

## **THE IMPLICATIONS OF NONPROFIT MARKETING ON THE BEHAVIOR OF EUROPEAN CITIZENS**

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### **Abstract:**

*The unpredictability of the natural cataclysms generated by the multiple climate changes mankind has experienced in recent decades, corroborated with the exacerbation of global terrorist actions, has led to an expansion of the issue of social marketing and, implicitly, of non-profit organization marketing.*

*If, in a traditional approach to nonprofit marketing, the notion of competition was not considered a basic concept, in recent decades, the competition on non-profit organizations market forces the participants to adjust their marketing strategies according to their competitors' actions, so as to ensure their success, or, depending on the case, their survival on the market.*

*In this context, the present paper aims to analyze the particularities of the application of the demand on the market of nonprofit organizations as well as to identify the main tools that the marketer can use in order to substantiate the marketing policies, the starting point being the individual, both as a consumer-beneficiary of social, cultural, sports, religious and other products and services, as well as a volunteer or financier.*

**Keywords:** nonprofit marketing, social marketing, volunteering, subscribers, prescriptions

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### **1. Introduction**

The starting point in understanding the role of nonprofit organizations marketing in the formation and determination of the support behavior of individuals and of the community as a whole, in what regards goods and

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services with public or charitable charity is the understanding of its sphere of coverage.

In Răzvan Zaharia's approach (2000), marketing of non-professional organizations has two major components, namely social marketing, with all its subdivisions (education, cultural, sports, religious, humanitarian marketing etc.) and political marketing.

Starting from the marketing definition given by AMA (American Marketing Association), according to which marketing is "the process of programming and obtaining the production, price, promotion and distribution of ideas, goods and services that cause exchanges and at meeting individual and organizational goals" (Balaure, 2002), we can observe that marketing activity involves not only the exchange of goods / services between the producer and the consumer, but also their creation. Therefore, social marketing is not only aimed at communicating social products and services, but also at producing and delivering them to consumers and supporters.

With regard to the price that consumers have to pay for the product / service provided, it is well-known that in the case of non-profit organizations, the offer on the goods and services market has other purposes than commercial gain, so the idea of "profit" is not specific to them. However, the idea of reciprocal exchange, to the benefit of all the parties involved, is specific to social marketing and, implicitly, to nonprofit marketing.

Therefore, the new marketing concept, according to which "we have to produce what is required", finds its applicability in the sphere of nonprofit marketing as well, with the efforts of the marketers being directed towards the creation of products / services that offer value, even if the perception of this "added value" is somewhat different when it comes to social products and services (e.g. drug abuse, environmental protection, ecology etc.).

Nonetheless, it is also essential to understand the differences that exist between the concepts of social marketing and societal marketing, the latter aiming at meeting the needs of consumers simultaneously with the pursuit of the well-being of the community, of the society as a whole. Consequently, social marketing is the result of an extensive development of classic, traditional marketing, targeting the specific activity of social organizations, while societal marketing is an intensive marketing approach, specific to commercial organizations that try to satisfy their consumers without minimizing the impact of their action on society (Zaharia, 2000).

In addition, although the online environment is an effective channel for disseminating social information, given the number of Internet users, social marketing is not congruent with the notion of “social media marketing” that seeks to use different media (social networks, blogs, and other online marketing tools) to connect with consumers and provide them with the expected products and services.

On the whole, social marketing is perceived as the activity through which marketing concepts, techniques and tools are used to determine a favorable, supportive behavior with regard to social goods and services.

The concept of social marketing was introduced in the 1970s, when Phillip Kotler and Gerald Zaltman pointed out that the same principles used in classic (commercial) marketing to support the sale of products can also be used to support the sale of an “idea” in order to create attitudes and implicitly favorable public behaviors regarding the goods and services delivered (Nedra Kline Weinreich, 2006).

Later, Andreasen underlined the idea that “social marketing is the application of marketing technologies in the analysis, planning, execution and evaluation of programs aimed at influencing the voluntary behavior of target audiences and that can enhance the well-being of individuals and of the society” (Zaharia, 2000).

In what concerns the concept of nonprofit marketing, the most comprehensive definition was highlighted by Phillip Kotler in *Strategic Marketing for Nonprofit Organizations*, in which nonprofit marketing is considered to be “the function of a nonprofit whose goal is to plan, price, promote and distribute the organization’s programs and products by keeping in constant contact with the organization’s various constituencies, covering their needs and expectations for the organization and themselves, and building a program of communication not only to express organization’s purpose and goals but also their mutually beneficial want-satisfying products” (McLeish, 2011).

