



# **Benefits of donations to companies' brand image. Case: Goodwill ry**

Kim Sandén

Haaga-Helia University of Applied Sciences  
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## Abstract

<b>Author(s)</b> Kim Sandén
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<p>Donations have become more necessary in a current world, and it has affected to the business sector as well. The will to help and donate exists among companies but to find the right target is a challenge that many are dealing with. Goodwill ry has launched an application which gathers fundraising organizations under the same roof to make donating for them as smooth and easy as possible. It helps companies to choose and find the right target for their donation.</p> <p>This thesis studies the effects and benefits of donations to companies' brand image, the main reasons behind the donations and the elements of successful cooperation between fundraising organizations and companies. This research also shows, in addition to monetary, some different ways of doing donations and charity.</p> <p>The purpose of this research is to provide practical and relevant information to fundraising organizations from the business world – Help to communicate and approach companies in more effective way. What companies value in cooperation, how they see the idea of doing good as part of their brand and what are the ultimate effects and benefits from doing donations, are critical questions. The effects can be internal or external, negative or positive, tangible or intangible, and this thesis studies the external and beneficial effects of donations.</p> <p>Theoretical framework is built to support the research, methods used and to provide structure and essential concepts relevant to the topic. Desktop research and qualitative interviews are used as research methods and the data gathered was qualitatively analysed. The semi-structured interviews are the most important source of information when results and views are discussed.</p> <p>The results show that companies appreciate the values, ethics and principles of genuine cooperation with the fundraising organizations and have a desire to do good. The basis of donations is that the donors don't get anything back from it but the intangible benefits are something that companies are taking a closer look at. Although, the intangible effects of donations are very challenging for companies to exactly measure because personal values of all parties involved influence the results.</p> <p>Based on this study and research done, it is fair to say that companies are willing to do good and charitable actions are increasing. The donations and especially benefits of donations are hard to communicate but what makes the difference is overall transparency from both parties, the donor and the fundraising organization.</p>
<b>Key words</b> Brand image, donation, charity, fundraising organisation, brand benefit

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# 1 Introduction

The purpose of this research is to enable better understanding and cooperation between companies and fundraising organisations. The research studies effects of donations from different perspectives as well as gives insight to both parties that what are the value factors in cooperation. The goal is to find answer to a question if donations have benefits to companies' brand image? If so, then what are the ways to communicate the good actions and is it even acceptable to be able to benefit from donations?

This thesis consists of six different chapters and the first one is to introduce the topic, background and reasons behind this study. The key concepts, commissioning organisation and benefits are also discussed in this chapter. When the second chapter concentrates on theory the third one clarifies and justifies the used research methods of this thesis. The fourth and the fifth chapters concentrates into results and discussion as well as the key findings and recommendations to the future.

## 1.1 Background of the topic

Donations and charity play a significant role in a current situation in the world and companies are willing to participate to donations more and prominently. The purpose of this thesis is to examine the effects that donations have on companies' brand image in Finland and what kind of cooperation they value with fundraisers.

The thesis topic is commissioned by the organisation Goodwill ry which is a non-profit organisation that offers Lahjoittamo application to make donating smoother and easier for companies. Main idea is to make donating more effortless and to help donors find the right target organizations for their donations. The goal is to help fundraisers and donors to understand each other better.

Goodwill is eager to find out current information from the companies' perspective to be able to serve the donors and fundraisers even better. Especially the benefits of donations to companies' brand is an area that this research focuses in. What companies get from doing donations and how they see it affect to their brand?

Goodwill ry Chairman Tuomo Salovuori has an extensive experience operating in the organisational world and the idea of Goodwill ry and Lahjoittamo has developed step by step.

"I was having a lunch with my entrepreneur friend around 15 years ago, and he mentioned that it is a shame that if you want to give money to charity there is no place to go for advice. If you look it

from earning perspective, you have advisors around every corner but not when donating.”  
(Salovuori 17 November 2022.)

The idea evolved through the years as experiences grew and some new elements were added along the way to the idea of having an organisation which helps companies to donate. After some time, the pieces started to fall into places and the idea was ready to be taken forward.

The project where students were developing an application was a sort of trigger to build something up. The students were quite keen in seeking for partnerships and that also led to a huge donation from one company. Not monetary, but capacity and resources to app development. The next step was to put the idea into competition and surprisingly the funding for the project came from that competition. Also, one important lesson was that the donations doesn't always have to be monetary. (Salovuori 17 November 2022.)

Based on these events and ingredients the Goodwill ry and Lahjoittamo, the idea to help companies to do donations easier and smoother, got started.

### **1.1.1 International aspect**

Charitable actions and donations are seen as international issues or possibilities and the acts of doing good are needed everywhere around us. The donations have a similar goal no matter where you are – To do good and help. The people interviewed in this research, operates in companies who operates globally as well as domestically and even several of the fundraising organisations have some international aspect. In that sense, the results and suggestions of this research can be seen from the international perspective because the fundamentals of donations and charity are kind of similar indifferent countries.

## **1.2 Research question**

This thesis aims to examine effects of donations on company's brand, especially the benefits. Research concentrates on monetary-, and material- and knowledge-based- donations. As an outcome the commissioning company Goodwill ry wants to gather information from the companies' perspective to develop their service even further and match the needs of both parties, fundraisers and donors.

