Nonprofit marketing – does strategic planning help?

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Abstract: This article generally discusses the role marketing strategies play in promoting the nonprofit sector in its efforts to reach out and engage its audiences. Many nonprofit organizations consider the use of tactical marketing strategy as useful and essential. The success of the nonprofit sector is related to the wider environment in which it operates, such as the political, economic, socio-cultural and technological. Therefore, a carefully designed marketing strategy can help the nonprofit sector properly address the needs of the different target groups. The purpose of this paper is to explore ways in which marketing ideas and strategies are created and implemented in the non-profit sector and the tools used to achieve its mission. Part of this process is to determine how management in nonprofit organizations views marketing, as well as challenges and opportunities related to the marketing efforts. In-depth interviews were conducted with senior representatives of organizations active in the media and journalism field and the results were processed with the software Atlas.ti. Analysis of secondary data, including findings from past research, documents, and different publications, is also used to elaborate the research problem. The article found out that even though there is an understanding of the importance of strategic communication in marketing operations, still it is not practiced sufficiently due to the lack of human resources and finances. The implications of these findings are discussed in detail in the article.

Keywords: marketing; civil society organizations; strategic communication.

Neprofitni marketing: ali strateško načrtovanje pomaga?

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komuniciranja v marketingu, se zaradi pomanjkanja človeških virov in financ ne izvaja dovolj. V članku so podrobno obravnavane posledice teh ugotovitev.

Ključne besede: marketing; organizacije civilne družbe; strateško komuniciranje.

1. Introduction

Civil society organizations (CSOs), as important actors in the development of the society, continuously make efforts to address issues of public interest. In this process they address various audiences and are primarily focused on their needs and expectations. Strategic communication proves to be of utmost importance in addressing the needs of various groups and individuals. Problems arise if the focus to their beneficiaries is only declarative, which is often due to inadequate understanding of the process of strategic analysis, as the first step of the strategic marketing process (Andreasen and Kotler, 2007).

Marketing strategies in the nonprofit organizations are perceived to be different than the traditional ones, which are mostly aimed at improving company’s bottom line. CSOs do not sell products or services, but they sell mission and ideas. They aim for better fundraising, getting more volunteers, awareness raising and providing support from corporates (Blery, Katseli, and Tsara, 2010).

CSOs are also considered to be brands and, like the business brands, they too need a definite marketing strategy. Marketing helps them increase their number of supporters (Pratap, 2018) and effective communication programs are generally regarded as the key to success (Fantis and Spanos, 2014).

Consequently, it is the purpose of this paper to explore ways in which marketing ideas and strategies are created and implemented in the nonprofit sector and the tools used to achieve its mission. Part of this process is to determine how management in nonprofit organizations views marketing, as well as challenges and opportunities related to the marketing efforts.

One of the issues which require attention is that there is no research work on this topic in North Macedonia or it is of limited scope and is mainly focused at analyzing public or media relations strategies of the nonprofit sector. Therefore, on the basis of experiences and opinions shared by CSOs representatives, as well as on other sources, the article will try to fill the gap by exploring and explaining how CSOs perceive, organize and coordinate their strategic communication and marketing efforts.

The purpose of this article is to actually examine the marketing strategies employed at a moment in time and identify some of the main challenges, while also serving as a guidepost for scholars studying this topic in the future. The “classical” Kotler’s (1999) approach to marketing process is used in this paper, whereby marketing activities refer to analysis, planning, application, and control as key components of marketing management process.

1.1 Marketing process in the civil society sector – conceptual framework and definitions

The key concepts in this article include marketing, civil society organizations (CSOs) and strategic communications.

According to the definition provided by American Marketing Association, marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Civil society organizations refer to organizations that are independent of any governmental control and they range from national entities to international subjects that are established with missions to achieve certain goals. They can be active in various fields to negotiate matters of public interest.

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1 In this paper, the terms CSOs and nonprofit organizations are interchangeably used.
**Strategic communication** is the purposeful use of communication by an organization to fulfill its mission (Hallahan, Holtzhauden, et al., 2007).