## **2. The peculiarities of the nonprofit organizations marketing mix**

The starting point in attempting to customize the marketing mix specific to nonprofit organizations is the very delimitation of the non-profit

organizations (NPOs) activity, not to be mistaken for them with non-governmental organizations (NGOs).

Consequently, non-profit organizations have a wider scope of activity, including both governmental (education, health, culture etc.) and non-governmental organizations (social, civil, environmental etc.). Nonprofit organizations work with commercial organizations to meet community needs by providing services of social nature or by militating in support of socio-humanitarian causes (Enache & Maftai, 2003).

In trying to customize the components of the marketing mix specific to non-profit organizations, it is also interesting to highlight the convergence points, as well as the major differences between commercial and non-profit marketing.

Therefore, the similarities between commercial and non-profit marketing can be summarized as follows:

- both marketing approaches highlight the necessity of customer orientation, in order to meet their needs;
- the idea of mutual exchange to the benefit of both parties (supplier / beneficiary) is also present in both approaches;
- an optimal segmentation of the market is required, followed by the choice of the target customer segments the entire marketing approach is directed at;
- marketing research is one of the marketing activities designed to analyze some of the dimensions of target consumers' behavior, such as buying / non-buying reasons, preferences, consumption habits, attitude, future buying intentions, pre-established image;
- using a marketing mix composed of the four (or more) Ps, as a tool to substantiate the organization's marketing policies. It is important to note that the delimitation of the scope of social marketing in relation to the marketing of services is not at all easy, since usually the inclusion in one or another field of activities depends on the specialist's approach of the context described, hence the particularities identified in addressing the marketing mix (e.g. educational marketing is an area of interest in social marketing, but also in the field of services marketing);
- it is necessary to have a strategic planning of the marketing approach, to identify strategies, objectives and marketing tactics, which are considered essential components in the organization's attempt to

satisfy the needs of the consumers at a higher level, in an environment characterized by fierce competition; the entire process ends with the evaluation of the results obtained over a well-determined period of time.

In what regards the differences between commercial and non-profit marketing approaches, they mainly target:

- the product targeted by commercial marketing in order to meet consumer needs refers to the scope of material goods and services, while in the case of non-profit marketing, the product may be the “idea” that can lead to a change of attitude, and, implicitly, of the behavior of the target segment;
- the motive for commercial marketing is maximizing the profit, as compared to the marketing of non-profit organizations, where the benefits are measured at the level of the collectivity in the form of social gain;
- the marketing tools used by the marketer for commercial marketing aims to create a favorable image of the organization’s offer so as to increase sales, while in the case of nonprofit marketing it is intended to determine a favorable attitude and behavior directed at maintaining the activities carried out by non-profit organizations;
- while the focus of commercial marketing is on the needs of the individual consumer, non-profit marketing pursues the welfare of the society as a whole.

As outlined above, regardless of whether we discuss commercial or nonprofit marketing it is necessary to substantiate and implement the marketing mix concept.

Thus, in the works of some authors, the marketing mix specific to the social organizations and, implicitly, of the non-profit organizations appears defined in terms of the 4Ps (product, price, promotion, placement) - (Zaharia, 2001), while other authors describe the nonprofit marketing mix through the 5Ps (product, price, promotion, placement, policy / rules enforcement regime) - (Miller, 2010).

One of the most comprehensive approaches to the marketing mix specific to non-profit organizations involves the substantiation of no less than 8Ps, as follows (Nedra Kline Weinreich, 2006):

- *product*; in the case of nonprofit marketing, the “product” does not necessarily take the form of a material product, but ranges from

services (e.g. medical examinations) to practices (e.g. adopting a healthy lifestyle), and, last but not least, to supporting “ideas” (e.g. protecting the environment);

