



INCREASING FIDA INTERNATIONAL'S VISIBILITY AND FINANCIAL SUPPORT THROUGH A MARKETING GUIDE

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Abstract <p>The purpose of this thesis was to provide the assigner, Fida International ry, one of the largest development cooperation organizations in Finland, with a thorough and practical marketing guide and actual promotional material. Fida International does not have marketing practices as part of their organizational operations. In addition, Fida International is not very well known among the Finnish public and yet the need for more donations and funding is greater than ever.</p> <p>The marketing guide demonstrates the importance of marketing to all organizations, focus being on the nonprofit sector. It shows how marketing practices can be used to achieve marketing goals in nonprofit organizations. The importance of building awareness and finding right target markets to approach were discussed. This thesis also discussed the potential for engaging in corporate alliances. The aim was to provide a very comprehensive and useful overview of these different subjects through the creation of a marketing guide. This was mainly done through the analysis and use of available secondary data. In addition, as part of this thesis we provided the management of Fida International with promotional material completely produced by us. These include a brochure, six posters and three video ads.</p>		
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Tiivistelmä Opinnäytetyön tavoitteena oli tarjota työn toimeksiantajalle, Suomen suurimpiin kehitysyhteistyöjärjestöihin kuuluvalla Fida Internationalille, kattava ja käytännönläheinen markkinointiopas sekä mainosmateriaalia. Fida Internationalilla ei ole markkinointisuunnitelmaa tai markkinointimenetelmiä osana organisaation toimintaa. Lisäksi Fida International ei ole kovin tunnettu Suomessa, ja kuitenkin taloudellisen tuen saaminen on nykyään tärkeämpää kuin koskaan ennen. Tekemämme markkinointiopas osoittaa markkinoinnin tärkeyden kaikissa organisaatioissa. Fokus oli kuitenkin markkinoinnin roolin tarkasteleminen yleishyödyllisten organisaatioiden kannalta. Markkinointioppaan sisällöstä tulee ilmi kuinka eri markkinointimenetelmiä voidaan käyttää hyödyksi ja apuna organisaation markkinointitavoitteiden saavuttamiseen juuri yleishyödyllisten organisaatioiden keskuudessa. Organisaation tunnettuuden tärkeys sekä oikeiden kohdemarkkinoiden löytäminen ja lähestyminen olivat suurena osana markkinointioppaan sisältöä. Lisäksi voittoa tavoittelemattoman järjestön ja yritysten välisen yhteistyön merkitys tuli työssä hyvin esille. Tarkoitus oli tarjota Fida Internationalille sellainen markkinointiopas, joka antaa yleisen ja käytännöllisen näkökulman niihin markkinoinnin osa-alueisiin, joita he tarvitsevat. Tämä saavutettiin analysoimalla käytettävissä olevaa tietopohjaa. Lisäksi osana työtä tarjosimme Fida Internationalille suunnitteleamme ja tekemämme markkinointimateriaalia. Materiaalit olivat brosyryri, kuusi julistetta ja kolme mainosvideota.				
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1. Introduction

In this day and time of constant changes in the market, the need for nonprofit organizations to reach out and connect with new audiences is more important and more complicated than ever before. There is increased competition for donors, supporters and corporate partners. In spite of it all, marketing seems to be a vaguely known concept in the nonprofit sector in Finland. Many organizations know definitions of marketing in theory but do not fundamentally understand its meaning, use and potential. This is the case with Fida International.

This thesis is conducted for Fida International ry. Fida International (also referred to as Fida) has many strengths but marketing is not one of them. Fida gave us the opportunity to clarify the role that marketing should have in their organization. After productive conversations with Fida's management we agreed to research the topic of marketing and create a clear, basic and practical marketing guide for them. In addition we agreed to produce audiovisual and print media marketing material.

In the beginning of this paper we will introduce Fida International and discuss the reasons behind the research more precisely. The purpose of the thesis will also be stated, after which we will talk about the ways in which we attempt to achieve them. The thesis will continue with the basic theoretical background of the main subjects. In the end of the paper we will have a recommendations section where we will give Fida practical advice and make recommendations for future utilization of the information in this thesis. Finally we will conclude the thesis.

1.1 *Fida International*

Fida International is the Finnish International Development Agency that does missions and development cooperation work. It was founded in 1927 with the name Finnish Free Foreign Mission, but the name was changed in 2001 to Fida International. Today Fida International is one of the most experienced non-governmental development organizations in Finland and one of the largest. Fida's head quarter is located in Helsinki, Finland.

Fida is an organization owned by the Finnish Pentecostal Churches of Finland. Through its operations it is committed to serving everyone regardless of religion, culture or racial background. The name Fida originates from Latin and means faithful and trustworthy.

Today Fida carries out about 76 development cooperation programs in almost 30 countries. In addition, Fida provides humanitarian assistance in 10 countries and child sponsorship programs in nine countries. Additionally Fida has hundreds of volunteers each year that go out for a short term practical period. Development organizations such as Fida cannot collect money from the end beneficiaries who receive their services. With end beneficiaries, or recipients, we refer to people in third world countries who receive the services of Fida. However, the products or services that Fida provide to the end beneficiaries do cost money. That is why Fida needs more donors who make it possible to help the end beneficiaries in the first place. Donors will be referred to as customers throughout this thesis.

Fida has 33 second hand shops that operate all around Finland. A part of the workers are volunteers. In addition, Fida has the Fida-magazine, which comes out 10 times a year.

Fida's work is highly recognized and appreciated by numerous governments and organizations around the globe. Fida is known for its high competency, trustworthiness and efficiency. Most recently they were recognized by the Sport Development Aid Organization, Liike, which gave their annual award to Fida (Hyvä Sanoma 2007). Fida's association with the Ministry for Foreign Af-

fairs started already in 1974. Fida gets one of the largest amounts of funds from the government out of all the development organizations in Finland.

1.2 *Reasons behind the research*

The field of nonprofit organizations has been of interest to us for a long time. In 2005 we both got an opportunity to do our practice part of studies for Fida in one of their development cooperation projects in Tanzania. Doing the thesis for Fida is therefore very much in accordance to our personal interests for the future.

Fida was a part of a research study done by Taloustutkimus in 2006. This major research was done of the biggest nonprofit organizations and foundations in Finland and focused on people's awareness and perceptions of these organizations. The results were alarming for Fida (Taloustutkimus 2006, 67).

Fida does not have marketing personnel in the organization. Fida is operating on a very large scale and it has many local partner associations in the countries where it has projects. Altogether Fida has almost a 100 partners. However, none of them are companies.

All of the above explicitly illustrate the lack of basic marketing knowledge among Fida's management. The management is not familiar with marketing theories and concepts. Therefore, when we discussed the possible thesis topic with the management of Fida, this subject was the most relevant and necessary to gain knowledge on.

1.3 *Purpose of the thesis*

The purpose of this thesis is to answer the following research questions:

- How can marketing be used to increase Fida International's awareness and visibility?
- How can Fida get more financial support?

The purpose of this research, in other words, is to describe the importance and relevance of understanding marketing practices for nonprofit organizations, focus being on Fida. The research questions will be answered through the creation of a marketing guide. More specifically we will answer the questions through three main subjects: understanding marketing (including the making of a marketing plan), branding, and understanding the potential of corporate and nonprofit alliances. In addition to the written part, we will produce marketing material in order to help Fida's management to approach customers and companies and to gain awareness.

This study will be useful in providing information of a topic that is often neglected by nonprofit organizations. Although the study focuses on the needs of Fida it could well be applied to all other development cooperation organizations and nonprofit organizations in general. The importance of the topic to all nonprofits is evident.

1.4 *Research methods*

The topic of marketing in nonprofit organizations in Finland is not much studied. This research will include using available secondary data. We will use books, newspaper articles, academic journal articles, Fida's annual reports and internet research in order to create a thorough and logical paper of the subject. Existing literature available concerning this topic is partially from different countries. This will not matter as the data we will choose to use will be relevant and applicable to the situation of Fida.

This dissertation will not include primary research methods. The current need of Fida is more to do with finding practical ways to tackle the issues of marketing rather than starting to research a whole new topic.

1.5 *Basic requirements*

The management of Fida has asked the marketing guide to be informative but practical. We will achieve this by explaining the important concepts of marketing and by providing other useful information that we see as relevant for the current situation at Fida.

A requirement we set for this dissertation is to use secondary data that is valid, reliable, unbiased and accurate. In order to get valid and reliable data we will pay close attention to what literature we will use and review the reliability beforehand in order to decide whether it is applicable to the particular focus of this thesis.

2. Understanding marketing

2.1 *Defining marketing*

There are many operations in an organization such as management, accounting, and personnel management, financial management and so on. In the same way marketing should be a part of an organization's overall functions. Marketing should, in fact, be integrated to all levels and functions of an organization. Although marketing can be a separate department it should work closely with the rest of the organization to achieve set organizational goals. Marketing should be a way of thinking that flows throughout the whole organization.

The field of marketing is constantly changing and advancing which in turn results in advanced and increased demand in the knowledge of marketing. Marketing is broad and involves the combination of many skills and abilities. Then what is marketing exactly? There are many definitions of marketing, here are a few: "A combination of selling, advertising and PR" (Russell-Jones 2004, 12). Some say it is simply the distribution process of goods and services to people. According to Moore and Pareek (2006) marketing acts as the intermediary between the customer and the organization (Moore & Pareek 2006, 8).

Marketing basically consists of a combination of tasks such as advertising, product development, selling, marketing research, and public relations but at the same time it expresses a management strategy that focuses on customer satisfaction (Stokes, 2002, 1). It could be said that the central function of marketing is to help an organization to achieve its objectives in the most efficient way. This is done by choosing a good combination of the marketing mix elements (discussed later) to make a marketing strategy (Anttila & Iltanen 2000, 13). One of marketing's main goals is to impact customers' purchases. Overall marketing includes all the various functions that an organization can engage in to increase customer needs, wants, satisfaction, awareness, image, functionality and ultimately to make the organization more successful.

Modern marketing's starting point is the needs and wants of customers. This kind of philosophy is called the marketing concept (Kotler, Armstrong, Saunders & Wong 2002, 15). It could just as well be called customer-focused marketing. The concept holds that the product or service, all marketing operations, and all other functions of the organization will be tailored according to potential customers. The customer is the centre of everything. The other major marketing philosophy in the modern marketing is the societal marketing concept (Kotler et al. 2002, 17). The concept stresses the importance of the surrounding environment and its values. In order for a business to succeed it has to take into consideration ethics and values such as human rights and the protection of the environment. These are both very important to take into consideration when starting to build marketing operations.

2.2 Role of marketing in an organization

In one of his book Philip Kotler (2005, 87) talks about the fact that in many organizations the role of marketing has been restricted to only taking care of marketing communications. He continues by saying that too many managers think marketing becomes necessary only when a product or service needs to be sold - after the product or service has been planned and produced. If marketing does not affect overall the strategy of the organization, it is in vain and the promises or goals of marketing can easily be by-passed and forgotten. Kotler strongly recommends the main function of marketing in a business to be to drive the organizational strategy further and to make sure the promises made to customers are fulfilled. (Kotler 2005, 87.) Therefore, in order for this to happen the organization needs to move from tactic marketing to comprehensive and integrated marketing:

- The organization needs to start thinking more broadly of customers' needs. It needs to see the customer as more than just the consumer of their product and start to think of more new ways of serving them.
- The organization has to evaluate how its own departments affect the customer satisfaction. If one department serves the customer poorly it will affect the customer's opinion of the organization.

- The organization needs to broaden its view of the line of business that it is operating in, its operators and the development in the area. The changes that are happening in the sectors present threats and opportunities to all operators in that sector.
- The organization needs to evaluate the effect of its operations to all different parties involved – customers, employees, retailers and distributors. Any poorly treated group can interfere with the plans and development of the organization. (Kotler 2005, 88.)

2.3 Marketing in nonprofit organizations

Some 30 to 40 years ago marketing had the image of being a tool exclusively used in the commercial business and was regarded as something to do heavily with selling and promoting. The word “marketing” then, since heavily linked to commercial businesses, had many negative connotations which is why many nonprofits did not want to engage in anything that would concern using marketing. Therefore it was often approached with skepticism by managers of nonprofit organizations. (Kotler 1975, 13.) Some thought that marketing was a waste of money and not really necessary. For instance it was argued that good health does not need to be sold or that hospitals do not need to be marketed, or that there should not have to be any marketing campaigns or a need to advertise for drivers to not speed (Kotler & Andreasen 1996, 22).

Then in the late 1970s a few nonprofit organizations began to see the value of using marketing principles as tools for achieving goals. Although they were, in fact, already doing many activities that would fall under “marketing” in the profit organization. (Kotler & Andreasen 1996, 2.) Over the years the view has slowly changed and nowadays it is clear that marketing as a concept should be an integral part of all organizations, regardless of whether they are operating as a for-profit or nonprofit organization. However, it should be noted that this is yet to be demonstrated in some organizations. Nevertheless, today many nonprofit organizations do have innovative marketing programs, and from many examples we can see that marketing has a wide range of applications in the nonprofit contexts as well. It can also be seen that many of these

applications are not that different from those found in the profit-making organizations (Kotler & Andreasen 1996, 13). Marketing is of great significance to an organization, because generally all organizations need to communicate the existence of their product or service to the public and then deliver it to the chosen target markets.

2.4 Why do people buy a product or service?

To begin this section it is important to understand why people are willing to put money into a product or service that you are offering in the first place. Marketers know that when people buy something, it is not that particular product or service that they buy per se, but it is rather the benefits that they expect to get from the product or service that they buy (White 1997, 5). And when an organization understands this, it is easier to start to think in terms of benefits that the organization can offer the customers. It is often said that fundamentally people buy to solve a problem (White 1997, 166). This can be considered to be the “first law” of marketing. The problems to be solved can also be thought of as needs. Marketers see that these problems can be organized in hierarchical steps. This thought follows the research of the famous American psychologist, Abraham Maslow, who in 1943 developed a theory of what motivates people to behave in certain ways. This can be seen in Figure 1.

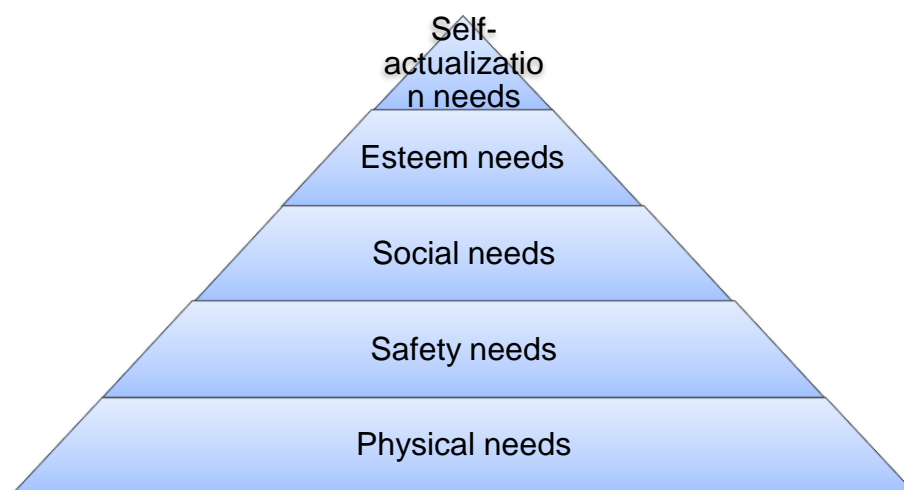


FIGURE 1. Hierarchy of needs (Kotler and Andreasen 1996,123).

Maslow suggests that people have different kinds of needs and they can be put in hierarchical steps. Basically he proposed that people have physical, social and psychological needs. Human needs start from the very basic physiological need, like food and water, that we need in order to survive. His theory suggests that people seek to satisfy the lower needs before moving on to the next level. All of this is going to happen in hierarchical steps as can be seen in Figure 1. For example, a person who is starving will firstly devote his energy to finding food. After this basic need has been fulfilled then he can move on to concern for shelter and safety needs. After those have been met he can start to feel the need for social encounter with others. Next there would be the need to feel self-esteem. Once this has been satisfied he can fulfill and develop himself in other ways by satisfying his needs for self-actualization.

What does this have to do with marketing then? Well, it is said that marketers' job would be to offer customers products or services that give them the opportunities to satisfy needs at every level (White 1997, 6). The important thing for the management of Fida here is to understand and figure out which needs they want their customers to be able to fulfill through engaging in the services that Fida provides. Basically they need to realize that the value they offer for people in return for their money is what counts. The value is the "benefit that customers receive in terms of their need for functionality, availability, and ease of possession in relation to the price they pay" (White 1997, 7). When a product or service has the right combination of benefits offered at a good price, the customer will think of it as good value and will most likely engage in the actual buying process, from which they will gain something of value. It could be assumed that people who give to nonprofit organizations give because it is good for humanity. However, even then people usually hope to get something in return, whether it is belonging, better self-esteem, or prestige among other factors (Mullen 1997, 43). These are the needs Fida should also want to satisfy.

When comparing nonprofit field to the for-profit field it should be noted that there is a difference between what the actual buying exchange is in both (Kotler & Andreasen 1996, 25). In the private sector it is typical to exchange money for a desired product. For instance, a girl will give a certain amount of Euros to a business and in exchange will get the DVD she has desired for a long

time. In nonprofit sector the basic idea is the same; target audience members are asked to exchange something they value in return for something beneficial that is provided by the nonprofit organization. However, in the nonprofit sector the exchange does not always involve money. The types of costs that consumers are normally asked to “give up” in the nonprofit field can be divided into four categories (Kotler & Andreasen 1996, 25.) Here are the categories and examples of each:

- *Economic costs* – to buy a product or service, or to give up money or goods to a charity.
- *Sacrifices of old ideas, values, or views of the world* – for instance to give up believing that the world is flat or that women are inferior.
- *Sacrifices of old patterns of behavior* – to start to wear seat belts for example, or to start to let someone else help you meet some of your physical or psychological needs.
- *Sacrifices of time and energy* – to give blood to the Red Cross or volunteer in a good cause. (Kotler & Andreasen 1996, 25.)

In return for these sacrifices made by consumers the nonprofit organization would provide them with economic (goods and services), social or psychological benefits, or a combination of these (Kotler & Andreasen 1996, 25). The point here is that compared to for-profit organizations nonprofits focus more on exchanges involving non-monetary costs on one hand and social and psychological benefits on the other. From this we can conclude that it is generally a big challenge for development cooperation organizations like Fida to get people to give up something of value for them, as there is in most cases no tangible benefit given in return. It is clear that it is more difficult to sell an idea of caring than it is to sell milk.

2.5 Services marketing

As we mentioned earlier, some say the “first law” of marketing is that people do not buy products, but solutions to their problems. Therefore when looked at this way, there is really no difference between products and services as they

are both just vehicles for delivering solutions. (White 1997, 166.) However, we all understand that a service is not the same as a product. When one buys a service he/she does not get to take something home in a box. To understand products and services better it is good to mention the continuum for goods and services where at the other end is a purely tangible good, such as salt, and at the opposite end of the spectrum is an entirely intangible service, teaching for instance (Kotler et al. 2002, 536). Often, though, offerings are neither purely goods nor completely services, but rather a combination of both. For instance, a restaurant offers consumers goods (food) and services (serving at table).

As defined by Kotler and co-workers (2002), a service is "any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything" (Kotler et al. 2002, 535). The service industry as a whole varies greatly. Nonprofit organizations such as Fida are considered to be service providers. What is different about the services offered by organizations like Fida, compared to a more common service like a hair-dresser, is the fact that the service purchaser is usually never the final beneficiary. This is because the buyer of Fida's service, the donator, is actually purchasing well-being for a third party in a developing country.

