical structuralist paradigm. Each is the result of placement on two scales. On one plane is a continuum between conflict and order, order suggesting that society is held together by underlying structures and a framework which tends to maintain a social status quo. Order might be described by words like stability, integration, functional co-ordination and consensus. At the other extreme is conflict, in which society at any one time is a current balance.
in an ever changing structure between many conflicting forces driving towards change. The other plane is a continuum between regulation and radical change. In attempting to define what ‘is’ the concept of Isostasy can also be introduced from the discipline of geology. Isostasy is described as the tendency for the crust of the earth to return to a former state following alterations caused by the application and removal of external forces (Battersby, 2010)

In this research the causes of certain phenomena were sought by talking to people who live with those phenomena. The social setting in which people exist explains why it is necessary to understand wider perspectives of society since the societies in which the individuals being researched live will influence their perceptions. While we might begin by assuming that NFPOs ‘own’ brands, this may be putting too much influence on the researcher to prove a point. The research might then become explanatory when in fact we seek to discover if, how and why certain phenomena and relationships exist.

4.4.1 Thomas’s General Inductive Approach.

This purpose of an approach, as used in this research, is summarised by David Thomas (2006) as follows:

1) To condense raw text data into a summary format
2) To establish clear links between research objectives and summary findings from raw data
3) To ensure these links are both transparent (able to be demonstrated to others) and defensible (justifiable given the objectives of the research)
4) To develop a model or theory about underlying structure of experiences or processes evident in the text data.

4.4.2 The Post Positivist Paradigm.

The research adopts a post-positivist paradigm. Post-positive research principles are described by Ryan (2006) as those which “emphasise meaning and the creation of new knowledge” (Ryan 2006, p. 12). Further, she shows that post-positivism has the following characteristics:

1) Research is broad rather than specialised – lots of different things qualify as research;
2) Theory and practice cannot be kept separate. We can not afford to ignore theory for the sake of ‘just the facts’;

3) The researcher’s motivations for and commitment to research are central and crucial to the enterprise;

4) The idea that research is concerned only with correct techniques for collecting and categorising information is now inadequate. (taken from Ryan, 2006. pp 12,13)

4.4.3 Qualitative -v- Quantitative Research.

In less complex discussions on research issues it is usual to see research divided into essentially one type or another: quantitative, based on numeric data, or qualitative, based on observed feelings or emotions. A positivist approach is predominantly quantitative, while a qualitative, post-positivist or social constructionist approach, is based on feelings and emotions which are difficult to quantify. This raises a question about whether the two can be intermingled. Catterall (1998) suggests that, in the practitioner literature, the market research industry conceptualises qualitative research as supplementary to quantitative research. The role of exploratory qualitative research may well be to help establish parameters for future, larger scale research where some quantitative elements might be more appropriately applied. Positivists would be concerned with the hard data from research whereas post-positivists “.. are interpretive and this had led to an emphasis on meaning, seeing the person, experience and knowledge as multiple, relational and not bounded by reason.” (Ryan, 2006, p. 16)

The literature on research suggests that, since the 1980s, there has been a significant trend towards qualitative rather than quantitative methodologies in marketing research. Bonoma (1985) suggested that this had in part come about because of a lack of understanding of what caused the phenomena observed and measured through quantitative research.

Exploratory research starts from a viewpoint that the only information that should be used in coming to conclusions is the information that is gathered by that exploratory research. Neuman (2000, p. 22) describes the goals of exploratory research as becoming “familiar with the basic facts, settings and concerns of a situation.” The researcher will form a general picture of conditions and factors contributing to the situation in which the organisations being studied currently find themselves. The methodology, described in more detail later in this chapter, will be based on asking a series of questions and sub-questions to establish a picture of people’s
perceptions of the issues covered. An analogy might be that it will be like forming a picture of an organisation by looking through just one of many windows into each organisation. The window in this thesis is the person responsible for marketing management in the organisation. As the ‘ideal’ person might not have been available for interview, or that role might not exist within the organisation, a respondent with a role close to ‘marketing like’ functions was recruited and interviewed for the purposes of this thesis. The ‘window’ analogy is one used by Carson et al., (2001) as well as Healy & Perry (2000). Hallowell (1999) faced similar situations in his research and offered advice that the purpose of exploratory research is not to declare an absolute truth but is designed to illustrate conditions under which certain things might happen.

4.4.4 In depth interviews.

The primary research for this thesis took the form of a number of in-depth interviews. This is the preferred strategy when “the focus is on a contemporary phenomenon within some real-life context” (Yin, 1984, p. 13). As all respondents are practitioners, interviewed in their real-life situations, this is an important observation. A case study would have gone in to much more depth but some case study like information may emerge, especially, when more than one person from some organisations was interviewed thus giving more than one window through which to look in to their organisation.

While the findings from each respondent stand essentially on their own it may be possible to make comparisons across a number of respondents (Perry, 1998) or groups of responses. This is a strong reason for the researcher to be consistent with the questions asked in each interview since, if different questions were to be asked in each case it would not be reasonable to compare the overall responses resulting from one person or organisation with another. This would also prevent generalisation of results and hamper the development of theory. Case studies would involve a number of interviews with several people within each organisation and some degree of triangulation would then be possible. Triangulation, a term taken from surveying, refers to the taking of measures from a number of different perspectives. “Applied to social research, it means it is better to look at something from several angles than to look at it in one way only” (Neuman, 2000, p. 125). Although a multi respondent approach was attempted in one case this was not persevered with for logistical reasons: Some insights might be gained from common
responses or any range of responses from people in the same organisations but the sample size would make this triangulation very weak.

It was not an intended part of this research that it become descriptive, explanatory or experimental. Descriptive research would have sought to provide a detailed, highly accurate picture of reality as seen by respondents. This research, due to its sample size, reveals only indicative evidence of what happens within the researched organisations. Explanatory research might be used to test a theory’s predictions. No specific predictions are being made in this research although prior knowledge from secondary research (i.e. the literature review) suggests some degree of anticipation (e.g. NFP brands are undervalued by many NFPs). We simply look into an organisation in an attempt to gain an understanding of what happens there. This might lead on to explanation, but only in very general terms given the size of the sample.

The research will definitely not be experimental because no variables will be tested to see how results compare to altered conditions or situations.

An outsider or newcomer to the NFP field might wonder how and why individuals or organisations involved do what they do. One approach might be a positivist one in which the researcher looks for hard or semi-hard evidence of determinant factors to create provable models of cause and effect relationships within the organisation. Such a positivist approach would allow not only for explanation but also prediction. Although that approach was not used in this case it is important to define how such an approach might have been taken.

“Positivism sees social science as an organised method for combining deductive logic with precise empirical observations of individual behaviour in order to discover and confirm a set of probabilistic causal laws that can be used to predict general patterns of human activity” (Neuman, 2000, p. 66).

The size and nature of the research undertaken did not allow this; however conclusions could be reached which might lead on to more positivist, quantitative research in the future. Some researchers might agonise over which path to follow, this researcher does not and accepts that, from time to time a social-constructionist approach may lead on to some positivist considerations. But, in this case the researcher uses a post-positivist approach, looking for evidence to support or refute the findings of previous researchers and obtain data from
respondents to build on knowledge which might be influenced, in interpretation, by the researcher’s own opinions on the topics raised.

4.4.5 Inductive and deductive approaches.

A deductive approach is one in which the researcher starts with a logical, but abstract, feeling of the relationship between concepts and looks for concrete, empirical evidence of this in reality. An inductive approach, as used in this thesis, is one in which evidence is gathered with no more than a preliminary estimate of what may actually be happening (Sekaran, 1992, p. 15). One might say that a preliminary estimate of what may be happening is implied in the framing of the research questions. The evidence is gathered and then sorted in ways that may allow exposure and recognition of common factors leading to similar outcomes, or not. From this a description may be attempted of what the factors are that could contribute, for example, to different levels of success for FPs and NFPs and performance of their brands in CRM.

Another alternative to positivism is an interpretative approach. This looks at the world and tries to describe what is observed and from that induce some theory as to what is happening. This theory would almost certainly have to be tested by further research.

“… the interpretive approach adopts a practical orientation. It is concerned with how ordinary people manage their practical affairs in everyday life, or how they get things done….. in general the interpretive approach is the systematic analysis of socially meaningful action through the direct detailed observation of people in natural settings in order to arrive at understandings and interpretations of how people create and maintain their social worlds” (Neuman, 2000, p. 71).

In the context of this research, the above definition may still apply even though the information sought is not necessarily sourced from the respondent’s clear knowledge of what happens in their organisation. Instead it may be based on their ‘perceptions’ of what happens in their organisations. It may be further complicated because the researcher needs to observe the ways in which respondents reveal their perceptions very carefully.

The major reason for this research is to identify major organisational barriers that might prevent NFPOs from maximising opportunities to leverage their brands in situations such as CRM.
While the researcher should attempt to be impartial in this research there is clearly some prior or starting theory as to what might be going on. It would be impossible for the researcher not to have discovered information, and developed some opinions, in advance of interviewing the respondents. But, any theory that emerges from the data collection should only be grounded in that newly gathered data. So any theory can only be developed on the basis of the information gathered in the primary research. Grounded theory, as first defined by Glaser & Strauss (1967) and discussed earlier, has subsequently caused some problems according to Easterby-Smith et al., (2002, p. 47) “Glaser now believes that researchers should start with no pre-suppositions, and should allow ideas to ‘emerge’ from the data… whereas Strauss recommends familiarising oneself with prior research and using structured, and somewhat mechanistic, processes to make sense of the data.” Easterby-Smith et al., also make the point that “it seems common sense to assume that someone will not be interested in a research topic or setting without knowing something in advance about it” (Easterby-Smith et al., 2002., p. 47).

4.4.6 The paradigm selected.

The paradigm selected is a post-positive one, based on in-depth interviews. As with Tapp’s research into British charities (1996), it will look at a number of organisations in both the FP and NFP areas but limited to a New Zealand context by practical reasons. While there will inevitably be some degree of pre-conception the researcher will not take a social constructionist approach (Easterby-Smith et al., 2002) in that he will not attempt to gather facts and figures, directly test the validity of propositions or enter into discussion with respondents, but is more concerned about achieving an understanding of people’s perceptions and interpretations of reality. This is an exploration of the world of brands principally in the context of CRM.

By obtaining a picture of how people in the selected organisations see their worlds, the researcher will attempt to create a picture of what happens and induce, from their responses to questions asked and other comments, some of the major differences in the way managers think about and approach brand management. In particular it will be able to report on how FPOs and NFPOs in New Zealand view their brands and how they view brands in general. From this the researcher may be able to develop and advance theories that explain these differences of approach to CRM, grounded in the research findings, thus addressing and resolving the research problem. The researcher will not be completely detached from the process, so it is not a truly positivist approach. Nor will the researcher be involved in developing any joint views with the
respondents, so it is not social-constructivist. A post-positivist approach is used because the researcher will listen to the respondents and interpret not only what they say but will also be, as Schraz (1993, p.7) put it, “Listening to the silent voice behind the talk” and comparing that to his own prior knowledge.

4.5 Methodology.

The primary research is composed of interviews with managers in FP and NFPOs. Contacting FPO people was not difficult and they all expressed interest in discussing issues to do with marketing. From the review of the literature and preliminary discussions with some senior managers in New Zealand NFPOs it was anticipated that NFPOs would tend to be very busy organisations and that marketing, as a discipline, would have a low priority (Drucker, 1990; Kotler & Andreasen, 1996; Bishop, 2005). None the less, ‘marketing’ people within the organisations would be interviewed to develop a picture of how they viewed branding and related issues.

The literature review had shown that organisational priorities in NFPOs are likely to be dictated by the interaction of a number of factors: the needs of those who benefit from the organisation’s operations; a chronic shortage of funding and overloading with work for most people involved with the organisation’s operation. In terms of allocating time and resources, issues perceived as non-core would tend to be put to one side or completely ignored. It was further anticipated from the literature that, while some NFPOs do have a specialist marketing function, and a sophisticated approach to CRM, the majority would have no such clearly defined function. CRM may be seen as important but not much more than one of several ways of fundraising for the organisation. Further, where marketing is claimed to have a high priority that may be because marketing is seen as fundraising or public relations. (Bishop, 2005; Bishop, 2006). Issues such as branding and brand management in NFPOs are unlikely to have high priority. From this it is anticipated that brand management practices of FP organisations are unlikely be replicated in NFPOs and, in part, resulting from this the organisations may not fully realise the potential value of their brands. The research interviews would give some insights in to this. However, further research may be needed to explore the barriers to systematic brand management in NFPOs such as charities, as that is not the main focus of the current research.
4.5.1 Face-to-Face interviews.

In order to be able to develop conversations and probe respondents the data gathering method chosen was face-to-face interviews. This method of data collection was chosen because it can enable a rich body of information to be gathered. It was also noted in the literature, as shown in Table 4.1, that this has been a preferred method used by researchers in the NFP field. However, Easterby-Smith et al., (2002, p. 86), warn that although interviewing is often claimed to be the best method of gathering information, its complexity can sometimes be underestimated. They also quote Burgess (1982, p. 107) “[the interview] is… the opportunity for the researcher to probe deeply to uncover new clues, open up new dimensions of a problem and to secure vivid, accurate, inclusive accounts that are based on personal experience [of the person interviewed]” (Easterby-Smith et al., 2002, pp. 86-87). To some extent this would vindicate the decision not to take a positivist approach since that might have resulted in ‘yes/no’ answers to the interviewer’s questions rather than encouraging respondents, through a developing and evolving conversation, to take the researcher in illuminating and productive directions that might not have otherwise occurred to him.

Individual one-on-one interviews were preferred to avoid the risk of respondents in a group discussion influencing the responses of others (Zikmund, 1999, p. 95). Also, as respondents might see themselves as being in competition with other respondents’ organisations it would be most unlikely that respondents would participate in group interviews, or if they did that they would be open and frank in their responses. Telephone interviews were rejected because they would not have allowed the interviewer to ‘read’ the respondent’s body language as a means of ensuring that the respondent fully understood questions or that the interviewer did not move on to a new topic when the respondent paused to think about an answer (Zikmund, 1999, p. 47).

4.5.2 Structured -v- Unstructured Interviews.

The researcher faced alternatives in terms of how the interviews would be conducted. Each had its advantages and disadvantages. An interview based on no preconceived notion of what might emerge might have been rich in the information it brought forward. An unstructured interview is useful in that it allows the researcher to discover and formulate a good idea of what variables need further in-depth investigation (Sekaran, 1992, p. 190). But, if the interviewer gives no prompts as to the topics of conversation or direction to the way the conversation might go then it
could be totally unproductive. It would certainly be difficult to collate and summarise themes developed across a wide range of conversations. On the other hand an overly directed interview might result in undue emphasis on certain points and suppression of previously unthought of information that might be useful. Tapp (1996) emphasised the need for a flexible topic guide with plenty of scope to explore any new or unexpected angles.

The method selected for this research was to have a basic structure for the interviews built around sets of questions, and sub-questions, derived from the research propositions. This would not lead to rigid administration of the questions, as might have been the case within a positivist paradigm, but allow a semi-structured approach. That allowed room for the respondent to give broader responses but discouraged the interviewer from moving too far away from the general direction required for the interviews (Zikmund, 1999, p. 143).

A series of semi structured interviews were conducted, each expected to take about 40 minutes, not less than 20 minutes and not more than one hour. Hankinson’s interviews typically lasted 45-60 minutes (Hankinson, 2001a, p. 232). All respondents were happy to participate on that basis. Initially nine interviews took place in Dunedin and four in Wellington and all but one interview took place in the respondent’s office. Later interviews were conducted in Auckland, Wellington and Dunedin, all in the offices of the respondents.

Mainly open ended, semi structured questions were used because this was essentially an exploratory study, with an underlying assumption that no definitively right or wrong answers would be found. In fact it was expected that this study would produce only broad general views of the topics and lead on to future, more focussed, studies. This is not unusual in such research. (Neuman, 2000, p. 21). While the notional topic of the conversational interviews was about marketing, and particularly branding, in FPOs and NFPOs the expectation was that insights would be gained into how brands are regarded and managed within both types of organisation. This then led on to a productive discussion about CRM in most cases. An advantage of asking open ended questions is that respondents are asked to answer in their own words and the interviewer may probe for more information (Zikmund, 1999, p. 241). This results in expression of their own views not responses to those of the interviewer as might have been the case under a social-constructionist paradigm.
The form of questions used was a semi-structured one in that the same questions were asked of all respondents. To preserve the feeling of a ‘conversation’ rather than a ‘question/answer’ session, the posing of each question was tailored to each situation. In other words, slightly different words could be used to ask the same questions. However, the interviewer made sure that he asked the same questions of each respondent with the same meanings and in the same sequence as far as possible.

4.5.3 Research Sample.

The research sample was selected from FPOs and NFPOs widely represented in New Zealand. As, in an initial search, there were found to be over 30,000 NFPOs in New Zealand (New Zealand Government, Inland Revenue Department, 2003), the field of research was narrowed down and focussed on organisations working in the ‘charitable’ health and social sectors of the NFP field, since these appeared to be the types most often involved in CRM. Several organisations from outside the Health / Social area were also interviewed. This was to test whether responses were driven by sectoral factors or by some other factors common to NFPOs. The marketing teams located in their respective workplaces formed the basis of the interviews.

The selection of FPOs was based on a convenience sample of businesses selected on the basis of the researcher’s prior knowledge of a number of FPOs in terms of their public reputation and their having been involved in some sort of CRM or CSR in the recent past.

The following table lists the respondents in this research. While preserving their anonymity it shows their then current positions, the organisation types they worked for and how long they had been employed in that kind of role. An indication is also given of whether they were found to be familiar with the concept of CRM. The final sample was composed of 21 For-profit and 15 not-for-profit organisations. Two respondents are tagged with an ‘*’ against their number to indicate that they were from neither clearly FP or NFPO organisations but were agencies used by both types. They gave valuable insights based on their experience of dealing with both FPOs and NFPOs and as intermediaries between the two.
Table 4.2. Structure of the research sample.

<table>
<thead>
<tr>
<th>Resp. #</th>
<th>Type</th>
<th>Position</th>
<th>Years experience</th>
<th>Familiar with CRM?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NFP</td>
<td>Bequests advisor</td>
<td>10 +</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>FP</td>
<td>Category Manager (Grocery products)</td>
<td>5</td>
<td>No</td>
</tr>
<tr>
<td>3</td>
<td>FP</td>
<td>Category Manager (Grocery products)</td>
<td>15</td>
<td>Yes</td>
</tr>
<tr>
<td>4</td>
<td>FP</td>
<td>Marketing Manager (Grocery products)</td>
<td>14</td>
<td>Yes</td>
</tr>
<tr>
<td>5</td>
<td>FP</td>
<td>Category Manager (Grocery products)</td>
<td>12</td>
<td>No</td>
</tr>
<tr>
<td>6</td>
<td>FP</td>
<td>Nationals Sales Manager (Grocery products)</td>
<td>3</td>
<td>No/Yes</td>
</tr>
<tr>
<td>7</td>
<td>FP</td>
<td>Marketing Manager (Grocery Products)</td>
<td>8</td>
<td>Yes</td>
</tr>
<tr>
<td>8</td>
<td>FP</td>
<td>Marketing Manager (Grocery Products)</td>
<td>10</td>
<td>Yes</td>
</tr>
<tr>
<td>9</td>
<td>NFP</td>
<td>Business Development Manager.</td>
<td>9</td>
<td>Yes</td>
</tr>
<tr>
<td>10</td>
<td>FP</td>
<td>Marketing Support Manager (Oil Company)</td>
<td>2</td>
<td>No</td>
</tr>
<tr>
<td>11</td>
<td>FP</td>
<td>Marketing Coordinator (Oil Company)</td>
<td>3</td>
<td>No</td>
</tr>
<tr>
<td>12</td>
<td>FP</td>
<td>Marketing Manager (Consulting engineer)</td>
<td>5</td>
<td>No</td>
</tr>
<tr>
<td>13</td>
<td>FP</td>
<td>Marketing Projects Manager (Accounting firm)</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>14</td>
<td>FP</td>
<td>Senior Product Manager (Bank)</td>
<td>23</td>
<td>Yes</td>
</tr>
<tr>
<td>15</td>
<td>FP**</td>
<td>Account director (Advertising Agency)</td>
<td>10</td>
<td>No</td>
</tr>
<tr>
<td>16</td>
<td>NFP</td>
<td>CEO (National)</td>
<td>16</td>
<td>Yes</td>
</tr>
<tr>
<td>17</td>
<td>NFP</td>
<td>Marketing Communications Manager</td>
<td>15</td>
<td>No</td>
</tr>
<tr>
<td>18</td>
<td>FP</td>
<td>Regional Marketing Manager (Accounting firm)</td>
<td>8</td>
<td>Yes</td>
</tr>
<tr>
<td>19</td>
<td>NFP</td>
<td>Marketing Manager (Museum)</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>20</td>
<td>FP</td>
<td>Product Manager (Bank)</td>
<td>2</td>
<td>No</td>
</tr>
<tr>
<td>21</td>
<td>NFP</td>
<td>Marketing Manager (Zoo)</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td>22</td>
<td>FP</td>
<td>Product Manager (Grocery Products)</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>23</td>
<td>FP</td>
<td>Marketing Manager (Grocery products)</td>
<td>10</td>
<td>Yes</td>
</tr>
<tr>
<td>24</td>
<td>FP**</td>
<td>Partner (Marketing Research Company)</td>
<td>10+</td>
<td>Yes</td>
</tr>
<tr>
<td>25</td>
<td>FP</td>
<td>Product Manager (Grocery Products)</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>26</td>
<td>FP</td>
<td>Marketing Manager (Entertainment Services)</td>
<td>11</td>
<td>No</td>
</tr>
<tr>
<td>27</td>
<td>NFP</td>
<td>GM Marketing &amp; Communications</td>
<td>20</td>
<td>Yes</td>
</tr>
<tr>
<td>28</td>
<td>NFP</td>
<td>Direct Marketing Manager</td>
<td>15</td>
<td>Yes</td>
</tr>
<tr>
<td>29</td>
<td>FP</td>
<td>Sponsorship Manager (Bank)</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>30</td>
<td>NFP</td>
<td>Marketing executive – Fundraising.</td>
<td>8</td>
<td>Yes</td>
</tr>
<tr>
<td>31</td>
<td>NFP</td>
<td>Marketing &amp; Communications Manager.</td>
<td>27</td>
<td>Yes</td>
</tr>
<tr>
<td>32</td>
<td>NFP</td>
<td>Regional Manager. (General).</td>
<td>30</td>
<td>Yes</td>
</tr>
<tr>
<td>33</td>
<td>NFP</td>
<td>Regional Fundraising Manager.</td>
<td>20</td>
<td>Yes</td>
</tr>
<tr>
<td>34</td>
<td>NFP</td>
<td>Income Development / Promotions Manager.</td>
<td>27</td>
<td>Yes</td>
</tr>
<tr>
<td>35</td>
<td>NFP</td>
<td>Income Development Manager.</td>
<td>21</td>
<td>Yes</td>
</tr>
<tr>
<td>36</td>
<td>NFP</td>
<td>CEO. (Regional)</td>
<td>15</td>
<td>Yes</td>
</tr>
</tbody>
</table>
The numbering of each interview/respondent was purely for convenience although they indicate the order in which the interviews took place. The people initially approached and requested to participate were predominantly from FPOs (72%) because it was anticipated that these would be the hardest people to establish personal contact with. The intention was to build the size of the NFP sample up later when the key issues, as seen by FPO people, had been identified. The initial 8 NFP interviews were intended to be expanded to closer to 50% of an overall sample with up to ten additional interviews at a later date. In fact only 7 more were conducted as there was consistency and convergence in the responses.

When the responses of specific people are reported their identity is show as follows: NFPR9 which means respondent number 9 who works in the NFP sector, FPR18 means respondent number 18 who works in the FP sector.

4.5.4 Validity of the sample.

In terms of organisations consulted a decision was made as to the type of organisation to be approached based, in the case of FPOs, on their likelihood to be or have been a partner in some sort of CRM activity. Some had already been observed to be involved in such activity by the researcher. This was because there seemed little point in talking with people who were likely to have had no experience to draw on in answering questions about CRM although, in the case of NFPOs, attempts were made to recruit organisations that had been involved in CRM and some that had not. Also it was important to ensure that NFPOs with strong brands were not the only ones researched. To explain the use of the term ‘strong brand’ here: The validity of the NFPO sample was cross-checked, prior to recruitment, by reference to the unpublished BRC study conducted by Fink-Jensen, et al., (1998). ‘Strong’ NFP brands were defined as those found, by the BRC study, to have had high ‘top of mind’ and ‘prompted’ awareness amongst a representatively structured sample of the New Zealand public (n=811). ‘Weak’ brands identified had very low or nil reported top-of-mind or prompted awareness. The NFPO segments from which selection was made corresponds to the broad categories suggested by Kotler & Andreasen, (1996) and Sargeant (1999).
4.5.5 Recruitment of respondents.

Organisations selected were initially contacted by phone or electronic mail. The most senior person available for each organisation was contacted. The potential benefits of the research to each organisation and the business area as a whole were explained and all those contacted agreed to participate. No mention was made of branding, indications given were that any discussion would be about marketing in general. As the ‘ideal’ person, a marketing manager, might not have been available for interview, or that role may not exist within the organisation, a respondent who performed close to ‘marketing like’ functions was recruited and interviewed for the purposes of this research. In some cases the person contacted became the respondent. In others the person contacted passed the researcher on to a more suitable respondent. Based on reading of research in the literature, where sample sizes of 10 to 15 were recommended, 30 organisations were approached, one refused to participate and 29 organisations were recruited and interviewed. Later on a further seven NFPOs were recruited to ‘balance up’ the overall mix of FPOs and NFPOs in the sample. The intention was to recruit at least 15 people from FPOs and 15 from NFPOs and at least 10 different organisations in each of the FP and NFP sectors. This still fell within the sample size range of other similar research found in the literature. The one non-respondent organisation, from the NFP sector, was not persevered with because they proved to be difficult to make contact with initially and when they were contacted appeared very disorganised and no convenient time to conduct an interview could be arranged. This in itself may be indicative of issues associated with dealing with some NFPOs.

4.5.6 Stated objectives of the research.

When approached, respondents were told that the researcher was a past practitioner in marketing within both FP and NFPOs, now following an academic career teaching marketing at Otago University, conducting research which seeks to update his understanding of, amongst other things, the ways in which marketing is currently managed. One-on-one interviews would take about 40 minutes and take the form of a discussion of the respondent’s views of marketing and recent trends in marketing management.

The researcher intended to gain insights in to what respondents’ personal thoughts were on brands and brand management by developing a friendly, relaxed, general discussion on issues of marketing management and then lead the discussion towards each respondent’s feelings about
brands and how brand management might be different in FP and NFP organisations. The conversation would then be led towards the issue of CRM as this usually represents an interaction between managers in FP and NFP organisations, the outcomes of which are usually visible in the public arena. In particular, questions would be posed to elicit some understanding of how respondents viewed their ‘opposite numbers’ in the other type of organisations. The reason for this lies in an observation made by Berger et al., (2004) that people in such organisations seem to speak ‘different languages’. The conversation would be further laddered to see if any indication could be found of what made for ‘good’ and ‘not so good’ CRM relationships.

4.5.7 Analysis of interviews.

As a qualitative piece of research, based on probing respondents’ feelings and beliefs within a pre-planned framework of questions, it was not anticipated that any significant quantitative data would emerge from this research. Some attempt would be made to tabulate results but it was not intended that this would produce robust quantitative data, only some tables to assist in identifying common themes in responses. The findings of the research would be qualitative and descriptive. The questions asked and each respondent’s responses were recorded using a small non-intrusive digital sound recorder, transcribed verbatim by the researcher, analysed and summarised in narrative form.

The researcher firmly believed that he should personally transcribe all recordings. The reason for this was that, in a conversation, the significance of some comments might go unnoticed. A non-involved transcriber might miss the significance of things such as pauses, sudden in-drawing of breath, laughter, or intonation of answers. ‘Yes’ said quickly might have a different meaning to ‘Yes’ said slowly, for example.

4.5.8 More on how data was analysed.

Thematic analysis was used as a means of identifying common themes and points of agreement or disagreement is the opinions expressed by respondents. Listening, writing up, reading and re-reading allowed a mental picture to develop in the mind of the researcher. Writers, such as Braun & Clarke (2006), make the very valid point that these pictures need to be reported in some systematic way so that others can see them and understand how a researcher comes to
conclusions based on those findings. Organising the way that data is presented into ‘themes’ allows for a ‘thicker’, richer, deeper description of what is happening. Thematic analysis offers a systematic way of doing this (Boyatzis, 1998). Each identified theme that emerges can then be related to how it supports, or not, any proposition that is being tested and gives “some level of patterned response of meaning within the data” (Braun & Clarke, 2006, p.82).

4.5.9 Why a thematic analysis is appropriate to this research.

Use of any form of systematic analysis assists the arrangement of findings in to the most useful reporting format. It is regarded as relatively straightforward (Braun & Clarke, 2006) and does not demand the level of theoretical and technical knowledge that other methods require and tends to generate outputs that are generally easy to read and interpret.

4.5.10 Application of analytical techniques.

A number of stages were passed through in analysing the data. Because there were no straightforward answers, numbers on a Likert type scale for example, the data being composed mainly of responses and comments made in a loosely structured interview, the process is mainly composed of iterations, re-iterations and summarisations of responses. This is achieved through a number of stages: Thinking while discussing topics with respondents and ensuring that side issues were recorded in some way can be difficult. This is why making an audio recording rather than taking notes is sensible. It can be useful to make short notes during the interview, perhaps to remind the interviewer that an off-topic point, at the time it was raised, needs to be raised at a more appropriate time later in the interview. Writers like Field and Morse (1985) suggest that the researcher write ‘memos’ about themes that seem to recur. In this case the memos were effectively created by the researcher during the interviews by re-iterating points that a respondent might have made. These then acted as markers in the first transcripts and acted as de facto ‘memos’, in effect serving as reminders that highlighted important ideas and issues when the data was sifted back through later (Burnard, 1991)

The development of the interviewer’s understanding of what people thought started with a flood of information obtained while conducting the interviews (36 in total resulting in a transcript length of 90,000 words.)
Often points which had been missed by the interviewer while acting as questioner were revealed while listening to the sound recording and typing up the exact words. In addition, where there were silences, pauses, or changes of intonation, a note was made to that effect in the transcript. In itself this ‘immersion’ in the data helped the researcher begin to better define the ‘life world’ of the respondent and gain insights in to the people’s ‘frames of reference’ (Rogers, 1951, cited in Burnard, 1991). By the time this second effective reading of the data was complete the researcher was becoming very familiar with the data and any ‘key phrase or phrases’ that emerged. These ‘key phases’ (Bird, 2005) saw the real beginning of an interpretative phase following the initial data gathering and recording phases. Lapadat & Lindsay, (1999) describe this stage as an ‘interpretative act’ rather than simply the coding of words: Meanings are created at this stage.

The next stage was to collate responses against the list of questions asked. A simple excel spreadsheet was used from which some tabulation of responses could be made. This set of data allowed the production of the tables shown in Appendix 2. In most cases this created little more than a summary of the type of organisation consulted, the background of the person, their current roles, levels of education, gender and length of experience in their roles. The value added by this kind of analysis was to define the actual sample more tightly to ensure it was representative of the types of organisation that needed to be consulted. The use of the scene setting questions also resulted in the respondents relaxing and ‘opening up’ to the interviewer.

The last four questions asked were at the heart of what the researcher was seeking to find, so, the next stage was to summarise the responses of all respondents to these key questions (The full written transcripts are attached as appendices to this thesis). This was an attempt to remove what researchers such as Field and Morse (1985, cited in Burnard, 1991) refer to as ‘dross’ and ‘unusable fillers’. From these summaries interesting and/or recurring ideas and headings were noted as a stage in summarising both what was said and the context in which something was said. This labelling or categorisation system aims to account for all the data and is referred to as ‘open coding’ (Strauss & Corbin, 1990). It involved, firstly, listing each theme and identifying whether a consistent pattern emerged. Then the researcher had to decide: Was there consistency here or not? Were people basically telling similar stories from different viewpoints or was this a mass of unrelated data?
The verbatim transcripts of each interview were to be read and re-read to discover any patterns emerging from the responses to questions asked. Where these could be recorded a tally would be kept of each response in terms of broad categories. These notes, or memos as Burnard (1991) would term them, would then be transferred to an excel spreadsheet.

The responses to all questions would then be summarised in to tables by the researcher to create a set of data as the basis for further analysis.
Here the researcher would record what appeared to be the predominant response from each transcribed response. This would not be a ‘high to low’ scale but simply a summary of the responses in terms of comments that were made to give a reader a broad impression of how people responded.

As each of the transcripts were read through a second or third time it was anticipated that a number of common types of comment would emerge. Each would be noted, and highlighted in the transcript, and the number of times it emerged recorded by simply using a tick tally of how often the type of comment was made. When the most frequent comments were identified, the transcripts would be read again and supporting comments added to explain any emerging theme.

The results of this analysis of responses to the questions would then be summarised to be presented in the findings section of this thesis.

It was at this final stage that, as Braun & Clarke (2006) put it, the researcher would be able to tell a “Concise, coherent, logical and non-repetitive account of the story the data told within and across the themes” (Braun & Clarke, 2006, p.93)

The findings are presented in chapter 5. There the questions are reiterated and the answers supplied are summarised. To add weight to the validity of the findings, since the tables of responses had no real meaningful statistical basis, some summarised quotations are included here and a large number of verbatim quotes from which these were extracted are included as a Appendix 1. Key quotations, supporting a particular finding, are included in the findings section. In these the people who were researched confirm the findings of the analysis but in their own words. Where a later reader might miss a meaning in passing, the researcher has added notes to highlight a particular thought.
4.5.11 Pretesting of the interview questions.

Care needed to be taken to ensure appropriate words were used in the interviews, to ensure that the researcher’s personal opinions were not indicated to respondents and that there were no ‘leading questions’ likely to influence the respondents responses. This advice is widely given in the literature, by Neuman (2000) for example, who offers advice on testing questions for the appropriate use of words, avoidance of the risk of ‘leading’ questions, problems with the order or sequence in which questions are asked, the dangers of straying too far from the point of the research and even respondent fatigue from an overly long interview. Zikmund, (1999) and Carson et al., (2001, p. 126) recommend pre-testing as it allows identification of issues that might have an adverse effect on the success of the research. The selected questions for this research were pre-tested on fellow graduate students and a senior staff member of the University of Otago marketing department.

The same issues were raised in both FP and NFP interviews. In some cases this proved cumbersome and the question structure was slightly modified as the interviews progressed. However, the researcher took great care to ensure that the essential issues were consistently probed across all interviews. The same questions were used for the first three interviews to test out and amend the way the questions were posed in the field, to see how the interview flowed and whether it generated responses of the kind anticipated. In the light of this some changes were made to the exact wording of some questions later.

4.5.12 Multiple interviews within some organisations.

A number of the interviews were conducted with individuals from the same organisation. This was partly serendipitous since several people in a number of organisations were approached, assuming a high refusal rate, but all agreed to participate. Since the objective was to establish the views of individuals rather than organisations this was not seen as a problem. With hindsight a note was made to compare comments from people within the same organisation to see if the responses given, by employees of the organisation, were different when seen from more than one person’s perspectives (Tapp, 1996). The reason for this was that there might be some interesting differences of opinion between colleagues in the same organisation, but to make such a cross-comparison exercise generalisable would require something like three times the number of research interviews (Neuman, 2000, p. 427) and this was not practicable for the current research.
exercise. It should also be re-emphasised that the opinions being sought were those of the individuals not the overall organisation. Nonetheless the possibilities of making ‘within organisation’ comparisons of opinions were not ignored.

4.5.13 Ethical considerations.

In accordance with University of Otago research Policy ethical approval for this research was obtained through the Department of Marketing, University of Otago, by way of a Level B approval. The letter confirming this approval is reproduced as appendix 5. Respondents were advised that their participation was entirely voluntary and that they could withdraw from the research without giving any reasons at any time. The purpose of the interview was disclosed to the respondents, when the appointment for the interview was made, as an inquiry into current marketing and brand management practices. The necessary processes to comply with University of Otago research policy requirements were carried out in full. The anonymity of each respondent and their organisations was assured and each signed a form agreeing to their participation under terms that they fully understood.

4.5.14 How the questions were asked and responses were recorded.

The final set of questions and interview protocol, which should more properly be described as a topic guide, was based on eleven questions or groups of questions. To ensure that all findings would be capable of cross comparison all questions were asked although, in some cases, as individual interviews were conducted, some questions were answered before they were directly asked when a respondent elaborated on their response to an earlier question. While the participants may have seen the discussion as being unstructured, great care was taken by the researcher to ensure that none of the questions were missed. The only input to the conversation from the researcher was the posing of the questions and requests for clarification.

To ensure that the conversation developed smoothly the interviews were digitally recorded so that the interviewer was able to concentrate on asking the questions, prompt further comments and to follow up answers with further questions to clarify information. Audio recording the conversation meant that the flow of conversation was not interrupted, as it might have been had the researcher been obliged to make written notes. In the event that a comment was not clear, however, the researcher occasionally asked for confirmation of a point made if it was felt that
the recording might not have been clear. While Neuman (2000, p. 366) warns that machine recordings can be cumbersome this was the only practical way for the researcher to record responses. Note taking could have slowed down the flow and been disruptive to the interviews. (However, where an unexpected issue appeared, or was temporarily off topic, the researcher made pencil notes on the questions sheet to remind him to come back to the topic later.) Further: Stopping the conversation at any point to write something down in detail might have been an indication to the respondent of a point that was of particular significance to the researcher. All respondents agreed for the interview to be recorded and did not appear concerned by the recorder which was placed unobtrusively between the interviewer and respondent.

Questions were framed to ensure that no words that might be described as marketing terminology or jargon were used unless the respondent introduced them. In particular technical terms and ‘jargon’ words that might have made the respondent feel out of their depth when being questioned were avoided.

4.6 Research objectives and groups of questions.

Table 4.4 shows a restatement of the objectives in posing questions and the groups of questions that were devised in order to resolve components of the overall problem. The number of the precise question delivered in the topic guide is shown and the full set of questions is shown.

4.6.1 The questions asked.

The full list of questions asked is shown in table 4.4, below, together with, where appropriate, the objective(s) in asking the question and the proposition or propositions tested by that question. This was not shown to or read by the respondents as all questions were delivered verbally by the interviewer. The questions used and the reasons for asking each are given in the table.

Questions were asked in an order that the researcher felt, following the initial interviews, would create a naturally flowing general conversation on marketing within the respondent’s organisation. Note that the use of a post positivist paradigm meant that the interviewer expressed no personal opinions in the ‘conversations.’ The formulation of questions was based on this predetermined plan for the interview with questions formed into groups of similar purpose as
shown below. A letter notation of ‘a’, ‘b’, ‘c’ or ‘d’ after a question number signifies that this was a probing question asked after the answer to the question that preceded it had qualified the respondent to be questioned further on the topic. All the questions are numbered.

Table 4.3. Research objectives and research questions.

<table>
<thead>
<tr>
<th>Objective(s) in making comment or posing specific questions.</th>
<th>The questions asked.</th>
<th>Proposition(s) tested by this question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure respondent comfortable and qualified to answer the questions raised.</td>
<td>Q1. Asked for confirmation that University of Otago ethical requirements had been fully explained to them. (All replied in the affirmative)</td>
<td>-</td>
</tr>
<tr>
<td>Ensure respondents perceive that they are involved in Product or Brand Management in some way.</td>
<td>Q2. Would you say that you are closely involved in Product or Brand Management? Q3. How would you summarise your current role?</td>
<td>1</td>
</tr>
<tr>
<td>Gain some understanding of the respondents’ experience in the role</td>
<td>Q4. How long have you been involved in this sort of role?</td>
<td>3, 6, 7.</td>
</tr>
<tr>
<td>Gain appreciation of how the respondent views their organisation’s brand or brands.</td>
<td>Thinking about the brand(s) that your organisation uses: Q5a. How would you describe it/them? Q5b. How does it, the brand compare with competing brands? Market share (approximately)? Q5c. Are there any trends you can talk about?</td>
<td>3, 4, 5, 6, 7</td>
</tr>
<tr>
<td>Gain some appreciation of how respondents view brands in general.</td>
<td>Q6a. How important do you think brands are in the ‘worlds’ of consumers? Q6b. Is this changing?</td>
<td>1, 2, 3, 4, 5</td>
</tr>
<tr>
<td>Gain insights into respondents’ perceptions of the importance of brand(s) to their organisation.</td>
<td>Q7. How important are brands to the profitability of your organisation?</td>
<td>1, 3</td>
</tr>
<tr>
<td>Get respondent to think of the place of brands in NFPOs (If they are a FPO) and vice versa</td>
<td>Q8. From your point of view as a for profit (Not for profit) brand: Do you have any thoughts on the place of Not for profit (For profit) brands? Do they have them? (Brands)</td>
<td>All</td>
</tr>
<tr>
<td>Find what respondents think differences between FP and NFP brands might be.</td>
<td>Q9. Thinking about the differences between For Profit and Not for profit brands. How would you describe the differences, if any?</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>How respondents perceive brands are managed in the different types of organisation and how the people who manage them might be similar or different.</td>
<td>Q 10a. Thinking about how For profit or Not for profit brands are managed: How do you think the approaches compare? Q10b. How do the people compare? Q10c. How might the types of skill required to manage the brands be different?</td>
<td>All</td>
</tr>
<tr>
<td>Probe respondents’ views on how CRM works between FP and NFP organisations</td>
<td>Q11a. Cause related Marketing: Have you heard the term? Q11b. Could you name some Cause Related Marketing Activity? Q11c. Have you ever been involved in it? Q11d. Was it successful? Q11e. How did the parties to it get on with each other?</td>
<td>All</td>
</tr>
</tbody>
</table>
Chapter 5. Research findings.

5.1 Introduction.

The results obtained from the in depth interviews are presented in the following manner: Firstly answers to each question asked are summarised together with supporting quotations where appropriate. Secondly an analysis is undertaken to determine what, if any underlying issues may exist and finally emerging themes are identified and analysed.

Comments selected from the responses of respondents are also included where they give deeper insights into how respondents answered questions posed. In addition, given the open structure of the interviews additional questions asked and their responses are also summarised as quotations, where appropriate. Full interview transcripts are included in the attached appendices.

Meanings that are derived from the interviews are summarised, to describe the feelings and attitudes of respondents and, through probing questions, to find out what the determinants of those feelings and attitudes might be, and are discussed in Chapter 6.

Deeper analysis of the findings is then carried out in order to develop new theories as to how brands are managed and how marketing people in different types of organisation relate to and work with people from other types of organisation in the particular context of CRM.

5.2 The findings.

The findings are presented in the order in which the questions were asked. The questions themselves can be found in Table 4.4 on page 123. As the researcher progressed through the findings this led to a cumulative understanding of the topics raised.

Question 1 is not reported because it relates only to confirming that the University of Otago requirements in terms of ethical research behaviour had been met and participants understood their position in this research and were willing to participate.
5.2.1 Question 2: “Would you say that you are closely involved in Product or Brand Management?”

The selection process for respondents screened out any employees of either type of organisation who thought they were not, or did not feel, involved in product or brand management in some way. As a result all respondents said that they were involved in some way with product or brand management. Because of this, it was necessary to find out how many were primarily concerned in these roles, how many were moderately concerned in them and how many actually had a relatively minor involvement. Twenty one claimed to be heavily involved in product or brand management and the other ten claimed to be moderately involved.

Questions 3 and 4 address the need to better understand the nature of the respondents’ roles. To do this they were asked to define what their role was.

5.2.2 Question 3: “How would you summarise your role?”

Marketing people in NFPOs were much less likely than those in FPOs to describe themselves as primarily involved in product or brand management. None of the FPO managers interviewed saw themselves as involved in general management. This may be a function of the strict delimitation of roles held within such organisations or possibly sampling error. The types of role in NFPOs were much more as anticipated: The literature had suggested that many roles in NFPO management were *de facto* product or brand management roles but not described solely as such. Common overlaps were with Public Relations and Fundraising. This is consistent with the literature, that purely brand management / product management roles were either not thought of, considered unnecessary or unaffordable in many NFPOs.

5.2.3 Question 4: “How long have you been involved in this sort of role?”

This question was asked to establish how much experience respondents had to draw on and as a measure of their position on the time scale of their careers. From discussion with individuals it emerged that several people now in NFPOs had had experiences within FPOs but none of the FPO respondents had been employed in NFPOs, although some had been or still were volunteers for NFPOs. The majority of NFPO respondents had more than five years experience where only a little over half of the FPO people interviewed had more than five years experience.
A common theme observed in the interviews is represented in the comment made by a FP manager (FPR13), in relation to the different backgrounds of marketing people in FPOs and NFPOs:

“I think that people in FPOs are probably people that are newer to the market maybe because I think there is more opportunity in the profit sectors and NFP sectors you will probably find are a slightly older generation of marketers that have much more experience and are willing to ..... take on the challenge of maybe a NFP where there is not much money to throw at a marketing budget and be more creative as well as implementing prior knowledge of working in the NFP sector ...”

5.2.4 Question 5 (a): “Thinking about the brand(s) that your organisation uses: How would you describe it/them?”

Virtually all answered this question in terms of their organisation’s logo. Most describing their brands as symbols, letters, words or mixtures of those things. None spontaneously mentioned the value of a brand in the sense that the academic writers reviewed in the literature had done. The answers to question 5(a) simply established that all the respondents felt that their organisation does have a brand or naming device. NFPO managers seemed much more confident in describing their brand. Most were able to describe theirs quite well whereas 13 out of the 21 FPO people had some degree of difficulty describing their brand in relatively simple terms.

The issue of whether the public would recognise an NFP brand was raised by several people, for example: While FPR36 was able to describe his organisation’s brand very concisely with regards to its main symbol, he believed that the public in general may not be able to do so. He explained this in the following way:

“... you would expect that a large percentage of the population would [be able to recognise the symbol] because of the very successful day [a fundraising event linked to the NFPO] that we do have ... people don’t necessarily understand what the organisation actually does ... and that for me is a branding issue ...”
5.2.5 Question 5 (b): “How does it, the brand, compare with competing brands? Market share (approximately)?”

Most people thought of their brands as being leaders or average performers with only 3 of the NFPOs stating that their brand was not a leading brand in its field. The 8 FPO brands which were reported as not being leaders gives confidence in other information gathered from these people since the sample was not skewed towards brand leaders only. A large proportion of NFPOs claim to be brand leaders: few NFPOs see themselves as being in serious competition with other NFPOs in terms of offering similar services. Some NFPO brands claim to have definite competitive advantages over other brands but it is realised that even these may have some issues, for example:

NFPR36: “… its accepted … as one of the most trusted and strongest … charities … but do people really understand what we do … I think it’s a very strong, well trusted brand but I think there are some challenges around it …”

5.2.6 Question 5 (c): “Are there any trends you can talk about? Growing/static/ etc?”

The majority of NFP managers thought their share of market was steady or increasing while more than half of the FPO managers thought their market share was steady or declining. This question was aimed at establishing the kind of pressures each organisation was under competitively with growth or decline in brand share being a proxy for how well they thought their organisation was performing compared to other organisations trying to do broadly the same things. Further comments suggest that while the FP sector had been under pressure due to the economic recession, the same influences had hit NFPOs but, apparently, not been exacerbated by the natural disasters, and similar unexpected events, which had recently placed extra demands on donors to such organisations, for example. NFPR36 reported:

“ … revenue from our major appeals was up on last year and given that we have just had a 12 month recession that would seem to indicate that we have got a very, very powerful brand … if that is the right word … or we are a very trusted community organisation … that people are willing to give to.”

This response raises issues to do with ‘powerful brands’ and ‘trust’ that will be raised later when reporting responses to Q 6(b).
5.2.7 Question 6 (a): “How important do you think brands are in the ‘worlds’ of consumers?”

All NFP managers confirmed that they regard brands as important to consumers and are therefore valuable marketing tools. Only two of the FP respondents thought they were not. A typical response from a product manager in a major food producer in relation to the importance of brands (FPR3) was:

“... I think more than the consumer realises ... more than we realise ... brands are so much of our landscapes now that ... consumers attribute things to brands that they would not even realise ... didn’t even know are brands ... more and more they are a part ... as you are getting more and more information as consumers ... and we have got more and more choices ... brands are becoming more and more a part of our landscape ... whether the owner of that product or service realises that it is a brand or not ...”

5.2.8 Question 6 (b): “Is this changing?” (This is a continuation of Q 6 (a) and refers to how important the respondent thinks brands are in the ‘worlds’ of consumers?)

Opinions are divided here. Two thirds of NFP respondents think that brands are remaining as important as in the past, or gaining in importance, as the consumers’ trust of some suppliers is reduced and consumers look for safety in brands that they know and trust. Two thirds of FPO people, on the other hand, think that brands are remaining the same or becoming less important to consumers, with consumers tending to buy cheaper products rather than generally more expensive brands. Brands are increasingly important for NFPOs, but for different reasons. As NFPR36 suggested, in terms of brands:

“... in charitable organisations I think it probably is a lot more important because there are a lot more people or organisations out there competing for the charity dollar if you like and so I think having a strong and trusted brand is incredibly important ...”
5.2.9 Question 7. “How important are brands to the profitability of your organisation?”

Some of the FPOs thought their brand was less than ‘very important’ to the profitability of their organisations and it appears that NFP managers, in this sample, realise the importance of their name or brand rather more than FPOs do.

Having established how respondents thought about brands in general, Question 8 was then directed towards exploring how managers in one sector view organisations, brands and their managers in the other sector:

5.2.10 Question 8. From your point of view as a for profit brand: Do you have any thoughts on the place of not for profit brands?

(Each interviewee was asked to comment on their perceptions of the other ‘type’ of brand/organisation, so the question was reversed for NFP respondents.)

As previous questions had been related to brands, and branding, responses tended to be about society’s perceptions of organisations’ brands rather than what the organisations actually do.

Both were seen to have places in society with FP brands being those that people demand to meet their needs and that they are willing to pay for. NFP brands perform different roles but were seen as being important to the fabric of society. Most FPO people think that a NFPO brand performs similar roles but in different ways. FP managers think that NFP brands provide or represent benefits for society whereas FP brands are assumed, by NFP managers, to do the same thing but in more overtly commercial ways. FPO managers recognised that NFPOs have brands too and that some are stronger than others, as explained by FPR22:

“... they do have brands definitely and I think some are better than others ... I wouldn’t know the figures but I would say that those NFPOs that have very strong brands probably do better than the ones that are just standing on the side of the road with a bucket ...”

NFPR17 added:

“The difference between a FP and a NFP is that people look at NFPs as doing a great deal of good in the community... whereas with a FP … sometimes I think that they might be a little cynical about it …”

NFPR1, a fundraising manager for a major charity, believed that:
“Generally the FP brands can be experienced whereas the NFP brands ... you don’t genuinely experience what the brand is ...”

In terms of what makes a NFP brand stay in people’s minds, NFPR32 believed that it related to: “... an organisation that you may one day need ...” A very lengthy response from NFPR32, and echoed in other responses, is here summarised as: NFP brands are seen as symbolic of those organisations that people donate to often but these people rarely experience the service that is provided by the NFP. Donors are taking a lot of things on trust and perceptions which they do not actually physically validate. With a FP brand people who have a strong association with a brand, or hold very strong favourable views about it, have usually experienced the brand directly, whether as a product or a service.

NFPR34 believed that there is a place for each but a difference related to the focus of the organisation is:

“We perceive ourselves as being a NFP ... that we are part of the caring society ... and all that that entails ... and the commercial aspect ... their [FPO] bottom line is to make money ...”

5.2.11 Question 9. “Thinking about the differences between for profit and not for profit brands: How would you describe the differences if any?”

Here most respondents either stated or implied that NFP brands represented ‘good things’ for society. FPOs also do good things by producing goods and services that people need but there was some implied concern about clashes between the interests of an FPO and society.

FPR23 put it as follows:

“... from a consumer perspective you are looking for a sense of emotional wellbeing when you buy into Worldvision ... when you buy V [an energy sports drink] you are looking to emotional benefit ... so I don’t think that I would put NP or FP product brands into different ... I think that they just pull on different strings...”

FPR20, thought that the difference between a FP brand and organisation and a NFP brand or organisation was:
“... on the part of the consumer looking at a NFP brand perhaps there is a little less cynicism ... there is a sort of that perception of big Coca Cola and the profit they are making ... the big multi-nationals and ... perhaps on that social marketing perspectives ... yes ... people look more kindly on those not for profit brands ...”

In responding to question 8, NFPR17 had mentioned that consumers might be ‘a little cynical’ about FP brands and the organisations behind them. This concern about the ethics of some businesses was touched on by NFPR35, a colleague of NFPR34, who thought that the differences between FP and NFP brands related to the ethical focus:

“... some FP organisations ... they don’t see the need to be ethical ... or they don’t see the importance of being ethical yet ... whereas NFPs are forced to be so ...”

However, a less experienced FP manager (FPR10) thought there was not a lot of difference between the two types, although ‘trust’ was mentioned, and explained that:

“... I think they are quite the same ... there is still a brand and people still need to trust who they are giving their money to ...”

5.2.12 Question 10(a). “Thinking about how for-profit or not-for-profit brands are managed: How do you think the approaches compare?”

