Barbara Iwankiewicz-Rak, Barbara Mróz-Gorgoń
Uniwersytet Ekonomiczny we Wrocławiu

The Role of Branding in the Non-profit Organizations

Summary

Non-profit organizations come in many shapes and forms, and have- as their purpose to provide non-commercial help in different areas of need and that is why there are many definitions of non-profit organizations.

The aim of the article is identification of the determinants and ways of creating branding process by NPOs as well as to examine how the process of branding is perceived by the brand managers of these organizations on the Polish market, using the IDEA concept. As a practical implication, this insight will allow managers of volunteer organizations to have a more clear understanding of their and other organizations' brand image, and to take a more strategic approach to branding process. The research article was based on literature studies and analysis of reports and authors' own research.

Key words: non-profit organizations, marketing, branding, brand image, strategy.

JEL codes: M39

> In the modern world,
> being opposed to branding
> is being opposed to contemporary
> forms of effective action.
> – *David Fenton*

Introduction

Non-profit organizations (NPOs) come in many shapes and forms, and have, as their purpose. to provide non-commercial help in different areas of need. There are many definitions of non-profit organizations. (Salamon, Anheier 1977; Franco 2005) According to business dictionary NPO is identify as a private sector, voluntary (and usually non-profit and non-sectarian) organization that contributes to, or participates in, cooperation projects, education, training or other humanitarian, progressive, or watchdog activities. Some of them are accredited by the UN, and some collect donations for distribution among disadvantaged or distressed people. The word "non-profit" refers to a type of business -one which is organized under rules that forbid the distribution of profits to owners. "Profit" in this context is a relatively technical accounting term, related to but not identical with the notion of a surplus of revenues over expenditures" (Barber, McNamara). Charity organizations viewed themselves as providing important social services, and other non-profit organizations as helping

to contribute to the common good and fill perceived voids in public services (Pietroburgo, Wernet 2004).

Non-profit brands are visible everywhere. Amnesty International, Habitat for Humanity, and World Wildlife Fund are some of the most widely recognized brands in the world, more trusted by the public than the best-known for-profit brands (Edelman Trust Barometer 2011). More recently, and with the significant increase in the number of non-profit organizations operating in the sector, a more competitive mindset has developed which is based on the notion that non-profit organizations compete with each other for limited resources (Ewing, Napoli 2005).

Most commonly, these resources are financial (e.g. funding or voluntary donations) or take the form of unpaid labour (e.g. volunteers), and the nature of any competition often depends on the particular market being targeted by different organizations (e.g. if they are targeting businesses, individual citizens or both) (Randle, Leisch, Dolnicar 2013).

Traditionally, the third sector has operated largely in an environment of non-competition (Pietroburgo and Wernet, 2004) but in the conditions of turbulent environment, there is general agreement that competition within the sector is increasing, and this has led to organizations placing greater emphasis on building strong brand images to differentiate themselves from competitors (Randle, Leisch, Dolnicar 2013).

It is crucial for non-profit organizations to earn funds , recruit volunteers, to gain grants, just to survive in the world oriented only on profit. Treiblmaier, Pollach, Floh and Kotlowski had pointed out, that brands typically have insignificant sales potentials but contribute to the company's overall image to some extent (Treiblmaier et al. 2004). The very fact that consumers perceive a brand as embracing a set of values which they can relate to easily causes them to reject alternative brands which may not possess all these values (Kotler, Gertner 2002). Brands are therefore enduring assets as long as they are kept in good shape and continue to offer consumers the values they desire (Chematony 2001).

Branding – Non-profit organizations perspective

Branding has emerged as a top management priority in the last decade due to the growing realization that brands are one of the most valuable intangible assets that firms have (Keller, Lehmann, 2005). Effective branding is pivotal to the success of most companies, but it needs to be pointed out that branding is a very complex process and wider than a brand. It combines brand, its' marketing communication, organizational culture and many other activities.

In other words, as Keller and Lehmann pointed out, marketing activities have interaction effects among themselves as well as main effects and interaction effects with brand equity. Three noteworthy sub-areas of this topic are the brand-building contribution of brand elements; the impact of coordinated communication and channel strategies on brand equity; and the interaction of company-controlled and external events (Keller, Lehmann 2006). Positioning, which is very often described as identity also leads to branding. The identity

or the brand is the very essence of the charity − its personality. But it is the personality as viewed through the eyes of brand customers, rather than the employees or managers. Very often brand identity and brand image (the way the brand is perceived by consumers) are not the same and that is a problem of a great concern.