### 2. Methodology

Beside the theoretical framework, this article will try to explain the ways nonprofits understand, develop and employ marketing strategies and tools to achieve their missions by using data from the in-depth interviews with managers of credible CSOs in North Macedonia. More specifically, in-depth interviews were conducted with managers in four out of five nonprofit organizations active in the field of media and journalism, more specifically the Macedonian Institute for Media, the Institute of Communication Studies, the Council of Media Ethics and the Association of Journalists of Macedonia.

The results of these interviews were processed with the software Atlas.ti. By exploring the perceptions of these CSO’s executives we identified the challenges in this sector, as well as the ways CSOs positively correlate marketing activities with the success of the organization.

Analysis of secondary data, including findings from past research, documents, and different publications, is also used to elaborate the research problem.

The two main research questions were the following ones:
- How is marketing perceived and utilized by CSOs?
- What type of marketing strategies and tools are used in the CSOs and how?

### 3. Results

#### 3.1 Strategic marketing communication matters

The CSOs management is aware about the necessity and importance of comprehensive marketing communication. “It is important to act strategically and professionally with a set of information that is important to the members of our organizations.” (Sekulovski, 2020). There is an understanding that specific nonprofit marketing strategy needs to be developed to assist this sector with meeting its various missions and long-term and short-term objectives. Strategic marketing is needed to make the beneficiaries and target groups aware about the CSO’s mission and its strategic goals.

The management of CSOs has awareness about the importance of strategic communication and efforts are made to plan activities, execute them in the most appropriate manner and evaluate their impact. “Our organization needs mechanisms to sustain itself and it is very important to understand how we can apply marketing principles to build linkages with our target groups and networks. However, due to the lack of resources, we are unable to continuously explore the market and our target groups and their specific requirements.” (Ivanovska, 2020). Strategies are considered important documents, which need to be developed in the context of the CSO’s work. “They can guarantee that communications reach all relevant stakeholders and that messages are passed effectively and without any disruption.” (Sekulovski, 2020).

Careful and comprehensive analysis and planning is needed in these processes to be able to achieve the required results. CSOs understand that the application of marketing concepts means communicating program impact to stakeholders. As such, impact is seen in the positive difference CSOs make as a result of programs and activities they conduct. “Therefore, analysis of the situation in our field of interest or in relation to a particular topic is the primary step, followed by a process of activities planning. We take into consideration our objectives, the audience we want to reach and the effects we want to achieve. This helps us plan the approach and the manner of communication.” (Nikodinoska, 2020).

Strategic marketing activities are usually practiced attracting donor’s attention. “By meeting representatives of the donor community and organizing different activities, we introduce them to the
conditions in which our beneficiaries (in this case, journalists, or the media community, in general) work.” (Nikodinoska, 2020).

In the opinion of some interviewees, strategic communication efforts are frequently defined from the nature of the organization’s work and mission. “We work with different target groups: the public in general, media, journalists, institutions. Therefore, it is essential to assess what is the best way to address their needs. We do this when circumstances allow us, but we generally lack time and human resources to do so.” (Ivanovska, 2020).

3.2 Nonprofit marketing strategies are different than the ones of the for-profit companies

The way CSOs market themselves is different with each cause. There are both similarities and differences in how nonprofit organizations and for-profit companies approach marketing. “Ideas and causes ‘sell’ harder than products and services. We also have to take into consideration that budget restraints can make content marketing limited. On the other hand, the specific narratives, and stories we produce generate interest and we achieve results with smaller investments.” (Ivanovska, 2020).

However, most of the respondents mentioned that traditional marketing strategies could not be well-adapted to meeting the goals of CSOs. In the world of CSOs, marketing is seen and approached differently. It is mainly used in fundraising opportunities or for developing positive and active relationships with different stakeholders of importance for the CSO’s mission, such as volunteers. “We do not have a marketing strategy, but we possess a three-year strategic plan which entails implementation of campaigns on annual level. In our understanding, a variety of methods, such as marketing, promotion, or public relations, can help in the transparent communication with the membership and other constituencies.” (Sekulovski, 2020).