It can sometimes be quite difficult to market services compared to products as the customer does not get anything tangible in return. In addition to this characteristic of a service there are four other elements that a marketer of a service needs to consider when designing marketing programs. It is good for the management of Fida understand the differences between products and services, although some of the elements of services do not explicitly apply to the services offered by Fida. In the next paragraphs we will look at all these five characteristics that differentiate services from products.

2.5.1 Intangibility

The first and often the most obvious difference between a product and a service is the fact that services cannot be demonstrated or a sample cannot be

shown. Therefore a service cannot be touched, held, seen or smelt (Stokes 2002, 336). When someone buys a service they are actually buying a *promise* of satisfaction. That calls for a leap of faith that buying a product does not. Because buyers cannot really evaluate the service before it is purchased, since it is not tangible, they look for quality 'signals' from other aspects of the service. These signals can be found in the people, place, equipment, price and communication material that they can see related to the service. Hence the service provider's job is to try to manage the so called evidence of the service and add some tangible features to the service offered. (Kotler et al. 2002, 537.)

The intangibility aspect of the service means people tend to rely heavily in other people's experiences of that particular service. Therefore the reputation of the service provider becomes very important and word-of-mouth will be one of the most valuable advertising methods. Management of Fida could try to make its services more "tangibilized" by adding more tangible products to accompany its service. For instance, it could be giving a video of a project that a customer supports. Fida could also start producing more products, like high-quality and modern T-shirts, bags or books with pictures of the countries they operate in and the people they help, that could be sold to support a cause. The products would, in addition, be great marketing tools for them. Fida has to remember that whatever they do their customers will tell it forward to others. In the best case the word of mouth becomes exactly what it can be at its best - another great tool to do marketing.

2.5.2 Inseparability

Physical goods are produced, stored, then sold and later consumed whereas a service is first sold, then produced and consumed at the same time in the same place (Kotler et al. 2002, 539). Inseparability means that services cannot be separated from their providers. A person cannot get their hair cut unless the hairdresser is there to provide the service. Services are often personified as the service depends so much on the people that provide them. The *provider-customer* relationship is a unique feature in the services marketing (Kotler et al. 2002, 539). If the service provider does a bad job in providing the

service it will greatly affect the customer's opinion of the overall service outcome. Although, the degree to which inseparability matters varies from offering to offering.

In Fida's case the service they offer does not completely follow the inseparability aspect. When someone buys a service from Fida, in other words when they donate money, they do not get to consume something in the process, as the end beneficiary out in the developing country will consume it later. Fida is the service provider who sells the idea of the service to the customer whom then buys the service by giving a donation so the service could be carried out to the third party elsewhere. The main difference is that the service is not consumed instantly by the customer but it is consumed by a third party later on. Although, we could argue that the satisfaction or increased self-esteem that the person is feeling after doing good for someone else is the consumed benefit that the donor feels. Therefore that aspect needs to be taken into consideration as well.

2.5.3 Variability

A third characteristic that separates services from products in general is the variability of services. Service providing involves people so there is understandably a lot of potential for variability. Essentially services are non-uniform and difficult to standardize. This is because the quality of services depends on the person/people providing it as well as where and how they are provided (Kotler et al. 2002, 540). Generally speaking two different experiences from the same service provider are hardly ever the same. A customer may prefer to do business with one organization over others because he/she feels the service (including all aspects to what makes the service) is clearly better in one. The truth is that one time of poor service is enough to make a customer never come back.

What can an organization do in order to manage the variability of services then? Well, it can take many a number of steps towards assuring that quality is well controlled (Kotler et al. 2002, 540). Hiring and training employees care-

fully is an important part of quality control. The second step is to motivate staff to perform in the best possible way, as this will guarantee that customers feel good about cooperating with that organization. The third method toward improving quality is to make employees more visible and accountable to consumers. It could mean checking customer satisfaction regularly and giving a chance for the customer to give feedback face-to-face to the service provider. It is obviously central to be able to handle negative feedback in a constructive way and correct poor service if and when it is found (Kotler et al. 2002, 541).

2.5.4 Perishability

This characteristic of services relates to the fact that they cannot be stored. When an airplane takes off with empty seats they can never be sold again. Whereas physical goods can be stored for later sale or use, the sales of those airplane seats are lost forever (Stokes 2002, 337). The perishability side of services is not usually a problem when demand is steady. However, it can become a big issue when demand fluctuates as that means that sales are not predictable and turnover can change big time. As a result of that many operations may have to be cancelled.

Service organizations can use strategies to better match demand and supply. For controlling demand organizations can use differential pricing, for example, which means pricing a service differently at different times. It will balance the demand between peak and off-peak times. Low-season holidays or early-reservation discounts would be examples. In addition, using promotions are a good way to influence and predict demand. (White 1997, 168.)

In Fida's case this does not explicitly apply on them as their service is different and demand does not usually greatly fluctuate. Although, they could start to intentionally focus on certain times of the year, Christmas for instance, when they would especially market their offer and see if that makes a difference in donation amounts. Fida's service can be sort of "stored" until they have produced enough funds. The child sponsorships at Fida work in this way – there are children "stored" on the waiting list until someone decides to start sponsor-

ing them through Fida. However, if funds for a specific project, for example, cannot be collected by a certain deadline, then that project may never be implemented. As a result there are no services provided to particular third parties and perishability aspect applies. On the other hand, if the stadium of a football game is only half full, the service (the game) will still be carried out. It is just that money is lost as those seats to that particular game can never be sold again. Fida has to be cautious with large fluctuations in donations, whether from the government, individuals or corporations, as they are likely to affect other organizational functions such as increase in marketing costs, and changes in specific project goals. A good way to control, stabilize and increase the amount of donations is making a marketing plan. This subject will be discussed later in the thesis.

2.5.5 Lack of ownership

The last distinctive feature of services is the lack of ownership in the conventional sense. When a customer buys a physical good, such as a book, they can bring it home and have access to it for an unlimited time; they own the product. On the contrary, service products do not include that quality of ownership, as consumers normally have access to the service only for a limited time while they consume it (Kotler et al. 2002, 543). For example a holiday ends when one returns home and only memories are left of the service.

Because of the lack of ownership service providers have to make special effort to strengthen the brand identity (discussed further starting on page 48) with the consumer to create a sense of ownership. One good example of creating ownership is Fida's sponsorship program. Through the program the sponsors receive regular written greetings and letters from their sponsored child. This creates a feeling of some ownership, which is what service providers should all aim to do. Another way the management of Fida could emphasize the ownership aspect could be by letting donors know where the money has gone to. For instance, if Fida has a campaign to fundraise to a specific cause or a destination, the donors could be kept on board throughout the whole project. This could mean sending letters to the donators, or posting up

short reports of advancement on the internet. Through something like this Fida would include the donors in their work and therefore would give them the aspect of ownership. In addition, Fida could create membership clubs or associations to give the customer a feeling of ownership (Kotler et al. 2002, 544).

The differences between products and services are good to understand so that the organization offering services can do a better job in approaching its customers. Some of these five characteristics can be easier for the management of Fida to control, and some may seem impossible to affect because of the nature of their offering. The main point is therefore to realize the difference and do what can be done to minimize the “negative” aspects of services in order to seem more approachable and desirable to customers.

2.6 B2B Marketing

Business-to-business or “B2B” is a term normally used to describe the marketing of products and services between businesses, governments or institutions (Eckles 1990, 4). A big part of the Finnish markets is based on the business between organizations (Rope 1998, 6). The field of B2B marketing is not so simple and it possesses some uncertainties (Michel, Naude, Salle & Valla 2003, 1). There are too many large firms with thousands of employees without a proper marketing manager. Since many of these companies cannot even assure satisfaction to their own customers we can only imagine how hard it can be to find another business, with similar values and goals, to cooperate with. Even though this is a challenging area of business, it is true that most of the so called marketing occurs between businesses (Kotler 2003, 21). B2B is often compared to B2C (business-to-consumer) marketing. The main differences between these two are in the market structure and demand, the nature of purchasing units and the types of decisions made (Kotler et al. 2002, 235). We will go over these briefly.

Market structure and demand

B2B marketers usually deal with much fewer but much larger buyers than B2C marketers do (Bly, 2004). Many business-to-business markets are also more geographically concentrated than B2C markets. Not all businesses in Helsinki sell their product to other businesses around Finland. It is obviously not always the case, but it would require more resources, time and logistical framework to start expanding operations into a broader area.

Buying nature

Compared to consumer purchases, a business purchase can involve many buyers and is typically characterized by a greater purchase quantity. Many companies use specially assigned purchasing agents, who spend their entire career in learning how to buy excellently. Therefore the purchasing effort in B2C can be said to be much more professional.

Types of decisions made

Business buyers usually encounter more complex buying decisions than normal consumer buyers do. The purchase often involves large amounts of money, complex technical and economic considerations and interactions with several people at many levels of the buyer's organization (Kotler et al. 2002, 237). Because the process is more complex the buying process usually takes a longer time. It is very important to remember that business buying processes are much more formalized, more specific and more time-consuming.

For the management of Fida it is particularly important to recognize the difference between business-to-business marketing and business-to-consumer marketing, as seen in Table 1. Understanding the different needs of these two sectors allows Fida to create an adequate and accurate marketing strategy. In addition it will help Fida to approach businesses in the correct manner.

B2B	B2C
Relationship driven	Product / Service driven
Maximize the value of the relationship	Maximize the value of the transaction
Small, focused target market	Larger target market
Brand identity created on personal relationship	Brand identity created through repetition and imagery
Rational buying decision based on business value	Emotional buying decision based on status, desire, or price

TABLE1. Differences between B2B marketing and B2C marketing

2.7 Marketing Research

Businesses of all sizes are constantly looking for information about their customers, their competitors, and the market environment in which they are operating in. Marketing research is basically the gathering of this data. Although large corporations are traditionally the ones that do most marketing research, it is true that today also nonprofits increasingly engage in marketing research (Stokes 2002, 134). This is because also nonprofits have been exposed to competitive pressures and market forces.

Green, Tull and Albaum (1993) have defined marketing research as follows: "Marketing research is the systematic and objective search for, and analysis of, information relevant to the identification and solution of any problem in the field of marketing" (Green, Tull & Albaum 1993). Marketing research is an important part of an organization's marketing operations. Some organizations have a separate marketing research department, but some do not and would therefore use an outside firm to do special research. For the management of Fida it would most likely be the best choice to buy the service of marketing research from an outside firm.

The terms “marketing research” and “market research” are often confused and though to be the same thing. In reality there is a difference between these two concepts. *Market research* deals especially with the gathering of information about a market's size and its drifts, and basically is used to find out whether there is enough purchasing power on the market for that particular product or service. *Marketing research*, on the other hand, is broader and covers a wider range of activities such as identifying marketing opportunities and problems, to evaluate marketing actions, or to improve the understanding of the marketing process (Kotler 2002, 272). Moreover, through marketing research an organization can find out for instance customers' opinion about a product or service or the effect of an advertisement. It is a more general process that can be used in many marketing problems.

Marketing research supports critical decisions making by providing vital information about the market needs, wants and behavior. It is important to do marketing research regularly as the environment in which the organization operates in is subject to continuous change. An appropriate marketing research process has ten stages and the data can be collected in numerous ways. The stages (steps) and the collecting methods are shown in the Appendix 1.

3. The marketing mix (4 Ps)

The marketing mix can be considered to be part of the basis of marketing in general. It is one of the most powerful tools for the organization to influence the demand of its services and products. The marketing mix, or the 4 Ps, is a combination of marketing elements that are used to satisfy customers and reach organizational objectives. By using variations of these four components the nonprofit organization has the ability to get to several consumers within their target markets. The key is to focus on at least one or two of the components to be able to differentiate the organization from others. It is highly important to remember that focusing only one element will most probably not work. A good advice is to work with two marketing mix components at the same time. These are the four components of the marketing mix:

- Product
- Price
- Placement
- Promotion

3.1 *Product (service)*

The product is what the organization offers to its customers, whether a good or a service. The point is to provide a higher quality product or a service than any competitors in order to create competitive advantage. It is important to “wrap” or create an appealing “package” for the offer. In addition the offer has to be aligned with the marketing objectives so an organization can provide a service that would best serve the particular target market. In planning a valuable product strategy the organization has to think about the components and the customer perception of the whole offering, not just the actual good or service.

Organizations should manage their products carefully over time to ensure that they deliver goods or services that continue to meet customer needs and wants (Kalka & MäBen 2004, 39). The product goes through different stages

over time. The stages through which individual products develop over time are seen in what is known as the *product life cycle*. The typical product life cycle has four stages: introduction, growth, maturity and decline (See Figure 2).

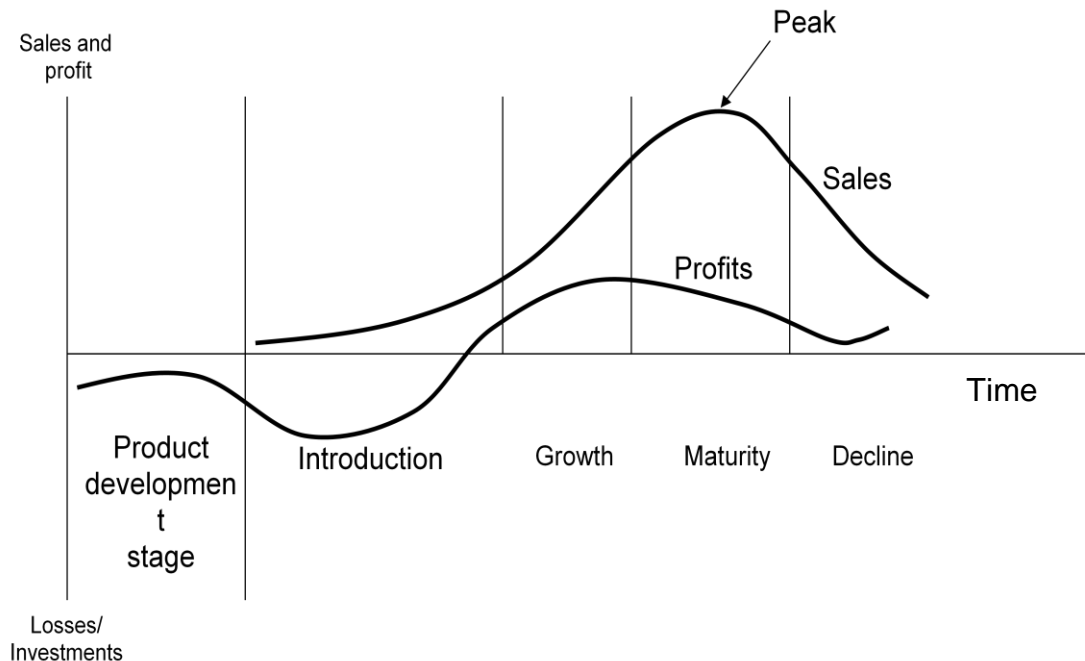


FIGURE 2. The product life-cycle (Kotler et al. 2002).

Product / service life-cycle

The product life-cycle has four stages. In each stage the product goes through different phases:

- Introduction – product is introduced into the marketplace.
- Growth – product demand grows to the limits of its sales potential.
- Maturity – product's demand matures as the markets become saturated / more competitive.
- Decline – as demand falls decline happens and alternative products are born to begin the cycle again. (Stokes 2002, 199.)

As we have mentioned earlier, Fida should definitely create services that would include some tangible aspect to it. The key factor is doing it in a fresh and appealing way, as the tangibility factor can be carried out in many ways.

World Vision has a brilliant campaign where they provide a service for customers where they can buy cows, goats, water pipes, mosquito nets, toilets, degrees and food baskets for people in third world countries (World Vision, 2007). Some people may say that creating products out of life-holding factors is unethical and provocative. In our opinion it is just genius. World Vision provides products that are unusual, new and attractive for the general public. People can actually choose and see on the website what they buy for someone else. In this example the tangible product is of course a little different compared to the examples earlier, because the donor does not get to keep it as the product goes to someone else. Regardless, it may be an easier choice for customers to donate when they actually see what they are buying. These kinds of campaigns where nonprofits provide services which are closely related to tangible items are a great way to attract new customers and gain awareness. In addition, World Vision's products are "packaged" very nicely and the web site looks extraordinary. Fida's management will need to concentrate on the services they provide more than ever and develop them continuously. That is the only way they can go towards differentiating themselves from other nonprofits through the service they provide.

3.2 Price

One of the hardest decisions for organizations to make is to do with pricing. What should the organization charge for its offerings? In the nonprofit world this question can be tricky. Someone could say that nonprofits cannot charge anything for their service since their purpose is to help others, not to make money. However, nonprofits obviously need funds to operate, just like in the for-profit sector. That is why they need to think how much money (donation) they want to get for a specific offering. As an example, the Ylen Hyvä campaign, the largest fundraising event annually involving Yle and the 9 biggest nonprofits in Finland (including Fida), set different prices to different supportive activities. For instance, one phone call to a donation number cost 10.10 €/per call and to another it was 20.11€/per call (Nenäpäivä, 2007). Fida actually has this for the catastrophe aid operations – one phone call is 20,94 €.

However, this is something that many people do not know since it is not advertised.

So how did Ylen Hyvä and Fida come up with these particular amounts for the phone calls? We do not know their situation but both of them should have come up with the prices through formulating a pricing strategy for those particular phone call donations. That is because even nonprofits have to formulate pricing strategies for their services in order to achieve financial objectives. Nonprofits need to consider these factors:

- *How customers perceive the value of the offering?*
If they perceive it very valuable maybe prices can be set higher since customers perceive it valuable.
- *How the organization positions the service in the market?*
If the service is well positioned in the target market's eyes the organization will have better chances of achieving good pricing strategies.

For some organizations price can become the differentiation factor. Let us say Fida decides to differentiate itself by providing child sponsorship possibilities with a lower monthly fee than other organizations. However, it is not all so simple, as the danger here is that this may not be credible in the public's eyes unless the quality standards are also met. Therefore, when making pricing decisions an organization needs to look at the situation from many perspectives.

3.3 Placement (place)

This refers to how well the customers obtain the organization's offer, whether products or services. Like Fida, most nonprofit organizations do not offer products, and therefore the physical location is not so important. Some nonprofits do not even have an official physical office. However, if customers do come to the office, the interior should look like a professional, well decorated and welcoming place unique to the nonprofit. Therefore the location is considered important. In addition, a nice and cozy office makes the employees feel more comfortable and motivated. For nonprofits location becomes very impor-

tant when talking about the internet. How well can existing and potential customers obtain their services through the internet? Do they have an internet site at all? Is it easy to find? How easily can the customer find information from the website to support the organization? These are good questions for the management of Fida to answer. Online location is crucial for nonprofit organizations since it is very affordable and quite easy to maintain.

3.4 Promotion

Through promotional activities an organization should communicate the benefits of a product or service and persuade target customers to buy it (Moore & Pareek 2006, 95). Nonprofit organizations must do more than offer social services. They need to understand that it is crucial for their existence to inform consumers effectively about the service benefits and this way carefully position them in consumers' minds. It does not matter how good the service benefits are unless they are communicated properly.

The purpose of promotion can be looked through the AIDA communication model (Blythe 2000, 12). Even though the AIDA model is generally linked to personal selling we think it is a good way of looking at promotional steps and its intention in general. AIDA can be described as a communication model which supports organizations in selling their services more efficiently. AIDA is a short form for attention, interest, desire, and action (See Figure 3). First, when a product or service is launched the first objective is to capture attention. How can a nonprofit organization do this? Perhaps they could use a person known by the public. Second, once the organization has been able to grab attention how can it hold interest? Definitely through promoting the features and clearly stating the benefits of the service. Third step is desire, how can the organizations make the product desirable to consumers? Perhaps by showing it to customers continuously? The final stage is the buying action. If the organization has been doing well with its strategy then the target customer will most likely purchase the service. In the case of Fida it would mean that people would support their action.



