

Bachelor's thesis

BBA

International Business

2013

Rantanen Iida

MARKETING AND MEMBER ACQUISITION IN A NONPROFIT ORGANIZATION

– case Aerobicfactory



TURUN AMMATTIKORKEAKOULU
TURKU UNIVERSITY OF APPLIED SCIENCES

BACHELOR'S THESIS | ABSTRACT

TURKU UNIVERSITY OF APPLIED SCIENCES

BBA | International Business

2013 | 42+4

Ajaya Joshi

lida Rantanen

MARKETING AND MEMBER ACQUISITION IN A NONPROFIT ORGANIZATION

This research was conducted for an aerobic gymnastics club in Turku, Aerobicfactory. Aerobicfactory is a part of one of the largest sports clubs in Finland, Turun Urheiluliitto.

The objective of this thesis was to provide Aerobicfactory useful information and tools on marketing in a non-profit organization to increase membership of children under the age of 10 years. First theoretical points were viewed and researched and based on theories a survey was conducted on Aerobicfactory's customers. A quantitative research method was chosen, because conducting a survey gave more information on the target organization.

The findings of the research indicate Aerobicfactory has been already doing good basic marketing work based on the findings from the literature and the survey. However Aerobicfactory should increase the pace and intensity of marketing. Social media sites like Facebook, Youtube and Instagram and Aerobicfactory's website are vital marketing tools in a non-profit organization, where there are not great funds for marketing.

KEYWORDS:

Nonprofit marketing, sport club, member acquisition

OPINNÄYTETYÖ (AMK) | TIIVISTELMÄ

TURUN AMMATTIKORKEAKOULU

BBA | International Business

2013 | 42+4

Ajaya Joshi

lida Rantanen

MARKKINOINTI JA JÄSENHANKINTA URHEILUSEURASSA

Tämä tutkimus toteutettiin turkulaiselle kilpa-aerobicseuralle nimeltä Aerobicfactory. Aerobicfactory kuuluu yhteen Suomen suurimmista urheiluseuroista, Turun Urheiluliittoon.

Tämän opinnäytetyön tavoitteena oli tarjota Aerobicfactorylle erilaisia ideoita ja työkaluja non-profit yhdistyksen markkinointiin, jotta alle 10-vuotiaiden lasten jäsenmäärää saataisiin kasvatettua seurassa. Ensin tutkittiin erilaisia teorioita ja teorioiden perusteella laadittiin kysely Aerobicfactoryn asiakkaille. Tutkimusmenetelmäksi valittiin määrällinen tutkimus, sillä se antoi enemmän tietoa kohdeyhdistyksestä.

Opinnäytetyön tulokset viittaavat siihen, että Aerobicfactory on jo tehnyt hyvää perusmarkkinointia, perustuen teoriaosuuden löytöihin ja kyselyiden vastauksiin. Aerobicfactoryn kuitenkin tulisi lisätä markkinointia, jotta seuran kasvua saataisiin lisättyä. Ilmaiset tai edulliset sosiaalisen median sivustot kuten Facebook, Youtube ja Instagram sekä Aerobicfactoryn omat kotisivut ovat tärkeitä markkinoinnin keinoja urheiluseuralle, jossa markkinoinnille ei ole varattu suuria varoja.

ASIASANAT:

Non-profit organisaatioiden markkinointi, jäsenhankinta, urheiluseura

CONTENT

1 INTRODUCTION	6
1.1 The objective of the thesis	6
1.2 Aerobicfactory	7
2 THEORETICAL FRAMEWORKS	10
2.1 Marketing	10
2.2 Marketing Theories	10
2.2.1 4 P's strategy	10
2.2.2 Consumer Behaviour	14
2.2.3 Maslow's Hierarchy of Needs	16
2.2.4 SWOT analysis	17
2.2.5 ARPA-strategy	18
2.3 Nonprofit Organizations	20
2.3.1 Sectors of Nonprofit Organizations	20
2.3.2 Financial objectives in a Nonprofit Organization	21
2.4 Marketing	22
2.4.1 Marketing in Nonprofit Organizations	22
2.5 Social Media Marketing	24
2.6 Social Media Marketing in a Non-Profit Organization	25
2.6.1 Website	25
2.6.2 Facebook	26
3 METHODOLOGY	27
3.1 Research Methodology	27
3.2 Data Collection	28
4 ANALYSIS OF THE RESEARCH	29
4.1 Questionnaire	29
4.1.1 Introduction to Questionnaire	29
4.1.2 Background facts	29
4.1.3 Current situation	32
4.1.4 Development of Aerobicfactory	33
4.2 SWOT analysis for Aerobicfactory	34
4.2.1 Opportunities	34
4.2.2 Threats	34

4.2.3 Strengths and Weaknesses	35
4.3 Marketing Ideas for Aerobicfactory	35
4.3.1 Social Media Marketing	35
4.4 Challenges in Marketing of Aerobicfactory	36
4.4.1 Service Intangibility	37
4.4.2 Service Inseparability	38
4.4.3 Service Variability	38
4.4.4 Service Perishability	39
5 CONCLUSIONS	40
5.1 The Research Findings	40
5.2 Suggestions for Further Research	41
REFERENCES	43

APPENDICES

Appendix 1. Questionnaire

FIGURES

Figure 1 4P's	11
Figure 2 Layers of the product	12
Figure 3 Stages for marketing communication, AIDA	14
Figure 4 Consumer Behavior	15
Figure 5 Maslow's Hierarchy of Needs	17
Figure 6 SWOT analysis	18
Figure 7 ARPA-strategy	18
Figure 8 Private Member Association	22
Figure 9 Questionnaire, question 1	30
Figure 10 Questions 5 and 6	31

1 INTRODUCTION

This thesis is produced for an aerobic gymnastics club Aerobicfactory which is part of one of the biggest sports clubs in Finland, Turun Urheiluliitto. The author has coached aerobics in Aerobicfactory since 2007 and she also has been the head of the aerobics department since 2011.

In Finland all sport associations for children and young adults are mainly non-profit organizations, which means that the primary motivation for these organizations is other than the production of a financial benefit. (Vuokko 2003, 14)

Non-profit organizations, like Aerobicfactory do not seek for financial benefit but rather seek to fulfill a social goal. Sports clubs like Aerobicfactory aim to add physical education and exercising especially among children and young adults. Sports clubs in Finland do also valuable work in raising responsible, motivated and grounded adults. Through competitions, camps and coaching children and young adults learn responsibility, self-confidence and independence.

Aerobic gymnastics is a top-level competitive sport, which pursues to be an Olympic sport in the future. Federation International Gymnastique (FIG) reports that 74 nations of the 129 member federations of the FIG have affiliated Aerobic Gymnastics to their overall programme. (FIG, 2013)

In Finland aerobic gymnastics is a new discipline and there are approximately 13 sports clubs in Finland that offer it with a total of 700 gymnasts. Aerobic gymnastics is one of the eight disciplines of Finnish Gymnastics Federation. The sport is growing in Finland every year and a new generation of talented gymnasts are in the making. (Suomen Voimisteluliitto 2013)

1.1 The objective of the thesis

The author's idea for this thesis was born out of love for this club and its members. The author has been a member in the club and sport since 2002. The top-

ic is very relevant at the moment, as Aerobicfactory is trying to grow in order to hire a full-time employee.

The goal of this thesis is to provide useful, easy and continuous marketing in order to acquire new members. In marketing the main target is low-cost or no-cost marketing; nonprofit-marketing with a focus on social media marketing.

Research questions

1. Explore various methods on how to increase membership of children less than 10 years of age in Aerobicfactory?
2. What kind of marketing tools can be used to promote a nonprofit organization?
3. How do customers find out about Aerobicfactory?
4. How to reach new customers?
5. How to get new members?