The research question (RQ of the thesis is: What are the effects to companies' brand from donations in Finland?

Research question is divided to four investigative questions (IQ's):

IQ 1. Why companies donate?

IQ 2. How companies do donations?

IQ 3. What companies expect and value when cooperating with fundraising organisation?

IQ 4. What kind of brand benefits companies get from donating?

Table 1: Overlay matrix

Investigative Question (IQ)	Theoretical Framework	Research Methods	Results
IQ 1. Why companies donate?	Donations as a part of brand strategy	Desktop research Literature review	4.1 Reasons for companies to donate to charity
IQ 2. How companies do donations?	Concepts of monetary and knowledge-based donations	Literature review Desktop research Qualitative interviews	4.2 Different ways of doing donations
IQ3. What companies expect and value when cooperating with fundraising organisations?	Effects of cooperation with fundraising organisation	Qualitative interviews Desktop research	4.3 Expectations and influencing factors for companies to cooperate with fundraising organizations
IQ 4. What kind of brand image benefits companies get from doing donations?	Explanation of Brand Identity vs brand image, Brand image benefits	Qualitative interviews Desktop research	4.4 Benefits to companies' brand image from doing donations

Table 1: The overlay matrix above presents the investigative questions the research question is divided into. It shows the theoretical framework and research methods behind the IQ's as well as the chapter numbers where the outcome of each question is reported.

### 1.3 Delimitation

The research of this thesis is limited to companies who can use commissioning organisation Goodwill ry:s application Lahjoittamo, if possible. However, there are some interviews with professional from different companies, who are involved in donations but does not use the Lahjoittamo application, at least not yet. The companies that interviewees works in are internationally and domestically operating. The interviews are made to gather information and insights which are relevant for the topic. The data will be used for benchmarking and to find out what kind of brand benefits companies feel they get and what they truly value in cooperation with fundraising organisations.

Thesis studies the brand benefits from the brand image's perspective but to make the subject exactly clear, the theoretical framework concentrates also on the differences between brand identity and brand image.

### 1.4 Benefits

Benefits for the commissioning organization Goodwill ry are clear as this research helps them to offer current information about the effects of donations to companies brand image which helps them to bring together the companies and fundraisers. They are an intermediary between the companies and fundraisers, and they want to offer invaluable information to both parties on how to make cooperation more beneficial. From the perspective of fundraisers, they want to offer information about what kind of cooperation companies truly value when donating and what are the ways to donate (monetary-, or knowledge- and skills-based). What are the factors in cooperation that companies are looking for? The larger scale benefits from this research is to give the fundraisers current information about what companies value when doing donations and how it effects to their brand image.

In a bigger picture the author wants to think that the research will help the cooperation between fundraising organisations and companies. The topic is not the easiest one for the companies' but important because besides the human side of donations, there are even some concrete benefits to companies' brand and operations. For the author, the topic is remarkably interesting and offers a great chance to be able to have a closer look at the world of charity and donations. Trying to find out the benefits and reasons of the significant and valuable work that the companies do and what they expect from cooperation.



## 1.5 Key concepts

**Brand Image** is consumers' perceptions about a brand, as reflected by brand associations held in consumer memory. (Keller 2013, 72).

**Brand benefits** are the personal value and meaning that consumers attach to the product or service attributes (Keller 2013, 76).

**Donation** is something of value such as money or goods that is given to help a person or organization such as a charity (Cambridge dictionary 2022).

**Charity** is an organization whose purpose is to give money, food, or help to those who need it, or to carry out activities such as medical research that will help people in need, and not to make a profit (Cambridge dictionary 2022).

## 1.6 Commissioning company

Goodwill ry is a non-profit organization founded in 2017. Now Goodwill is concentrating on fundraising application Lahjoittamo which was built to make donating easy and accessible for everyone. Behind the idea was actual need from the small social and healthcare organizations in Finland to make fundraising more effective. Lahjoittamo application gathers different social and healthcare organizations under the same roof and makes it seamless and effortless for donors to find right and most suitable targets for their donations. In Lahjoittamo project Goodwill ry is working with both parties, the fundraising organizations as well as companies who are willing to donate. They want to provide an application which is safe, user friendly and reliable for everyone included in donating process. In that sense they want to develop and smoothen the cooperation between donors and fundraisers to make them find each other easier. (Goodwill ry 2022.)

“Our work has been driven by the need of having an impartial organisation that objectively help companies to do donations. There are a lot of good will and desire to help in companies’ and we want to make it easier for them to cooperate with fundraising organisations”. (Salovuori 17 November 2022.)

## 2 Companies' perceptions of the effects of donations on brand image

This chapter describes the theoretical framework of this thesis, examines and investigates the effects of donations and what kind of benefits there might occur when companies are doing donations. It also defines the concepts behind theory and shows the association between donations and brand image.