FIGURE 3. The AIDA communication model (Blythe 200, 12).

To be able to engage in promotions an organization needs some tools. The promotional tools include advertising, sales promotions, public relations, direct marketing and personal selling. These methods are explained in more detail in the following paragraphs.

3.4.1 Advertising

Advertising is the most popular tool to reach target audiences because it is one of the most cost-effective ways to build awareness with the mass audience. With continuous and repeated exposure, the audience will most likely accept the product's positioning and this way gain trust in the service to deliver promised benefits (Moore & Pareek 2006, 95). However, good advertising messages are very hard to create in today's cluttered advertising environment. A normal consumer has numerous television channels, radio stations, thousands of magazines and many newspapers to choose from. Not to even mention the numerous catalogues, direct-mails and online ads that everyone can familiarize with.

Although advertising can be very tricky and complicated it is still a very powerful tool in generating awareness. The main tools for advertising are:

- Television
- Radio
- Newspapers
- Magazines
- Internet
- Billboards

Fida International should definitely begin to focus on internet advertising. Fida's website is not very appealing and looks quite amateurish at the moment. The website should look very appealing and it should be simple to use. Fida is a large and experienced organization so it is amazing that the management of Fida has yet to understand the importance of website design and the power of internet as a whole. The internet reaches about 747 million people globally (Bringing a brand international 2007). Thus, what other promotional tool is as cost effective to reach people worldwide on the internet? Building a high quality website can be an effective way to collect on-line donations (Bhagat 2004, 17). Fida's management could put up short project reports of the current field projects on the website and use this to build interactive relations with existing and new audiences. Many corporations could also find their way to the pages which would be imperial especially when Fida's management chooses to start approaching companies to build cooperative relationships. Overall, a website is an important strategic tool to enhance added organizational value. The question that should always be kept in mind when designing and modifying a webpage is: "Does the webpage truly satisfy the needs and wants of customers and corporations?"

3.4.2 Sales promotions

Sales promotion is another very important mass-promotion technique. One aspect of it should focus on building good relations with the organization's multiple publics by gaining positive publicity, building a good corporate image and handling or heading off critical rumors and stories (Kotler et al. 2002, 691). Sales promotions tend to be highly used in the retailing industry which focuses on selling products. A common sales promotion could be, for example, pay for 2 and get the third for free. Sales promotion offers short-term incentives, and it is created to encourage customers to increased purchases.

Sales promotions are used by nonprofit organizations too. In the B2B marketing common promotional tools are convention/trade shows and sales contests. Nonprofits should also attend trade shows. In a trade show a nonprofit could make new networks and for instance get a chance to persuade a TV- broad-

casting company to agree to show the nonprofit's short TV-ads a few times on air during good viewing hours. In return the nonprofit would offer to use and put the TV-broadcasting company's brand into a very visible place during a big social campaign or such.

Nonprofit organizations need all the resources they can ever get. Therefore they should think outside the "box" and generate opportunities other than just purely financial. Sales contests refer to creating rewarding programs for example to the salespeople. The individuals whom sales or closed deals numbers are the highest get a bonus for their efforts. These programs work best when they are tied to measurable and achievable sales objectives (Kotler et al. 2002, 687). For Fida this could be for example the individuals who are able to get the best corporate philanthropy deals. However, it could be assumed that only a few people would work in such positions to get corporate partners. In that case the sales contest just means that there could be incentives for the employees who do this to stay motivated and perform better results. Incentives or bonuses could be short hotel vacations, high class concert tickets, sport event tickets or just financial bonuses. Useful consumer promotional tools for a nonprofit organization like Fida can be the following:

- Samples (free video-cd's of their work in third world countries)
- Premiums (for example getting a free number of the organization's annual magazine)
- Advertising specialties (such as imprinted items with the organizations name or logo)
- Competitions / games (opportunity to win trips, goods, or cash)

3.4.3 Public relations

This refers to the organization's concern to build good relations with the organizations various publics. This can be done by obtaining positive publicity in order to build a positive organizational image and to be able to handle unfavorable rumors and stories efficiently but honestly (Kotler et al. 2002, 691). Another definition according to Stauber and Rampton (1999) state that public

relations is a “managerial function which charts public attitudes, defines the policies, actions and interest of an organization followed by executing a program of action in order to earn public understanding and acceptance” (Stauber and Rampton 1999). In other words public relations are used to promote services, people, ideas, activities and even the entire organizations. If public relations are used efficiently in a nonprofit organization it can cut down the advertisement costs. Correctly carried out, the organization does not pay for the space or time in the media. Rather they pay for its staff to develop and circulate information through correct people in right industry positions. In this way their events and activities will get “free” advertisement space and time in the media. In the best situation public relations can be a powerful tool in brand-building (discussed further later in this paper) and creating relations between different business sectors and nonprofit organizations. Important public relation tools are:

- Speeches - using press releases properly, answering questions from the media effectively and using public speeches to increase public awareness and respect.
- Creating connections / lobbying - connecting with influential people in the media, government, legislation and corporate boards.
- Special events - new conferences, press tours and grand openings
- Written materials - to reach and influence the target market: annual reports, brochures, articles and company newsletters and magazines.
- Audiovisual materials - films, interactive slide shows, short video inserts.

3.4.4 Direct Marketing

Direct marketing simply refers to the ways communication can be used to interact with targeted customers and motivate them to direct responses that in the end leads to an ongoing connection (Wood 2007, 158). In simple words it is the communication between the seller and buyer (Mullin 2002, 1). For many organizations, direct marketing is the most cost-effective form of marketing. It allows organizations to target customers with greater accuracy than any other

method. However, it is a method used by so many other organizations that it may be hard to find the right people and get to differentiate your service from others'. Careful preparation of direct-marketing campaigns is therefore vital to make the most of the investment. Nonprofits can use direct marketing for both business-to-business and consumer markets. Naturally, the strategy has to be customized depending on which the organization is targeting. While corporations are used to receiving marketing emails, consumers may be less interested to "mail injections" or telemarketing calls - so the nonprofit needs to plan the approach carefully. Some direct marketing tools are:

- Letters
- E-mails
- Telemarketing
- Faxes
- Leaflets

3.4.5 Personal selling

Personal selling can be defined as the oral communication that focuses on personal contact with the intention of making a sale and giving value to customers (Lahtinen & Isoviita, 2001). Personal selling may focus initially on developing a relationship with the potential buyer, but the final goal is ultimately an attempt to "close the sale". Personal selling is a very old promotional technique but efficient because it is a face-to-face action. Customers therefore gain quite a high degree of personal attention and customers always appreciate that. This technique is very good also when trying to get across large amounts of technical or other complex service information. The main drawback of personal selling is the cost of employing a sales force. Fida's management or employees could use personal selling techniques when approaching companies. Personal selling includes the following:

- Field selling
- Sales meetings
- Presentations
- Selling through a telephone

In order to succeed in a personal selling situation the seller has to do more than just get a sales appointment. The seller has to be prepared to different situations that will come in the purchase process. The sales person has to recognize the customer's needs and behavior in order to act correctly and satisfy those needs. The *selling process* steps are:

- Prospecting - developing a list of potential buyers.
 - Pre-approach - initial pre-approach letter, telephone call.
 - Approach - initial face-to-face contact with prospect during which first impressions are formed.
 - Needs analysis - discovery and assessment of prospects needs.
 - Presentation - presentation/demonstration of how the product fills a need or solves a problem for the prospect.
 - Answering questions and overcoming objections - prospect provides feedback and salesperson attempts to further tailor the presentation for the prospect's needs.
 - Close - salesperson aims at asking the prospect to buy.
 - Follow-up - delivery, customer service, referrals, after marketing.
- (Kotler et al. 2002, 722.)

3.5 Three additional P's

In addition to the 4 Ps, there is talk about the additional 3 Ps. The unique characteristics of services compared to products, which were discussed earlier, have lead to adding three more Ps to the commonly used marketing mix. The three extra P's are:

- Physical evidence

Many service providers have a tangible aspect to their service. This P is meant to give the potential buyer some physical evidence of the service. Physical evidence allows the consumer to make judgments on the organization. It is important as it may be the only evidence that the customer can get of the service.

- People

This one refers to the inseparability of services. Since the people providing the service become a big part of the service experience as a whole, the people involved matter greatly. Potential buyers make decisions about which service to choose not only according to the quality they perceive but also according to the people providing it. Staff should have the appropriate interpersonal skills, aptitude, and service knowledge to provide the service that consumers are paying for.

- Process

When talked about services customers are often involved in the process of the delivery, which is not the case with tangible products. Customers are present in the production of the service and see all the steps of the process. Process refers to the systems used to assist the organization in delivering the service. The experience as a whole is a big determinant in the customer's mind of future choices of service providers. The way the service is delivered can become as important as the end result. (Stokes 2002, 338.)

4. Marketing planning

4.1 Planning as part of an organization's objectives

There is uncertainty and unpredictability concerning the environment and resources. In addition there are constant changes in the society. In order to cope with everything that is going on, nonprofit organizations need to develop a coherent basis for their decisions (Bryson 1995, x). This is where strategic planning comes in. It acts as a set of tools to help organizations better deal with and prepare for the future. Strategic planning can be defined as a “disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it” (Bryson, 1995, x). Only in the last twenty to twenty-five years has strategic management become a standard practice of large numbers of public and nonprofit organizations, whereas in the business world it has been used as a standard part of management for half as long (Bryson 1995, x). Regardless, there are still too many organizations today that operate without any formal plans and resist taking time to write out formal written plans. It is important that organizations understand that it is not enough just to think - but they must act as well.

4.2 Importance of planning

There are constantly more and more nonprofit organizations, which means that there is more competition that needs to be dealt with. That being the case, it makes strategic planning even more important for the management of Fida than ever before.

Among other benefits, formal planning promotes systematic thinking and forces the organizations to rethink its goals and objectives and its overall policies. It will most likely result in better control of all the organization's tasks and procedures. Some people argue that planning is less useful in this fast-changing world. However, it seems that the opposite is true, because when an organization has analyzed its environments and the current issues in its field, it will be quick to anticipate and respond to the possible changes (Kotler et al.

2002, 76). Therefore not planning would slow things down as there would not be any clear and systematic basis from which the organization can get up-to-date information in the different areas affecting the organization.

Leaders and managers of nonprofit organizations must be effective strategists if their organizations are to fulfill their missions. They need to create effective strategies to cope with the changed and changing circumstances, and they need to develop a coherent and defensible basis for their decisions (Bryson, 1995, ix). Fida International has strategies and plans for many different areas of their operations and it seems they understand exactly how important it is. However, Fida's management's weakness concerning planning and strategies is the total lack of marketing planning.

4.3 What is marketing planning?

It seems that many nonprofit organizations say marketing planning takes too much effort and it is too expensive to create. Moreover, it takes too much time and time is frankly what nonprofits with limited staff do not have. However, in reality a nonprofit should ask itself questions such as: how much money is needed for advertising and promotions? How much stock is required to run particular events? Is there money available for new print media? Will they be ready for the exhibition? They will notice that the answers to most questions are not known. The truth is that without a clear plan there is no real control in that area. Instead there are just different people going in different directions.

According to Wood (2007) marketing planning can be described as the planned process of researching and analyzing marketing situation; developing and documentation of marketing objectives, strategies, and programs; and implementing, evaluating, and controlling actions to achieve organizational objectives (Wood 2007, 3). It is a well prepared and structured process that leads to a coordinated set of marketing decisions and actions. Marketing planning allows marketers to examine several numbers of appropriate opportunities for satisfying customers and achieving organizational goals (Wood 2007, 3). It also allows the organization to look at their current and potential

threats. In other words this process is a structured way of looking at the match between what an organization offers and what the markets need (Stokes 2002, 30). The most important aspect of successful marketing planning is that it keeps the organization focused on the customer. It helps to determine what the organization can do and what it cannot do for the customers (Stokes 2002, 6). Creating a marketing plan provides the tools to generate a long-term plan to achieve one or more marketing objectives. Marketing plans can be done for specific products, service, or brand.

There are numerous ways of preparing a marketing plan. The model used in this thesis is a combination of many different methods, mainly focusing on the model by Stokes (2002, 42). It is a cycle starting from analysis, then going over objectives and the methods of how to get to the objectives, finally ending with evaluation. It is very logical, practical and easy to remember. This model suits the current situation at Fida and is simple and easy for the management to get started with. Although Fida has operated for many years, they have never had a marketing plan. It can be assumed that later on Fida's management would use a more specific and detailed marketing plan model after the marketing activities have advanced. Although a plan can be prepared for each product or service separately, for Fida it is important to start with an overall marketing plan first, which will include the services they offer.

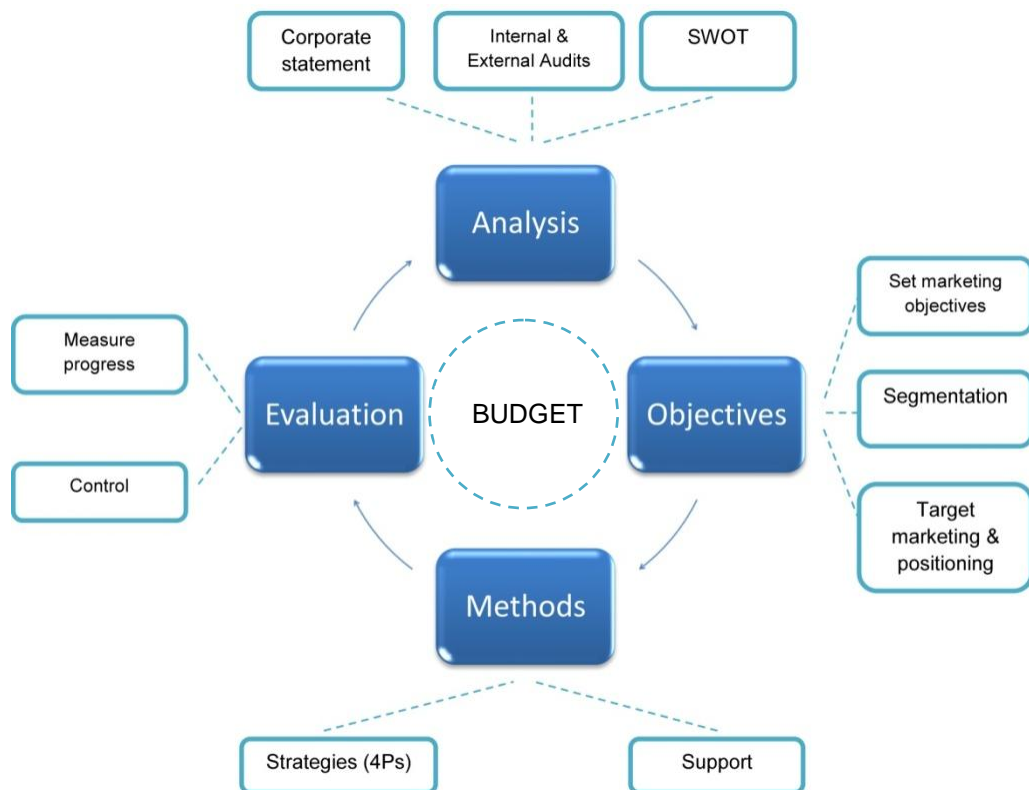


FIGURE 4. Marketing planning process (Stokes 2002, 42).

4.4 Marketing planning process

4.4.1 Analysis

The analysis stage includes finding out all the necessary information that currently exists about the internal and external environments of the organization. It includes reviewing the mission and filling all clear gaps through proper research. An organization's mission statement explains in general terms its goals and the reason they exist in the first place (Moore & Pareek 2006, 25). A vision describes where the organization *wants* to be. Visions guide the missions toward the future, which is why stating a clear vision is also very important and useful.

In addition the analysis includes a very important component called SWOT analysis (for more details see Appendix 2). In the following sections these

components are explained briefly. The marketing plan will start with looking at the objectives of the organization, the corporate statement.

Corporate Statement

Some organizations formally state only a few of their greatest objectives, whereas some have no clear goals at all. Many organizations do in fact formalize their organizational goals into a mission statement, which is what they all should do. The mission statement clarifies the organization's purpose and what it wants to achieve in a larger environment (Kotler et al. 2002, 78). The organization should ask itself the following questions in order to produce a meaningful mission statement:

- What business are we in?
- What do our consumers value?
- What are we in business for?
- What sort of organization are we?
- What makes us different and special?

If a nonprofit organization continuously raises these questions and is able to answer them thoroughly it will bring consistency and success. Asking these very basic questions are not a signs uncertainty but of strength and being concerned for its business.

Marketing Audit (internal and external audit)

Through a marketing audit an organization studies and evaluates the marketing operations of its organization (Stokes 2002, 33). Marketing audit has two very important roles.

1. It does not only examine the activities linked with marketing but also the marketing philosophy and concepts in which the organizations activities are based.
2. It looks at what has happened previously but also takes into consideration the new potential areas and possibilities. It sums up successes and problems in order to evaluate future opportunities.

Marketing audit is always studied internally and externally. This enables to get an overall “reality check” of the organizations current situation. The internal audit examines all different internal aspects of the organization – the marketing areas over which the organization has control. The external audit examines the factors external to the organization which can affect the planning and execution of marketing tasks. See Table 2.

Internal Audit	External Audit
Past marketing (objectives and success rates)	<i>Environmental factors</i>
Sales and revenue (types and sources)	Social and cultural
Existing customers (groups, perceptions, behavior)	Technological
Service range (perceived quality)	Economical
Research (available information and gaps)	Political
Resources available (people & budgets)	<i>Market information</i>
	Size and growth
	Trends
	Potential new customers
	Benefits wanted and offered
	Communication methods
	<i>Competitive Forces</i>
	Existing competitors
	Potential new entrants
	Barriers to market entry
	Substitute services
	Power of buyers
	Power of suppliers
Strengths and weaknesses are revealed by the internal audit	
Opportunities and threats are revealed by the external audit	

TABLE 2. Relation of internal and external audit with the SWOT analysis (Wood 2007, 26).

SWOT analysis

The much talked SWOT analysis is a strategic planning tool designed to evaluate the strengths, weaknesses, opportunities, and threats involved in whatever is wanted to analyze, whether a project, situation or the organization as a whole. The aim of any SWOT analysis is to identify the key internal and external factors that are important in achieving the objective in case. Therefore it tends to relate to the internal and external audit (Table 2). The SWOT analysis provides information that is supportive in matching the firm's resources and

abilities to the competitive environment in which it operates. As such, it is instrumental in strategy formulation and selection. In the case of preparing a marketing plan the management of Fida could use the SWOT to summarize the key points of the internal and external audits. It would help in getting a better understanding of actual key strengths, weaknesses, opportunities and strengths.

4.4.2 Objectives

The main point of a marketing plan is establishing clear marketing objectives. These objectives can be set after the first part of the marketing plan process, the analysis part, has been well done. Taking into consideration all the internal and external factors, the organization is more capable of making the right decisions and deciding on the right objectives. Objectives should not too general that they are confused with overall goals of the organization. In other words marketing objectives should be precise enough and explain what is to be achieved in measurable terms. They do not, however, have to state how they will be achieved. Objectives generally refer to short-term performance intentions and goals refer to long-term performance (Wood 2007, 9). These two words are often confused. It is crucial to recognize the organizational intentions for the future, like growth, maintenance and retrenchment, as they will highly influence the future direction of the organizational objectives. These can be seen in Figure 5. Basically objectives should be reviewed more often than goals and changed according to new situations. Objectives set the framework, give a better idea what is wanted to achieve and gives the direction for marketing planning.