Creating awareness about certain causes and specific initiatives is one of the reasons to initiate the development of a marketing plan. These plans help informing certain audiences. “The essence of marketing in our context is an effective communication between the organization and the primary target audiences, future students. We mostly come up with marketing strategies when we want to implement a campaign for enrolment of students at the Institute. The master’s degree studies are “the product” we want to promote. This is where we choose marketing, public relations, media relations and promotion.” (Andonov, 2020).

Research and analysis, as well as evaluation are considered to be effective steps in attracting target audiences. “To attract the audiences, efforts should be made at building a brand. And this can be done through direct activities with the diverse audiences we work with, where we best learn about their needs. Therefore, we ‘scan’ the needs of our target groups at the different events we organize. We need to be close to the beneficiaries.” (Ivanovska, 2020).

3.3 Marketing tools and strategies: a wide spectrum of possibilities

CSOs frequently have tight budgets and sometimes it is a complex task to raise awareness for the cause with limited funds. Less expensive methods are used to communicate with the target audiences, such as social media to implement online marketing campaigns. Twitter, YouTube, LinkedIn, and Instagram are social media that are mostly used to communicate with the public. “We try to adjust to the circumstances. We mainly implement social media campaigns and establish a direct mail communication with the target audiences. In addition to classical advertising for enrollment of students, we try to introduce a content marketing with information about new data, latest trends in studying communication worldwide, along with influencer marketing or celebrity endorsement in a content-driven marketing campaign. It is actually a collaboration between our brand, the Institute, and the influencers” (Andonov, 2020).

CSOs managers think it is quite important to continuously and consistently communicate with the target audiences with different tools. “We have a web platform developed on the basis of our member’s expectations and requirements, where we publish numerous articles, publications and videos, which are
also covered in the social media. It is quite important to combine methods of communication.” (Sekulovski, 2020).

Social media create an environment of a collaborative experience and give participants an opportunity for a feedback. “All important news, press releases, major achievements and announcements are shared on social media and we expect the feedback of our audiences. If we do not achieve the expected results, we combine different tools, such as traditional and new ones. When it comes to small organizations, it is very important to personalize the communication to the best extent possible. For us, one of the most important and valuable tools is the video marketing because this type of storytelling around our activities and results can help citizens feel that they’re part of our mission, and see how their involvement is directly making a difference” (Ivanovska, 2020). Different products are made to be used in the communication with the target audiences. “We produce infographics, gifs, web banners, posters, testimonials, and we adjust the type and the contents according to the social media we use.” (Andonov, 2020). Direct mail is also largely used in the communication with the target audiences, as one of the less expensive methods of communication.

3.4 Staff and resources a continuous challenge

A general perception among the respondents prevails that the lack of resources and expertise make the process of strategic planning of marketing communications all the more complicated.

Most often different representatives of the organization are responsible for marketing activities. There are usually no professionals employed and the marketing activities are planned and executed by staff who also covers other types of responsibilities. Lack of resources to employ people for these positions is one of the most reported challenges. It affects the work of the entire organization. “Resources are scarce, and the management’s role is spread across program, management, representation and development responsibilities. Regardless of this, we try to manage all these challenges and implement the activities which we consider as relevant. We know that strategic marketing is highly effective, but the context in which we work limits us to consistently allocate resources for this.” (Ivanovska, 2020).

The communications personnel in the non-profit organization, together with the management, is usually responsible for planning and execution of marketing activities. “In the last couple of years, we have a full-time Communications Coordinator who is responsible for content creation, both for traditional and social media. We know it is a very demanding work and we select activities we consider will bring good results.” (Sekulovski, 2020).

The number one roadblock in the marketing activities is the budget constraint. A common opinion among the respondents is that the lack of resources requires careful planning of the marketing goals and activities. Once the activities are defined, an analysis is made to identify the highest-value tactics. “That is why it is important to proactively think through a limited, but still impactful budget.” (Ivanovska, 2020). Existent tools and platforms are being used to achieve greater impact. “We try to build and position our brand through the rest of our programs and projects in the course of the entire year. As soon as the main campaign for enrolment of students is organized, we try to take advantage of the fact that our reputation has already been built through other types of activities.” (Andonov, 2020).