One of the common branding strategy is personalization. In case of peer-to-peer fundraising, supporters of a given organization can create their own page, add their own pictures, tell their own story, and appeal to their own friends and family. Organizations can also personalize their experience by giving donors a choice of projects or programs to donate to. Another branding trend is storytelling. The practice of storytelling has proven itself to be hugely successful in growing passion for causes. Storytelling has taught us that people want stories with happy endings about the success that organization is having, rather than sad statistics of the insurmountable odds the cause faces (DonorDrive 2015).

The dynamic development of NPOs in Poland, especially after the turn of 1989 resulted in a significant increase in competition within the third sector. Organizations have been forced to compete for increased financial and material resources and tasks (projects). The need to distinguish itself from other organizations and create an acceptable public image caused by the concentration of attention on the brand of the organization. Organization brand is an important marketing tool that allows an advantage over competing organizations. It should be noted, however, that the concept of competitive advantage is understood as better access to the help of sponsors, donors, volunteers, and not just fighting to win the customer uses the services. A manifestation of competition between societies may strive to offer high quality services and thus gain the prestige. On the effectiveness of non-governmental organizations (NGOs − Non Governmental Organizations) undoubtedly affected their reputation and positive public image.

Activity of a well perceived organization can become part of distinctions volunteers and workers and give them a sense of belonging to a unique group through transfer (stretching) of the image and prestige. Brand gives the opportunity to create intangible value, providing stakeholders with additional satisfaction. In addition, the brand expresses the identity of the NPO is the source of its identification to the environment from which it is very strongly dependent. Recognition of the organizations name, particularly in the form of unaided brand awareness, gives a chance to receive financial support from individuals in the form of a 1% income tax. In addition, organizations brand acts as exacerbating and guarantee the fairness and transparency of action. It is also important that it carries a big emotional charge, which could often be a decisive factor in terms of helping the organization.

The aim of the article is identification of the determinants and ways of creating branding process by NPOs as well as to examine how the process of branding is perceived by the brand managers of these organizations on the Polish market, using the IDEA concept. As a practical implication, this insight will allow managers of volunteer organizations to have a more clear understanding of their and other organizations' brand image, and to take a more strategic approach to branding process.

The article was based on literature studies and analysis of reports and authors' own research.

Literature Review

Five basic topics that align with the brand management decisions and tasks frequently performed by marketing executives are discussed in detail: 1) developing brand positioning, 2) integrating brand marketing; 3) assessing brand performance; 4) growing brands; and 5) strategically managing the brand. We then consider the implications of this work for choice models. Finally, we present a simple framework for integrating the customer-market, product- market, and financial-market level impact of brands and how the brand is created and developed by company actions (Keller, Lehmann 2005). Scholars studying non-profit branding similarly worry about the "overcommercialization of the [non-profit] sector and misappropriation of techniques developed specifically for the commercial environment (Stride 2006).

Marketing scientists began to seek how to implement commercial methods for non-profit market. Main objective of this application is to help non-profits organizations to operate more effectively in obtaining the resources. As Randle, Leisch & Dolnicar pointed out, from a marketing perspective, for example, this has included attention on the notion of non-profit brand image and brand personality (Chiagouris 2005; Venable et al. 2005), market segmentation (Dolnicar, Randle 2007), positioning and targeting (Haski-Leventhal, Meijs 2011), customer orientation (Dolnicar, Lazarevski 2009) and customer retention (Starnes, Wymer 2001). Referring to non-profits branding, researchers study also areas such as: building, measuring, and managing brand equity (Keller, Lehmann 2006), branding influence on the intention to donate (Paço, Rodrigues, Rodrigues 2014; Iwankiewicz-Rak 2011), non-profit brand value chain (Helmig, Scholz 2010).

Considering all the features that the brand of the organization, an important research issue becomes the identification process of its creation and promotion and to determine the extent to which strong brand contributes to the success of the organization. The literature on brand increasingly focuses its attention on the problems of branding in non-profit organizations.

Kylander and Stone (2012), as the result of an 18-month research project we led with academics at Harvard University's Hauser Center for Non-profit Organizations and collaborators at the Rockefeller Foundation, developed the Non-profit Brand IDEA. The Non-profit Brand IDEA is based on two themes that they discovered during their research: the distinctive sources of pride that non-profit leaders have in their organizations, and the distinctive roles that brand plays inside these organizations to create cohesion and build capacity.