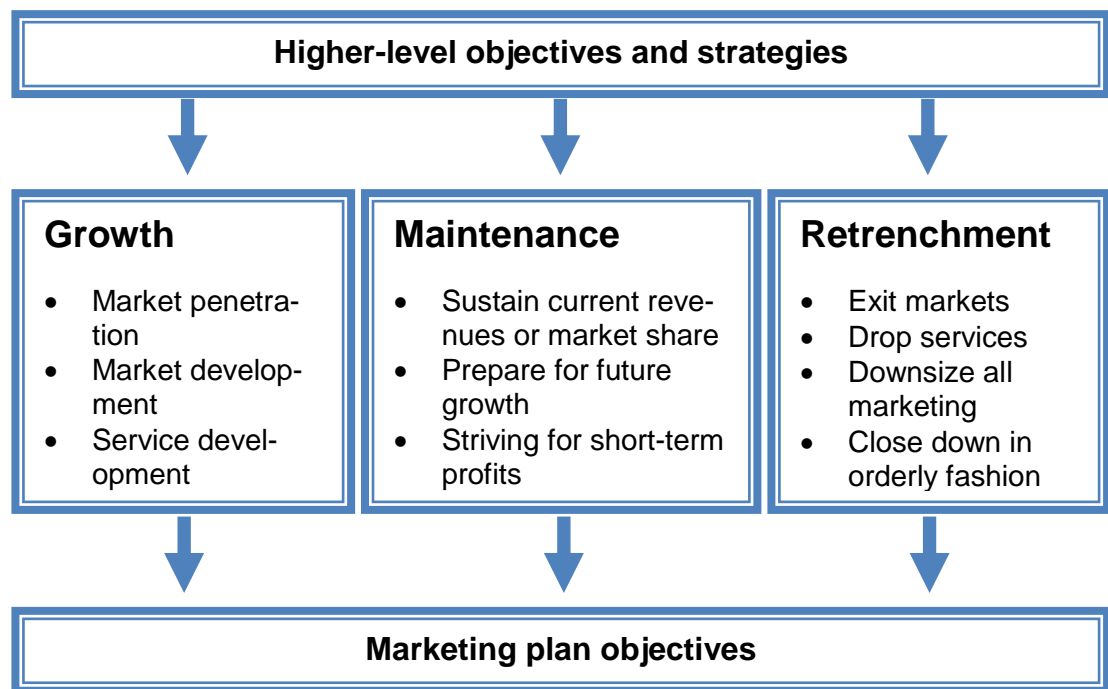


FIGURE 5. Setting the direction of the organizational objectives (Wood 2007, 84).

Setting marketing plan objectives

Strategic direction points out the main route for the marketing plan. The organization has to set marketing and financial objectives as short-term purposes toward longer-term organizational goals (Stokes 2002, 38). Achieving each marketing and financial objective will bring the organization closer to fulfilling its ultimate point. The exact objective set will depend on the organization's knowledge of the current situation and issues such as keys to success, customers in targeted segments, organization's mission, goals and positioning. Objectives are effective in guiding the marketing progress if they are:

- Specific, time-defined and measurable
- Realistic but challenging
- Consistent with the mission and overall organizational goals
- Realistic and consistent with the internal resources and competencies
- Appropriate and realistic when comparing to the external environmental opportunities and threats

Market segmentation

Market segmentation refers to dividing the nonintegrated whole market into separate and distinctive groups who behave in the same way or have similar needs. Segmentation is needed when the organization decides to enter the market. The organization needs to decide which segments offer the best opportunity for achieving the stated organizational goals (Kotler et al. 2002, 95). The whole market can be divided into those separate groups according to different standards. A general approach is to divide the market either geographically (countries, regions, cities); demographically (sex, age, income, education); psychographically (social class, lifestyle); or behaviorally (benefits sought, usage rates). The benefit of dividing the market into several groups is the ability to serve distinct groups in distinct ways as they have different needs. Nonprofit organizations should clearly segment their market even though the whole public can be their customer. But the question is which segments (groups of people) serve their organizational goals the best? When that has been decided then the organization needs to figure out what standards are they going to use to divide the market? After the organization has defined market segments, it can enter one or various segments of a given market.

Target marketing and positioning

After the segments have been divided, it is time to narrow them down to specific target groups and start to develop ways of marketing to them. Some organizations make the mistake of marketing their product or service before they have clearly defined their customers or clients. If this happens there is a big risk that the organization is throwing its marketing money away. Marketing is not just a matter of placing ads. It is a method of attracting new business. Before an organization can hope to achieve this, they have to know exactly who they want to target with the marketing. Target market needs to be known before it is possible to reach them through different marketing efforts.

Every nonprofit organization can become better by identifying and serving a particular customer group – their target market. One of the first steps Fida's

management needs to take includes developing their services so that they are not trying to be 'all things to all people' (Idman, Kämppe, Latostenmaa & Vahvaselkä 1995, 28). The key is to become a specialist in what the organization does best. Kotler and co-workers say it well: "A company should target segments in which it has a differential advantage over its competitors: where it can generate the greatest customer value and sustainability over time" (Kotler et al. 2002, 95).

The key point is that Fida's management needs to define the target markets as specifically as possible in order to market the services effectively. It gives a much better chance to offer precisely what customers really want and it lowers the uncertainty factors (Stokes, 2002, 132). Target marketing refers specifically to the actions and activities that are planned in order to reach the chosen targets. Especially with nonprofits this becomes crucial since their financial resources are often very limited and approaching customers is costly. One of the hardest things after selecting the target markets is sticking with them and paying less attention to the other segments (Moore & Pareek 2006, 142).

Marketing provides the service a clear, unique, distinctive and an attractive place in the minds of the target consumers. A nonprofit organization needs to *position* its offer in a way that it distinguishes their services and products from competing brands and give them a greater strategic advantage in their own target markets (Idman et al. 1995, 38).

4.4.3 Methods

Marketing methods refer to how marketing objectives are going to be accomplished in the frame of the organizational environment. Creating these methods will specify the strategies and support plans that help the organization to meet those objectives.

Strategies

According to Kotler and co-workers marketing strategy is the framework and activities by which the organization wishes to achieve its marketing objectives

(Kotler et al. 2002, 93). The nonprofit organization needs to constantly compare the value and customer satisfaction delivered by its services, prices, channels and promotion compared to closest competitors. This way they keep track of what works and what does not work. Forming strategies for a marketing plan includes using the 4 Ps:

- Service /Product planning
- Pricing strategies
- Placement strategy
- Promotional strategy

These tools were discussed earlier in the thesis. A strategy involves using one or a few of these effectively to create competitive advantage to achieve the marketing plan objectives. There is not one particular method or strategy of how an organization can reach its objectives, but they have to be formed and according to the specific situation.

Support

After planning and making decisions, using the 4 Ps, about which services will be offered, where to put the services on offer, how to price them and how to communicate all that to target markets it is crucial to establish support programs. All support programs consist of supporting stakeholders (including partners) and employees to ensure marketing objectives are achieved and customers stay satisfied. Very importantly marketing decisions must be supported by excellent customer service in order to provide the promised value (Wood 2007, 176). Office employees are not the only ones whom are responsible in providing good service - customer service is every employee's responsibility. As we have mentioned earlier in this paper, customers judge service quality at every point they are in contact with the organization. Therefore good support services need to be implemented at all levels and in all situations such as on the telephone, internet and face-to-face contacts. When complaints arise the organization should take them as opportunities to identify areas for improvement and not as negative feedback (Spolsky 2007). Non-profits need to understand the power that first impressions have over custom-

ers. Sometimes the support programs are in a key role in creating that first impression when the customer asks about the nonprofits values, working methods and activities. As usually the nonprofit's receptionist handles all complaints, that person plays a vital role in maintaining that favorable impression.

The success of support programs does not only affect customers but they also have an effect on the organization's employees. Reichheld (1996) found that it is quite impossible to maintain a loyal customer base if there is not first a loyal employee base in the organization (Reichheld 1996, 303). He adds that the best employees prefer to work for organizations whose goal is to deliver true value to customers, which in turn builds customer loyalty. In other words creating great support programs keeps your customers and employees motivated and loyal to your organization.

4.4.4 Evaluation

Why is evaluation so important? Because through the evaluation the organization can monitor its progress, figure out where there is a need for more work, what activities have not worked or been of benefit and so on. Basically the relevance and impact of the performed steps can be assessed. In addition, the organization gets important feedback from what has been done and what still needs to be done in order to get better results. Evaluation consists of measuring the progress and controlling implementations.

Measure progress

Marketing planning process also involves deciding the measuring of performance in order to meet marketing, financial and societal objectives (Golden 2006). All established programs should always contribute to achieving settled targets and ultimately organizational goals. It would be good to determine exactly which standards must be met to show progress in each activity. Through creation of measurement programs the organization can calculate consistent statistics on activity results. Using the following marketing plan measurement tools progress can be measured:

- Forecast - estimated sales and costs/over given specific period of time
- Budgets - measuring settled budgets for each activity and comparing to actual spending
- Schedules - measuring specific schedules given to each specific programs
- Metrics -specific numerical standards used to measure performance

If the organization continuously achieves expected results continuously they will move closer in accomplishing objectives both short-term and long-term. Yet it is important to keep focus on long-term goals in order to not lose sight of what customers really want- The main point is to stay alert continuously by balancing performance to actual plans - to not act too quickly, but definitely not too slowly either. The purpose of measuring and forecasting is to project future sales and costs so the organizations has an insight of its activities in order to successfully make marketing decisions.

Implementation control

At this point the marketing plan is almost complete. The final step is to plan how the organization will control the plan's implementation (Wood 2003, 121). It is crucial to understand that even the best marketing plan is useless without effective implementation and control. The implementation control should start with the objectives the organization has set and establish standards for measuring progress towards the formed targets. Then it should measure performance of programs, analyze results and take corrective control actions if the outcomes fail to match with the set objectives. The control of the 4 Ps is also essential to be up-to-date with the current market trends and customer needs. Elements that are good to control are:

- Start-up costs
- Monthly budgets
- Sales figure
- Market share data
- 4 Ps

It should be mentioned here that in actuality the controlling should not only be done in the end. Controlling is a very important aspect of all steps and should therefore be carried out throughout the whole process. However, it is also good to remember that the final evaluations are

4.5 Budgeting for a marketing plan

The marketing environment is under increasing pressures to cut costs; all budgets seem to be under constant examination. Nonprofits need to figure out how to become more effective, faster, and for less money. Basically a budget is a plan that includes everything the organization will spend money on and the revenues it plans to get (Ward 2007). A good budget is a spending plan that includes everything the organization will spend money on keeping it inside their income. This thesis will obviously concentrate on the budgeting of a marketing plan.

All of the marketing planning steps (analysis, objectives, methods and evaluation) need to be looked through the eyes of the given budget. All of the activities have to fit in the designed budget. Therefore it is crucial that an organization has a realistic budget. A nonrealistic budget, too big or too small for the organization's finance, which is not controlled properly will constantly create huge problems for the organization (Byron 2007). In today's world where marketing budgets are growing day by day it is critical that the annual marketing and communication plans serve accurately and correctly to ensure the ability to reach the ultimate organizational goals (DeLegge 2007). The budgeting process helps organizations to determine whether the plan is realistic or not in financial terms. If not, the plan needs to be cut in order for it to focus on central priorities.

In the for-profit world, it is usual and quite standard to determine a marketing budget by allocating around 10-15% of projected gross revenues to marketing and communications (YleX 2007). However, things are not that black and white in the nonprofit world with the dual bottom line of people and dollars. A budget is a valuable accounting and planning tool for nonprofit organizations.

It helps the managers in making allocation decisions of funds and provides transparency to the donors and public. It also helps guide future fundraising efforts (Budgeting: A Guide for Small Nonprofit 2007).

Fida International has very good personnel in designing budgets and therefore we believe that creating a realistic marketing plan budgets should not be a problem. However, understanding the extent to which financial resources are needed by each marketing activity requires careful examination from the management of Fida. Therefore careful planning and research of actual marketing activity costs needs to be well prepared.

4.5 Marketing plan benefits

A well-written, complete marketing plan should be the focal point of all non-profit organizations because it describes how the organization wants to persuade and serve their customers. And why are customers so important? For example, BSR Europe studies show that almost 90% of teenagers would switch to a brand affiliated with a good cause, if price and quality were equal (BSR Europe 2007). In addition, from 12 000 surveyed Europeans more than 20% of them would pay more for a product if it were connected with a good cause (BSR Europe 2007). Fida's management has to have an efficient and accurate marketing plan to satisfy and persuade target markets to give more donations. Here are few points why having a marketing plan is such a good and important tool:

- Identifies the needs and wants of consumers.
- Determines demand for products or services.
- Helps in design of products/services that fulfill consumers' needs.
- Identifies other competitors and analyzes the organizations competitive advantage.
- Identifies new product or service areas (new niche markets)
- Identifies new potential customers.

The marketing planning steps are seen in Appendix 3.

5. Branding

5.1 What is branding?

Every company wants to be a customer's first choice. Building and managing a brand can play a significant part in making that happen. A brand includes the name, logo, slogan, and/or design plan connected with a product or service (Keller 1998, 2). Brand identification and other reactions to a brand are formed by the use of the product or service and through the influence of advertising, design, and media observations. A brand is what represents the organization and its products or services in the marketplace. It is a shortcut that enables prospective customers to understand more quickly what the organization's offer is.

Conventional marketing is based on selling when in reality it should always be based on branding. Marketing is not all about selling. It can be a part of it but the true essence is something else. One of the most important aspects of marketing is building a brand with the future prospect in mind. The goal is that there is no other product or service on the market quite like yours. If an organization is able to build a strong brand most likely it will get more powerful and accurate marketing done, as the brand itself already affects so greatly. On the other hand, if an organization is incapable of building a strong brand, then all the advertising, careful packing, promotions, web pages, brochures, buildings and public relations in the market will not assist them in accomplishing its organizational objectives.

Marketing is brand building. The two concepts are so deeply linked that is impractical to separate them. Furthermore, since everything an organization does somehow contribute to the brand-building process, marketing is not a task that can be viewed as something detached. As we have stated earlier, marketing should always be a part of an organization's objectives. Thus everyone that works in an organization should be concerned with marketing, and therefore with the role of branding.

Today most of the products and services are bought, not sold (Ries & Ries 2002, 11). Branding has significantly helped this process. Branding “pre-sells” the service to the user. Branding is a more sophisticated and more efficient way of selling services or products. However, branding goes beyond products and services. People and most importantly organizations can be viewed as brands. When someone in the public recognizes a brand they will have some knowledge about it and therefore will most likely not need much additional info in order to make a purchase decision (Keller 1998, 16).

Building strong brands is not getting any easier in today’s market. There has been an explosion in the number of brands, as well as in the numerous of ways to communicate them. There are hundreds of cable channels, internet channels; placement in the movies, posters, and even mobile phone screens that have made it very tough to get messages through to the user. Here are some numbers according to Trout (2000) and Netcraft (2007) that describe the explosion of choices customers have:

- More information has been produced in the last 30 years than in the previous 5000 years.
 - The total amount of printed knowledge doubles every four or five years.
 - More than 4000 books are published around the world every day.
 - 11 countries in Europe produce 6 million TV commercials annually
 - The internet contains more than 100 million websites.
 - The number of radio stations has almost doubled in the past 20 years.
- (Trout 2000, 74; Netcraft 2007.)

5.2 Brand equity

Brand equity refers to the value that customers and prospects perceive of a brand (Aaker 1996, 7). It is measured based on how much trust a customer has in the brand. According to Aaker (1996) brand equity is a set of the following elements:

- Brand name / awareness

- Brand loyalty
 - Perceived quality
 - Brand associations
- (Aaker 1996, 9.)

Figure 6 provides a simple and a compact overview of how brand equity creates value. Each brand equity element generates value in numerous ways (some of them are listed in Figure 6). Brand equity should not only create value for the customers but to the organization itself too (Aaker 1996, 8). We will look at each of these elements in more detail.

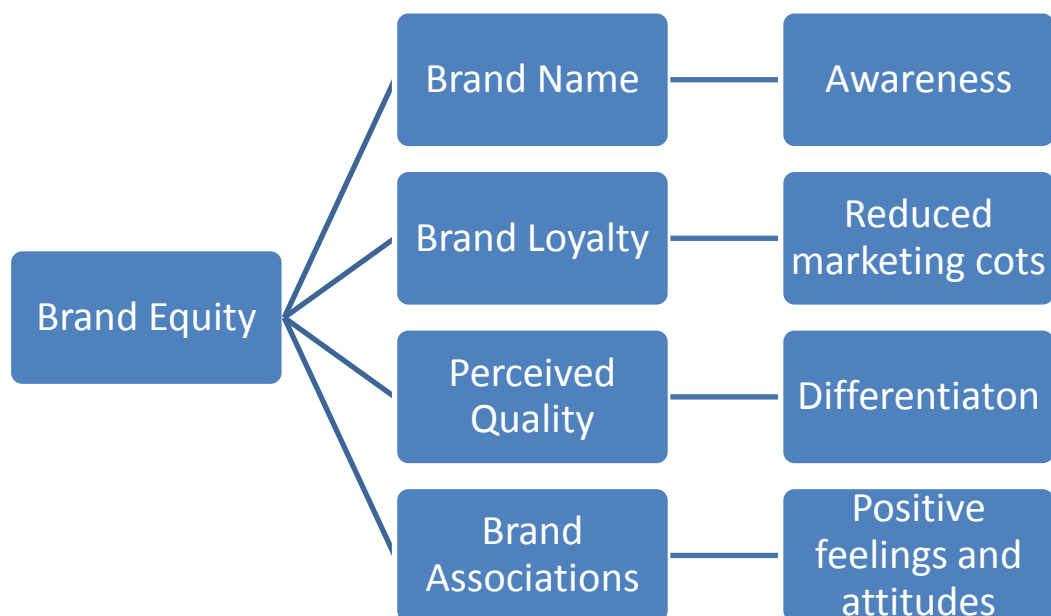


FIGURE 6. Ways brand equity can add value (Aaker 1996, 9).

5.2.1 Brand name / awareness

The starting point, the first awareness level, is the brand name. Most customers can say a particular brand's name but most likely will not know their mission and vision. The principles that guide name development in the commercial sector also apply to nonprofit organizations. The name should be memorable, distinctive, individual, easy to pronounce, and relevant to the organiza-

tion's mission and benefits (Chiagouris 2006, 21). Therefore, often the process of developing a name for a brand or product is greatly influenced by marketing research and strategy in order to have an appealing and marketable brand name (McMillan 2007, 2). The word FIDA originates from Latin and means faithful and trustworthy. As a brand name it is distinctive, easy to pronounce, simple and easy to remember. However, the true meaning of the word can be difficult to communicate to the public adequately. Nevertheless, the name describes the values and motives of the organization which is exceptional and very important in the nonprofit sector. Fida's management should communicate the true meaning of the brand name and working values to customers. This would be a very good way to get added brand equity.

In many cases, brand awareness alone can be sufficient to result in getting a more favorable consumer response (Keller 1998, 50). Many times consumers do not compare brands at all; they choose the most familiar one. Brand awareness is often formed by increasing the familiarity of the brand through repeated exposure. Everyone can agree that brand repetition will most likely add its recognizability.

According to previous research Fida International was not very well known by the Finnish public and the overall awareness of Fida's operations was poor (Taloustutkimus 2006, 25). Clear and efficient actions are needed in order to fix this lack of awareness. Branding is an effective tool to tackle these issues with.