The aim is to make the thesis as realistic as possible so it can be easily used in Aerobicfactory's continuous marketing.

1.2 Aerobicfactory

Aerobicfactory is an aerobic gymnastics club in Turku founded in 1995. Aerobicfactory is part of one of the largest sports clubs in Finland, Turun Urheiluliitto ry. Turun Urheiluliitto ry was founded in 1901 and now a day it offers sports for over 5000 members. (Turun Urheiluliitto, 2013)

Turun Urheiluliitto has been divided into ten divisions by different sport disciplines. In one division there is either one discipline or several, depending on the size of the discipline. The divisions work relatively autonomously. In each division there is a board with at least one member from each of the division's discipline. From the division's boards, the chairman is a part of the clubs higher

board. This board includes the clubs chairman, secretary and divisions chairmen. The higher board decides the whole clubs vision, mission and values, taking the divisions ideas into consideration. The higher board also decides on larger financial investments, such as new full-time employees. For new employees for divisions, the division's board always has to make a proposal with a calculation of the costs. (Turun Urheiluliitto, 2013)

Aerobicfactory is the discipline of aerobic gymnastics. Aerobicfactory is part of the largest division in Turun Urheiluliitto ry; the gymnastics and sport division. In the same division there are other competitive disciplines, Cheerdance and Aesthetic Group Gymnastics. There are also general exercise classes for children and adults. There are two full-time employees and one part-time employee working in the office of this division. The gymnastics and sport division has its own rented training hall in Turku.

Aerobicfactory at the moment has 90 gymnasts between ages 4 to 23 and eleven coaches. The coaches work on hourly rate and by volunteering.

Turun Urheiluliitto ry determines the appearance of the whole club. The club logo, fonts, websites etc, is all decided by the main club. Gymnastics and Sports division can under the main clubs regulations and styles, decide their own logos and branding. Aerobicfactory can then under the main clubs and the division's guidance make their own decisions.

Aerobicfactory has its website under the division's website. The division's website was renewed in 2013. At the moment Aerobicfactory's part of the website is run by the author herself. The main idea of the website is that it shows the names of the training groups and coaches, training times and contact information. There are no current news, because they are on the Facebook page.

Aerobicfactory has been successfully operating nearly 20 years. For the last five years its growth has not been the same. New members do not enter as often as they used to. Actions need to be taken.

The main target for new members are children less than 10 years of age.

The theoretical part will be mainly about nonprofit-marketing, social media marketing, consumer behavior and the aim is how to get new members and sustainable growth of Aerobicfactory. The literature on other sports clubs marketing plans will be studied; also some focus will be on social media marketing. The club has yet not tried social media marketing; it only has a website and a Facebook page. The future plan is to buy Facebook ads and follow how that will increase visits to Aerobicfactory's website/Facebook page and will those visits lead to new gymnasts.

In Turku, the only place that one can do aerobic gymnastics competitively is Aerobicfactory. This is a great advantage to the club, because they do not need to promote the club so badly but the sport itself. By searching online about the sport, they will only find Aerobicfactory to join in Turku.

2 THEORETICAL FRAMEWORKS

2.1 Marketing

Marketing is a chain of events where a profitable outcome requires the control of the sub functions of marketing. (Uskali 1993, 2)

Marketing is an action and a way to think. The goal of marketing is to affect how people think and act. Marketing aims to make the organizations products and services known. In addition, it seeks to answer customer's needs, create interest and to lower the experimental threshold for the product or service. (Vuokko 2003, 38)

2.2 Marketing Theories

2.2.1 4 P's strategy

Through competitive marketing tools organizations try to seek a competitive edge for its products and services. Organizations must make sure there is demand for their products. The choice, emphasis and content of these competitive tools are extremely crucial for the success of the organization. (Kivikangas & Vesanto, 1991, 94)

The 4P's strategy consists of four equally important sectors; product, price, place and promotion.