Method and Findings

The "Non-profit Brand IDEA", developed by Kylander and Stone (2012), is based on two themes that they discovered during their research: the distinctive sources of pride that

non-profit leaders have in their organizations, and the distinctive roles that brand plays inside these organizations to create cohesion and build capacity. The four principles of Non-profit Brand IDEA are brand integrity, democracy, ethics, and affinity. The brand IDEA framework differs from traditional brand management approaches in three key ways. First, the focus of the brand is on the mission and values of the organization, not on customers. Second, positioning of the brand is designed to support collaboration to achieve shared goals, rather than competitive advantage. Third, instead of tight policing of the brand, model authors' argue for much greater participation and engagement in defining and communicating the brand (Kanani 2014).

Despite of the ambitions of non-profit brand managers, generally they use models and terminology procedures from the for-profit sector to understand aspects of non-profit sector. Unfortunately the strategic frameworks and management tools available to them have not kept up.

Building on previous work in the field, Kylander and Stone (2012) conducted structured interviews with non-profit executives, communication directors, consultants, and donors in 41 organizations. They created the framework - the Non-profit Brand IDEA, in which "IDEA" stands for brand integrity, brand democracy, brand ethics, and brand affinity.

The „Role of Brand Cycle" Model is an effect of Kylander and Stone (2012) study. In this model (Diagram 1), brand is nested within organizational strategy, which in turn is nested within the mission and values of the organization. Brand plays a variety of roles

Diagram 1

The Role of Brand Cycle Model

Source: Own study based on: Kylander, Stone (2012).

that, when performed well, link together in a virtuous cycle. A well-aligned identity and image position the organization to build internal cohesion and trust with external constituents. Organizations can leverage these to strengthen internal capacity and achieve impact in the world. The resulting reputation then enhances the identity and image of the brand with which the cycle began.

In the period of September-December 2015 authors conducted in-depth interviews (IDI) with 18 representatives of NPOs in Poland. The interviews had been inspired by Kylander and Stone research. The respondents were managers of these organizations.

The analysis of the research had shown medium or high level of the distinctive sources of pride that non-profit leaders should have in their organizations, according to the IDEA concept. The other theme of IDEA − the distinctive roles that brand plays inside these organizations to create cohesion and build capacity is still problematic. In the opposite of Kylander and Stone results, where managers used properly for-profit language in order to define the term „brand" − in our survey the managers did not know how to define the "branding" term (eleven respondents) and the role that it can play in the marketing strategy of the organization.

Referring to IDEA, brand integrity means that the organization's internal identity is aligned with its external image and that both are aligned with the mission. When we've asked the managers about missions and visions of their organizations only two recall the mission and vision and six of the respondents could describe them (but not the original statement). The rest couldn't recall neither mission nor vision.

Brand democracy means that the organization trusts its members, staff, participants, and volunteers to communicate their own understanding of the organization's core identity (Kylander and Stone 2012). Although in our study respondents indicated people as the „most valuable asset of the organization" (Anna Kaucz-Miękus the head of the „Fundacja Opieka i Troska") but in subsequent statements, however, that in most cases do not have relationships with volunteers and defines their work as „rotating". That also states for the affinity of the brand.

In the IDEA concept, brand ethics means that the brand itself and the way it is deployed reflect the core values of the organization. Managers (respondents) pointed to the important and integrational for the organization values, but could not specify how they are communicated outside the organization. Only three respondents stated that these principles are transferred to the interior organizations through informal meetings. One respondent pointed out that the values are taken over in a natural way of managing the organization. It should be noted, however, that only four persons gave values consistent with those administered officially in the strategy of the organization. That fact was an inspiration to check the values among the names of NPOs brands.

Brand name very often illustrates brand values, or mission. That is, why the authors decided to analyse them. The analysis of the names of 8250 Polish NPOs brands (that can receive financial support from individuals in the form of a 1% income tax in year 2016) had shown that in their names, that most commonly are long (med. 3 words) the word „help"

occurs 777 times, „children" − 879 times, „Live" – 106 times, word „Poland" – 98 times, „heart" – 66 times, and „hope" only 57 times. This means that in the opinion of the creators of these organizations words such as: children and support are promotional relevant to liberating charity impulses, more than: heart, hope, etc., and that these two words most often repeated (by more than 10 percent of organizations) can be regarded as affecting the imagination and at the same time clearly motivating assistance and authenticate the goals and missions of charity organizations that build the image of the organization as a charity.

The study has limitations. The main limitations of the research is qualitative method usage and its' local character, however, the study allows to formulate the following hypotheses which will be verified in future work through qualitative and quantitative methods:

H1: Shaping the brand and its image by Polish non-profit organizations is spontaneous (ie. not as the result of the marketing strategy);

H2: Unfavourable factors of strategic decision making in a field of brand and its image creation by the NOs in Poland is: lack of full-time staff, lack of organizational structures (separation of structures and functions of marketing activity in organization);

H3: Idealism and charyzma of the leaders and members of the organizations - (who are convinced that the economization of the organization's activities is in contradiction with the social approach) restricts the marketing – image creation activity;

H4: Competition between NPOs in Poland by private funds, public and volunteers determine the adaptation of marketing instruments in shaping the brand image;

H5: The principles of non-profit organizations branding (long names in a form of slogans, etc.) have different assumptions than those adopted by the business (that is marking the specificity of these organizations).