5.2.2 Brand loyalty

Brand loyalty is the key when thinking and considering long term goals. Loyal customers add value to brand because they can be expected to generate very predictable sales and profits. A brand without loyal customers can be vulnerable since the revenue is then generated by "unpredictable sales" and customers whose buying behavior is most often based on impulsive buying. Loyal customers generate financial value in the long term and in addition are likely to tell about the positive aspects of the organization further. Therefore it is very important to keep loyal customers satisfied. A common mistake is to seek

growth by persuading new customers to the brand while neglecting existing ones. Getting new customers will cost 5 to 10 times more than satisfying and keeping current ones (Kotler 2003, 13). Neglecting present customers is an efficient way to destroy future business. On the contrary, building brand loyalty among customers will enhance overall brand equity which in turn will affect overall performance positively.

5.2.3 Perceived quality

In reality, people do not really think about the meaning behind brands. They simply know a brand name and the benefits that they think they get and act according to these; the perceived quality. In actuality any recognized name or logo immediately brings to their minds a perception built by years of branding signals. These signals include everything from product design to pricing and packaging, as well as all the elements of marketing communication.

Perceived quality is usually the center of what customers are buying and thus it is the bottom-line to measure the impact of brand identity. Most customers' brand identity is based on the product's functional benefits. However, the benefits of the product or service are always attached to the perceived quality of that particular brand. In other words, the idea of brand equity includes the ability to add value to the organization's products and services. That can then be used to the organization's advantage to gain better financial return, lower marketing costs and offer greater opportunities for customer purchase.

Considering the results of previous research we suggest that Fida's management would improve the perceived quality of the organization (Taloustutkimus 2006, 31). This is, in fact, where the management of Fida should strike. Create far better perceived quality services and products than any other nonprofit organization. If Fida's management can make the right branding decisions that result in people perceiving Fida's services to be of higher quality and of higher ethics than competitors', then most likely people will support Fida with their money.

5.2.4 Brand associations

This refers to the feelings, thoughts, beliefs and knowledge that consumers have when they hear or see the brand name (Aaker 1996, 25). These associations are derived from experiences and have to be consistent with the brand positioning and the basis of differentiation (will be discussed later on). Ideally, organizations want customers to imagine and think of what they really want from the brand (for example reliability and the benefits of reliability) and then associate those attributes with their brand.

5.3 Brand equity benefits

There are numerous ways to create and add value for an organization; brand equity is one way of producing and measuring added value. The main point is that through brand equity nonprofit organizations can create additional value to their organization and services or products. All of the different aspects of brand equity have several benefits in common. They all add brand value in different ways. They are described in as follows:

- **Monetary Value.** This is the amount of extra income anticipated from a branded product or service over what might be anticipated from an identical, but unbranded product or service. For example, why is Finnish Red Cross (SPR) able to obtain so much more money from campaigns than Fida, even though they are in the same field? Simply because the brand of Finnish Red Cross is stronger in monetary value. This is not, however, linked to the real quality of their work as an organization. It just means that in people's minds the Finnish Red Cross is more valuable. In the for-profit world this would mean that a company with a stronger monetary value would be able to charge more for their product than their competitors could from the same product.
- **Intangible value.** The intangible value is linked to a product or service and it cannot be measured by the price or features. This is linked to services' intangibility aspect. For instance, Adidas has created many in-

tangible benefits for their athletic products by associating them with star athletes like David Beckham. Children want to wear Adidas products to experience some connection with these star athletes. It is not so much about the physical features that create demand for their products, but the marketing image that has been created around the brand. This method is also by UNICEF that has goodwill ambassadors who are often very famous and have good image in the public's eyes. It is good to note, however, that using this kind of high visibility endorsement has its risks that may or may be controlled. Famous people's lives are closely followed by many, so if the public finds out about their mistakes or inappropriate behavior, the public may link the bad behavior to the brand they advertise. This is closely related to the credibility of the brand, which can decrease greatly as a result of such uncontrollable actions. Credibility will be discussed later on in the thesis.

- **Perceived Quality.** This is the overall perception that people have of the quality and image associated with an organization or its product, independent of physical features. For example, Ferrari and Porsche are associated with first-class, fast and deluxe automobiles. Decades of image building, brand development and quality manufacturing has lead consumers to believe that the quality of these cars is far better than other automobiles and their brands. The perceived quality is what determines whether a person would want to start supporting causes through Fida. That is why high level of perceived quality matters so greatly.

Most brands are far from being worth millions. But all of them are worth something and the better the branding efforts the more value a brand can add to the products and services to which it is attached. In non-profit organizations adding value is exceptionally important, especially in adding moral and ethical value. As can be concluded, adding value is not always described in terms of money but in terms of loyalty and brand likeness. However, the same practices and rules apply to both profitable and non-profitable industries.

5.4 Important elements in creating a brand

Taking a look at the most recognized brands is very useful for the purposes of learning. The leading brand at the moment is Coca-Cola (Business Week 2007). The Coca-Cola brand is so well recognized in almost everybody's mind that whether people even realize it, they all know it, know what they do, and moreover, most like it. So what do other organizations need to do in order to get there? Or how does a "normal" organization start to build a strong brand in the first place?

The "trick" for long-term branding is to focus first on benefits the brand offers rather than on the ways of communicating them. For Coca-Cola, the primary rational benefit is refreshment. For Michelin tires, it is safety. Master marketers put a lot of effort to understanding the context of the consumer purchasing decision-making and then build their core competencies and market positioning around it. In the same way Fida's management should think of the benefits of their services and communicate those benefits in an appealing and efficient way. Although the benefits that Fida offers are in most cases going to be benefits for the end beneficiaries, children in developing countries very often, it does not matter. They are still benefits and the key is to be able to communicate those. In this way the management of Fida is able to position the organization in people's minds in a way they want to be seen. When an organization evaluates its own brand positioning, it should never focus too much on just the features that will soon be copied by their competitors. Rather they should consider the primary benefits of what their brand provides because they cannot be easily stolen. According to McKee (2007) a good brand should fulfill the following vital elements: relevance, simplicity, differentiation, believability, credibility, and defensibility (McKee 2007). These will be discussed in the following paragraphs.

5.4.1 Relevance

For nonprofit organization this is possibly one of the most important requirements. If a brand is not relevant, it might as well be invisible (Jana 2007). Red Bull "gives you wings" when no other energy drink can do it. FedEx promises

your package will "absolutely, positively" be there overnight, which is an extremely relevant and serious promise to people who are, for instance, shipping significant documents within a very tight time schedule.

Fida's management should create an exceptionally relevant slogan or promise to customers or partners in order to create value and credibility. Fida has extremely relevant projects all over the world but the key is to communicate that relevance to the great mass. Fida should be seen as a very reliable and transparent organization whose promises are always true and aligned with ethical behavior. The extra attention on ethics and social responsibility in the nonprofit sector has to be taken into consideration.

5.4.2 Simplicity

There is nothing wrong with complex ideas, but if an organization wants to express a complex thought to a mass audience, it have to first compress it into something simpler, believable and authentic (Trout 2000, 77). Complexity tends to be monotonous and in reality the public does not have the time to figure out complex ideas. Once the organization grabs someone's attention, they can add in the details. In McMillan's article Shore states that simplicity is king (McMillan 2007, 1). It is good to start with simple because the information people get bombarded with is so heavy that details and complexities will not stay in customer's mind. Fida's management should create a simple but strong message that can be understood by everyone.

5.4.3 Differentiation

Having a simple and relevant message is vital, but not enough. If Fida's competitors are giving out similar messages, Fida's management could be forced to use extensive amounts of money on marketing just to make some progress or to stay in people's minds. That is why words like "quality" and "service" are not enough in today's nonprofit world (McKee 2006). It is an assumption today that organizations bring forward high quality and expert service. It should be the starting point. This means that Fida's management needs to think of

something else on top of great quality and service to differentiate itself from others.

There are numerous ways to try to differentiate an organization from others. Trout states this very accurately in the title of his award winning book “Differentiate or Die” (2000). Fida’s management could start differentiating Fida through working methods, marketing strategies, product packing, appearance of the organization and values. In Finland there are many non-profitable or development organizations such as World Vision, SPR, Plan, Save the Children (Pelastakaa Lapset), UNICEF and Amnesty. Many of these nonprofits have been very successful in differentiating their organization and Fida should do the same.

5.4.4 Believability

No matter how relevant, simple, or differentiated the brand is believability is one of the biggest messages nonprofits need to deliver constantly. A brand that works well in one category does not automatically work in others. Believability increases when an organization does what it does in a credible way. A few years back McDonald’s went into the pizza business finding itself in an odd and strange position where customers did not buy their pizzas because it was not considered normal or natural for them to make pizzas (Turpin 2005, 4). This is what happens when an organization stretches its brand too much in a way that does not serve their brand credibility.

Fida’s management should identify and focus on what they do best and try to do it in a reliable and believable way. This does not mean that brand stretching (to broaden and to brand new operations) is a bad choice – but it means that when extending the brand it should be done with great care and through an accurate and clear strategy.

5.4.5 Credibility

Credibility is closely related to believability. Whatever promise Fida as an organization makes needs to be followed in reality. Promises have to be consistently aimed at no matter how strong the positioning is. Credibility creates the foundation in the development cooperation industry. When customers or companies support nonprofit organizations they have to know that the organization is credible. For example, if a development organization puts on a campaign for funds for the children on streets in Kenya, and they do this by distributing flashy silver leaflets with pictures of models and children in it, most probably people will think that as bad humor and not acceptable or credible at all. In addition, people want to know that the funds donated will in fact go to the end beneficiaries as has been promised. Fida has been able to show that they are trustworthy in this aspect as well and that the money does in fact go to promised destinations. When the tsunami hit in 2004 quick humanitarian and catastrophic aid was needed. Big donations were made to different organizations by the public in Finland as well. From all the organizations in Finland Fida was the only one who delivered and used 100 % of all the donated funds to the tsunami victims. This is a great demonstration of credibility by Fida. Without a clear and credible brand an organization will be wasting not only its time but also the time of its customers. All of the products attached to the service such as brochures, leaflets, videos and posters need s to support that credibility factor also.

5.4.6. Defensibility

Finally, even if the organization's positioning passes all of the above tests, it will not do any good if a bigger competitor can jump in and take the gained attributes from them. That is why it is so essential to focus on a narrow position and grab it with everything. The longer and more effectively they have established their brand's positioning, the harder it will be for someone to mimic or copy it. It would be good for the management at Fida to prepare a counter plan for situations like this. It would include steps of how to defend the brand in such cases.

5.5 Making a clear brand statement

Nonprofit organizations do not have to answer to the short-term unrealistic financial demands given by shareholders or public consumers that for-profit companies face daily. However, they do have to meet very specific demands. Fida is under constant examination to efficiently deliver the missions that respond to a higher purpose - delivery that can mean the difference between life and death for someone, and improved quality of life for many.

Most consumers do not know or even care what the mission is for Adidas, Hugo Boss, Burger King or other leading brands are. But for nonprofits, the lead brand factor is its mission. If people are going to donate time or money or become members, they want to know what the brand is all about.

The study by Taloustutkimus reveals that people do not have a clear view or knowledge of what Fida does (Taloustutkimus 2006, 70). This creates uncertainty in donors and uncertainty is not good for business. Brands should create confidence, not the opposite. Fida's brand should clearly speak for itself - what the organization does, how it does it and why consumers and companies should support Fida.

6. Nonprofit and corporate alliances

The nonprofit sector is the second largest sector in the private economy exceeded only by the manufacturing industry. In 2002, more than \$750 million flowed into and out of the nonprofit sector throughout the United States. Of these dollars, \$240 billion came from the private sector including individuals (76 percent), private foundations (11 percent), bequests (8 percent) and corporations (6 percent) (De Vita & Wilson 2001). The percent of corporate contribution has grown from the previous year and is constantly on the increase.

From Fida International's s annual report 2006 we can see the funding of the activities of their development cooperation division, see Figure 7.

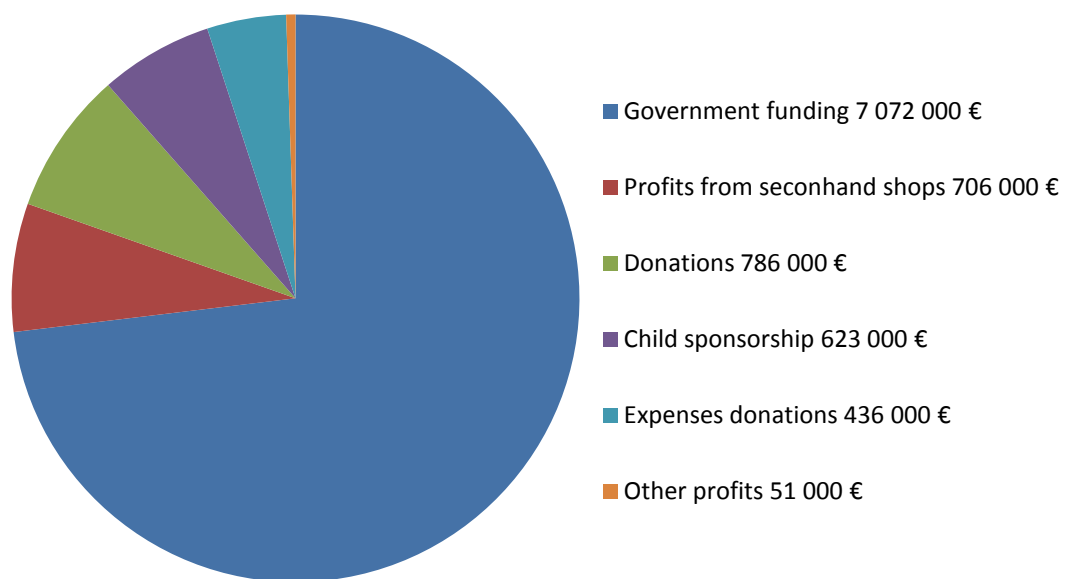


FIGURE 7. Funding of development cooperation division at Fida (Fida International Annual Report 2006, 20.)

From the figure above we can see that there are no funds coming from corporations, as the donation section includes donations from individuals, wills and such. This is surprising, since Fida is one of the largest nonprofit development organizations in Finland. We believe there is great potential for Fida to get financial support from companies. Thus, we think that in the near future it is

very important that the management at Fida starts to focus on creating a plan to receiving corporate funds. However, getting cash is not the only way a company can help Fida, although may seem like the most obvious option. There are numerous ways to cooperate and the choices of how corporations can support are constantly increasing as they come up with new ways to partner up.

The bottom line is that all nonprofits need money to achieve their goals. And the for-profit world is simply the most obvious and most promising place to look. Some even say that for nonprofits to survive they must develop “explicit ties” with for-profit corporations (Andreasen 1996, 48). The truth is that many corporations have big bucks to offer.

Corporate philanthropy is one of the greatest ways companies have supported nonprofits. It is in fact one of the best ways to start cooperating with a corporations. To get a better idea of corporate philanthropy it is necessary to look at it closer; to go over the main aspects of the concept. To begin with, corporate philanthropy (also referred to as corporate benevolence or corporate charitable giving) can be simply defined as the act of corporations donating a portion of their profits or resources to a nonprofit cause or organization (Wymer 2006, 1). Previously it was common for a company to give out cash donations to nonprofits simply as an act of kindness. In the beginning of the 21st century, however, the topic of corporate philanthropy has come into view as a topic of significance to both the business and nonprofit sectors (Wymer 2006, 1).

6.1 Motivations for corporate philanthropy

As can be presumed there are several reasons to why companies decide to get involved with corporate charitable giving in the first place. According to Campbell, Moore and Metzger (2002, 30) vast literature suggests four possible motivations why corporations engage in philanthropy (Campbell, Moore & Metzger 2002, 30):

- **Altruistic motivations**

The first explanation for corporate benevolence is that companies do it because of altruism - good will. There are many ways for businesses to express this, whether it is to fulfill the role of a good corporate citizenship, an obligation to maximize public welfare, or simply giving with expecting nothing in return.

It should be noted here that the traditional view of corporate philanthropy is also founded on altruism. It involves the company to make a contribution of... “– cash or kind – without an expectation of a tied benefit” (Collins 1994, 226). Fundamentally in this traditional concept the giving company is seen as a good corporate citizen because it wants to give funds to a good cause without seeking anything in return. Therefore in its purest form truly altruistic corporate philanthropy is seen as a part of company’s broader corporate social performance rather than being part of its marketing activities.

- **Strategic motivations**

Some companies are involved in corporate philanthropy because it is a part of their strategic objectives. Although it is an act of giving, which ever form it takes, for some it is most definitely a part of the company’s profit-maximizing strategy. This is not considered truly altruistic as the giving company uses the company-recipient association as an instrument to achieve promotional ends (Campbell et al. 2002, 30.) One of the motives of corporate philanthropy is to achieve benefits for the company.

- **Political motivations**

Neiheisel’s (1994) model of the political corporation is the foundation for this motivation. Neiheisel described this as a mix of the profit-maximizing and altruistic models but with a wider focus on the company’s environmental or political climate concerns. He continues by saying that the company seeks to build image and to further corpo-

rate political interests “for the purpose of securing rewards and reducing penalties from significant external publics” (Neiheisel 1994, 42.)

- **Managerial utility motivations**

This last motivation proposes that corporate philanthropy is not so much strategic, altruistic or political, but rather more to do with managerial effectiveness and choice. Research has shown that some businesses give to causes that are personally supported by their managers. Because of their position managers may express personal, as opposed to corporate, altruism. (Campbell et al. 2002, 31.)

Then what is the general understanding of the motivations of corporate philanthropy today? Is it based on altruism at all, and can it then be labeled corporate philanthropy if the donor company is actually expecting to get something in return from the recipient organization? Daellenbach, Davies and Ashill (2006) propose that a philanthropic gift to a nonprofit is given particularly without expectation of any recognition (Daellenbach, Davies & Ashill 2006, 74). On the other hand, already a decade ago Mullen’s research (1997) stressed the fact that corporations increasingly want “added value for their charitable giving activities with creative strategies that produce tangible benefits” (Mullen 1997, 42). As we can see there are some differences in opinion concerning this. However, an important point to bring up here is that according to Polonsky and Speed (2001) various researchers have noted that much of what is labeled corporate philanthropy today does in fact seek to create and utilize an alliance between the giving company and the recipient organization (Polonsky & Speed 2001, 1364). In other words it seems that the traditional understanding of corporate charitable giving has developed during the years. Hence we can assume that the more common thought today is that corporations that engage in charitable giving are indeed looking to get some benefits out of it. However, the expected benefits may not be the primary reason for engaging in corporate philanthropy.

6.2 Three categories of corporate philanthropy

There are many ways to categorize corporate philanthropy further. The general and logical approach that best suits the purposes of this thesis is to divide them into three categories that we will look at in more detail: corporate giving, corporate sponsorship and cause-related marketing.

6.2.1 Corporate giving

Corporate giving consists of all cash and non cash donations. Companies could give cash contributions indirectly through a foundation or then directly to a nonprofit organization. Corporations could also give non cash contributions which, for instance, could be donations of products.

Corporate giving also includes employee volunteerism, which means that employees from the corporation are allowed time off work so that they can go and volunteer for a charitable organization. More and more corporations choose to partner up with a nonprofit and provide them with for instance management technology or communications support, rather than just handing out cash donations (Francoise 1995, 20). The resources provided by the company can also include direct advice and counsel to the nonprofit. A 2004 study of 71 Fortune 100 companies gives an idea of how much money is given through corporate giving: total corporate giving of approximately \$ 1.5 billion in direct cash, \$ 1 billion in foundation cash, \$ 5 billion in non cash contributions and a \$ 50 million valuation of employee volunteerism (Wymer 2004, 1).