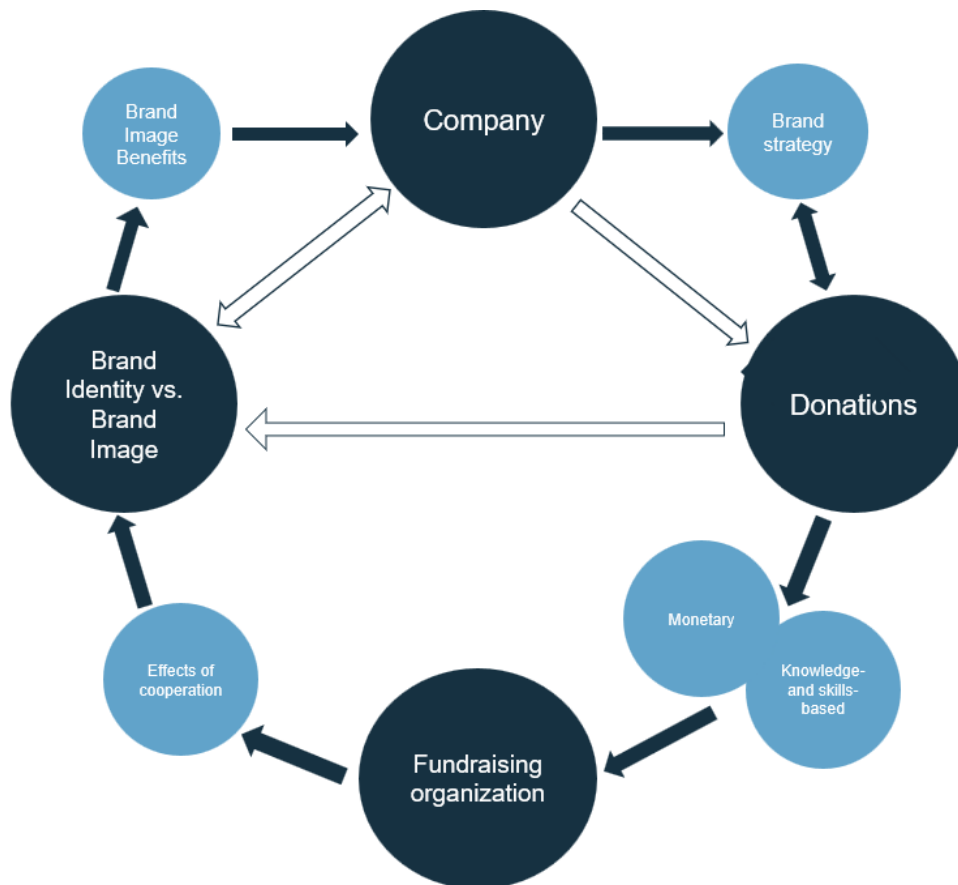


Figure 1. An example of a model of how companies perceive the effects of donations to their brand image.

Donations are part of companies' brand image and figure 1 above describes the theoretical approach of this research. The idea behind this theory is to this research why and how companies do donations and how does it effect to their brand image. The fundraising organizations are interested to know what could be the beneficial factors that companies value when they do cooperation with fundraising organisations.

The model above describes the key concepts of this theory and the connection between company, donations, fundraising organisation, and brand image. Defining concepts such as brand strategy,

monetary-, knowledge and skills- based donations, brand identity vs. Brand image and brand image benefits are critical to understand the theoretical framework of this research. The goal of this theory is to support and secure the validity of this research. To be able to offer current information of benefits and effects of donations to brand image.

## **2.1 Reasons to donate from brand perspective**

There is not much research done in Finland on how donations effects to companies' brand and even why companies do charity. Even globally the topic is not spoken out and it is truly sensitive. Foremost, this thesis studies donations effects to brand image but the reasons behind the donations are also significant to understand and know when the effects are researched.

Companies donate billions of dollars every year, hoping their generosity will not only help important causes, but also attract socially conscious consumers to their brands. What companies might not realize is that people focus less on the total amount a company donates than whether the donation seems like a sizable portion of the firm's earnings. In fact, consumers favour brands that seem to be giving a larger cut of their profits, even if the total dollar amount is lower compared to brands that give a smaller proportion of profits, but larger total dollar amounts to charity. (Reynolds April 2022.)

## **2.2 Money Donation**

There are different methods of doing donations and charity. Most common and known one is money donation. As a fundraising method, money collecting is used to appeal to the general public for monetary donations. In money collections, donors receive nothing in exchange for their donation of money. (Ministry of Interior Finland 2022.)

## **2.3 Alternative ways to donate**

in charity and donations, money is the most used instrument and a tangible good to donate. This thesis examines the subject also from other perspective because companies are increasingly more willing to do donations in intangible forms.

Donors have the option of gifting a charity with money or time, but they also have the option of donating tangible and/or intangible goods and services that the non-profit would normally pay for with operating funds. (Carr, Riggs & Ingram CPAs and Advisors. February 2022).

## **2.4 Brand Identity vs. Brand image**

As this thesis concentrates on the brand image of the companies, it is particularly important to also understand brand identity and the differences between them. As mentioned earlier, the brand image is more concentrating on customers perspective and how they see the company? It can be seen as intangible because the companies cannot control or affect it too much. It is something that the persons and customers have built up in their mind concerning certain company's brand, something that company cannot control. When brand identity is more in the hands of the company. Brand identity is tangible and appeals to the senses. You can see it, touch it, hold it, hear it, watch it move. Brand identity fuels recognition and makes big ideas and meaning accessible. (Wheeler & Millmann 2017.)