Many respondents claimed to have not had personal contact with managers from other sectors so, here, in most cases perceptions are presented which may not have been created as a result of direct contacts. FPO and NFPO people think that FPO managers are more focussed on specific parts of the business. For example, marketing managers focus on marketing in FPOs while marketing managers in NFPOs have jobs with broader scope, including public relations and, more importantly, fund raising. Another common theme was that NFP people regard the FPO and its people as being mainly driven by the desire for profit. On the other hand FP people perceive NFP people as being less concerned about profit and more concerned about achieving the objectives of their organisations that can not be easily measured in financial terms. Managers saw key differences in managing brands as being based on some if not all of the following: Freedom of action and the speed with which decisions are made, focus on fundraising rather than brand management, aggressiveness in the marketplace, ethical issues and above all absence of specific brand management skills and funding for marketing activity.
As several common themes began to develop here the responses to question 10 (a) are grouped under sub headings:

**Freedom of action and speed with which decisions are made.**

In a FP environment the brand managers, usually in marketing teams, have more control over their brand, work to a marketing strategy and have their activity planned out well in advance. They know how the brand is planned to evolve. A NFPO usually lacks a plan for its brand and reacts to situations as they arise, as NFPR16 reported:

“We are all desperate for money and sometimes partnerships come up that you don’t expect to come up and you have got to work very quickly ... you have to seize the opportunity ...”

Product manager FPR3 raised the issue of different management processes in organisations leading to different approaches to how brands were managed:

“The differences that I have experienced in ... a profit organisation ... is that the decisions and engagements are a lot clearer and the ownership of those decisions is a lot clearer. In a NFPO ... where a lot of people have influence on things ... then depending on who they are ... like on the commercial continuum ... when they decide between them ... and their perceptions of how you might go about this ... the [NFP] brand manager has a very difficult job.”

FPR3, who had experiences of working with NFPOs, mentioned a key difference being the way that decisions were arrived at:

“... the biggest difference between the two ... the FPs have managers or owners who make instant decisions ... In the NFP sector its lets consult ... lets liaise ... lets meet ... we will pass this by our stakeholders ... and the decision is made in three years time ...”

**Focus on fundraising rather than brand management.**

In terms of how the approaches of FP or NFP managers compared, FPR29 (a sponsorship manager with a major bank) saw the NFP brand management role as the flip side to hers with a key difference being that:
“I look after my brand and ... they [NFPOs] look after their brands and that whole sort of sponsorship area... but I think where we are totally different is in our funding ... I will go out and assess something about whether I am going to give something money ... they have to actually come and seek money...”

Respondent NFPR35 mentioned ‘Competing FP brands’ and added that there is competition between NFPOs which was described as follows:

“... I certainly think there is very heavy competition for the charity dollar ... which is not what we deliver but it’s how we survive …”

NFPR19 reflected similar views to others within the NFP sector in terms of the importance of the profitability in NFPOs: Her organisation seemed to give little attention to the ‘bottom line’ whereas she felt that would be a high priority for a FPO. She thought a FPO would put a lot more focus on marketing and reviewing prices but, in her two years in the current job, nobody seemed to be worried about those issues. She felt she should be spending more time on analysing her market but other tasks, mainly fundraising, made that impossible.

**Aggressiveness in the marketplace.**

The need to generate income and shortage of marketing funds were seen by NFPOs as causing major differences between how FP and NFP brands are managed. As NFPR32 (a fundraising manager) stated:

“... they [FPOs] are a lot more aggressive in getting their brand out there ... they often have a lot more resources in terms of cash behind them to get themselves out there ... the whole gambit … of advertising whereas we certainly don’t have that funding …”

This being due to the fact that:

“... they are making money … they have a product that people want ... whereas we ... we don’t have a product that people want by choice ...”

FPR6, a sales manager from a large FMCG organisation, described the difference as follows:

“... I guess the difference is the reason ... is about revenue and profit generation.... while the NFP ... they are trying to generate revenue ...”
NFPR34 mentioned that she thought a major difference was that FPO people were “... pretty more cut throat ... the FP ... one ...”. This was also mentioned by NFPR36 who, when thinking about how FP or NFP brands are managed, also mentioned aggression:

“... my perception of them is that FP brands are much more ... market much more aggressively ... their brand. Than say what we do ... that may be because of a lack of financial wearwithall on our part on the NFP side ... we may be reticent about promoting our brand too aggressively …” this occurs because “Well ... I think they need to get their brand in front of as many people as they possibly can as regularly as they can which will ... influence people to choose that brand rather than a competing brand ...”

**Ethical issues.**

NFPR30, CEO of a large NFPO, raised ethical issues as a possible cause of different approaches to brand management:

“It will be different … in for profit organisations their primary motivation is profit … so therefore considerations of .... ethical ... environmental issues come lower down the agenda ... I have some cynicism, some scepticism about how business and FPs operate ...”

He then went on, without prompting, to talk about how this might affect any fundraising activity between FPOs and NFPOs:

“... for an organisation such as a NFP to survive we have got to work alongside those agencies ... and recognise that they have different priorities ...”

The idea that corporate realisation of a need to ‘look better’ to society is not as well advanced in New Zealand as in some other similar countries, and how that might influence the way that a FP brand is managed, was brought up by NFPR30:

“… they are almost exclusively profit driven so ... there isn’t a culture yet ... of social responsibility … that is actually of benefit to a particular business organisation ... to be seen to have a social responsibility that it helps them sell ... that it helps them to feel good about themselves and their staff to feel good about themselves that recognition isn’t there yet ...”
In a similar vein, NFPR35 was concerned that FPOs need to be seen to be doing good rather than bad things and, equally, NFPOs need to maintain a positive public image. This may dictate different approaches to managing each type of brand:

“I think there is a constant need ... for transparency and accountability ... over and above what businesses are required of legally ... that a NFP must adhere to ... very highly ... all the time ... continuously and in all media communications.”

Because, and here he is referring to public contributions to charities, “its money given in trust ... donors give money in trust and they expect to know how it is being spent …”

**Absence of specific brand management and financial skills.**

According to NFPR9, the NFP sector brands “struggle along with no particular management” in most cases. Many NFPs are struggling to raise funds “because nobody knows us and we get lost and so on ... so there is an ad hoc [approach] ... the brand is essentially ... an orphan in most NFPOs.”

NFPR9’s view was that the role of a brand manager in a NFPO is usually taken up by the fundraising manager. In the case of his organisation it is a ‘business development manager’. This *de facto* brand management results from the promotional elements of fundraising. Fundraising managers tend to deal with advertising agencies and the like, who may be the only people who need to think seriously about what symbols represent the organisation. These people take up the role because they are the ones who are trying to look after the brand. But, he added:

“The reality is that generally, until recently ... the background of people coming in to marketing, fundraising ... branding of [NFP] organisations was simply ... not high enough ...”

People with the right brand management skills could not be afforded in most NFPOs, so the NFPOs did not have that sort of expertise. The brand was left unmanaged so that brand management had:

“... really just becomes a factor of how people perceive that particular appeal [*requests for funding*] or that particular request for funds ... and there has been no management of that [*Management of the brand itself*]”
As with another respondent from his organisation FPR8 raised the issue of differences in skill levels when thinking about financial issues. The FPO managers would be heavily involved and skilled in financial matters whereas the NFPO managers would not and this did not matter as the brands were run in different ways.

Financial issues also seemed to be a major point of difference for FPR22 who was one of 18 people in her FPO’s marketing team:

“... there are so many things that you have to do ... you have to look at profitability ... obviously that would not be important for the NFPs”

FPR22’s manager, FPR 23, put it like this:

“I would say that brands from NFP are perhaps not quite so ... not being run from a marketing perspective in as much of a cutting edge way as say FMCG brands are ... I think that they probably have to run on a lot slimmer budgets and so ... what they know about their brands and their consumers or people that buy in to those brands may be a little bit less whereas we have in FMCGs we have everything at our fingertips ... because we are a profit making company so there is a little more fat ...”

A number of comments suggest a feeling that NFPs are less sophisticated due to lack of funds, even suggesting the FPOs have a ‘little more fat’ seems to imply an assumption that FPOs have more than sufficient funds to do their marketing jobs properly. From this there seems to be a further assumption that NFPOs are less well informed ‘about their brands and their consumers ... whereas ... in FMCGs we have everything at our fingertips.’

A number of differences in the way that brands are managed have been highlighted here. In terms of the differences between FP and NFP brands, FPR7 thought there is an overlap there because a lot of marketing organisations, whether FP or NFPO, now realise that brands need to be managed and evolved to meet changes in society.

NFPR34 was asked if a lack of brand management in some NFPs led to the underutilisation of their brands.

“... well I think its people within the organisations ... possibly not ... having an ... exact awareness of the value of the brand ...”
This begins to move over from how the jobs might be done to how the people doing the jobs might compare. The open nature of the questioning style resulted in many answers being answered before they were directly asked, for example when talking about how brands are managed in different types of organisation several respondents mentioned the motivation of individuals rather than what they actually did in terms of product or brand management. This led on well in to Question 10 (b).

5.2.13 Question 10(b). How do the people compare?

A great deal of insight in to how respondents thought about themselves and people performing similar functions in the different type of organisations emerged from this question. The responses fell in to one or more of the following areas: Level of general education and personal background; General skill levels, including ‘people’ skills and length of practical experience; Motivation of the individuals and their attitudes towards opposite numbers.

As the responses to questions began to broaden in range the following responses are recorded under the topic headings that began to emerge.

**Level of general education and personal background.**

All imply that FPO people are more likely to have had higher levels of education and to have entered their organisations at a marketing management level whereas NFP managers were less likely to have such academic qualifications.

NFPR32: “In the FP sector ... I imagine most of their qualifications would be ... practical qualifications ... depending on what business you are looking at ... practical qualifications the owner may have a commerce degree ... hard edged kind of qualifications ... in the NFP sector like our organisation they tend to be the softer edge if you might just call it ... qualifications... more ethereal ... qualifications … you know … the community work ... social work..”

As the responses to questions began to broaden in range the following responses are recorded under the topic headings that began to emerge.

NFPR35 said: “I think in NFPs there’s more middle class white ... middle aged ... female ...” She added:

“ ... I initially came from the business sector. I think its very important for the things like the Fundraising Institute of New Zealand ... to build the professionalism of the people in
the NFP sector … and they are doing that very well you know … having courses and things ...”

Note here the focus of marketing as being on Funding as implied by the mentioning of the Fundraising Institute. Did the use of her words ‘to build the professionalism of the people in the NFP sector’ mean she thought that NFPO marketing people were unprofessional? Not necessarily:

“... being as professional as they can be in line with the people within the profit sector ... being as qualified as ... and thinking ... of their organisation in a business sense ... you know ... ‘oh we just work for a charity’ ...”

She felt this is a major concern:

“... because the brand is very important and ... so ... there needs to be none of this selling our brand too cheaply ... and that’s what does happen quite a bit ...”

(A similar comment was made by NFPR34 when responding to Q 10(a))

NFPR36 was asked about how people who manage the two types of brands might be different between FPOs and NFPOs in respect to age, gender, experience, education and so forth.

“I wouldn’t have thought it made a lot of difference actually ... what I think the difference is … is how much the organisation can afford ... to spend on that marketing.”

This was seen by him to apply to the sums of money available to obtain marketing staff as well as the funding of marketing activity.

“... yes ... so I think that ... people with ... very good qualifications who are seeking significant recompense for their talent are unlikely to be marketing on behalf of a NFP… for us ... as they would, say, if doing it on behalf of Telecom.”

**General skill levels, including ‘people’ skills and length of practical experience.**

NFPR1 was asked how the people in FP and NFPOs might compare:

“The brand manager for the FP is basically selected and recruited on performance … qualifications or cultural fit whereas the NFP brand manager is probably quite likely to be someone who has ... strong empathy with that organisation.”
According to NFPR1 the way that somebody gets in to a de facto brand management position in a NFP seems to be “very random in terms of how that person gets to that role.” There does not seem to be any consistent explanation for how a person applies for or gets appointed to a marketing type of position in a NFPO, it may be predominantly based on the remuneration package that the FPO has to offer which may not attract the best candidates.

In terms of the personal skills required FPR23 thought:

“... the skills are different for sure in that [with] NFP brands you will probably find that there is ... that you have to tread perhaps more carefully ... there are a lot of people in the organisation who are doing it emotionally or they are giving up ... there is a lot of voluntary work going on here ... so you have actually got to look after all the people that are doing that work for you in a way that perhaps you wouldn’t look after them in a profit organisation where everyone is being paid a salary ... I think there’s a lot more emotive elements ... you have to tread a little more carefully ...”

Another point of difference was mentioned by FPR12:

“I think the NFP marketing people are probably more creative ... because they have got limited funds to be able to spend ...”

NFPR19 thought that FP people would put more emphasis on what she called quantitative targets, achieving sales and profit objectives, while NFPO managers would be more qualitative [her words]. This would mean that the jobs of FP managers would be much more stressful and there would be more risk of “your job being on the line” if objectives were not achieved, which implied that such stresses might be less in NFPOs. Her marketing team did not have classical marketing backgrounds:

“A lot of our marketing people here do not understand the business side... not really concerned about the money side of things ... but then we have some others like senior management who have come from a business background”

FPR14 had had considerable experience in dealing with NFP managers:

“... a previous company I worked for supported a charity quite strongly ... I did quite a lot of work with that charity on marketing initiatives and found generally that they ... were not as hard working ... were not as used to turning things round as quickly as perhaps we were ... needed quite a lot of coaching in what was commercially important
so didn’t really understand why we do things a certain way and how important that was to us ... so it was trying to blend the objectives together”

In response to asking his thoughts on whether a NFP manager might be attracted to work in a FPO he said:

“I think that somebody who had gone straight in to NFP and had not worked in corporate life ... would find it very difficult ... the skills and knowledge can be taught but the attitude ... might be difficult in a commercial environment ... in a commercial environment there are always tradeoffs in a commercial sense whereas in a NFP its driven by its purpose and ... an organisation driven by shareholder value and profit may not motivate them ... most things can be taught but the main problem would be how to motivate them ... will they be motivated?”

The CEO of a very successful NFPO (NFPR16) thought that the larger NFPS now invest in people who generally speaking have had a lot of experience in FP roles, some NFPS have sufficient funds to attract experienced brand managers but this respondent has dealt with many smaller organisations who appoint managers without any training and don’t seem to have a strategy or structure around brand or marketing management. They tend to be “Running on the smell of an oily rag ...” In a FPO, the managers would be more strategic because they have the skills and the training to do that and also have a business plan which keeps them on track. Respondent is a member of the Fundraising Institute of New Zealand (FRNZ) and commented that, from what he had seen, there are many organisations [NFPOS] where that training and investment in people to run brand management or marketing has not been put in. Marketing is seen as a:

“ ... sort of fluffy stuff ... so I don’t think enough financial support or resources or training has been put in to that …”

He thought this was so because of limited resources in most NFPOS and there not being enough foresight in recognising the value of brand management and marketing. His communications manager (NFPR17), had previously worked in a FPO. When asked how the people compared she said she had been surprised:

“Well ... I am quite surprised because I thought I might have been coming in to an industry of cardigan wearers and ... mung beans and all that sort of thing ... because I came out of ten years of broadcast [In a FPO] right ... the two big free to air networks
plus a really major advertising agency ... so I am sort of dealing with very savvy ... people come to work with a lot of personal agendas ... especially at TVNZ ...”

Many NFP managers had developed in to their jobs from a support function within the organisation. Interestingly, although this may have been a result of ‘sampling error’, no NFP managers were reported as having crossed from the service delivery side of their organisation to the support side of their organisation. Also, FPO people tended to be older and less driven by desires for personal development than FP people and had remained with their current organisations longer than people in FPOs.

**Motivation of the individual and attitudes towards opposite numbers.**

Two of the NFP people were adamant that there was a great deal of difference between the types of people working in each organisation. They cited people who were driven by the mission of the NFPO and took no interest in their own personal rewards in terms of salary, and other rewards associated with their employment. Several people indicated feelings of guilt about what they had done in FPOs.

FPR22 expected the people to be different, in the following manner:

> “I would say that a lot of people start off in a FP ... and [later] they think ‘I am going to give something back and maybe go and do brand management for CANTEEN’ [4 charity supporting Teenage Cancer patients] ... or whoever ... for a year or so ... so I think ... [they] decide to switch their allegiance... and go and help [an NFPO] so you have sort of got the people who think ‘God I have been so nasty to the world I should give something back’... and yea ... the ones who are genuinely nice people ...”

FP R23 said:

> “The type of people? ... I think people who are going to work for a NFP brand are probably going to believe in that brand ... a lot more ... they are in there to make a difference ... at an emotional level whereas in business you are generally there more at a profit level or ... financial reasons to try and give something back profitably to the shareholders ... for sure you believe in your brand but its financially driven as opposed to emotionally driven ...”

FPR3, a product manager in a food company focussed on what motivates managers in FP and NFPOs:
“A key point would be what motivates a person ... what drives them ... some like working in a more creative driven organisation ... or maybe they enjoy more self expression ... or maybe they are there because there is more money or career ... in a NFP it may be ... freedom versus corporate life ... it might be that you are motivated by your contribution to society ... that sort of thing ... may depend on your background...”

She compared this to her current FPO where she works with people who take ownership of what they do and have a strong belief in what they do. But she thought people in FPOs use their organisations to achieve personal ends whereas people in NFPOs are more altruistic. She thought the skills required for each type of job would be similar.

The differences between the two types of people was expressed by NFPR30:

“... I think there is a greater degree of competitiveness and ... business managers tend to have a more … right wing view of the world ... whereas many people in the NFP sector don’t have that view ... they talk about social equity ... a different set of values that actually can conflict ...”

The respondent seems clear that there is a difference between what drives people to work in FPOs or NFPOs and images of ‘rich and poor’ seemed to be emerging here, perhaps in terms of people in FPOs and NFPOs and society in general.

When asked how a manager in one type might view an opposite number in the other sector NFPR9 thought that NFP managers had a poor image amongst FP managers.

“The respect is definitely low ... as a general perception ... but the irony is ... for people like myself who have been involved ... I was a brand manager with a corporate organisation before I came in to the NFP scene”

With people like him making the move from FP to NFP there has been an increase in the appreciation of the skills of NFP brand managers in a few cases:

“... respect for someone who has [FP] brand management experience and moved in to grow the brands and businesses of NFPs is very high ...”

He felt that many FP corporates do not understand that and are quite in awe.

“Corporate partners I have been involved with have often commented about how well the growth [of his NFPO’s brand] and the brand impact has been ...” (But this person’s
organisation is one of the most respected NFP brands in the country and these feelings might not apply to many NFPO brands.)

He added that “Generally the respect is low for NFP marketing managers. Fundraising managers don’t get to go to a lot of industry activities”

NFPR9 was asked to think about FP and NFP managers themselves, those that manage the brands, and any fundamental difference between the types of people. Respondent thought that there were not a lot of differences. This was based on his personal experience. He thought, admittedly from an idealistic point of view, that he sees “NFP as sort of a next level above the FP sector in terms of what a brand is trying to do ... it is not just creating value and growth for an organisation but it is actually doing good ... a lot of FPs are trying to work out how to do that”.

Apart from the service delivery people in NFPR32’s organisation, how would the marketing people be different to FP marketing managers?

“To be honest ... I would think they [The FPO people] would be just ... for some reason or other ... I get the feeling that they would be younger ... smarter edgier ... perhaps takes risks with some of the things that they do”

Edgier than what?

“Edgier than in the ... NFP person ... the NP area ... without wanting to be ageist ... but they would probably be older ... more conservative ... we dont want to offend people or ... we have got to ... protect our ... image ...”

He had mentioned ‘risk’ and ‘edginess’: would a marketing person in a FPO be encouraged to take risks?

“I think you would to some extent ... because if it succeeds its probably going to succeed extremely well ... if its not going to succeed its probably going to be bad but you have still got your profits coming in so therefore you can apologise to your audience and carry on ... and still make money ... maybe get it wrong but get it right in the end ...”

These comments raise some issues to do with different entrepreneurial approaches. Risk avoidance in NFPOs might in fact be very sensible if dealing with funding agencies such as a government department, for example.
NFPR31 had previously worked for a large FPO. He went in to great detail to describe how conflicts sometimes developed between staff members, within the NFPO, because each was passionate about looking after their clients but often because they care more about the cause than their colleagues. Did he think that marketing people in FPOs cared about the people that used their products?

“I don’t think they do … I think they care about the brand that they are marketing or selling or … at the time but … they will change overnight.”

Are such people less loyal?

“Yes … its whatever they are selling at the time and I have seen that at [major brewing organisation] you know we have people come in especially in to the marketing or sales area. They are looking at where their next job is … and so they use [name of major FPO] as a means to an end so promoting that product at that time is the only thing they are focussed on …”

He also commented that he personally felt very guilty about some of the things he had done as a FP manager but had never experienced such feelings in his current NFP role.

NFPR30 suggested that:

“I think it’s the motivation … somebody comes in to the voluntary sector or the NFP sector because they want to do good … they want to feel good about themselves because they are making a difference … sometimes you do a lot of stuff for people and they don’t actually want you to do it … or you take away their rights and control because you think you are doing a wonderful job for them … those sort of things … so it’s a different set of motivations …”

The issue of skills required to manage FP and NFP brands arose in answers to Question 10(b) but were further investigated by Question 10(c) where the skills required to manage brands were investigated in more detail.
5.2.14 Question 10(c). How might the skills required to manage the brands be different?

This question homed in on the skills required for management of the brands in terms of job descriptions rather than person descriptions as investigated in 10(b). FPO people had clear responses whereas the NFPO people were less clear and appeared to have not thought about it much before.

FPR24, who had considerable marketing experience in dealing with a variety of organisations, both FP and NFP, contrasted the skills that people in the two types might need to approach their jobs. He mentioned the need to be very adaptable:

“... the person in the FP is going to spend their days in meetings and doing a lot of spinning and [Laughs] actually go home at the end of the day and not actually be able to point at having done anything ... I think that ... my experience from the people in the NFP is they are a little more involved ... they have multiple hats ... they are often much closer to the coalface but also to the top of the organisation ... they are involved in various aspects of the organisation whereas people ... in a large FP company ... they are just a little cog ... in the marketing department ... which often has four or five layers below the executives ...”

FPR7 thought that the type of skills, as opposed to motivations, required to do either job would be about the same. Some of the interpersonal skills may be different because:

“... I think that when you have got money ... you tend to have a lot more power so if you have an A & P [Advertising and Promotion] budget .. you don’t have to be nice to people whereas ... I think if you ... are not for profit actually what you are trying to do is raise money ... generate funds ... to survive ... you probably do have a slightly different ethos ... and so that may drive some of the interpersonal savvy ... that a marketer in a NFPO ... may require ...”

Note here the comments that FP people ‘don’t have to be nice to people’ whereas NFPO people have to be more ‘Interpersonal savvy’. The word ‘savvy’ was used by several people from both FP and NFP backgrounds. This was reinforced by FPR23, quoted earlier in response to a different question:
“... I think the skills are different for sure in that NFP brands you will probably find that there is ... that you have to tread perhaps more carefully ... there are a lot of people in the organisation who are doing it emotionally or they are giving up ... there is a lot of voluntary work going on here ... so you have actually got to look after all the people that are doing that work for you in a way that perhaps you wouldn’t look after them in a profit organisation where everyone is being paid a salary ... I think there’s a lot more emotive elements ... you have to tread a little more carefully ...”

NFPR16 stated that a NFPO brand manager would need good negotiation skills and be more determined than a FP manager for those times when:

“You are being pushed around by a sponsor or a potential suitor or an existing long term supporter.”

His communications manager, in a separate interview, intimated that NFP managers needed to be smarter than their FP counterparts in many ways:

“... because we don’t have a really robust marketing budget ... its about time ... working smarter ... about begging, borrowing, stealing ... so in some ways you have to be slightly smarter than working in a big fat corporate where you have got a brand manager ... a PR manager ... a marketing coordinator ... an agency ... a big spend with an agency ...”

The words she uses here suggest some feeling of resentment. In effect she is listing the marketing specialists that FPOs have at their disposal, that most NFPOs do not, and the use of words like having to be ‘slightly smarter’ than counterparts ‘in a big fat corporate’ may be significant.

NFPR1 thought technical skills required might be different:

“The FP person has a far greater appreciation of things like segmentation ... consumer behaviour ... marketing planning ... brand management and probably research as well ...”

The respondent seemed to be saying that a person in a NFP would have little or no understanding of these things, or the benefits that such things might bring. NFP people might be short on technical skills but have wider experience of life, as suggested by NFPR34 when asked how the skills of NFP people might be different.
“... well ... at the risk of sounding pedantic ... within this environment ... you [NFP] actually do have to have ... experience and life skills and have really established some networks within your community ...”

This comment relates to earlier findings that NFP people tend to be older and have more ‘life’ experience. Respondent went on to emphasise the importance of drawing in volunteers from the community, many with business backgrounds. The ‘networks’ referred to seem to be with business people who can often, as volunteers, fill NFP staff skill gaps.

Up to this point in the primary research some understanding of how the people in both types of organisation might be different had been probed. In some cases topics such as sponsorship had been raised but only in passing. To gain a better understanding of how the two types of brand, and management of those brands, might compare, the specific case of CRM was introduced to conversations. Five additional questions were asked and the responses are summarised as follows:

5.2.15 Question 11(a). “Cause Related Marketing: Have you heard the term?”

Responses to this question gave insights in to how respondents, those that knew what CRM is, think about how it works. Most had heard of CRM but some were unsure. Of those that had heard of it there were some who were not really clear as to what it was in terms as defined in the literature. When probed it was clear that some seemed to think of it as sponsorship or some sort of Corporate Social Responsibility (CSR) activity. Others clearly could tell the difference, for example, FPR7:

“There is all sorts of cause related marketing around ... some works some doesn’t ... something like Baileys [National Real Estate Franchise] and sponsoring of guide dogs ... through to ... Whiskas [a brand of cat food] sponsoring of SPCA [Society for Prevention of Cruelty to Animals] ... and a couple of other areas ... I’ve been involved in some that weren’t really cause related marketing ... Like sponsoring the SPCA ...”

NFPR1 defined it as:

“Cause related marketing for me is a sort of marketing ... the FP is marketing its products or services based on values and other things that relate to the NFP that they are involved with ...”
NFPR9 defined CRM as it is in the literature and added that it was:

“Marketing run by a FP where they partner up with a cause which has a benefit to the cause ... to the NP ... and the FP and to the consumer who is involved ... so its sort of a three way... win, win, win.”

Note that both state that CRM is run by the FPO: ‘The FP is marketing it’s products’ and the other NFP person that CRM is ‘Marketing run by a FP.’ FPR24 gave further insight in to how FPOs might view CRM, highlighting possibly different levels of commitment to such activity between an FPO and a NFPO:

“… the Corporate brand believes it gets a lot of goodwill from the association ... but ... ultimately ... basically [they are] quite comfortable with pulling the plug if they no longer feel it is beneficial to them in reflecting positively on their organisation ... so in that respect they have the ... the ultimate power ... of being able to essentially walk away whereas quite often ... the NFP brands can not walk away even if they might want to and it would take quite a bit of a push for them to decide that they need to divorce their brand from the other brand because its having a negative impact ...”

When asked why the NFP ‘can not walk away’ from the CRM relationship. FPR24’s response was:

“ ... because they are reliant on the funding and quite often the marketing channels that are available to them through the larger corporate ... because they are able to piggyback... basically get a lot of free marketing exposure through the corporate as well as getting funding support from the corporate ... so its ... I hate to use the term ... parasitic because its one of [being] mutually parasitic ... like the little fish ... you know ... the little fish that cleans the shark ... its a mutually beneficial relationship but at the end of the day the bank is the shark ... [laughs]”

Note here the use or the word ‘shark’, possibly suggesting that an FPO might even see the involvement of NFPOs in CRM as less than altruistic.

One FPO relationship, recalled by FPR24, had become so firmly attached to the FP brand that the FPO:

“… could never pull that plug ... because it would be effected very badly ... pulling out of something thats viewed very iconic ... thats an example of where the brands become so
associated with each other over such a long period of time ... that it is like a bad marriage ... you cant get out of it [laughs] because neither one of them can possibly extract them[selves] from the others without ... you know ... without losing”

A Communications Manager, NFPR17, when asked why she thought FPOs might get involved with CRM suggested that it was to make profit, then added:

“... maybe they just make corporates feel better about themselves?”

NFPR30 explained why she thought an FPO would enter in to CRM with her NFPO: “They are trying ... well ... they want to show that they are an honest upstanding business and that they are giving ... donations to [the NFPO activity] ... and they do give us some money ...” She was not personally involved in this CRM activity but had observed colleagues who were. So far as she was aware it is very successful and has been running for about 8 years.

In summary: These people see CRM as only partially focussed on raising funds for NFPOs and more aimed at improving the public image of the FPO. Some seem to miss the idea that it might also generate extra sales for the FPO. The assumption, from both sides, is that it is the FPO that runs CRM but all the possible reasons for engaging in CRM may not be appreciated by both FP and NFP managers. These insights, given as a result of asking an ‘open’ rather ‘closed’ questions, are worth emphasising here.

5.2.16 Question 11(b). Could you name some Cause Related Marketing Activity?

Most could do this although some pieces of activity mentioned were not strictly CRM. FPO people were more likely to mention local or niche organisations and their involvement with CRM whereas FP people mainly mentioned national or even international CRM activity.

FPR34 was familiar with Cause Related Marketing, when asked to give an example she said:

“... my colleague was telling me that the Warehouse in Auckland for ... supporting Relay For Life for the month of December and January ... 10c from every plastic bag that the client buys will go to the Auckland Cancer Society for Relay For Life …”

This is because:

“ ... they are very community orientated ... and they are very supportive of NFPs ... yeah”
The value in asking this question was that it established that the majority of the sample could talk reasonably knowledgeably about CRM.

5.2.17 Question 11(c). Have you ever been involved in it? (The question was clearly related to CRM as it followed on from the previous question.)

This generated a wide range of responses based on various degrees of involvement. Most claimed they had not been involved directly but had observed other managers in their organisation doing it. One third of the NFPO managers had been closely involved so their recollections and perceptions were probed more deeply. The rest claimed to have observed with varying degrees of detachment. Eight FP managers who had not been closely involved in it were not questioned in depth on the topic. Some FPO managers who claimed they had observed CRM confused CRM with sponsorship or public relations activity. The high number of NFPO managers saying that they had observed CRM but not been closely involved in it is because many NFP managers interviewed were local managers and reported that CRM is often organised at national level.

The question was intended to prompt spontaneous comments about respondents’ direct experience with CRM, if any, or their observations of it if it had been used in the organisations without their direct personal involvement. Additional questioning revealed some deeper feelings about CRM activity.

Some dissatisfaction was voiced by NFPR19 who felt that her organisation had been manipulated by the FPO in CRM and this was because, since the FPO had the money, they had the power to influence what was, or was not, done within any CRM relationship. The following quote confirmed that they had felt disadvantaged in negotiations:

“I think so ... I don’t think that [name of her organisation] has the brand and reputation and all that ... I mean we are improving ... don’t think we have quite got enough sway in the marketplace yet I think the perception is still that we are sort of developing and we are still a bit semi-professional ... I know it is changing ... particularly in my time that I have seen improvements ... we have even got people coming to us rather than us having to go out and scrounge ...”

The subject of who would have the most power in any FP/NFPO relationship emerged several times in conversations, for example, FPR10, a relatively inexperienced FP manager, when asked
who she would expect to be leading a CRM relationship, thought: “Well you would kind of think the FP because they are the ones who have control ...”

A product manager in a large food manufacturing company (FPR3) developed the notion that the power in any CRM relationship might be based on the relative values of the brand rather than who controlled the funds:

“... I suppose ... both parties bring different things ... and depending on how they value those different things ... will depend on where the power is going to be ...”

So, what arguments might the respondent put to top management to get their support for some cause related marketing?

“... I will always start commercial ... and end with emotional ... you need a good commercial argument ... so first of all ... how is it ... going to give us something of a commercial advantage ... how it relates to our brands ...”

The question of who held the power in a CRM relationship was raised with the sponsorship manager of a major bank, FPR29. In terms of CRM she dealt and managed relationships with about twelve major NFPOs per year and she felt the balance of power usually lay with the FPO.

“I would say it leaned more towards the corporate ... however it wasn’t ... really a power thing ... it’s about a partnership ...”

She was one of the few respondents who spontaneously used the term ‘partnership.’ But, in the final analysis if a decision had to be made, who had the power?

“Oh absolutely ... I feel ... it’s the one with the dollars ... yes ...”

FPR15, who also mentioned the notion of CRM as a partnership between a FPO and NFPO, talked about who held the power in such a partnership as follows:

“Yes ... I mean if its the right partnership ... if it fits I think they would have equal power because a profit based company can leverage a lot off a NFP ... charity so to speak ... and there is a lot about value that could be attributed to that so even though a NP may not have the budgets and the whatnot they still have a significant amount of power so I would say ... it is equal ...”
NFPR1, who had been involved in some high profile CRM, raised the idea that NFPOs might feel inferior, and FPOs feel superior, so that it might skew the balance of power in any relationship as follows: He cited a CRM experience he had had in which the leading role was definitely with the FPO because they were going to do the fundraising (The part of the CRM activity that actually produced the revenue for the NFPO). There was some hint of desperation in this relationship because the NFPO had previously lost a major sponsor which had pulled out from a long established relationship due to a shortage of marketing funds and the NFPO had been glad to be approached by a new CRM partner. NFPR1 stated that his people were generally made to feel ‘inferior’ to the people in the FPO. This was reinforced when the respondent related a story about how he had been at a lecture at Auckland University where a senior marketing person from the FPO had talked about that piece of CRM.

“It was obvious from her lecture that that she regarded the marketing people at the [NFPO] as inferior ... there was living proof there …”

Further insights in to how respondents feel about CRM came from people who had attempted to create CRM relationships without great success: NFPR30 who had remembered relationships between Plunket & Huggies, Cancer Society and UV lotions, Heart Foundation and the ‘tick’ on healthy food products, said that from the point of view of his organisation:

“No ... we tried to set some stuff up and we were kind of ... on several occasions ... almost on the point of being able to do it ... then things fell over ...”

From other comments he made it appears that there had been difficulties as a result of the FPO trying to dominate the relationship and his NFPO’s executive committee being concerned not to have their brand appear to be commercialised. NFPR32 also raised a couple of examples of CRM that had never come to fruition for his organisation:

“We have ... we did try ... with a company.. which could have been quite a considerable amount for the organisation ... there were some reservations raised by our executive committee … because the query was ‘should our organisation be associated with that particular product category?’ … and that put the kybosh on the whole thing …”

NFPR32 also mentioned that another attempt to set up a CRM with a national FMCG company had got to an advanced stage but then failed because it took too long for the local branch to gain agreement with the NFPO’s National Office.
“... a lot of those things you really have to do at a national level because an individual regional branch is too small and ... a company ... again going back to [The FMCG Company] ... would not want to do something like … just in the southern region they are going to say ... no ... if we are going to do it we are doing it over the whole country …”

This raised a new issue: Are such things better done at National Office? This was so but he could develop an idea and pass it on to National Office if he wished to:

“Yes ... there is nothing to stop me from kind of instigating it or introducing it …”

If it was approved at National Office and it did proceed would he expect that the FPO would be running the CRM or his organisation?

“… we can be very strong around the way our brand was used … and if we felt that they were suddenly marketing … their product in such a way that might be conceived as to be dangerous ... we can pull away but from the financial side of it ... the company ... is the one who is probably holding the trump card …”

What if an FPO asked a NFP organisation to do something which the organisation thought was not right for the organisation? NFPR35 thought:

“… well in this particular case it would be discussed at National level and ... the contracts ... outline pretty carefully what is appropriate and what is not ... but in sort of less formal ones ... the relationship would cease ...”

Who would cease the relationship, if there was an argument?

“... if [her organisation] was concerned that it was inappropriate for the [organisation] then [they] would cease the relationship ...”

In a cause related marketing relationship who generally did she think has the power?

“… I think ... the business ... the FP has the power because of money but I actually think ... and ... most NFPs need money ... I think that’s the general way its perceived but I think ... larger not for profits are becoming more and more astute ...”

NFPR36 had viewed the same CRM, but for a shorter time. He thought the [name of FPO] was so committed to this CRM because: The FPO realised that the CRM activity had long term growth potential and could be used in a variety of marketing initiatives. The FPO thought that
they were offering a fair return to the NFPO for its involvement and that the NFPO would be very unwise to do anything that risked the ongoing relationship.

“Well.. I think.. I think they are quite clever in that they are aligning themselves with a very strong … a very strong brand in the [NFPO]”

He added a comment that “that’s me being a bit cynical …” but “they are fantastic partners I have to say… I mean they are great but you would say that they have made their decision very consciously …”

5.2.18 Question 11(d). “Was it successful?” (The CRM)

Most CRM activity had been successful but there were some less successful ones quoted by both FP and NFP people. A major factor in success or failure of CRM was the ability of FP and NFP people to work together. Problems often developed when the NFP did not work to the same time scales as the FPO. Some CRM ‘lost traction’ along the way due to short term thinking and no long term planning as to how the relationship should have developed. Above all, where the CRM did not have clear benefits for all stakeholders it was less likely to succeed. Also comments from respondents suggest that perceptions of ‘success’ may be different. For an NFPO any activity that represents additional income is a success while FPO managers may have had hard objectives set for the activity that were not achieved.

FPR7 explained why he thought some CRM had not worked:

“I think the expectations were not well established up front … and I think there had also been a change at the helm … in the company … about the sponsorship and so … often the company value and goals change … within a contract period … and if the people who set up the contract had not thought it all through … so it was a lack of strategic direction … vision … a lack of understanding between parties … entering in to those contracts … a complex set of issues …”

The importance of personal relationships was also raised by FPR18 who mentioned that whether a relationship was entered in to, and for how long, often depended on the personal interests of FPO decision makers: “To be honest it all falls back to the relationships that our partners will have with the charity.” (In this case the ‘partners’ were the partners in an accounting practice.)
FPR3, a product manager in a large food company, commented on some CRM that had started well and then became difficult to manage although it had proceeded:

“We have had a lot of experience in the past ... dealing with a charity that approached us ... and it led on to a relationship ... and the reason it was very successful was ... they understood where we were coming from ... we had to make sure the links were right ... check ... that there is a good match first of all ... and then taking the conversation ... what are we looking at in this relationship ... we eventually came up with opportunities for both of us ... we were not just partners we were strategic partners ... it worked well ... we each managed the relationship ... we listened to what they had to say but they did not seem to understand our corporate viewpoint ... and they had to accept that we were looking at this relationship from a corporate FP point of view ...”

This gives some insight in to possible conflicts, with the NFPO not seeming to understand the FPO’s ‘corporate point of view’ and not appreciating that the FPO was looking at the relationship in a different way.

NFPR30 mentioned that his organisation had tried to create a CRM relationship but it did not happen because:

“In one instance ... there wasn’t a close ethical fit with the particular product and ourselves and probably that does give us cause to think about how we match those two ... so for instance ... like the example of ... the Heart foundation ... has a fit with low fat consumption etc ... this one ... actually ... there wasn’t any fit ... it was actually an alcoholic product ... so one of our governance group said ‘no way, you are not going there’.”

NFPR34’s organisation has a long standing CRM relationship with a bank: While she does not manage it herself she is familiar with how it works. It is:

“... hugely successful ... I mean if you were going ... I mean ... if you were to go from the first [name of event at the core of the CRM] that they were involved with sort of just round figures ... they started ... round the country ... raised $40,000 ... this year ... they raised $890,000 ... so I mean ... it has been ... it has gone up and up and the staff have become committed more and more ...”
NFPR21 had had experience with a major piece of CRM. The activity had worked well but “In its first year or two it was fabulous and I think the best intentions were realised ... after that it became a little bit hard to manage and therefore it lost a bit of traction ...” The FPO had not foreseen the long term costs involved and wanted to end it but the NFPO wanted it to go on forever.

NFPR9 was asked to suggest a CRM activity that had been successful, and one that was not, and what had determined the different outcomes. His response is summarised as success being where the cause had wide public support to start with and the NFP collaborated with a FP which appealed to a broadly similar target audience, creating additional benefits for all three.

“The customer is able to see that by buying the product ... some of the money is going that way [to the cause]”

Less successful ones were those based on short term, one-off promotions. CRM does better when it is a part of a long term strategy, which the respondent defined as “Five years plus ... in my view ten plus ...” He also added that successful CRM relationships were more than a promotion. He cited the relationship between the National Bank of New Zealand and the New Zealand Cancer Society where the Bank [the FP partner] has had a long relationship with the NFP. This relationship adds value to both brands, is ongoing and the bank encourages its staff to be involved with the NFP.

5.2.19 Question 11(e). “How did the parties get on with each other?”

The overwhelming response from FPOs who had been involved in CRM was that they had not got on well while the NFPOs thought there was more of a spread between those that did well and those that did not. This seems to conflict with responses to Q 11(d). At this point we can only note that some CRM appears to work despite conflicts between parties. But, when respondents were asked what happened in the event of disagreements, the most frequent answer was that the will of the FPO would prevail.

Reasons why parties had not got on well may be explained by comments such as that from FPR22:

“I think it would depend on the exact organisation and the individuals ... I would say that potentially the person in the FPO would have more skills from a managing type of thing
... having said that they have different skills ... I am sure they would have different skills you know ... people in relationship management that sort of thing they would probably have much better skills in that area ... [laughs]”

Her colleague, FPR23, added to this in relation to a CRM activity she was closely involved with:

“I think the relationship is excellent ... I think the key watch out with those kind of things is that we have got different objectives ...”

Clearly any involvement for a FP with an NFP requires a pay back on the investment. Prompted to say what she thought a charity was looking for in the CRM she added:

“They want donations and they want ... you know ... sponsor a child or whatever... and sometimes what they are wanting and how they are marketing themselves is actually quite different from [her] brand ...”

Conflict between parties might result from the NFPO wanting to use images that the FPO did not want to have associated with their brand. So, if it comes to an argument about what is going to be done and what isn’t going to be done, who would win?

“The brand ... its the person who pays at the end of the day.”

A major bank representative (FPR14) talked about some CRM that had not gone well and attributed it to problems between managers from the two parties. The working relationship was seen as: “Not as good as it might have been ...” This was mainly because:

“... the lady in charge of the marketing activity ... did not really understand our timeframe ... although we communicated these ... quite well to her ... it was quite difficult to ... we did very well communicating the time lines and the pressures at our end ... it seemed to just ... it wasn’t like that important ... it was just like we will do it in our own time ...”

In contrast, NFPR16, CEO of an organisation which has been very successful in developing CRM activity, when asked how the two parties in each case had got on with each other said:

“In my own experience ... got on very well... the objectives were stated very clearly up front ... we always have a signed contract with all our CRM partners ... everything is explicit ...”
His organisation, which is one of the better known and respected NFPOs in the country, had been party to many CRM relationships and:

“Partnerships have been born after many, many meetings with the full marketing and comms [Communications] teams ... fully engaged so ... there is no stone left unturned ...”

So, as one of the best known NFP brands in the country, did they feel like equal partners in the discussions?

“… I would say … generally the NFP is … the lesser partner … and as I said before we are often very keen on the financial return … and I suppose a lot of NFP plus FP partnerships have a slightly master/servant type relationship which is an area I am actively working on at the moment …”

To the question of who will take the master or servant position the reply was:

“… often ... the FP partner because they are giving money to the NFP… they already have their marketing and brand management parameters set in place ... they have also got the marketing spend ... so it will often be driven through their agencies so they have full control over the marketing.”

When a NFPO, such as this respondent’s, makes a first contact with a potential FP CRM partner a very sophisticated process is used including a lot of analysis before they make an approach.

“... we look at a business’s business objectives … what their brand values are and what we look for in an alignment ... then we look at all of the staff from Board of Directors down and align with our own contacts from my Board of Trustees down ... and if we can make a link … we will do it at that level if there is no alignment at that level it could be CEO to CEO”

When the link is made and the CRM is developed:

“... it could be our sponsorship manager who deals with their sponsorship manager ... we are quite clinical in how we go in and often a warm handshake is better than a cold handshake.”

Emphasis was very much on making links between the organisations before the CRM itself was worked out and grooming the prospect. This could take a lot of time.
“Often we are stepping in to an organisation … they have done their strategy for the next three years … they have done their budgets for the next twelve months at least and their sponsorship money has been spent … often when we make the approach they say the next year is already done for … so lets plan for the year ahead …”

This view was also expressed by the organisation’s communications manager (NFPR17) but she thought it was not necessarily always that way:

“In practice I think the NFPs need the FP companies so much for support … money and all that sort of thing … the profit organisation has the upper hand … but I don’t really believe it needs to be like that because the NFP can add value to their business and … gives them a way of being involved in the community … it gives them a way of … boosting their staff relationships … their internal comms … getting people behind something … gives them the good look PR factor within the community … maybe it goes to slightly offset some … issues they have had in the past …”

She went on to say that in some corporates she had worked with the relationship had worked, or not, depending on whether the FPO people felt passionate or not about the NFP and what it did for the community. While the FPO would have to regard any relationship as a business proposition:

“… if we can get them feeling in the same way as we do about what we do I think that goes a little bit in terms of perhaps making them feel that they have more ownership of it rather than being superior in some way to us … you know … that it directly connects with their life and their family and everything …”

She also believed that the relationship works best when based on person to person relationships rather than organisation to organisation relationships. Here the issue of one party’s attitude to another is touched on in her comment ‘rather than being superior in some way’.

In the case of their major CRM partner, if there was a serious argument, who would back down first? NFPR32 thought:

“Well … I guess … it depends what games are played … do you bring the media in or do you not bring the media in … why are they having this battle anyway …. but I don’t think it would ever get to that stage … I don’t know… I would think that the boards round the
country with the national board would ... be the team that would have to renegotiate everything ... but I think if it was unethical ... there would be concerns voiced …”

In the case of the major ongoing CRM arrangement the respondent felt that, in a serious dispute, the FPO would back down rather than risking the relationship which suggested that, in this case, the NFP held the power. The reasons for this seemed to rest with the high profile of the NFPOs brand, the FPO’s long term investment in the CRM activity and the loss of face and damage to the FP brand if it was seen to break away from its support of the FPO. This was not a common response as most NFPO people thought it would be the NFPO that backed down if there was a dispute.

NFPR21’s CRM experience had been good then soured. He explained that the particular piece of CRM had been based on mutual respect. This had been facilitated with:

“... a certain amount of hardwiring into each other’s business so there was an appointment on the board [of the NFPO] with someone within the organisation ... back at that time there was an understanding that there was some real benefit that we could get ...”

He believed that the CRM had worked well in the short term but had later fallen apart when the FPO moved on to other forms of promotion while the NFPO wanted the flow of income to continue.

NFPR28: When asked if CRM activity had been successful the response was ‘Sometimes’, due to the NFPO getting better returns than expected on some occasions and not so good at other times.

“The key to all of that is basically know the value of your brand ... and don’t diminish the value of your brand by whatever associations you can get ...”

This NFPO realised that it needs to be selective in terms of picking FP CRM partners.

FPR28: Had similar views about how the parties get on:

“What I don’t think NFPs understand is that actually they are in the power position ... or could be ... simply because ... they are in an equal position with the FP because the value in their brand is immense ...”
This lack of appreciation of the value of a NFP brand is because, in the past, there has been a lack of expertise in marketing, or that the particular NFPOs lacked the business skills that FPOs have. This might simply be due to a lack of financial resources:

“NFPs don’t necessarily have the money to pay for this expertise ... often they may not have employed the people that actually understand the value of brands ... and apply that value to a relationship.”

Other comments suggested that the resources might actually be available in the NFPO but management had not thought of applying them to CRM relationships. If NFPO resources were applied to CRM what might cause it to not work, or work less well than expected? Response was that where a relationship did not work its failure could be traced back right to its inception. “If the relationship does not work ... it was never going to be good for anyone anyway ...”

Often there is a difference between the time scales anticipated by each party. “Relationships are exactly that ... they are not short term they are long term.” Here again as in answers to Q 11(d) differences between the time horizons of FP and NFPOs arise. If the FP sees the interaction with a NFP as a short term promotional activity then the seeds of failure are sown where the NFPO is looking for long term brand alliances and the FPO fails to see the potential longer term benefits. This could happen where NFPs have a short term view since they are concentrating on survival on a day to day basis rather than considering long term developments

Earlier in the conversation NFPR31 had revealed that the organisation has an active CRM relationship. Is the relationship a good one?

“... most of the time we get on well ... but one of the big issues that we have and I have no problem in telling you ... is that we get a lot of requests from ... as you say ... cause related from other organisations wanting to get on the bandwagon ... and do promotional activity with us ... whereas our major sponsor has a problem with that ... and ... which I agree with ... but we as an organisation have to weigh up that we need food ... and if we are going to get free food from someone else you don’t turn it down …”

This is another example of a mindset that will not turn down any income opportunities and take all they can get.

In the event of a dispute:
“I would have to back down first ... they wont ... they will get aggressive ... now and again I get called in to [named FPO sponsor but anonymity had been guaranteed by researcher] to explain why a particular thing has happened and then I will have to apologise ...”

The power in the relationship is seen as being with the FPO “because at any stage they are the ones that can terminate it and ... we don’t ... we can’t survive without ...”

His organisation would be unlikely to pull out of any relationship:

“Oh ... we could terminate it ... yes ... but we are not in a position to ... the reason for this is that the NFPO is very dependent on the income from the FPO, and the FPO knows it. As a result the power is clearly with the FPO.”

5.3 Summary of Research findings.

The section above has created a picture of the type of people who have been involved or are likely to become involved in the management of CRM and their views about the place of branding in NFP and FP organisations in society. The line of questioning then moved on to uncover differences in the ways that such brands are managed, the people who manage them and how the two types of brand might work together, taking CRM as a case in point.

Because of the ways that questions were asked a number of new issues were raised by respondents and the researcher followed up on those with additional questions. As a result the analysis of these findings in Chapter 6 will not be presented as a list of questions and answers but as a developing description of people’s views on the topics raised. This has given some valuable insight in to how the parties in CRM might interact.

It is important to remember that it is the beliefs and perceptions of respondents that is important here as these are likely to influence these people’s future actions.
Chapter 6. Analysis and discussion of findings.

This section analyses the key points raised in interviews, discusses them and identifies distinct themes that emerged. The themes give insights into how managers may think about issues to do with brand management and influence how relationships between FPOs and NFPOs might develop. The information is presented as a synthesis of the information gathered and, in places, uses the exact words of respondents themselves where the researcher felt it necessary to clearly show the basis for a conclusion drawn from the analysis. Most importantly, reference to sources gives substantiation to the findings outlined by showing that conclusions drawn are clearly grounded in the information obtained from respondents.

Five themes that emerge are:

1) Managers perceive themselves and other managers differently
2) Perceptions of brands differ in FP and NFP contexts.

Then, in the context of CRM:

3) There are various causes of conflict between FP and NFP managers
4) There is uncertainty as to where the power lies in CRM relationships
5) There are differing views on how CRM is managed.

Note that, as discussion of these findings proceeds some responses, where they covered multiple topics, may be mentioned under more than one thematic heading.

6.1 Ways in which managers perceive themselves and other managers and brands in society.

This theme establishes a picture of the way that respondents think about various issues concerning brands, brand management and the people that manage them. Building a picture of the way these people think about issues helps to explain how such opinions will influence their likely approach to cooperative marketing ventures, such as CRM.
6.1.1 Managers perceive themselves and other managers differently.

Managers from both FPOs and NFPOs agree that brands, in general, are important to consumers. This may seem obvious but it was possible that some might not think that brands are important which could influence the way they manage brands.

This insight is neatly summarised by FPR3:

“How important [are brands]? I think more than the consumer realises ... more than we realise ... consumers attribute things to brands that they would not even realise ... didn’t even know are brands ... more and more they are a part ... as you are getting more and more information as consumers ... and we have got more and more choices ... brands are becoming more and more a part of our landscape ... whether the owner of that product or service realises that it is a brand or not …”

6.1.2 Managers perceptions of the importance of brands to their respective organisations can differ.

NFP respondents say that brands, in general, are remaining as important, or gaining in importance, as the public’s trust in some marketers is reduced and consumers look for safety in brands that they know and trust. Some FP people, on the other hand, think that brands are becoming less important to consumers who are tending to buy cheaper products rather than more expensive brands.

The majority of the NFP people interviewed regard their NFP brand as very important to their organisation’s profitability but express this mainly in terms of public awareness. FPO people see their brands as tools to create or maintain consumer preference and likelihood to buy so they invest large sums in supporting their brands. Most NFPOs do not have funds to do this but, as they depend largely on support from the public, awareness of their brand, and positive feelings towards it are important. A strong brand is crucial to their success in fundraising.

This NFP view is supported by the comment of NFPR36 who mentioned that, in the case of NFPOs, the need to have strong brands is increasing:

“… in terms of ... NFP... charitable organisations I think it probably is a lot more important because there are a lot more people or organisations out there competing. For the charity dollar … I think having a strong and trusted brand is incredibly important …”
6.1.3 Managers’ perceptions of the value of their brands differ only slightly.

Most NFPO managers interviewed see their brands as valuable assets for their organisations but the potential value for many is not fully realised. Their view on this was slightly stronger than that expressed by FPO managers, many of whom claimed to have leading brands but thought that consumers were beginning to value brands less.

6.1.4 FP and NFP brands are seen as being managed differently.

Realisation of the value of brands is clearer in the minds of FPO managers. It is in the nature of their job that they need to be more financially aware of the costs and benefits of various forms of marketing activity related to brand management. FPO brands are assets, actively managed as a major part of the organisation’s business operation. NFPOs brands may simply have emerged in the sense that they are symbolic of what the organisations do. This reflects Holt’s thinking (holt, 2004) that brands start as labels but are filled with meaning by consumers. FPOs encourage this consciously, many NFPOs do it by accident.