- *price*; it refers to all the effort the consumer has to make in order to obtain or benefit from nonprofit marketing products. The effort made by consumers can be expressed both in financial terms and in terms of the time effort, the risks assumed to support or disapprove of a certain behavior. In this context, we can speak of the issue of the usefulness of the provided “product”, because if the consumer perceives the effort as superior to the utility, then the chances of adopting a supportive behavior are considerably reduced.
- *placement*; in terms of placement, the marketer’s efforts should focus not only on identifying ways to access non-profit marketing products (e.g. medical practices, media channels, demonstrations etc.), but also on seeking to make them accessible for the target consumer categories. The less the effort to get possession of the products, the more chance that a certain behavior will be adopted.
- *promotion*; even if the role of this component of the nonprofit marketing mix is a major one, it has already been observed that it is just one of the tools at the disposal of the marketer in an attempt to determine the desired behavior of the target audience. The concept of integrated marketing communication is also successfully applied in the field of nonprofit marketing, and any previous contact with consumers can later be transformed into a channel of communication with them. The most widely used techniques of marketing communication include: publicity, public relations, event communication, personal sales, sales promotion, and, last but not least, communication through the “grapevine”, considered perhaps the most effective way communication in terms of credibility;
- *public*; in the case of nonprofit marketing, the marketer’s efforts should be directed to several audiences: on the one hand, to the nonprofit organization’s internal audience that is involved in one way or another in marketing the marketing program, and, on the other hand, to the external audience to which the program is addressed. Thus, target groups, volunteers, subscribers and prescriptors are the main categories of the external public involved in the work of nonprofit organizations (McLeish, 2011). As for the subscribers, they are “those

individuals or legal entities, or even the state and local public administrations, who contribute financially to the proper conduct of the work of social or political organizations”, while the prescriptors are “persons who, whether or not they adopt a particular behavior (as a rule, but without adopting it) occupy a position from which they can influence the behavior of others”(Zaharia, 2000);

- *partnerships*; often, nonprofit marketing programs are so complex that in order for the delivering of the desired product to be effective, there is a need for the involvement of several organizations to collaborate in substantiating and implementing them;
- *policy*; it considers all the rules and regulations in place to support or, on the contrary, discourage actions by nonprofit organizations. Very often, even if the programs funded by nonprofit organizations manage to bring about a change in the behavior of the target audience, this change is not lasting as it hits the barrier imposed by the various regulations in force. In these cases, there is a need for a change in these regulations, and the use of media power to support change can be an effective means of action;
- *purse strings*; it seeks to identify sources of funding for nonprofit marketing programs, sources that can be provided in the form of financial support from various foundations, governmental or non-governmental organizations.

In what concerns the substantiation of the applicable strategy in the framework of the nonprofit marketing programs, it is envisaged that the following foundation and implementation steps will be taken, so as to ensure the success of the activities carried out. Accordingly, the starting point is the market analysis, namely the identification of the needs of the target groups, followed by optimal market segmentation and positioning, together with the appropriate definition of the objectives to be achieved through the efficient use of the entire marketing mix specific to the nonprofit marketing mix, and the whole process needs to be finalized with an analysis of the results and the effects generated on the behavior of the target groups and of the society as a whole.

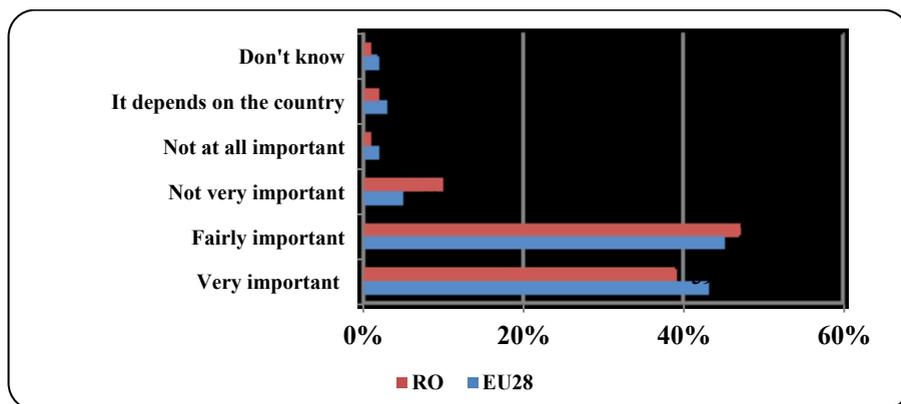
### 3. Analysis from secondary data sources identifying the attitudes of European citizens on humanitarian aid and humanitarian aid actions

In order to highlight the attitudes of Europeans regarding support and humanitarian aid actions, the analysis was conducted on data gathered at the European Union level in December 2016 and published by the European Commission in the Special Eurobarometer Report no. 453 in May 2017.