4 P's Figure 1

Figure 1 4P's (Pasha Yarema, 15.7.2013)



Product

The product is the core of the organization. Only after the organization has made the decision what it sells, can further plans about price, place and promotion be made. (Kivikangas & Vesanto, 1991, 95)

The product does not only include what it is literally, but also other factors. These factors together make the product so useful for the customer that they want to have it. The product is divided into three segments which form three layers of the product. The first layer is the core of the product, the product itself. The second layer consists of the parts of the product that assist the selling; packaging, name of the product and the brand. The third layer is the ancillaries, the after-sales services. (Kivikangas & Vesanto, 1991, 96)

Layers of the product



Figure 2 Layers of the product

Price

Price decisions are followed and reactions to the decisions are more likely than to other marketing tools. This concerns both the customers and competitive organizations. (Kivikangas & Vesanto, 1991, 118)

Many factors influence the pricing for a product. There are both external and internal factors. The external factors are; competition, product position on the market, demand, financial situation and public force. The internal factors are mainly profit and costs. (Kivikangas & Vesanto, 1991, 119)

Non-profit organizations don't run to make profit. (Vuokko, 2003, 21) In non-profit organizations the pricing is mainly budgeted so that costs are covered. In sport associations, the pricing is due to many factors for example, does the club have its own training hall with large costs versus does the club use public facilities with lower costs. Other factors might be the current competition success of the athletes in the club or the ongoing trend to join a certain club. Sometimes there are no options if a particular sport is wanted, there might be only one club in the city for a sport. In this case, pricing is slightly easier. However, if new members are scouted and prices are too high, they might not join the club.

Place and Availability

Efficiently covered availability ensures that the product is at the right time, at the right place with right amount of items and with a reasonable price. (Kivikangas & Vesanto, 1991, 129) When the product is a service, it is important where the service is offered. Sport associations usually have a private training facility or a public one that is used. It is important that this facility is close to the customers. In today's busy everyday life, customers don't want to travel far to drive themselves or their children to their hobby.

Promotion

The mission of promotion is to inform customers what product or service does the organization offer, where and how these can be purchased and at what price. Promotion is personal sales, advertising, promotion and public relations. From these components organizations form their personal communication mix. (Kivikangas & Vesanto, 1991, 138)

The structure of the communication mix depends on the organizations industry, resources, the products' or services' life cycle phase, customers and the stage of the purchase process. In a communication society also the range of methods in marketing communication diverse and emphasis on the communication mix components vary. (Kivikangas & Vesanto, 1991, 138)

The goals of marketing communication are based on the organizations marketing plan. The end mean of the marketing communication is to increase profitable sales. Part targets for marketing communication can be; improve the awareness of the product or the organization, improve the organization or product image, proclaim product advantages and benefits and most importantly to get the customer to make the purchase. (Kivikangas & Vesanto, 1991, 138)

In the measurement of marketing communication effectiveness stage models are often used. Goals are set for every stage. The goal is to get the customer on the first step and eventually rise on the highest step, the purchase of the product or service. (Kivikangas & Vesanto, 1991, 139)

Stages of marketing communications AIDA Figure 3 (Kivikangas & Vesanto, 1991, 139)