## **2.5 Benefits from donations**

There can be several different benefits to company's brand from doing donations to charity – Internal as well as external. In this research the benefits are studied from the brand image perspective, so the external ones are in the centre. Nikki Carlson points out (Forbes 2019) that donations encourage purchases and fosters long-term loyalty towards a brand. Shoppers prefer to buy from charitable companies because it makes them feel good. They know they're part of something bigger than themselves and that their purchase is changing the world. Loyalty is a powerful tool that sells while you sleep. (Carlson 2019.)

### 3 Research methods

This chapter explains the structure of research, source of data, data collection and analysis methods, and shows how those are related to investigative questions. Approach of this research is qualitative using primary and secondary sources. Research methods are literature search and semi-structured research interviews.

Data is collected using primary and secondary sources and the reliability as well as the validity is analysed in this chapter.

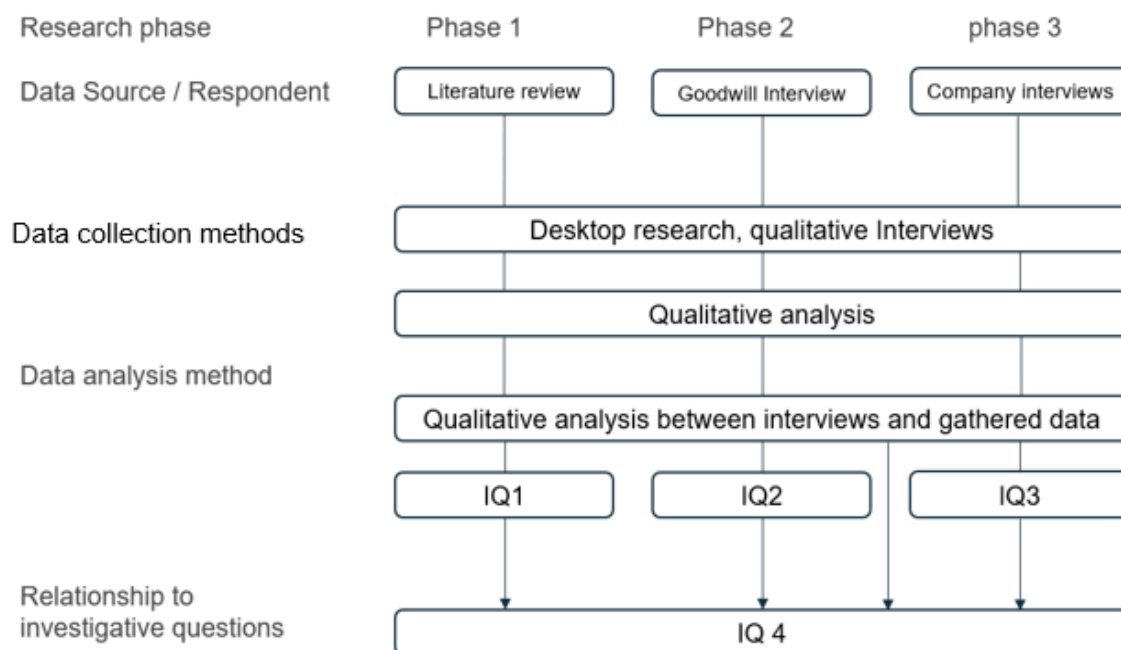


Figure 2: Structure of thesis research design

A qualitative research design may use a single data collection technique, such as semi-structured interviews, and corresponding qualitative analytical procedure. This is known as a mono method qualitative study. A qualitative research design may also use more than one qualitative data collection technique and corresponding analytical procedure. This is known as a multi-method qualitative study. (Saunders, Thornhill & Lewis 2019, 179.)

The structure of Qualitative research design is divided into three different phases which affect the different stages of research. There are three different sources of data, literature review, Goodwill interview and company interviews. In all three phases the methods used for data collection are

desktop research and qualitative interviews. All IQ's are qualitatively analyzed and as figure 2 shows, the data collected from IQ's 1,2 and 3 is compared to company interviews.

### **3.1 Literature review and desktop research**

Searching and reviewing literature is significant to this thesis to get current valid and coherent information to the support or challenge the outcomes. to make reasoned judgements about the value of each piece of work and to organise ideas and findings of value into a written product known as the critical review. It is the processes of making reasoned judgements and organising your thoughts into the written review that many find difficult and time consuming. (Saunders, Thornhill & Lewis 2019, 73.)

Literature review is primary and secondary source for this thesis. The literature includes books, e-books, magazines, reports, articles, and previous studies which are reviewed to be able to understand what has been done and said on the topic but also to be able to compare the results of this research. The desktop research was a method to do literature review and it also supported the conduction of research interviews.

### **3.2 Research interview**

To get current and valid data, the selected primary researched method for this thesis is qualitative research interview. It is a purposeful conversation between two or more people, during which the interviewer asks concise and unambiguous questions and listens attentively to the interviewee talking. Such interviews rely on establishing some level of rapport between the interviewer and the interviewee. The use of research interviews can help you to gather valid and reliable data that are relevant to your research question(s) and objectives. (Saunders, Thornhill & Lewis 2019, 434.)

The semi-structured approach in research interview gives a basic structure to the interview but also allows interviewer to adapt and react to the answers. It includes open questions but gives room to more clarifying questions to guide the interview but also gives room to opinions and discussion. It makes answers more open and informative, even talkative and the information is there to be found without strict boundaries.