6.1.5 Awareness of brand value is influenced by different personal agendas and length of experience of managers.

FPOs run brands which add value for businesses. Most NFPOs are focussed primarily on the need to raise funds and have a ‘donation’ mentality. In more sophisticated NFPOs the organisation is more aware of the value of their brand as a fundraising asset. NFPO marketing personnel who have had experience of marketing in FPOs are more likely to realise the value of their brand, in aligning it with an appropriate FPO brand, for example.

NFPO managers tend to have had considerably more experience in terms of first hand experience, often reflecting long careers in both FP and NFP organisations. FP people are younger and may be more motivated by personal career development and financial rewards. They often need to develop their careers fast and are more concerned about using their organisations as a vehicle for career development than a desire to do what might be good for society but less financially rewarding for them. Many will be carrying heavy student loans or the costs of establishing a family. NFP managers tend to be older and likely to be less driven by the need to establish a career and more by wanting to do something that they feel good about doing.
It could also be that older people are prepared to accept lower remuneration packages instead of working in what might be a more stressful and competitive environment within a FPO.

This analysis is supported by a FP manager, FPR13, in answering a question to do with the different backgrounds of marketing people in FPOs and NFPOs:

“I think that people in FPOs are probably ... newer to the market maybe because I think there is more opportunity in the profit sectors and NFP sectors you will probably find are a slightly older generation of marketers that have much more experience and are willing to ... take on the challenge of maybe a NFP where there is not much money to throw at a marketing budget and be more creative as well as implementing prior knowledge of working in the NFP sector ... thats an assumption ...”

6.1.6 Perceptions of competition between brands are different.

Virtually all managers felt their brands compared well with competing brands. FPOs claimed they would have been able to back this claim up with external research while most NFPOs would not have access to such information although some did indicate that they took independent research occasionally.

Despite absence of hard data a high proportion of NFPOs claimed to be brand leaders which makes sense: few NFPOs are in serious competition with other NFPOs in terms of offering similar services. However, nearly all NFPOs are in competition with other NFPOs and agencies in the general ‘business’ of fundraising. None the less it raises another apparent difference between FPOs and NFPO brands and their managers. FPOs are in competition for sales of goods or services in marketplaces where there are frequently one or more competitors offering similar products and or services.

The majority of NFPO managers thought their brands were increasing their market share, FPO managers were more inclined to say their share was only steady or increasing. A possible reason for this might be that it is in the nature of FPO managers that they are usually focussing on long established brands. While the NFPOs may have long established brands too, managers may have only recently thought to focus on concepts like brand share. In such a case they would only have become aware of increased focus on NFP brands relatively recently creating an impression in their minds that their brand is performing well.
A large proportion of the NFP managers that claimed their brands to be increasing in market share, however that might be measured, were also those that later revealed that they had been involved in CRM. This is not taken to be a cause and effect relationship however, it may simply signify that those organisations that attempt to leverage their brands, through more than simply asking the public for donations, do better in terms of fundraising performance.

Further comments suggest that while the FP sector had been under pressure due to economic recession, the same influences had hit NFPOs but had apparently not been exacerbated by the natural disasters, and similar unexpected events, which had recently placed extra demands on donors to such organisations.

6.1.7 FP and NFP managers have different means of measuring success.

The literature review had shown that NFPOs across the world face increasing competitive pressures and similar pressures were reported in this research. One of the most successful NFPO brands in New Zealand reported that its most recent major fundraising activity had been very successful. When asked why, the main reason given was that they have a very powerful brand, which is trusted and that people are willing to make donations to, but could not be more specific as to what the causes of success were. In a FPO it is almost certain that they would have management systems in place that would allow them to explain the causes of results.

6.1.8 Managers are aware of increasing public distrust of businesses.

The literature had indicated increasing suspicion of the bona fides of many FPOs and mentioned the use of CSR as one means of improving the public image of such organisations. A number of FPO and NFPO managers agreed with this. CRM and CSR were also reported as offering FPOs vehicles to improve their image by being seen to be associated with a good cause as well as, in the case of CRM, creating additional sales opportunities. Several FPO people had bad feelings about some of the things they and their organisations do and recognised that associating with a NFPO brand and its positive public image(s) would improve the public’s perceptions of the FPO.

In support of this realisation of growing public distrust there were frequent mentions of situations in which the motivations of the FPO would be regarded as being suspect. Furthermore,
perceptions of the motivations of marketing staff within FPOs also suggest that self interest, rather than altruism, is often at the core of any FPO’s willingness to participate in CRM.

6.1.9 How FPO managers view their organisations and their roles within them.

FPO managers appear to believe that what their organisations do is good for society generally. They all seem to be quite clear that the prime objective of their business is to make profit for shareholders. Further, most realise that a broader group of stakeholders needs to be taken into consideration when formulating their business policy. The majority of them are empowered to make decisions but are well aware that any money they spend needs to be justified to their senior managers. Most seem to be more committed to their own professions, as marketers, and their own personal career development, than the organisation itself. In fact several reported an intention to move on from their current jobs or organisations in the near future.

Some seemed to suggest that their organisations did not always act in the best interests of their broader communities. They are aware that much of their marketing activity tends to be short term and realise that this can be problematical in terms of developing longer term relationships with business partners. None suggested that there was anything fundamentally wrong with what their organisations did, in an ethical sense, although some mentioned areas that worried them, like the person who was concerned about the real value of bottled water that her company marketed and another who was concerned that he had been part of a marketing team where ‘Alcopop’ type products were being marketed to youngsters with little apparent concern for their customers’ welfare.

Most are aware that FPOs are becoming increasingly concerned about consumer reactions to their activities and the need for FPOs to demonstrate that their organisations are good citizens through activities such as CSR and CRM.

6.1.10 How NFPO Managers view themselves.

These people are generally happy about what they are doing with their careers. They seem to be locked in to ongoing searches for funding while having very little in the way of marketing resources to help them achieve objectives. They tend to be older than their FPO counterparts and to have risen, usually, through the ranks of the organisation or other NFPO organisations. They
tend to be less clear about the role of marketing and most are, in fact, fund raising people. Unlike their counterparts in FPOs they generally have little involvement in the day to day running of their overall organisations and the delivery of its products and or services. (See also further comment in 6.1.14.)

6.1.11 How NFPO managers view their organisations and their roles within them.

Most of these managers have a belief in the underlying activity of their organisations and appear more committed to the NFPO than to their ‘profession’ as marketers or their own personal development and rewards. They accept that the organisation can not afford, or should not appear to be able to afford, large marketing budgets or remuneration packages. None of the people made any comments that seemed, to the interviewer, to be disparaging of their organisation or what it does but more than half made disparaging comments about NFPOs in general. Above all their role is to secure an ongoing stream of funding. None of them suggested that they felt insecure in their jobs.

6.1.12 How FPO managers view NFPO organisations and their managers.

The majority of FPO respondents regard NFPOs as businesses similar to their own but having, as a key point of difference, the fact that NFPOs are more driven by the benefits they create for parts or all of society rather than a need to deliver monetary profits. On that basis they appear to neither feel superior or inferior to their opposite numbers in NFPOs. But, when asked what skills might be required to work in either FP or NFP organisations they think that the NFPO managers have lesser skills in terms of what FPO marketers do and are less driven by financial objectives.

6.1.13 How NFPO managers view FPO organisations and their managers.

Most NFPO managers interviewed did not initially express any clear opinions about FPOs and their managers. However, some indications of how they might feel about them come from comments made when discussing the differences between the two organisations. There seems to be some envy because NFPOs tend to have very limited resources to work with whereas FPOs have marketing budgets and some degree of freedom of movement in terms of using funds to achieve marketing objectives. There is also some implication that NFPO people think that FPO people may be younger and less experienced than NFPO managers. They see FPO managers as
being better paid and mainly concerned about their personal agendas and career development. FPO managers are seen as using their FPOs as a means of achieving personal objectives more than focussing on how their organisations impact on society. This is in contrast to NFPO managers who accept that their pay and conditions may be less attractive than those of their FPO opposite numbers. But, this is compensated for somewhat by the satisfaction they gain from helping the NFPO achieve its objectives. It may also be that NFPO people regard FPO people as being less secure in their job than people in NFPOs.

6.1.14 Issues arising from people’s perceptions of other people and their organisation.

While not obtained as a result of direct questioning the researcher became aware of a significant difference between the ways in which FP and NFP marketers operate in their day to day work: FP managers appear to be involved in the development, production and promotion of whatever it is that their organisation produces. It does not appear to be the case with NFPO marketing managers. Those interviewed never mentioned that they were involved in researching the markets for the products or services that they deliver. This gives an insight in to the very different natures of FP and NFP organisations, especially NFPOs in the charity area. FP marketers actively promote the consumer’s needs for and willingness to use their products. Most charitable organisations use public relations and ‘communications’ staff to promote the benefits of what they do to people who need their services. But, it seems unlikely that organisations would actively encourage people to become in need of their services. None the less many organisations are aware that there may be clients in need of their services and they may need to promote use of their services to these people. The Plunket Society, for example, promotes the use of its services to young mothers and extended families of young mothers.

6.2. Perceptions of brands differ in FP and NFP contexts.

Each respondent thought that the other type of organisation performs different roles but in similar ways. FP managers think that NFP brands represent organisations that provide or represent benefits for society whereas FP brands are assumed, by NFP managers, to do the same thing but in more overtly commercial ways.

FP people think of NFPOs as adding to the wellbeing of society but not being in competition with other NFPOs. They recognise that the NFPO’s prime need is to raise funds to run their
organisations. FPO managers see FPO brands as assets to use in creating profits for business owners whereas they see NFPO brands as being different in that they are labels for fundraising activity to generate income to assist the running of the NFPO rather than have it distributed to shareholders.

From an FP perspective there is recognition of a place for NFP brands in society. This finding is supported by several comments, for example: Such brands are run to “do things for the love of the world and ... or for more cause related things ... NFP brands are fantastic... but if you are in business to make money then ... ultimately thats what brands are about ...” (FPR7)

NFPR17 felt there was a great difference between the public’s perceptions of FPOs and NFPOs and their brands, NFP brands tending to have strong emotional connections with members of the public.

“The difference between a FP and an NFP is that people look at NFPs as doing a great deal of good in the community ... whereas even the corporate that might hook up with NFPs ... I am not sure how people actually react to that or what their thoughts are on that … sometimes I think that they might be a little cynical about it …”

Here some further doubt arises about people’s trust in FPOs. Why else might people look at a corporate associating itself with an NFP and be ‘a little cynical about it …’?

6.2.1 The public’s trust of brands.

The issue of the public’s trust in brands, whether FP or NFP, is a recurring subtheme. A comment was made, by a FP manager, that with the public’s interaction with FP or NFP brands:

“there is still a brand and people still need to trust who they are giving their money to whether it is a FP or NFP...”

Interesting that she said ‘giving their money to whether it is a FP or NFP.’ This suggests that both are seen as financial transactions: FPOs clearly deliver a product or service or a mix of the two. What the NFP delivers is often directed to the greater good of parts of or all of society rather than the direct benefit of the donor. The benefits received by the payer are ‘feel good’ benefits, resulting from having done something which is good for society, but also good for them because they are part of society.
Added to the theme of trust a recurring sub-theme of honesty and ethical behaviour was verbalised by a young FP manager FPR10 who used the term ‘greater good.’ In the next response she was clearly referring to a FPO:

“Yes ... its towards your shareholder and what you can give back to them and people only really deal with those companies so that they can gets something back themselves ... obviously ... so you are receiving something because otherwise why would you ... maybe just give money to a company ... whose intentions are not always going to be the best ... I mean ... I don’t know ... thats a massive assumption because some people do try to operate ... ethically ... I guess thats probably a bit of a difference ...”

This reveals a deeper insight in to this person’s perceptions of how some FPOs operate. Certainly there is usually a fair exchange as the FPO supplies its customers, with products and or services in return for payment, and satisfaction is experienced on both sides. But reference to ‘Whose intentions are not always going to be the best’ and some ‘people do try to operate ... ethically’ implies that this FPO person thinks that some FPO people do not always behave ethically.

### 6.2.2 Managers’ assumptions about public awareness of NFPOs.

Respondents clearly recognise that FPOs and NFPOs have brands and both have places in society. FP brands are kept in front of the consumer through paid advertising but some NFPOs do not realise that they own brands, do not promote them and are not so noticeable to the general public: As one FPO manager put it:

“... Crippled Children’s Society ... raising money ... they are probably out there ... raising money ... probably struggling ... to raise money but ... are they there? No. Maybe there is not a huge lot consumers know about ... maybe they have not packaged it right ... who knows ...”

Words like ‘they are probably out there’ and ‘probably struggling’ seem to be related to ‘are they there?’ and ‘There’s not a huge lot consumers know about [them]’ suggest an assumed lack of public awareness possibly derived from, and leading to a continuation of, a lack of commercial promotion.
The CEO of a large and successful charity, NFPR16, clearly understood the place of his NFPO in the community and the need to ensure that the public is aware of its ‘virtues’ and ‘standing in the community.’ Care is taken to manage and protect:

“… what we perceive as the importance and the virtues of our brand and our standing in the community.”

This indicates a level of product management sophistication similar to that reported in FPOs: In a FP environment the brand managers and their marketing teams have considerable control over where their brand fits in its market and this would be planned out well in advance. They would know how the brand was meant to evolve. Many FPOs might not have such a brand plan.

6.2.3 Manangers realise the possible risks to the public image of brands of being involved in inappropriate activity or associating with other brands.

The maintenance of positive images for a NFP brand might be compromised if it were to be associated with an unsuitable FP brand. This might happen, for example, as the result of a NFPO taking up a funding offer without fully thinking through the possible outcomes of related activity:

“We are all desperate for money and sometimes partnerships come up that you don’t expect to come up and you have got to work very quickly ... or you have to seize the opportunity ...” (NFPR16)

Here the reference to being ‘desperate for money’ and unstructured opportunistic approaches to possible partnerships are suggested by his comment that sometimes partnerships come up unexpectedly and ‘you have got to work very quickly.’ The significance of this person’s comment here must not be overlooked: His is one of the most recognised NFP brands in New Zealand and is known within the NFP community as a very smart marketer. He went on:

“NFP managers find themselves in negotiations where they are asked to give their brand or have it appear in a permutation that you may not have planned ... but if they want the money... sometimes you have to go with that ... relinquish some control ... in order to seize an opportunity ... which will bring financial benefits back to you ... so you are not always in complete control ...” (NFPR16)
Similar comments were made by FPO managers when they referred to associations with NFPOs that might then take up public stances on issues which could clash with their desired image for the FPO brand.

6.2.4 Managers realise the risks to NFPO brands of being more focussed on fund acquisition than careful management of their brands.

There was concern that some FPOs would want to use the association with the NFPO in ways that would not fit with the public image that the NFP wants to sustain but, if the NFP was desperate for funds, they might enter in to unsuitable relationships. The impression gained, that a NFPO might compromise its brand’s values to secure or retain funding, is based on comments about the power in such relationships being with the FPO. In the event of a dispute as to how CRM might be run it appears that most NFPOs would go with the will of the FPO rather than lose income. In the cases of a few NFPOs who have very strong brands it is clear that managers would withdraw from negotiations that might be heading towards an unsuitable CRM relationship. Those organisations usually have strong enough brands, and skilled staff, to ensure that other activity could be negotiated to replace the income lost by not entering into, or withdrawing from, unsuitable CRM activity.

6.2.5 Managers’ perceptions of consumer interactions with FP and NFP brands.

Many supporters of NFPOs do not actually use the services the NFPO provides, whereas with FPOs they usually do. Consumers’ brandscapes, to use Sherry’s term (Sherry, 1987), are composed of both FP and NFP brands, each performing distinctly different functions. The consumer is usually directly involved with the FP brand but has a different relationship with a NFP brand: They may support it without actually using it. It may not occur to a consumer that the main difference between the two is the need to generate profits, or not, for distribution to investors.

A recurring difference, mentioned by both FPO and NFP managers, between the roles of FPOs and NFPOs in society, relates to trust. As NFPR1 put it: a key difference between FPs and NFPs is that “generally the FP brands can be experienced whereas the NFP brands ... you don’t genuinely experience what the brand is ...”

NFP brands often just represent organisations that people make donations to. Donors take a lot of things on trust and perceptions which they do not actually physically validate. For example,
when somebody donates money towards the cost of training a puppy to be a blind person’s guide
dog they take it on trust that that is what the money will be used for. With a FP brand people
have usually experienced the brand directly, whether as a product or a service so that trust is
based on direct personal experience.

The public’s perception of brands is influenced by advertising which leads to higher awareness
of FP brands because they have marketing budgets to support various forms of paid
communication to the public. The availability of marketing funds is a frequently quoted point of
difference between the two brand types. Being seen to be spending money on marketing might
not be good for NFPOs as donors might regard that as misuse of money donated to fund the
operations of the NFPO. But to secure their place in the minds of people NFPOs now realise the
need to create and maintain public awareness of who they are and what they do. This conclusion
seems to be supported by NFPR1 who described himself in a past role as a ‘Fundraising and
bequests manager’ whereas the person who had taken over his role now described herself as a
‘Marketing executive for the marketing and fundraising department’ of her organisation.

6.2.6 Different levels of brand awareness.

Some NFPO brands can be brand leaders, in the view of several NFP managers. The way this
was expressed by NFPR 17 suggested some frustration, even resentment, that the manager’s own
NFPO does not have a high level of brand awareness amongst the general public.

High levels of NFPO brand awareness are not usually created by paid advertising as much as by
public exposure for activities the NFPO may be involved in or that people are aware they might
need one day: The public’s support of such NFPOs is often based on self interest. As one
respondent put it: “Yes ... like an insurance policy... [laughs] .. I support the cancer society or I
support St John’s ambulance society ... I might need them one day so ... therefore I had better
support them” (NFPR32)

6.2.7 Managers describe the differences between FP and NP organisations.

NFPs are seen as part of a caring society by managers in NFP and FP organisations. That does
not mean that FPOs are not, but they go about their business in different ways. Most respondents
either stated or implied that NFP brands represented ‘good things’ for society whereas there was
some implied concern about clashes between the interests of the FPO and society.
NFPOs involve a number of people in their operations from society at large through volunteers whereas FPOs usually operate as teams of paid employees. FPR29, a manager at a major bank, when asked if there are any differences between FPs and NFPOs in the way they operate:

“I don’t think there is a lot of difference actually ... I see in the NFP sector that ... it has to rely quite a lot on voluntary work ... at the management end I would say that ... they are equal to a corporate in the things that they need to do ... they just have that added aspect ... they don’t have a whole team of paid workers ... and they have to actually go out and look for people that can help them do things ...”

Apparent distrust of many FPOs in terms of how they operate was a common factor in responses, across a range of questions, from both FP and NFP people.

6.2.8 FPO brand sincerity -v- NFPO brand sincerity.

NFPO managers report that they have a constant need for transparency and accountability, whereas many feel that FPOs may be more difficult for the public to scrutinise. The slightest hint of misuse of funds could result in loss of future donations whereas consumers of FPO products and services may judge the FPO differently on the basis of their comparing the value received compared to the money they pay.

A key difference suggested by NFPR19 was that there are a lot of advantages in being a NFP. She believed that people see many FPO brands as being ‘just trying to get their money’ whereas NFPs can play on people’s community spirit and:

“... you can certainly go down a different track of promoting your brand in terms of ... gaining their support rather than just trying to get their money ...”

FPOs can look sincere, especially when they align themselves with good causes in their communities. When asked to develop this, NFPR19 thought many were trying to be good citizens. But the implication was that some were not sincere in this, citing McDonalds and their attempt to get on the sustainability bandwagon when, in her opinion, their “main aim isn’t the customer experience it is ... at the end of the day ... need to make … money ...”
6.3. There are various causes of conflict between FP and NFP managers.

Marketing in FPOs and NFPOs is run in different ways, by people with different motivations, skills and experiences to draw on. Comments from both NFP and FP managers showed that the ways that marketing activity is planned and the approval processes for such activity are quite different. Internal indecision or long approval processes in a NFPO may simply not fit with shorter decision processes and timelines in FPOs. This appears to be quite possible given the different structures of the organisations as well as the career and operating backgrounds of the parties to the CRM activity which may lead to friction between the two parties.

The level of sophistication of brand management in NFPOs will be much less than that in FPOs. In the NFP sector brands “struggle along with no particular management in most cases.” (NFPR9). Many NFPs are struggling to raise funds “because nobody knows us and we get lost and so on ... so there is an ad hoc [approach] ... the brand is essentially ... an orphan in most NFPOs.” (NFPR9)

The apparent lack of brand management in some NFPs comes from management failure to realise that a brand needs to be managed, compounded by a lack of funds for marketing activities, compared to FPOs which have more resources available to them. From this there seems to be a further assumption that they are less well informed “about their brands and their consumers... whereas … in FMCGs we have everything at our fingertips.” (FPR23)

The size of marketing teams is usually much larger in FPOs than NFPOs and the management tools available, particularly in the financial area, are more sophisticated in FPOs. FPR22, who was one of 18 people in her FPO’s marketing team:

“... there are so many things that you have to do ... you have to look at profitability ... obviously that would not be important in NFPOs ..”

This comment underpins a finding that FP people would expect NFP people to be less ‘savvy’, a term used by several FP managers. The FPO manager quoted above underpins an assumed difference between her type of organisation and an NFPO when she says “profitability ... obviously that would not be important in NFPOs ...”

FPO and NFPO people think that FPO managers are more focussed on limited parts of the marketing mix for their business. For example, marketing managers focus mainly on marketing in FPOs while marketing managers in NFPOs have jobs with broader scope, including public
relations and, more importantly, fund raising. Another common theme is that NFP people regard the FP approach as being mainly driven by the businesses’ desire for profit, while FP people perceive NFP people as being less concerned about profit and more concerned about achieving the non-financial objectives of their organisations.

FP managers have more freedom of action within their areas of responsibility and can make faster decisions than their counterparts in NFPOs. This is because the FPO managers are charged with managing their brands whereas most NFPO managers do not directly manage their brand, nobody does. When a decision is required that might affect the NFPO’s brand it seems that the organisation’s management structure hampers the making of quick decisions and could be frustrating for an FP partner to work with.

6.3.1 **FPOs are resistant to long term commitments to particular NFPOs in CRM.**

Comments from most of the FPO respondents confirmed that they would regard CRM as a short term tactical marketing tool although those that had been involved in successful CRM realised the benefits of longer term CRM arrangements. NFPO managers expected that FPO managers would see CRM as short term activity but thought that longer term commitment would be preferable. This is because NFPOs were concerned to secure an ongoing income stream but also the value of CRM for all concerned is increased where there is a longer term commitment between the parties. A major cause of the adoption of a short term focus by FPO managers is that funding for CRM is usually sourced from annual marketing budgets so managers could not make longer term commitments. The case of Daffodil Day and the long term relationship between National Bank and the Cancer Society was mentioned several times, by respondents not associated with either organisation, as an example of the benefits of a longer term CRM relationship. Managers realise the wider benefits of CRM: To the FPO these include sales and image enhancement, to the NFPO they can include wider exposure for their brand as well as income.

6.3.2 **The importance of personal relationships in CRM management.**

CRM arrangements are often held together by personal relationships between managers in the party organisations. A change of staff could see the end of such a relationship and this is possible in FPOs where managers tend to be young and very focussed on their personal career
development rather than their organisations. When such individuals move on their intention to continue with a long-term relationship might not be picked up by their successor.

6.3.3 FP managers may regard themselves as being superior to NFP managers and will be inclined to dominate CRM relationships.

FPO managers are usually accustomed to controlling marketing budgets and would expect that, since they were paying, their will would prevail in any negotiations. This control of the funds would naturally put the FPO in a position to have power but perhaps not dominate the relationship. The interactions between a FPO and an NFP were often referred to as ‘partnerships’ rather than ‘master - servant’ relationships, but, in the final analysis, the FPO would usually dominate.

FP managers regard themselves as being rather more skilled and focused on marketing as a discipline than their counterparts in NFPOs. This is rooted in their educational background and the specialisation of their roles in marketing and, usually, brand management. More sophisticated NFPO managers with stronger brands will be more respected by FPO managers as they would be regarded as equals and be more likely to ‘speak the same language’ as their opposite numbers.

6.3.4 Different levels of business education and personal motivation.

FPO people are more likely to have had tertiary education and to have entered their businesses at a marketing management level whereas NFP managers are less likely to have such academic qualifications. Many NFP managers had developed in to their jobs from a different function within the organisation. None had crossed from the service delivery side of their organisation to the support side of their organisation. They tended to be older and less driven by desires for personal development than FP people and had remained with their current organisations longer, on average, than people in FPOs. Two of the NFP people were adamant that there was a great difference between the types of people working in each organisation citing people who were driven by the mission of the NFPO and taking little interest in the personal financial rewards associated with their employment.

FPO people regard themselves as being smarter and more ‘savvy’ but otherwise fairly similar to NFP people. They expect NFPO people to be older and probably more altruistic, wanting to
improve society. The passion that some NFPO managers have for their brand may not be replicated in FPOs where managers are less emotionally committed to their brands. Several FPO managers made comments suggesting that they did not feel good about what they or their organisations do whereas no NFPO managers made such negative comments. A recurring theme was that FPO managers are very likely to experience some feelings of guilt about what they do in their jobs. FPR22’s comments about FP managers, later in their careers, thinking “I have been so nasty” and having a feeling that “I should give something back” implies that she feels FPO people have taken or done things that perhaps they should not have. This suggests that there will be some tension in the minds of managers reflected by feelings of guilt that they seem to assume would not be felt if they worked for a NFPO.

6.3.5 FP peoples’ perceptions of NFP people.

FP people see some NFP people as being older and conservative. While some may be regarded as ‘less savvy’ than their FP counterparts, others may be ‘more creative’ as a result of their having fewer marketing resources and needing to be more imaginative in how they do their jobs. They may be less driven by the need to do things on schedule and appear slow to react. They will be less well paid but probably happier in the jobs.

6.3.6 FP peoples’ perceptions of FP people.

FPO managers think of people like themselves as being more analytical whereas NFPO managers would be more superficial in terms of managing their business.

They see themselves as being more aggressive but many admit to being less experienced in life skills. They have considerable resources and marketing support at their disposal and are driven mainly by the need to achieve profit objectives. They may have some doubts about the ethics of what their organisations do and feel some level of guilt about what they are doing on behalf of their organisations. They will work with this because they are usually at a stage in their lives and careers where they need to establish themselves in terms of their careers and financially. They know that the public is becoming more and more cynical about the actions of big corporates and are aware of a need for their organisations to be seen as ‘good citizens’.

6.3.7 NFP people’s perceptions of FP people.

One NFPO person suggesting that FPO people were “… more cut throat … the FP … one …” (NFPR34)
NFP people see FP people as being relatively inexperienced in life but academically well trained and having access to considerable marketing resources. They expect that FP people will view NFP people as being less sophisticated than them and they will probably have less respect for what the NFP people do because they will appear to be less aggressive and determined in promoting their organisations.

When comparing the people that worked in the two types of organisation the issue of ‘respect’ arose several times. This is grounded in comments such as that from NFPR9 who said there is relatively low respect for NFP managers amongst FP managers.

“The respect is definitely low ... as a general perception ... but the irony is ... for people like myself who have been involved ... I was a brand manager with a corporate organisation before I came in to the NFP scene.”

With people like him making the shift from FP to NFP there has been an increase in the level of respect for NFP brand managers

“… respect for someone who has brand management experience and moved in to grow the brands and businesses of NFPs is very high and often quite amazing for the NFP business which is well marketed and branded ...”

He felt that many people in FP corporates do not understand this. Generally the respect is low for NFP marketing managers because they are seen as looking mainly for donations and do not think to promote the benefits that a FP might get from associating with a NFP.

6.3.8 NFP people’s perceptions of NFP people.

They see them as easy going people compared to FP people but more committed to doing good things for society with personal rewards a secondary issue. NFP people would be careful not to offend people, as they are concerned to protect their organisation’s image and do not want to risk deterring people who might, in some way or other, contribute to their fundraising. This fear may result in NFPOs ‘selling’ their brands too cheaply. Another reason for ‘selling’ too cheaply might be, as NFPR35 put it: “possibly not ... having an ... exact awareness of the value of the brand ...” because they lacked the analytical skills and competitive drives that a FP manager might have in negotiations over activity such as CRM.

NFP people regard their peers as less skilled than FP managers in brand management as NFP managers need to focus on a wider range of tasks mainly related to fundraising. While a NFP
manager would have to be a generalist and work very much on their own so far as brand management is concerned, FP managers would be specialists with a lot of backup support to call upon. A key difference is that NFP managers rarely have funds available to support their marketing efforts and need to have better personal skills to persuade people to assist their efforts.

### 6.3.9 Different interpersonal skills required in FPOs and NFPOs.

The interpersonal skills of an NFPO manager would need to be effective in dealing with internal marketing as well as external marketing. FP people work with people in their own organisations who are paid to work with them and have a clear understanding of where the organisation is trying to go. In NFP situations the manager has to deal internally with people who are not paid for what they do (Volunteers for example) and who may have different ideas about where the organisation should be taken. As NFPR23 put it: “... there’s a lot more emotive elements ….you have to tread a little more carefully...”

While FP managers deal with hard facts and know how to manage various parts of the marketing mix NFP managers may require, as FPR14 put it:

“… what I would call softer skills ... and they need them in that environment ... you are working in an environment where its more ... it’s not focussed on profit its focussed on another objective thats I guess ... a lot more altruistic ... so they have got ... so I guess their skills in terms of sensitivity and those kind of things are probably ... ought to be ... sharper than someone in a commercial environment ...”

Some FP managers would not expect NFPs to have the same marketing support available to them as their FP opposite numbers. FPR24 thought: “Quite often they just don’t have the ... the requisite skills, etc, in house ...” NFPR16 stated that a NFPO brand manager would need to be more determined than a FP manager for those times when: “You are being pushed around by a sponsor or a potential suitor or an existing long term supporter.” This results from the manager’s need to represent his organisation’s interests while having little internal marketing support.

### 6.3.10 Potential for interpersonal conflict between NFPO and other people.

If a NFP manager has similar or even superior brand management skills to a FP manager the power of the FP over the NFP might still be tilted towards the FP: One NFP manager referred to the need for an NFP manager to ‘work smarter’ and ‘beg, borrow and steal’:
“… because … in some ways you have to be slightly smarter than working in a big fat corporate where you have got a brand manager … a PR manager … a marketing coordinator … an agency … a big spend with an agency …”

The use of words like having to be ‘slightly smarter’ than counterparts ‘in a big fat corporate’ reveals tensions that a NFP manager might experience when dealing with a FP manager.

While technical marketing skills may be a point of difference between FP and NFP marketing people another important point of difference might be the life experience that NFP people have to draw on. As NFPR34 put it:

“... within this environment ... you actually do have to have ... experience and life skills and have really established some networks within your community…”

Respondent went on to emphasise the importance of drawing in volunteers from the community, many with business backgrounds. These people may be difficult to work with as volunteers might do things without consulting with managers, the 2012 example of a volunteer aligning Life Education Trust with a convicted rapist, Boxer Mike Tyson, for example. (New Zealand Herald, 2012.) Another point of difference is that it is unlikely that members of the public would volunteer to assist a FPO so managers there would not be likely to encounter such problems.

6.4. Uncertainty as to where the power lies in CRM relationships.

The idea of ‘power’ was raised several times in several places. A determined FP manager can do whatever he or she wants, based on their control of marketing funds and their superiors’ support, whereas NFP managers will often be fighting to survive financially. As FPR7 put it:

“ I think that when you have got money … you tend to have a lot more power [NB: Spontaneous mention of power] so if you have an A & P [Advertising and Promotion] budget ... you don’t have to be nice to people whereas ... I think if you are ... not for profit actually what you are trying to do is raise money ... generate funds ... to survive ... you probably do have a slightly different ethos ... and so that may drive some of the interpersonal savvy ... that a marketer in a NFPO ... may require …”

Having an advertising and promotion budget appears to mean that FP people ‘do not have to be nice to people’. His colleague, FPR8, also talked about the power in any relationship being
mainly with the FPO. Ideally it might be a 50:50 relationship but, “at the end of the day the power will be ... tipped in favour of the corporate ...”

When asked if CRM activity had been successful NFPR28’s response was ‘Sometimes.’ When asked why only ‘sometimes’ it appears that some activity has seen the NFPO get better returns than expected and other times not so good.

“The key to all of that is basically know the value of your brand ... and don’t diminish the value of your brand by [taking] whatever associations you can get ...”

In other words, it seems, this NFPO realises that it needs to be selective in terms of picking FP CRM partners. Clearly the risks of being associated with something damaging are realised as that might ‘diminish the value’ of the NFP brand.

“There is ultimately an intention for both parties to do good and have some good come out of the relationship. The NFP obviously understands that the FPO knows that the association has to be good for business for them too ... because of the nature of the NFP sector everybody goes in with good intentions ... therefore the relationship starts really well ... but I guess the ultimate thing is if a brand is exploited in one way or that the results are not as good as expected ... the relationship can sour quite quickly.” (NFPR28)

This respondent was asked who usually had the ‘power’ in the relationship but had seemed to avoid answering. When pressed the answer was that it is usually with the FPO. The reasons for this were:

“It is usually their [the FPOs] initiative ... that they are driving.. they have control of it simply because it is something they are doing ... a lot of the time because NFPs do not have that much money ... the FP is putting the money in to it ... or is actually driving a lot of the up front value. The NFPs see that and feel that because they are receiving the benefit of that particular project they feel that they are the secondary party.”

Further insight in to the power in any CRM relationship came in the following comment:

“What I don’t think NFPs understand is that actually they are in the power position ... or could be ... simply because ... they are in an equal position with the FP because the value in their brand is immense...”
6.5  Differing views on how CRM is managed.

A typical response was from NFPR9 who explained what CRM is as defined in the academic literature and added that it is “Marketing run by a FP where they partner up with a cause which has a benefit to the cause ... to the NP ... and the FP and to the consumer who is involved ... so its sort of a three way... win, win, win.” Clearly this respondent assumed that CRM is ‘run by a FP’ partner.

FP managers are familiar with activities in which FP and NFP brands work together and realise that there can be benefits for both organisations and the people who support or benefit from the actions of NFPOs. While some FP organisations might have made purely philanthropic donations in the past that is not always so now. FPs use CRM associations with NFP brands to attract customers, increase sales and increase profits. Funds definitely do get through to the NFPO but often the sum of money raised is a quite small compared to the amount of money that the FPO might spend on promoting the CRM activity. As FPR4 put it when asked what positives and negatives of CRM might be and why FPOs might enter into it:

“Because they are motivated to do so through ... believing they are helping the charity... quite interesting because ... and this is off topic ... when we ran a promotion and had a prize of $50,000 ... the fact that we spent $250,000 on air and $100,000 on an ad [production costs of the broadcast material] ... and all that extra money on the packaging ... the prize part was insignificant ... it would have been easier to just give the prize away ... it’s all about getting displays in supermarkets ... so ... yes ... I mean ... that’s why you would get into relationships like that ... in the past you might have had somebody who had a personal relationship with a charity and had the ability to say ... right we are going to do a promotion with you guys ... those days are gone and everybody is very visible and everything has to get through on a business case ... we only do that if we think we are going to get more sales than if we didn’t have that one there ... that’s what we are here for ... making money for shareholders.”

6.5.1 CRM is often regarded as short term marketing activity by FPOs.

As mentioned in 6.3.2, CRM associations are likely to be regarded as pieces of promotional activity by FPOs and they are unlikely to take a long term approach to such associations. The
activity generates a short term increase in sales and when that promotion ends the company moves on to other forms of promotion.

FPR24 gave some insight into how FPOs might view CRM, highlighting possibly different levels of commitment between the FPO and the NFPO:

“The Corporate brand believes it gets a lot of goodwill from the association ... but ... ultimately... basically [they are] quite comfortable with pulling the plug if they no longer feel it is beneficial to them ...”

While a FPO may regard associations with a NFPO as short term some associations persist, in the minds of consumers, beyond the original activity. Sometimes members of the public can remember a FPO’s association with a NFPO long after the relationship has ended. This may be a deterrent to other FPOs entering into CRM activity with that NFPO. Conversely it might be an unexpected, perhaps unnoticed, benefit for a former FPO partner.

FPR24 claimed to have done “fair bits of research in association ... between sponsors and ... NFP brands or events.” He recalled:

“... a certain insurance company that used to try to leverage its association with the sevens [a popular sporting event based on rugby] and much to its chagrin found that people still associated it with Telecom [a previous sevens sponsor] more strongly even though ... that relationship was gone for a couple of years ... they [The insurance company] were not actually getting much leverage off of their being associated with the sevens ...”

6.5.2 Wider benefits of CRM.

The benefits of CRM to some NFPO brands can be much more than the cash generated. Media exposure for their NFPO brand, as part of the FPO brand’s promotion of the CRM can give levels of media exposure for the NFPO that it could never afford to fund itself. Also, the expertise of the FPO, more probably its advertising agency, will ensure that the NFP brand is exposed in the best possible light to ensure the appeal of the CRM is maximised. This will depend on the extent to which they fully understand the underlying values of the NFP brand. If they do understand then that could help maximise the return for the FPO but also lifts public awareness of and support for the NFPO, something reinforced by FPR24, who had hands on experience of working with both FP and NFPOs:
“... they are able to piggyback ... basically get a lot of free marketing exposure through the corporate as well as getting funding support from the corporate ... so its ... I hate to use the term ... parasitic because it’s one of [being] mutually parasitic ... like the little fish that cleans the shark ... it’s a mutually beneficial relationship but at the end of the day the bank is the shark ... [laughs]”

The analogy of a shark and cleaner fish exposes the fact that both parties benefit from the relationship but the comment that ‘at the end of the day the bank is the shark’ suggests that the power in any CRM relationship lies with the FPO, in the case quoted, a bank.

6.5.3 Difficulties in withdrawing from CRM.

Some FP/NFP relationships may go on beyond the point where they are seen as beneficial by the FPO. Ending it may be difficult from a public relations point of view and there may be personal relationships that might be hard to break. But, as FPR24 put it, if the association is not working in terms of the return on its investment: “... if getting nothing [the FPO is getting nothing] ... at the end of the day they will happily pull the plug.” When asked who actually ‘pulled the plug’ the response was that the marketing person would do this, but this may have been dictated by higher management.

In some cases withdrawing from an established CRM would be very difficult for a FP marketing manager charged with obtaining objectives within a tight, albeit large marketing budget. This is supported by the ongoing sponsorship of the Westpac Rescue Helicopter that had become so firmly attached to the Westpac brand:

“Westpac could never pull that plug ... because it would be effected very badly ... [by] pulling out of something that’s viewed very iconic ... that’s an example of where the brands become so associated with each other over such a long period of time ... that it is like a bad marriage ... you cant get out of it [Laughs] because neither one of them can possibly extract them [selves] from the others without ... you know ... without losing” (FPR24)

Whether by accident or not, in this case, and other similar cases, the NFPO has managed to gain power over the FPO because the power of the funder has been balanced up by the likely damage to the FPO brand of appearing to abandon a cause that the public supports strongly. This was a very telling last comment as it meant that the power in this relationship definitely did not lie only with the FPO. Withdrawing could damage their public image, but equally it did not lie
completely with the NFPO. A possible swing in the power was hinted at by NFPR34 who said that, if a FPO withdrew and the NFP was not happy with that, they might ‘bring the media in.’ “... do you bring the media in or do you not bring the media in?” which suggests that negative publicity could result for an FPO that tried to withdraw from a long established CRM or similar relationship with a NFPO.

6.5.4 CRM as an internal marketing tool for FPOs.

CRM activity can become deeper than a simple sales promotional tactic. It may have benefits for the internal marketing of the FPO. The Communications Manager of a NFPO, when asked why she thought FPOs might get involved with CRM suggested that it was to make profit, then added:

“... maybe they just make corporates feel better about themselves? [Laughs] I mean there are lots of reasons why corporates do it ... it’s about rallying the internal staff and making them feel part of ... getting behind a cause and social responsibility and sustainability and all that ... those big buzz words and everything ... what do they really do for the brand ...” (NFP17)

NFP managers seem to have identified a need on the part of FPOs to improve their public image by being seen to do good things in the community to compensate for bad things they may have done in their business operations. Some use it to build team spirit by mobilising staff in supporting the cause, as is the case with Daffodil Day.

6.5.5 The attractiveness of some NFPOs as CRM partners can change.

NFPR19’s brand, although long established, had only recently become seen as an attractive CRM partner and, as favourable public awareness of the brand had increased, there had been more interest from FPOs in developing a relationship. In a previous relationship NFPR19 felt that her organisation was being manipulated by an FPO and this was because, since the FPO had the money, they thought they had the power to influence what was, or was not, done within any CRM relationship. The following quote confirms this: The researcher asked “So you feel on the back foot in negotiations.. from what point of view?”

“I think so ... I don’t think that [name of her organisation] has the brand and reputation and all that ... I mean we are improving ... don’t think we have quite got enough sway in the marketplace yet I think the perception is still that we are sort of developing and we
are still a bit semi-professional ... I know it is changing ... particularly in my time that I have seen improvements ... we have even got people coming to us rather than us having to go out and scrounge ...”

The comment that they have “even got people coming to us” suggests some degree of surprise that FPOs would now seek out NFPOs in contrast to how it might have been in the past. This may represent a change in the relationships between FPOs and NFPOs: NFPOs may have several FPOs interested in associating with them and may even become selective in deciding who they partner with. The comment ‘rather than us having to go out and scrounge’ also echoes an earlier finding that many NFPOs are seen as driven by the need to raise funds by soliciting donations rather than leverage their brands to generate income.

6.5.6 Residuals from previous CRM.

A FPO might find it difficult to gain unique benefits from CRM with a NFP brand that is already known to have, or have had, associations with other FP brands. Also, there may be advantages in associating with a NFP brand which has not had such associations in the past because the FP brand may be seen as an original supporter of an NFP later which rises to become more and more important in society. An example of this would be the way that the National bank has developed its relationship with the Cancer Society and positive associations with ‘Daffodil day.’ A new FPO supporter might find themselves unable to remove the National Bank brand and replace it with their own in the mind of the public. The case of the National Bank is even more intriguing with the announcement, in September 2012, that its owner the ANZ banking group, proposes to drop the National Bank brand. (New Zealand Herald, 2012)

6.5.7 Reliability of NFPO people is important.

FPOs need to be cautious when considering a relationship with a NFP brand. If the NFP brand, or somebody within the organisation, does something that causes negative reactions in the community then that might rub off negatively on the FPO.

The FPO will not want to risk getting in to an arrangement that could later turn sour, as it could if the NFPO people proved to be difficult to deal with. This would make better organised NFPOs more attractive, as the marketing manager of a major museum put it. She now found that FPO managers were keen to associate with her NFP:
“Because I think we are being seen as a growing presence in the marketplace with the potential in the future ... we are seen as more professional ... we have got ourselves sorted ...

This suggests that in the past this organisation, and many other NFPOs, had not got themselves ‘sorted’. FPOs would be more interested in a CRM relationship with more professional managers because they were no longer seen as a:

“... dodgy investment ... you know ... you are not going to invest in something that you think ... oh golly... how is this going to happen? How is this going to work? … whereas we are being seen as a bit more of a place that you know you might actually get something back for getting involved with this crowd [respondent laughed at this point].”

6.5.8 Power shifts in CRM.

The issue of who would have the most power in any FP/NFPO relationship appeared several times in responses, for example, FPR10, a relatively inexperienced FP manager who, when asked who she would expect to have the most power in a CRM relationship, thought:

“Well you would kind of think the FP because they are the ones who have control ...”

This suggests an underlying assumption by this manager that CRM partnerships are controlled by the FP partner. While responses to earlier questions also suggest that FPOs have the power in relationships, because they bring the money to the CRM, this may not always be so and the power in the relationship can be balanced or turned in favour of the NFPO if it has a strong brand that is managed well. As FPR3 put it:

“… a very powerful cause related brand in the marketplace ... powerful brand ... because the consumer recognises it as a charity ... is ranked highly with consumers and therefore ... the cause has credibility, trust ... both parties bring different things ... and depending on how they [The consumer] value those different things ... will depend on where the power is going to be ...”

The relative strengths of the FP and NFP brands are important when it comes to negotiating any CRM agreement and especially so where either manager concerned may need to gain approval from their superiors before entering in to the CRM. A FP manager would put forward a proposal firstly on the basis of a good commercial reason why the investment should be made and then
justify it in terms of the underlying values that would make the CRM work successfully. As FPR3 put it:

“Dealing with senior management my approach is ... always start commercial ... and end with emotional ... you need a good commercial argument ... so first of all ... how is it going to give us a commercial advantage ... how will it grow our business ... and translate in to value ... help society at large ...”

In this particular case the point about the CRM relationship helping the FPO ‘help society at large’ moves a little towards considerations of CSR. However, the key point is that this respondent is saying that a strong NFPO brand is more likely to be a good commercial partner than a weaker one.

6.5.9 Concepts of partnership in CRM.

Analysis of responses, especially those from people who had been closely involved with CRM, raised the issue of partnerships between the parties involved in CRM. The sponsorship manager of a major bank (FPR29) who deals with about twelve major NFPOs per year felt the balance of power usually laid with the FPO, but:

“I would say it leant more towards the corporate ... however it wasn’t ... it’s not really a power thing ... it’s about a partnership ...”

So, from a FPO’s perspective many CRM activities could be regarded as partnerships but, if tensions developed the power would be with the FPO, as FPR29 put it:

“Oh absolutely ... I feel ... it’s the one with the dollars ... yes ...”

But that does not mean that an NFP is powerless in any negotiations if they realise the value of their brand. An FPO would not walk away from a good deal with an NFP and where there was a particularly good potential link for the FPO then the NFPO should be able to obtain a fair deal. Success in this would depend on the NFPO’s own understanding and appreciation of the value of their brand.

FPR15, supports this analysis:

“ If it’s the right partnership ... if it fits I think they would have equal power because a profit based company can leverage a lot off a NFP ... charity so to speak ... and there is a lot about value that could be attributed to that so even though a NP may not have the
budgets and the whatnot they still have a significant amount of power so I would say ... it is equal ...”

6.5.10 NFP managers may feel inferior when dealing with FPO managers.

It is possible that some NFP managers might feel inferior when initiating, reacting to or negotiating CRM activity. NFPR1, who had been involved in some high profile CRM, reported earlier in 5.2.17, that his FPO partner had insulted his organisation, perhaps unintentionally, during a lecture at Auckland University:

“It was obvious from her lecture that she regarded the marketing people at the [name of NFPO] as inferior ... there was living proof there …”

6.5.11 Interpersonal relationships.

As in any partnership CRM partnerships are held together by the desire to achieve mutual benefits that either party would be unlikely to achieve on its own. But sometimes the relationships work best, and endures, because of the personal interest of decision makers in the FPO and possible personal relationships between people in the two organisations. The importance of interpersonal relationships cannot be over-estimated, even though the relationship must usually be built on commercial fundamentals. Proof of this came from NFPR1 when probed deeper about the NFPO’s CRM relationships and how the representatives of each organisation got on together. The NFPO and FPO people in a cancelled sponsorship regarded each other as:

“Probably peers and quite equal ... they thought they were superior in certain things and inferior in others ...”

In the end personal relationships had meant less than the commercial realities of the relationship and the ending of the sponsorship was because:

“... the official line that came through from the [NFPO] was that [FPO] had been bought out by somebody and suddenly the marketing budget changed ... from $350-450,000 per year ... it was suddenly $100,000 and we thought we could do better ... that was the official line ... I think the marketers in the FP were sort of like not the decision makers entirely in terms of a CRM relationship ... but yes, I would say it could have continued longer”
This indicates that, at least for stronger NFP brands, the NFP realises the value of its brand and will withdraw from an arrangement where it does not feel it is getting a fair return in a CRM relationship. This is confirmed by the comment ‘we thought we could do better.’ It should also be remembered that the reason given in the quotation above may in fact have been the NFPO using internal public relations to avoid admitting to its people that it had in fact been dropped by the FPO as a result of shortcomings within the NFPO.

The importance of personal relationships was also raised by FPR18, from a large accounting firm, who mentioned that whether a relationship was entered into, and for how long, depended on the personal interests of FPO decision makers: “To be honest it all falls back to the relationships that our partners will have with the charity …”

6.5.12 National -v- local CRM management.

While some NFPs may have relatively small, localised, arrangements with FPOs most major CRM is arranged at the National office of the NFPO. Care needs to be taken when using terms like ‘Head Office’ as this implies a point of central control. Most NFPOs have central administration points but these are usually referred to as ‘National Office’. There is a difference. In an FPO a ‘Head Office’ is an executive control centre where decisions are made, the ‘National Office’ of a NFPO may not be so empowered as it is a central clearing house for ideas and decisions from, usually, branches across the country. National marketing people are often located there in the same way that national FPO people are usually located in their Head Offices. This can cause a variety of problems in negotiating CRM activity as the NFPO has to consult widely and the decision making processes could be cumbersome and time consuming.

NFP R32, who was aware of FP/NFP relationships between Plunket & Huggies, Cancer Society and UV lotions, Heart Foundation and the ‘tick’ on healthy food products, had tried to develop relationships like that but:

“… we tried to set some stuff up and we were kind of … on several occasions now almost on the point of being able to do it … then things fell over …”

The core problem was persuading other branches of the NFPO to join in with the CRM so it only had limited appeal to a nationwide FPO as it would be unlikely to be interested in regional CRM activity. But, some NFPO branches might refuse to join in with national CRM activity. While ideas might be developed at regional level the final agreements and organisation would be done at national level but, unless it was national, a FPO would be unlikely to be interested.
6.5.13 FPOs becoming more astute.

A number of larger NFPs are now very aware of the value of their brands. The FPO may have the power of the money they bring to the arrangement but NFPs are becoming more aware that they can negotiate good deals because they, and the FPO, realise the value their NFP brand can bring to CRM.

“… the FP has the power because of money but I actually think … and ... most NFPs need money ... I think that’s the general way it’s perceived but I think ... larger not for profits are becoming more and more astute ...” (NFPR35)

This might be regarded by some FPOs as uncomfortable if they were not fully in control of the activity, while other FPOs would realise the value of associating with a strong NFP brand. NFPR36 had viewed the same CRM as NFPR35. Although he was relatively new to the NFPO he knew that the CRM has been successful for many years. He thought the FPO was so committed to this CRM because:

“Well ... I think they are quite clever in that they are aligning themselves with a very strong brand in the [NFPO] which affects and impacts on a lot of people ... a third of the population ... are impacted in some way ... and ... without ... I am not naïve enough to suggest that they have made that decision or made that decision 20 years ago saying ... actually we think we need ... we [speaking of the FPO] have a … a this corporate responsibility here to the community but if we choose that ... I think it is actually going to be quite good for us as well ...”

He added a comment that “that’s me being a bit cynical …” but “they are fantastic partners I have to say… I mean they are great but you would say that they have made their decision very consciously...” The relationship is a good one and well established:

“Hugely successful … hugely successful for us I would assume because its 20 years partnership and they have renewed it in the last year… that it is very successful for the [FPO] as well..”

6.5.14 ‘Fit’ as a factor contributing to the success or failure of CRM.

Most CRM activities had been successful but there were some less successful ones, quoted by both FP and NFP people, where the parties had not worked well together. It may be that NFP
people are more used to dealing with fundraising, where CRM is a growing feature, than is the case for FP people. Also, as mentioned elsewhere: Perceptions of ‘success’ may be different. For an NFPO any activity that represents additional income would be regarded as a success while FPO managers may have had hard objectives set for the activity that were not achieved.

Where CRM is successful it is usually based on a good ‘fit’ between the two organisations. The brands add value to each other by associations in which a third party, the consumer, values both the FP and the NFP brand. The accumulative value is greater than the sum of the two because the consumer, by purchasing a FP product they want, is also able to support a NFPO that they would like to support.

Where CRM is not successful brand values of each might add little to the other, or may even be damaging to a partner. FPR7 thought some CRM had not worked because it had not been managed well with any clear ownership established, a lack of clear understanding of the other party’s expectations and strategic direction.

“I think the expectations were not well established up front ... both expectations actually and I think there had also been a change at the helm ... in the company ... about the sponsorship and so ... often the company value and goals change ... within a contract period ... and if the people who set up the contract had not thought it all through ... so it was a lack of strategic direction ... vision ... a lack of understanding between parties ... entering in to those contracts ... a complex set of issues [nothing further reported on the particular case here as respondent asked for confidentiality to be respected. Note also that the activity referred to as sponsorship was as described, in fact, CRM].”

In terms of managing a CRM relationship this reiterates two important issues: The importance of individuals within an organisation and their personal support for a particular cause. If the person moves on then the next person might not wish to continue with the arrangement. The second point raised here is the issue of short or long term relationships implied in mentioning a contract term and a ‘lack of strategic direction.’

The extent to which FP and NFP brands ‘fit’ together can relate to appealing to similar target markets as well as being influenced by matters of conscience. NFPR30 had mentioned that his organisation had failed to create a CRM relationship because:
“… there wasn’t a close ethical fit with the particular product and ourselves and probably that does gives us cause to think about how we match those two … in hindsight … getting a better fit between the values or the outcomes that particular product delivers and our organisation is really important … and that’s certainly what Plunket and Heart Foundation and people like that are doing …”

NFPR21 had had experience with a major piece of CRM. When asked how successful it was his response was “Initially… [It was successful]… I think it lost a bit of traction along the way…”

The activity had worked well but:

“In its first year or two it was fabulous and I think the best intentions were realised I think after that it became a little bit hard to manage and therefore it lost a bit of traction…”

A successful CRM seems most likely to emerge where the cause had wide support to start with and the NFP collaborates with a FP which appeals to a broadly similar target audience, building public support for the cause and improving the brand image of both.