In an article by Erkko in *Keskisuomalainen* (2007) he wrote about Nokia giving millions to charity every year. Nokia's media manager, Päivyt Tallqvist, said that social responsibility benefits Nokia as a corporation and added that actions of responsibility are a good thing. Nokia takes responsibility of societies especially where the market for them is growing. Over the last six years Nokia has given 26 million US dollars to their biggest partner, International Youth Foundation (IYF) that has programs in 24 countries. Tallqvist said that Africa is an important growing market area in which Nokia is actively involved. Ac-

cording to this article the previous greater donation by Nokia, one million Euros, was given to the development cooperation organization Plan. The funds went to Plan's children's media and communications technology projects. He explained further that they chose Plan because the organization has good existing networks in Africa and because they have experience in operating there. (Erkko 2007,16.) Nokia is a great example of corporate philanthropy.

A more recent report on Nokia's corporate philanthropy efforts was also in *Keskisuomalainen* (2007) where it was stated that Nokia will donate 6 million Euros to the children living in rural areas of China. This donation will also be given through the organization Plan. China is one of Nokia's main market areas for cellular phones. (Nokia lahjoittaa miljoonia Kiinan lapsille 2007, 14.)

6.2.2 Corporate sponsorship

Corporate sponsorship can be either philanthropic or commercial. Philanthropic sponsorship refers to companies who support a cultural or a social cause (d'Astous & Bitz 1995, 7). For the purposes of Fida as a nonprofit organization helping people in developing countries we will concentrate on the philanthropic sponsorship only. This kind of sponsorship is understood to be a process-dependant relationship of exchange where the sponsor provides a resource (typically financial) to the sponsored organization and in return the sponsored organization provides the corporation with some sound benefits (Daellenbach et al. 2006, 73). Corporate sponsorship has developed from "what many regard as a philanthropic activity conducted on the whim [urge] of the CEO, to a highly integrated market-oriented activity, of importance to both the sponsor and the sponsored organization" (op. cit. p.73).

The sponsoring company should get visible benefits from the organization it is sponsoring, such as, getting advertisement for its products, brand or name (Berström & Leppänen, 2002, 180). Companies are generally looking to increase profitability through sponsoring as well. There are different ways companies use sponsorships. For example, if Fida gets money from Nokia to a particular project most likely Nokia wants their name in visible places in that

project placement. In addition to money, sponsors could also offer their products or some services, but generally the amount of input corporations put into sponsorships is far greater than it is to pure donations (corporate giving) is far greater. According to the Cause Related Forum, mentioned in Wymer (2006), in the United States the expected amount for sponsorship spending (as part of corporate philanthropy) in 2005 was \$12 billion (Wymer 2006,1). Sponsorships are a growing medium for corporate philanthropic support. Daellenbach and co-workers go over the findings of Amis, Slack & Berret (1999) who propose that when identified and managed effectively, sponsorship relationships can become the a unique competence that in turn contributes to gaining a competitive advantage (Daellenbach et al. 2006, 79).

When talking about corporate philanthropy and corporate sponsorship it is important to understand the distinction between them. One of the ways Tuori (1995) differentiates philanthropy and sponsorship is by saying that philanthropy compared to sponsorship is not based on a contract between the parties involved (Tuori 1995, 7). This is most often true as philanthropic gifts could well be even just one-time transactions, where there is no need for contracts. Sponsorships usually require the corporation and the recipient to form an association, a relationship, and written forms of contracts are prepared.

6.2.3 Cause-related marketing

The third form of corporate philanthropy, then, is cause-related marketing. It is good to note, however, that some do not consider cause-related marketing to be a part of corporate philanthropy, because sometimes the budget for these activities comes from the marketing budget, not the corporate giving budget. (Andreasen 1996, 48). But as mentioned earlier, the categories of corporate philanthropy can be divided in different ways, and therefore for the purposes of this thesis, we will look at cause-related marketing as part of corporate philanthropy activities. Cause-related marketing by definition refers to a type of marketing involving the cooperative efforts of a for-profit business and a non-profit organization for mutual benefits. It is said that cause-related marketing produces the most added value and most direct financial return, which is the

reason why it is becoming a more popular trend in charitable giving. (Mullen 1997, 45.)

When a corporation and a nonprofit organization form a cause-related marketing alliance, it is fundamental for both parties to agree to take actions that will benefit both parties. As Mullen (1997) points out: “one of the most important ground rules for cause-related marketing is that the relationship is indeed a partnership serving both organizations’ goals” (Mullen 1997, 46). According to Andreasen (1996) the three major kinds of alliance are transaction-based promotions, joint-issue promotions, and licensing (Andreasen 1996, 49).

Transaction-based promotions

Transaction-based promotions are probably the most common type of cause-related marketing alliance. In this kind of an alliance the corporation donates a specific amount of cash, food, or equipment in direct proportion to sales revenue to the nonprofit. One example of this kind of cause-related marketing was in 1993 when American Express was looking for ways motivate cardholders to use their American Express cards, and more businesses to accept the card. American Express and SOS (Share Our Strength, a hunger-relief organization) ended up strengthening their already existing relationship, when American Express decided to raise its hunger-relief efforts with the annual Charge Against Hunger program. Every time someone used an American Express card during a two month period around Christmas time (Nov. 1 – Dec. 31), the company donated 3 cents to SOS. This ended up totaling to \$ 5 million per year. (Andreasen 1996, 49.) Since the Charge Against Hunger program there have been many other companies that have contributed to a cause in a similar manner. Other examples include Frito-Lay’s contribution to an anti-drug program for every bag of potato chips sold or General Foods that agreed to give 10 cents of every Tang proof of purchase to the Mothers Against Drunk Driving (Kotler & Andreasen 1995, 8).

Joint issue promotions

The second form of cause-related marketing alliance is the joint issue promotions (Andreasen 1996, 49). In this type of association the corporation and a nonprofit or could be more than one nonprofit) agree to tackle a social problem. This will be done using several approaches, such as distributing products and promotional materials, and advertising. There may or may not be any money that flows between the corporation and the nonprofit.

The Hand in Hand program to promote breast health is a case that demonstrates this type of cause-related marketing. The Hand in Hand was launched by *Glamour* magazine and Hanes Hosiery with three other cosponsors like the National Cancer Institute. The program aims to reach women between the ages of 18 and 39 through articles in *Glamour*, in-store promotions sponsored by Hanes, and the production of a wide range of free educational materials in cooperation with the nonprofit partners, including inserts that will eventually appear in 120 million pairs of hosiery. According to some studies concerning the impact of this program, there has been a great amount of women reached and their attention to the issue and understanding of breast health has increased. The program will undeniably aid *Glamour* and Hanes Hosiery to position themselves as organizations that truly care about the well being of their target audience. (Andreasen, 1996.49.)

Licensing

The third form of cause-related marketing alliance happens when a nonprofit organization licenses their names and logos to a corporation in return for a fee or percentage of revenues. These kinds of partnerships are increasing constantly and nonprofits are seeing the benefits of this tactic. In the United States the American Association of Retired Persons announced in 1996 that it would begin licensing its name to health maintenance organizations across the country. That particular alliance is an example of licensing.

6.3 *The risks to nonprofits*

Although taking on corporate philanthropy partnerships, no matter what shape and form it takes, is generally a great success for the nonprofit organization, it is important to consider the possible risks involved. Fida's management has to evaluate and analyze the risks and take actions if or when necessary in order to minimize the impact of risks on their operations.

6.3.1 Wasted resources

Building an alliance between the corporation and nonprofit will usually take up a lot of time and effort. The first risk is simply to do with unexpected failure. What if the venture fails? To a corporation it may not be such a big deal as they are more used to seeing the cost of doing business when something does not go the way it was planned. For the nonprofit, on the other hand, it is most likely a very big issue and disappointment, since the resources are often very limited and the number of staff members small. The nonprofit may feel that it had compromised other important activities of the organization while preparing for the alliance. In that sense there is the risk of wasted resources. (Andreasen 1996, 50.)

6.3.2 Loss of organizational flexibility

When a nonprofit and a corporation enter into an alliance, it is possible that the corporation will impose restrictions on the nonprofit. Reasonable restrictions could for instance prevent the nonprofit from engaging in actions that could harm the corporation or help ensure the expected payoff for the corporation. It becomes questionable if the restrictions seem to take all rights of the nonprofit away and limits the nonprofit organization's actions in an unfair manner. If the corporation would in fact demand what seems unreasonable, the nonprofit has to weigh the benefits of the alliance against the possible restrictions on their actions and decide whether it is worth it (Andreasen 1996, 50.)

6.3.3 Tainted partners

The risk of tainted partners refers to situations where a corporation has suffered from a negative image, bad publicity or something else along the same lines, and consequently wants to partner up with a nonprofit. This is especially evident when the corporation is willing to offer great amounts of cash for the alliance. In a way the corporation is “hoping bask in the glow of their esteemed partner” (Andreasen 1996, 50). Often when this type of alliance is formed, the end result is not good and the transparency of the corporation’s real motives for entering the partnership can make the nonprofit suffer as well and prevent it from carrying out its missions. The nonprofit could avoid these kinds of alliances by carrying out a thorough research and examination of the corporation, including its previous activities and reputation. However, in the end, no amount of research allows the nonprofit to predict or anticipate every possible disaster. (Andreasen 1996, 50.)

6.3.4 Conflict marketing

In an alliance between a nonprofit and a corporation, the nonprofit may realize that the corporation uses tactics that are in contradiction with the nonprofit’s values, image and strategy. For example, in 1994 the American Heart Association partnered up with the makers of several products, Healthy Choice pasta sauce among others, to allocate a brochure of the new food labels of the Food and Drug Administration. What ended up happening was that almost two-thirds of the brochure was devoted to coupons for the sponsoring products! This was seen as a tasteless trick by many, and most certainly did not work in favor of the Food and Drug Administration. (Andreasen 1996, 51.) Fida, being a very ethical organization, should make sure that its partners are along the same lines in what is considered to be ethical behavior.

6.3.5 Financial dependency

This risk is a potential consequence of a successful alliance between the company and a nonprofit organization. The consequence being that the nonprofit has come to rely on corporate funding too much. The risk becomes apparent for instance if the corporation announces that next year it will spend its corporate giving budget (or marketing budget) in a different way. If the corporation has not helped the nonprofit to establish a strong base for fund-raising there is a real issue to be faced. In many cases the nonprofit will have spent most of its limited resources in supporting the alliance in every possible way and not in finding new partners or increasing traditional donations. (Andreasen 1996, 55).

6.3.6 Reduced donations

New strategic partnerships can, and most likely will, generate new revenues for the nonprofit. However, it has been questioned, whether the total revenues will increase. This thought is based on the assumption that when a nonprofit enters an alliance with a corporation, the traditional or the current donors would decide to cut back. The individuals or other donor organizations or foundations may want to reduce their donations if they think that the nonprofit does not need their help anymore or simply because they do not like the nonprofit's new ties to the for-profit world.

It should be mentioned, though, that this possible downside is not completely unambiguous. For instance, studies by American Express suggest that cause-related alliances (the alliance between American Express and SOS was discussed earlier) can sometimes do quite the opposite. In addition to raising the public's awareness of a nonprofit it can actually lead to increased donations. (Andreasen 1996, 50.) Therefore this risk should not be a real threat.

Overall, it is important for the nonprofit to be aware of these possible mentioned risks when partnering up with a corporation to form strategic alliance concerning philanthropic actions. Though the risks are real, they are definitely

not reasons enough to stop the nonprofit from pursuing alliances with corporations. These potential risks can be avoided if the nonprofit is aware of the possible partner's situation and agrees to a contract that is fair for both sides of the partnership. In addition, importantly, the nonprofit itself needs to know where it stands and approach the alliance like a true and confident partner, not just as an inferior charitable organization.

6.4 What can the nonprofit offer?

As mentioned earlier, today's corporations are no longer supporting nonprofit organizations solely because of altruism. Tangible benefits are desired. Since there have been and still exist many philanthropic alliances between corporations and nonprofits, it must mean that there are valuable benefits nonprofits can offer that make companies want to engage in such partnerships. Fida's management should look at these carefully and use the best alternatives to persuade companies to form alliances with them. Obviously each company will appreciate different things, and the point is to know the company that will be approached and then form a strategy for that company specifically in order to push the right buttons. Consequently the company will see what is to be gained of the alliance. Next we will look at these in more detail.

The first and probably the one of the greatest benefits of engaging in corporate philanthropy is the enhancement in corporate image that the company is likely to get. Armstrong has concluded this already back in 1988 and added that for increasing corporate image the philanthropic sponsorship is more efficient than commercial sponsorship (d'Astous & Bitz 1995, 8). Philanthropic sponsorship is probably going to create a more positive feeling to people as it relates to humanitarian/social causes. Strategically an increase in name recognition among consumers is very important for any organization. Hence from the partner corporation's marketing point of view, the nonprofit organization's most valuable asset is its image (Andreasen 1996, 56.)

According to Blazing, Bloom and Szykman (2004) past research (Barone, Miyazaki, & Taylor, 2000; Brown & Dacin, 1997; Sen & Bhattacharya, 2001)

has shown that consumers have favorable attitudes toward companies that support a cause and are involved in philanthropy (Blazing, Bloom & Szykman 2004, 13). In addition, these attitudes can positively affect the consumers purchase decisions and evaluations of the product or service that the company offers. This in itself is of huge importance to the corporation when choosing to engage in philanthropic activities.

There have been a number of studies on the relationship between profit and charitable giving. One research in the United States, by UCLA, studied 156 private organizations to examine how charitable giving practices affected employee policies and financial performance records. The results suggested that companies that were more involved with philanthropic activities had higher return on assets or financial investments. In other words, over time charitable giving can increase corporate performance (Larson 1995, 69). A Chivas Regal study in Mullen's article demonstrates the impact of employees being involved in company-giving projects. The study found that 53% of employees involved in such activities reported a sense of increased loyalty to their employer. (Mullen 1997, 45.)

The involvement in charitable giving can turn out to a company's distinctive competence which can then end up becoming its competitive advantage. This is also of great importance as today more than ever companies seek to find its competitive advantage - something by which the company can differentiate itself from other similar companies. An organization competing on price and social responsibility is obviously better off than if competing on price alone.

The company will undoubtedly get increased visibility among the nonprofit organization's clientele, staff, trustees, and donors. Access to these new publics is important as all these groups are potential customers to the corporation. (Daellenbach et al. 2006, 80.) Reaching new publics is one of corporations' main activities and thus nonprofits with large memberships are seen as especially attractive by many. Sometimes the benefit is a decrease in government regulatory obstacles because the corporation is involved in a good cause and in some cases giving back to its community (Smith 1994, 105). Some compa-

nies may even save money in some aspect. For instance, if it is a cause-related marketing alliance, the corporation often saves money on advertising and promotional costs. This happens because the partnership usually brings free publicity and many public-relations opportunities (Andreasen 1996, 56).

In addition to the above, a great benefit for corporations in some countries, America and Canada for instance, is the fact that donation amount will be tax deductible. That in itself is a big trigger for some companies to give to charities. According to the Finnish law, (TVL 57§), at the moment in Finland companies may donate a limited amount funds and get them tax deducted if the funds donated contribute to the saving of the Finnish cultural heritage, and donate unlimitedly specifically to enhancing arts and science (Hokkanen, 2007). Therefore this does not refer to donating to development organizations like Fida. In the summer of 2006 the Finn Church Aid (Kirkon ulkomaanapu), Finnish Red cross (SPR) and UNICEF made an initiative to broaden the rights to tax deduction. A worker in the tax office in Helsinki did not know whether there would be a change in the laws for corporations concerning philanthropic donation to other than the mentioned targets in TVL 57§ (Finnish cultural heritage, and arts and science). He did mention, though, that advertisement costs and marketing costs are tax deductible for companies. (Hokkanen, 2007.) Therefore, engaging in cause-related marketing partnerships could even bring up costs that the corporations could get tax deduction from. However, the actual costs that can be accepted as tax deductible cannot be generally stated and all situations will be individually looked at. If it the laws would one day change and companies could get the donated funds to a nonprofit like Fida tax deducted, it would clearly be a point Fida's management could use to persuade corporations to engage in corporate philanthropy.

6.5 Benefits for the nonprofit

The most obvious benefit that the nonprofit will receive from an alliance is the cash. As can be seen from the example earlier in the thesis of Nokia donating 6 million Euros to Plan, that the amounts given by companies can sometimes be very massive. The company could also offer to give products or other ser-

vices. In addition, organizations could get commitments from other companies, increased reputation, legitimacy, and connections to the partner's market base and to other external organizations (Pfeffer & Salancik 1978, 418). The nonprofit is also expected to gain publicity through the alliance. When a nonprofit organization partners up with a known and well-liked company the result is often, among other things, an increase in awareness of the nonprofit. The outcome is often the appearance of other benefits, such as an increase of image. Although some consider the benefit of increased image building to be more important to the corporation - since it is usually assumed that the nonprofit already has a better image because of the good cause they promote – in the case of Fida we see this as one of the greatest benefits that they could acquire from such an alliance.

6.6 Becoming a strategist

In order for a nonprofit to get successful alliances with for-profit companies, the managers of the nonprofit need to develop a reactive strategy for this new function. The nonprofit must go out in to the for-profit world and find those partners instead of waiting for the corporations to find them. Although they are in the nonprofit sector, they must become skilled in the marketing of their organization. The nonprofit has to start thinking of themselves as a strategic partner that has an active role in shaping and supervising the progress of the alliance throughout all the steps involved. It is very important to understand that corporations want their giving to be in accordance with their mission, goals and vision. In addition, finding a common ground and a good fit between the nonprofit's and the corporation's values and goals is one of the key aspects in forming a lasting cooperation between a nonprofit and a corporation.

6.6.1 Approaching companies

Unfortunately, the majority of nonprofits do not know how to ask corporations for money. They approach them in the same way they would approach customers, other foundations or the government - and this is a giant mistake. To

raise money from a corporation, the nonprofit needs to think like it were one. Most businesses will not give money just because a nonprofit asks for it. Nonprofits need to realize that most corporations do not think in terms of morality but they think in terms of benefits. Through the process of giving businesses want to build their public image, brand, visibility and gain more clients.

The nonprofit has to identify what it will offer to the corporate partner as their side of the deal. This is done by going over its own strengths and weaknesses concerning a possible alliance followed by a decision of an appealing package of what it can offer. When the nonprofit has acknowledged its own standpoint it should then research a number of companies in order to select the ones that are likely to gain the most from an alliance. The nonprofit managers should then approach the potential corporate customer and demonstrate how the partnership will complement their long-term strategy (Andreasen 1996, 56). As mentioned above, in order for Fida's management to market the organization effectively to possible corporate partners, they need to know exactly what they can and cannot offer. Among other things the management of Fida should review their strengths and weaknesses in this area, perhaps by asking themselves the following questions:

- *What is our image?*

A nonprofit organization with a clean reputation will be a valuable partner, especially if the corporation has had issues with credibility. On the other hand, nonprofits that have had negative publicity may find it difficult to find corporate partners before their own reputation is fixed.

- *Do we have strong brand recognition?*

Corporations that are looking to be recognized more broadly in the public will probably be most interested in partnering up with charitable organizations that are already well-known. Creating a strong brand is an important part of the nonprofit's actions in this respect as well.

- *Is our cause especially attractive to certain industries and companies?*

The best philanthropic partnerships happen when partners have complementary goals and interests.