In semi-structured interviews you start with a predetermined list of themes, and possibly some key questions related to these themes, to guide the conduct of each interview. How you use this predetermined list of themes will depend on your philosophical assumptions. Where you adopt the

stance of the realist you will believe that there is a truth waiting to be discovered that is external to the interpretations of your participants. (Saunders, Thornhill & Lewis 2019, 437.)

### **3.2.1 Interviewees**

Four interviews were conducted to this research. The Chairman of Goodwill ry Tuomo Salovuori gave an extensive insight into Goodwill's activities as well as perspectives to donations from charitable side. This interview was done after the three others to make sure that the answers of Mr Salovuori don't affect too much to the questions and interviews done to the persons from companies' side.

Three other interviews were from the companies' perspective but not all of them wanted to appear by name in this research because the topic is somewhat sensitive. To avoid misunderstandings and wrong kind of communication, the quality of the interviews and answers are guaranteed by the fact that all the interviews are conducted anonymously.

Interviewee A has a master's degree in communication and is working as a Sustainability Coordinator in real estate business. In addition to his wide professional experience from different sectors, the experience from charity work and donations is long and comprehensive, so the views are influenced by close personal experiences.

The Interviewee B is working in as Marketing Specialist in media office and has a 20-year history in in the field of marketing. Operating daily with companies and organisations in matters of marketing, branding and communications the deep thoughts and first-hand experiences gives a lot of value to this research. Also, some perspective because the world has changed a lot in the past 20 years if we think of the communication and marketing. There are also some insights to the fact that how companies see donations as a part of their brand or as a strategic tool.

Interviewee C is an entrepreneur and owner of a small company employing three to five persons. The company is operating in construction business and will give a different perspective of a smaller company to the matter of donations and charity. The history in doing good is long and lasting and there will be some good examples on how donations are part of the company's brand and everyday activities.

### **3.3 Qualitative analysis**

Gathered data is qualitatively analysed using thematic analysis as a method. It is flexible and can be used differently. In this thesis the approach is used to understand the relation and effects between the topic and gathered data from desktop research and interviews. How donations affect to

companies' brand image, meaning the perceptions any customer have towards a company. As a realist you may use Thematic Analysis to seek to understand factors underpinning human attitudes and actions. (Saunders, Thornhill & Lewis 2019, 651).



## 4 Results and discussion

This research and interviews provided valid and up-to-date information and different perspectives about effects of donations – The companies' view but also from the charitable side. When talking about donations, whether it concerns company or a person, one common factor emerged in the results. At the end, the personal values and view of world always affects to the results, and how donations are seen and felt. No matter if you are a company or person but the value question always arouses. The key findings will be discussed later but at this point in context of the results, it is a good to have a discussion. What comes to the results and discussion, a brief common conclusion of interviewees would be that when you do good, it makes you feel good.

### 4.1 Reasons for companies to donate charity

There are several reasons for companies to donate. The bigger the company, the more the social responsibility and giving back mentality raises. And of course, the humanitarian side is always there when doing donations but in this research the idea was to study more in-depth reasons for companies to donate. Main target is to study the effects to brand image and the way companies are seen. There were certain common viewpoints from the interviewees but also different some perspectives.

According to Interviewees the common main reason to do donations is always the basic idea of doing good. Because doing good makes you feel good. Even though the feeling of doing good is always personal, if the company or employer enables the donations and doing good, the result is the same.

The principle of donation is that you do not get anything tangible back from it. But if we think of the companies' perspective when doing donations, the intangible effects and reasons emerges.

According to Interviewee A there is always an angle of brand, brand image, values and marketing when doing donations. Whether it is planned or not there is always a message and the communicative value to people around you. It can be positive or negative, but it always has an effect to your company's brand.

Interviewee B analyses that companies have started to pay attention increasingly on how they are perceived in society. The donations have become important part of companies' brand, employer

brand and marketing, and the same time the struggle is how to communicate that. What are the acceptable ways of doing that because nobody wants to send a wrong message.

From another perspective the Interviewee C states that in smaller business the reasons to donate are usually more personal and the company is an effective way to do it, it is easier to give more. The brand or external factors are not too much in mind when smaller businesses do donations. There is no huge desire to gain attention, but the effects are more seen internally. In a small company it affects a lot to atmosphere and meaning of the company as well as the relevance of your own personal work. It makes people feel good.

#### **4.2 Expertise and time as a donation**

There are tangible and intangible forms of donations, and based on the interviews, the money donations are the most common of tangible ones. There intangible forms of donations have become extremely popular and are used very often because companies want to give something else, additional or even more useful than money.

The money is still probably the most visible form of donations but donating time and expertise have become even significant part for companies to help different organisations. Several companies enable its employees to be charity work during working hours. They can donate their own time, expertise and even their employers' resources to help.

According to interviewee C it is lot easier to help in other ways than with money. When you are a small company, the monetary donations, what you can give, sometimes feel too small, or you do not know is the money going where it should be going. As they operate in construction business the most concrete way to help is to donate their expertise, time and skills, if there are projects where the professionals are needed.

Interviewee A says that when a need is identified in the environment, the donation of time and skills will be made possible on behalf of the employer. Of course, company's business and tasks come first because if there is no business, you can't do good. It is also linked to the fact that there is a relevance from individual perspective when company is dedicated to freeing up resources for good. By giving your own skills and time to do some good and significant everybody benefits more – The company, target of your donation and the person himself.