6.5.15 NFPs need to understand what drives FPOs.

NFPO managers need to understand what drives FPOs. FPR3, a product manager in a large food company said:

“We have had a lot of experience in the past … dealing with a charity that approached … and it led on to a relationship … and the reason it was very successful was … they understood where we were coming from … we had to make sure the links were right … check … assuming that there is a good match first of all … and then taking the conversation … right … what are we looking at in this relationship … and that where we eventually came up with opportunities for both of us … we were not just partners we were strategic partners … it worked well … we each managed the relationship … we listened to what they had to say but they did not seem to understand our corporate viewpoint … and they had to accept that we were looking at this relationship from a corporate FP point of view …”

FPO managers need to understand the different business cultures that FPO managers come from. Some NFPO managers may be so committed to what their organisation needs that they fail to realise that the FPO, while it may be genuinely interested in the NFPO’s cause and supporting it,
is primarily driven by its own corporate objectives. Here we get some insight into possible conflicts, with the NFPO not seeming to understand the FPO’s ‘corporate viewpoint’ and the NFP not appreciating that the FPO was looking at the relationship in a different way.

6.5.16 Need for a vision of how the CRM relationship should develop.

Managers need to have a vision of how a relationship is to develop, or not, beyond the immediate future. This could be difficult for an NFP manager who might not have the skills or time to work on this. The FPO mentioned by NFPR 21 (Starbucks, NZ), for example, had not foreseen the ongoing costs involved and wanted to end it but the NFPO (Youthline) wanted it to go on forever.

As relationships continue FPO managers might, as is their nature, look to develop and improve the profitability of the relationship in much the same way as they are required to do with their FP brands. Demanding more, or offering less, can put strains on CRM relationship development. Asked if this was so NFPR 21’s response was:

“I believe so ... I mean ... as a charity you are so reliant on your partners ... partner’s goodwill and partnership in its truest sense actually ... but it is actually about a partnership and I think their approach was ... was really sound ... then you expect it to go on ... I mean things change but ... they had demands and it was completely reasonable ...”

CRM does better when it is a part of a long term strategy, which NFPR9 defined as “Five years plus.... in my view ten plus...” He also added that successful CRM relationships were more than a promotion. He cited the relationship between the National Bank of New Zealand and the New Zealand Cancer Society where the Bank [the FP partner] has had an ongoing relationship with the NFP. This relationship adds value to both brands, is ongoing and the bank encourages its staff to be involved with the NFP.

6.5.17 Who really develops CRM and how.

Who puts the marketing thinking in to the relationship? The assumption in the literature appeared to be that the FPO or its agencies would be a prime mover. But, many FPOs would expect that the NFPO would bring some contribution to the organisation of CRM activity. As one FP manager said:

“... we are looking at win-wins ... so we understand that they are working with us because they need the money ... but we are working with them also to influence our brand ... it’s
got to work ... it[s] got to have synergies .. people are very ... they can see clearly if we are just doing it for the money ... so there has to be some insight with the brand that is already there and then there is a natural fit with the NFPO ...”

This comment emphasises that there needs to be more than a financial relationship between the FP and NFP brands. The words ‘they can see clearly’ in the quote above refers to consumers. This highlights a risk that consumers might regard what FPOs do in CRM as being just done ‘for the money’, in terms of FP product sales, and not genuinely wishing to assist the NFP.

Good inter-organisation and interpersonal relationships are likely to contribute to successful CRM. The secret to success appears to be that there cannot be anything ‘not said’ and no ‘hidden agendas.’ Ideas need to be developed jointly. They take time to develop and require quite sophisticated inputs from both sides. NFPR 16’s organisation, which is one of the better known and respected NFPOs in the country, had been party to many CRM relationships where:

“... partnerships have been born after many, many meetings with the full marketing and comms [Communications] teams ... fully engaged so ... there is no stone left unturned ...”

Clearly this NFPO contributes more than just its brand to the thinking behind CRM. But would one of the best known NFP brands in the country feel like equal partners in the CRM negotiations?

“Ha ha! I would say... generally the NFP is ... the lesser partner... and as I said before we are often very keen on the financial return ... and I suppose a lot of NFP plus FP partnerships have a slightly master/servant type relationship which is an area I am actively working on at the moment ...”

The taking up of a ‘master’ or ‘servant’ position will be determined by who is driving the creation and development of the activity. It will usually be the FPO.

“ ... the FP partner because they are giving money to the NFP... they already have their marketing and brand management parameters set in place ... they have also got the marketing spend ... so it will often be driven through their agencies so they have full control over the marketing.”

The mention of ‘their agencies’ brings a fourth partner to the negotiations. Advertising and promotional agencies may be the initiators of contacts that lead on to CRM. The NFPO is
‘invited’ into the partnership, wants it to succeed but is primarily driven by its keenness to obtain the revenue.

“Most of the equation I would say is driven by the FP partner ... with assistance from the NFP ...”

As ideas are developed there is always a risk that a NFPO may become difficult to deal with as reported by one FPO manager. The NFPO:

“... was seen to have too many tantrums and jumping up and down too much ... I think the FP might say ‘Well Ok we will go with someone else next time’… the NFPO does not want that to happen, so the power tends to reside with the FP ... or most of it ...” (NFPR16)

Many NFPOs will initiate contacts with FPOs.

“Yes … absolutely … these CRM relationships are often born out of the NFPO chasing a FPO that they see could be very useful to them ... so the invitations can go from either …” (NFPR16)

When a NFPO makes a first contact with a potential FP CRM partner it may not be the NFPO’s marketing person that does this, there may be a very sophisticated targeting and planning process with a lot of analysis being done before the approach is made.

“... we look at a business’s business objectives … what their brand values are and what we look for in an alignment ... then we look at all of the staff from Board of Directors down and align with our own contacts from my Board of Trustees down ... and if we can make a link … we will do it at that level if there is no alignment at that level it could be CEO to CEO” (NFPR16)

This is sophisticated screening of potential business partners on the part of the NFPO. They look for the best link to establish a relationship. When the link is made and the CRM is developed:

“... It could be our sponsorship manager who deals with their sponsorship manager ... we are quite clinical in how we go in and often a warm handshake is better than a cold handshake”
Emphasis was very much on planning and making links between people in the organisations and grooming the prospect before the CRM itself was worked out. This could take a lot of time and NFPO managers who understood how FPOs work are likely to be more successful.

6.5.18 CRM can take a long time to organise.

A major cause of conflict between parties to a CRM would be that it is unusual for NFPs to understand that such arrangements, rather than being ad hoc, may take a long time to organise at FPs. This would require NFP people who “fully understand... hopefully... being a marketing savvy NFP…” (FPR16)

Long lead times are not unusual:

“... often when we make the approach they say the next year is already done for ... so let’s plan for the year ahead …”

The need for NFPO’s to be ‘savvy’ is re-emphasised here. But they need to stand up for themselves to ensure that the value of their brand is properly recognised. Most NFPs would want to get access to funds as soon as possible while FPOs would look to fit CRM in to the timetable for their future rather than current marketing activity.

6.5.19 The value of NFP brands to FPO brands.

Association with a NFP brand could have unexpected benefits for a FPO even though it might regard the FPO as a lesser partner. This view is confirmed by NFPR16’s communications manager (NFPR17) who thought:

“In practice I think the NFPs need the FP companies so much for support ... money and all that sort of thing ... the profit organisation has the upper hand ... but I don’t really believe it needs to be like that because the NFP can add value to their business and ... gives them a way of being involved in the community ... it gives them a way of ... boosting their staff relationships ... their internal comms ... getting people behind something ... gives them the good look PR factor within the community ... maybe it goes to slightly offset some ... issues they have had in the past ...”

6.5.20 Converting FPO managers to be supporters of the NFPO cause.

Whether one organisation feels superior to another would depend on how the people worked together “You know what? I don’t know... it really depends on the individuals”. FPR17 went on
to say that, in some corporates she had worked in, the management of any relationship had worked, or not worked, depending on whether the FPO people felt passionate or not about the NFP and what it did for the community. While the FPO would have to regard any relationship as a business proposition:

“... if we can get them feeling in the same way as we do about what we do I think that goes a little bit in terms of perhaps making them feel that they have more ownership of it rather than being superior in some way to us... you know... that it directly connects with their life and their family and everything...”

The point she (FPR17) makes is that the relationship works best when based on person to person relationship rather than organisation to organisation relationships and both have belief in what the other organisation is trying to achieve.

“... I think it starts first with the marketing manager... the relationship manager who has to spread the word to the people involved in the huge corporation... they are charged with leading the company or explaining or communicating... what the relationship is and why there is a need and why it is so great for them to be involved so I think very much that... you know they might feel superior... but... you know if you could work on those things it could become a partnership... the NFP has [also] to put the work in to the relationship... a free flowing of ideas... a partnership... that kind of thing rather than this sort of imbalance of power...”

6.5.21 Respect.

The issue of respect was raised by NFPR 36 whose organisation runs one of the most successful ongoing CRM activities in New Zealand. He was unable to comment on how well the individuals from each organisation got on with each other as it was not managed through his office but his assumption was:

“... just like any other relationship I think if... one of us... either was a complete twat the relationship would disintegrate so I think that you would expect that there’s a heck of an amount of respect... between the two parties and the two people if it’s just two people that interact... you would expect them to have a very strong professional relationship and that they would be... communicating with each other on a very regular basis so that those... so that I guess... that contact is not broken in any way...”
The formula for success appears to be skilful people from both sides with high levels of respect for each other and their organisations, working together for mutual benefits.

The issue of respect was also raised by NFPR21 where experience of CRM had been good then soured. How did the parties to the CRM get on with each other? The answer was that the particular piece of CRM discussed had been based on mutual respect and working together. This had been facilitated with “… a certain amount of hardwiring into each other’s business …” The basic difference between FPOs and NFPOs was highlighted by comments that the FPO often had different requirements to those of the NFPO in such relationships:

“If their entire objective is to say I just want customers to feel better about our organisation then we say ‘well how do we help you achieve that ... and similarly how do you help us take our message off site’... so that its very much about sharing objectives ... up front for us it’s about making as much money as we can ...”

6.5.22 How FPO managers view CRM.

FPO managers regard CRM as one of many alternative tools that could be used in their promotional mix. Overall it does seem that CRM is used as a short term tactic aimed at increasing sales although many successful CRM relationships have extended over many years. Daffodil Day, for example, has been running for more than 20 years. It should be noted that this relationship may not truly be CRM as defined by Varadarajan et al., (1988) since the public is not necessarily asked to ‘buy’ National Bank core products but may only be asked to make donations to the Cancer Society via the National Bank. In this sense the activity may be more closely aligned to Corporate Social Responsibility. What is not clear from the discussions with managers is how well defined the divide between CRM and CSR is. Both, to a more or lesser extent, can create positive outcomes in terms of people’s perceptions of a particular product or the business that markets it. There are doubts about whether CSR is a cost effective tool for the overall marketing of a business since the essentially ‘feel good’ elements of it are hard to quantify. CRM, on the other hand, where it promotes purchase actions to generate income for the NFPO, is much easier for the FPO manager to measure and analyse in terms of results and its effectiveness. In the event of the FPO having to decide whether to start, continue or discontinue an arrangement with a NFPO it is easier for the analytical type of person that is typically a FPO manager to use objective criteria to judge CRM than it would be with CSR initiatives.
A number of FPOs seem to regard CRM as a short term tactical tool. (The Coffee company CRM activity to raise funds for St John, for example, or the petrol company raising funds for surf rescue boats.) On the other hand a number of NFPO CRM activities seem to move from one FPO to another with the cause being constant but the FPO vehicle being different as is the case with Guide Dogs for the Blind and the Plunket Society, for example. These artefacts support a view that many CRM activities are regarded as short term activities by FPOs.

6.5.23 How NFPO managers view CRM.

Many see CRM as little more than one of many ways of generating income for their organisation. Their main interest in the relationship is what drives them in their roles in their organisation: The need to raise funds. No respondent suggested that they had now raised sufficient funds and several mentioned they had very limited marketing resources to raise funds. Living as most do, in a hand-to-mouth way financially, people seemed more interested in how CRM generates money than how CRM could be made to work better for them. In other words, the urgency attached to getting money now may result in less income longer term as there is insufficient time to refine and develop a particular piece of CRM activity. Few seemed to realise that association with their brand values could be a major ongoing benefit for some FPOs. Certainly they know that there are measureable commercial benefits in CRM for the FPO whereas the benefits of alternative activities such as CSR might be more difficult to quantify. Nobody suggested that they would like to show FPO managers how to maximise the value of the NFP brand. In fact, many would be nervous about pushing their case too hard in case it turned the FPO managers ‘off’. Nonetheless some claimed that, if a FPO was too pushy in terms of using their power in a CRM relationship, they would withdraw and lose the income rather than risk undermining their NFP brand.
Chapter 7. Conclusions drawn from the research and implications for theory.

This research has looked at CRM and identified factors, not covered in depth in previous research, which influence the likely success of such activity. In particular it develops thinking on what contributes to the success or failure of interactions between participants in CRM, which is a gap in the existing literature. This contextual contribution needs to be emphasised in relation to creating better understanding of the dynamics and inter-relationships between NFPOs and FPOs.

The NFP sector is a growing one and FPOs are increasingly looking to joint activity with NFPOs and their causes as a means of improving their public image in a world that is increasingly critical of the motivations and actions of business. The findings of this research help to explain developments in activity such as CRM as it may be observed at present.Clearer understanding of the underlying theory of how FPOs and NFPOs might work together, and what might mitigate towards better outcomes will be of value to FPOS, NFPOs and society in general.

To draw the report of this research to a conclusion this chapter discusses the research findings from the primary research, set against the original propositions put forward.

This is composed of the following:

1) Reiteration of the original Propositions which the research was constructed to test, shown in Table 7.1 and indicating whether they were supported or not by the findings, followed by:

2) Conclusions drawn from discussion of underlying meanings, their causes, relationships with existing theory and possible new areas of theory.
7.1 Reiteration of the original propositions upon which the research was constructed and the researcher's responses based on the research findings

Conclusions as to the possible meanings and implications of the findings from this research are now presented and these are then summarised in the final section of this chapter.

Probing questions were used to check whether a respondent was qualified to answer certain further questions and, if they were found not to be, some later questions were omitted from their interviews. As many as 24 questions could have been asked in each interview.

The following table summarises whether propositions were supported or not.

Table 7.1 Support for the propositions.

<table>
<thead>
<tr>
<th>Proposition</th>
<th>Supported or refuted</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1 NFPO brands represent valuable, but potentially underutilised, resources for FPOs.</td>
<td>Supported</td>
</tr>
<tr>
<td>P2 FPOs need to work in partnership with NFPO brands for CSR and / or CRM activity to work</td>
<td>Supported</td>
</tr>
<tr>
<td>P3 Misunderstandings between personnel in FP and NFP Organisations may lead to failure to maximise the return on CRM marketing activities.</td>
<td>Supported</td>
</tr>
<tr>
<td>P4 FPOs are resistant to long term commitments to particular NFPOs in CRM.</td>
<td>Partially supported</td>
</tr>
<tr>
<td>P5 A mind set based on acquiring untagged/unattributed ‘donations’ exists within many NFPOs.</td>
<td>Supported</td>
</tr>
<tr>
<td>P6 FP Managers regard themselves as being superior to NFP managers and try to dominate CRM relationships.</td>
<td>Partially supported</td>
</tr>
<tr>
<td>P7 NFP managers regard themselves as being inferior to FP managers due to an imbalance of power between the organisations and do not push their organisation’s cases strongly enough.</td>
<td>Partially supported</td>
</tr>
</tbody>
</table>
The setting up of these seven propositions, based on consideration of the academic literature on branding, for-profit and not-for-profit marketing and CRM, provided a platform for in depth study of how the inter-relationships between FPOs and NFPOs in the context of CRM work.

This chapter summarises findings resulting from this research, as summarised in Chapter 6, considers whether they support the research propositions or not and presents some of the conclusions drawn in terms of new theory when compared to what was found in the literature. It does this by reiterating the research propositions and the key tenets of CRM theory, as found in the literature, and then discusses whether the research has found these to be held true or not. All of the propositions put forward were found to be supported or partially supported by the evidence revealed by the research.

The chapter concludes with a summary of what are believed to be new contributions to CRM theory based especially on consideration of the three propositions which were found to be not entirely supported by the evidence: That FPOs are resistant to long term commitments to particular NFPOs in CRM; that FP managers regard themselves as superior to NFP managers; that NFP managers feel inferior to FPO managers. In addition the importance of interpersonal relationships, personal feelings and respect between the parties involved in CRM emerged strongly from the research. These will be summarised in the form of statements which can be added to the body of literature on this important aspect of brand management.

7.2 New Theory proposed or new ways of looking at how FPOs and NFPOs relate to each other, especially in the context of CRM.

It is in the nature of a thesis, such as this one, that its ultimate contribution to knowledge should be summarisable as a new theory or group of theories. In this section new theory is stated, with some support for why the researcher regards the theory as ‘new’. The implications of that theory, and extension of it in to managerial implications are also stated. These reflections are presented at the end of each of the following sub-sections which take the research propositions as a reporting framework.
7.2.1 Based on P1: NFPO brands represent valuable, but potentially underutilised, resources for FPOs

This proposition is supported, in several ways, by the evidence gathered in this research. The literature reviewed, and conversations with practitioners, clearly show that all NFPOs have a brand but some FPOs often underestimate the value of their brands. Frequently what the brand actually is is not clear, even amongst the people responsible for ‘managing’ the brand. This is much as found in the British studies by Tapp (1996), Moorehead (1998), Hankinson (2001a) and in New Zealand (Bishop, 2006). As a symbol it is thought of as Kotler defined it. It appears that most NFPOs think of their organisation’s name as little more than a label and have not considered that the brand in itself may have value. The overlooking of brand management in NFPOs and the assumption that the function of marketing in a NFPO is primarily to raise funds reflects Kotler’s comment (2001) that non-profit marketing involves activities by organisations not motivated by profit which ultimately lead to a donation, bequest or some other donation.

The cases of Starship and the Plunket Society, mentioned earlier and covered in more detail in appendix 4, underline the fact that many organisations fail to realise the potential value of their brand. A possible reason for this is that NFPO managers responsible for marketing understand this, but they do not have sufficient voice in the organisation’s management to make senior management realise this.

Many NFPO marketers are expected to concentrate on raising funds to allow their organisation to continue its work. When they seek to attract funding or donations they focus on the problems that they are trying to overcome and also the means by which they seek to overcome them. For example: The Cancer Society in New Zealand is trying to deal with the problem of cancer and its role is to raise funds to support research into finding a cure for cancer and support cancer sufferers. In New Zealand they adopted the idea of selling Daffodils in return for donations.

Daffodil Day has become an attractive symbol that means positive things that the public feels good about and the organisation is known to be doing something very useful for society with no hint of any commercialisation in an underhand way. It does not appear to be what the Cancer Society initially set out to do. In reality few people who donate to the Cancer Society know what the society actually does but they feel good about being associated with, and being seen to support, Daffodil Day. In effect the Cancer Society owns a ‘brand’ which is not overtly symbolic
of what it does, or intentionally a label for its organisation, but clearly has positive meanings for stakeholders.

While some NFPOs recognise that having a name or brand with positive meanings to potential donors and other supporters can assist in raising funds, few have considered what the brand itself is worth. Some of the NFPO respondents in this research reported that they felt their brand did not mean a great deal to the average ‘person in the street’ and some mentioned that they were aware of some other NFPO brands that had greater appeal to potential donors and therefore were worth relatively more. But few had calculated what the value of their own brand was. From that, therefore, few had considered how they could make their brand ‘worth more’ apart from advertising and similar promotion which was usually impossible as their organisation did not have budget for such activity. Also, they had to be careful not to appear to be spending donated revenue on anything other than the core operations of their organisation. Such a mindset could, therefore, make it difficult for managers to negotiate possible fundraising activity, CRM for example, with other organisations since they might not realise the potential of utilising their brand and not have a view of what association with their brand might be worth to another organisation.

Further, in most cases, because they are driven by the need to raise funds rather than maximise the profitability of their brand (as is the case in FPOs), they would be likely to sell associations with their brand too cheaply as a means of securing some income in a relatively short term with a high probability of success. This seems plausible since NFP managers appear to be risk averse. They can not risk losing some income by holding out for more than an FPO might offer. Also, they would be concerned about possible unfortunate associations with other organisations and tend to avoid them. They usually have no way of assessing risk in terms of the likely income that they might achieve by allowing their brand to be associated with activity such as CRM. The vulnerability of some NFPO brands was recognised by Collis (1996) who observed that few charities had policies in place to protect their brands. Similar findings are reported by the Charities Commission for England and Wales (2001) and Checco (2003).

New contribution to theory:

“CRM is more effective when the underlying values of the NFP brand are well aligned with those of the FP brand”
Marketers need to pay more attention to the underlying values of NFP brands. Better understanding of the meaning of NFPO brands to the public can reduce the risks of poor alignments, increase the impact of CRM for FPOs and improve the returns for NFPOs.

7.2.2 Based on P2: FPOs need to work in partnership with NFPO brands for CSR and / or CRM activity to work.

This proposition, derived in part from the literature review, was fully supported by this research. Many FPO managers realise the value of associating their brand with other brands in order to draw on or attach themselves to some of the brand values of the other brand. This is something that does not appear to be mentioned in much of the academic or practitioner literature consulted. Stoolmacher (2004) reported that since the mid 1980s more and more companies were realising the possible benefits of linking their name with highly esteemed charities, but not necessarily in CRM. Gourville & Kasturi (2004) develop the idea of CRM building on what was found by Varadarajan & Menon (1998). Pringle & Thompson (1999) refer to CRM as something which “Links a company or brand to a relevant social cause or issue for mutual benefit.” (p.3) The transfer of value in CRM is described as a financial one by writers such as Varadarajan & Menon (1988) and Bergland & Nakata (2005) but none of them clearly mention the value that the NFPO brand adds to the FPO in the transaction. Wymer & Samu (2003) report that many FPOs have a perceived need to be seen as a good citizen but it appears that FPO managers do not delve deeply into the underlying values of a NFP brand when considering which to associate with, and how, in CRM. FPOs need to draw on and take account of the NFPO’s knowledge of how the public see the NFPO brand.

Where there may be some concern that the public sees FPOs as acting in any way unethically, or perhaps more concerned with corporate profits than the wellbeing of their customers (Stevenson & Wolfers, 2011) and society in general (Werhane et al., 2011; Yahanpath & Cavanagh, 2011; Randall, 2012), an association with a NFPO brand could be very attractive. It does appear that few FPO managers consider such liaisons as any more than short term tactical activities. Given this short term focus any relationship with an NFPO may not develop fully and it is unlikely that any deeper relationship will develop between the two organisations. The FPO will offer some benefit for the NFPO by telling their customers that purchase of a certain product or service will
lead to a cash donation, or similar, to the NFPO. But this will be time bound and the FPO is likely to move on afterwards to other forms of marketing activity.

Several FPO respondents suggested that a relationship with an NFPO might be easily dropped if the FPOs marketing strategies changed even though some said the maximisation of value in a CRM, involving consumers purchasing an FPO’s products and making an indirect contribution to the NFP cause, might take several years to achieve. It is possible that some CRM relationships might continue over many years but this research suggests that this would currently be the exception rather than the rule.

Propositions 1 & 2 mentioned that NFPO brands represent potentially valuable resources for FPOs in terms of adding value to their brands and also as a vehicle to demonstrate CSR but it does appear, from this piece of research, that many NFPO managers have yet to fully realise the potential of their brands in this area.

Some FPO managers appear to feel they do not have any need for an ongoing relationship with NFPO brands and regard CRM activity as no more than one of several short term sales promotional vehicles they might use. They certainly see the possible advantages but do not seem to have put a great deal of thought into how FP and NFP brands might work together. In several cases, serendipitously, both sides in a past piece of CRM and some CSR activity were interviewed. Given the guaranteed anonymity of all respondents this meant that the researcher could not say that he had observed, or was observing, the same piece of activity from both the FPO and NFPO’s point of view. In all the cases neither side mentioned the other party. This may have been due to the respondent wishing to retain secrecy but the interviewer got the very strong impression that they either knew nothing about it as it was not in their product area, had forgotten about it or it was not of sufficient importance in their mind for them to mention it spontaneously.

A number of FPO respondents indicated some form of personal ‘guilt’ feeling about what they or their organisations did in their regular business operations and many mentioned the use of CSR as a means of overcoming ‘bad’ brand associations by associating their brands with ‘good’ brands, usually NFP brands. This is a new insight into how FPO managers might view the value of associations with NFPOs which was not found anywhere in the extant literature. A key element in the value of a NFP brand would be the public’s trust of the organisation the brand
represents, as demonstrated by Turley & Moor (1995). If the strategic objective of CSR is to show the FPO as caring about more than profits then a CSR relationship with another FPO might lack apparent sincerity. Also, a FPO doing something ‘good’ for a NFPO on its own but having no deeper relationship might be treated by the public with a degree of cynicism.

Some NFPOs might be concerned that their image could be damaged by embarking on a commercial alliance with a FPO but, as Polonsky and Speed (2001) found, many NFP brands are capable of commercial alignments without undermining their credos. The extent to which value is added to CRM/CSR by association with a NFP will be related to the strength of the NFP brand itself (Katz, 2005; Pope et al., 2009) This finding can be summarised by saying that a credible FP/NFP relationship depends on a partnership between the two and is far more than an FPO making a financial donation to a NFPO in return for being allowed to use the NFPO’s brand in CRM as described by Varadarajan & Menon (1988).

*New contribution to theory:*

“The values of each brand in a CRM relationship, both positive and negative, are transferred to the other brand in the relationship”

Managers need to realise that effective CRM may not only link the FPO brand to the NFPO brand and thus influence sales. The reverse may also be true: The positive values of the NFP brand add value to the FPO’s brand and this can be a major benefit, in terms of corporate image and sales, especially in situations where the public is becoming increasingly suspicious of the FPOs’ motives.

**7.2.3 Based on P3: Misunderstandings between personnel in FP and NFP Organisations may lead to failure to maximise the return on CRM marketing activities.**

This proposition was supported by the research findings. A major barrier to NFP and FP brands working together lies in the different ways that FPOs and NFPOs are managed. This in turn leads to different approaches to the management of brands. The split between the ‘operational’ side of an NFPO and the ‘fundraising’ side of the organisation can create internal conflicts. (Dartington, 1996; Lewis et al., 1997; Sargeant, 1999; Catano et al., 2001; Bennett, 2003).
NFPO managers may see value in associating their brand with a FP brand but the people who actually ‘deliver’ the product or service may see this as undermining their organisation’s positive image with the public, for example, or undermining the relationship between delivery staff and clients. This can, effectively, put the NFPO marketing person in to a difficult position between two organisations that have quite different ways of viewing joint opportunities. Not least because, as Berger et al., (2004) found, the two organisations speak different languages and have different agendas which can make communication between the two difficult. If FPO managers do not realise this they may try to lead the CRM in directions that the NFPO does not want to go.

FP managers could easily become frustrated in dealing with NFPOs because many of them have, in the past, had no clearly defined marketing function (Ford, 1976; Shapiro, 1998) the decision making process within NFPOs is cumbersome because various elements of a marketing function have been diffused across the organisation (Yorke, 1984; Wood, 2000).

There may also be problems as a result of philosophical differences between the two organisations where the issue of profit is concerned. As Laidler-Kylander (2009) found the measure for success is the amount of profit, current and future, for the FPO whereas this is not usually so for an NFPO. As Laidler-Kylander put it “Nonprofits are mission driven organisations. They lack the common profit objectives shared by for-profit companies” (p. 58). This difference of objectives and different management styles could lead to misunderstanding between FP and NFP people as was observed by Polonsky & Speed (2001) and Berger et al., (2004)

As associations develop between the organisations a longer term relationship may emerge. Austin (2003) talked about the relationship moving through three stages: A philanthropic stage, a transactional stage, where short term activity such as CRM might take place, and then an integrative stage where the organisations begin to merge their brands together in to longer term relationships. (p. 26). While this was not clearly understood from the more recent interviews with managers there were several comments about how ‘partnerships’ developed over time. In addition the importance of developing good relationships with personnel in both organisations was emphasised.

Deeper understanding of how frustrations might appear in the negotiation of CRM revealed the often slow and cumbersome decision making and consultation processes within NFPOs. This
could lead to failure of some CRM negotiations because the FPO managers would be accustomed to relatively quick negotiation processes and dealing with people who are empowered to make relatively fast decisions.

New contribution to theory:

“CRM works best when each participant understands the nature, and ways of operating, of the other participant”

FP and NFP managers need to understand that the way the two types of organisation operate may be quite different and each must be aware of the other’s way of doing things if a productive relationship is to be created.

New contribution to theory:

“Managers in CRM relationships need to know the underlying motivations of the other organisation”

FP and NFP managers need to understand that the ‘drivers’ for each type of organisation can be different and the needs of each organisation should be clearly understood for a productive relationship to be created.

7.2.4 Based on: P4 FPOs are resistant to long term commitments to particular NFPOs in CRM.

This proposition was only partially supported by the research. The findings show that in the past, but less so recently, FPOs have tended to take a short term approach to any relationships between themselves and a NFPO. Activity such as sponsorship or CRM was regarded in the same way as any other promotional activity. It would be applied to finite events or periods of time and linked to marketing activity with a clear starting and finishing point. Varadarajan & Menon (1988) made little mention of the long term possibilities of a CRM relationship. Till & Nowak (2000) found that FPOs regarded CRM activities as being short term activities based on the FPO’s tactical approach to a marketing problem rather than a longer term strategic plan. The only references found to CRM as being a long term arrangement actually relate to CSR where
Kitchin (2003) for example, states that CSR activities are ones which FPOs “perceive to have long term benefits in protecting reputation, quelling future discontent, or building commercialisable goodwill” (Kitchin, 2003, p. 314). In such situations the benefits to the NFPO would be clearly defined, as a minimum or maximum sum of money that would be paid to it.

Comments from respondents suggest that some organisations are realising that FPO involvement with NFPOs is not something that can be simply switched on and off. When FPOs enter an arrangement with a NFPO they need to have already planned what their exit strategy might be. The positive impressions created in the mind of the public by supporting a NFPO could be more than wiped out by a later decision to withdraw support and leave the NFPO without funding. There is also evidence to suggest that positive public images for a FPO, related to a past CRM type arrangement with a NFPO, can persist long after the particular piece of activity has ended.

It was assumed that misunderstandings could develop between FPOs and NFPOs because they operate in different business situations, in different ways and often have different cultures. (Berger et al., 2004). The sample size used in this research was not large enough to give any definite support for this. What did emerge however was that imbalances of power would exist in most NFPO/FPO relationships based on the fact that the NFPO would most probably be at a disadvantage because it would be unlikely to want to turn away any opportunity to obtain income.

While the FPO would have a wide variety of possible activities to choose from, if CRM had been decided upon there could be a number of alternative causes to associate itself with. This would lead to a reluctance to connect too closely to a NFPO in the long run as that might reduce the FPO’s ability to enter in to other activity. NFPOs might see themselves as having more limited opportunities and wish to make whatever relationships they might have last as long as possible. The main support for this is grounded in the general comments from FPOs that, if some argument developed about the way joint activity was to be conducted then the FPO would get its way because they controlled the funds which the NFPO needed. This was also reflected in comments from NFPO people based on their needs for funding and a perceived limited range of possible sources of such funding.
New contribution to theory:

“CRM is of greatest value to participants when there is a longer term relationship between them”

While FPOs will generally prefer short term arrangements with NFPOs there could be opportunities to build longer term brand linkages between the FPO and the NFPO. The objective could not simply be short term sales increases but longer term brand enhancement by associating their FP brand with a NFP cause that their customers feel very positive about over an extended period of time.

New contribution to theory:

“For long term relationships to be created the NFPO needs to demonstrate the mutual ongoing benefits of the association.”

NFP brands will secure longer term support from FP brands if they demonstrate the ongoing FPO brand enhancement opportunities of association with their NFPO brand.

7.2.5 Based on: P5 A mind set based on acquiring untagged/unattributed ‘donations’ exists within many NFPOs.

This was supported by most NFPO managers and a few FPO managers. While both types of organisation may think they operate in businesslike ways a fundamental difference exists in that FPOs run their organisations to generate profits for stakeholders while NFPOs run them for the good of the clients their organisations seeks to serve. In marketing terms, as Sargeant (1999) explains, the main focus is on fund raising and specialist staff may be employed and “engage in revenue-generating activities designed to help them fulfil their mission.” (p. 4)

NFPs have to operate in the way that they do because the needs they meet do not offer any opportunities for generation of profit to be distributed in ways other than the funding of the NFPO and its activities. If there was an opportunity to extract profits from activities now
undertaken by NFPOs then FPOs would have been set up to do this, following the simple economic logic of supply and demand.

Because the ‘non-profit’ ethos is entrenched in NFPOs (And possibly forced because their legal status prevents the distribution of any profits beyond the operations of the organisation itself) the extraction of profit by a FPO in an arrangement such as CRM might be seen, by the NFPO, as inappropriate. Further, the apparent over commercialisation of the NFPO brand, might be seen as too commercial by other stakeholders within the NFPO and undermining the perceived purity of the NFPOs mission. In many charities marketing is seen as little more than an aid to fundraising (Sargeant, 1999; Brady et al., 2010). Expenditure of funds on advertising, for example, or spending income on anything other than activity that the NFPO exists to support may be seen as wrong. (Fink-Jensen et al., 1998; Pope, Isely & Asamoa-Tutu, 2009; Eikenberry, 2009). Too much public exposure of a relationship with a particular FPO might create negative impressions for the NFPO in the minds of the public.

Many NFPOs now realise that CRM can offer exposure and fundraising opportunities at little cost to themselves (Wymer & Samu, 2003) as their brand can be associated with suitable FPO partners in ongoing marketing in return for an annual payment (Chaney & Dolli, 2001; Svensson & Wood, 2011). In the case of CRM any payment resulting would be linked to sales within a defined period of time and this, linked with a need to obtain funds for current activity, could lead to a lack of long term strategic thinking as NFPOs need to secure funding in the short run (Tan, 2003)

New contribution to theory:

“The benefits to an NFPO involved in CRM are not confined to the short term financial inputs generated”

Marketers in NFPOs need to ensure that others within their organisation realise that association with a FP can be advantageous to them. While all will be happy to see funds being raised for their activity some may need to be persuaded that public exposure of the association with, and their support of, the FPO and the activity is beneficial to the NFP and its mission.
7.2.6 Based on: P6 FP Managers regard themselves as being superior to NFP managers and try to dominate CRM relationships.

This proposition is partly supported by the evidence. FP managers do not overtly claim to be superior but they do regard themselves as being more expert in marketing. This, together with a more aggressive approach to business, will lead many FPO managers to expect that they will take leadership roles in any CRM activity. FP managers might become frustrated because the NFPO appears to lack the ability to make quick decisions and the NFPO people they deal with may lose the FPO people’s respect because they do not seem to have internal power or be in control. The diffuse nature of management structures in many NFPOs was shown up by Ramanathan in 1982 and observed by Mokwa (1990) and Hankinson in 2001. Most FP managers are empowered to make decisions quickly and, where a decision seems slow in coming from a NFPO, the FPO manager would naturally see themselves as being superior.

The proposition was based on an assumption that FP managers would regard themselves as having better marketing skills than their NFPO opposite numbers. This would create an imbalance of power in terms of the skills that each party would bring to any association. Several FP people claimed that this was not necessarily so but other comments made suggested that they do. Comments about the levels of education, work experience and general business skills of NFPO people compared to FPO people suggest that they would expect most NFPO managers to be less skilled in marketing than FPO managers. This underlying assumption of superiority seems proven by the research and is reinforced, as mentioned elsewhere, by the assumption, which appears to be fact, that since the FPO managers control the finances in CRM, they have the ultimate power and advantage over their NFPO opposite numbers.

FP brand managers who are responsible for managing their FP brands, and understand that a brand is a complex thing (Keller, 1993; Aaker, 1996; Holt, 2003), might find it hard to believe that many NFPOs do not fully understand the value of their NFP brands. This will create an impression that the NFP manager is inferior to the FP manager, and less ‘savvy’, in terms of their brand management skills.

The focus on FPOs as the main movers in relationships between FP and NFP brands in the literature would also tend to result in FPO managers thinking of themselves as the leaders in any CRM relationship. In the CRM literature the FPO gets very little mention and the role of the

FP managers might get frustrated with NFPO managers if they perceive them as behaving less than professionally in marketing terms and too focussed on simply trying to get money from the FPO as virtual donations. Laferty & Goldsmith (2004) found that some NFPOs need to realise that “Cause related marketing produces mutual benefits – it is not simply a means for a charity to secure a substantial contribution from a business.” (Laferty & Goldsmith, 2004, p. 423) A response from a FP manager to a NFPO manager who was perceived to be simply chasing a donation would be to think that it is for the FPO manager to take control as the NFPO manager lacks the required marketing skills to offer any benefits in return.

Berger et al., (2004) found that there is ample ground for misunderstandings between the partners in CRM. This could easily happen because many NFPO managers are simply not ‘street wise’ or ‘savvy’ enough while some FP managers will have a lack of understanding of how NFPOs operate or have insufficient respect for the skills that NFP managers might be able to bring to a relationship. One side’s expectations of the inputs of the other may be very wide of the mark and this can cause tension and friction in the relationship. If the two sides are not well matched and do not have mutual respect for each other then the effectiveness of CRM might be seriously diminished.

FP managers might also be concerned about associating with a cause that might prove to be controversial and adversely effect the FPO’s stakeholders. (Tungate, 2005; Melillo, 2006) If they suspected that the NFPO they were dealing with was not well managed they might decide to dominate the relationship so that they remain in control of the CRM activity.

Something new and unexpected, that arose from probing this topic, was a feeling of guilt that seemed to be felt by several FPO managers in that they did not seem to feel very good about what they do or have done in their jobs and several expressed a view that later in their careers they would consider moving on to marketing roles in NFPOs. The personal motivations of FP managers in taking up CRM opportunities may be important as well as the likely commercial benefits that could be obtained.
New contribution to theory:

“Successful CRM is a function of the development of relationships between participating organisations and the knowledge, skills and motivations of all involved”

Managers need to realise that managers in other organisations may be able to contribute significantly to the development of CRM because they have deeper understanding of their organisation (and the brand that represents it) and its meanings to their customers.

New contribution to theory:

“The success of CRM is dependent on the personal motivations of people in both organisations”

Managers need to understand the personal motivations of others as well as their organisational needs so that they can better connect with them at a personal level when developing CRM and similar activity.

7.2.7 Based on: P7 NFP managers regard themselves as being inferior to FP managers due to an imbalance of power between the organisations and do not push their organisation’s cases strongly enough.

This proposition is partly supported by the findings. NFP managers have the generation of funds as a main priority. While they may be less academically qualified than their FP opposite numbers they are more likely to have more practical life experience to draw on. Most admit, however, that they are likely to give in to an aggressive FPO negotiator rather than risk losing an opportunity to obtain funds.

NFP managers claimed not to feel inferior to FPO managers but there was an underlying feeling of relative powerlessness arising from their organisations’ need for money and a feeling that FPOs had no such worries. This was not verbalised as any form of feeling inferior to their FPO counterparts but more as hints of resentment and an acceptance that they were usually at a
disadvantage in negotiations because it is the FPO managers that control the money, perceive themselves as having superior marketing skills and therefore less likely to take notice of any marketing suggestions from the NFPO manager.

Shapiro (1973) and many other since then have shown that marketing as a function exists in many NFPOs but most NFPO managers interviewed reported that they had little formal academic education in marketing. In the late 1990s many NFPOs had been found to be in need of a more professional approach to marketing (Lawson et al., 1996; Boaz, 1996; Chaney & Dolli, 2001) which might make some of the long established NFPO managers interviewed feel that they had inferior skills to their FPO opposite numbers.

Chaney & Dolli (2001) made the point that “nonprofits realised they had to develop a level of professionalism” in fundraising (p. 157) in the 1990s. NFPO managers were told that they needed to ‘raise the bar’ in terms of brand management skills by Mason (2003) who was one of the first writers found in the literature who referred to three partners in a CRM relationship: The FP, the NFP and the consumer.

The situation for NFPOs appears to be improving with increasing employment of managers with brand management skills in NFPOs, as reported by Stride (2006), although it appears that some NFPO senior management still seem to be suspicious of brand management as a business function. But, many NFPOs are now hiring marketing people with FP experience which means that they are better equipped to negotiate with NFPOs.

A marketing orientation has been identified in many NFPOs (Kotler & Andreasen, 1996; Vasquez et al., 2002) but most marketing activity reported in this thesis was aimed at fundraising rather than brand management and related issues. This would result in some feeling of inequality on the part of the NFP managers which was not so much based on inferiority in terms of skills but powerlessness due to their lack of control of funding. The frustrations arising from this are hinted at by a number of comments from NFPO managers suggesting feelings of resentment towards FPOs and their managers. This would be worsened where the NFPO manager had considerable knowledge of how the NFPO worked but felt restricted by an overly dominating person at the FPO.
FP managers tend to be more aggressive than NFP managers (Sargeant, 1999; Hankinson, 2001b) and, in negotiations, are likely to try to dominate discussions unless the NFP manager shows realisation of the wider benefits that the NFP brand could bring to a CRM relationship. Fragmentation of a NFP brand might result, as Wilbur et al., (1994) point out, in some NFPOs where each part of the organisation might try to raise its own funds leading to fragmentation of the NFPO’s marketing efforts: “Each individual function area is responsible for marketing its own programs.” (p.117). This lack of overall control on the part of the NFPO manager could lead to an aggressive FPO taking advantage of the NFPO by picking out weaker negotiators in the NFPO. If NFPO managers are not as technically skilled as FP managers, and lack overall control, they might feel out of their depth and not argue their case, for how their brand should be used, well enough. As Crane (1998) observed, the success of CRM activity may rely on “how various organisational actors perceive their role in the process, and whether resistance is generated by the emergence of contradictory network identities.” (Crane, 1998, p. 574)

**New contribution to theory:**

*“Improved CRM results from a positive appreciation of the skills of, and respect for, all participants”*

NFPO marketing people are becoming increasingly more professional in terms of managing their brands. This expertise is of value to FPOs in creating effective CRM. FP managers would do well to take this in to account when negotiating joint marketing activity.

CRM is likely to be more successful where the NFP manager has a good understanding of how the NFPO brand works and has the respect of the FP manager so that the potential of matching the NFP brand with the FP brand is maximised. This requires the senior management of NFPOs to support their marketing people.
7.3 Concluding comments.

The origins of this research lie in a conversation that took place in the late 1990s. The General Manager of a large, multinational, FPO attended the annual conference of one of New Zealand’s larger NFPOs for which the FPO was a major sponsor. During a private conversation with the NFPO’s National Marketing Manager the General manager suggested that he would be prepared to ‘lend’ the NFPO one of his junior marketing people to assist with the NFPO’s marketing. This person’s credentials included several years experience as an assistant product manager with a major Fast Moving Consumer Goods (FMCG) company. The NFPO’s manager thanked the FPO for the offer and, in turn, offered his own assistance to the FPO since he had formerly been the Marketing Director of the same FMCG.

With hindsight this was not the smartest response for a NFPO manager to make to the head of one of the NFPO’s largest sponsors. But, it raised an important question. Why would a FPO expect that its marketing people would be superior to those of a NFPO, as this offer implied? Why shouldn’t a NFPO marketing person be as much an expert in his own field as a marketer in the FP sector?

The researcher was reminded of Jane Austen’s ‘Pride & Prejudice’ in which the penniless daughters of a family seek husbands. The ideal marriage would be one where the proud daughters were matched with someone of means, but those people of means came from families who were prejudiced against those people without financial means. Is that very different to the relationships between NFPOs and FPOs? One organisation being proud, but penniless and the other rich but prejudiced? In the end everybody lives happily ever after. What could research do to help generate the perfect marriage between FPOs and NFPOs?

When this research was commenced CRM was still a relatively infrequently used marketing tool in New Zealand. Since the primary research was conducted public cynicism about ‘business’ has emerged and seems to have increased still further. The number of marketing initiatives, advertising campaigns and public relations exercises in which FPOs try to demonstrate that they are supporting their communities has increased dramatically.

This research did not aim to create a toolkit for managers who wish to organise activity such as CRM although it may turn out that it will: The New Zealand Charities Commission has already
asked for permission to use it. What this research has done is question some of the underlying theory about how brands are managed and either agrees with previous theorists or suggests new theoretical underpinnings of how activity such as CRM works. The importance of relationships between managers in participant organisations is emphasised.

7.4 What this research set out to do.

This research set out to discover what factors determine how well brands perform in the particular context of CRM. This was expected to be useful because it would give managers in FPOs and NFPOs insights into how to maximise the value that could be extracted from use of their brands. This was embodied in the working title for the Thesis: “Cause Related Marketing. How for-profit and not-for-profit brand managers can work together for the benefit of stakeholders.”

As a basic framework for the research it set out to test a number of propositions as to how brands work in both FP and NFP situations. Chapter 7 has drawn conclusions and suggested a number of new theories as to the causes of what was found and what is reported in Chapter 6.

7.4.1 What the research has contributed.

The research has explored an area of marketing that had not been previously studied deeply in the academic marketing literature: The ways in which people involved in marketing think about themselves and other marketers in situations where they have opportunities to work together. Working within a post-positivist paradigm as a guide the researcher has explored the ways in which managers involved in managing brands think about their worlds. The perceptions and motivations of these people seems to be under emphasised in research hitherto reported.

A thematic analysis approach was used to process the responses of respondents to identify key themes that emerged in the process of testing the validity of propositions. These were the research propositions created out of reading and considering of the literature and identifying areas that had been omitted or under discussed.

From this analysis a number of new aspects to theory were synthesised, restated on the next page:
1) “CRM is more effective when the underlying values of the NFP brand are well aligned with those of the FP brand.”

2) “The values of each brand in a CRM relationship, both positive and negative, are transferred to the other brand in the relationship.”

3) “CRM works best when each participant understands the nature, and ways of operating, of the other participant.”

4) “Managers in CRM relationships need to know the underlying motivations of the other organisation.”

5) “CRM is of greatest value to participants when there is a longer term relationship between them.”

6) “For long term relationships to be created the NFPO needs to demonstrate the mutual ongoing benefits of the association.”

7) “The benefits to an NFPO involved in CRM are not confined to the short term financial inputs generated.”

8) “Successful CRM is a function of the development of relationships between participating organisations and the knowledge, skills and motivations of all involved.”

9) “The success of CRM is dependent on the personal motivations of people in both organisations.”

10) “Improved CRM results from a positive appreciation of the skills of, and respect for, all participants.”

These ten elements contribute to an overall theory as to what is likely to result in successful CRM and represent a new contribution to the theory of this important area of academic study. While some of these elements ‘overlap’ they are presented separately here as each brings focus to a separate and important element of what is important in relationships between FPOs and NFPOs.

The major new theoretical contribution to the field of CRM is therefore stated as:

The long term benefits of CRM are more likely to be realised when each participant understands and has respect for the underlying organisational and personal drivers of the others and the value that each can contribute.
This is a summarised answer to the research question: “When Cause Related Marketing is undertaken, what interorganisational factors may determine whether it will be successful or not?”

**Managerial implications.**

Marketers, from both FPOs and NFPOs, need to pay more attention to the underlying values of NFP brands. Better understanding of the meaning of NFPO brands to the public can reduce the risks of poor alignments, increase the impact of CRM for FPOs and improve the returns for NFPOs.

An important implication of this is that effective CRM may not only link the FPO brand to the NFPO brand and thus influence sales. The reverse may also be true: The positive values of the NFP brand add value to the FPO’s brand and this can be a major benefit, in terms of corporate image and sales, especially in situations where the public is becoming increasing suspicious of the motives of FPOs.

FP and NFP managers need to understand that the way the two types of organisation operate may be quite different and each must be aware of the other’s way of doing things if a productive relationship is to be created. Managers need to understand that the ‘drivers’ for each type of organisation can be different and the needs of each organisation should be clearly understood for a productive relationship to be created.

While FPOs will generally prefer short term arrangements with NFPOs there could be opportunities to build longer term brand linkages between the FPO and the NFPO. The objective could not simply be short term sales increases but longer term brand enhancement by associating their FP brand with a NFP cause that their customers feel very positive about over an extended period of time. FPO managers will be torn between a realisation that a good relationship with a NFPO cause can become more productive over time and a general tendency for their kind of organisation to fund its marketing on a short rather than long term basis.

The challenge for NFPOs is to show that there are longer term benefits in CRM than short term sales promotional activity. NFP brands will secure longer term support from FP brands if they
demonstrate the ongoing FPO brand enhancement opportunities of association with their NFPO brand.

Marketers in NFPOs need to ensure that others within their organisation realise that association with a FPO can be advantageous to them. While all will be happy to see funds being raised for their activity some may need to be persuaded that public exposure of the association with, and their support of, the FPO and its activities is beneficial to the NFP and its mission.

Managers need to realise that managers in other organisations may be able to contribute significantly to the development of CRM because they have deeper understanding of their organisation (and the brand that represents it) and its meanings to their customers.

Managers will do well to understand the personal motivations of others as well as their organisational needs so that they can better connect with them at a personal level when developing CRM and similar activity. NFPO marketing people are becoming increasingly more professional in terms of managing their brands. This expertise is of value to FPOs in creating effective CRM. FP managers would do well to take this into account when negotiating joint marketing activity.

CRM is likely to be more successful where the NFP manager has a good understanding of how the NFPO brand works and has the respect of the FP manager so that the potential of matching the NFP brand with the FP brand is maximised. This requires the senior management of NFPOs to support their marketing people.

In conclusion, as the title of this thesis suggests, this research has delved into, discussed and built on knowledge about the organisational drivers of Cause Related Marketing and how FP and NFP brand managers can work together for the benefit of stakeholders.
7.5 Limitations.

At the outset a number of limitations to this research were admitted, as mentioned earlier in Chapter 1.7, which need to be acknowledged.

1. The primary research is geographically limited to New Zealand and findings may not be reflective of what might be found in other countries, although some respondent organisations will be subsidiaries of multi-national organisations.

2. Due to the small sample size it is unlikely that it gives more than a general indication of what wider behaviours might be. The results may not apply to some parts of the NFP sector outside of the research sample which is mainly in the charitable sector.

3. This area is of increasing interest to researchers. As a result there have been a number of additional pieces of research published in the academic literature since the interviews for this thesis were conducted. Information from such sources is referred to where it adds to the value of cited research. This represents a limitation since the findings of the research which are represented as new may have been replicated in parts. Where later events may effect this thesis some information has been included retrospectively.

7.5.1 Sample size and geographic limitation.

As expected the sample size was small but there was some consistency in terms of people’s response to allow generalisability of the findings. As this was a piece of qualitative research it can give indications as to how managers in various organisations interact with other managers in other organisations. It may be that the New Zealand situation, which was all that the primary research investigated, may be different to other countries.

7.5.2 The adoption of CRM and CSR.

As FPOs come under increasing public scrutiny more and more of them are realising the value of associating with appropriate NFP brands. As a result a number of events have been reported in the media since the initial literature search was conducted. Inspection of these information sources has found nothing that significantly altered the findings from the initial literature review. If there has been a development that needed to be mentioned details have been recorded where appropriate albeit after the primary research for this thesis was conducted. Any more recent
developments not recorded merely indicate how important it was that this research should be conducted.

7.6 Future research.

As consumers become more and more inquisitive about, and critical of, the way that businesses conduct their affairs FPOs will need to better demonstrate their bona fides in a number of ways. At the same time the dual pressures of increased demand for their services and an ever harder fundraising climate will make it essential for NFPOs to be more professional in the way they market themselves. Further research may monitor how this progresses and perhaps generate findings that will be useful to all brand managers whether FP or NFPO. In the end they both serve their communities, but they do it in different ways.

New case studies in to specific CRM (and CSR) activity where both parties are encouraged to express their views, with the knowledge of the other parties, would be useful.

No consumers were consulted in this research, except where the views of respondents as members of the public in their own right were referred to. It would be useful to know more about how consumers feel about FPOs and NFPOs in times of heightened suspicion about the bona fides and ‘good citizenship’ of businesses.

For the moment this thesis may not solve the problems that marketers face in this area but it will contribute to the knowledge available to those who are interested. It is the researcher’s intention to publish parts of the thesis in academic journals and also further develop some of the themes identified in this exercise.
Chapter 8. References and Appendices.

8.1 References.


Tungate, M. (2005). Talking the talk: Can companies employ cause-related marketing to promote their good intentions without provoking a cynical backlash? *Campaign.* 15/7/2005, Issue 29


8.2 Appendices.

8.2.1 Appendix 1. Selected verbatim quotes from interviews.

This appendix contains respondents’ summaries of verbatim responses for questions and follow up questions a reader may wish to look more deeply into. It is in the form of a Compact Disc.

The essence of the quotes have been included in the body of this thesis where appropriate.
8.2.2 Appendix 2. Tabulation, in general terms, of responses to questions.

These tables are included here to support the comments made in the findings section, Chapter 6. The information shown here should not be regarded as valid in a quantitative sense, they merely support the qualitative comments made.

Question 1: Was a general question to ensure that the respondent had been informed of the University of Otago ethical requirements and assurances associated with the research. They all responded that they fully understood and agreed to participate so no table of responses to Question 1 needs to be recorded here.

Question 2: “Would you say that you are closely involved in Product or Brand Management?”

<table>
<thead>
<tr>
<th>Type of respondent</th>
<th>Heavily involved in PM/BM</th>
<th>Moderately involved in PB/BM</th>
<th>Slightly involved in PM/BM</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>16</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>NFP</td>
<td>10</td>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>

Question 3: “How would you summarise your role?”