Conducted under the aegis of the Directorate-General for European Civil Protection and Humanitarian Aid Operations, the study by TNS Opinion & Social network on the 28 EU member states was carried out between November and December 2016 and on 27,929 respondents.

The first central objective of the research was to identify the attitudes of the European citizens regarding the need to allocate funds for humanitarian aid actions, with 88% of Europeans considering the allocation of funds in this direction important, while only 7% of respondents considered it unimportant. 3% opted for a correlation of the humanitarian aid problem with the country under discussion (fig.1):

**Fig.1 The attitude of the Europeans regarding the need to allot humanitarian aid funds**



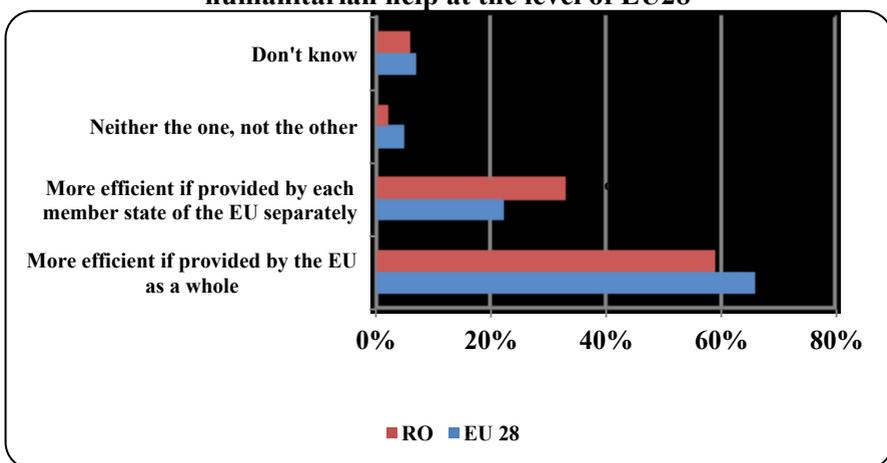
Source: European Commission, Special Eurobarometer no. 453, Mai 2017, p. 9

The analysis of the data at the level of the countries of the European Community indicates that Cyprus (98%), Portugal and Luxembourg (97%) have the highest share of the answers favoring community assistance actions, with relatively lower percentages registered in Bulgaria (78%), Austria and the Czech Republic (76% each).

As far as Romania is concerned, it can be observed that the opinions favorable to the humanitarian aid actions at the European level accounted for 86%, the share of unfavorable opinions being 11%. Only 2% of the Romanians believe that the humanitarian aid action must take into account the particular situation of each country.

Regarding the way in which humanitarian aid is provided, the responses of the Europeans revealed that 66% of the respondents considered it more efficient to give centralized humanitarian aid under the direct coordination of the European Commission, while 22% of the Europeans supported the way in which each member state of the EU is granted separate humanitarian aid. 5% were undecided on either of the two possibilities mentioned above (fig. 2):

**Fig.2. the opinion of the Europeans regarding the manner of providing humanitarian help at the level of EU28**

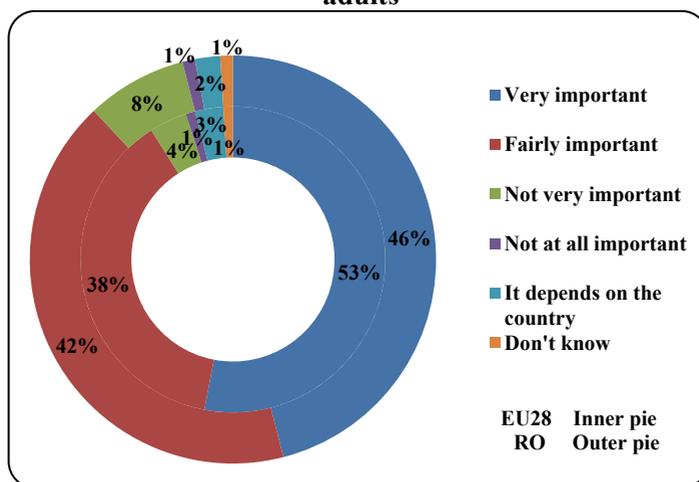


**Source: European Commission, Special Eurobarometer no. 453, Mai 2017, p. 20**

Another central objective of the above-mentioned research was to identify the attitude of EU28 citizens in terms of the actions that need to be supported by humanitarian funds, one of the main investigated directions focusing on the education of children and young people, especially on the support for continuing education and reducing school dropout under the pressure of the economic crisis in recent years. Thus, it can be noticed that the majority of the investigated persons (53%) considered the aid granted to children and young people to continue their studies very important, while 38% believed that the objective is quite important. Only 5% saw it as being totally unimportant (fig.3)

At the Community level, the majority of the respondents in 20 member countries considered it very important to allocate funds to support young people to continue their studies, with the weight of responses ranging from 87% in Cyprus to 79% in Sweden, 32% in the Czech Republic and 31% in Slovakia.