Conclusions

The most important element of the brand is the name itself , but that is not the only factor in image creation process. Holistic approach is crucial for brand creation – logo, employees, publications, building – all these elements and many more require attention to create link to the purpose of organization goal. It's even more important for non-profit organizations.

A variety of branding and marketing activities can be conducted to help achieve the desired brand positioning and build brand equity. Their ultimate success depends to a significant extent not only on how well they work singularly, but also on how they work in combination, such that synergistic results occur (Keller, Lehmann, 2005). A non-profit brand is most powerful when the organization's internal identity and external image are aligned with each other and with its values and mission (Kylander and Stone, 2012). As the results of the study shown, the most important factor in branding process and in the same time – the determinant for the success of a non-profit organization are people - members, staff, volunteers. The degree of their commitment and the quality of work is determined by the positive impact of other success factors, such as the mission of the organization, high quality of service, efficiency of collection of funds, effective management. People who understand

the mission of the organization and identify with it, become its ambassadors and promote it in the external environment, as well as collect the funds needed to conduct business. People are also responsible for maintaining the high quality of services and building lasting relationships with customers, as well as sponsors, donors and governments, whose assistance allows for the consistent implementation of the mission and solving social problems.

Bibliography

Barber P., McNamara C. (2016), *Basic Overview of Nonprofit Organization*, http://managementhelp.org/organizations/nonprofits.htm [access: 14.09.2016].

Chematony L.D. (2001), *A model for strategically building brands,* "Brand Management", No. 9(1).

Chiagouris L. (2005), *Non-profit Brands Come of Age*. "Marketing Management", No. 14(5).

Dolnicar S., Lazarevski K. (2009), *Marketing in non-profit organizations: and international perspective,* "International Marketing Review", No. 26(3).

Dolnicar S., Randle M. (2007), *The International Volunteering Market: Market Segments and Competitive Relations*, "International Journal of Non-profit and Voluntary Sector Marketing", No. 12(4).

DonorDrive (2015), *Raport: The State of Peer-To-Peer Foundrising 2015,* http://www.donordrive.com/_donordrive_v2/assets/eBooks/state-of-peer-to-peer-fundraising-donordrive.pdf, p.13 [access: 21.11.2015].

Edelman Trust Barometer (2011), http://www.edelman.com/trust/2011 [access: 10.06.2013].

Ewing M.T., Napoli, J. (2005), *Developing and Validating a Multidimensional Non-profit Brand Orientation Scale*, "Journal of Business Research", No. 58(6).

Franco R.C. (2005), *Defining the Nonprofit Sector: Portugal*, "Working Paper of the Johns Hopkins Comparative Nonprofit Sector Project" No. 43, The John Hopkins Center for Civil Society Studies, Baltimore

Haski-Leventhal D., Meijs L.C.P.M. (2011), *The volunteer matrix: positioning of volunteer organizations,* "International Journal of Non-profit and Voluntary Sector Marketing", No. 16(1).

Helmig B., Scholz H.P. (2010), *The Nonprofit Brand Value Chain – Just black boxes or real insights?,* http://c.ymcdn.com/sites/www.istr.org/resource/resmgr/istanbul_abstracts/istr2010_0536.pdf [access: 19.11.2015].

Iwankiewicz-Rak B. (2011), *Marketing w organizacjach pozarządowych – obszary zastosowań*, Wydawnictwo Uniwersytetu Ekonomicznego we Wrocławiu, Wrocław.

Kanani R. (2014), *The Secret To Managing Nonprofit Brands*, "Forbes", January 18, http://www.forbes.com/sites/rahimkanani/2014/01/18/the-secret-to-managing-nonprofit-brands/#1859d450640b [access: 23.11.2015].

Keller K.L., Lehmann D.R. (2006), Brands *and Branding: Research findings and future priorities,* "Marketing Science", Vol. 25, Iss. 6.

Knowhownonprofit (2013), *Positioning and Branding*, https://knowhownonprofit.org/campaigns/brand/branding/positioning [access: 03.12.2015].

Kotler Ph., Gertner D. (2002). *Country as brand, product, and beyond: A place marketing and brand management perspective*, "Journal of Brand Management", No. 9(4-5).