<table>
<thead>
<tr>
<th>Roles of respondents of Essential P/B management</th>
<th>P/B and other Mainly fundraising</th>
<th>General management</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>NFP</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>

Question 4: “How long have you been involved in this sort of role?”

<table>
<thead>
<tr>
<th></th>
<th>2 years or less</th>
<th>3 – 5 years</th>
<th>6 – 10 years</th>
<th>More than 10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>NFP</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>11</td>
</tr>
</tbody>
</table>
Question 5 (a): “Thinking about the brand(s) that your organisation uses: How would you describe it/them?”

<table>
<thead>
<tr>
<th></th>
<th>Described it confidently</th>
<th>Described it moderately well</th>
<th>Had difficulty describing it</th>
<th>Refused did not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>8</td>
<td>12</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>NFP</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Question 5 (b): “How does it/ do they compare with competing brands? Market share (approximately)?”

<table>
<thead>
<tr>
<th></th>
<th>Leader</th>
<th>Average</th>
<th>Also ran</th>
<th>Refused / did not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>13</td>
<td>7</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>NFP</td>
<td>12</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Question 5 (c): “Are there any trends you can talk about? Growing/static/etc?”

<table>
<thead>
<tr>
<th></th>
<th>Increasing</th>
<th>Steady</th>
<th>Losing</th>
<th>Refused / did not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>9</td>
<td>10</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>NFP</td>
<td>9</td>
<td>5</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Question 6 (a): “How important do you think brands are in the ‘worlds’ of consumers?”

<table>
<thead>
<tr>
<th></th>
<th>Very</th>
<th>So so</th>
<th>Not very</th>
<th>Refused / Did not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>17</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>NFP</td>
<td>12</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Question 6 (b): “Is this changing?”

<table>
<thead>
<tr>
<th></th>
<th>More important</th>
<th>Same</th>
<th>Less</th>
<th>Refused / Did not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>NFP</td>
<td>8</td>
<td>2</td>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>
### Question 7. “How important are brands to the profitability of your organisation?”

<table>
<thead>
<tr>
<th></th>
<th>Very</th>
<th>So so</th>
<th>Not</th>
<th>Refused did not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>16</td>
<td>4</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>NFP</td>
<td>13</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

### Question 8. Assuming yours to be a for profit (Not for profit) brand: Do you have any thoughts on the place of Not for profit (For profit) brands? Do they have them? (Brands)
(Each was asked to comment on their perceptions of the other ‘type’ of brand/organisation.)

<table>
<thead>
<tr>
<th>Statement</th>
<th>FP</th>
<th>NFP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thought them much the same in terms of their roles</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Thought them a little different in terms of their roles</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Thought them very different in terms of their roles</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Had no thoughts on the topic</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

### Question 9. “Thinking about the differences between for profit and not for profit brands: How would you describe the differences if any?”

<table>
<thead>
<tr>
<th>Description</th>
<th>FP</th>
<th>NFP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Described differences clearly</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Vague in their description</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Did not think there was a difference</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

### Question 10(a). “Thinking about how for-profit or not-for-profit brands are managed: How do you think the approaches compare?”

<table>
<thead>
<tr>
<th>Comparison</th>
<th>FP</th>
<th>NFP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quite different</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>About the same</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Very similar</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Refused did not know</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
Question 10(b). **How do the people compare?**

<table>
<thead>
<tr>
<th></th>
<th>Quite different</th>
<th>About the same</th>
<th>Very similar</th>
<th>Not as good</th>
<th>Better</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>4</td>
<td>7</td>
<td>2</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>NFP</td>
<td>4</td>
<td>6</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
</tbody>
</table>

Question 10(c). **How might the skills required to manage the brands be different?**

<table>
<thead>
<tr>
<th></th>
<th>Quite different</th>
<th>About the same</th>
<th>Very similar</th>
<th>Refused / did not know</th>
<th>Did not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>10</td>
<td>8</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>NFP</td>
<td>8</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Question 11(a). **“Cause Related Marketing: Have you heard the term?”**

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>Uncertain</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>12</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>NFP</td>
<td>10</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

Question 11(b). **Could you name some Cause Related Marketing Activity?**

<table>
<thead>
<tr>
<th></th>
<th>Could</th>
<th>Uncertain</th>
<th>Could not</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>8</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>NFP</td>
<td>9</td>
<td>5</td>
<td>1</td>
</tr>
</tbody>
</table>

Question 11(c). **Have you ever been involved in it?**

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>Uncertain</th>
<th>No</th>
<th>No but have observed</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>2</td>
<td>2</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>NFP</td>
<td>5</td>
<td>0</td>
<td>1</td>
<td>9</td>
</tr>
</tbody>
</table>

Question 11(d). **‘Was it successful?”**

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>Uncertain</th>
<th>No</th>
<th>Had not been informed of results</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>6</td>
<td>4</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>NFP</td>
<td>10</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>
Question 11(e). “How did the parties get on with each other?”

<table>
<thead>
<tr>
<th></th>
<th>Very well</th>
<th>Uncertain</th>
<th>Not well</th>
<th>Had not been involved in relationship</th>
<th>Simply did not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP</td>
<td>1</td>
<td>3</td>
<td>10</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>NFP</td>
<td>5</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
8.2.3 Appendix 3. Historical background.

As this review moves deeper into issues associated with charities it is necessary to trace the origins of charitable activity and institutions. The following historical background is summarised from the work of Bosanquet (1912), Brenton (1985), Finlayson (1990) and Barman (2007). Given the British origins of many now established New Zealand charities this summary gives a useful background to the situation in which the present research was conducted.

Initially, charity in England and Wales was largely a matter of religious obligation. The British origins are important to this review because the focus of the primary research to be conducted is on Charities operating in New Zealand and the country has much of its cultural roots in nineteenth and twentieth century British society. In the Middle Ages poverty and inequality were accepted as being facts of everyday life, yet rather than turn a blind eye to the widespread social problems of the day, charity was positively encouraged and a poor law policy devised. The church, mainly through the offices of monasteries, concerned itself with the welfare of the poor and sick. The guilds, too, which were essentially trade federations, would often support their less fortunate members when they fell upon hard times.

Many wealthy families would donate large sums of money to the church, either for restoration and rebuilding or for the relief of suffering and the upkeep of hospitals. Such generosity was seen as helping to secure favour with god. Yet charity was not only a religious affair. The network of welfare established around the poor seems to have suffered after Henry VIII dissolved the monasteries in the mid 1500s, but local authorities soon intervened to compensate for the disappearance of the thousands of religious foundations that were abolished.

Often local justices of the peace and town councils provided relief for the ‘deserving poor’ before Parliament introduced legislation in 1572. In London, for instance, a poor relief scheme was introduced in 1552, while in York a compulsory poor rate [A local tax on residents] was levied in 1561.

By the middle of the sixteenth century parishes were legally obliged to register their poor and meet their basic needs. This led on to the Statute of 1601 which embodied the concept of charity. The plight of poor people worsened between 1760 and 1820 with the ‘enclosures’ which deprived many peasants of the land they had once farmed as small holdings. Institutional
workhouses started to appear in which the able bodied poor were forced to work. In 1723 a General Workhouse Act of Parliament was passed enabling parishes to build workhouses and by 1776 there were over 2,000 of them and nearly 4,000 in 1802. (Taylor, 1969) [Some people emigrated to escape from poverty to the New world, for example, which stated “Bring me your tired, your poor, your huddled masses” while many from the British Isles also sought a new future in Britain’s colonies. But many people remained.] The situation worsened with the Industrial revolution and a major drift from rural to urban living. Many workers helped themselves by forming friendly societies, which provided insurance against ill-health, death and unemployment for a small premium. While some enlightened employers provided for their communities it appears that more employers treated their workers with indifference and contempt. (Blackburn, 1987)

Some Humanitarians arose to recognise and try to do something about this. But concerns arose even then about the way the ‘charities’ were run and a Parliamentary Commission was set up in 1818 to tour the country and inquire into the activities of various charities. As a result of its findings an Act of 1835 established the Charity Commission, whose function was to oversee the running of the nation’s charities. The Victorian age saw the establishment of a number of charitable institutions still recognisable today. Dr Thomas Barnardo arrived in London in the mid 1830s and founded a home for deprived orphans in 1865. But the business of charities extended beyond problems of poverty.

As society changed, so too did the perception of the roles of charities. A lot of the work done by voluntary organisations was taken over by the ‘Welfare state’ after the Second World War. The 1960 Charities Act in England consolidated and extended existing laws on charity and set out the position and function of the charity commission more clearly. By 1990 there were over 155,000 charities registered in England and Wales. Their roles covered all aspects of society.
8.2.4 Appendix 4. Two case studies unearthed during this research.

These two cases were mentioned during interviews and further research was conducted. They support the view that some NFPOs fail to realise the value of their brands.

1) **Starship Hospital, Auckland, New Zealand**

In 2003 The Auckland District health Board made a unilateral decision to change the name of its specialist facility for children, known as ‘Starship’ Childrens’ Hospital to a more generic, descriptive name. Starship, or more precisely the ‘The Starship Foundation’ had developed a very successful brand and raised substantial sums of money towards its upkeep and development. After much media debate and public comment the board reversed its decision. Underlying points were that Starship presented itself to the public of New Zealand as a facility for children from all over New Zealand. A specialist fundraising organisation (The Starship Foundation) raised funds nationally and the loss of the name would have resulted in significant reductions in voluntary public donations. Doubts were also raised as to who actually owned the ‘Starship’ brand. Was it the Hospital Board, who owned the facility, or was it the Starship Foundation? Much discussion ensued as to the place of commercial interests within an essentially government owned organisation such as a public hospital. Starship is an interesting example of how commercial interests and NFPO brands can work together. Within the Starship facility, for example, accommodation for parents of sick children is made available at no charge in Ronald MacDonald House. (Sources… Personal conversation with CEO of Starship Foundation, 2010), Starship, TVNZ,)

2) **The Royal New Zealand Plunket Society and a proposed name change**

In 1997 the Board of the Royal New Zealand Plunket Society decided to change the name of the organisation from ‘Plunket’ to ‘Whanau Awhina’. The Plunket brand has been a well established, known and respected one in New Zealand for almost a century. Its name was however very European in origin and the name change was suggested to tie the organisation more closely to the indigenous Maori people of New Zealand. Whanau Awhina means ‘caring for families’ in Te Reo (Maori language). Maori children’s health was, and still is, poorer than the national average and the motivation to change the brand of the organisation was a laudable one. However, what was missed was the fact that the Plunket name is a very strong New Zealand
brand and attracts public support and financial donations from a wide spectrum of the New Zealand public. As Maori represent about 8 – 10% of the total population there was a serious risk that the fundraising potential of the brand would be severely damaged. A number of commercial organisations were associated with the Plunket brand and used its New Zealand identity and close relationship with nearly all young families as a promotional tool, raising several million dollars per annum for Plunket. The change to another name, not recognised or understood by the majority of the population, could have been seriously damaging for the organisation.

When the Plunket Board asked for guidance as to the cost of changing the name a very small sum, around $20,000 was assumed, based on the cost of changing legal documents, letterhead, etc. Larger costs, such as replacing signage on and in buildings and vehicles were not included as the Board assumed that such items were matters of ongoing maintenance and the signage would not be changed until it needed refurbishment anyway, therefore there was no extra cost for the name change. An informal analysis of the real costs, in terms of lost commercial sponsorship income and public donations, was set at closer to $3 million per annum. The validity of this higher estimate was borne out by the research conducted by Fink Jensen et al (1998)

This again highlights the possibility that many NFPOs have brands but the top management of the organisations do not realise this. (Source: personal conversations with senior Plunket Managers)

The need for good internal brand management for NFPO brands becomes more apparent when the possibilities of alignment with other, usually FP brands, in Cause Related Marketing activity are considered.
Appendix 5. Proof of ethical approval for the research.
8.2.1 Appendix 1. Selected verbatim quotes from interviews in David Bishop’s 2012 Thesis:

‘Cause Related Marketing. How for-profit and not-for-profit brand managers can work together for the benefit of stakeholders.’

This appendix contains respondents’ summaries of verbatim responses to questions, and the researcher’s reflections on these, which are summarised in the main body of the thesis. For each of questions and follow up questions a reader may wish to look more deeply in to the contexts of quotes that have been included in the thesis.

This transcript runs to approximately 49,700 words compared to the raw transcripts of the whole interviews which exceeded 90,000 words.

Researcher’s comments, made during analysis, are included where appropriate. Companies or Organisations with more than one respondent are indicated in brackets after the respondent number and job title. Non word comments, for example ‘um’, are included to indicate differences in the ways that people answered questions.

This transcript is included as an example of one of the stages that the research went through in developing a list of themes that emerged from the overall research as suggested by Field & Morse (1985).

For brevity the terms FPO and NFPO are used in the transcript. It is likely that the terms ‘for-profit’ and ‘not-for-profit’ or similar, would have been used in discussions. FP and NFP are not terms used by managers. For convenience the transcript summaries are grouped, firstly FPO people then NFPO people.

Where respondents worked for the same organisation this is indicated by CO and a number for FPOs and ORG and a number for NFPOs.
FPR7 Marketing Manager (Co. 1)

Two marketing managers from the same major food product manufacturer were interviewed.

This manager thought there were quite significant differences between FP and NFP organisations.

“NFP brands ... um ... there has got to be a place for them ... I mean personally ... am very business orientated so cant say really why you would do it.. but if you view the world as .. um.. you are going to do things for the love of the world and .. or for more cause related things then I think.. NFP brands are fantastic.. but if you are in business to make money then.. ultimately thats what brands are about..”

Whether he meant to make money for the individual or the business was not clear but he clearly implied that there was a significant difference. Probing this further he was asked how he would describe the differences, if any?

“Well.. I think one of them is much more cause related.. that’s at the heart of it.. its driven out of people’s desire for a better world…”

In terms of the differences between profit and non-profit related brands he thought there is an overlap there because a lot of marketing organisations, whether FP or NFP, now realise that brands need to be managed and evolved to meet changes in society. Is he implying that FPOs are not so driven by a need for a better world?

“Marketers and brands have taken that same flow of thought they have…. They say how can I build.. the same logic into my brand evolution.. does that make sense?”

How do the people that manage NFP and FP brands compare.. what might be the differences, what drives them? He talked about what drove a lady he had met who ran the Robin Hood Foundation in Auckland. (An organisation set up to help NFPOs market themselves better)

“… if you look at the girl that runs Robin Hood Foundation.. I mean she set that whole thing up because .. as she said… I can make a difference.. and that was where NFP brands are driven from.. the desire within a person for the better good of the world..”

The interviewer said nothing but respondent went on:
“And the reason there are a lot of people... the other thing is that there is a groundswell... they have a lot more money... more wealth... and so what comes from that is that they feel guilty... and so there is a lot... I need to do something so a lot of cause related stuff [NB: Spontaneous mention of the term]... even as simple as recycling or... sponsoring a child or stuff comes out of the inherent guilt that people feel out of living in a western capitalist society....”

Researcher noted that respondent seemed to have become quite emotional when he mentioned ‘Guilt’. The guilt here is interpreted as being guilt in the mind of consumers. The word reappears in later interviewers but applied to other persons. The conversation moved on to the next topic: The relative skills of FP and NFP marketers. Since he had not worked with such people he could not say, but his perceptions were probed for by asking if he thought someone with his sort of skills could swap jobs with someone in a NFPO.

“I think if you had the personal desire and motivation to do it then... yes... but... uh... my impression is that probably... um... well... if you take the Robin Hood foundation specifically... I think the woman got marketer of the year... so she must be an amazing marketer... and I have heard her speak a couple of times at public events... and I have been completely blown away... by her passion, determination and vision... OK... so I don’t think you will be able to make generalisations about it... it will depend on the individuals within an organisation...”

He thought that, in principle the type of skills, as opposed to motivations, required to do either job would be about the same... some of the interpersonal aspects may be different because:

“I think that when you have got money... um... you tend to have a lot more power [NB: Spontaneous mention of power] so if you have an A & P [Advertising and Promotion] budget... you don’t have to be nice to people whereas.... I think if you... are not for profit actually what you are trying to do is raise money... generate funds... um to survive then I think... you probably do have a slightly different ethos... and so that may drive some of the interpersonal savvy... that a marketer in a NFPO... may require...”

Does having an advertising and promotion budget mean ‘you do not have to be nice to people’? Some terms had been introduced into his conversation which were later found to
recurr in other conversations, feelings of guilt for example, and here issues of differential power between FPOs and NFPOs emerge. As the response above gave some new insights, but did not answer the direct question, interviewer took a different approach and asked him to think about somebody doing a job like his but in a NFPO. What would his expectations be about things like pay, rewards, etc? He thought the benefits would be less than in a FPO, but could give no reason why he thought that.

Interviewer checked that the respondent understood what CRM is. Did he have any in mind that he would like to mention?

“There is all sorts of cause related marketing around. some works some doesn’t...something like Baileys [National Real Estate Franchise] and sponsoring of guide dogs... through... Whiskas [a brand of cat food] sponsoring of SPCA [Society for Prevention of Cruelty to Animals].. and a couple of other areas... I’ve been involved in some that weren’t really cause related marketing... Like sponsoring the SPCA.”

Respondent implied that the activity had not been very successful. Interviewer asked for reasons why the CRM did not work, without giving away confidential details.

“I think the expectations were not well established up front...[Interviewer asked for clarification of whose expectations].... I think probably both... both expectations actually and I think there had also been a change at the helm... in the company... about the sponsorship and so... often the company value and goals change... within a contract period... and if the people who set up the contract had not thought it all through... so it was a lack of strategic direction... vision... a lack of understanding between parties... entering in to those contracts... a complex set of issues [nothing further reported on the particular case here as respondent asked for confidentiality to be respected]”

Respondent confirmed that he thought CRM relationships were ideally long term, in view of his comments about a ‘contract term’. “I think they should be long term... that has to be built in to the values of the [Unclear: CRM?]... What it stands for... it does not always work out as planned”
Interview ended here but respondent went on at length about wealthier consumers and companies feeling guilty and needing avenues to assuage that guilt. CRM often does that. This is an idea reported by other people interviewed so noted here.

FP R8 Marketing Manager (Co. 1)

Respondent was asked “How would you describe the differences between FP and NFP brands... a NFP brand would be something like Barnardos or Save the Children Fund... is there a difference between the two types of brand in terms of places in peoples worlds?” His response:

“Personally... I think a brand like Starship... um... has galvanised people in behind the organisation... or its identifying mark. So perhaps... maybe not a NFP but take the Ellerslie flower show [The major New Zealand flower show, based originally in Auckland, similar to the UK Chelsea Flower Show, but then based in Christchurch].. and that could be a real test when they move it to Christchurch... But again I see real brand value of a name... of a name of that event... and a link and that value will come through in terms of gathering people and getting people through the door... but also with sponsors and things like that and international acclaim... so I think non-for profit is really important for them to have really strong brands as well..”

Asked about how the two types of brand might be managed he said that he had never had any experience with a charity or NFP

“.. but I think if I were to look at that I probably would change my attitude or the way that I would go about things in any way... I would think it’s about getting top of mind awareness versus other NFP charities... and it’s still about building connections with the consumer in terms of what... the message you are trying to get across... your measurement... about raising money or support... or sponsorship...”

How would the people managing the brands compare?

“Um... similar in some ways but different ... but like... differences would probably be more in the financial... kind of commercial acumen... I’m kind of geared about driving our business forward and it’s all about the bottom line... whereas your objectives...”
would certainly change for a NFP or charity... and that might be about... you would have other objectives... and different ways of measuring success... I think in terms of a person’s makeup... I think we’d be pretty similar...”

As with the previous respondent from his organisation this respondent talked about the differences in skill levels when thinking about financial issues.

He thought FP and NFPO managers would be able to talk to each other and, in terms of calibre or quality, be much the same. Might the skills required to manage the brands be different?

“Again... I’d think they would be about the same... I would look at the marketer of a business or the marketer of a NFP and I think they would do exactly the same job... they are just trying to achieve different things... but the mechanism they would use would be pretty much the same.....”

Note how he sticks with the term NFP but refers to a FP as ‘A business.’ Is a NFP not a business?

Respondent confirmed he understood what CRM was. Where a marketer in a FP and NFP come together in a CRM relationship who did he think would have the most power in the relationship?

“Who would have the most power... um... an interesting one... so power... I think at the end of the day... probably I would... the people who hold the financial purse strings... I think the power... the company that’s working with the cause related the cause... the company that’s working with them would probably have more of the power and more say in in how they want the brand to be treated... but I think that um..... if you are looking at... being more committed it has to be a 50:50 partnership.. otherwise it’s not going to work.. there must be some theme back to your brand.. or to your own business where you.. believe is right or there is some benefit there... so there again that’s where the 50:50 comes in.. you will put the money in as long as its doing the job for us.. and whatever else so... I think it works both ways... but at the end of the day the power will be ... tipped in favour of the corporate...”
This raises thoughts of the difference between short and longer term relationships. In this person's view, relationships that the FP is committed to should be 50:50 relationships but the ultimate power resides with the FP.

Interviewer asked if there might be situations where the NFP might be offered lots of money to enter a CRM but say no because their brand does not fit with the FP brand. Would the NFP be concerned about a lack of fit? Respondent thought so.

“Um yes.. they could do... they might look at a corporate as not being their ideal... that there might be a clash of.. whether you talk about brands or businesses.. but business values.. then brands might be at risk both ways.. if there was not a good fit.”

This seems to imply a feeling that there is power in the hands of NFP, they do have the right to say no. He also mentioned that he would have some respect for a NFP who said ‘no’ even if they were desperate for money.

How would the relationship between the individual managers, in terms of respect, in FP and NFP be?

“I don’t think there would be any disrespect at all.... like.. again at a professional level as long as the person is quite confident. and we got two competent people.. two competent brand managers or marketers working together I don’t necessarily think there would be any disrespect. as long as the person was quite confident holding up their end and again.. talking about their brand in a .. [Unclear word: Encapsulate].. standing up for what their brand stands for.. and what they are about .. I think.. [Unclear comment: Might be saying ‘its an appropriate thing.’]”

Did this mean that it is possible that a FP might listen to a NFP and change the way that they might run a promotion?

“Yes.. absolutely.. although I would struggle to think of an example on the spot.. I can certainly think of .. if that business really needed to change their image out there in some ways then they could quite easily let the NFPO be the key driver of all the communications and all that the public sees from the corporate is the charity.. that they are supporting.. so I guess in some ways.. maybe a case in point would be.. and organisation in New Zealand like.. say .. Dilmah tea.. put a lot of money in to its
own foundation which supports many, many charities and organisations.. now if he
needed positive PR to change the consumers’ perception of his brand.. he could quite
easily tune up.. the communications in and around the charities.. that he is supplying..
and maybe getting those charities to start to drive for what he does in terms of ethical
business or supporting foreign workers.. and some of the [Unclear: Aura?] marketing
that could come out.. could be about Dilmah teas and how they are supporting
UNICEF or supporting certain foundations or something like that.. so... but if he
chooses not to do that.. and he does not need to.. I can imagine situations in which
that could work...”

The interview was not adding much more so interviewer wound it down by asking if
respondent thought CRM was a long or short term thing. Response was it should be for the
long term, five to ten years. When asked if he could mention some long term relationships,
anywhere:

“I can think of one.. which was quite successful....it was something that really fitted
with the brand values... that we were trying to support at the time.. but it did not
continue..”

Why did it not continue?

“ I don’t know... I can think of some good sponsorships that that were not cause
related... I think MacDonalds and Starship and Ronald MacDonald house.. I think
that's a very good combination because it supports kids.. and its about dealing with a
need and they have been doing that for an extremely good length of time... I think Air
New Zealand still do... I don’t know what the charity is but I know that for years..
they take underprivileged children on trips.. Koru Care.. I don’t know who the charity
is.”

More commentary needed here

FPR10 Retail support officer, Marketing. (Co. 2)

Does she have any thoughts on the place of NFP brands? Interviewer was asked and
confirmed that this referred to organisations, charities, like Cancer Society, Salvation Army,
Plunket, Save the Children Fund.
“I reckon there is ..um... I think they are quite the same.. there is still a brand and people still need to trust who they are giving their money to whether it is a FP or NFP...”

Interesting that she said ‘giving their money to whether it is a FP or NFP.’ Does this suggest that both are financial transactions.

What might other differences be?

“I guess their intention... ... I suppose the difference is if you have got a NPO its their intention... is completely like [unclear ‘things?’] in a society .. you know direction and its more on the greater good you could say.. and for people to be investing money in one of these companies [? Did she mean organisations? Respondent seemed confused but interviewer did not interrupt] it’s a feel good.. it’s a trust.. its.. I don’t know.. you know maybe you might be getting a direct benefit out of it but other people are.. whereas FPOs you kind of get that perception that its money at the end of the day.. it’s the bottom line..”

At this point respondent asked her to clarify what she meant by ‘feel good’ benefits. In the next response she clearly meant a FPO.

“ Yes.. its towards your shareholder and what you can give back to them and people only really deal with those companies so that they can gets something back themselves.. obviously.. so you are receiving something because otherwise why would you.. maybe just give money to a company.. whose intentions are not always going to be the best.. I mean.. I don’t know.. thats a massive assumption because some people do try to operate.. ethically.. I guess thats probably a bit of a difference...”

An FPO whose intentions ‘are not always going to be the best’? People ‘try’ to operate ethically in NFPOs? Does that mean that sometimes they do not or can not? And this is a difference between FPOs and NFPOs because NFPO’s, in her perception, always operate ethically. This respondent works for BP who, shortly afterwards, were involved in the major oil spill in the Gulf of Mexico. Note comment must be removed as anonymity was promised.

Thinking about how NFP or FP brands are managed, in her perception of it, is it different?
“Hum.. thats a hard one because I have not had any experience.. .. well.. I think the marketing is different in the direction I suppose.. because lots of NFPOs like Plunket and things like that.. their marketing comes from doing good things and getting themselves out there and be known.. because otherwise people will.. are not going to know about you and give you their money.”

The comment about ‘getting themselves out there’ and ‘doing good things’ is repeated in a number of interviews where people are talking about how NFPs market themselves. Don’t FPOs do that too? Researcher asked if that was a key difference from a FPO which aims to make money.

“Yes... I suppose its just more of the types of marketing activities would be different but essentially they are both.. have to be pretty strong.. maybe the NFP would have to be in to marketing a lot more potentially..”

Why would the FP not have to be in to marketing as much as an NFPO?

How would the people managing each type of brand compare?

“I don’t know [slightly nervous laugh] its massive .. uh I guess at the end of the day your mindset would be different.. because in a profit organisation its a lot about the business and making things but then everything.. its still business at the end of the day.. though being non profit you still want to make sure your costs are low and whatever you are making is high.. but its because you are giving it back in to a community or something so.. essentially I think.. no you can be both run effectively the same..”

She felt she could fit in to a similar job in a NFPO. “I don’t think it would be hard to.” How might the skills required to do the job be different?

“Depends on the company [organisation] and whatever their processes are I suppose.. ... working for a want to make profit company or whatever you call it.. at the end its your bottom line.. trying to get as much exposure and pay back on your investment whereas the NFP.. I suppose it is more.. they are less worried about any of that stuff.. but I still think your skills would have to be about the same...”
Interviewer moved on to CRM and asked her to define it. Respondent pointed to a poster on the interview room wall in which a small model boat is offered in conjunction with one of the organisation’s products and funds raised given to a lifesaving charity organisations. After several attempts to probe this it was clear that the respondent knew nothing about this activity although she was aware of some marketing activity which had led to donations to good causes. Researcher defined CRM for her, she said she now knew what it was but had had no direct involvement with it herself.

If she were to be involved in CRM at some time in the future, who would she think would have the most power in any relationship, the FP or the NFP? “Well you would kind of think the FP because they are the ones who have control..” Is the use of the word ‘Control’ significant? Does this show an underlying assumption that CRM partnerships between are controlled by the FP partner? R 10’s colleague expressed similar views in a separate conversation.

**FPR 11 Sub-brand Manager (Co. 2)**

His thoughts on the place of NFP brands in Society were:

> “Personally I dont think.. I don’t believe that brands are... should be effected by whether its a profit or non-profit organisation.. the brand is what it is... its a brand...its something that people will associate things with and make decisions on .. so how that relates to whether or not the shape of the business is... is irrelevant.. you know you could have a pretty knotty argument about that but I think we all.. when we think of the name or the brand of.. profitable organisations or not for profit organisationss...”

This did not answer the question but revealed his assumption that brands in FPOs or NFPOs were not significantly different in the minds of consumers but, he refers to NFPOs as not-for-profit organisations but FPOs as profitable organisations.

How would he describe the differences between FP and NFP brands? Researcher prompted him by asking what his perceptions would be.

> “I am trying to think quite deeply about that and am just wondering....there is an inkling inside me that makes me wonder if there should be any differences at all...”
really.. they are both trying to help you or show their direction or.. they are definitely trying to... essentially... there could very well be no differences... well I mean from the outside looking in you would think that .. a profit brand would have something to do with making profit wouldn’t you.. you think it would feature in the mix somewhere.”

So, would a non-profit make a profit in some form?

“Well yes.. I suppose it comes back to your definition of profit.. yeah.. so two answers to that one. The first is if you want to get in to the knotty argument about what profit [is] you can define it to the end of your days.. but if you looked at [it] purely in dollars that.. um... that profit was expressed as in dollars.. then yes you would think that Plunket wouldn’t be as profitable compared to say.. I don’t know... Nike shoes... ... why though.. thats the thing.. I mean.. profit.. profit... what is profit.. it would be interesting to look at the word profit because.. something that you are going to profit from is going to give you benefits.. so thats why I come to why.. well.. as a service or a brand or a provider of something you are trying to provide benefit for your end user consumers... otherwise why would they choose you... why is there any benefit or profit for your customers to be part of.. or to buy in to your brand.. so thats where I irk a little bit at.. unless we quantify it as dollars.”

Is there any difference in the ways that FP or NFP brands are managed?

“Well.. their approaches to the way that they market..are going to market.. well.. I mean there are going to be differences.. cos I think you know.... generally a NFPO may not have the supplies or the abilities or the resources such as a FPO.. so.. therein changes some of the ability that you are able to do.. but I mean essentially shouldn’t your marketing be the same? You analyse.. you look at if you are wanting to push something to them.. to pull something back from them.. you.. you could apply the same marketing principles to find out where there is a need and whether there are..... ..”

How would the people compare in terms of qualifications, experience, skills, what they are paid maybe?
“Well.. um.. once again you know logically.. yes.. logically... you would think that a FPO with all the resources that it might have.. may be better able to pay for or pay higher than a NFPO so... ...

“Would that mean they got better people?

“No.. I don’t think so because.. I know people in the same field as what I am doing at the moment who are ten times better than me and they have chosen to work for organisations that are on a different level to me.. so I don’t think you get better people.. I think you attract better people.”

So they could be different?

“But see.. my little argument to that... well the strength in a NFPO to FP brand is the ideals that they might hold.. if you had that strong enough ideal for someone.. anyone in fact... who knows what experience they may have and might be in a more dominant position.. how many times have we read the story of a... in the Sunday paper.. about this super high powered guy that got sick of the rat race and moved to making honey. In wherever and now its the most amazing honey and its profited the community and brought them together and supplied things... its not the most profitable but its helped.. he is a much better person than four of the people that a high powered company in central Auckland might have...”

He had not been directly involved in managing any CRM activity so was asked if he had any thought on CRM from his perspective as a member of the public. After much prompting he replied

“Where my purchase was influenced by the fact that part of the funds of what I purchased would be used for something? ... Ah.... I can tell you what it was and it was actually quite.. I was actually quite impressed with it and I looked.. I looked at it and although it might not be.. well.. I don’t know we will see how similar it is...

[Commented to interviewer: you are the professional, you should know!].. Mercury energy was launching a campaign to go to paperless.. to go all electric.. you pay your bill on line.. advantages being DD and you know.. its all in their favour.. but the bonus for taking the step.. taking the time to do that.. and there was some other
procedures that you had to go through to make that choice...[in return they] would donate a book to a school within your local area.... its about the closest thing that rings my bell in that way.... we did make a decision based on the benefit that that decision would have ..”

How would he assume the parties that set up that piece of activity between a FP and NFPO had worked together? Who would have had the power in the relationship, to say that it would go ahead or not?

“OK.. so you are talking between the company and the cause... right.. who would have the power.... um.. well.. I mean the power to make the decision would be with the person choosing it.. the company itself would be exerting.. trying to exert influence on it.. but how would the power be um.... ah.. I thinks thats totally your opinion.. on the one hand.. you know its a 50:50 share because by building a partnership together a third party thats of interest to both of us benefits and then on the other hand you could say.. well... which I looked at when I thought.. oh.. a good way to pull on the emotional heart strings..... “

So, his assumption would be equal balance although he then added

“I would say yes... Ok... if I had to make an official answer.. an official answer.. ah.. the power would be with the company..”

And why?

“The power would be with the company because they are keen to get.. something that is useful and powerful and they are leveraging that back towards the targeted consumer...”

FPR18 Accounting Firm. (Co. 3)

Thinking about FP and NFP brands: How did she think the approaches to managing brands compare?

“I think it’s very similar actually.... people that work for a NFPO probably have more of a passion about that brand that they are marketing.... to be honest I am not
passionate at all about the industry that I am in... I am not completely sold to this organisation.....”

An underlying message here seems to be that that this person seemed to think the passion of NFPO people was worth mentioning but, in the same breath, mentioned that she did not feel such passion for her current FP job. Researcher probed by asking if she would work for one of several NFP organisations mentioned.

“If hard to say really until you actually get in to that position...”

How might the types of skills required to manage the brands be different?

“For NFP and FP? I think you have to... from a general marketing point of view you have to be a little bit more conscious about... um... what issues around funding and tighter budgets from a branding point of view... I don’t see any differences to be honest...”

She did think there were any differences between the type of people, calibre or background, in each type of organisation.

She was aware of what CRM was from a consumer perspective but had not been involved in its management herself. Asked about her perceptions or assumptions of CRM if she were to be approached about setting up CRM activity between her organisation and a NFPO. What is it that really drives a NFP to want to get involved in such an arrangement?

“Obviously so you can get money to go towards your NFP...”

Why would the NFP need to have an association with you to get money?

“Because you [the NFP] are passionate about what you are doing and you think its going to a good cause.. and you are running it like a business..”

Respondent’s organisation does have some relationships with NFPO and it was difficult to get her to talk about them. When asked if she knew anybody, in or out of her organisation that was involved with NFP/FP relationships she stated that her organisation does have some relationships with NFPOs but not on a CRM basis, more a donation type basis.
“To be honest it all falls back to the relationships that our partners will have with the charity….”

Note that the term ‘Partners’ in this statement refer to the managing partners of the FP business. She named the Wellington City Mission as one beneficiary and also Cure Kids for whom the company was organising a Charity Auction dinner at the time of the interview. She was involved because her organisation had asked for someone to volunteer to organise it and she had said yes “Absolutely because I can appreciate what they do..” But might this was not misuse of the organisation’s resources ....it must have been to the benefit of her organisation. What benefits might her organisation get?

“Naming rights and also the recognition of.. its an internal thing so… our staff know we are supporting charities and doing our bit for the community and also the people that come along to this event.. we have got a high profile guest speaker.. its an opportunity for us to invite clients as well.. so it’s a feel good factor knowing we are giving something back to the community….”

Did she think you [her organisation] need to show that you are giving something back to the community because there may be some perception that you are maybe not good for the community?

“I think this… [Is where] corporate social responsibility comes in to play.. I think businesses have to… I don’t know whether its for some ticking.. just ticking the box to say that they are doing something.. um… in some instances I think that this is the case like to tick the box make sure you have got your brand on that and you are getting visually out there and getting recognised for certain charities in some senses.. from a personal point of view there is a lot of staff that do pro-bono work for charities here so.. um.. and that’s obviously because .. um… they have either got a good relationship or with the client or they are passionate about that so they give a lot..”

This person’s organisation, it turned out, is involved in a lot of activity with NFPOs. The sums of money involved were not clear “We are actually doing a report at the moment to try and get a quantifiable figure”. If the sums involved turned out to be substantial would they be looking at some sort of cost: benefit analysis? This was not clear but it did appear that the main driver for supporting a NFPO seemed to be the interests of partners rather than an
attempt to align their brand with a suitable NFP brand and that such activity was ad hoc and loosely managed.

**FPR 13 Accounting firm. (Co. 3)**

How are FP brands, such as yours, managed compared to FPO brands, how might the approaches to each compare?

“I think from a for profit organisation I think probably the strategy set by the executive level doesn’t consider a marketing function just based on experience.. probably doesn’t consider the implications of what marketing to do to reach.... this is in a for profit organisation.. where NFP.. I would assume.. this is a general assumption....that the marketing aspect would be considered much higher.. like at executive level... its quite hard to describe because I have two brands in my mind...”

Which brands are they?

“.. the organisation that I am working for and the New Zealand Blood service... I think the people in the NFPO are very aware of their own personal beliefs or values and want to implement something that is for the greater good of society.. where working as a marketing person in an organisation that is for profit.. um I suppose there is that greed element... its about doing better for one organisation.. though maybe not the greater good of everyone...”

Does this mean that FPOs exhibit greed, a focus on what is best for the organisation but not for society as a whole?

In terms of qualifications, age, gender, pay or their background, how do the people who manage brands in NFPs compare with those in FPOs?

“I think that people in FPOs are probably people that are newer to the market maybe because I think there is more opportunity in the profit sectors and NFP sectors you will probably find are a slightly older generation of marketers that have much more experience and are willing to .. um... take on the challenge of maybe a NFP where there is not much money to throw at a marketing budget and be more creative as well as implementing prior knowledge of working in the NFP sector.. again.. thats an assumption....”
People newer to the market? Younger? Less experienced? FP people have more money to ‘throw at a marketing budget’ whereas NPO people do not and have to be ‘more creative’?

How might the types of skills required to manage the brands be different?

“I am not quite sure that they would be different.. no matter what brand you are looking after the key elements that are crucial are about the same.... I think in a NFPO sometimes.. because people are volunteers maybe you are using skills that are on offer rather than .... being selective about what skills you want to bring in to the business.. and I don’t know that its crucial for a FP brand but often I think there is a lot of things on the tick list before you can even get through the door kind of thing .. In a FP yes you do have to have a University qualification and yes you have to have five years experience and yes you have to have this, that and the other... I think probably there’s boundaries from an executive level or identified ideally what you want and I think sometimes there are probably not all the skills that you do need to do to carry out the job but I think.. yes..”

There is an implication here that NFPOs take whatever they can get in terms of people ‘using skills that are on offer rather than being selective about what skills you want to bring to the business.’ So who are the best marketers, where would the best marketers be?

“Hum.. I don’t know that one is any better than the other....”

Respondent knew what CRM was but claimed not to have been directly involved in it herself. In her perceptions of CRM why would a FPO like hers get involved in it, if it did? Her assumption was that it would be to:

“raise their profile and probably they internally decided on a strategy of who they were going to align with .. and the NFP factor.. and they would want to market that relationship of ‘yes we are caring, we care about the community, etc, etc.”

If her organisation did enter into such a relationship, how would she anticipate that the NFPO would feel about a possible relationship, would they just be after the money?

“I think it would have gone deeper than just the money aspect.. I think they would need to analyse that they.. both organisations had the same kind of vision.. and goals and
mission because there is no point in being aligned... aligning brands that have got different 
[values]....”

This comment is one repeated in other interviews, that relationships between FPOs and 
NFPOs needed to be more than simple donations, there would have to be some other 
connections between the two brands, they would have to be aligned in some way.

As the interview was wound down interviewer asked, in passing, what she thought about 
Corporate Social Responsibility in terms of how her organisation conducted its business. 
Does her organisation take on those sort of new directions?

“...yes.. and I think there is a drive to do it more and more.. the organisation 
internationally.. has recently released a paper on CSR and its quite interesting we are 
going that way but nationally I don’t think we are really performing in that arena....”

Why did she think that?

“Its a marketing exercise... and I saw an interview a little while ago about how people 
are all of a sudden printing.. on everything that they produce... that they are 
environmentally friendly and we do this.. we do that... but... why have all the 
companies started profiling these things.. it is just a marketing exercise and from my 
perspective.. yes... it is important to let your consumer or your readers or customers 
know that you do care for society”

In building up a picture of people’s views of FPO and NFPO brands this reinforces another 
that, even in things like projecting an image of being ‘environmentally friendly’ for some 
people it is ‘just a marketing exercise’

**FPR 22 Product Manager. (Co. 4)**

This person was relatively inexperienced having been in her job for less than two years after 
graduating from university with a Masters Degree in Marketing. When asked if NFPOs had 
brands she was very sure that:

“...yes.. I think they do have brands definitely and I think some are better than others.. I 
wouldn’t know the figures but I would say that those NFPOs that have very strong
brands probably do better than the ones that are just standing on the side of the road with a bucket…”

Did this mean that branding is becoming more important for NFPOs?

“I think they do.. with NFPs there is more of an emotional level”

Here she was referring to people, for example knowing someone with Cancer, being more likely to support related charities.

“But if you are lucky enough not to know anyone who has had any of them [diseases, ailments, etc] you sort of get bombarded with so many messages that the ones with a really strong message... or [are] clear as to what they stand for.. are really going to do well”.

At a personal level she supported a few charities but far from all. Would the brand for the organisation influence her decisions as to who she would NOT donate to?

“ yes... if its some of the ones you have never heard of before you almost feel like..... you almost feel like they are scamming you...there is no credibility I guess for some of them which is really horrible because I guess they just do not have the money..”

So, how would the people that manage NFP brands be different to FP brand managers, if there is a difference? She thought they would be different between big organisations versus small organisations. Hers had 18 people in their marketing team and all sounded like busy people with a lot to do.

“...there are so many things that you have to do.. you have to look at profitability.. obviously that would not be important for the NFPs”

But, she thought the more successful NFPOs would probably operate as if they are a FP company. She did admit that this was just her perception as she did not know anyone who works in a NFPO. Rather than focussing on profitability she thought that someone like her working in a NFPO would concentrate more on fundraising.

Forced to think how she expected the people to be different, how they would compare, she said
“I would say that a lot of people get to a certain….. they start off in a FPO….. part of their life and they think ‘I am going to give something back and maybe go and do brand management for Canteen [A charity for supporting Teenage Cancer patients].. or whoever.. for a year or so.. so I think … decide to switch their allegiance… and go and help that Cause so I think you have sort of got the people who are.. do so much business that they think ‘God I have been so nasty (laughs) to the world I should give something back.. and yea.. the ones who are genuinely nice people…”

These words might well get ‘over-interpreted’ but “I have been so nasty” and a feeling that “I should give something back” seems to imply that she feels FPO people have taken things that perhaps they should not have? How else might the people be different?

“My perception would be that they [NFPO managers] would be slightly older.. they have been in.. industry for ten years… I think its quite an altruistic thing to come straight out of university and say ‘I am going to be working for a NFPO’ when they are thinking of paying off their student loans, etc…”

The mention of ‘altruism’, taken as meaning the belief in or practice of disinterested and selfless concern for the well-being of others, needing to be balanced against the need to ‘pay off student loans, etc’ is interesting.

Would this mean that her expectation that a NFPO would pay its staff less than a FPO? She did not think they would be the same.

“My perception is that they would be lower which makes sense because the more money that they are giving to charity the better.. thats the whole reason why you are there… having said that I am sure that maybe.. some at the top would be a bit more on par..”

Did this mean that, generally, NFP people were worth less? The conversation was allowed to continue by asking what would be the drivers for a NFP possibly paying less.

“Well I think part of it is that they do not have the money…. its funnelled back [in to whatever the organisation does].. also a lot of it would be funnelled back into the marketing to get more money so its sort of a bit of a cycle… and I think it would make sense not to pay your staff as much.. unless you really have a absolute superstar that
you think is going to bring in ten times more than what you are going to pay them... which is possible if you get the right person... which is possible if you have got the right person [said that twice].. but I would like to think that if I was to go and work for an NFPO.. which I probably will later in life.. I would like to think that most of the money would go back....”

She is saying that she will probably work for a NFPO later in life when she is in a better financial position and can afford to work for less. How would the skills required by brand managers in each type of organisation be different, if they were different? Generally she thought they would be similar. She mentioned that her job in a FPO involved working with a number of other disciplines such as sales, finance or R & D. Those sort of relationships might not exist for the NFP manager:

“.. in the NFP you would always be having to present to your team of stakeholders.. the public.. to impassion them to give you money or there would definitely be communications aspects..”

Does this suggest that FPO managers are more detached from their publics? She talked about NFPOs needing to attract the interest of passers-by to encourage them to make donations:

“.. if you are just standing on the corner with a bucket then there has got to be some level of communication there otherwise they will just walk by you...”

Respondent referred to the financial aspects of her job being more important than she had anticipated:

“.. it would be .. um... would be possibly not as comparable in a NFP.. I guess you have got to break even.. you have still got to raise the money.. but I guess you are not held responsible for every percentage drop in return on investment..”

Interviewer pressed further by asking which, FP or NFP marketing practitioner would be the more sophisticated. She was not sure but repeated that the FP manager would be held more accountable for results. As this line of questioning was not revealing any new directions interviewer returned to the questions list after confirming that respondent knew what CRM was in the context of this interview. She mentioned a recent promotion involving the Coca
Cola company and a Breast Cancer research NFPO. (For each bottle of marked product sold 5 cents was donated to the charity) Why had Coca Cola become involved?

“.. I think they got in to it.. largely.. in general... they got in to the CRM because they are seen as the big bad...[people?] of the world who create all those soft drinks which are full of sugar which is bad for people..”

Worth noting here that the respondent is a brand manager for a large bottled water packing company. She also mentioned the negatives of packaging and Industrial pollution and that they are:

“Conscious of the fact that the consumers are actually aware of all that...”

The actual product involved was bottled water:

‘.. [bottled] water is under quite a backlash at the moment.. especially in the economic downturn.. people are spending $3 a bottle .. its water they can get out of a tap and another plastic bottle that needs to be managed, filled and recycled....”

Note: This respondent’s employer markets a brand of bottled water in competition with the Coca Cola product.

“So its definitely coming under quite a backlash and I think coke will just have said ‘well, we need to do something to mitigate what consumers think about us’ and they chose breast cancer..... I am not sure why coke chose breast cancer in particular.. a lot.. cancers are very popular charities to support I suppose.”

Why might they be ‘popular’?

“Pretty much everyone should know someone who has been touched by the disease so I think that means it is a very engaging topic.. and I know its hard to talk about it in that way...”

In contrast she went on, without prompting:

“Its engaging but because every person in the street will know what you are talking about when you talk about cancer and I think some of the more obscure charities which are very specific.. um.. motor neuron disease for instance.. not many people
would know about what the disease is let alone know someone who has contracted or had it .. um.. so I think that’s probably part of the reason why cancer and heart disease as well are the two sort of big wows because they are such big diseases.....”

Is supporting causes like that good business from the point of a FPO?

“I think it is.. I don’t think it is a bad thing.. I think you know it is a big disease and it needs a lot of money to work out how to battle it I guess.. um.. so I don’t think its bad necessarily I mean companies like ours make a lot of money and to give some of it back is not a bad thing... probably we should do it more often.. [laughs].”

There may be nothing wrong in admitting that companies like hers make ‘a lot of money’ but suggesting the company should give some of it ‘back’ more often suggests she thinks they do not do it enough now. To complete the question set interviewer asked “If CRM is a FPO working with the NFPO … when it is someone like you.. if you were doing it.. dealing with someone like you in a NFPO.. who has the power?” Her response was:

“...[long chuckle] ...I would say.. as hard as it is.. I would because we are the ones with the money we are basically helping them to achieve their ends whereas.. it works both ways.. but to a lesser degree they need us probably more than we need them....”

And who brings the most marketing skills to the .. [Interviewer had intended to say CRM relationship but respondent started to answer before question completely stated]?

“I think it would depend on the exact organisation and the individuals.. um... I would perceive that not maybe myself personally because I have only been in the world for a few years but..if I was say ten years... say we were exactly the same level ten years down the track I would.. and we had different backgrounds.. I would say that potentially the person in the FPO would have more skills from a managing type of thing.. having said that they have different skills...... I am sure they would have different skills you know.... people in relationship management that sort of thing they would probably have much better skills in that are...[laughs]”

So, here we have exposed the imbalances in potential relationships. The NFPO, with probably older, more experienced managers entering in to relationships where the FPO partner has the power because they control the purse strings.
FPR 23 Marketing Manager (Co. 4)

After discussion of brands in general the question was asked about the role of NFP brands:

“Is there a place for NP brands?.. without a doubt..”

She was asked what role they fulfil that FP do not, or are they the same thing? Do consumers really discern between what a profit brand and what a NFP brand do.....? She said she did not know. Interviewer allowed her a few moments to think and then asked again. She said:

“I mean there are charity brands and they know they are not there for a profit but they are there to deliver money to.. their shareholders are effectively the people who they are giving the money to.... ...”

Interviewer tried to draw her out by asking ‘So.. when somebody buys one of your products they are getting guarantees [of quality, performance, etc]. so when they give some money to a nfp...’ Her response:

“The guarantee has still got to be there.. they are buying a service.. they are buying delivery they are buying.. um.. an emotional belief of ‘I am helping other people’.. its the same thing.... no different.”

Probing the differences between FP and NFP brands further proved difficult and she asked for confirmation of an example of a NFP. ‘Save the Children and ‘Canteen’ were suggested and she responded “Yes.. thats where I am at.. what’s the difference between them...” As a further prompt the interviewer suggested “If you spend $3 on a bottle of your product or give $3 to Salvation Army..” This lead to the following response:

“Of course its a different purchase decision and if you are making the decision on different rational benefits and emotional benefits but where the brand structure is built [used a word which became inaudible on recording] is exactly the same.... from a consumer perspective you are looking for a sense of emotional wellbeing when you buy into Worldvision or Canteen or whatever as you are when you buy V [an energy sports drink] you are looking to emotional benefit.. um.. so I think that I don’t think that I would put NP or FP product brands into different... I think that they just pull on different strings..”
Conversation was moved towards how the types of brand are managed. Her organisation runs brands, how did she think the management approaches might be different.. if they are different ... did she think that an organisation like the Save the Children Fund runs a brand in some way.. do they have brand managers?

“They do have brand managers absolutely.... and so they would run it exactly the same way I think that we find that.. um... I would say that brands from NFP are perhaps not quite so.. not being run from a marketing perspective in as much of a cutting edge way as say FMCG [Fast moving consumer goods, the area this respondent works in] brands are.. um .. um.. I think that they probably have to run on lot slimmer budgets and so .... what they know about their brands and their consumers or people that buy in to those brands may be a little bit less whereas we have in FMCGs we have everything at our fingertips.. because we are a profit making company so there is a little more fat...”

This suggests a feeling that NFPs are less sophisticated due to lack of funds, even suggesting the FPOs have a ‘little more fat.’ From this there seems to be a further assumption that they are less well informed ‘about their brands and their consumers... whereas … in FMCGs we have everything at our fingertips.’

Still trying to expose her inner thoughts interviewer asked .. in an average day.. how ‘busy’ she thought a NFP brand manager might be.. what do they do. She thought they would be very busy.

“I guess a lot of people in NP brands are there because they believe in the brand and um... you have got to match total belief in the brand and what it is about.. so your emotional reason to be giving something back to that brand or the community... with also your marketing expertise and capability and um.. that the key.. but I don’t think they would be any busier or less busy..”

Here she makes references to matching ‘total belief in your [NP] brand and what it is about’ and suggests that a lot of people ‘in NP brands are there because they believe in the brand..’ It might be stretching that comment too far to say that she is implying that FP managers lack the emotional connections and desire to give back to their ‘brand or the community’. But she did say that NP people ‘believe’ in their brands: Don’t FPO managers believe? This was developed by the next question: How would the people compare, between FP and NFPOs?
“The type of people?.... I think people who are going to work for a NP brand are probably going to believe in that brand... um... a lot more.. they are in there to make a difference.. um.. at an emotional level whereas in business you are generally there more at a profit level or.. ah.. financial reasons to try and give something back profitably to the shareholders.. um.. for sure you believe in your brand but its financially driven as opposed to emotionally driven.”

Does this suggest that FP managers focus on monetary profit at the expense of ‘emotional’ profit? Irrespective of motivations the skills required were seen to be different:

“.. I think the skills are different for sure in that NP brands you will probably find that there is .. um... that you have to tread perhaps more carefully.. there are a lot of people in the organisation who are doing it emotionally or they are giving up.. there is a lot of voluntary work going on here.. um.. so you have actually got to look after all the people that are doing that work for you in a way that perhaps you wouldn’t look after them in a profit organisation where everyone is being paid a salary.. I think there’s a lot more emotive elements you have to tread a little more carefully.”

Does this mean that people in FPOs don’t need to ‘tread carefully’ when dealing with other people? Does being paid a salary in a FPO mean that people do not need to be treated as sensitively as people in a NFP might treat their colleagues?

Business experience wise they “would have to be about the same... probably not in reality [laughs]” When asked why she made this comment she indicated that most FP managers would be younger and less experienced than NFP managers.

The topic of CRM was raised and respondent clearly knew what it was and quoted examples but said she had not been directly involved in any herself. Others in her organisations had and she was asked for her perceptions on how well the activity worked.

“Just Juice [a major fruit juice range] has been doing it for ten years.. and we would not have kept going if it was not working...”

What was her perception of how well the relationship worked, given they she was in regular contact with people in her organisation who managed the relationship?
“I think the relationship is excellent.. I think the key watch out with those kind of things is that we have got different objectives.. so for us we have to sell juice, for example, to pay back the investment that we give in to Worldvision or whatever charity it is whereas what the charity is looking for when they put a sticker on the pack or whatever it is they are looking for people to sign up to Worldvision so they want their brand to be first and they want their brand to be to the fore..”