CSOs sometimes engage volunteers to implement marketing activities. “Students who have completed their studies help us in spreading the word about our work.” (Andonov, 2018).

3.5 Brand reputation and diverse marketing

Reputation building is a process which requires consistency in communication. The reputation of the nonprofit organization is a stakeholder’s overall evaluation of the organization over time. Reputation can be considered as a “magnet” that attracts, human, financial and technical resources (Goyal and Yadav, 2014). Building of a reputation is a matter of investment and strategic marketing is important in this context. “We are aware that strategic marketing means improved level of satisfaction and an assistance
in resource mobilizing, it is therefore important to invest more efforts in marketing, diversifying of our teams, diversifying of our activities, reflect diversities in the society.” (Sekulovski, 2020).

For a good reputation of the organization, it is important to be also culturally sensitive in all marketing and communication efforts. “With an experienced staff, with different skills, we can increase our chances of being successful and creating of a brand that is memorable.” (Ivanovska, 2020).

Maintaining of a positive reputation in the society increases the chances of loyalty and confidence in the CSO’s activity. “In today’s digital world, meeting the expectations and requirements of our stakeholders with a strong dedication to our mission is of high importance. It can help us be leaders in our field of activity.” (Sekulovski, 2020).

4. Discussion of the results

Our research findings indicate that CSOs have accepted marketing as an acceptable practice in their work. As such, marketing can be used in many types of programs and activities of the organizations active in the field of media. There is also a sufficient understanding and awareness among the CSOs about the need to create marketing strategies, as part of the entire communication efforts. This helps different audiences in the trust-building process and in understanding the organization’s work. It also assists in the fundraising efforts.

On the other hand, integrating the proper marketing philosophy is not an easy task. The experience of the CSOs included in this research indicates that the limited understanding of marketing results from the restraints and pressures that affect the whole process of strategic planning. These challenges mostly include lack of financial resources and lack of staff with specialized skills in the area. It consequently forces CSOs to choose methods of communication that are less expensive, and which require less time for implementation. Quite often ad hoc initiatives or short-term projects are the reason for the first marketing applications. The management is however aware about the need to commit to the new way of thinking.

Marketing activities are usually not separated from other functions in the CSO’s work. Regardless of the fact that some of the CSOs reported having staff executing these functions, still they also have many other responsibilities within the organization. Volunteers are considered to be important in the successful operations. On the other hand, attracting and retaining volunteers who will be enthusiastic and passionate about their involvement in the CSOs work is rather difficult process. There is a recognition that nonprofit marketing strategies need to address this issue, including their specific motivations, requirements and needs. A variety of marketing tools are used in the communication efforts, aimed at reaching stakeholders effectively. Social media are considered very important. Mass mailing is still an important means of marketing. CSOs reported using different social networks in the communication with their audiences, such as Facebook, Instagram, YouTube, etc. However, social media are not used to their fullest potential and there are many other tools that can be practiced in the work of the nonprofits. This is also confirmed in a research conducted by the local CSO Deso. Although there is some awareness among the CSOs and efforts are being made to integrate ICT tools and standards in the daily communication, there is insufficiently developed awareness and consistency in the implementation of these standards (Karajkov, Dimitrovska, 2017).

This finding is also supported with the results from 2017 survey conducted by the Institute for Communication Studies. It proves that CSOs mostly use social media to inform the public about events, conferences and other types of similar activities (28%), to share information about project activities and results from projects (25%), announce calls (22%) and promote research and publications (21%). Only a small number of CSOs (4%) use social networks for advertising, surveys, guerilla marketing, sharing of media announcements for CSO activities, etc. (Saban and Aksentievskis, 2017). The authors of this research argue that the conventional use of social media indicates that CSOs still do not perceive these media as a space for advertising, there is a lack of creativity in using of these networks and there is an insufficient education among PR staff in the organizations about all advantages of these media.
Regardless of the online marketing opportunities, lack of dedicated full-time staff is a barrier. Interviewed CSO representatives say there is a lack of assessment tools in place and, as result, they find it difficult to evaluate the effectiveness of marketing activities.