- *Do we promote a cause that the public considers especially urgent?*

Sometimes urgent causes produce higher payoffs for the corporation than causes that are not so urgent and that may have been in a way forgotten by the public. The nonprofit managers can answer to the following: How many people are touched by the causes for which the nonprofit stands, and how strongly are they affected by it?
- *Are we local, national, or international?*

It is very valuable for the partners of the alliance to have similar organizational structure and objectives. It would bring a common ground for the alliance. This may be very hard in some cases, but is worth trying to reach for. If the nonprofit is strictly local it is best to first look for companies that are local too, whereas international nonprofits will also look into possible partnerships with international corporations. Fida, being an international nonprofit located in Finland, should try to create alliances with local companies or international corporations who have operations in Finland, preferably around Helsinki where Fida is also located. Companies in the nonprofit's community are always the best target. And a good tip for nonprofits is to be on the guard for big corporations that will be moving to their area or that are planning to buy out an existing company. Most likely these new entrants want some quick visibility, so this could be an excellent opportunity to get the nonprofit organization's message across. Obviously the key is to do this before the other nonprofits in the area get to it.
- *Do we have a charismatic or well-known leader?*

If the nonprofit organization has such a leader it is likely to assure media coverage of its alliance and the programs involved.
- *Is our organization experienced and stable?*

Corporations that are looking for long-term partnerships will look for a nonprofit that has a long track record, stable finances, considerable

number of staff members, and preferably, experience as a marketing partner. (Andreasen 1996, 56-57.)

After management of Fida has reviewed its strengths and weaknesses in this aspect, and decided what it could offer the corporate partner it should look into investigating companies systematically. Looking at annual reports, speeches by corporate leaders and talking to as many people as possible is a good start. When there seems to be a fit between the nonprofit's and a corporation's strategy then the nonprofit just needs to make the alliance happen in reality!

6.7 Making a partnership work

Even if a partnership has already been formed it could soon fail unless both parties are willing to communicate clearly. In order to discuss a mutually beneficial alliance, they must be completely explicit about their goals and expectations (Andreasen 1996, 58). A contract should be prepared early on and should include points such as the objectives of the partnership or project, how they will be measured; whether the corporation will be the only partner of the nonprofit; the resources that each party will commit and the areas for which each will be responsible (Andreasen 1996, 59). On top of communicating openly to each other, both parties of the philanthropic alliance have to also communicate honestly with the public. When there is open and truthful communication between all entities the alliance has much greater chances of being successful and long-lasting.

6.8 Wrapping up corporate philanthropy

As we can see, the subject of corporate philanthropy is quite broad and versatile. The bottom line, and an essential point to understand, is that finding funding and getting sponsorships is all about building relationships and presenting opportunities. Nonprofit alliances can be difficult to manage. However, when they work they have the potential to provide great payoffs for both partners – as well as for the final beneficiaries of the alliance. While a corporation is

boosting its image and a nonprofit is securing crucial funds, both parties are also focusing their attention to social problems and important causes that may otherwise be left unnoticed (Andreasen 1996, 59).

For Fida's management it is imperial to understand that in order to approach companies successfully a clear strategy needs to be formulated. In addition, the management has to identify what the benefits for engaging with Fida are and preferably define what makes the benefits different to the benefits offered by competitors.

7. Getting the message across

In today's nonprofit marketplace knowing what to communicate and how to communicate it to the audiences is a key factor to success and attaining awareness (Kalka & MäBen 2004, 7). Clarity and simplicity are usually good ground rules to follow (Ewart, Sedorkin & Shirato 1998, 1). Nowadays marketing has become a tough industry where imagination has no limits. Words are not enough anymore: presentation mode, images and design are almost more important and persuasive methods in gaining new customers or holding on old ones (Ewart et al. 1998, X). Nonprofits need to realize this in order to communicate marketing efforts to their audiences in a proper and attractive way. The marketing signal saturation is so vast that only the best ideas and ads are noticed. Many nonprofits are too careful in spending time and money to produce outstanding looking ads to the market. The truth is that if nonprofits like Fida stay in the shadow of their larger competitors and do not find ways to differentiate their organizations they will always be the weaker party (Trout 2000, 8). Using different and good looking ads is a good way of differentiating the organization from others. As discussed earlier in the thesis, branding differentiation is crucial for any business. Advertising is expensive but through creating good public relations with radios, newspapers and broadcasting companies it can be much cheaper.

The idea was to create effective marketing material for Fida. Therefore, including something tangible, different and fresh as part of this marketing guide makes this even more valuable for Fida. We made three video inserts (short video ads), one brochure and six posters. We see this material as being very helpful to get awareness in the market. These advertisement tools are widely used and they should be included in every nonprofit's advertisement efforts. These three advertisement elements are exceptionally suitable for creating awareness. The brochure and videos are tangible marketing tools that management of Fida can use to approach companies (personal selling).

It is good to review the pros and cons of each advertising tool that was produced:

Videos

- + Ability to create complete stories with emotions
- + Using sounds and image can create a powerful impact
- + Ability to gain better attention from consumers
- Expensive
- High level of saturation in the market
- Great amount of time and expertise is needed

Brochures

- + Ability to explain organization's activities in detail
- + Cheap and easy to distribute
- + Can be taken home for further review
- Audience needs to be interested in order to read it
- Overused in the market, as a result poor interest

Posters

- + Easy placement
- + Affordable
- + Good impact rate
- Short life cycle
- Bad visibility when placed poorly

7.1 *Creating advertisement tools for Fida*

The process of creating brochures, video ads and posters is a complicating process which requires time, vision and experience. It requires high level of expertise in several computer programs in order to produce high quality outcomes. The provided material is a result of several years of studying and working in the field of media. The process of designing is quite demanding and difficult since it is highly creative. All of the designs were made with expensive computer programs. The following programs were used in the creation and design process: Adobe Photoshop CS3, Adobe InDesign, Adobe Premiere CS and Freehand 11. Print media designs were made with Photoshop, InDesign and Freehand, whereas videos were made with Premiere which is a professional video editing program.

7.1.2 Actual planning

Jani's artistic talent, knowledge and experience in the area of producing media productions is very high. Together we started to look what kind of video and print media "ads" exist in the nonprofit market in Finland. The amount and quality were not as high in Finland compared to the vast amount and high quality produced ads among the nonprofits in the United States. We mainly used the internet as an examination source. We looked up different nonprofits websites, internet video ads and official print marketing material provided by nonprofits in the internet. After looking at the available materials we started formulating our own plans and designs. The idea was to make high-quality and impacting products. We decided to use strong colors that should stand out from the crowd. The idea was to design ads with words, phrases and designs that have not been used by Fida before. This will make them realize that change is good, looks good and still serves their purposes. In addition, the idea was to use simplicity and clarity as Ewart and co-workers advice (Ewart et al. 1998, 1).

7.1.3 Material collection

All the photos, designs and fonts were obtained by us. Photos were taken during a period of several years in Tanzania and Thailand by both Laura and Jani, and in Peru and Bolivia by Jani. The fonts were particularly chosen to each piece of work from Jani's vast collection. The video clips used to make the ads were recorded by Jani during his trips to Africa and South-America in 2007.

- Videos were edited and “glued” together with effects in Premiere.
- Print media outcomes were edited and designed throughout several procedures and steps using different programs.

7.1.4 Outcomes

Our planning and designing lead to the production of high quality videos and print media ads done by Jani.

- In reality the posters are size A2. Posters can be used by the management of Fida to support future marketing campaigns. Some posters are in Finnish language and others are in English. This is to impact different target groups. There is no problem to change the language of all of them to Finnish if necessary. Real size posters will be only provided for Fida.
- The brochure is can be given to anyone who is interested in Fida's activities. In addition it is a good tool in personal selling and PR situations. The brochure is provided as a prototype.
- The short video ads could be aired on TV or put on-line on Fida's webpage. They could also be used in personal selling situations.

These advertisement tools are very consistent with Fida's current needs as they will work as marketing instruments to increase awareness and help in establishing a brand. Using these advertisement tools (videos and print media)

their brand “profile” can be elevated if used correctly (the right time, right place and forum, with the right campaign or project and to the right people).