Interviewee B finds it significant that your own expertise and time can be donated regularly. They have a sort of program or benefit that they can donate certain amount of their working hours to charity of your own choice. The company also takes part into some charity projects when it is

possible, or their expertise is needed. There are a lot of companies which do not have the possibility to donate money because of changing circumstances, so it can be a better option for numerous companies. From the communicative and brand perspective, it can be more impressive and visible way of doing good than donating money.

### **4.3 Values of cooperation**

Companies can have several different factors that they value when doing cooperation with fundraising and charity organisations but usually the basic ones are most important. The organisation must have good reputation, be trustworthy and truly be eager to do good. The low bureaucracy, low operational costs and smooth operations are things that interviewees value. The reasons are quite similar, no matter if the cooperation is visible or less visible but the more visible the cooperation is, the more there are risks from brand perspective.

Interviewee B highlights one Important thing that none of the companies does not have to donate or do charity, it is always their own choice and they put their reputation and brand on the line. If then something goes wrong, the company should never have to be in a situation that they are explaining to public and their customers, who makes the donations even possible, why they do cooperation or supports this organisation. It should only have positive impacts to company's brand but sometimes it makes more harm and eats resources. At the same time, we must remember that sometimes it goes completely the other way around, when the company's policies and actions cause harm to charity organisation.

Interviewee C considers that there are costs of operations in charity organisations but those should be kept in minimum. There are some bad examples of fundraising organisations which has too large operational expenses and it might feel that the aid does not go to right place. Or there are something shady or vague that someone digs up. From company's perspective it is frustrating and can cause unnecessary challenges if for example the cooperation has been very visible.

#### **4.3.1 Transparency**

The openness and right kind of communication are keys to a successful cooperation and usually there is always a personal factor when choosing the target to cooperate with. The transparency in every aspect of operations is truly something that companies value. There are a lot of examples that the fundraising operations are

According to Interviewee B the transparency starts to be truly valuable factor for companies in doing donations. When companies think the basis of their donation and the target organisation, it

should always be able to withstand complete scrutiny from the beginning to the end. In today's world every piece of information is available, and there are always those who are looking for questionable and bad things from others. Companies want to be sure that they do not take a hit when trying to do good and that is where fundraising organisations can help. They must be completely transparent and clear with their ambitions towards the companies.

Interviewee A suggests that the donations could be measured and reported to companies somehow. You can get a transparent report when you take part to this charity. For example, a lot of companies offsets their carbon footprint, and they get a report and numerical data from that. When you get numerical data, it can be measured, and you can put a certain calculated value to that. It is not mandatory for any of the companies, but if this kind of reporting could be also in donations. That the final value of donations is calculated, not just the amount of it. That would be special, if fundraising organisations could show transparent report of your donations, measure, justify and show what exactly you have made possible. It may not be the easiest things to complete but would be valuable from the responsibility sustainability perspective for companies.

#### **4.4 Effects of donations**

The effects of donations to company's brand can be positive, negative, or neutral but to be honest, the negative ones usually emerge more easily. It a sensitive topic and from company's point of view, always a matter of communication and trying to understand your audience better.

Interviewee B notes that everything you do visibly, arouses emotions. There is always someone who does not understand the concept of doing good or good will. Someone is not happy that a company donates or does charity because they feel that it is somehow away from them. That they should lower the prices if they can give so much to good cause. But the reactions are something that companies cannot predict or affect because those are personal. The main thing that you can concentrate is to communicate it in a neutral way.

It is the same thing with positive effects, it all comes down to communication. You cannot predict the factors your audience or customers cherish and values. And the positive effects can be a lot harder to understand or make visible because that's part of the human nature. According to Interviewee C we do not talk enough about positive things because we a think too much of what others think or how does it look like. The negative ones are easier to highlight and bring into conversation.

#### 4.4.1 Benefits to companies' brand image from doing donations

What can be the benefits from donations to companies and their brand image. What positive factors people will see if they communicate openly how they have done charity or what they have donated.

Interviewee A reflects on the challenging nature of this issue because it quickly turns into a debate of values. What kind of values are present in the company and how those reflect and fit with the values of your customers and employees. In best situation these two go hand-in-hand but not always. If the influencing factors are positive, then there is a huge well-being aspect because rarely you can find examples on someone gets bad vibes after done something good. At the same time, it absolutely will affect the company's brand image, reputation and employer brand, the brand as a whole. When good things happen, more good things come out of it. When that happens, it will be seen and noticed also outside your company.

Interviewee B emphasises that doing good can be seen from your employees who are messengers to customers and to company's brand. If you are a company or a person representing a company, you always send a message to your audience, you're building the brand image. That has to be communicated on a right way because people today are aware and see through the sham of pretence. The effects can be seen in the reputation of your company, how you are valued respected in the eyes of your customers but also from your employees' point of view. At the end of the day, your effects are seen in your revenue.

When the brand can live by its own core values and those matches with customers or potential customers values, the brand image is going to shine and really going to be something else. The one of the most extreme examples of this is an outdoor clothing and gear company Patagonia. Since establishment in 1973 by Mr. Yvon Chouinard the company's been striving to do good our planet. They have been donating a lot to different charities and even have been inspiring other companies to give their effort in saving the planet. (Patagonia 2022).