Clearly any involvement for a FP with an NFP requires a ‘pay back’ on ‘the investment’. Prompted to say what she thought the charity was looking for in the CRM she added:

“They want donations and they want.. you know... sponsor a child or whatever.. and sometimes what they are wanting and how they are marketing themselves is actually quite different from the Just Juice brand.”

Could that cause conflict?

“For sure.. for example a lot of … say CRM.. they will use.. I hate to say.. shock marketing in a way and they will show pictures of.. um... kids that are working in hard labour who are 5 years old and things like that.. whereas the brand [Just Juice] actually doesn’t want to be associated with negative aspects of life and so that can be quite.. for a brand that's all about fun.. that can be where there is a disconnect.....”

So, if it comes to an argument about what is going to being done and what isn’t going to be done.. who would win?

“The brand.. its the person who pays at the end of the day.”

This comment seems to have a deeper meaning. ‘The brand’ clearly means the FP brand and this is confirmed by ‘it’s the person who pays at the end of the day.’

At the completion of the formal list of questions respondent mentioned his theory that some CRM might not be as productive as it might be due to an imbalance of respect between the two parties. She agreed but probably it would not be as bad as the researcher had anticipated. In summarising the researcher repeated a definition of CRM as a FPO helping an NFPO but not purely altruistically. They are also doing it to help build their brand because what they are doing is associating the brand values of the NFP with theirs. Clearer understanding of
barriers to creating good FP/NFP relationships will be of value to practitioners on both sides. Her final response was:

“Of course.. for what my opinion is worth.. I think you have got something there...”

FPR 14 Bank (Co. 5)

Thinking about how FP and NFP brands are managed, how did she think the approaches compare, are they different?

“Um.. I think FP brand [people] are probably a bit more.. are likely to be a bit more single minded and focussed strategically.. I think for a FP business or a business that’s obviously got shareholders and profit objectives... that are obviously critical to the business I think strategy can change over time and the relative importance of different things can change over time maybe over 3 or 5 years things might change in terms of where the business wants to focus.. whereas I think NFPOs that kind of pretty much stays as the purpose of the organisation.. perhaps how much they execute or how they do things might change but generally I don’t think that would change much...”

How might the people who manage FP or NFP brands compare?

“In my experience .. I have dealt with.. um.. some charities in New Zealand in a previous company I worked for supported a charity quite strongly so I did quite a lot of work with that charity on marketing initiatives and found generally that they were.. um... were not as hard working.... were not as used to turning things round as quickly as perhaps we were.. um... needed quite a lot of coaching in what was commercially important so didn’t really understand why we do things a certain way and how important that was to us... so it was trying to blend the objectives together.. um.. but generally I would say.. um the FP marketing person would be a bit more of a go getter.. a bit more hard nosed.. a bit more commercially aware.. a bit more focussed....”

How would the skills required by these two characters be different?
“I think they are.. um.. I think their technical marketing skills are probably not dissimilar .. you know if you need to implement marketing activity.. um .. then you need that skill set.. you need to understand how direct mail happens or how advertising works or how to brief an agency and all that sort of stuff.. how to manage budgets and the whole thing.. I think probably.. they have probably got more soft.. what I would call softer skills.. and they need them in that environment .. you are working in an environment where its more.... um.. its not focussed on profit its focussed on another objective that’s I guess.. a lot more altruistic.. um .. so they have got ..... so I guess their skills in terms of sensitivity and those kind of things are probably.. ought to be.. sharper than someone in a commercial environment..”

How would their educational background compare? She did not think there would be any difference. Length of experience?

“Certainly in my experience people in the NFP sector tend to stay in it.. once you move in to that .. both when I worked in London and here... I found that to be the case whereas I think that people that tend to work in the commercial sector tend to be.. tend to move around  a bit more....” Where do marketing people in the NFP come from? “I think people can have come from the commercial section and moved in to that or they could have developed within that organisation...”

Respondent had heard of CRM and had been involved in some CRM management.

“ I worked with the Child Cancer Foundation in my previous job and so.. the business I worked for was.. one of the sponsors for the Child Cancer Foundation so we did.. um activities together to.. you know.. promote.. raise funds for the charity..”

How did the parties get on with each other .. the FPO and the NFPOs.. what was the working relationship like? “Not as good as it might have been..” Why was this?

“Um... Well I think the lady that is in charge of the marketing activity was quite... um... she did not really understand out timeframe.. so.. she.. we.. although we communicated these timeframes quite well to her.. so where we were making .... fashion items ... and they had to be designed and then they had to be sourced from China and then they had to be got over from China so.. quite a long lead time... and it was working with Trelliz Cooper as well.. which was another dynamic.. which was
Quite tricky and... so trying to pull all that together... and unfortunately with our lead times with our suppliers in China it... them not moveable very much at all... and so that was quite difficult trying to kind of... you know... make them understand that when we say that this is the last day that we can agree this in order to get delivery on a certain day that’s the last day so yes... there was a bit of... um... you know although we did... we did very well communicating the time lines and the pressures at our end... it seemed to just... it wasn’t like that important... it was just like we will do it in our own time...”

So, who had the power in the relationship? In the case quoted both did but, if such an exercise was repeated in the future the FPO would make sure that the NFP realised that the FPO was in charge.

FPR20 Bank (Co. 5)

What is the difference between a FP brand and organisation and a NFP brand or organisation?

“I would say maybe... um... on the part of the consumer looking at a NFP brand perhaps there is a little less cynicism...yes... I think obviously there is a sort of that perception of big Coca Cola and the profit they are making... the big multi-nationals and... um... perhaps on that social marketing perspectives... yes... people look more kindly on those not for profit brands...”

Respondent works in a FPO, how did she think the approach to managing a brand might be different in a NFPO?

“Yes... a hard one to comment on... obviously it would not be the same... I would think in terms of trying to build profile... essentially... Yea... the essentials are the same really...”

And how would the people doing these jobs compare?

“I think they would have the same sort of people... obviously there are people that have... Yes I guess its obviously very important for them that I would think they would be quite tied to the cause and be quite passionate about it... In the NFP...”
Would the FP people not be passionate?

“Yes they would but.. um… I well.. yes.. I suppose in terms of salary expectations and that kind of thing.. from what I have heard.. probably are not so good in the not for profit but I would suggest it would be more for the love.. but that’s not to say that obviously.. you can be passionate about things….”

She did not think that would mean that a person in one or other type of organisation would be any better or worse, as people, than someone in a different type of organisation.

How might the skills required to manage each type of brand be different?

“Well I would suggest that there would be.. perhaps be more budget orientated in a NFP and maybe have to be a little bit more clever in terms of how they sort of… that would be the one thing that would spring to mind…”

But wouldn’t that be the same in FPOs?

“Yes… but they would probably have a lot less to do the same job I would suggest.. if they were to go into a FP I am sure they would apply the same kind of skills then…”

Respondent had not had direct dealings with CRM but knew what it was. Asked the question about which party she thought would have the most power in such a relationship she said:

“I would say the FP.. um.. only because I think …um …. I think they would hold the power in the negotiation because obviously the NFP would get a lot out of the actual relationship with the FP and they [the FP] would sort of benefit out of too .. I guess..”

**FPR29 Bank (Co. 5)**

When asked if there any differences between FP and NFP brands:

“I don’t think there is a lot of difference actually … but um… I see in the NFP sector that.. um.. it has to rely quite a lot on voluntary work... at the .. um .. management end I would say that ... um.. they are equal to a corporate in the things that they need to do.. they just have that added aspect ... they don’t have a whole team of paid workers.. and they have to actually go out and look for people that can help them do things…”
The interviewer probed deeper by asking how the approaches of FP or NFP managers compared, how would she handle it [Respondent is the Sponsorship manager of one of the largest banks in New Zealand] in a FP role and how would an opposite number in a NFP handle it? She saw the NFP role as the flip side to hers with a key difference being that:

“I look after my brand and .. um.. they look after their brands and that whole sort of sponsorship area.. but I think where we are totally different is in our funding.. I will go out and assess something about whether I am going to give something money.. they have to actually come and seek money..”

So. How do the people compare? Response was that NFPs would be “very similar to a corporate” And when asked how the required skills might compare she thought they would need to have the same skills. This respondent dealt with a number of NFPOs each year.

As she was a sponsorship manager she had had a lot of involvement with CRM (probably more than any other respondent in this research). When asked how many NFPOs she had dealt with in the seven years she had been in her job she asked for clarification:

“.. for CRM or just charitable...?”

This short quote is significant in that she seems to be differentiating between charitable activity and CRM activity. In terms of CRM she dealt with about twelve major NFPOs per year. In those she felt the balance of power usually lay with the FPO.

“I would say it leant more towards the corporate .. however it wasn’t... it’s not really a power thing.. it’s about a partnership..”

But, in the final analysis and a decision has to be made?

“Oh absolutely.. I feel... it’s the one with the dollars.. yes..”

FPR5 FP Category Manager (Co. 6)

How do the ways that FP and NFP brand are managed vary, if they do?

“I think that FP and NFP.. they try to do the same thing.. to make the consumer know about the brand.. what the brand stands for .. what people think about.. maybe I
manage candy but I also care about to protect the environment... so people know and understand what the brand stands for.”

How do the marketing people compare? Where do you think the best product/brand managers tend to be in FP or NFP?

“It is hard to say... in some companies they have the tools .. spend a lot of money.. [use] the tools and trying to understand the consumer and their habits.. but non-profit I’m not sure that they are interested.. have that kind of understanding....they don’t understand more about customers .. I would [think] that FPOs they invest a lot in trying to build the brand.. they create the tools.. they have interviews with customers.. do research to make the brand stronger.. but for NFPs I am not quite sure...”

Are FP brand/product managers better educationally qualified?

“I... don’t think so.. both do their jobs but the tools are different.. the people are different...”

Would he work for an NFPO?

“Sure.. yes...”

He was aware what CRM is but had not been involved in its management, but he had seen it in his company.

“Like.. our company.. we done just like for the Cancer Foundation.. so every time you buy a bag of marshmallows we also contribute 5c to the Cancer Foundation.. so this is [laughs] Cause Related Marketing?”

This was confirmed and he was asked who organised the arrangement.

“Someone in the company.. it was initiated in Australia and sent out to New Zealand.. so I do not know who dealt with it..”

He was asked to imagine how, if he was to set up a similar sort of arrangement, how he would treat the representative of the NFP organisation? As someone who needed help or someone who is giving you the opportunity to work with them?
“Yes.. I would say.. I would treat them like they are our partner.. so we try to help them always because they can use the money.. for what work they have... [next few words unintelligible: respondent is Malaysian, has a strong accent and speaks extremely fast!] .. for CURE Kids.. that time we also did something to distribute the funds or whatever for CURE Kids.. we did that as part of our social responsibility.. so is part of our values...”

So, if a relationship had been developed what arguments would he put to his senior management to approve continuing the relationship?

“I think that one part is the value that is added to the company.. so yes.. we try to find opportunity to work in the social area.. social responsibility area.. so think that.. how to say... like company direction..”

So what would the benefits to the FP be?

“I would say it is quite an image as well.. so it is like that our brand in the consumers’ eyes.. this brand is not only making profit.. but they also contribute to the social.. to others.. so that I think the image of the brand by working with the NFPO is also enhanced...”

Note that this FP brand has been recognised as one of the most trusted brands by consumers in New Zealand for many years. How is the NFP brand effected by being associated with the FP brand?

“Effected by... let me think about it... I would say... not sure there would be a negative impact.. but I would see.. that the consumer knows that the NFP needs to raise funds.. so what they have to do.. is raise the funds so the FP brand association can help”

This interview had not been going well. Interviewer started to bring to a close when quite unexpectedly the respondent said “Sometimes NFPOs can not attract good people..” Why would that be?

“I am not sure.. maybe the benefits of career path or whatever.. maybe the organisation can not provide good money to attract good marketing people.. to come to work in their organisations.. and also.. unless the people have clear inspirations.. you know.. also the career path is not clear.. I am not sure because I never dealt with
an NFP.. so they do not know when they grow up in that type of organisation what
might be the future.. whereas in this kind of FPO you know your career path..”

When asked if this might lead to an imbalance of power between the FP and NFP he thought
that would not be the case.

**FPR 2 (Category Manager) (Co. 6)**

Do you have any thoughts on the place of NFP brands? Respondent took an unexpected angle
in answering this:

“NFP screams out Fair Trade to me and the kind of brands where there is an
environmental cause behind them... and therefore you are only focussed on paying
people’s salaries so that they can survive but.. there needs to be greater well being for
society as opposed to giving society products that they pay for because they get a
personal satisfaction out of it.”

Not wishing to lead the respondent towards his tack the interviewer asked ‘Which is the best
profit.. a cash one or a societal one?’ Her response was:

“Oh....[laughs] ... I think the consumer trend is going to put a lot of pressure on
proving society profit... and I think it is coming through more and more with grocery
stores shifting from plastic bags to material re-usable one.. Biodegradable ones versus
non..... there is going to be a squeeze on how much profit you can justify in the
business if you are not putting... profit through society through better life style..”

Concerned that this interview was heading away from the intended final topic researcher
asked respondent to name some NFP brands. Respondent spontaneously mentioned Plunket
[a leading NZ NFP provider of child health services] and Red Cross. Back on track, the
researcher asked her to think about these NFP and FP brands, did she think there is any
difference between the way one type of brand or the other is managed within their
organisation. She thought that within a FPO the brand would be managed by “Marketing..
marketing people or maybe up to GM position for approval..” What about in a NFPO? Would
they have a marketing person? “I would say of course would be my answer [her voice was
raised, sounded surprised]”
Conversation was turned to different standards in the two types of organisation by asking how she would rate, in her perceptions, managers in each type of organisation where the ‘perfect’ [Interviewer did not specify what that might mean] brand manager scored 10 out of 10. Her response:

“If they had the same skills.. its the same skills to me.. so if you can perform in NFP you can perform in FP and vice versa...essentially you are trying to develop a brand essence based on the values your business holds... the attributes you have got and what does that [unclear: Add?] that up to.. so my take is... getting defensive.. considering FP versus NFP is.... the power of how much you can deliver.. irrespective of whether its cash.. or consumer trust... faith.. support.. whatever the case is.. depends on how well you have sold and pitched your business to people so its requiring the same skills really..... I would say that the skills are transferable.. ...yes...”

Still trying to get her perceptions of the difference in quality of managers in the two types of organisation, researcher asked her if she were approached by an Organisation like Red Cross.. which she wouldn’t.[Red Cross has a policy of not aligning with any particular organisation to retain its image of total neutrality] .. what sort of person would she expect to approach her with a view to doing say.. cause related marketing or something like that.. what sort of person would she expect?

She thought they would be someone with skills similar to hers. They might be different:

“Dont know if it is the skills.. more about personality and personal goals and objectives.. I think if they are relationship orientated a lot more then.. compared to a FP .. where you are hungry for anything you can squeeze out of a FP relationship.... you create.. you are obviously having to.. put up a lot more knowledge.. so I think skills not so much but personality, personal profile, personal objectives.. I mean.. if you are working for Red Cross you obviously got a very humane heart....”

Does this suggest that she thinks FP managers do not have a ‘humane heart’? As the lines of questioning seemed to be failing to open up new insights the interviewer finished with a question about how she might see herself in negotiating on behalf of her FPO with a NFPO. Would she expect them to be experts on their brand?
“I would have an expectation that they were experts in their field and they were needing to leverage a combined relationship... to get them further down the track.. I would expect them to be talking the same kind of language....”

This was one of the earliest interviews conducted before the researcher realised the value of introducing CRM in to the discussions. It is retained here because it shows an underlying indication, based on the ‘humane’ comment above, that FP brand managers may have some concerns, perhaps labelled as ‘ethical’ concerns, about what they do compared to what NFPO managers might do.

FPR3 (Category Manager) (Co. 6)

Early in the introductory phase of this interview, where researcher was trying to get respondent to relax and talk freely about brands he said:

“How important [are brands]? I think more than the consumer realises.. more than we realise...brands are so much of our landscapes now that.. um.. consumers attribute things to brands that they would not even realise.. didn’t even know are brands.. more and more they are a part.. as you are getting more and more information as consumers... and we have got more and more choices... brands are becoming more and more a part of our landscape.. whether the owner of that product or service realises that it is a brand or not....”

This reflects some of the findings in the literature review where, in the case of NFPOs some managers had little understanding of what their brand meant or even that their organisation owned a brand that was any more than a naming device for the organisation. When asked to think about how FP and NFP brands might be different he first named some examples of NFP brands, quoting CANTEEN and the Cancer Society. The interviewer was able to pick up on the respondent’s earlier point about some organisations not realising that they owned brands. Why might that be?

“I think.. um.. some of them.. a lot of them now are successful and realise that.. a good example would be breast cancer.. a classic brand with its own particular.. ah.. breast cancer has a colour.. has a symbol.. now they make a profit in terms of creating funds and leverage that across a whole range of products and services from which to.. drive consumer choice.... If I purchase that product then I know that some of that
money goes towards helping that cause [Note: This person raised CRM without prompting] .. another example of charities... I’ll try and think of one which... Crippled Children’s Society.. raising money.. they are probably out there.. raising money.. probably struggling.. to raise money but.. are they there? No. Maybe there’s not a huge lot of consumers know about.. maybe they have not packaged it right... who knows...”

Picking up on a point respondent made earlier researcher asked what causes the difference success rates for some NFP brands.

“In a particular charity compared to a multibrand company.. the link between strategy and the organisation and the brand is a major factor.. how they link them together.. and how you understand the role of your charity.. beyond the people that you are set up to help [Note: A few words missed here as noisy truck outside makes the recording inaudible].. Its about symbols, rules, um... the way the brand is managed internally and externally.. and so .. sometimes misses a single minded proposition because they are too involved with the cause...rather than focussing on the needs of the consumer.. um.. donor. In the consumers mind [donor] they don’t integrate everything about the organisation.. and sometimes they get it working successfully externally.. and they need to teach about the people that they are there to support.. it goes wrong because internal and external are not.. not linked within the strategy.. overall.[External noise makes end of sentence unintelligible on recording]

Thinking about FPOs that have specialist people who are brand managers, did he think there are similar people like that in NFPOs?

“Ah.. that have not got a progressive organisation view.. that person is a fundraiser.. more progressive organisations realise that that [brand management?] might be part of the role but.. but branding.. and.. strategy is an incredibly important part of that role... there are two separate elements..”

How might approaches compare [between FP and NFPs]?

“The differences that I have experienced in the two.. um.. a profit organisation is that the decisions and engagements are a lot clearer and the ownership of those decisions is a lot clearer. In a NFPO.. even though you might have a particular office [?] where
a lot of people have influence on things.. then depending on who they are.. like on the commercial continuum.. when they decide between them.. and their perceptions of how you might go about this... the brand manager has a very difficult job. When you try to attract people that are not necessarily.. the organisations best supporters..[This is taken to mean that money might come from people not well aligned with the credo of the organisation]

How might a brand manager in a FPO be different to an opposite number in a NFPO?

“A key point would be what motivates a person.. what drives them.. some like working in a more creative driven organisation.. or maybe they enjoy more self expression... or maybe they are there because there is more money or career.. in a NFP it may be.. freedom versus corporate life.. it might be that you are motivated by your contribution to society.. that sort of thing.. may depend on your background...”

Probing still for perceived differences the researcher asked : If you gave a brand manager in a FP and in a NFP organisation a multi-choice test based on the understanding of the basic principles of marketing who do you think would come out best?

“I would think probably the brand manager in the FP.. might be different say in the UK. When you go into larger more developed markets.. where you have got larger NFPOs who have got larger structures and.. um ..are more attractive to people ... to people who want to move out of corporate life.. what would they do next... if you want to work in a marketing environment.. then there are not many NFPOs that probably would attract somebody.. but if you move in to a larger market like the US or UK.. you would attract some very high calibre people I think...”

Interviewer did not probe why a FP manager might want to ‘move out of corporate life’ but here again there is an indication that FPO managers might move to NFPOs. Could it go the other way – would anybody be attracted from the NFP to corporate life?

“I think that somebody who had gone straight in to NFP and had not worked in corporate life.. would find it very difficult.. the skills and knowledge can be taught but the attitude.. might be difficult in a commercial environment.. in a commercial environment there are always tradeoffs in a commercial sense whereas in a NFP its driven by its purpose and.. an organisation driven by shareholder value and profit may
not motivate them.. and not be at all attractive to them.. most things can be taught but the main problem would be how to motivate them.. will they be motivated?”

So, the corporate manager has to make ‘trade offs’ whereas as an NFP manager is ‘driven by its purpose.’ Is this also raising questions about the ethics of managers in the two types of organisation? To probe his thoughts further interviewer asked, as the respondent worked in a large FP marketing team, if somebody turned up from a relatively successful NFPO, how well would they fit in to the team?

“I think they would probably do OK.. depends on how they react to the leadership skills [?]. because we are running brands in a corporate environment.. your leadership skills are important because you do not work in isolation.. you touch on sales and other department.. a number of elements.. so leadership skills are very important.. in a commercial environment.. commercialism is about maximising shareholder value.. there is a lot going on.. so these basic skills are important.. so the potential for somebody coming in from a NFP.. the organisation is potentially a problem in terms of how the business is run.. but in some ways I would expect the see the NFP person more developed.. ……”

Here is a new insight in to a FPO manager’s perceptions of how a NFPO brand manager might work within a NFPO: Do they not work as part of a team like brand managers do in a FPO? Does that mean that marketers in NFPOs do not require the same leadership skills as marketing managers in FPOs? Are they not key managers in their NFPOs?

Interviewer moved on to CRM. Respondent was asked to define what it is, say for a text book, and respondent said:

“Cause Related Marketing.... its about promoting, communicating or.. ah.. marketing.. um .. a... cause.. its championing.. a particular group within society.. a particular organisation often in which.. looking to raise awareness or support for particular.. usually minority.. but not necessarily a minority group.....”

Who are the main parties involved? “In a relationship.. the interesting thing.. its the cause.. and the general public.. could be the general public and could be corporate..” To probe his feelings about parties in the relationship the following question was posed: “If your company, say, sells milk and you have decided to donate 5c to a charity for every bottle of milk sold,
that would mean there would be three parties: The FP, the NFP and the public. Might there be an imbalance of power in the relationship, or is it balanced between the FP and the NFP?

“It all likely depends.. depends on.. go back to the breast cancer one.. a very powerful cause related brand [?] in the marketplace.. and why is it.. powerful brand.. because the consumer recognises it as a charity.. has a high recall.. high.. in the marketplace.. what do you trust.. the credibility of the charity.. pretty high... in terms of the general public.. and then in terms of.. this is something that motivates me or something I can relate to.. I have a mother.. I have a sister.. I have somebody I care about and [unintelligible due to external noise].. therefore this holds a high balance of power when it comes to the corporate because the brands... its cause is ranked highly with consumers and therefore it.. the cause has credibility, trust.. it is related [to] a classic health issue and links to milk which is a healthy product.. a hugely familiar brand which consumers are used to.. when they shop for products so.. a powerful negotiation.. could help in my consumers making their choices. A powerful cause.. put it with a market leading milk.. probably you know its going to be from point zero to maybe 50% in terms of who brings what to the party.. I suppose in this example both parties bring different things.. and depending on how they value those different things.. will depend on where the power is going to be...”

So, what arguments might the respondent put up to top management to get their support for some cause related marketing?

“Dealing with senior management my approach is.. will always start commercial... and end with emotional.. you need a good commercial argument.. so first of all.. how is it..... going to give us something of a commercial advantage.. how will it grow our business.. give us advantages.... and translate in to value.. then a few other things.. how it relates to our brands [unclear additional comment] the other things that we do.. our objectives for the brand.. a particular place or position that we want to take.. and therefore they are valuable.. and lastly has a good society orientated [?Unclear] what should we be doing.. help society at large....”

How would he look at a NFP representative that approached him. As an equal? In a parental way? How would he describe his attitude?
“We have had a lot of experience in the past...um.. dealing with a charity that approached... and it led on to a relationship.. and the reason it was very successful was.. they understood where we were coming from.. we had to make sure the links were right.. check... assuming that there is a good match first of all... and then taking the conversation.. right.. what are we looking at in this relationship.. and that where we eventually came up with opportunities for both of us.. we were not just partners we were strategic partners.. it worked well... we each managed the relationship.. we listened to what they had to say but they did not seem to understand our corporate viewpoint.. and they had to accept that we were looking at this relationship from a corporate FP point of view..

Here we get some insight in to possible conflicts, with the NFPO not seeming to understand the FPO’s ‘corporate viewpoint’ and the NFP perhaps not appreciating that the FPO was looking at the relationship in a different way.

This interview had several interruptions due to external noise and the respondent walking around the room, getting out of range of the recorder. However, interviewer took notes as well and the key contribution of this interview was that it highlighted possible friction between commercially focussed FPO staff and NFP top management who seemed to think of any relationship as mainly a philanthropic donation or something of the kind.

**FPR4 (Brand Manager) (Co. 6)**

The opening discussion on general branding issues took more time than anticipated but interviewer steered respondent towards talking about the differences between FP and NFP brands..... Do you think that the people of New Zealand think about NFP brands in the same way they think about FP brands or in some way different?

“I don’t think they think of them deliberately differently but I think the brands that are FP are generally targeted at them more specifically.. and with more media spent behind them and are more targeted about.. to their particular aspirations and.. FP brands are trying to become more relevant to this... this particular consumer so they take them and use them because of their personality and maybe it’s the NFP brands are not as savvy as that.. they are more true to their core.. so Plunket for example
probably would not try and go out and become more relevant to the 16-24 year old market and hope to be on T-shirts.. I think thats... um..”

This respondent suggests that his opposite numbers in a NFPO might be less ‘savvy’ and that their marketing is not as targeted at the public whereas FPOs are trying to be more so. Researcher asked how FP and NFP brands are managed. Would they be different or are they the same?

“Um.. I have not been in the market and looked but I would assume that.. ah.. marketing executives would be paid less to work on NFP brands.. and therefore will not have the experience and the knowledge that you can get from a corporate which pays more... so you would most likely get people working on these NFP brands that were more passionate about those particular brands and sacrificing income.. potentially... for some values.. so um.. I have not been out there and looked around to see what people are paying..”

A suggestion is made here that FP people, who are paid more, will have more knowledge and experience than their NFPO peers but, perhaps NFP people will be more ‘passionate’ about what they do. Is there a gap, then between an organisation that is run on emotions compared to one run harder criteria based on knowledge and experience? How do you think the people compare?

“I think they would be pretty similar across the board.. it will depend on what level of budget there is in there for the ability of people to be able to go and promote their brands.. um.. with all the competition out there for NFP brands.. they have got to be pretty savvy and smart to get cut through.. so.. and with people wanting to get in to better work/life balance perhaps you might get more experienced marketers moving in to these areas.. our ex marketing manager here moved into promoting Auckland Public Transport.. now she is probably loving it.. and she has got great experience and that is probably a short term role and probably not full time.. I think there would be equal marks across the board..”

This was not strictly an answer to the question but the differences highlighted here are the items underlined in the quote above. NFPO people do not have the budgets that FP people do so they have to be ‘pretty savvy and smart to get cut through’. Also, in terms of the way the people compare we hear again a comment about people wanting to get in to ‘better work/life
balance’. Does this mean that there is a difference in work/life balances for FPO people and NFPO people. Could it mean that FPO people have more time for their ‘life’? Does that mean they don’t work so hard, or does what they might do in a NFPO make them feel happier with life? To clarify he was asked: What would be the chances of a marketing moving in the other direction.. from a NFP to a FPO?

“It depends on what other background they had... they would have to have had other experience.. generally... people we recruit here are either graduates.. and they come through at that level.. or they have some experience in some.. not all areas within brand marketing within similar industries... we are looking for FMCG [Fast Moving Consumer Goods] marketing and I suppose we get.. lucky in a sense as we are seen as high level... the place to come so you can work around and get into Cadbury.. you wouldn’t necessarily get in to Cadbury without that experience...”

From this we can take that it is easier to move from FP to NFP than vice versa, based not on individual’s life choices but qualifications, skills and experience. How might the type of skill be different?

“Ok.. you would need.. they would be different skills.. for brand marketing you would need.. brand.. above the line experience.. being able to work up there...”

‘Above the line’ is an advertising term usually meaning to be directed at main media communications. This was probed further by asking: Let’s say a job advertisement says ‘Brand Manager Plunket’ how would the required skills be different to the skills that you would look for in your FPO?

“The only difference would be cultural fit to a certain extent.. you would have different drivers so we... here you are driven by commercial success... you would want to have exhibited commercial success and shown how you can improve profit for the organisation.. if you are recruiting for a NFP one you [are] probably looking at different measures you’d be wanting to look at perhaps similar values to other NFPOs.. maybe experience at different types of marketing maybe more PR.. more PR driven than it would be for advertising.. um.. and it may be more about awareness than sales .. if in the NFPO .. you will be wanting to raise awareness of the brand and what the cause is about.. in FP you are wanting to raise awareness of the brand to drive sales.. and therefore profit.. we are looking for marketers .. not just managers..
we want people with commercial nous.. understand the profit and loss.. the P & L... and particularly for our organisation now.. to understand where you fit in a global organisation... very important we are driven by need to achieve the profit for our category....”

If he was in a cause related marketing relationship [interviewer had confirmed that he and respondent knew what the term meant] how would he treat the representative of the NFPO.. as a partner, needy person, well meaning amateur or an equal.. how would he think of them?

“I am trying to think of some examples we have had.... we have not really had any relationships with NFPOs.. we have.. we do with ... [a well known consumer product].. providing money to the breast cancer awareness week.. um.. and internally we have the C.U.R.E kids .. um .. organisation that we work with and raise money for... that a corporate fundraising.. cause related.. it is... I really don’t think we communicate to consumers at a higher level.. apart from [ produced by the company] which we’ve had an association with the World Wildlife Fund.. and that was on the pack.... but that was not a relationship with a marketing person in their organisation... that was.. who would have done it [was asking himself the question out loud] there wasn’t a lot of interaction..”

Who put the marketing thinking in to the relationship?

“I’m not sure.. I was not working on that... I think nowadays we would see them.. we are looking at win-wins.. so we understand that they are working with us because they need the money.. but we are working with them also to influence our brand..... its got to work.. it[s] got to have synergies.. people are very... very um.. they can see clearly if we are just doing it for the money.. so there has to be some insight with the brand that is already there and then there is a natural fit with the NFPO..”

This comment suggests that there needs to be more than a financial relationship between the FP and NFP brands. The word ‘they’ in the quote above is taken to refer to consumers. Is he suggesting that consumers regard what FPOs do as being just done ‘for the money’?

Needing to probe the respondent’s inner feelings interviewer asked about a particular piece of CRM he was aware of as a consumer. He quoted BNZ [ Bank of New Zealand, a major New Zealand Bank] aligning itself with ‘Save the Kiwi’ [an endangered indigenous species of bird
which is a major symbol of New Zealand]. Would he change banks because they helped the Kiwi?

“No.. um. I think from a consumers perspective.. if you want to give money to a charity then you do it directly.. you don’t need to go via others.. it might make you feel good but you know that only one cent of the bar is going to it... and we actually got.. we had a cause related thing way back when we started chocolate fish day

Chocolate fish are marshmallow bars in the shape of a small fish, covered in chocolate. New Zealanders often talk about giving someone ‘a Chocolate fish’ as a reward for something good that the recipient has done] .. where the [recording unclear: Company? Campaign?] sold a chocolate fish for a dollar then a percentage of that went to the charity.. at the end of the day there was no profit so we made a donation.. we didn’t have to but we did.. at the end of the day.. if nothing was given to a charity as a result of this chocolate fish day then it would have been a negative... on our brand... in the end we took the losses plus made a donation.. so it would have been better just to donate the money.....”

Here he had mentioned negatives of CRM, perhaps from an inappropriate association. What might positives have been? For the FP this would be to make money because consumers would buy more product.

“Because they are motivated to do so through.. believing they are helping the charity... and it quite interesting because.. and this is off topic.. when we ran a promotion and had a prize of $50,000.. the fact that we spent $250,000 on air and $100,000 on an ad [production costs of the broadcast material].. um.. and all that extra money on the packaging.. the prize part was insignificant.. it would have been easier to just give the prize away.. its all about getting displays in supermarkets.. so.. yes.. I mean.. that’s why you would get into relationships like that.. in the past you might have had somebody who had a personal relationship with a charity and had the ability to say .. right we are going to do a promotion with you guys.. those days are gone and everybody is very visible and everything has to get through on  a business case.. um probably the way that we do support the community and charities is through direct contributions.. and corporate sponsorship.. even leveraging other
brands.. like looney tunes on to our products we only do that if we think we are going to get more sales than if we didn’t have that one there.. thats what we are here for... making money for shareholders.”

Clearly this person’s organisation understands that CRM is based on a commercial relationship and that CRM is quite different to the making of a donation.

**FPR 25 Brand Manager**

What are this manager’s perceptions of the differences between the way that FP and NFP brands are managed, if any? He claimed to have had no dealings with any managers in NFPO organisations but the interviewer knew that his organisation was about to launch a major piece of CRM activity with a large NFPO organisation. (It was the Marketing Manager of the NFPO who suggested that this respondent’s organisation be contacted! Either the respondent was good at maintaining confidentiality or the planned activity had not been widely talked about in the FPO’s marketing department!)

“I think.. and this is only my perception.. if I put myself in the role of a NFP manager I would be looking to maximise my reach of my brand and a lot of the less tangible things.. the feel of my brand and how it would seem.. with a brand manager driven by profit.. your bottom line at the end of the day.. you need to be selling product or services that is going to bring in money that you can (a) reinvest in your business and (b) Set you up for the longer term.. um.. so I think there is a slightly different mentality if I put myself in that perspective…”

How did he think the type of people that manage NFP brands compare to the people who manage FP brands?

“I actually don’t think they differ at all.. I just um.. I know that.. I am in a profit driven company but I could quite happily move in to a NFPO and get as much satisfaction out of that.. and know that I was working for the greater good…”

Would he expect the pay and benefits to be comparable?

“Financially I think they would be comparative yes… I think some people may work for a slightly smaller salary in a NFP purely… if they were looking at it from an
overall job satisfaction point of view and that they got greater value out of knowing what they were doing was for a greater good than for a profit led company.”

How might the types of skills required compare? Could a brand manager in a NFP transfer to a similar role in a FPO?

“Yes.. I think they could .. um… and I think they would probably bring some quite valuable insights…”

Insights in to what?

“Just I see a greater communications element in a role like that.. in terms of you are working with a lot of external parties.. um.. whereas.. were they to come to this organisation they would obviously be thinking about consumers as end users and customers in terms of the grocery and route trade.. um.. within something like the Save The Children Fund then you have a whole lot of government organisations that you obviously have exposure to .. um.. so yes.. I think they would probably bring some valuable skills in to… …”

And vice versa?

“Yes.. I would like to think so…. And I mean I would like to think that as a person I could fit in to an environment like that purely because I am not all about cash.. yea.. that drives me .. but…”

He claimed to have not been involved with CRM but, when asked to say what he thought it was he said:

“I see it as a number of factors that we have discussed.. I think it is… if I looked at it from a profit driven point of view it would be partnering with an organisation that aligned with your product portfolio that (a) complemented your offering so consumer saw it as x% of sales are going towards the cause.. and then I think from a different perspective of looking at it would be for example the Australian bushfire.. you would.. you are marketing for a cause…”

What would be the main drivers from a NFPs point of view, to engage in CRM activity with a NFP brand?
“I think.. exposure so it… they will get greater public awareness from any involvement… whether it be PR media.. um.. POS [Point of Sale] within the selling environment.. there is obviously a financial spin off for them whether it be that they get x amount of dollars upfront for having the use of their brand... and I think also it just strengthens relationships between.. I can definitely see with like a number of social networks developing that by partnering organisations the world over you can only put yourself in a stronger sort of situation to have people to lean on for ideas when times are... ....”

Respondent was asked if he had been involved in CRM, having earlier said he had not been. Now he said yes! “Yes I have been involved in a marketing exercise where we have partnered with an organisation and then given them money.” This activity had been successful. How did the parties get on with each other, who had the power in the relationship? “There was a lot of give and take in.. I think.. if it came down to it at the end of the day.. that a lot of the power still rests with the .. person in my company....”

FPR26  Marketing Manager

How does he think the approaches to marketing differ between FP and NFP brands?

“Well, the main things I can think of are the charity type ones... maybe Greenpeace or Amnesty International.... there is a large element of feel good about them... even though they may present some bad news first.. and then say by donating to us you can help fix the problem.. so very much on the side of what is perceived to be right.. whereas a lot of other brands in the commercial world can be.. there is more of a love hate relationship with the customer .. I think.. banks to me are classic examples.. insurance companies.. petrol companies... if you put up some inflammatory type questions.. like .. you know... to survey people .. and you say do you think banks make excessive profits most people would say yes.. a loaded question... to get that answer but you say do you think most charity organisations are a rip off I don’t think you would get the same response that you would if you said for banks, petrol companies, Insurance companies.. but they put a lot of money behind their brands...”

How would the [marketing] people employed by these organisations compare.. would they be different in any way?
“I think organisations... if they retain the people... they attract people that are... what's the word... sympathetic to their business... like it would be very odd to have someone working here in our organisation [The leading legal gambling institution in the country] who was anti what we sell... some of them would be a bit ambivalent about it...”

Like a tobacco company employing somebody who was violently anti smoking?

“Yes... or a brewery... someone who does not drink at all and then you make them a marketing manager or something... it kind of... it's not a compulsory requirement but it certainly gives you an insight into the customer...”

Would the person in a NFP be in some way interested in what it did, be motivated to make the organisation successful?

“Yes... and I think possibly... I would imagine that they don't get paid very well... relatively to the private sector...”

Why is that?

“Well its the nature of that sort of market dynamic where they are not really... they are not probably driven by so much of the commercial imperative... and so its less dog eat dog about what they do although they have got to compete with other charities... its kind of... you know... I guess the money will come in in quantities that comes in...”

How might the types of skill required to manage the brands be different? If you decided to change jobs... do you think you could slot quite happily into being... say... the marketing manager for Red Cross New Zealand?

“Yes I do... um... one of the key requirements I think is to sort of be able to have a passion for whatever it is you are trying to do... and so really in marketing you are trying to effect some change in the relationship with the customer so I think that... you know you can take those passions and passion for the product that the business is selling you can take that to any role really... the challenge would be the passion that you can develop for some of those functions.”

Could the marketing manager of Red Cross come in to your organisation?
“Ah.. possibly not.. I would want some commercial background there somewhere.. not sure if they had always been in NFPOs”

Did this mean that there is a fundamental difference between FP and NFP marketers or not?

“Yes.. well some organisations.. they probably rely purely on charitable funding but other NFPs.. NGOs.. would get some government funding or multiple government funding if they are operating globally... under the auspices of the UN or development bank type of environment and so that.. they get funding via.. essentially tax on another part of the sector they are reporting on and they sort of work against it.. as a government perceived need to counterweigh... a bit like say... um there will be government outfits getting funding via the government which will come possibly via a tax on cigarettes.. but their role is to stamp out the one that is paying for their existence...”

Respondent had had no direct involvement with CRM. So CRM was described to him as a joint activity between a FPOS and an FPO. In such a relationship, who would he think would have the power to determine what happened, or not?

“Um.. the funder.. having said that I would think that the minority partner if you like.. which is the one that is getting the funding probably has a greater weight of control than the portion of money that they are getting represents.”

Would the NFP be likely to agree to actions, suggested by the FPO that might clash with their operating philosophies? He thought that most would.

**FPR24 Marketing Research Company**

Discussion focussed on this respondents views as an independent researcher. Asked about his perceptions of the differences, if any, between FP and NFP brands he said:

“Well.. I think NFPOs have brands which are viewed as being more altruistic and less mercenary... that say FP brands.. say a bank versus a friend.. and that type of thing..”
When asked to clarify what he meant by ‘friendly’ he said he meant something like a community bank as opposed to a major commercial bank. In terms of how the two types of brand are managed, how did the approaches compare?

“.. I think FP are generally very managed and.. um... NFP. often they just evolve.. um... and I have from my experience working with some not-for-profits who attempted to refresh their brands or reposition it they tend to actually struggle with the process of trying to identify what do they really stand for.. what do they really want.. what their brand essence is.. what they want... people to think of when they hear the brand ... whereas FP brands tend to have a very clear mission.. and it’s all about differentiating themselves from their competitors whereas a NFP is not necessarily trying to differentiate itself from competitors.. its trying to position itself in people’s perceptions and awareness primarily for public support and.. um.. fundraising... for its activities...”

Why might NFPs have problems in managing their brands?

“Quite often they just don’t have the um... the requisite skills etc in house.. for example.. um.. having come from financial services [marketing] .. there are six people managing the brand at Westpac [Bank].... When I was there six people... whereas something like.. um.. St John has one person”. [The person at St John was actually known as a brand manager]. “Yes they actually have the title brand manager although actually they are more of a comms [Communications] manager to be honest.. so I think that quite often there is a bit of a blur... some people think the brand is to do with external comms and its not necessarily the holistic picture.. that the brand can actually stand for....”

How did the calibre of people in the two types of organisation compare? The respondent did not reply directly but said that he thought NFP managers were passionate about their organisations

“Whereas.. to be honest.. most people who are involved in managing a brand in a commercial organisation are a bit like hairdressers.. it doesn’t really matter what the brand is ... its what you do.. it doesn’t matter whether I am at Westpac [bank] or Contact Energy [an electricity supplier].”
Here again the motivations of FP managers are regarded as different to those of NFP managers. Returning to the subject interviewer asked how the types of skill required to manage the brands might be different. Still no clear answer, instead

“..well.. the person in the FP is going to spend their days in meetings and doing a lot of spinning and [Laughs] actually go home at the end of the day and not actually be able to point at having done anything.. I think that.. my experience from the people in the NFP is they are a little more involved... they have multiple hats.. they are often much closer to the coalface but also to the top of the organisation.. they are involved in various aspects of the organisation whereas people.. in a large FP company.. they are just a little cog in the wheel.. that is the marketing department .. which often has four or five layers below the executives...”

Initially respondent could not define CRM but, as the conversation developed it emerged that he had been involved in CRM. He described a relationship between one of the top trading banks in New Zealand and a NFO which provided health education to school age children (Life Education Trust – remove from final draft?). The point he highlighted was the differing levels of commitment within the two organisations:

“the Corporate brand believes it gets a lot of goodwill  from the association.... but.. ultimately... basically [they are] quite comfortable with pulling the plug if they no longer feel it is beneficial to them in reflecting positively on their organisation.. so in that respect they have the um... the ultimate power.. of being able to essentially walk away whereas quite often.. um... the NFP brands can not walk away even if they might want to and it would take quite a bit of a push for them to decide that they need to divorce their brand from the other brand because its having a negative impact...”

Interviewer pressed respondent by asking why the NFP could not walk away from it (the CRM relationship). Response:

“because they are reliant on the funding and quite often the marketing channels that are available to them through the larger corporate.. because they are able to piggyback.. basically get a lot of free marketing exposure through the corporate as well as getting funding support from the corporate.. so its... I hate to use the term.. parasitic because its one of [being] mutually parasitic.. like the little fish.. you know..
the little fish that cleans the shark.. its a mutually beneficial relationship but at the end of the day the bank is the shark.. [laughs]”

Discussion continued beyond the set questions and some interesting insights emerged: When asked if his reference to ‘sharks’ earlier had any suggestion that one or other partner in a CRM was a ‘predator’ there was no direct response but a big smile, which was hard to record! This person claimed to have done “fair bits of research in association... between sponsors and ... um NFP brands or events”. He recalled:

“A certain insurance company that used to try to leverage its association with the sevens [a popular sporting event based on rugby] and much to its chagrin found that people still associated it with Telecom [a previous sevens sponsor] more strongly even though.. that relationship was gone for a couple of years... because they [Telecom] were not actually getting much leverage off of the being associated with the sevens...”

Telecom was still reaping the benefits of sevens exposure.

“People still think Telecom is associated with the sevens.. it hasn’t been for years... if getting nothing [the FPO is getting nothing] .. but the Chief Executive gets warm and fuzzies .. at the end of the day they will happily pull the plug.”

When asked who actually ‘pulled the plug’ response was that the marketing person would do this. He also recalled working at a major bank [Westpac] going through

“quite a bit of a review .... basically rationalising the sponsorship system... really looking at it... were they getting any return on their investment or value for money”

But one relationship, the Westpac Rescue Helicopter had become so firmly attached to the Westpac brand

“Westpac could never pull that plug...... because it would be effected very badly ..[by] pulling out of something that’s viewed very iconic.. that’s an example of where the brands become so associated with each other over such a long period of time.. that it is like a bad marriage.. you cant get out of it (Laughs) because neither one of them can possibly extract them[seives] from the others without.. you know.. without losing”
This was a very telling last comment. The researcher took it to mean that the power in this relationship definitely did not lie with the FPO, because withdrawing could damage their public image, but equally it did not seem to lie with the NFPO.

**FPR12 Marketing Manager**

When asked for her thoughts on the place of NFP brands the pitch of her voice rose, as if surprised at the question.

“Absolutely yes.. why shouldn’t there be?”

When asked to name some NFPOs she mentioned the Heart Foundation and Barnardos right away.. When asked what the differences might be between FP and NFP brands she said she had no idea. Had she ever thought about how marketing of the Heart Foundation was run, compared to the way she did her marketing job in her organisation?

“Well.. I am assuming it’s the same way except they don’t end up with buckets of dollars at the start of their financial year.. they have to fundraise so they have got to generate money...”

In terms of management how did she think they were managed, how did the approaches of the FP organisation.. in the marketing area... differ to say a NFPO?

“I think a FP brand is less concerned about what they are spending and where they are spending it than a NFP brand.... because they do not have the money.. if you strategically set about doing a marketing plan at the end of your financial year for the next financial year and you come up with a dollar sum at the bottom of what you are going to need next year to carry out all of these.. tactics... all of these activities.. um.. a nfp brand I would imagine would have the same list of activities but would have no money.. they could.. ask for money from anywhere.. they have to fundraise.. for each of those activities.. which is why they get partners on board and they get sponsors to help.. you know input cash....”

How would she think that people who work for a FPO are different to people that work for a NFPO?
“I think the NFP marketing people are probably more creative... ... because they have got limited funds to be able to spend.. I think.... um... I just think they are probably more creative with ways that they can actually get extra effort for a dollar than a FP marketing person..”

Would there be any fundamental differences between the types of people doing marketing jobs in each type of organisation? The answer was no but respondent added something

“No.. I would not imagine that it would be less [what nfpo managers are paid] because I would imagine that.. and if we talk about the Heart Foundation for instance... I would imagine that they have.. um.. an operating expenditure for staff.. so I cant see that the person is worth any less because they work for an NFPO.. and in actual fact... I don’t even know if the Heart Foundation is a nfpo.. but I just thought it was something that came to mind because I associate NFP with fundraising rather than a stash of money..at the beginning of the year...”

From the conversation interviewer took the view that this respondent saw no great difference between the types of people who might work in either type of organisation.

How might the skills required for each job be different?

“Well.. they are probably not a lot different... I just find that um.. some people that I know that work in NFP type areas seem to be a lot more creative...”

Differences were discussed further at the end of the interview but are reported here for continuity. The respondent said she had had some more thoughts about differences between fp and nfpos.

“The FPO probably requires their marketing people to be.. um.. more particular with what they want to do.. than the NFP.. because they are actually asking for money to do that with... if you know what I mean.. whereas for a NFP in their world... they will run campaigns around sponsors they can get... so they may have an event of some sort and they will be listing a number of sponsors that they can go to and ask for money.. to not only put that event on but to put money back in to the organisation so they can continue running.. so.. I guess what I am trying to say is while a nfp marketer probably is a lot more creative and.. will try a number of different things that may not
necessarily be strategically aligned.. a FPO marketer will plan strategically for what they want to do in the next financial year and ask for money accordingly.. so there is probably not a lot of difference if you wanted to look at a year end – year end the NFP marketer has still performed a number of initiatives and got money for those and hopefully if they are good there will be money left over.”

Would an NFP usually expect a surplus to carry over?

“Yes.. same as the FPO marketer plans for the initiatives to be put in place and puts a dollar value against them so they end up with at the bottom they end up with a balance but if they are really good at their marketing should still have some left over at the end of the financial year.. and not have gone over it.. so it.. probably.. its fairly similar I would imagine if you take it right to the end of financial year for both..”

But isn’t the thought of spending money on marketing in a NFPO often greeted with ‘we shouldn’t be doing this .. we should be doing what we are doing?“

“But this is where marketing has lost its true sense of its meaning.. is that marketing is no longer necessarily spending money and profiting your business.. marketing is sponsorship, its being associated with other businesses that will profile your business for you.. um.. being associated with the media so that you get your profile raised.. so.. and some of those things don’t cost anything..”

When comparing the types of skills required for FP or NFP marketers, researcher used the indirect question about how easily FP and NFP manager might move between the two types of organisation in their careers. She thought it likely that FP people could move to NFPs later in their careers but the reverse was unlikely.

“I wonder whether it is because more often than not people tend to move within the industry in which they work... like if you work in a manufacturing environment the likelihood is that you go from business to business within that environment or in to businesses that supplement those environments.. like engineering.. like manufacturing.. people who work in NFP probably do the NFP round [laughs] probably go from one charity.. for want of a better word .. to another charity because they know that the skills that are required by those NFPOs are the same..”
But. Are they inferior or superior skills?

“No! They are not inferior.. I do not think they are inferior.. in fact I think they are superior skills.. once upon a time you used to see FMCG companies advertising ‘You must have had grocery experience’ to come and work here.... because they felt you could not do the job unless you had had this fast moving consumer goods experience.. I mean.. that's very naive I think because they are in essence saying that no other business is as fast and as vibrant and need as much energy as we do so.. unless you have had some experience you can not come here.. so.. you know.. a lot of people would shy away from applying for FMCG because they had not had the experience.. but how do you get the experience if someone does not give you the chance? And so, too, when they are in a FMCG environment probably they will find it quite intimidating to look outside of that because they don’t have the experience for other industries.. like I know .. within.. um.. lets say the engineering industry for example, that I would not employ a marketer who had not had experience in a manufacturing, engineering type environment because I know that that person would not understand the business that I would want them to work in.”

This person's comments seemed to have weight because she headed a team of 5 marketing people in a consulting engineering practice which employed 50,000 people worldwide and 350 in New Zealand. They do little or no advertising and most of their marketing is related to public relations, journals and personal selling to prospective clients.

This person seemed very animated when asked if NFPO people were in some way inferior to FPO people.

**FPR15 Advertising Agency Account Director**

Thinking about how FP or NFP brands are managed: Is there a difference in the way that a FP brand or a NFP brand is managed? [*Note this respondent acts as Account Director on a number of FP and NFP brands and is in regular contact with managers from both types.*]

“No.. and I don’t think there should be..”

How, then, how would the people compare?
“Well.. I would assume they would go about their business in a different way.. I mean.. if you are a NP brand.. my guess is that you would have to beg borrow and steal and manage your brand as you can.. um.. your investment in your brand would be.. I wouldn’t say it would be limited or restricted but you would be a lot more conscious about how much you invest…”

What about in a FP then?

“They are still conscious about what they spend aren’t they…” Interviewer reminded respondent that her anonymity was guaranteed. “Yes... [laughs] so.. yes.. its um... it really depends on the company as well.. I mean .. you know.. if.. um.. you have got a client who has... budgets allocated to certain things and they start out the year with that plan.. they have got a budget sitting there which they can spend on branding.. whereas if you have got a NP brand they probably wouldn’t be given that to start out with... I would imagine... perhaps they would be.. I don’t know... um.. even so if they did they would not spend it if they did not need to .. That’s my perceptions.. so that how.. probably the only difference I would see.. I mean.. you know.. branding is really important to both parties.. the majority of the process would go along the same lines...”

How might the skills required to manage say a FP brand be different to the skills required to manage a NFP brand.. did she she think they were any different?

“Ah.. assuming.. based on the assumption that someone managing a NP brand has to beg borrow and steal.. my perception would be that they would have to be a lot more resourceful and a lot more.. ah.. people orientated.. but that would be my guess...”

Put the other way round, then, did she think that FP people do not have to be so people orientated?

“Well they do.... they definitely do.. but a NP would have to be even more so.. because you are trying to get blood out of a stone.. you are expected to work miracles whereas a FP brand.. you know... it’s um ... you are still expected to do all those things to a certain level but not to the same extent.. that would be my guess....’
Conversation moved on to Cause Related Marketing but respondent claimed to know little or nothing about it which was a surprise because she had been selected because she had been recommended by one of her NFP clients as having been involved in CRM! She did say that she had been involved with joint promotions between FP and NFP organisations so researcher asked how she thought the parties to that activity would have ‘got on’ together, who would have the ‘power’ in the relationship?.

“Yes.. I mean if it’s the right partnership.. if it fits I think they would have equal power because a profit based company can leverage a lot off a NFP.. charity so to speak.. um .. and there is a lot about value that could be attributed to that so even though a NP may not have the budgets and the whatnot they still have a significant amount of power so I would say.. it is equal....”

FPR6 (Sales Manager)

This was a particularly interesting interview since this company had combined with the St John’s Ambulance people in what appeared to be a very successful piece of CRM a few years before the interview. Their reception area still had display material and special packs marked for the promotion in a display cabinet. Despite probing the respondent would say nothing about it.

Do you have any thoughts on the place of NFP brands?