Kylander N., Stone Ch., (2012), *The Role of Brand in the Nonprofit Sector,* "Stanford Social Innovation Review", Spring, http://ssir.org/articles/entry/the_role_of_brand_in_the_nonprofit_sector [access: 05.12.2015].

Paço A., Rodrigues R.G., Rodrigues L. (2014), *Branding in NGOS- its influence on the intention to donate*, "Economics and Sociology", Vol. 7, No. 3.

Pietroburgo J., Wernet S.P. (2004), *Joining Forces, Fortunes and Futures: Restructuring and Adaptation in Non-profit Hospice Organizations* "Non-profit Management and Leadership", No. 15(1).

Randle M., Leisch F., Dolnicar S. (2013), *Competition or collaboration? The effect of nonprofit brand image on volunteer recruitment strategy,* "Journal of Brand Management", No. 20(8). Salamon L.M., Anheier H.K. (1977), *Defining the Nonprofit Sector: A cross-national analysis*. Manchester University Press, Manchester.

Starnes B.J., Wymer W.W. (2001). *Conceptual Foundations and Practical Guidelines for Retaining Volunteers Who Serve in Local Non-profit Organizations: Part 2.,* "Journal of Non-profit and Public Sector Marketing", No. 9(1-2).

Stride H. (2006), *An Investigation into the Values Dimensions of Branding: Implications for the Charity Sector, A Brand New World for Nonprofits,* "International Journal of Nonprofit and Voluntary Sector Marketing", Vol. 11, No. 2.

Treiblmaier H., Pollach I., Floh A., Kotlowski M., (2004), *A Conceptual Framework for E-Branding Strategies in the Non-Profit Sector*, "Journal of International Information Management", Vol. 13, Iss. 3.

Venable B.T., Rose G.M., Bush V.D., Gilbert F.W. (2005), *The Role of Brand Personality in Charitable Giving: An Assessment and Validation*, "Journal of the Academy of Marketing Science", No. 33(3).

Rola *brandingu* w organizacjach non-profit

Streszczenie

Organizacje non-profit występują w wielu kształtach i formach, zaś za swój cel obrały udzielanie niekomercyjnej pomocy w różnych sferach potrzeb, zatem istnieje wiele definicji organizacji niekierujących się osiąganiem zysku.

Celem artykułu jest zidentyfikowanie uwarunkowań i sposobów na proces tworzenia *brandingu* przez organizacje non-profit, jak również zbadanie, jak proces *brandingu* jest postrzegany przez zarządzających marką tych organizacji na polskim rynku z użyciem koncepcji IDEA (ang. *integrity*, *democracy*, *ethics* i *affinity* – rzetelność, demokracja, etyka i podobieństwo). W charakterze implikacji praktycznej wejrzenie w to pozwoli menedżerom organizacji wolontariackich lepiej zrozumieć wizerunek marki ich własnej i innych organizacji oraz mieć bardziej strategiczne podejście do procesu *brandingu*. Artykuł badawczy został oparty na studiach literatury i analizie sprawozdań oraz na własnych badaniach autorek.

Słowa kluczowe: organizacje non-profit, marketing, *branding*, wizerunek marki, strategia.

Kody JEL: M39

Роль брендинга в некоммерческих организациях

Резюме

Некоммерческие организации выступают во многих формах и в качестве своей цели имеют предоставление некоммерческой помощи в разных сферах нужд, и потому существует много определний некоммерческих организаций.

Цель статьи – выявить определители и способы формирования процесса брендинга некоммерческими организациями, а также изучить, как процесс брендинга воспринимается менеджерами бренда этих организаций на польском рынке, с применением концепции IDEA (англ. *integrity*, *democracy*, *ethics* и *affinity* – надежность, демократия, этика и сходство). В качестве практической импликации проникновение в суть вопроса поможет менеджерам благотворительных организаций более точно понять имидж бренда своей и других организаций и применить более стратегический подход к процессу брендинга. Эта исследовательская статья основана на изучении литературы, анализе отчетов и на собственных исследованиях авторов.

Ключевые слова: некоммерческие организации, маркетинг, брендинг, имидж бренда, стратегия.

Коды JEL: M39

Afiliacja:
prof. dr hab. Barbara Iwankiewicz-Rak
dr Barbara Mróz-Gorgoń
Uniwersytet Ekonomiczny we Wrocławiu
Wydział Nauk Ekonomicznych
Katedra Podstaw Marketingu
ul. Komandorska 118/120
53-345 Wrocław
e-mail: balladagmoll@interia.pl
e-mail: barbara.iwankiewicz-rak@ue.wroc.pl