Patagonia's four core values are: Build the best product, cause no unnecessary harm, use business to protect the nature, and not be bound in any convention. They truly live by their values and one integral evidence from this is company's latest statement, where is said that the Earth is now our only shareholder. Essentially meant that Mr. Chouinard and his family donated the whole company to the fight to save our planet. (Patagonia 2022).

Mr Chouinard did not want to sell the company or take it to public, but to make sure that doing good continues. the ownership of Patagonia, worth several billions, was transferred to a non-profit

organisation and specially designed trust to make sure that in the future all profits go to right purpose – Fight against climate change and protect the undeveloped land. (New York Times 2022.)

In September 2022 Chouinard said in Patagonia website: “Instead of extracting value from nature and transforming it into wealth, we are using the wealth Patagonia creates to protect the source. I am dead serious about saving this planet.” (Patagonia 2022.)

Many people share the same values as Patagonia and doing something extraordinary, like donating your whole company to charity, will make miracles to your brand image. Whether the effects of this action were well thought or not, it at least is a notable example on how to emphasize your brand values to public in an effective way.

Of course, this is just an extreme example and not possible for most of the companies, but it indicates that personal values always affect when talking about donations and effects to brand. No matter if you are a company or a single person, a buyer or a seller, the values are there.

#### **4.5 Communicating donations**

When doing research about the topic, one question emerged and was challenging to clarify the results. That concerned about the communication of donations from the company’s perspective. How to do it, what to highlight or emphasize in the message, or is it even socially acceptable as a company to report and talk about donations to public?

Interviewee C agrees that it is a communicative challenge, but everyone should have a freedom to talk about the good things and donations. That is of course from the small company’s point of view when there are not that much social pressure or people don’t follow that close on what is going on. It is not easy to communicate the things in website or social media but when you are a smaller company the reactions from the outside are usually positive or neutral. When we are talking about the larger companies and even multicompany the challenge is more visible. The communication should be planned and done with cooperation with organisations and companies.

Interviewee A ponders the issue from a big corporation's perspective but can't find no reasons why not to communicate the donations or even try to benefit in good spirit. The company exists for the sake of making a turnover or at least plus minus 0. It employs, pays taxes, manages and operates according to regulations. The idea is to produce something, charge something, grow and even do profit. If there was a charity, it would be for charitable sake. It would raise as much money as possible, cover its own costs and be able to distribute the good - The mission is to do good as for companies it is not obligatory to do good. So, when companies do so and enable charitable giving, why

shouldn't they be able to communicate freely about the good things or they've or even try to benefit from it.

Interviewee B emphasizes that it is all about the mindset of people and should always be communicated and try to find the benefits from your actions. It is good that companies consider about the way they communicate charitable actions and increasingly thinks of the benefits and how to communicate those. They also try or want to measure the effects because you can get quite accurate data about everything that happens these days. It is a good thing because when you know what your customers or audience values or what kind of reactions arouses, you know better how to communicate your good will.

So would it be okay for a company to tell that they want everyone to know that they are giving their effort to the society. Is it wrong to judge companies who wants some visibility to their brand from doing good. Sometimes it feels like it could be easier not to tell but why not.

There are two perspectives to look at communicative factors, the one from the organisational side and another from the company's side. The keyword, when planning the cooperation and communication, is interaction. Everything in life is interactive, when you give something, you get something and there's nothing wrong in that. But if the aim of your communication is just to brighten up your brand, then it is wrong. You can't communicate the good things one-sidedly and only the benefits in your mind, but interactively and the basic reasons of doing good in your mind. Then the communication feels more authentic and genuine, and you will benefit from that. (Salovuori 17 November. 2022.)

#### **4.6 Validity and reliability**

In this research the reliability and validity are ensured with careful preparation, background work and implementation in all parts of this research. Various sources used are academically valid and, carefully and thoroughly referenced with an intention of adding true value to this research.

The most important part of this research are the qualitative research interviews which gives insight to up-to-date information to and reliable data concerning the topic and questions asked in this research. The approach of the interviews was semi-structured because it allows more open atmosphere to interviews and leaves some space for follow-up and more clarifying questions. In that

sense, the data gathered from interviews is more based on the interviewee's experiences and knowledge than common perceptions of society.

The interviewees are professionals who have lot of experience in operating with donations from different perspectives. The insights they could give, were crucial for this research. As well as the conversations between commissioning organization Goodwill ry and the interview with their chairman.

The topic is very current and important for commissioning company and the research investigates the questions that they have been trying to figure out – what companies think and how they could increase the level of cooperation. It is not the easiest topic to get information and even a little bit sensitive. After the participation to interviews were made possible anonymously, the answers became more appropriate and relevant. Referenced sources are valid and up to date.

In the bigger picture, the charity and donations are lot in debate and context around the world because of the ongoing crisis. Because there is increasing need for donations and charitable actions, the research is very valid and gives perspective to the current situation.



## 5 Conclusions

The aim of this Thesis was to find out different effects that donations have to companies' brand image. Even though there are variety of different effects, this research concentrated on the benefits of donations. The negative challenges and uncertain factors would be a lot easier to study, there would be a lot more examples and even research done from that perspective. The benefits are quite hard to concretize because most are intangible and hard to measure. The personal values always have an effect when we are talking about donations. Companies may be seen as benefactor in the community but in the end, it is people's personal values that determine the benefits.