**Fig.3 The attitude of European citizens regarding the allotting of humanitarian funds to support the education of children and young adults**



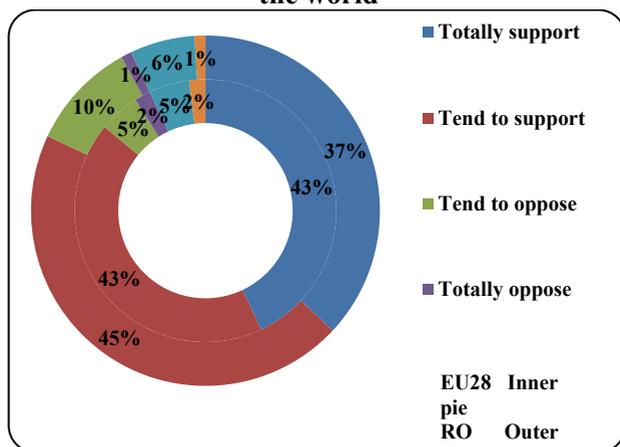
Source: European Commission, Special Eurobarometer no. 453, Mai 2017, p. 25-26

For Romania, the answers of interviewees revealed that 46% of them attach great importance to the management of funds from community aid in the direction of education, 42% seeing it as a rather important direction, while only 9% of the Romanians had an unfavorable opinion on the use of funds to support young people in pursuing their studies.

Furthermore, in terms of supporting the actions of the European volunteers in various corners of the world, the opinions of the Europeans were very favorable and favorable (with 43% of the respondents for each option). The share of those who had an unfavorable opinion was 7%, with 5 % of Europeans indicating the need for a correlation between the actions of the volunteers and the target country (fig.4).

In Romania, the share of those who support the actions of European volunteers in various countries of the world was 4% lower than the share of favorable responses at EU28 level, the same difference of 4%, but this time higher compared to the opinion of the Europeans registered by unfavorable opinions (11% in Romania compared to 7% at EU level).

**Fig.4 The attitude of the Europeans regarding the support of humanitarian aid activities carried out by European volunteers around the world**



Source: European Commission, Special Eurobarometer no. 453, Mai 2017, p. 29-30

#### **4. Conclusions:**

For both commercial and nonprofit organizations, the “middle” function of marketing and the dynamic connection to the economic and social environment in which the organization operates becomes of utmost importance in view of the major changes that take place at the level of demand carriers, which further exacerbates the major role of the application of marketing principles and tools in trying to match the offer to market requirements in a highly dynamic and competitive environment.

The changes that were recorded in recent years on the nonprofit market cause specialists in the field to face unprecedented economic, social, legislative and cultural challenges that need to be analyzed in terms of their interdependence. They can be synthesized as follows:

- The existence of online platforms belonging to the volunteer communities and to the supporters of the activities carried out by non-professional organizations generated new, novel ways of promoting them, using the specific communication modalities of both online and offline marketing as the most efficient solutions;
- The “reward / punishment” system that works successfully within the marketing communication system has forced the bearers of the target groups targeted by the nonprofit organizations, on the one hand, and the supporters, on the other, to adapt to the new means of integrated marketing communication. Failure to do so resulted in the consequences of non-participation;
- The manifestation of competition between non-profit organizations has led to the emergence of competition for the same segments of consumers, which has generated a certain “standardization “ of the causes, alongside a differentiation of the ways of their support;
- The field of action of nonprofit marketing must be seen as being extremely constrained by the existence of limited resources to meet continuously changing and diverse needs.

In conclusion, it can be said that nonprofit marketing involves identifying the real social needs of the target groups, while identifying and substantiating a marketing strategy that offers the right products, services and ideas at a suitable price / cost, using the appropriate communication method

and the appropriate placement manner for the purpose of increasing the social welfare of different social groups and / or of society as a whole.

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