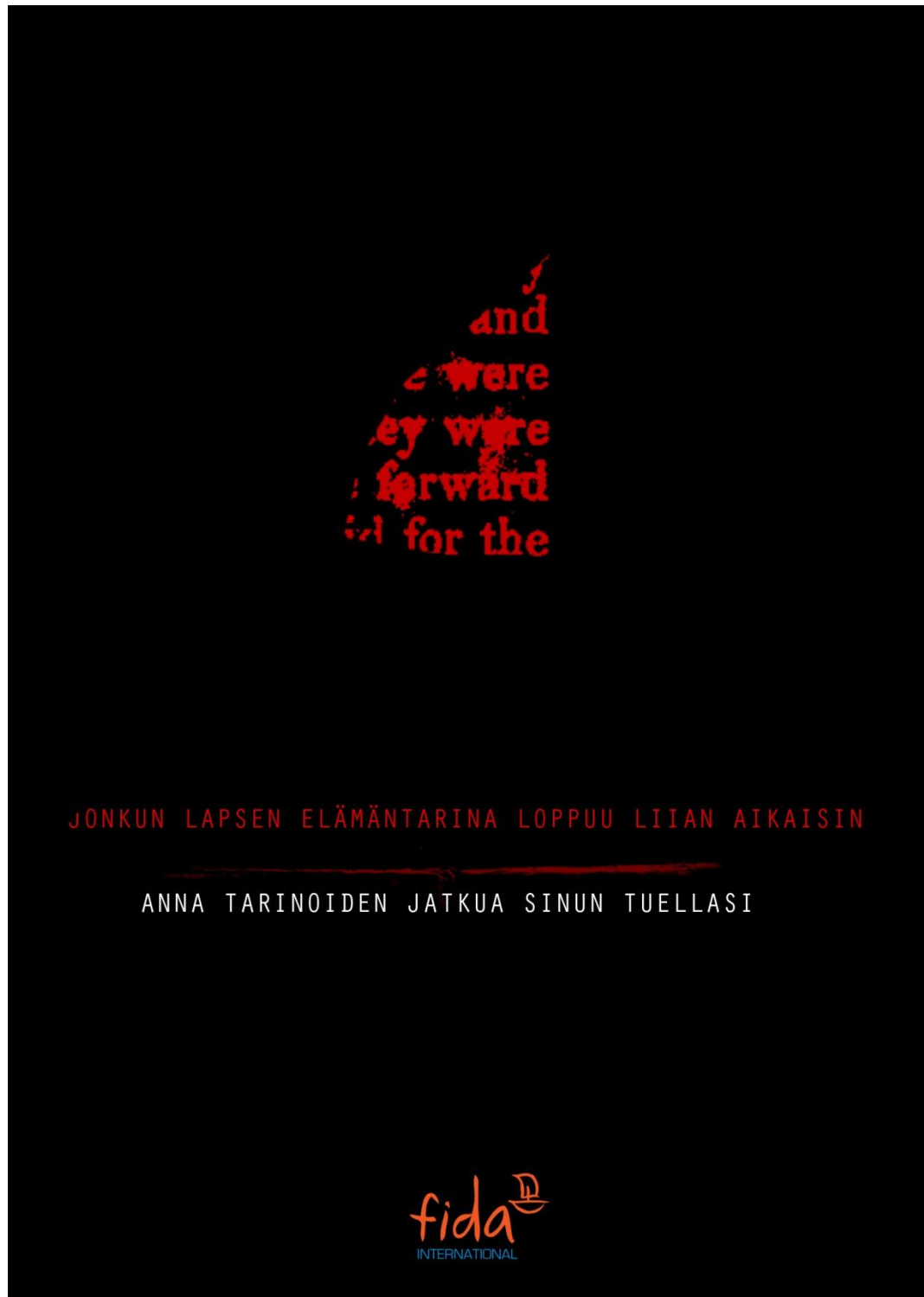


FIGURE 8. Poster for the Child Sponsorship program

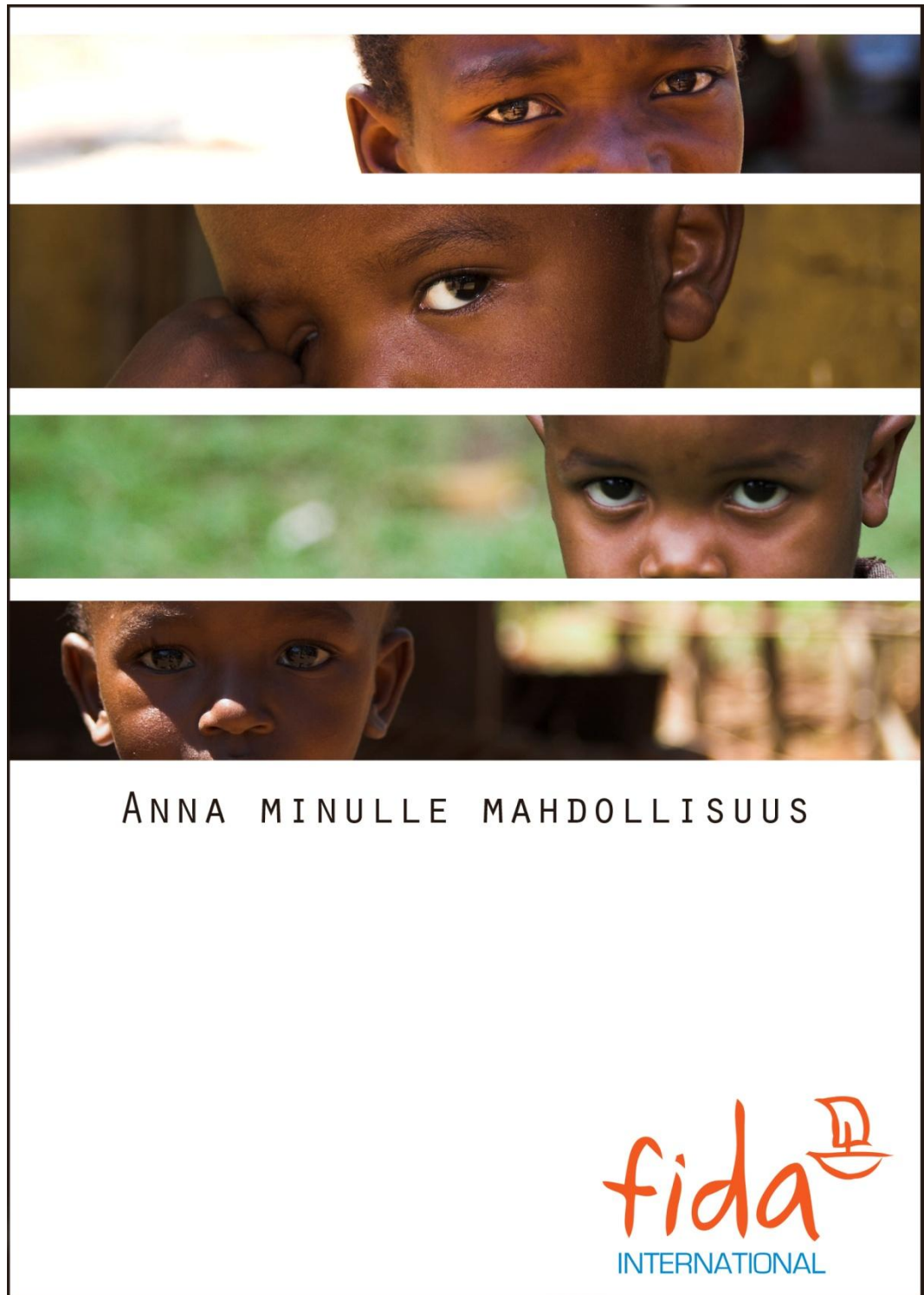


FIGURE 9. Poster for Child Sponsorship program



FIGURE 10. Poster for Humanitarian Aid Program

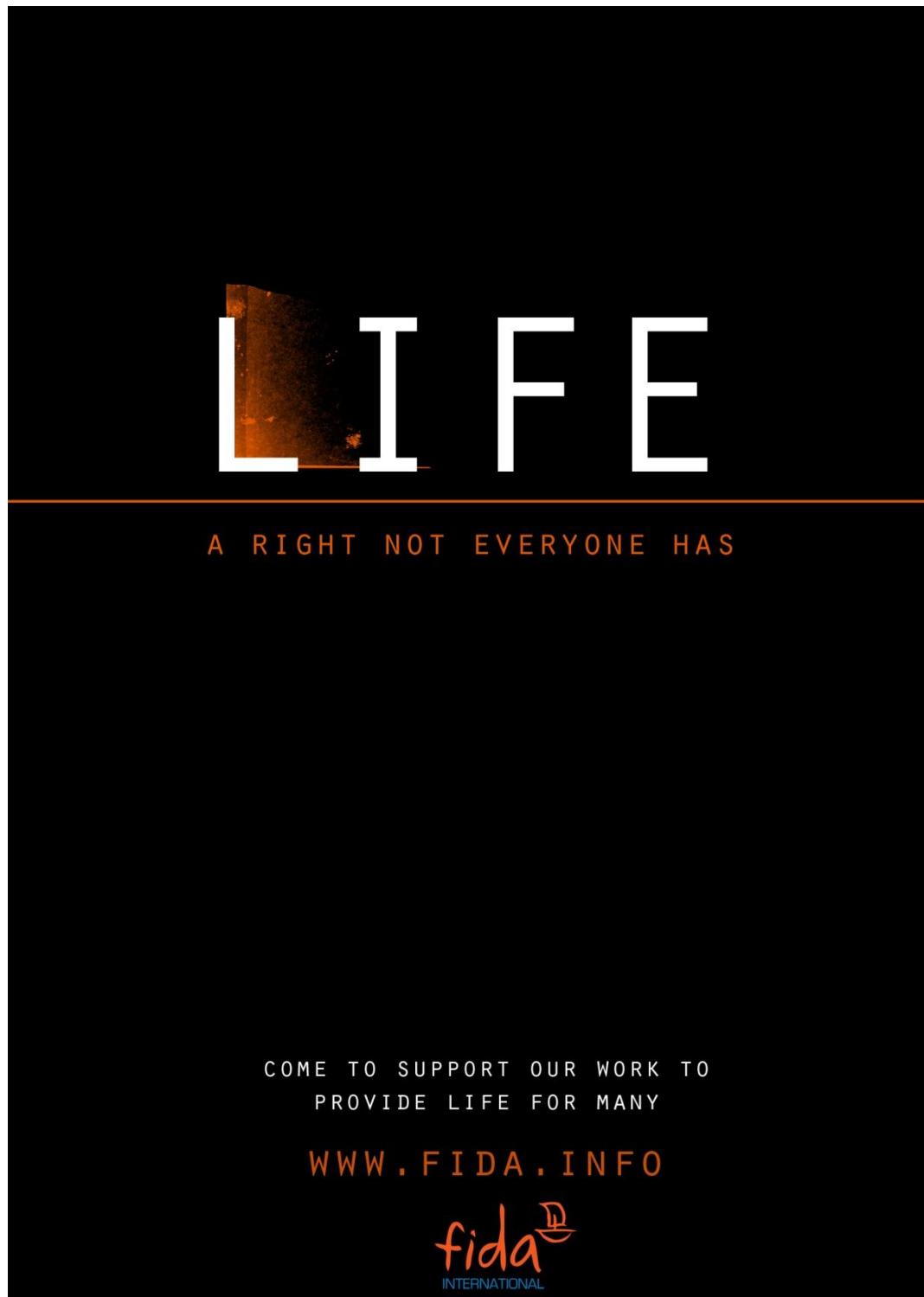


FIGURE 11. Poster for Child Sponsorship Program



FIGURE 12. Poster for Humanitarian Aid Program

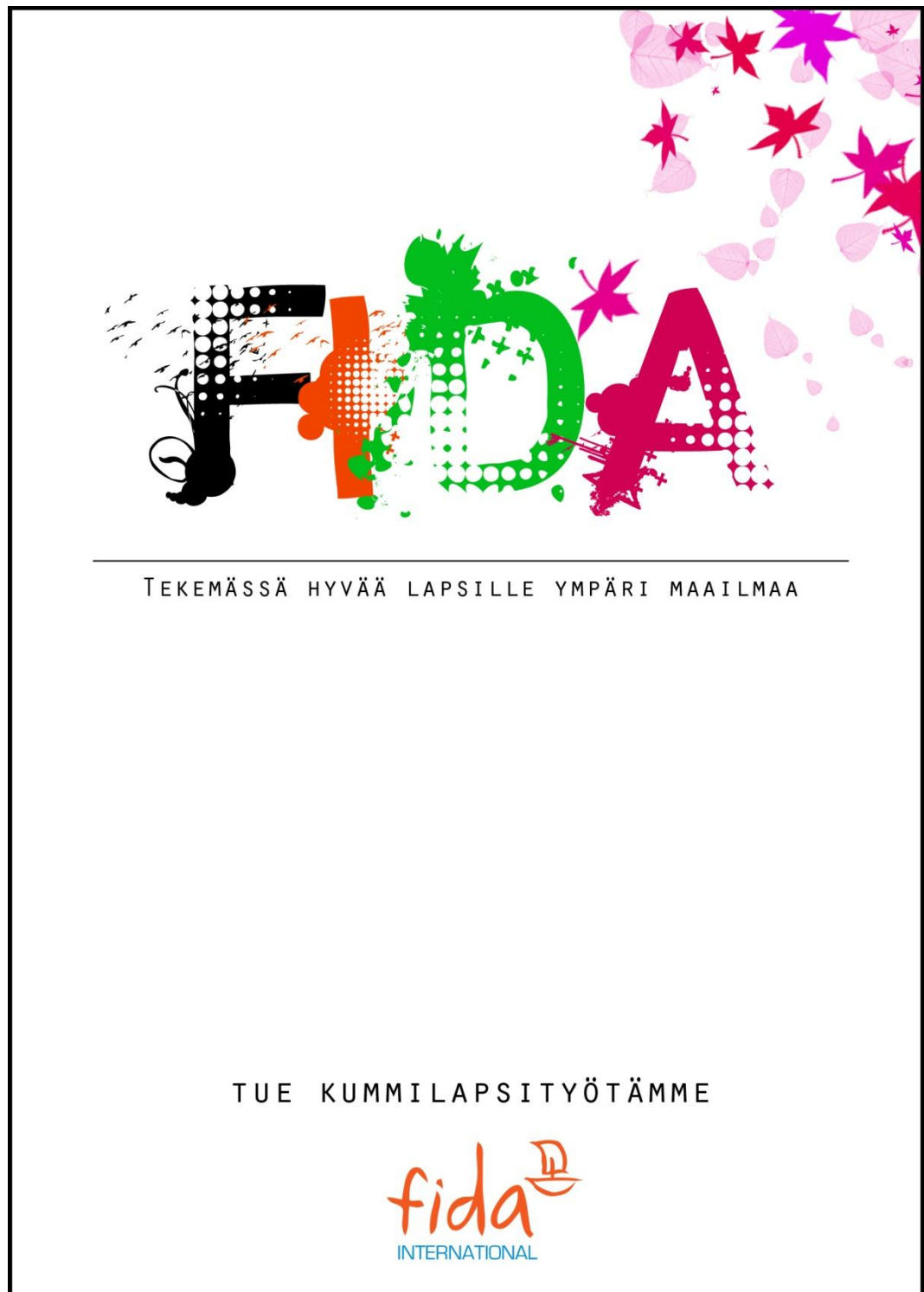


FIGURE 13. Poster for Child Sponsorship Program

8. Recommendations

Marketing is a wide concept comprising of various theories and activities. The marketing field is constantly evolving which is then affects many factors and activities of an organization. The key to success is keeping up with the changing environment - industry, competitors and customers - and making necessary modifications to marketing decisions and operations. This in turn will produce correct marketing decisions which will ensure satisfied customers.

Marketing should be a way of thinking that flows throughout the organization. At Fida it would mean that each department would take marketing into consideration and more importantly, there should be a clear link between marketing and other departments. This is possible even if the management of Fida would be the main marketing decision makers. However, we strongly suggest hiring marketing staff that could devote all their time into marketing activities.

After looking at Fida's current situation closely from different marketing perspectives we have made some suggestions for actions throughout the thesis. In addition, we would like to propose the following major recommendations concerning the three major areas discussed:

Marketing plan

First, Fida's management needs to understand the given information on this thesis as a whole. Comprehending the field of marketing more thoroughly is a great start. However, actions need to follow. Writing up a marketing plan would be a major advancement for Fida as an organization and a great way to implement the read knowledge. It is a tool that suits the purpose of finding out the basic situation surrounding Fida and defining actual objectives that Fida's management wants to reach through new marketing plans. This marketing guide offers Fida's management the knowledge and facts of what marketing planning is all about. This guide also goes through all the steps in marketing planning and offers practical advice for each. Creating a logical and realistic marketing plan will clarify Fida's organizational objectives and goals. It could

bring up new directions Fida as an organization wants to take. A checklist of a basic marketing plan can be seen in Appendix 4.

It is very important for the management at Fida to make a marketing plan that is realistic and practical. We think it is quite easy for organizations in general to write up fancy plans, which are actually never implemented thoroughly. That is why getting started with something reachable and affordable is the key. However, we recommend Fida's management to produce a plan that is challenging enough because that will "force" the management to truly face the current situation and issues, which in turn will help to move forward as weaknesses are dealt with.

One important aspect of marketing planning is finding the right segments and target markets to approach. The most successful nonprofit organizations understand that only a limited number of people and companies will buy or supports their services financially. The crucial task for the management of Fida is determining who those people are exactly, and then targeting the marketing efforts and dollars toward them.

Fida's management will most likely want to have a few different target groups that they will want serve. However, having the right groups to serve is not just a matter of choice. The finding of necessary information should be done through proper marketing research. Not knowing your target markets is like shooting eyes closed and merely hoping to hit the target. Therefore, knowing the target audience will allow Fida's management to make separate strategies for each group according to their needs and wants. The fact is that by serving the right target markets Fida will ensure best possible help to end beneficiaries elsewhere in the world. This is simply because happy customers will donate more money, which will ensure better services to end recipients.

After finding the right people to offer their service to Fida's management needs to figure out how to reach them. This is where the marketing mix plays an important role. Fida's management should especially concentrate on using more promotional tools like advertisement (internet, radio, print media and TV). Particularly we want to emphasize the importance of having a functional

webpage as a marketing tool. Fida's webpage needs to be improved. Compared to other development organizations, Fida's webpage functionality, visual design, content, and usefulness are far behind. We cannot overemphasize the importance of having a high-quality webpage in today's world. It is high time for the modernization and remodeling of www.fida.info. If the public does not know Fida then Fida cannot expect to get anything from them. In other words the potential donations will go to the other more known nonprofits.

Branding

Second, after understanding and creating a marketing plan the management of Fida should focus on strengthening and revitalizing their brand. Awareness building is in our opinion one of the key issue for Fida's management to tackle. Increased positive awareness can only be achieved through proper marketing planning. Negative awareness, or negative publicity, is not too hard to obtain and that is why the quality of the awareness and publicity received is important too. The perceived value of Fida's operations is not very high (Taloustutkimus 2006, 67). Our first-hand experience, however, of Fida's work and activities are completely different. We know that Fida's operations are highly efficient and professional compared with many other nonprofits in Finland. The money donated will truly go to the end beneficiaries and their projects have been successful. The poor perceived quality, we believe, is the result of Fida's inability to communicate their activities, outcomes and values to the general public. We highly recommend Fida's management to communicate their strengths to the public in order to obtain added value.

If people have good perceptions of Fida they are likely to support their causes. People do not give money to organizations they do not feel connected to or familiar with. Familiarity creates loyalty. And loyalty brings long-term financial commitment. All of the above contribute to building a strong brand. Fida possesses many of the elements needed to create a well known brand. Fida's staff is highly knowledgeable in the area of development cooperation, they have great experience, they manage efficient programs and on top Fida is one of the big "players" in the nonprofit sector in Finland. Strong brands are characterized by managers or marketers who have been successful in communi-

cating their wanted “message” to the public’s mind. One of the management’s goals at Fida should be to really inject their brand message into people’s minds. Overall, Fida’s management needs to work on how to add value to their organization through branding. Just a reminder: awareness creation → higher perceived value → familiarity → loyal customers → increased funding.

Corporate funding

Fida’s operations are constantly growing. At the moment its activities are mainly supported by the government. However, it is not wise for an organization to be dependent on one source of income. The continuous flow of government funds cannot be guaranteed. Therefore, when thinking of Fida’s future it is essential to create other big income sources. Corporations are the most obvious place to look for such funds.

As can be seen from the thesis, there are various ways of how to start cooperating with companies. More importantly, there are many benefits Fida can offer to companies. The management’s job is to choose the most suitable and reliable partners. Although, it is good to remember that there is high competition out there for grants and support from corporations which demands determination and persistency from Fida’s side. In the beginning it is obvious that Fida’s management cannot demand much from companies. But the key is to start getting into the corporate world and creating networks in Finland. In addition, it is good to be reminded by of different rules that apply to the business-to-business sector. Companies cannot be approached in the same way as consumers.

Fida’s management will probably need to hire a professional sales person at some point who would have the right connections and competencies to approach and work with for-profit businesses. This person has to be able to “sell” Fida’s idea in a way that is appealing to companies. Companies have needs just as consumers have. Fida’s management just has to find solutions to offer for the needs of a particular company that they will approach. These solutions could include better image, increased social responsibility, visibility, and employees’ improved productability as a result of supporting a social cause. It is

good to remember that corporations can offer many other things than just money. For example services, food, clothes, consultation, construction material, technology and so on are also worth aiming for. It could even be that the value of the donated products is way higher than the cash that the company would have given.

Engaging in an alliance with a corporation presents great potential for Fida's future operations. Not only would that increase Fida's awareness in the public but it would also noticeably add credibility. Therefore, it would work as a catalyst to convince other companies to partner up with Fida. We recommend Fida's management to make a separate marketing portfolio that should be used specifically to approach companies. This portfolio should be created according to companies' needs. The marketing material we have made can work as a starting point and give direction for further marketing material production.

A suggestion for further research could be to find out what customers want and expect from development cooperation organizations in Finland.

9. Conclusion

The goal of this thesis was to provide Fida International with relevant and useful information on the field of marketing in the form of a marketing guide. We have consequently examined and analyzed Fida's current situation and given the most suitable and practical theories of marketing to work with. Marconi says it well: "the most basic element of success is knowledge" (Marconi 1997, 209). We aimed at giving knowledge and information since we know it is important to have theoretical background when getting started.

The research problem was to find out ways of using marketing to increase Fida's awareness and visibility. The other research problem was to figure out how Fida could get better financial support. In our opinion we have been able to solve these problems through the creation of the marketing guide and production of promotional material. It is obvious, though, that we cannot simply solve all of Fida's issues through a thesis, but we consider this work to be very good to get started with. We have taken into consideration the fact that some theory covered can be something that Fida's management is already familiar with. We hope, however, that we have brought new perspectives and information that will help Fida's management to use marketing to deal with the current issues better.

Knowing the need at Fida, we strongly believe that the implementation methods of this research were the most appropriate. The result of this thesis is a very practical and comprehensive marketing guide which describes the very fundamentals of marketing in today's nonprofit organization. We believe that this thesis fulfills the validity requirements as we used a broad and accurate theory base. In addition we used information that was particularly relevant and meaningful for these research problems.

Due to our personal interest towards Fida as an organization, we really hope that the management will start implementing the marketing actions suggested. We strongly believe that Fida is moving towards the right direction as they have clearly demonstrated their concern for the current situation concerning the lack of marketing and consequences of that. Fida International has huge

potential to grow into a well known nonprofit organization with a strong market share. We know that if Fida could input more financial resources into marketing, most of the recommendations in this thesis could be obtained.

Throughout this whole thesis we reflected the discussed topics directly to Fida's situation and therefore practical advice was given. We believe that through the use of the marketing guide Fida can truly gain crucial information enabling them to become more competitive and to face the new challenges that marketing will bring. We hope that the marketing material produced for this thesis would encourage Fida to start using such tools more and start producing them regularly.

The bottom line is that Fida needs money in order to gain awareness (building a stronger brand) and to be able to engage in the various marketing actions. As can be concluded from this thesis, one major way of getting more funds is to create new and accurate marketing plans for specific target groups whether they are individuals or corporations. Corporate partnerships could open up a whole new world for Fida. By this we mean that there is great potential in the for-profit sector to broaden Fida's operations and gain higher financial benefits. In conclusion, Fida International is a growing, trustworthy and experienced nonprofit organization – the management just needs to be able to communicate that to the future target markets.

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Appendices

Appendix 1. Data collection methods

Primary data – It is collected for the first time. It is original and collected for a specific purpose, or to solve detailed problems. It is usually expensive, and time consuming, but is more precise and tailored than secondary research.

1. Observational study
2. Field research
 - Interviews
 - Phone
 - Face-to-face
 - Internet
 - Mail survey
 - Service / Product test
 - Questionnaires
3. Focus groups
4. Case - studies

Secondary data - already exist in one form or another. It is relatively cheap, and can be conducted quite quickly. However, it is not as accurate as primary data as it tends to have been collected for reasons other than for the problem.

- Trade associations
- National and local press
- Magazines
- Governments
- Websites
- Informal contacts
- Trade directories
- Libraries
- Professional institutes and organizations
- Previously gathered marketing research
- Census data
- Public records

Appendix 2. SWOT ANALYSIS - questions for the nonprofit

Strengths

*What is **valuable** about your organization?*

What do you do well (in sales, marketing, operations, management)?

What are your assets?

What are your core competencies?

Where are you making money?

What experience do you have?

Weaknesses

*What looks a bit **worn-out** inside your organization?*

What do you need (customer service, marketing, accounting, planning)?

Where do you lack resources?

What can you do better?

Where are you losing money?

Opportunities

*Where is the **open field** in your environment?*

What new needs of customers could you meet?

What are the economic trends that benefit you?

What are the emerging political and social opportunities?

What are the technological breakthroughs?

Which niches have your competitors missed?

Threats

*Where are the **dangerous mines** in your environment?*

What are the negative economic trends?

What are the negative political and social trends?

Where are competitors about to bite you?

Where are you vulnerable?

Appendix 3. Marketing plan steps

1. Analysis

- Corporate / Organizational statement
- Internal and external audits
- Swot analysis

OBTAINING KEY DATA

2. Objectives

- Set marketing plan objective
- Segmentation
- Target marketing and positioning

TARGET MARKET IS KNOWN

3. Methods

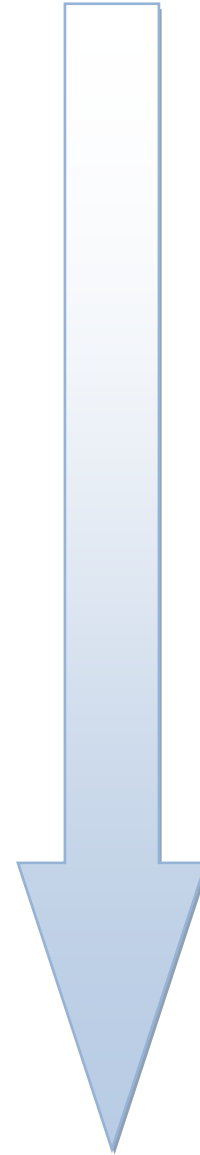
- Strategies
- Support

IMPLEMENTATION

4. Evaluation

- Measure progress
- Control

CONTROLLING / FIXING WEAKNESSES



Good tips

- Set clear, realistic and measurable targets - for example, increasing donations by 10 per cent
- Include deadlines for meeting targets
- Provide a budget for each marketing activity
- Specify who is responsible for each activity

Appendix 4. Marketing Plan Checklist

► Management Summary:

- ☐ Provide a short overview of your organization (mission & vision).

► Situation Analysis:

- ☐ Make an analysis about what business you are in
- ☐ Analyze issues and objectives.

Analyze your organization through SWOT analysis

► Future objectives:

- ☐ Overall goals
- ☐ Organizational objectives
- ☐ Evaluate donation target for the year ahead

Donations in 2008 _____

► Market Research:

Collect all relevant and available data about your markets & environments to support your objectives and goals.

- ☐ Secondary data
- ☐ Primary data (remember to do this only if necessary)

► Competitive Analysis:

- ☐ Who are your competitors?

How competitive is our market? (circle one)

High Medium Low

Brief profiles of key competitors:

- ☐ SWOT analysis
- ☐ Key products / services they deliver
- ☐ How they differentiate themselves

► **Segmentation:**

What are the external characteristics of the segment?

- ☐ Demographic
- ☐ Geographic
- ☐ Family Life Cycle

Do they have the ability to buy?

- ☐ Socioeconomic

What are the internal characteristics of the segment?

- ☐ Culture
- ☐ Personality
- ☐ Self-concept
- ☐ Psychographics
- ☐ Activities, Interests, Opinions

What do the segments like and dislike?

- ☐ Awareness
- ☐ Attitudes

What is your segment you want to approach?

► **Target markets:**

- ☐ Who is our target customer?

Choose your target markets

Target market 1. _____

Target market 2. _____

Target market 3. _____

► **Positioning:**

- ☐ Your market position now, and in the future.
- ☐ Your customer position now and in the future.
- ☐ How will you achieve and sustain this new position

How do you want donors to perceive you in your marketplace?

► **Differentiation:**

How you are going to make your business 'stand out from the crowd'.

Is your service better than others?

☐ Yes ☐ No

Do you have better experience than others?

☐ Yes ☐ No

Are you the most reliable?

☐ Yes ☐ No

Are more efficient than competitors?

☐ Yes ☐ No

Do you have more influence than competitors?

☐ Yes ☐ No

Do you have the best knowledge and equipment?

☐ Yes ☐ No

► **Key messages:** It is important to keep repeating consistent messages throughout your marketing campaigns - as it will take a while for them to 'sink in'.

Your key messages:

1. _____
2. _____

THE MARKETING MIX (4 Ps)

► **Product(s) / Service(s):**

- ☐ What products or services do we have
- ☐ What particular aspects of the product/service are important?
- ☐ What is it that customers are buying?
- ☐ What are the product features?

Is there anything unique about them?

Yes ☐ No ☐

If yes, what?

Are you going to launch any new products or services?

Yes ☐ No ☐

When?

► **Price:**

How are you going to price your products /services? (high, market average or low)

► **Place:**

Where will you sell your products / services?

Is it easy for people to find you?

Yes ☐ No ☐

Can people donate directly through your website?

Yes ☐ No ☐

► **Promotion:**

Which promotional tools will you use to create awareness and interest?

- ☐ Personal selling
- ☐ Internet
- ☐ Events
- ☐ TV
- ☐ Radio
- ☐ Print media
- ☐ Public relations
- ☐ Trade shows

► **Marketing Budget:**

- ☐ Create a marketing budget for the next 12 months

► **Measurement and control:**

- ☐ Ask customers opinion about your services

Track this information, in order to find out what is working and what is not.

- ☐ Gather results and feedback

These need to be gathered on a monthly basis and compared with your marketing plan.

Have you reached your objectives?

☐ Yes ☐ No

If not why?

- ☐ Repair action as necessary to correct your marketing path.