Another point of view is the communicative part. How do you communicate the good acts and positive cooperation with fundraising organizations. What are the real reasons motives behind donations and how do you get transparency to cooperation. It is not easy to communicate the acts of doing good without someone having a misunderstanding or getting somehow offended.

Now, after the research is done, results have been analyzed and discussed, it is fair to say as a conclusion that there is a clear connection between the effects of donations and brand image. When the motives are right, there is a mutual understanding of what is the aim and the communication is done carefully and openly, the brand image will benefit from donations. It may vary in different situations, but it is there and at least it arouses different emotions and builds emotional connection.

### 5.1 Key Findings and summary

The benefits are undeniable for company's brand when the cooperation, donations and charitable actions are communicated in a right way. The communication is the key to do successful cooperation because you must understand the values of companies and organizations, but at the same time the values of consumers and your audience.

For that reason, it was discovered that close examination and universal outcomes are almost impossible to produce, because those are hard to exactly measure. Because the challenges are concerning more of the personal values, the results are going to vary lot and for a company it is impossible to take everybody into account.

One interesting finding was that the donations and charitable actions are very often associated to well-being. It is clear from the individual side but when thinking about the benefits of donations to

companies', there is always a lot of inner factors that affect to your brand image – Employer image, employees wellbeing and the feeling of doing something important and being able to help.

The interviewees in this research were open and certain common outcomes can be seen in the results. The choice that the chairman of Goodwill ry was interviewed after the companies' representatives was right. There were lot of valuable information and insights which would have affected the other interviews from company perspective.

## **5.2 Recommendations for fundraising organizations**

Clear recommendations for the fundraising organizations based on this research are clear, Honest, genuine and authentic communication is the key with successful cooperation with companies. The communication is also the key when looking for positive effects and benefits from doing donations.

Transparency in your own operations is crucial. Companies wants to know how the organizations operate and be sure that they are not connected into anything shady. There have been some bad examples when things go wrong, and such cases may stigmatize the whole sector of charity.

Companies deeply appreciate transparency in all fundraising organizations actions. One thing that could be a suggestion for the future is a reporting. As today, all the data is available so if fundraising organizations could provide measurable report of to-donations provider, they could use it and gain from it. Also deepen cooperation in communication and in interactivity are significant factors that should be cherished.

## **5.3 Reflection of my own learning**

What comes to my own learning, the most important lesson has been that there is a lot of good will and the desire to do good in business world. The companies and people are eager to help but it should be made easier and fluent for them. Low bureaucracy, transparency and effective communication are the keys to development.

At the same time as we are talking about the fundraising organizations, the challenges they face are familiar from the business world. Although it is a non-profit business the challenges and possibilities are very much like in the business world. In this occasion the communication is one of the

challenges and usually that is number one problem in cooperation or lack of it. It shows that no matter what kind of project or cooperation you have going on, the basic elements should be in order.

#### **5.4 Research recommendations for future**

The donations and charity are always free of charge actions, and you cannot ask or get anything back from it. Or at least nothing tangible. But there are a lot of effects to the brand. It would be interesting to research this topic more in-depth. The gut feeling is that there are so much more to say and investigate in this matter.

If thinking of more specific topics, the connection between positive employer brand and donations would be interesting – Does it affect or how do you measure your audience's personal values? And even the concrete example cases on when there have truly been clear benefits to companies' brand from doing donations.

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## Appendices

### Appendix 1. Company interviews

The frame of questions used in three interviews with interviewees A, B and C. The interviews were semi-structured, so some additional and follow-up questions were asked.

Interviewee A was interviewed 18 October 2022.

Interviewee B was interviewed 19 September 2022.

Interviewee C was interviewed 29 September 2022.

- What are your experiences in charity and donations?
- If you think of the company perspective in donations, how is it different from your personal?
- How do your company take part into charitable occasions and donations?
- What kind of expectations companies have when cooperating with fundraising organizations?
- How do you see that the cooperation can be developed even further?
- How or what do you think that the company can benefit from donations?
- Is it okay that companies can get some benefits out from the donations?
- If you think of the company's brand image and even brand from a wider perspective, what comes into mind in relation to donations?
- Is it even okay to communicate the good things that company does?
- What kind of risks and benefits you see in there?
- How do you see that companies should communicate the good deeds?

## **Appendix 2. Goodwill ry interview**

The frame of questions used in an interview with chairman of Goodwill ry, Tuomo Salovuori on 17 November 2022. The interview was semi-structured, so some additional and follow-up questions were asked

- What is your background and experiences in fundraising organizations?
- What is the background of Goodwill ry and Lahjoittamo?
- How cooperation between fundraising organization and companies works now?
- What are the challenges and what can be improved?
- How companies donate?
- Do you think that companies are aware of what kind of opportunities for cooperation exists?
- How do you see that companies could benefit from the cooperation or when doing donations?
- What kind of benefits do you see to company from doing donations?
- Is it okay to think brand benefits when doing donations?
- It is a sensitive area but is it even okay to communicate the acts of doing good from the companies' side?
- How should donations and charitable actions to be communicated?