All these issues, lack of funds, lack of staff, lack of expertise and time to work on marketing activities and strategies are closely interrelated to each other.

5. Conclusion

Marketing is used by CSOs to raise funds for financial sustainability and increase participation by target audiences.

Marketing plans and strategies are considered important part of the strategic plans to identify marketing opportunities and suggest strategies to achieve them. Donors, state institutions, general public, media, beneficiaries, volunteers, local communities are the public of CSOs marketing efforts, which is broader than just a customer term, as it is a case in the business sector. Therefore, marketing in CSOs takes a lot more effort than in commercial organizations. In addition to this, the rapidly changing societal needs, changing attitudes, and diminishing financial resources makes it difficult for CSOs to maintain pace with the developments in the marketing arena.

Despite the fact that all respondents agreed with the necessity of strategic marketing planning, its steps, such as audience segmentation, are not regularly performed due to the lack of finances and human resources. This results with insufficient understanding of the overall picture of their environment. According to McLeish, market research should be performed at least once a year by CSOs in order to guarantee adaptation to the continuously changing environment, to plan their future moves, but also to be viewed more positively by the public (McLeish, 2011).

Even though many CSOs do not have marketing department or staff working in this field, they still try to work on marketing activities to achieve their goals. Smaller non-profits organizations, such as the media organizations included in this research, do not have the capacity to invest efforts in strategic planning of marketing, even though they consider it a high priority. Lack of strategic planning results with lack of knowing their target market. On the other hand, even though limited funds can be a challenge, marketing efforts help CSOs in generating flow of contributions. In this direction, CSOs seem to be capable of utilizing many of the marketing strategies as for the business sector. Nonprofits use variety of tools and social media, as well as persuasion techniques, branding, and celebrity endorsements. All these are marketing strategies commonly used in the business sector. Many of these tools are not expensive and can reach a great number of people. On the other hand, it proves that it is insufficient to just have marketing tools in use, but also have awareness and knowledge about the target market. There is a need of more investment of time, money and education in the CSO’s targeted marketing efforts.

Marketing is considered to have an important role in reputation building and image maintaining. Nonprofit organizations which implement marketing orientation are focused on all of their key stakeholders, which consequently leads to better understanding of stakeholders needs and organizations’ performances (Modi, 2012).

As the nonprofit sector becomes more competitive, organizations must shape their images to be completely attractive for their target audiences. Therefore, it is of crucial importance for the CSOs to develop a greater understanding of how to build up and maintain a strong brand image. Considering the broad audiences CSOs want to reach, developing and adjusting of marketing strategies might be considered a way forward in their progress.

In this direction, CSOs can benefit from marketing by finding the most appropriate ways to fit it into their organization. There’s no one-size-fits-all approach that will work for every CSO. There is a need of being innovative and strategic in identifying ways and avenues for effective marketing. Future studies will have
to delve deeper into these matters in order to develop a functional marketing theory that caters specifically to the needs of the CSOs.

Having into consideration that nonprofits, especially those in the area of media and journalism, are relatively new to the marketing arena it is expected that they will excel their marketing strategies. They must re-evaluate the importance of marketing and place it higher on their hierarchy of priorities. This will allow CSOs to address any shortfalls they might have in all market areas: obtaining funding, reaching out to diverse audiences and effectively utilizing volunteers.

Marketing is a very effective way for any CSO to build loyalty within its targeted audience, opening lines of communication and adding value. This paper shows that a structured, well-thought out marketing process can help the CSOs build its brand and attract and retain donors, volunteers and other stakeholders.

A more systematic approach to the relevancy of strategic marketing planning and regular marketing activities within the CSO’s managerial decisions has been also recognized as urgently needed.

References