“I think.. um... I guess the difference is the reason.. is about revenue and profit generation.. the reason for the FP is to develop revenue and profit generation.. while the NFP.. they are also trying to generate revenue and they have seen the.. an association with companies.. so they have seen the value of branding and with the involvement of so many different NFP associations differentiation is important and.. and branding is a way to differentiate.. and certainly.. I suppose an issue that I do have with that is that associations.. like this … tend to spend.. they are having to spend money to get.. noticed through branding.. which.. while driving revenue for themselves but it’s become more competitive.. and so they are starting to spend.. whereas before a NFP.. places would spend 5% on attracting people to give money .. and 95% of the money.. would be given to the charity or whatever.. as well.. then
when they are building branding and awareness.. so they have been spending more of
the money on marketing.. look.. I guess that’s just the way it goes... but from a
personal point of view.. I have some ethical issues with it......”

Respondent stopped and appeared to have said all he wanted to say so the interviewer
countinued him to go on, but not leading him, by saying “That’s why I am talking to people
like you.” Respondent continued:

“..but I certainly understand that that’s the way life goes and these organisations.. that
the only way they can get attention and get visibility.. they need it in order to get
funds....”

Interviewer changed topic slightly: “Thinking about FP and NFP brands are managed.. now I
know that you are an organisation in New Zealand that has most of its marketing organised
from outside of New Zealand [From Australia. This respondent is the New Zealand National
Sales Manager and there is no resident brand manager in New Zealand] .. How do you think
the approaches to managing the brands are different .. say in a FPO as opposed to a NFPO?

“Well, I am really… I don’t have experience of that from both sides.. of those.. so I
can not compare.. but.. I imagine that the brands appeal to different sides of
consumers.. so they are different in that way.. I suppose.. a lot of charities appeal to a
different part of the community.. wanting something more than consumables.. if you
like...[some comments could not be heard on tape due to a sudden noise outside
interview room] appeal to different parts but obviously there is a crossover.. it’s quite
an in-depth relationship.. when we talk about consumables we want people to
consumer your product.. use your product.. and although... you may use different
tactics I imagine .. it’s a slightly different approach.. again as a sales manager I can’t
really say but you would expect...[the approaches to be different] definitely..
obviously .. there may be synergies.. in the way that you market a brand… there
obviously are differences.. I would imagine there would be slightly different
approaches.. you are looking to generate different things.. but obviously you both
want awareness of your brand.. to generate the interest or revenue.. so obviously there
will be synergies but once you look at them in depth there must be a lot of
differences.”
While the respondent had no direct experience of working with NFP brands the interviewer was interested to probe the respondent’s underlying feelings since they might influence a future approach to such a situation. So the interviewer asked “In terms of the skills, the quality of marketing people .. how would you rate FP marketing people compared to NFP marketing people.. what would your expectations be?” Response was:

“I imagine that profit companies are able to provide good incomes and better opportunities.. and marketing people like to work for the larger brands.. and in NFP I suppose they are generally localised a lot of them so you are not going to get the awareness that a FPO would do as a marketer.. and as a marketer I believe you want to work with the biggest brands.. from a career and CV point of view.. and so forth.. probably a NFPO.. well there are global ones I guess.. like Red Cross.. or whatever but a lot of them are localised so that may not appeal to marketers.. and also there is remuneration as well.. I imagine would be different…”

Despite further probing the respondent was unable to vocalise any further thoughts on the topic.

When asked about the skills required to be a marketer he added:

“I wouldn’t say.. in my opinion that the [required] skills, in my opinion , would be greatly different.. I think you just need to take slightly different approaches.. as a salesperson I believe I can sell anything.. I have different ways but obviously I have evolved my approach as I move from product to different product..”

When asked if he knew what Cause Related Marketing is he said he did not.

“Not really.. I have heard the term but I am not really familiar with it.”

At that point the interview ended.
Not For Profit Organisations

NFPR16 CEO (Org. 1)

This respondent had had a lot of experience of CRM and raised it far sooner than was planned. When asked about the differences between FP and NFP brands he seemed to be thinking about branded merchandise sold as fundraisers by NFPOs. His comments were based on brands such as environmentally friendly brands which he seemed to relate more to NFPOs than FPOs.

When asked about the differences between the two types of brand were managed he thought there was not a lot of difference although most of his business experience had been in the NFP sector. His organisation managed its brand very tightly with brand guidelines and brand standards on how it is to be portrayed, perceived. This is used to control how the brand is used and he thought that most NFPOs would now be the same. In fact:

“we might even be more strict on how we are aligned because of what we perceive as the importance and the virtues of our brand and our standing in the community.”

In a FP environment the brand managers in the marketing teams would have total control over where their brand sits and that this would be planned out well in advance. They would now how the brand was to evolve. The key difference for a NFP is that sometimes they lose control because

“We are all desperate for money and sometimes partnerships come up that you don’t expect to come up and you have got to work very quickly.. or you have to seize the opportunity.”

Here the reference to being ‘desperate for money’ and unstructured opportunistic approaches to possible partnerships is suggested by comment that sometimes partnerships come up unexpectedly and ‘you have got to work very quickly.’ The significance of this person’s
comment here must not be overlooked: His is one of the most recognised NFP brands in NZ and is known within the NFP community as a very smart marketer. He went on:

“NFP managers find themselves in negotiations where they are asked to give their brand or have it appear in a permutation that you may not have planned... but if they want the money... sometimes you have to go with that.. relinquish some control.. in order to seize an opportunity.. which will bring financial benefits back to you.... so you are not always in complete control.”

So, how do the people in each type of brand management situations compare? The larger NFPs invest in people who generally speaking might have had a lot of experience in FP roles, some NFPs have sufficient funds to attract experienced brand managers but this respondent has dealt with many smaller organisations who do it without any training and don’t seem to have a strategy or structure around brand or marketing management. They tend to be “Running on the smell of an oily rag.” So, compared to their opposite numbers in FPOs most NFPO brand managers would have low experience and have little actual training or dedicated skill in that area.

This might require that a NFPO brand manager would need to be more determined than a FP manager for those times when:

“You are being pushed around by a sponsor or a potential suitor or an existing long term supporter.”

In a FPO the manager would be more strategic because they have the skills and the training to do that and also have a business plan which keeps them on track. Respondent is a member of the Fundraising Institute of New Zealand (FRNZ) and commented that, from what he had seen, there are many organisations [NFPOs] where that training and investment in brand management or marketing has not been put in. Marketing are seen as a “sort of fluffy stuff.. so I don’t think enough financial support or resources or training has been put in to that…” He thought this was so because of limited resources in most NFPOs and there not being enough foresight in to the value of brand management and marketing. Part of the problem here might be that the results of marketing activity are not always immediately evident.

“You are not going to grow your business until you get that right.. but often that is pushed to one side because it is seen as not measurable.. you can invest in bucket
shaker [collecting small cash donations from people in the street] and annual appeals. then you can calculate how much you spent and how much you got in return. often marketing is harder to measure. it is not tangible.”

Interesting to see here that, while many NFPOs may regard fundraising as at the core of marketing in an NFPO this respondent seems to be drawing a distinction between ‘bucket shaking’ and marketing. This explains why, in this respondent’s organisation, he ensured that his marketing team worked to build brand awareness in the longer term. This person had been involved in CRM and clearly understood what it is as he had been involved in a number of such activities, most of which had been successful. He confirmed that they had all been alliances between a NFP brand and an FP brand. The two parties in each case had got on well with each other.

“In my own experience.. got on very well.. the objectives were stated very clearly up front .. we always have a signed contract with all our CRM partners.. everything is explicit..”

The secret to success appears to be that there can not be anything ‘not said’ and no ‘hidden agendas.’ His organisation, which is one of the better known and respected NFPOs in the country, had been party to many CRM relationships and

“partnerships have been born after many, many meetings with the full marketing and comms [Communications] teams.. fully engaged so.. there is no stone left unturned..”

So, as one of the best known NFP brands in the country, did they feel like equal partners in the discussions?

“Ha ha! I would say… generally the NFP is… the lesser partner… and as I said before we are often very keen on the financial return… and I suppose a lot of NFP plus FP partnerships have a slightly master/servant type relationship which is an area I am actively working on at the moment…”

What determines who will take the master or servant position? It will be determined by who is driving the development of the activity. It will

“often be the FP partner because they are giving money to the NFP… they already have their marketing and brand management parameters set in place.. they have also
got the marketing spend.. so it will often be driven through their agencies so they have full control over the marketing.”

On the other hand the NFPO is ‘invited’ into the partnership, wants it to succeed but is primarily driven by its keenness to obtain the revenue.

“Most of the equation I would say is driven by the FP partner.. with assistance for the NFP..”

The power in the relationship lies with the partner controlling the money: the FPO. There is always the risk that, if the NFPO becomes difficult to deal with or

“.. was seen to have too many tantrums and jumping up and down too much.. I think the FP might say ‘Well Ok we will go with someone else next time‘…the NFPO does not want that to happen, so the power tends to reside with the FP.. or most of it..”

As the respondent had said that NFPOs are ‘invited’ to enter CRM relationships, he was asked if there were ever cases where the NFP might invite a FPO to participate. This is an important point since any relationship might develop in different ways if originated by a NFP rather than a FPO. In his view many CRM relationships are initiated by NFPOs. His organisation is one that has been particularly successful in this area.

“Yes… absolutely… these CRM relationships are often born out of the NFPO chasing a FPO that they see could be very useful to them.. so the invitations can go from either…”

When a NFPO, such as this respondent’s, makes a first contact with a potential FP CRM partner who, in the organisation, does that? He revealed a very sophisticated process: A lot of analysis is done before they make an approach.

“..we look at a business’s business objectives… what their brand values are and what we look for in an alignment.. then we look at all of the staff from Board of Directors down and align with our own contacts from my Board of Trustees down.. and if we can make a link… we will do it at that level if there is no alignment at that level it could be CEO to CEO”
This sounds like quite sophisticated screening of potential business partners on the part of the NFPO. They look for the best link to establish a relationship. When the link is made and the CRM is developed

“.. it could be our sponsorship manager who deals with their sponsorship manager….. we are quite clinical in how we go in and often a warm handshake is better than a cold handshake”

Emphasis was very much on making links between the organisations before the CRM itself was worked out and grooming the prospect. This could take a lot of time.

“Often we are stepping in to an organisation.. they have done their strategy for the next three years… they have done their budgets for the next twelve months at least and their sponsorship money has been spent…”

When pressed he admitted that three year lead times were unusual

“.. often when we make the approach they say the next year is already done for… so let’s plan for the year ahead…”

Was it usual for most NFPs to understand this, that rather than being an ad hoc thing at FPs.. it has timelines to work to? He could only answer in the affirmative for his organisation since such issues they “fully understand.. hopefully.. being a marketing savvy NFP…”

**NFPR17 Marketing Communications Manager (Org. 1)**

This respondent was very enthusiastic and proved to be rather hard to keep on topic. Very enthusiastic about the place of NFPOs in society. Felt there was a great difference between people’s perceptions of FP and NFP brands. NFP brands tend to have strong emotional connections with members of the public. She found it easy to verbalise this

“It’s a way that people.. um.. really connect with the charity and their direct relationship with the charity.. if you are an animal lover you will have a real strong emotional connection with the SPCA..”
When asked to think about a FP brand and how people might connect with it she used an example from her own work experience:

“..I was the PR manager for Weight Watchers.. years and years ago… in the 1990s.. people still believed it was a sort of grass roots community service for New Zealanders.. they had no idea that Heinz had just bought the company…were making vast amounts of money out of it….that their business was repeat business because..actually it is really hard to keep weight off… but Auntie.. went down to the Community Hall.. paid $16 or whatever it was a week and they would talk to friends… this was a great community services… so the relationship people had with Weight Watchers was quite different than they may have had with Jenny Craig at that time…. Which they knew was a for profit business… that probably moved on but.. I do think then that people perhaps think quite differently about For Profits and not for profit…”

The way the questions were posed was so that they could not lead the respondent too much. But, probing for underlying features of consumer behaviour to better understand the examples she quoted was done by asking if people who did not use the services themselves made donations to make the services available to others (A feature noted in the literature review). Getting her to generalise her perceptions of differences between FP and NFP brands proved very difficult, but she did say

“The difference between a FP and A NFP is that people look at NFPs as doing a great deal of good in the community.. whereas even the corporate that might hook up with NFPs .. I am not sure how people actually react to that or what their thoughts are on that… sometimes I think that they might be a little cynical about it…”

Would the fact that an organisation might be a NFP but not a charity (Such as a provident society, or the Southern Cross Medical Insurance Society (A very large but NFP Organisation). In terms of the perceptions of members of the public, most NFPs would be:

“.. I think.. desperate for money.. I think there is a perception that NFPOs on the whole need money in NZ.. I am not sure what it might be like say in the states where people know that it is a big industry and people that run NFPOs make big money so I think in New Zealand there is still that feeling that NFPs do need money and people are OK about that…”
How does she think the approaches to brand/product management compare in FPOs compared NFPOs? She thought the approaches would be completely different. For her it is:

“Completely different.. there is a level of professionalism here which is high and I hope that I have helped bring some.. but I mean you know... I guess NFPs are constrained by the amount of money they have and the money they can spend on marketing and the money they can spend on research and you are completely.. in terms of dealing with your service provider... your agencies for example, you know we are at the bottom of the list.. the agency will of course service their major clients.. before they service us.. I mean they have to get the big TVC away for MacDonalds or whoever it is and we are kind of somewhere down the line...”

She clarified that she meant the advertising agency they used when she said ‘Agency’. Her organisation was able to ‘piggyback’ on work done for their agencies other clients and quoted the example of having a TV Commercial made as an add on to the work a TVC production company had done for one of the agency’s larger FP clients. She also intimated that NFP managers needed to be smarter than their FP counterparts in many ways:

“.. because we don’t have a really robust marketing budget and we have to do a lot of jiggerypokery I think that a NFP... it’s about time.. working smarter.. about begging, borrowing, stealing.. leveraging your marketing campaigns through really robust below the line activity which doesn’t cost you a lot.. so in some ways you have to be slightly smarter than working in a big fat corporate where you have got a brand manager.. a PR manager.. a marketing coordinator.. an agency... a big spend with an agency...”

The words she uses here suggest some feeling of resentment. In effect she is listing the marketing specialists that FPOs have, that NFPOs do not, and the use of words like having to be ‘slightly smarter’ than counterparts ‘in a big fat corporate’ may be significant.

As asked to elaborate on this comment she said that FPOs needed to have these sort of services in order to achieve their KPIs and make a profit:
“Profit! So it is quite different .. for us.. although it is meeting targets.. it’s a little bit of a different mindset in some ways... I have found it quite difficult .. I still do.”

How do the people in the two types of organisation compare?

“Well.. I am quite surprised because I thought I might have been coming in to an industry of cardigan wearers and.. mung beans and all that sort of thing... because I came out of ten years of broadcast [In a FPO] right.. the two big free to air networks plus a really major advertising agency.. so I am sort of dealing with very savvy.. um .. people come to work with a lot of personal agendas.. especially at TVNZ.”

She compared this to her current organisation where she is working with people who take ownership of what they do and have a strong belief in what they do. The impression she created was that she thought people in FPOs use their organisations to achieve personal ends whereas people in NFPOs are more altruistic. How might the skills required be different? She thought they would be similar.

Conversation moved on to CRM. Initially she was not sure she understood the meaning of the term but, after examples were given to her, she clearly knew what it was but had not used the term before. She had not been directly involved in CRM in her organisation but had observed colleagues who were. From that perspective, and from her own personal point of view as a member of the public, why did she think FPOs might get involved in CRM? Initially she simply said it was to make profit, then added:

“..maybe they just make corporates feel better about themselves? [Laughs] I mean there are lots of reasons why corporates do it.. it's about rallying the internal staff and making them feel part of .. getting behind a cause and social responsibility and sustainability and all that....those big buzz words and everything.. what do they really do for the brand.. um.. I guess the thing is.. if the company with the brand doesn’t have a really good track record in terms of employment issues and environment issues.. if they are employing a lot of young Chinese people in sweatshops then I am not sure of developing a product and giving 5c to.. is actually going to offset what they have done.... so I guess it really depends on the company itself..”

Interviewer sensed she was talking more about CSR than CRM so changed topic. In CRM and or CSR relationships, who would have the power? Initially she responded that it would
be equal. On reflection she then said that she felt the NFP would need the FP more than vice versa but added:

“In practice I think the NFPs need the FP companies so much for support.. money and all that sort of thing... the profit organisation has the upper hand.. but I don’t really believe it needs to be like that because the NFP can add value to their business and .. gives them a way of being involved in the community.. um...it gives them a way of.. boosting their staff relationships.. their internal comms... getting people behind something.. gives them the good look PR factor within the community.. maybe it goes to slightly offset some.. issues they have had in the past...”

Did she think that one party, FP or NFP, might feel superior to the other?

“You know what? I don’t know... it really depends on the individuals”

She went on to say that in some corporate she had worked in the management of any relationship worked, or not, depending on whether the FPO people felt passionate or not about the NFP and what it did for the community. While the FPO would have to regard any relationship as a business proposition:

“... if we can get them feeling in the same way as we do about what we do I think that goes a little bit in terms of perhaps making them feel that they have more ownership of it rather than being superior in some way to us.. you know... that it directly connects with their life and their family and everything..”

The point she makes is that the relationship is best when based on person to person relationship rather than organisation to organisation relationships. As in several other interviews, interesting insights were gained simply by the interviewer asking simple questions and then being quiet and listening to what the respondent said. What would make for a good NFP / NFPO relationship?

“Well.. I think it starts first with the marketing manager.. the relationship manager who has to spread the word to the people involved in the huge corporation... they are charged with leading the company or explaining or communicating.. what the relationship is and why there is a need and why it is so great for them to be involved
so I think very much that... you know they might feel superior.. but.. you know if you could work on those things it could become a partnership.. the NFP has [also] to put the work in to the relationship.. a free flowing of ideas.. a partnership... that kind of thing rather than this sort of imbalance of power..”

So, was she confirming that she thinks there is an imbalance of power?

“I think there is potential for it.. I think with our sponsors there is not because I think that our person that manages that relationship does that very well.. but just in some of the other corporate that I have been in you know... I think that some of it was seen as very much that way...”

This last comment is taken to support an assumption that there would be an imbalance of power, in favour of the FPO in most CRM type arrangements.

NFPR1 Bequests Advisor  (Org. 2)

The place of FP and NFP brands in society was discussed by the respondent and the conversation moved away from what was intended by the interviewer, but he let it run on so as not to disrupt the flow. The respondent thought that FP brands need NFP brands in terms of actually validating what they claim to be their values or their

“Mission and those kind of things.. similarly the NFPOs need both the exposure and the revenue that comes from being associated with a FP brand..”

More to the point the respondent was asked to describe the differences, if any, between FP and NFP brands. A FP brand is associated with a lot more tangible assets than the NFP and

“generally the FP brands can be experienced whereas the NFP brands .. you don’t genuinely experience what the brand is....”

NFP brands were often just organisations that people send their cheques off to or put some money in the bucket. The people who donate often do not actually experience the service that is provided by the NFP, so they are taking a lot of things on trust and perceptions but they do not actually physically validate. In other words, for example, when somebody donates towards the cost of training a puppy to be a blind person’s guide dog they take it on trust that that is what the money will be used for. With a FP brand people who have a strong
association with a brand, or hold very strong favourable views about it, they have usually experienced the brand directly, whether as a product or a service.

The interviewer asked the respondent to summarise the differences between the types of people who might manage these brands, how the people might compare. First mentioned was that NFP managers typically have to work within quite tight budgets and “Generally the governance of NFP brands is rather limited and probably short term thinking” and FPs have more flexibility around managing their brands. Further, the decisions of FP brand managers are based more on quantitative data whereas NFPs “tend to manage their brands on qualitative, anecdotal type evidence..” When pressed to think about differences in terms of personal attributes:

“The brand manager for the FP is basically selected and recruited on performance more than qualifications or cultural fit whereas the NFP brand manager is probably quite likely to be someone who has.... strong empathy with that organisation.”

The way that somebody gets in to a de facto brand management position in a NFP seems to be “very random in terms of how that person gets to that role..” There does not seem to be any logic to how that person gets in to that position in a NFPO, it may be predominantly based on remuneration in that the FPO has to offer which may not attract the best candidates. This respondent felt that FP managers had backgrounds of proven performance in a related area have been possibly a sales person or marketing assistant and that is the path they follow to rise to a role that actually manages that brand whereas the NFP is really quite random. To clarify this, the respondent felt that, in terms of academic or professional qualifications, the FP manager would be superior to the NFP manager.

Irrespective of how a person got to a position, how might the types of skill required to manage the brands be different?

“The FP person has a far greater appreciation of things like segmentation...consumer behaviour.. marketing planning.. brand management and probably research as well..”

The respondent seemed to be saying that a person in a NFP would not have understanding of these things.
CRM had been raised spontaneously earlier in the interview, so interviewer got respondent to define CRM, which he did as:

“Cause related marketing for me is a sort of marketing.. the FP is marketing its products or services based on values and other things that relate to the NFP that they are involved with.”

Here again it is clear that this senior manager with a NFP sees the FP as the partner that is actually running the CRM. He had coordinated a major piece of CRM activity between his organisation and a large nationwide real estate company (Baileys), which linked that organisation to the part of the NFP which obtained, trained and supplied seeing eye dogs for the blind. When asked who really had the power in the relationship between the two organisations he stated very clearly that it was the FPO. And that power was based on?

“They wanted an organisation… that.. I guess.. they were trading on some pretty basic values that people would want in Real Estate agent or property management and they came up with the line ‘Before guidance comes trust.’ ”

What the FPO wanted to say was

“If you were going to market your property.. or wanting someone to manage your property.. you had to trust them first which with.. you know… ‘before you can get a dog to guide you.. you have got to trust the dog’. So they thought there was a great deal of synergy between the two organisations and the FPO wanted to use those connections in its media advertising. They tried to attach notions of trust to their organisation by associating with a trusted NFP brand. They took the high ground and said ‘we are highly trusted.. and therefore guidance from us on your dealings with your property is a very logical thing to do and that is why we are with the Blind Foundation because they produce a dog that you can highly trust therefore it is fit to guide you.’”

The leading role in this was definitely with the FPO because they were going to do the fundraising (The activity that actually produced the revenue of the NFPO) There was some hint of desperation in this relationship because the NFPO had lost a major sponsor which had pulled out from a long established relationship due to a shortage of marketing funds and the NFPO had been glad to be approached by a new CRM partner.
The people in the NFPO definitely felt ‘inferior’ to the people in the FPO. Respondent related a story about how he had been at a lecture at Auckland University where a senior marketing person from the FPO had talked about CRM.

“It was obvious from her lecture that that she regarded the marketing people at the
[name of NFPO] as inferior.. there was living proof there…”

The introduction of talk about a lost CRM partner created an opportunity to probe deeper about the NFPOs CRM relationships and how the representatives of each organisation got on together. Did the NFPO people regard the FPO people as equals, peers, or inferior? The response was not immediate, suggesting some degree of thought rather than having an immediate answer:

“Probably peers and quite equal...... um.... they... I’d say equal overall... they thought they were superior in certain things and inferior in others…”

The lost CRM relationship had been a long one. If it had been based on one of equals working together, did he think it might have survived or was it doomed anyway? Here again his response may have had some hidden meaning.

“Yes... um..... the official line that came through from the [NFPO] was that [FPO] had been bought out by somebody and suddenly the marketing budget changed.... from $350-450,000 per year.. it was suddenly $100,000 and we thought we could do better... that was the official line... um so.... doomed anyway would be the official line but I think... I think the marketers in the FP were sort of like not the decision makers entirely in terms of a CRM relationship.. but yes, I would say it could have continued longer”

This highlighted the importance of personal relationships between players in the FP and NFPO partners in any relationship.

**NFPR 30  Marketing Manager (Org. 2)**

The respondent had replaced the person (NFPR1) previously interviewed and described her role as a marketing executive for the marketing and fundraising department of the foundation of the blind. It proved difficult to get more than very short responses to most of the questions
put to her. She organised, amongst other things, the two major fundraising events for the organisation each year.

“I project manage two main areas in the marketing and fundraising area. One is the [a service offered by her organisation] sponsorship regular giving which is very much the brand of [name of her organisation] and guide dog services together and the other one is one of two of our national appeals which is [service offered] appeal and that again very much about awareness but also about making sure we get the brand out there and to get people to donate to the [name of her organisation].”

When asked to describe the brand or brands that her organisation has she said:

“Um... in recent years we have had a few issues with our brand trying to keep it a lot clearer and clean because we do have [service offered].. we do have the foundation of the blind and we also have a big corporate sponsorship called Bayleys.. so there’s three big brands there. We are talking about so it’s very important to... er... um... in this year especially to get one brand which is [name of her organisation] because they all fall underneath that... so that’s our important role... this year... to make the foundation of the blind.”

When asked to describe the brand, its logo picture or symbol that somebody would look at and say “‘Ah’ I know your organisation?” she replied:

“Oh... a part of the organisation would be [service]. The main [name of organisation] all we have is a symbol of an eye which wouldn’t... you wouldn’t recognise it as [name of organisation].. you would have to read it..”

In the room that the interview took place there is an almost life size model of a Labrador dog, moulded in plastic, and a balloon which looked like a rugby ball, with lines across it. Would she say that is the corporate brand of your organisation. Her response was that it was. So if she showed that rugby ball type thing to people, without the words underneath it, how many people did she think would come anywhere near knowing what it meant. She thought that nobody would. Further questions and answers led the interviewer to the view that this person really had little idea of what her organisation’s brand was. Thinking about people’s perceptions of her organisation she said:
“They would know that clients need service.. and there would be a huge trail to get them to ‘oh the name of organisation’ .. they would probably call it the service institute as well so .. there is a connection but its.. yea .. its stretched.”

She did not think her organisation had a strong brand and so was asked if she could think of any that did have a strong brand

“… um.. probably breast cancer with their pink.. that ribbon thing.. everybody would recognise that…. The heart foundation.. with the heart.. and their tick program.. um.. .. SPCA ..even the wording itself.. um… .. and Starship…. ….”

What is the symbolism for Starship?

“Its kid with the beads.. it depends on the project that they have.. at that time… um.. so there was the beads recently on their appeal… that’s about it…”

In order to get a better feel of where she thought her organisation you fitted in its market .. did she think it had any competitors?

“.. all nfpos have your competitors because we are all fighting for the NZ dollar for that donation .. someone who does the same as us.. no.. we are the only name of organisation in NZ we only work inside New Zealand and we are the only one providing service .. but all not for profit organisations have another competitor who is vying for that donation dollar…”

She confirmed that, while hers was unique in New Zealand, there were similar organisations overseas, but her organisation had no affiliations with them and her organisation works on its own.

Were there any trends that she felt free to talk about, like is there a growing interest in people wanting to use your services?

“Absolutely.. I think um.. New Zealanders .. the blind and partly sighted New Zealanders want to be just like everybody else.. want to get out in the community .. so there are members and our clients .. so they would want to use service.. they would want to use brail … they would want to use the technology so a lot more.. say from 30
years ago want to get out in the community and do a job just like everybody else so there is a growing demand ... there always a demand on those services.”

Is there an increase in the numbers of people with poor sight or blindness or is it about the same as it always was?

“Its always growing but.. when someone is [in need of organisation’s services] they don’t automatically become a member they have to choose to be a .. um.. evaluated.. on their [extent to which clients require organisation’s services]... and then they can be a member .. if someone was born tomorrow and .. had no sight at all .. it does not mean to say they go on our register.. their parents or an older person who is um.. just been [in need of services] for whatever reason.. they have to decide to be a member ..

So the organisation does not make interventions, create business as it were.

This respondent originated from Northern Ireland. When thinking about brands generally and bearing in mind she had been in the country for about 8 years, how important did she think brands are to consumers now.. in the world..

“..well.. we are all very busy so .. brand awareness has to catch us straight away .. there is no time to read the small print so.. the brand and what it symbolises is very important I think.”

So for example, when she now does grocery shopping.. would she tend to be very brand loyal or would you tend to go for, say, the lowest priced product provided they were good quality? This question was asked to get some feel of how she perceived brands and to see if it showed up any differences between that and the way she perceived her own brand. Her answer was summarised as yes, she was brand loyal, but if there was an acceptable substitute in terms of quality, but at a lower price, she would use it.

How important did she think the brand is to the profitability of, and the interviewer admitted he had to be careful how he used that term ‘the profitability’ of this organisation, how important is it that people know about the foundation..

“Its very important that people know about the [name of organisation].. em.. as its brand because from there falls down so many other things.. em.. so I think it’s very important..
She was asked, assuming her brand is a NFPO brand, if she had any thoughts about for profit brands: is there anything different, really between a FP brand for example the Plunket Society and, say, Watties, from a consumers point of view?

“No. Its brand awareness. It’s still the brand. It’s you know. no matter who you are. if it’s a not for profit or a.. I’m thinking sort of.. Nestle. that is still the two brand..”

Thinking about the difference between FP and NFP brands, could she describe any differences at all? She did not respond so the question was elaborated on: When somebody looks at a for profit brand, a consumer, will take meanings from it and then from a NFP brand. What meanings will they take from it, how do you think, would they perceive any difference?

“...um.. I am thinking me. personally. if I was to look at the foundation for the blind brand and. Nestle brand. I know one. one is a corporate. and they are probably making lots of money. and the other one there are looking at being very conscious of how they spend their money so that’s.. [long pause]..Nestle would be not conscious of how much they spend on marketing. where the [name of organisation] would. you would like to perceive that they would be very conscious of how they spend the NZ dollar...”

What did she mean when she said ‘conscious’?

“Conscientious (sic) of how they would get more bang for their buck when they are... yea..”

These questions and responses are retained here because they underpin the key differences, between FPOs and NFPOs seen by most respondents. The availability of funds.

How would the approaches to managing FP and NFP brands be different?

“As me personally. you would have to have the same principles. you would have to make sure that your.. em.. you are getting your brand out there. its in the correct way. you are not... ay em.. .. misleading anybody and you .... you would not want to mislead. Someone if you are in Cadburys... (long pause)
What would happen if you did?

“ You would be taken to the cleaners probably.. if you were misguiding someone ..
saying something and it was something else you would have to be very, very honest..
and you have to believe in what you are doing..”

The reference to Cadbury’s, which was not followed up in the interview, is thought to relate
to troubles that the Cadbury company was having at the time of the interview, which had
apparently damaged the public perceptions of the Cadbury brand. The mention of a need to
be ‘very, very honest’ and ‘believe in what you are doing’ may hint at another underlying
feeling about the nature of managers in FPOs and NFPOs.

What perceptions did she have of the people that do those sorts of jobs?

“ ha [Small laugh] em … we all come from basically the same.. I have chosen to be
the NFP.. but I could easily have chosen to work in Cadburys.. em.. so I would like to
think that they are all very similar people..”

This respondent’s education had been to tertiary level, specialising in Commerce and
Accounting. How did she think the types of skills required to manage the brands might be
different?

“Communications skills.. you would need.. and this is for both.. you would need em
definitely time management skills.. you would need .. em …. A good accounting head
on you.. yea.. that’s about it ... that covers a lot..”

Conversation moved on to CRM which, initially, she said she had never heard of. But, when
given some examples she clearly knew what it was, but was not aware of the term ‘Cause
related marketing’. When asked if she was aware of some others she replied:

“Yes.. actually I got one this morning.. in the post.. its Mercury Energy.. and it was ..
they have asked me to be a regular supporter for ... um.. Starship.. and that’s Mercury
Energy gone.. if you put $2 with your bill you can then support this nfpo.. so that was
this morning...”

Had she ever been involved in things like that with her organisation where their brand was
associated with a FP brand?
“Yes…. Um our [service provided] have a supporter called Bayleys which is a .. em.. Auctioneers and house selling business and they have asked their brand to be on all the red coats.. so that would be an affiliation..”

And do they put the NFPO brand on their FPO marketing materials as well?

“They do.. em.. in TV advertisements and .. I don’t know about their actual physical .. material in their offices.. but I know if they are doing an advertisement they will put the brand in there too..”

And why do they do that?

“They are trying .. well.. they want to show that they are an honest upstanding business and that they are giving..donations to [name of service provided].. and they do give us some money..”

She was not personally involved in this but had observed colleagues who were. So far as she was aware it is very successful and has been running for about 8 years.

How did you observe the way the parties get on with each other, how do the people in Bayleys get on with the people in the foundation?

“I think they get on very well.. um.. the people in Bayleys do recognise the [name of service provided] gets no government funding so they are trying to help the best they can.. um.. and from all accounts.. when I do meet them they .. we all get on very well..

There is an ongoing contract between the organisations, which was re-negotiated from time to time. Nothing arose spontaneously about who had the ‘power’ in the relationship so that line of questioning could not be developed in this case. As a last thought she was asked: “If I was a bright young graduate from Otago University looking for a job and I was asking you for some advice.. would you advise me to try and get a job in a FPO or a NFPO?

“(laughs).. my advice to you is to go with the one that best suits your experience and what you want to experience.. a nfpo bottom line is they probably wouldn’t pay as much as a profitable organisation so it depends on your personal choice of salary.. you still would get full experience in a nfpo..... nfpo is about your passion for the community.. its not driven by money..”
So if someone setting out on a marketing career spent say 2 or 3 years in this type of organisation. would that help me get a job in a fpo? Do you think..

“I think it probably would because it would show that you are very caring. and you are part of the community and you want to do well and you want to help a nfpo with your skill base so I think it would work very well be a good basis.”

She thought the skills to be gained from the job could be applied to a FPO and vice versa. Which would be easier.. for someone to go from a NFP to FP or a FPO to a NFP…

“I have not seen an awful lot of jobs in the nfp arena for a marketing executive or project manager.. there’s not as many of those..

So what sort of jobs would they be?

“ but.. what I am saying is there is lots more jobs in the profitable organisations for marketing and jumping up the ladder and being an executive or .. you know.. a director.. you probably wouldn’t move up the scale as much in a NFPO.. em.. your skills would be utilised to the maximum.. but.. you there’s.. no real place to move up to..”

Why is that? She could not explain, saying: “Its just the way it is in new Zealand.”

So, where did the CEO of this organisation come from? What discipline did he or she come from? The CEO came from a nursing background and the next layer of management came mainly from the ‘corporate end’ of other organisations, such as Cadburys. The head of Marketing came from Cadburys and others from a wide variety of places “from the um.. parliament… as well.. so.. all different sorts…”

NFPR32 Regional General Manager (Org. 3)

This person worked for a NFPO. How did he see NFP brands being similar to or different to FP brands. Are they different and if so how?

“I think they [NFPOs] are a lot more aggressive in getting their brand out there um.. they often have a lot more resources in terms of cash behind them to get themselves
out there.. um.. on poster billboards national TV.. local TV.. the whole gambit of … of advertising whereas we certainly don’t have that funding…”

Why did he think this?

“How come the FP brands have got all that money? ….because they are making money… they have a product that people want .. whereas we ..we don’t have a product that people want by choice.. they use our organisation if they need us.. whereas if you were marketing or if you were producing toothpaste .. everybody uses toothpaste so you have kind of got a built in profitability there all the time whereas people use us by default.. not by choice.”

So if members of the public have these FP brands in their minds.. do they also have NFP brands in their minds do you think?

“Ah.. I think so.. um.. I mean New Zealanders by and large seem to have quite a high recognition of the charity sector um but.. when there are surveys done.. you will have say… um.. Cancer Society is usually right up there.. you would have IHC .. Red Cross. St John’s Ambulance…. Um.. they just have a much higher recognition.. we are sometimes recognised but we are usually down the lower end of the scale.. and we often require a prompt to get a recognition.. would you remember the Crippled Children’s Society.. yes.. did you know that we were the .. Oh yes!..”

The use of the term ‘Oh Yes’ is ironic, what he means is that people don’t remember the ‘brand’ top of mind but will know it if prompted. What makes St John or the other NFP brands he mentioned stay in the minds of people?

“But because they are an organisation that you may one day need … you might not want to need them but .. Cancer society.. one in three people will have cancer at some stage in their life so .. um.. the likelihood of you getting knocked off your feet when crossing your street is probably quite high and you actually see the ambulances around so they all just keep it in people’s minds..”

So the public’s support of such organisations is based on self interest?
“Yes.. exactly.. it’s always like an insurance policy… [laughs] .. I support the cancer society or I support St John’s ambulance society.. I might need them one day so.. therefore I had better support them…”

Thinking about how FP and NFP brands are managed.. how did he think the approaches compared, what would the key differences be if you had to say what is symbolic of a FP or symbolic of a NFP. How could he describe them so that the researcher could tell the difference..

‘… right.. uh.. in … I don’t have a lot of experience with.. the FP sector although.. Housing New Zealand became a FP .. I have worked in .. A profit business to help out at times... the biggest decision... the biggest difference between the two... the FPs have... managers or owners who make instant decisions... they say yes.. No.. I... what I want... it happen... in the NFP sector its lets consult... lets liaise lets meet... we will pass this by our stakeholders... and the decision is made in three years time…”

Here the respondent is revealing a key difference between how he sees his organisation is run in terms of decision making, compared to his perceptions of how it might be in FPOs. Why did he think that?

“.. Because the FP sector is there to make money... um... I can not remember what it was said but.. um.. there is sort of like a .. um… anecdotal story.. you know.. um.. a youngster was wanting to join a FP company and he was asked by his prospective boss.. what do we do here.. and the young man looked at him as if he was a bit barmy and said you make cars.. no we don’t sonny we make money..”

So.. the FP is about making money.. is the NFP not about making money?

“No.. its about support services.. its about people.”

Does that mean that the Ford Motor company.. using his example.. does not care about people?

“As an organisation.. they possibly.. as individuals within the organisation.. yes they may..as a company.. they do in terms of having to look after their people.. because people will not buy their products if they are .. but I don’t know that they would care for people per se… they want to make money then they can care about people..
through their philanthropic.. abilities.. I mean the Ford foundation is… but I think.. with any business I think the profit motive is there first.”

When he mentioned the Ford Foundation is that the body that is set up to distribute profits to good causes? Why would they set that up, if they are making money, why give it away?”

“Because it’s a good thing to be shown that you.. supporting the community that’s supports you..”

Here again some cynicism is implied. Is the Ford foundation an extended example of corporate PR?

How would the people compare, in the marketing area, in FPOs and NFPOs. Are they different, what ages would they be, what qualifications would they have, where would they have come from?

“In the FP sector.. I imagine most of their qualifications would be.. practical qualifications.. in terms of.. depending on what business you are looking at.. they would be builders electricians you know.. practical qualifications the owner may have a commerce degree .. hard edged kind of qualifications.. in the NFP sector like our organisation they tend to be the softer edge if you might just call it .. qualifications.. more ethereal.. qualifications… you know … the community work social work.”

Apart from the service delivery people in his organisation how would the marketing people be different to FP marketing manager?

“ To be honest.. um.. I would think they would be just.. for some reason or other.. I get the feeling that they would be younger.. smarter edgier.. kind of person who.. perhaps takes risks with some of the things that they do ..”

Edgier than what?

“Edgier than in the .. NFP person.. the NP area.. um.. without wanting to be ageist.. but they would probably be older.. more conservative.. um we don’t want to offend people or.. um we have got to .. protect our.. image.. yes.. um…”

And pay wise, who would get the most dollars do you think? Or benefits..
“…[laughs] benefits, depending on the profits ..[laughs] the profit sector I imagine would be paid much better than the np sector.”

In his perceptions, how might the type of skills required to manage the brand be different.. in the two types of organisation?

“.. I don’t know that the skills per se would be different… um.. it’s just the way they apply them.. perhaps would be different.”

Could he give some examples of how they might apply them differently then?

“.. Oh.. I don’t really know a lot about .. again this is just straight from perceptions.. I thinks it’s going back to if you are in the profit sector you are more inclined to .. um .. to do something a bit risky… rather than what you would in the NP.. see.. in the NP sector you have probably have quite a high degree of.. government contracts for service so you are not going to do anything that’s going to .. annoy your major funder…”

He had mentioned ‘risk’ and ‘edginess’ a couple of times, if he were a marketing person in a FPO would you be encouraged to take risks?

“ I think you would to some extent.. I mean.. because if it succeeds it’s probably going to succeed extremely well.. if it’s not going to succeed it’s probably going to be bad but you have still got your profits coming in so therefore you can apologise to your audience and carry on.. and still make money.. maybe get it wrong but get it right in the end…”

These comments raise some issues to do with what we might call different entrepreneurial approaches. Risk avoidance in NFPOs might in fact be very sensible if dealing with government agencies as funders, for example.

Respondent said he had heard of Cause Related Marketing. But needed a little prompting as to what it was, what examples of it might be.

“Oh right! Now we are on to it… yes.. I have been trying to do the same thing with Greggs Coffee and they turned me down.. [laughs]..”
He was asked if he had been aware of any CRM activity as a consumer, member of the public, not connected with his work role.

“Oh yes… um… there have been the ones with the Greggs coffee where 50c goes to XYZ organisations um.. I am just trying to think.. um.. oh hell .. there’s been so many of them after a while you just become immune to them… [mutters to self]… oh there’s been Mitre Ten I think have done.. mind you their one is slightly different you just add a dollar to your ..um .. bill at the end of the thing that goes to the organisation.. um… no.. my mind has gone totally blank…Ah! Pink paint brushes for breast cancer… [Laughs, clicks fingers] it was going round and round in my mind….”

Have confirmed what CRM is, had his organisation tried to be involved with it ?

“ We have .. we did try ... um .. with a company called Anthem wines… in Queenstown.. we got to the stage where it was all going to happen where we would receive I think between 20 – 50 cents per bottle of their premium wines.. for every bottle that was sold.. which could have been quite a considerable amount for the organisation.. um.. there were some reservations raised by our executive committee in Southland I think it was … because of.. the owner of the anthem wines company was.. being investigated… [laughs.. nervously].. um and their financial position may not have been as stable as it perhaps could have been .. um.. but the other one ... the other queries that we had was should our organisation be associated with alcohol… um and that put the kybosh on the whole thing…”

Why had the attempt to set up a CRM relationship with Greggs not succeeded.

“No that would have been done in national level … our organisation is.. um.. because we are separate branches but we are part of the larger organisation.. a lot of those things you really have to do at a national level because an individual regional branch is too small and .. a company.. again going back to Greggs.. would not want to do something like that just in the southern region they are going to say.. no.. if we are going to do it we are going it over the whole country…”

So such things are better done at head office?
“Yes.. there is nothing to stop me from kind of instigating it or introducing it…”

So an attempt had been made to set up a relationship. When they were talking with them… how did the parties get on with each other? His dealings with the General Manager of the wine company had gone well.

“Very well.. very nice guy .. um… it is all about building relationships with people and then they are always representative of the company.. you know they work with the company and that kind of thing but you build up a representative.. and just through your normal chit chat you know … discover that his family had a holiday home in Arrowtown, I have got a mate who has a house in Arrowtown where he lives and I go up and see him and .. oh we might see each other on the street.. you know…”

So it develops… lets assume then .. that this company did not make alcohol.. it made grape juice.. nice healthy drink.. um.. if the relationship developed .. who would really be in control of it.. would it really be the perfect marriage .. perfect partnership? Or would you feel that they were running it or you were running it? I don’t mean running their business.. just the cause related marketing.

“The cause related marketing bit.. um.. uh.. its almost like being the younger of twins.. (laughs).. in that they would be the senior partner.. because they actually have the choice to.. in the end.. say yea or nay.. even if it’s a very successful one .. and they decide they no longer want it … they need all the profits themselves so they are going to say no.. I [they?] will pull it now.. there is a little bit of a hierarchical type of thing where they are the sibling who is a whole day ahead..”

He is saying the power lies with the FPO. When push came to shove um.. they would tell you how it was rather than you telling them how it was?

“ … we can be very strong around the way our brand was used um and if we felt that they were suddenly marketing .. er … their product in such a way that might be conceived as to be dangerous.. you know.. we advertise our product by some youth in a low slung Subaru with his hand out of the window and holding a bottle of wine.. we say ‘no we are pulling away from that’ so.. we do have that element of power but .. and we can pull away but from the financial side of it the company is the one who is probably holding the trump card..”
To what extent would you compromise your values to hang on to get the money.. and at what point would you say.. ‘Hey look sorry we are going to have to stop it ..’?

“We would.. if there was going to be a big change like that.. again, a consultative thing would have to go out to our executive or advisory committee…”

From this we can take that if a serious problem arose it might take some time for the NFP to react and respond to it through its management structure?

“(Laughs) this is the terrible thing about the not for profit sector.. um… if there was an urgent decision like that.. we would.. I think almost be .. have our arm behind our back to say no we won’t.. and then wear the consequences of it.. and in this particular case say it would a regional manager or even.. say the CEO who would say no… but then we would have to backtrack down through those committees to say why and then wear it from there ..”

So.. very simply then.. who has the power in the relationship in a cause related marketing relationship.. who has the power… The respondent laughs, a lot,

“I still see it as being both ways…”

NFPR33 Regional Fundraising Manager (Org. 3)

To avoid repetition only new insights revealed are recorded here. The respondent was asked about his views on how FPO brands and NFPO brands might be similar or different. This interview was notable because of a recurring theme was mentioned here, about ethical issues concerned with FPOs

“It will be different I am assuming and it depends on the organisation but many for profit organisations their primary motivation is profit Ok so therefore considerations of .. ah.. ethical.. environmental issues come lower down the agenda ..... I think that is changing but certainly ten years ago my sense of sense was that most businesses organisations the bottom line was the only bottom line.. there was nothing else.. it is changing because people recognise that it has to change.. so therefore ... I guess personally in my values I have some cynicism, some scepticism about how business and FPs operate .. um but I did see they are changing bit clearly for an organisation as a NFP to survive we have got to work alongside those agencies that have different
priorities... um ... and recognise that they have different priorities and work out how we can fit together and how we not compromise our values and they can benefit strategically from the alliance that they have with us."

Here again the feeling emerges that FPs may be seen as ‘the bad guys’. If this respondent thinks they need to change, why is that?

“Well... environmental imperatives... there is no doubt... I am a greeny and you know the writing is on the wall very clearly whether its ten years from now or 5 years from now or 20 years from now the environment imperatives are changing and it will... they already are changing and they will change faster and faster ....”

He was asked to give some examples... of FPOs that are doing things that they are going to have to change.

“Oh... Nappie makers or whatever... no longer can say lets go for the cheapest materials etc... we don’t give a stuff about the environment... now whether its legislative requirement or whether because of their market position or whatever they have got to consider that actually the material is biodegradable... might cost us a bit more but in fact we have got to make some decisions around is it environmentally acceptable... for example.”

Letting the respondent reflect and continue proved fruitful:

“I think almost every... one there is the legislative imperatives... carbon emission and a whole range of other stuff and... there is a huge amount of requirements around safety of products etc from government as well as best practice and public perception as to what is appropriate so people are no longer... most people are no longer prepared just to buy any old product if it’s going to destroy the environment when they pour it down the toilet or whatever... so those things are changing and I guess allied with that is my sense... not so much in New Zealand which is a bit sad .... but certainly in Australia and internationally that sense of corporates having a social responsibility as well... without naming names it was fascinating for us when we got some corporate sponsorship from an Australian organisation to do a bit of project work here... we approached a locally owned organisation here doing exactly the same piece of business who did not want a bar of it. They were not interested... local connection you
would they think would understand what the issues are in terms of this local community but it was an Australian organisation that were really pleased to be involved in that.”

From this we might take the idea that corporate realisation of impending needs to ‘look better’ to society is not as well advanced in New Zealand as in some other similar countries. Did respondent have any hard evidence to back this up?

“I don’t have any hard evidence I … know.. the .. know of the corporate people in that organisation and from what I see they are very much profit driven almost exclusively profit driven so .. there isn’t a culture .. yet .. I don’t believe in New Zealand.. although it is starting to grow.. of.. social responsibility of organisations that is actually of benefit to a particular business organisation.. to be seen to have a social responsibility that it helps them sell.. that it helps them to feel good about themselves and their staff to feel good about themselves that recognition isn’t there yet.. but it is certainly there in many parts of Australia and is also partly legislated for .. I understand..in parts of Australia as well.. so it will happen ... that change will happen in New Zealand but we are just in the very early stages.”

So if it makes the managers and the staff of this organisation feel ‘good about themselves’ does that imply that they have a conscience?

The responses are quoted in some detail here because they reveal further insight in to the way this person views people in both types of organisation.

“Yes it implies that … yes so there is a whole set of stages in there that says one... it will improve our profit margin because people will buy our stuff cos they like... because we are nice people there is recognition that it isn’t just the cost issue that drives people to buy product.. it’s about.. are you.. do you do good stuff in your community  that actually helps to sell stuff... so there is that aspect to it but it also an understanding that if your staff feel good about your organisation because it does some stuff in my community I am more inclined to be more productive and ra-de-ra and all those sort of things... so it actually benefits in terms of the productivity aspect.. but it also gives a sense of the whole organisation having a sense of wellbeing which is actually of benefit .. the logo and the brand.. its impact changes.. it is no longer just
something that makes lots of cash and brings cash in to this.. it is an organisation that has more benefit.. wider benefits than just its own profit margin."

Issues raised here are considered important: The implied negative effects on FP staff in a purely profit driven organisation, and the possible benefits of making staff feel better about what they do by being associated with a brand that is seen to be doing good. There is a recurring theme of the FPO people being seen as bad guys!

Thinking about FP or NFP brands are managed.. how do marketing people in your type of organisation .. compare to marketing people in a large corporate FPO? In essence, this NFPO manager is saying that he believes that FPO people tend to think of financial and numerical results and give little attention to how people may benefit from what the FPO or NFPO does.

This was probed further: Why do you think this FPO person... who presumably reflected his or her background… why were they so focussed on market share?

“...because that’s what they know... that’s how they see how the interface between organisations and businesses work.. the profit.. in New Zealand.. and this is how social responsibility stuff is growing.. the primary focus is around your market share.. not on all the other.. what I see as the more sophisticated aspects of who you are why you are what are you doing this for… that stuff really isn’t starting to really happen here yet.. it will happen and certainly there are organisations who certainly understand it.. out there in the business sector.. I think its.. it’s a small piece of the process. As yet..”

How do the people compare? Like say, if he were in a conversation with some people who were in a NFPO or people in a FPO how would they be similar or different, in their educational background or something like that, how do they compare.. are they the same or are they different in any ways?

“We are the same in most ways.. so that’s always an assumption ..that there is good.. all people do what they need to do.. that’s my assumption about how the world works.. however.. I think there is a greater degree of competitiveness and a greater degree of … ah… huge generalisation but generally.. business managers tend to have a more dare I say it a right wing view of the world and how the world is structured and um.. those people who are on the bottom are there for good reason.. and various
things like that. whereas many people in the NFP sector don’t have that view. they talk about social equity. they talk about community development they talk about.. people's right to have a right to a life and an orderly life just like everybody else so there’s all those sort of things so there is a difference .. huge generalisation.. a different set of values that actually can conflict.”

The respondent seems clear in his own mind that there is a difference and images of ‘rich and poor’ seem to be emerging here, perhaps in terms of people in FPOs and NFPOs and society in general.

As human beings, who do you think sleeps best at night - The FP people or the NFP people?

“That’s an interesting question [big smile] if you are making lots of profit.. and know personally that your family are going to be well supported for the next ten years then probably the business CEO of a vast empire probably sleeps a lot better than I do….”

If they are making lots of profit shouldn’t they just be making a bit of profit and give us lower prices or something?

“[..laughs] I think that’s their choice entirely.. I don’t see any problem with people making vast profits.. I do see an issue about what that does… if you are compromising other values and issues by doing that so if you are stuffing up your environment by making huge profits then no.. if you are destroying.. you know.. the local community in Puerto Rico as a result of your attempt to mine the local community or whatever then those are.. profit per se there is nothing wrong with that.. increase your margins as much as you like so long as people are prepared to pay.. this is not about.. communism.. this is about people’s opportunity to live a reasonable life..”

So.. is there a chance, did you think, that NFPOs do a better job for the world than say FPOs.. because of things like slave labour in Puerto Rico or .. oil slicks..?

“Well that’s interesting.. I would like to think that this organisation doesn’t but certainly there are NFPs out there.. who.. certainly do exploit the market.. without naming names I could think of an organisation in the health service provision area that.. their values would not be the values that we would choose around the rights of
people with mental health concerns.. who would like to live the life they choose.. they are making a profit out of how government funds that process and they are quite aggressive in that approach.. so you don’t necessarily.. simply because you are part of a NFP doesn’t mean to say you have all the right values and ethics in the process.”

Perhaps this reveals a more balanced view of FPOs and NFPOs. So there is a greyish Area..? “People are people.. basically..”

How might the types of skill required to manage a FP brand and a NFP brand be different.. if they are different?

“I don’t think they are necessarily different.. I think it’s the weighting.. so for instance.. I think from a NFP point of view.. that I certainly need to have a better understanding of business marketing, strategic management and all those sort of things likewise a FPO needs to have a much better understanding of its social responsibilities and how it fits in to the local environment and those sort of things.. so it’s like a melding of the two”

So, the people are a bit different .. but not hugely different..?

“... I think it’s just skills and experience and where you have come from .. that does make a difference... my background is not in business management.. so I have had to acquire some ... and certainly haven’t acquired enough around how to effectively business manage an organisation and that can present problems..”

Apart from people who are just starting out on careers then.. how else might they be different?

“I think it’s the motivation .. somebody comes in to the voluntary sector or the NFP sector because they want to do good.. whatever they want to feel good about themselves because they are making a difference bla-de-bla-de-bla Ok.. which is great .. not necessarily always the best motivation.. sometimes you do a lot of stuff for people and they don’t actually want you to do it .. or you take away their rights and control because you think you are doing a wonderful job for them.. those sort of things.. but.. never the less.. so it’s a different set of motivations from me coming in.. perhaps like my son who has no interest in being in a NFP or anything else .. but my
two daughters are really keen on that sort of stuff.. his motivation is I want the cash I want to have a stable home life a nice flash house and bla-de-bla-de-blah those sort of things are really important to me because it gives me a sense of wellbeing and those things are not to be devalued."

While this reads in rather a confusing way the point seems to be made that people in NFPOs want to do 'good' but might not do particularly well for themselves as individuals. Maximising one’s personal benefits might not be achieved except through working in a FPO. This was confirmed by asking: Does that mean that he is more unlikely to get those things working in a NFP?

“More unlikely to… it’s not impossible but it is a harder row to hoe.”

Probing more for his perceptions of people in either organisation: What are the chances of.. say.. somebody who gets to say 30 -35 with 15 years experience in a FP could they could switch to a NFP?

“.. yes.. certainly.. it happens.. yea.. its if they have an interest then I think many NFP boards are probably quite wary from their philosophical background of taking on a person with a FP background.. they would be worried that you know .. they will only look at the bottom line and think things like that but if that person both has a social conscience and business knowledge then I would suspect that increasingly NFP are looking for people with that knowledge…”

Put the other way round then.. what about someone with 15 years experience in a NFP could they swap to a FP?

“...they could.. but I actually think it’s a lot harder and my sense is that.. business companies are a lot more wary of people who put their social conscience ahead of the fiscal welfare of the company… um.. yea.. and I have seen that in some more aggressive NFPs as well when you talk to them… we wouldn’t have that guy he’s got too many values….”

This is one man’s perception but it is a recurring theme through many interviews. The drivers for FP people are seen as mercenary and the drivers for NFP people are altruistic. For the moment note that the opposite tends to show up when interviewing some FP people!
Conversation moved on to CRM but respondent seemed to think it meant CSR.

After a little prompting he remembered relationships between Plunket & Huggies, Cancer Society and UV lotions, Heart Foundation and the ‘tick’ on healthy food products. Had his organisation ever tried to develop relationships like that?

“No.. we tried to set some stuff up and we were kind of .. on several occasions now almost on the point of being able to do it.. then things fell over.”

Why did he think it fell over? Why did it not happen.. what was the problem?

“In one instance I think of particularly of detail um.. [coughs] .. there wasn’t a close ethical fit with the particular product and ourselves and probably that does give us cause to think about how we match those two.. so for instance.. like the example of .. the Heart Foundation.. has a fit with low fat consumption etc.. this one.. actually.. there wasn’t any fit.. it was actually an alcohol product and therefore.. so one of our governance group said no way.. you are not going there ... sort of stuff which raised a whole lot of stuff.. that wasn’t the real cause of why the thing fell over.. in fact the particular product.. the particular company actually .. financially fell over .. nothing to do with us.. in the process.. um it could have happened still but probably fairly marginal but I think.. in hindsight.. getting a better fit between the values or the outcomes of that particular product delivers and our organisation is really important.. and that’s certainly what Plunket and Heart Foundation and people like that are doing….”

If such a thing had succeeded.. in terms of the way it went on.. who would have been running it? The NFPO or the FP? Because it’s a relationship between two managers.. who would really be in charge?

“The way I see it is that the core piece of work is the agreement that is signed between the two agencies so .. if the agreement is explicit about how this works.. what imagery is used.. what the implications are in terms of marketing all those sort of things and how joint marketing works around the product… and the other agency.. then its simply the corporate agency just delivering the process .. so.. in our instance sticking the little logo and whatever it was .. 10c of this product goes towards the [name of his organisation].. or whatever.. that sort of stuff.. as long as the um.. agreement is
explicit about how that works, what will work.. what.. how much money will come to us and that sort of stuff.. They are simply implementing a joint agreement …”

So it might be as the perfect marriage?

“..yes.. I see it as the perfect marriage.. so they get a win-win out of this because they get increased visibility and they can market their social responsibility.. bladebladebla.. we simply get the cash that rolls out of that process… ..”

Note here an implication that this person expects the gains to his organisation to be purely financial.

And what would happen between the characters.. the people who are managing this thing.. who may be committee versus committee.. when an argument comes about who would get the final say?

“We will have signed an agreement.. say two years ago.. saying this is what .. this is what the current split of the profits are, etc.. ah.. and this is what we agree to .. we may well review it two years hence.. as in now…."

If the FP people say ‘I am reviewing my marketing budget right now.. I have got to know by January [in 4 weeks time] give me what I want .. or I am sorry I am going to have to walk away from it… I realise this will give you problems  ... take it or leave it basically....’ What would you do?

“. yea.. we are going to try and negotiate.. we are going to try and ensure we have some leverage in this process.. it depends on what else we have got out there and what our financial position is.. if.. if that take it or leave it approach is going to compromise us to the extent that we just don’t want to be in that market anymore then we just say stuff it…”

To press the respondent further ‘There has been a recession.. I know you have employed extra field officers.. we have been paying you $100,000  a year minimum ... the most I can sign up for next year is $60,000.’

“The power definitely rests with the corporate in my view.. we are the beneficiary of this process .. but they lose out… well actually.. that’s a good point because they
don’t lose out in this process because they still have the visibility of the marketing in this.”

“Did he see the relationship then as being more than just to the end of this year..?”

“Oh yes.. it’s an ongoing ... and the intent would certainly be to develop that relationship to look at other product marketing all that sort of stuff and for us to build our expertise around how we do this with others…”

NFPR34 Income Development / Promotions Manager (Org. 4)

What are her thoughts on the place of for profit brands in society, are they any different?

“Oooh.. that’s an interesting one actually because.. we perceive ourselves as being um a NFP that we are part of the caring society... and all that that entails.. um and the commercial aspect ... their bottom line is to make money…”

Does that mean commercial, for profit organisations, are caring people or less caring people...

“I don’t think they are any less caring people ... but their whole perception... their whole business structure is quite different…”

Respondent seemed to take this as a question about interactions between FPOs and NFPOs. Why would a FPO want to work with a NFPO? What are they, the FPO, getting out of it... its not just a simple donation?

“Absolutely not.. they are getting a whole.. a whole event.. a .. whole experience.. and the experience under that is .. it raises funds for the society and they know that money that they bringing forward goes back in to our community to be used for our services.”

What happens to the money that FPOs make?

“ I have no idea… [laughs quietly] well their survival I would imagine.. in many cases at the moment.. the economic situation .. um.. I mean.. they employ staff.. they have got to pay their staff.. got to pay their overheads.. got their .. whatever they are selling to think of.. yea.. it’s interesting..”
Thinking about how FP or NFP brands are managed. how did she think the approaches to managing those brands, not necessarily her own personal job, but people like her doing jobs like she does… how did she think the approaches compare.. say.. to someone doing a job like she does in a FPO?

“I think.. it comes back to the bottom line.. the dollar.. for profit they have got to make their money.. um..”

So how might that make what you do different?

“Um…. … I guess.. being altruistic… .. and not wanting to sound.. um.. a bit pious at all… we .. we …. our.. the one that we work for.. in the NFP is really so people orientated and often in a vulnerable situation.. whereas ..if you fit in well and fine etc.. and you go in to support.. you are buying something through a commercial.. profit place.. it’s a whole different approach I think.. I am not too sure if I am …. … If the whole.. consideration for us is the people who come to us or need our services.. or we are going out to the community.. and talking with them.. it’s quite a different approach I think to a commercial firm who is going out… and selling their wares and their products… so it’s a real people orientated environment that we work with .. not taking away from the commercial aspect because they have got to have people too to buy.. but we are providing a service.. to people who need it..”

Is there just a hint there that FPOs provide things that people do not need? To clarify the interviewer asked if, say, a company like Pfizer which makes a lot of cancer treatment drugs, a company like that … they are a FPO but they are helping people who have conditions they would rather not have. Did she think they may be any less caring than say.. an organisation that looks after the people that?

“I wouldn’t think so no.. I have got great respect for researchers who find.. all sorts of um.. cures or treatments.. absolutely.. no, no not at all..”

Coming back to marketing people in FPOs and NFPOs How do the people compare…. where do they come from .. what sort of educations do they have, what sort of aspirations do they have..?”

“.. pretty more cut throat..the FP.. one..”
What sort of level of education would they have?

“I think most of them would have to have degrees nowadays.. in some form or other..”

Respondent thought it would less so in the NFP area. In terms of age?

“You would probably.. well its changing and adapting all the time… and you have to.. to your market.. and I would that .. Probably I am a rarity now.. a fossil.. along the way and they would probably look certainly at someone from 40 over.. to come in to the NFP”

Her other comments suggested that she thought people in FPOs would be younger, 24 years and up to about 30.

How might the skills that they have be different?

“... well..at the risk of sounding pedantic.. um.. within this environment.. you actually do have to have.. experience and life skills and have really established some networks within your community…”

Respondent went on to emphasise the importance of drawing in volunteers from the community, many with business backgrounds.

Respondent was familiar with Cause Related Marketing, when asked to give an example she said:

“Well you look at the Blind Foundation for example.. have a .. that.. the Warehouse at the moment in Auckland division.. my colleague was telling me that the Warehouse in Auckland for .. supporting relay for live for the month of December and January.. 10c from every plastic bag that the client buys will go to the Auckland Cancer Society for relay for life…”

So why is the Warehouse doing it?

“ um.. because.. they are very community orientated.. and they are very supportive of NFPs.. yeah…. [silence]”

Is there any commercial reason do you think why the warehouse might be doing it?
“Ah… um.. I would imagine…. The good feel (sic) factor for people who are.. have a .. are buying stuff at the warehouse..”

Her NFPO has a long standing CRM/sponsorship relationship with a major bank. While she does not manage it herself she is familiar with how it works. It is:

“... hugely successful.. I mean if you were going.. I mean.. if you were to go from the first daffodil day that they were involved with sort of just round figures.. they started.. round the country .. raised 40,000 [$]. this year.. 2010.. they raised 890,000.. so I mean.. it has been every year.. it gone up and up and the staff have become committed more and more… Is that any help?

How did.. or how do the parties.. the people in her organisation.. get on with the people in the FPO.. what is the relationship like…?

“… um…. .. well it depends on who you are dealing with really.. but.. certainly.. most.. FPs who we have a relationship with.. um.. appear to want to help in some capacity for a whole variety of reasons no doubt.. and I think it comes back in many ways to how our brand is perceived.. and the people who work for that brand.. within the community we serve..”

There is a contract with the major sponsor of your daffodil day, an agreement for 3 years.. What happens if they have an argument?

“Well.. that’s an interesting one really because I know that each .. particularly of late..each year.. there is.. within the contract there appears to be a more request for .. um.. the bank to .. have more influence on some areas within .. the fundraising aspects”

What would happen if… a FP CRM partner suddenly started wanting things that your organisation would prefer not to do? Would you cancel it?

“Ethically we would..if there was ethics involved I mean.. It would be like us taking money from tobacco companies… and they investigate sub-groups and sub-groups of sub-groups before we would ever.. and I think the strength for us too is that we receive no government funding .. and we raise all our funds through our community
and our investments and what have you.. so there is um.. there is very few likelihooods of us to be.. receiving funds from inappropriate areas..”

If there was a really serious disagreement, who has really got the power.. who is it.. in control..? It would be handled by Wellington.. the National Office of the NFPO. If very serious they would have to consult with the boards of the 6 divisions.

In the case of their major CRM partner, if there was a serious argument, who would back down first?

“Well… I guess.. it depends what games are played.. do you bring the media in or do you not bring the media in.. why are they having this battle anyway ... but I don’t think it would ever get to that stage.. I don’t know.. I would think that the boards round the country with the national board would .. be the team that would have to renegotiate everything.. but I think if it was unethical.. in any aspect or putting pressure on the society to actually confine itself to for instance.. one banking.. bank.. throughout the whole of the country there would be concerns voiced…”

In the case of the major ongoing CRM arrangement the respondent felt that, in a major face off, the bank would back down rather than risking the relationship which suggested that, in this case, the NFP held the power. The reasons for this seemed to rest with the high profile of the NFPOs brand, the banks long term investment in the CRM activity and the loss of face and damage to the FP brand if it was seen to break away from its support of the FPO.

**NFPR35 Income development manager (Org. 4)**

This respondent did not, initially think there were any major differences between FP and NFP brands. But, if asked to explain what differences there might be what would she say?

“I would say.. we don’t make a financial profit.. um.. we …our money goes out immediately to enable our service.. our core services.. I think though… the way I took your question initially was.. that the difference between brands is unfortunately for some FP organisations they don’t see the need to be ethical.. or they don’t see the importance of being ethical yet.. whereas NFPs are forced to be so..”
Interesting comment: Do NFPOs only behave ethically because they are forced to in some way?

As a member of the public did she think that all brand owners should behave ethically?

Thinking about FP and NFPOs, how did she think the approaches to managing them might be different for example, somebody like her in Watties, doing the sort of job that she does, how might the jobs be different? Or the way they do the jobs.

“I think there is a constant need  ah.. for transparency and accountability.. over and above what organisations businesses are required of legally.. that a NFP must adhere to .. very very.. very highly.. all the time ..continuously and all media and all communications.”

And the reason for that being?

“…being.. its money given in trust.. um.. donors give money in trust and they expect to know how it is being spent…”

Might there be questions that people do not ask of FPOS?

“No..  .. [Laughs] maybe we should! [laughs]”

How do the people compare say, someone like you doing a job like you in Telecom say, in terms of age, gender, business experience, education?

“I think in NFPs there’s more middle class white.. middle aged .. female..”

And young people like her?

“No.. [laughs] um… I think though.. I initially come from the business sector.. and I.. .. I think.. I mean I think it’s very important for the things like the fundraising institute of New Zealand to.. to build the professionalism of the people in the NFP sector um and they are doing that very well you know .. having courses and things..”

Did this mean that NFPO staff were unprofessional? Not necessarily:

“... just to .. being as professional as they can be in line with the people within the profit sector.. being as qualified as.. and thinking.. of their organisation in a business
sense… you know… oh we just work for a charity… you know we don’t want any of this because the brand is very important and… so… there needs to be none of this charity stuff and selling of our brand too cheaply… and that’s what does happen quite a bit…”

Do some NFPs sell their brands too cheaply? If so why?

“…yea… well… um… well I think its people within the organisations um… possibly not… having an … exact awareness of the value of the brand…”

She made a comment that implied people on NFPOs were older. What about the people in FPOs… say a product or a brand manager… She answered the question before it was completed:

“They tend to be younger… don’t they… yes… I think so… um… but I mean they… the NFPs are changing… business people get older and retire [laughs] and I think they are changing…”

In what ways are they changing?

“Just getting younger… they are employing younger people… so its getting… its more um… people under 35… than there used to be…”

She confirmed that, in her view, marketing people in FPs tend to be younger and NFPOs older.

How might the types of skill or the types of person required to manage the brands be different? She thought the skill levels in NFPs would be lower.

“ It’s a money thing too… you know… it’s a money thing… in terms of wages… FPs attract people um for the reason of their finances… sorry… somebody standing outside of my office [external distraction not related to her comments] its got… in terms of financial rewards… the financial reward is a lot higher in the FP sector…

As high levels of similarity between responses from respondents was being seen researcher moved on the issues concerning CRM. Why did she think FPs and NFPs entered in to such arrangements?
“… something to do with goodwill… to um.. further align their brand with the community throughout New Zealand..”

Why would they do that.. did she think..

“I don’t think.. um… you know I think it’s an honest.. um.. desire to form a relationship there however there are a lot of .. well not a lot.. there are businesses who just want to increase their sales by .. portraying an ethical kind of exterior.. and therefore they.. you know.. they need to take up with .. you know.. a well thought of um..NFP and .. and this is where the NFP brand can be sold too easily.. yea..”

She had not been directly involved in the major fundraiser within her organisation but had observed it from within. How did she think the NFP people involved in managing the relationship ‘got on’ their FPO opposite numbers? She thought people worked together, externally and internally, very well. What did she think would happen if there had been an argument… if, hypothetically, the FPO .. asked her NFP organisation to do something which the organisation thought was not right for the organisation?

“….well in this particular case it would be discussed at National level and um.. the contracts tie.. um.. outline pretty carefully what is appropriate and what is not.. but in sort of less formal ones… um .. the relationship would cease..”

Who would cease the relationship.. if there was an argument?

“Um.. if the cancer society was concerned that it was inappropriate for the cancer society then the cancer society would cease the relationship.. yea…”

In a cause related marketing relationship who generally.. did she think.. has the power?

“… well.. I think.. the business.. the FP has the power because of money but I actually think..and.. most NFPs need money.. um.. I think that’s the general way its perceived but I think.. larger not for profits are becoming more and more astute.. yea..”

NFPR36 Regional CEO (Org. 4)
This person is the regional CEO of a large, well known NFPO and considered that he is involved in brand management in some ways, although he had only been in that role for 5 months and was relatively new to the organisation having previously been a sports administrator. Overall he claimed to have 15 years experience of the NFP sector.

Note also that, although he was guaranteed anonymity, he said this was no problem and he was happy to have the name of his organisation mentioned in required.

He was asked about brands or brand that his organisation has.. how would he describe it or them?

“.. cluttered. [laughs] I think that I mean it’s really interesting that you are doing a survey on this and interviewing us because .. having only been in the role 5 months.. its actually very apparent that there is what they call cancer clutter.. clutter in the sector where there are a number of organisations .. who are all trying to achieve some good outcomes but I would suspect that the general public actually has not got a clue what each of them does… and I think we are right in amongst that.. People don’t necessarily understand what the Cancer Society actually does... and that for me is a branding issue.”

Its main symbol is the daffodil. Would people in the street, if they were shown the symbol, with no words or other stimuli, would they recognise it and say they knew your organisation?

“... you would expect that a large percentage of the population would because of the very successful daffodil day that we do have..”

How does it compare with other competing brands.. in the sense that.. other NFPOs trying to raise money, would his be one of the top brands?

“I think it’s accepted.. as one of the most trusted and strongest um.. charities.. whether that means that the brand, I guess if you look at the brand and as.. the charity then it is very well accepted .. um.. but I think there is a difference between that and my comments before about well actually what do we do .. do people really understand what we do… so I think it’s a very strong well trusted brand but I think there are some challenges around it.”
Are there any trends that he would like to talk about, like if he had a market share.. is it growing.. static.. about the same.. reducing?

“that’s hard to tell.. what I can say is that our .. revenue from.. our major appeals.. which is daffodil day.. is was up on last year and given that we have just had a 12 month recession that would seem to indicate that we have got a very, very powerful brand.. if that is the right word.. or we are a very trusted community organisation .. that people are willing to give to… so.. we are not losing market share.. I would suspect..”

When he said that revenue was up, was that in this area or right across the country?

“It was certainly up in Otago/Southland  and it was up in just about every part of the country so its really interesting given the year we have had.. but you don’t know how much the day itself.. because it was a beautiful day.. you don’t know how much that contributes to whether it’s up or down from the previous year..”

Interesting that he was not sure what the causes of success were. As a person, living in New Zealand or Dunedin, thinking about brands generally, how important did he think brands are in the worlds of consumers? Are they important? He said he thought they are incredibly important.

Did he think brands are more important to people now than they used to be or less important..

“Um.. I am not sure it’s any more important.. I mean.. I can remember as a young nipper about the sort of jeans you used to wear.. as an example.. that was quite important to various young teenage groups and slightly older as it is now with all the different articles that kids wear.. in terms of ah.. NFP.. charitable organisations I think it probably is a lot more important because there are a lot more people or organisations out there competing. For the charity dollar if you like and so I think having a strong and trusted brand is incredibly important..”

Changing? He said that he did not know whether people in general were becoming more brand loyal or less brand loyal. He thought his brand or brands are very important to the profitability or the financial stability of this organisation.
Assuming his to be a NFP brand did you have any thoughts.. in society.. about the place of FP brands..? What is it that his organisation does for society.. what is it that FP brands do for society.. how are they different?

“Um.. well.. I would think people would argue .. and organisations would argue that we actually don’t do anything different.. I mean ..we are.. what we are doing, what we do is provide service.. to the community.. I would say FP brands would also argue that they are providing a service to their communities.. whatever that service might be it would be a product or whatever.. certainly [several interruptions as phone rang and respondent dealt with these] ... certainly that’s how we see ourselves… I wouldn’t anticipate that a FP organisation would view it any differently to how we view it.. um.. because you always.. I think organisations like to be altruistic if that the right word.. and we are providing this magnificent service as we are providing sausages at $3.30 a kilo type scenario whereas we are saying we are providing a magnificent service to the community because we provide a level of care to people with a diagnosis and their families so.. I am not sure.. that the organisations themselves would view... it in two different.. ways.”

Thinking about.. how FP or NFP brands are managed, how did he think the approaches compare, are they managed the same way?

“ ..um… some of the things are probably the same but certainly um... the.. I use the word aggressive.. not in a negative way.. you would have thought or my perception of them is that fp brands are much more.. market much more aggressively.. their brand. Than say what we do.. that may be because of a lack of financial wearwithall on our part on the NFP side .. um it may be because. We in there is an interesting school of thought here.. which I am slowly changing um.. maybe we .. we may be reticent about promoting our brand too aggressively in to [Unclear. The market ]”

Why do FPOS have to be more aggressive?

“Well.. I think they need to get their brand in front of as many people as they possibly can as regularly as they can which will um.. influence people to choose that brand rather than a competing brand..”
So there is competition in FPO area. If there is a feeling in NFPs that they don’t have to be so aggressive is that because they don’t perceive that they have competition?

“Ah… no. no. I certainly think there is very heavy competition for the charity dollar.. um which is not what we deliver but it’s how we survive.. so…”

This is taken to mean that the NFPO has two markets: the market of finding their clients and the market for attracting funds from, mainly, non-clients. Interviewer stated that he had to be careful not to put words in to the respondent’s mouth but respondent confirmed that yes “that’s absolutely how it is..”

How might the types of skills required to manage the brands be different. The question was put in terms of what differences might be in terms people in FPS and NFPS, age. Gender, experience, education and so forth.

“I wouldn’t have thought it made a lot of difference actually.. what I think the difference is is how much the organisation can afford .. to spend on that marketing..”

This could apply to the sums of money available to fund marketing activity as well as obtaining marketing staff.

“..yes.. so I think that.. people with.. very good qualifications who are seeking significant recompense for their talent are unlikely to be marketing on behalf of a NFP… for us.. as they would say if doing it on behalf of Telecom.”

Had he heard of the term ‘Cause related Marketing?’ he had heard the term but was not sure that he understood what it meant. This was explained. Had he ever been involved in that sort of relationship or your organisation, had you observed it?

“Well.. we are absolutely.. and .. whether it’s as ….defined as that definition.. but the National Bank.. um.. are a key partner of our daffodil day and have been for .. 20 years and they align themselves with daffodil day and all of their staff and every branch around the country are involved in raising funding on daffodil day both outside their branch physically right outside and also internally the National Bank also generate funds from their staff.. that they donate to us.. that is not necessarily.. strictly within the definition given.. but.. it is as close as you are going to get because clearly the
National Bank is saying to the community..we are great guys..we donate a lot of money to the Cancer Society so come and bank with us.”

Why did he think that the bank needs to do that?

“Well.. I think.. I think they are quite clever in that they are aligning themselves with a very strong um… and a very strong brand in the cancer society which affects and impacts on a lot of people.. a third of the population .. are impacted in some way.. and .. without.. I am not naïve enough to suggest that they have made that decision or made that decision 20 years ago saying.. actually we think we need .. we have a ... corporate responsibility here to the community but if we choose that.. I think it is actually going to be quite good for us as well..”

He added a comment that “that’s me being a bit cynical…” but “they are fantastic partners I have to say… I mean they are great but you would say that they have made their decision very consciously.”

The relationship is a good one and well established:

“Hugely successful … hugely successful for us I would assume because its 20 years partnership and they have renewed it in the last year… that it is very successful for the National Bank as well..”

He was unable to comment on how well the individuals from each organisation got on with each other as it was not managed through his office but his guess was:

“I .. look I think.. just like any other relationship I think if .. um one of us.. either was a complete twat the relationship would disintegrate so I think that you would expect that there’s a heck of an amount of respect.. between the two parties and the two people if it’s just two people that interact.. that they have a very.. you would expect them to have a very strong professional relationship and that they would be.. communicating with each other on a very regular basis so that those.. so that I guess.. that contact is not broken in any way…

And, if there was an argument… who would win?
“… um… … [drums fingers on table] .. you would have to expect that the Bank would win..

Why would that be?

“Well.. when I say win .. they could just walk away… and .. that may cost them in the long run.. um depending on what we did about that and what the cause of them walking away was.. but typically in any sort of relationship like that.. and you know that if you relate it to the sponsorship dollar.. um.. in sport or any of the arts or whatever.. if we are not .. servicing that relationship in a way that they partner .. feels they deserve then they are going to walk away at some point.. and so you’ve .. you would expect that if there is a winner in inverted commas there would be the Bank.. rather than us…”

Might it then be that both parties would be losers?

“Absolutely.. we would definitely be a loser.. um .. not only financially because we would need to go out in the market place and find another partner.. to be able to generate that level..”

How might he react if he was approached locally with a sponsorship offer from a competitor of their sponsor?

“ Well.. that happens now locally.. with.. two radio networks.. we have a really good relationship with More FM and whatever that Network is and the radio Network continually.. each year.. try to muscle in.. each year.. and ..”

Interviewer cautioned that this might be getting a bit confidential..

“No, no, no its cool .. It’s fine because it a really good example because it’s a really good example of that question because radio network say we can up the ante in this... this and this..”

So who has got the power in that relationship with them..

“We have got the power.. but it is the relationship that gives it to us because our relationship is so secure with the team at MORE FM.. that we would be very foolish to walk away from that.. because.. there are all sorts of.. you can’t.. you can't put a number on .. the intangible benefits that we get from it and just the way that they operate and
the way that say Damian and Nicky on the breakfast show.. the way they wax lyrical about the cancer society.. we can’t translate that into how many dollars and cents that is worth.. “

Because it’s building their NFP brand image?

“Absolutely.. yes.. so because of the relationship it would be probably foolish for us to walk away from it for an extra 10 or 20%. If it was an extra 10,000% then clearly [Laughs] you would go … sorry guys [Laughs]”

Would the incumbent get the opportunity to match it? He thought they would. which is taken to show that this person felt that his NFPO held considerable power in any CRM relationship it entered into.

**NFPR27 General Manager Marketing & Communications**

This person had experience of both FP and NFP marketing. Believed that there was not a lot of difference between marketers in either type of organisation. Talked about differences based on ‘emotional attachments’:

“I think the emotional attachment to something like a cause is much stronger than my emotional attachment to [Commercial brand] toothpaste for example”

and that she, as a consumer, would be

“Less likely to switch between brands of NFP that I would by aligning to than I would a toothpaste...”

When asked whether NFP or FP marketers approaches to managing their brands were different she said that “...probably not in essence... with promoting a NFP you are promoting to somebody the benefit of their action.. in giving to you…” The skills might have to be different in that the NFP manager is “relying on the level of emotion that people will connect to....” and that it might be about the consumer thinking about “... connecting with the greater good than the good for me...”

Asked to say how the people employed in this role in the two types of organisation differed the response was “I do not really see much of a difference...” but that “in New Zealand they are firmly of the mindset that we are not-for-profit.” She thought that, in the UK, “NFPS have
got over the fact that they are NFP and realise that they ... have to work in an environment in a kind of profitable way.... sometimes the NFP mentality could get in the way of a NFP being really successful...” There was an implication that New Zealand NFPs are not as worldly as FPs in the following comments: “If you ask me.. from a commercial perspective.... about how they operate.... I think if they operated in a more commercially savvy way they would actually understand more of the world that they are in and would be able to more effectively work that world....” When asked to clarify the point about NFPs not being commercially savvy the reply was “I don’t think we are there yet in New Zealand, no.”

Having talked about attitudes of managers and how that might affect performance, the question was posed about whether the types of skills required for each type might be different. Answer was generally that the skills required would be very similar, but the respondent returned to comments about attitudes: “I reckon I could market most things if I can understand and get behind them and really believe in what it is that I am doing... maybe that’s the difference between the people who can work on tins of beans as opposed to people that go for NFPs.. maybe it’s the level of being able to tell yourself the story that you believe in ...”

When discussing CRM respondent clearly understood what it was. In terms of which party would have the power in such a relationship she felt that it “... goes up and down...” If a commercial organisation wants to buy in to it then some point of power is slightly higher in the charities. It is “...a bit like ‘Dancing with the stars’.. start off a bit awkward and then you get a bit more comfortable as you go along.. but you probably have your wobbles along the way... so it really relies on the two organisations understanding each other’s mindset... the brand.... the kind of aspirations and being able to just decide whether or not that fits together...”

When asked if NFP and FP managers in a CRM relationship had similar levels of marketing expertise the response was, if she thought of herself in a FP role “I would probably feel that I had the greatest level of experience... I guess..” “If people on the commercial side of life don’t... or have not dealt with charitable, organisations... they might have some gaps of knowledge about what is achievable and what is possible so... I think it’s about understanding each other’s worlds. She thought about this and then added, unprompted: “we have probably missed huge opportunities to swap that knowledge in some ways.....” The unstructured format of the questions set allowed the interviewer to ask the crucial question: “Why have you
missed the opportunities?” Response was “Well.. maybe we have not got to that yet.. if you go back to the UK some of the things that organisations are doing commercially with NFPs are quite sophisticated... if you look at organisations who use relationships with NFPs not just for social marketing campaigns... but actually leverage things like retaining their employees because they link with NFP organisations that do good things...”

NFPR21 Marketing Manager

In terms of any perceived differences between FP and NFP brands respondent thought there was but had difficulty in verbalising it. “There is clearly a difference between Child Cancer Foundation and Vodafone….people’s interaction with those brands is quite different… one is self gratification versus I suspect it’s something to do with self gratification and feeling good about yourself and wanting quality and the best and belonging to all those things that you would get with a for-profit organisation.” This respondents organisation [A Zoo] ‘Sits somewhat in the middle [between and FP and NFP] ... so we are a not-for-profit organisation which is reliant on competing in a competitive marketplace… so that we can have as much money as possible so that we can have a conservation outcome… cant think of another organisation which is quite like it... therefore I think… in consumer’s minds they consume our brand in a similar way they might do for for-profit organisation.. but perhaps they feel a little better about it…” When the conversation moved on to Question 9: What are the differences, if any, between FP and NFP brands, he thought there were differences. He took Starbucks as an example compared to the Foundation for the Blind. [respondent had previously been a marketing manager for Starbucks] “I don’t think you [a consumer] feel particularly good or bad about having been involved with Starbucks whereas if you supported the Foundation for The Blind for whatever reason then you probably feel slightly better about yourself or that you have made a bit of a difference. The interviewer asked the respondent to develop this further to explain how the utility or value a user might get from consuming one type of brand or the other could be different. His response was that they were probably different but the key thing was the motivation behind any transaction. Some NFPs are very commercial in their approaches and some, such as World Vision and TEAR fund are very aggressive in their activity because they are “Unapologetically raising money for a good cause.”
Respondent went on to say that the brands are managed in different ways. Respondent felt that FP brands have been evolving faster than NFP brands. FPO marketers have far more people and other resources. “...take a global brand like Vodafone… they have got teams coming out of their wazzoo…” Added that Starbucks have teams working on quite small segments of their business. His implication was that NFP marketing teams are much smaller, if they exist at all. Things have been changing fast for NFPOs “...my impression is that a lot of those NFP brands that evolved over say 20 years or probably longer... felt a little hokey, home grown, almost apologetic…. That wearing of it on your sleeve a little and we can’t look too professional because then it looks like we have got loads of money and people will not support us…” Internationally this may be different “ Some of those global charities have evolved to say actually its completely reasonable to put a big structure around developing this brand so that we can maximise what we can get so that we can make a bigger difference....”

When asked how did the marketing ‘people’ compare between FP and NFPOS, respondent talked about different types of personal motivation. NFPO people might have a ‘personal motivation which talks about wanting to make a difference or a contribution back to society.” When steered back on to topic he commented “I think for someone who is purely commercial that thought of working for a NFP might feel quite alien… but…. I think that growing professionalism around charities means that swapping in and out of FP and NFOs is becoming a bit seamless....” The skills required for each sector were seen as not being that different with some of the professional approaches of FPOS now being seen if NFPOs.

Respondent was familiar with CRM and had been involved in such activity. When pressed he said that the activity was successful. When asked how successful it was his response was “Initially... initially... I think it lost a bit of traction along the way...” The activity had worked well but “In its first year or two it was fabulous and I think the best intensions were realised I think after that it became a little bit hard to manage and therefore it lost a bit of traction...” The FPO (Starbucks, NZ) had not foreseen the costs involved and wanted to end it but the FPO ... Youthline ... wanted it to go on forever. Asked if this was so the response was “I believe so... I mean... as a charity you are so reliant on your partners... partner’s good will and partnership in its truest sense actually...but it is actually about a partnership and I think their approach was... was really sound... then you expect it to go on... I mean things change but... they had demands and it was completely reasonable...”
To allow comparisons across respondents Question 11e was asked: How did the parties to the CRM get on with each other? The answer was the particular piece of CRM discussed had been based on mutual respect. This had been facilitated with “a certain amount of hardwiring into each other’s business so there was an appointment on the board (of Youthline) with someone within the organisation.. back at that time there was an understanding that there was some real benefit that we could get....” respondent confirmed that this involvement did not go the other way, in other words the FPO became involved in running the NFPO.

The overall impression taken from informal discussion after the questions had been asked and answered was that the CRM had worked well in the short term but fallen apart when the FPO moved on to other forms of promotion while the NFPO wanted the flow of income to continue but did not accept that this would amount to a very long term relationship which was not what the FPO wanted.

This particular interview revealed more AFTER the formal interview and, with the permission of the respondent, the following information was given and recorded. The basic differences between FPOs and NFPOs were highlighted by comments that the NFPO often had different requirements to those of the NFPO in such relationships. “If their entire objective is to say I just want customers to feel better about our organisation then we say well how do we help you achieve that ... and similarly how do you help us take our message off site... so that it’s very much about sharing objectives..... up front for us it’s about making as much money as we can...”

When the question of who held the most power in a CRM relationship the following comments were made, and appeared to support the relevant proposition “I think the concept of power in the relationship is kind of interesting... the very fact that people are referring to them [CRM relationships] as partnerships.. suddenly says that this is a different relationship.... I think that [Respondent’s organisation] is fascinating... five years ago when I took over and I was not involved in sponsorship at that point... first of all it was perceived as sponsorship... we were very much the charity... the recipients of a hand out and so well what do you want and there were these huge iniquities between partners with people getting squillions of tickets and what would you like.... and you end up giving away more than you actually got in return and.... we got very little out of it other than... some money at that point and ... now its saying there is huge value in our brand... what we bring to your brand and
what we can deliver for you... um is enormous...potentially if we work together and similarly you can really help me communicate our message..”

Possible difficulties between managers from NFPOs and FPOs in CRM arrangements were discussed further and the idea of imbalances of knowledge and power were raised again. Respondent began talking about sponsorship: “I think it is particularly relevant in New Zealand... where I think people are struggling with sponsorships and partnerships particularly for around the NFP area where they are just saying…. Crikey everything is changing around us and we cant really know what to do... um ....and its considered outside of your marketing mix as well... that bit fascinates me... that sponsorship is taken outside of the marketing mix so that..” Researcher attempted to confirm what was meant by ‘that’ and that it referred to FPOs. Respondent went on “Yes... I think so….quite often they have a separate sponsorship area outside of marketing and so… when budgets get tight your sponsorship goes because that’s got nothing to do with anything anyway... its just a nice thing to do….’’ When asked why that is and how FP people perceive sponsorship he went on: “It's not advertising… no its corporate social responsibility... but in a kind of tick the box kind of... well ... look... people are helping out organisations I had better do my bit… triple bottom line reporting.. or something.. that says I have given something back ... its just... in its worst case you write a cheque… but, when the budget gets tight… it is one of the first things that gets dropped off..”

NFPR28  Direct Marketing Manager

Did this respondent have any views on the differences between NFP and FP brands? His opening comment was to the effect that there are a lot of NFPOs in New Zealand “ ...latest research tells us there are over 100,000 NFPs registered in New Zealand... so that’s an incredible number.. those that are in the upper bracket.. those NFPOs that are long established and are well known.. I could mention other names like Red Cross, Cancer Society and a number of other cancer charities that everybody just wraps up as the cancer society... St John’s, World Vision... NFP brands are well established in New Zealand or the world actually... they have been around for a long time. As a rule they tend to be very specific with the services they offer.....” he considers that people have emotional links with NFP brands, not only the people that they support but the people who support the organisation, people that donate to them, family and friends. As with any other brand people will always have their
favourites, usually based on what their beliefs are, what their experiences are. Such loyalty may not be to the organisation itself but what they hold up as their beliefs. In a world often apparently focussed on FP brands there is also a large place for NFP brands. Before it was raised as part of the question set respondent stated that the type of manager that a NFP attracts is different to the type attracted to work in a FPO. “I am not saying that that FP brands are not emotionally driven, because they are... but it’s often the marketing that’s used for those that drives the emotional response that creates part of the connectivity to that brand... I think the advertising and media and the taglines and all the rest... the product itself doesn’t necessarily create an emotional response whereas I think the NFPOs do... simply because of the nature of the work they do.... its not marketing driven.”

When asked if there were differences in the way that FP and NFP brands are managed. He felt that the basic approaches were very similar: The marketing and branding techniques were similar. But did that mean that the required management skills were the same? Response was unclear here because he felt he had not had enough experience of both types of organisation but he thought that while on the face of it they were similar deeper down they could be quite different. A key difference could be the type of people that organisations employ. His relied on a large number of volunteers and unpaid support people. The organisation also had an unusual way of moving its managers around. When he talked about people developing in the organisation “... they get appointed to their positions so if a skill is identified in them or seen they often then get moved into that role and they may not have had the business or educational levels for that position but they are more suitable so they get shifted... um... but that could be at any role within the organisation...” In the case of the respondent, in a relatively large department responsible for fundraising and marketing, he had some background marketing experience in FP and NFP organisations but the person he was responsible to had none at all.

A very significant point drawn from this conversation was that the organisation is almost always recognised by the fact that it employees wear a uniform. Respondent wore a business suit, collar and tie and looked very ‘professional’. Asked why this was his response was “... what they have done is... by identifying an expertise gap that they need to fill they are willing to bring in someone from outside...” This is taken to mean that they realise they do not have, or have not had, the required marketing skills within their management team.
The respondent was familiar with CRM and has been involved in managing CRM activity. The organisation is frequently approached by FPOs who ‘want to associate with... have a joint branded venture which will not only benefit the organisation... typically CRM benefits both organisations... and that’s the idea... now its what value you put on ... you have got to value your brand.. if you are an NFPO what is the value of your brand.. what is the NFPO going to get out of it.. and that is quite difficult to quantify at times”

When asked if CRM activity had been successful the response was ‘Sometimes.’ When asked why only ‘sometimes’. It appears that some activity has seen the NFPO get better returns than expected and other times not so good. “The key to all of that is basically know the value of your brand.. and don’t diminish the value of your brand by whatever associations you can get..” In other words, it seems, that this NFPO realises that it needs to be selective in terms of picking FP CRM partners. Clearly the risks of being associated with something damaging are realised.

A CRM relationship depends on interactions between two parties: In the experience of this NFPO how did the parties get on? “There is ultimately an intention for both parties to do good and have some good come out of the relationship. The NFP obviously understands that the FPO knows that the association has to be good for business for them too... because of the nature of the NFP sector everybody goes in with good intentions.. therefore the relationship starts really well... but I guess the ultimate thing is if a brand is exploited in one way or that the result are not as good as expected... the relationship can sour quite quickly. Respondent was asked who usually had the ‘power’ in the relationship but seemed to avoid answering. When pressed the answer was that bit is usually with the FPO. The reasons for this were: “It is usually their [the FPOs] initiative.. that they are driving.. they have control of it simply because it is something they are doing...a lot of the time because NFPs do not have that much money... the FP is putting the money in to it... or is actually driving a lot of the up front value. The NFPs see that and feel that because they are receiving the benefit of that particular project they feel that they are the secondary party.” Further support for the validity of Hypothesis x came in the following comment “ What I don’t think NFPs understand is that actually they are in the power position... or could be...simply because... they are in an equal position with the FP because the value in their brand is immense...”

So, why don’t they realise this? This seems to be because, in the past, there has been a lack of expertise. Expertise in marketing, actual business or that particular NFPO lacks the business
skills that others have. This could simply be due to a lack of financial resources: “NFPs don’t necessarily have the money to pay for this expertise .. often they may not have employed the people that actually understand the value of brands.. and apply that value to a relationship” Other comments suggested that the resources might be in the organisation but management had not thought of applying them to CRM relationships. And where NFPO resources were applied to CRM what might cause it to not work, or work less well than expected? Response was that where a relationship did not work its failure could be traced back right to its inception. “If the relationship does not work... it was never going to be good for anyone anyway...” Often there is a difference between the time scales anticipated by each party. “relationships are exactly that.. they are not short term they are long term.” Here again differences between the time horizons of FP and NFPOs arise. If the FP sees the interaction with a NFP as a short term promotional activity then the seeds of failure are set where the NFPO is looking for long term brand alliances and the FPO fails to see the longer term benefits.

NFPR19  Marketing Manager

When discussing the differences between FP and NFP brands this respondent thought there were a lot of advantages in being a NFP. She believed that people see such brands as being not like money hungry corporate brands. NFPs can play on people’s community spirit and “that sort of thing... but more.. so I think being an NFP .. you can certainly go down a different track of promoting your brand in terms of... gaining their support rather than just trying to get your money..”

She was asked to define the main differences between a FP and a NFP brand, and define what a NFP brand is “one that has not got as much money as a FP brand” To develop this further the researcher asked why this was. Her explanation was summarised as having no aim of making a profit but doing good things was more community focussed. Asked to develop this and whether FP brands were not community focussed she responded that she thought they were trying to be. But the implication was that they were not sincere in this, citing McDonalds and their trying to get on the sustainability bandwagon when, in her opinion, their “main aim isn’t the customer experience it is... at the end of the day... we need to make this much money.... otherwise when it comes to an economic downturn... like we have got... they have got problems...”
How might management approaches to FP or NFP brands compare? Her NFPO was managed to achieve visitor numbers rather than profit. The organisation seemed to give little attention to the ‘bottom line’ whereas she felt that would be a high priority for a FPO. She was asked to consider how her job would be different if hers was a FPO. She thought she would put a lot more focus on marketing and reviewing prices but, in her two years in the current job nobody seemed to be worried about those issues. She felt she should be spending more time on analysing her market but other administrative tasks made that impossible.

When asked how the ‘types’ of marketing people responsible for brands in FP and NFP organisations might compare. She thought that FP people would be more emphasis on what she called quantitative targets, achieving sales and profit objectives, while NFPO managers would be more qualitative [her words]. This would mean that the jobs of NFP managers would be much more stressful and more risk of “your job being on the line” if objectives were not achieved, which implied that such stresses might be less in NFPOs. Her marketing team did not have classical marketing backgrounds “A lot of our marketing people here do not understand the business side...not really concerned about the money side of things... but then we have some others like senior management who have come from a business background”

She was familiar with CRM. But, it emerged that a lot of the organisation’s CRM activity had actually been with other NFPOs. People had been encouraged to visit her organisation (A large museum) and had aligned themselves with NFPOs on the basis that part of entrance fees paid would be donated to the other NFPO. But they had played the role of a NFPO in CRM with a major bank. This had raised funds but had been hard work. Now her organisation had changed its attitude to such alignments because “since 2000 we have actually been getting funding and we have been sort of a bit more business like” This seemed confusing and the researcher took it to mean that CRM was not seen as a long term fundraising option that they would follow if they could get funding from some other sources.

Thinking back to her views on CRM she felt that her organisation felt it was being manipulated by the FPO and this was because, since the FPO had the money, they had the power to influence what was, or was not, done within any CRM relationship. The following quote seems to confirm this: The researcher asked “So you feel on the back foot in negotiations... from what point of view?” Answer “I think so.. I don’t think that [name of organisation] has the brand and reputation and all that.. I mean we are improving... don’t
think we have quite got enough sway in the marketplace yet I think the perception is still that we are sort of developing and we are still a bit semi-professional... I know it is changing... particularly in my time that I have seen improvements... we have even got people coming to us rather than us having to go out and scrounge...” The reason for this was “Because I think we are being seen as a growing presence in the marketplace with the potential in the future... we are seen as more professional ... we have got ourselves sorted...” Other organisations would be more interested in a CRM relationship with them because they were no longer seen as a “dodgy investment... you know... you are not going to invest in something that you think... oh golly... how is this going to happen?.. How is this going to work?

Whereas we are being seen as a bit more of a place that you know you might actually get something back for getting involved with this crowd [respondent laughed at this point]”

Why did FPOs want to be associated with this NFPO? The answer was that they wanted to be associated with them as a means of supporting the community... want to be seen as something supporting this institution that is really important to the community.” And that would obviously be good for their brand. And would it be good for the NFPO brand? Yes, unless “it was a beer company... or a political organisation... or a tobacco company.... obviously there is a line... where you would draw...” The CRM relationship would work if there was a good synergy between the brands and the FPO would not approach them if the other company did not think there was going to be some synergy there... yes I think if it is good for both.. it is good for us to keep being seen”. Respondent felt that being seen associated with a dynamic FP brand would help them overcome some negative images of their own brand “Not crusty old [name of NFPO]”

NFPR9 (Business Development Manager)

This person thought the key difference between FP and NFP brands was that the FP brands “Have huge marketing spends behind them... so they are more in your face... and really... not for profit brands lose that battle before its even started... the brand equity that’s in a NFP brand is built up in a very different way to that of a FP ” Reference was made to extensive use of paid media by FPOs whereas “NFP brands are really developed through the giving of people and feelings of satisfaction... over a period of time and through the sort of connections of people .. of family members that have been connected with the NFP... been helped by them... so it’s more experiential rather than communication oriented in the NP sense...”
How do approaches to management of the two types of brand compare? There is a very big difference. “FP brands are managed by brand managers whose role it is to focus on that brand and the development of the brand...and research awareness and attributes that consumers seek...” In the NFP sector brands ‘struggle along with no particular management in most cases. Many NFPs are struggling to get fund raising and funds in and so “because nobody knows us and we get lost and so on... so there is an ad hoc [approach]... the brand is essentially... an orphan in most NFPOs.”

If there was no specific brand manager is there somebody in another role who becomes de facto the brand manager, who pushes the development of the brand in the same way that somebody might in a for-profit organisation? Respondent’s view was that this role is usually taken up by the fundraising manager. In the case of his organisation it is a ‘business development manager’. This de facto brand management results from the advertising elements of fundraising. Fundraising managers tend to deal with advertising agencies, etc, and are therefore the only people who might need to think seriously about what symbols represent the organisation. These people take up the role because they are the ones who are trying to look after the brand. But, he added, “the reality is that generally... until recently... the background of people coming in to marketing, fundraising, branding of organisations was simply.... not high enough...” People with the right brand management skills could not be afforded in most organisations, the NFPOs did not have that sort of expertise so it was left to “Muddle along”. The result was that branding “really just becomes a factor of how people perceive that particular appeal [requests for funding] or that particular request for funds.. and there has been no management of that [Management of the brand itself]”

The open ended nature of the questions used to lead the conversation meant that while the set of questions needed to be asked the way they asked was varied to avoid disrupting the flow of the conversation. Instead of asking “How do the people managing brands in NFPs compare to those in FPOs” the question was posed as, in the marketing profession, how does a manager in one type view an opposite number in the other sector. His response that there was relatively low respect for NFP managers amongst FP managers. “The respect is definitely low... as a general perception..... but the irony is... for people like myself who have been involved.... I was a brand manager with a corporate organisation before I came in to the NFP scene” With people like him making the shift from FP to NFP there has been an increase in the level of respect for NFP brand managers “... respect for someone who has brand
management experience and moved in to grow the brands and businesses of NFPs is very high” He felt that many FP corporate do not understand that this are quite in awe. corporate partners I have been involved with have often commented about how well the growth [of his NFPOs' brand] and the brand impact has been…” But this person’s organisation is one of the most respected NFP brands in the country and these feelings would be unlikely to apply to many NFPO brands.

Generally the respect is low for NFP marketing managers. Fundraising managers don’t get to go to a lot of industry activities, when they do he suggested that NFP people are generally asking “for discounts and so on “ and they have different experience and training backgrounds so “That sets up a demarcation .. we are not that well respected but.. corporate [are getting] more than ever.. are interested in linking with NFPs and so they are looking for people that understand brand development, brand security and trust and the managing of an organisation in a way that’s not going to get them into trouble... because these things are not being looked after.”

Thinking about the people themselves, those that manage the brands, is there any fundamental difference between the types of people? Respondent thought that there was not. This was based on his personal experience. In fact he thought, admittedly from an idealistic point of view that he sees “NP as sort of a next level above the FP sector in terms of what a brand is trying to do... it is not just creating value and growth for an organisation but it is actually doing good... a lot of Fps are trying to work out how to do that”. In summary this respondent sees the types of people as being broadly similar but the driving forces behind them as being different.

Respondent defined CRM correctly and added that it was “Marketing run by a FP where they partner up with a cause which has a benefit to the cause... to the NP... and the FP and to the consumer who is involved... so its sort of a three way... win, win, win.”

This interview was interrupted but respondent was asked to suggest a CRM activity that had been successful, and one that was not, and what had determined the different outcomes. His response is summarised as success being where the cause had wide support to start with and the NFP collaborated with a FP which appealed to a broadly similar target audience. “The customer is able to see that that by buying the product.... some of the money is going that way [to the cause]” CRM does better when it is a part of a long term strategy, which the
respondent defined as “Five years plus... in my view ten plus...” He also added that successful CRM relationships were more than a promotion. He cited the relationship between the National Bank of New Zealand and the New Zealand Cancer Society where the Bank [the FP partner] has had an ongoing relationship with the NFP. This relationship adds value to both brands, is ongoing and the bank encourages its staff to be involved with the NFP.

NFPR31  Marketing & Communications Manager

How are NFP and FP brands different?

“One to me is a credible brand like Plunket, a credible brand because of what it does ... um what it provides for the community... the work it has credit there because it has proved that it. Its worthiness and its brand like the SPCA ... and I think we have proved you know that we are... here to help animals and to help the community um... that’s helping the people look after their animals.. So it’s... we have proved that we are a quality brand where we are... something and Watties is and I am not... Watties but Watties is done through money through it’s... it’s bought its place in the market or whether it was Nike or whether it was Adidas... they have bought their place through the spend that they have on their brands...”

So if he were some sort of ethicist, if that is the right word, looking down, is one type of brand better than another?

“I think the one that has proved itself by what it has done… it’s the NFP...the NFP I think is a better quality …”

Thinking about how FP and NFP brands are managed... did he think the approaches are different?

“My approach has been since I came here has been very much the same …

Note that this person had previously worked for a large FPO. How did he think the people compare?

“Very different... very different... the people within an organisation like SPCA and... I could not talk about some of the other organisations but... the SPCA people are here because they love animals... they are totally devoted to animals... at times... they
think more about the animals than they do about each other and we do have odd conflicts of staff because they are more concerned about the animal than they are about the way they treat each other.. and we are slowly changing that and one of the things... since I came on board.. has been how we look at working with each other.. people within teams and things like that.. um... and so its slowly changing...um the whole culture here has had to change...”

When asked about the type of person in each organisation respondent thought that NFPO people would be rather more altruistic: The marketing people in his organisation cared about what the organisation does. On the other hand, did he think that marketing people in FPOs cared about the people that used their products?

“I don’t think they do… I think they care about that brand that they are marketing or selling or...at the time but... they will take from that brand to where they move to next... they will change overnight”

So such people might be less loyal?

“Yes... its whatever they are selling at the time and I have seen that at [major brewing organisation] you know we have people come in especially in to the marketing or sales area. They are looking at where their next job is... and so they use Lion as a means to an end so promoting that product at that time is the only thing they are focussed on…”

How might the types of skill required to manage the brand be different?

“I think.. within a... um .. a profit organisation that’s marketing a … eh.. um.. premium brand if you like or um a .. are very selfish.. and um they are very focussed and targeted on .. increasing sales or promoting that and as much as they can.. whereas in a NFP I think people take a wider more holistic sort of look at things…”

This person, who had considerable experience in the FP sector felt that:

“Rewards are greater in the profit organisations as far as monetary rewards ... but I think um you get greater satisfaction ... in NFP ... and that’s why I think... you dont paid as well … so you have to have personal satisfaction …”
Earlier conversation had revealed that this NFPO has an active CRM relationship. Is it a good one?

“.. most of the time we get on well.. but one of the big issues that we have and I have no problem in telling you... is that we get a lot of requests from... as you say... cause related form other organisations wanting to get on the bandwagon.. um.. and do promotional activity with us.. whereas our major sponsor has a problem with that... and... which I agree with.. but we as an organisation have to weigh up that we need food... and if we are going to get free food from someone else you don’t turn it down…”

In the event of a dispute, who would win an argument?

“I would have to back down first... they wont... they will get aggressive... in the way... I mean... on a regular... well.. Not a regular... but now and again I get called in to [named FPO sponsor but anonymity had been guaranteed by researcher] to explain why a particular thing has happened and then I will have to apologise....”

Does that mean that the power in the relationship is with the FPO? “Yes ... very much so...” And why is that? “…um because at any stage they are the ones that can terminate it and... um... we don’t... we can’t survive without ...”

Would his organisation pull out if pushed too far?

“Oh... we could terminate it ... yes... but we are not in a position to ...um... the reason for this is that the NFPO is very dependent on the income from the FPO, and the FPO knows it. As a result the power is clearly with the FPO.”

Appendix Two, which follows, gives a summary of the responses given to each question asked. Note that, while these are quantitative the method by which numbers were arrived at was for the researcher simply to record where he felt a response fitted on a limited range of classifications for each answer. The numbers shown were calculated during one of the stages in the analysis of responses as suggested by Thomas (2010).