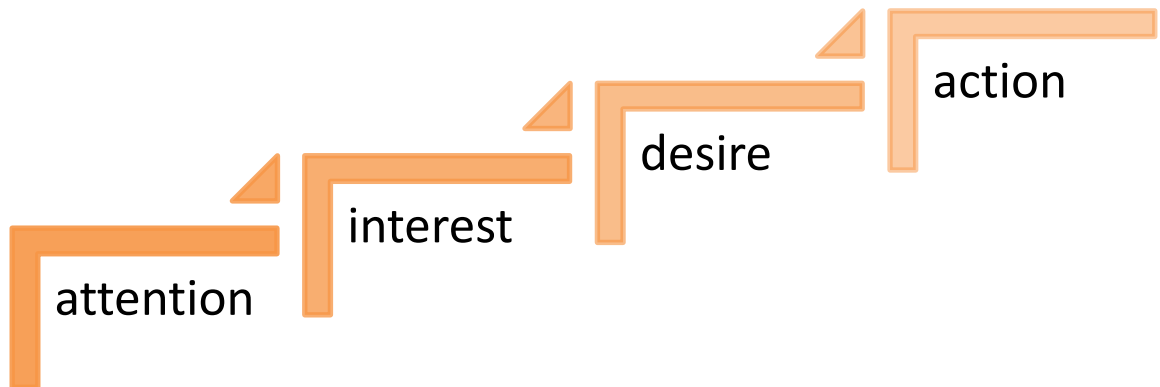


Figure 3 Stages for marketing communication, AIDA

The AIDA model illustrates the stages of marketing communication from the first stage until the highest and last stage, as explained in the previous chapter.

2.2.2 Consumer Behaviour

Consumer behavior is the study of how individuals or groups buy, use and dispose of goods, ideas or experiences to satisfy their needs and wants. The needs and wants of consumers often vary across different cultures, situations and individual characteristics. The study of consumer behavior can be divided into three interdependent groups; 1. the study of culture, 2. the study of social groups. and 3. the study of the individual. (Kotler et al. 2009 224)

Figure The interaction of the cultural, the social and the individual level

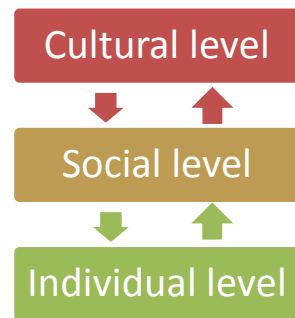


Figure 4 Consumer Behavior

It is possible to handle the three dimensions separately the also have a mutual influence on each other. (Kotler et al. 2009 224)

Cultural Level

Culture, subculture and social class are important influences on consumer buying. Culture is the fundamental determinant of a person's wants and behavior. Each culture consists of smaller subcultures that provide more specific identification and socialization for their members. Subcultures include nationalities, religions, racial groups and geographic regions. When subcultures grow large and affluent enough, companies often design specialized marketing programmes to serve them. (Kotler et al. 2009 224)

Almost all human societies exhibit social stratification, most often in the form of social classes. Social classes are relatively homogenous and enduring divisions in a society, hierarchically ordered and with members who share similar values, interests and behavior. Social classes have several characteristics. First, those within same social classes tend to be more alike in dress, speech patterns and recreational preferences than persons from different social classes. Second, persons are perceived as occupying inferior or superior positions according to social class. Third, a cluster of variables – for example occupation, income, wealth, education, value orientation - indicates social class, rather than any single variable. Fourth, individuals can move up and down on the social class ladder during their lifetimes. (Kotler et al. 2009 224-227)

Social classes show distinct product and brand preferences in many areas, including clothing, home furnishing, leisure activities and automobiles. (Kotler et al. 2009 227)

Social Level

Social factors such as reference groups, family and social roles and statuses affect consumers' buying behavior

A person's reference groups are all the groups that have direct or indirect influence on their attitudes or behavior. Reference groups influence members in at least three ways. They expose an individual to new behaviors and lifestyles, they influence attitudes and self-concept, and they create pressures for conformity that may affect product and brand choices. (Kotler et al. 2009 227)

Family is the most important consumer buying organization in society, and family members constitute the most influential primary reference group. Orientation family affects one's choice in religion, politics, sense of personal ambition and even education, smoking, drinking and hobbies. Procreation family affects more on everyday buying behavior.

Individual Level

A buyer's decisions are also influenced by personal characteristics. These include the buyer's age and stage in the life cycle; occupation and economic circumstances; personality and self-concept; and lifestyle and values. (Kotler et al. 2009 229)

2.2.3 Maslow's Hierarchy of Needs

Maslow's (1943) Hierarchy of Needs theory forms of five levels of needs arranged in hierarchy. Basic human needs are at the bottom and more advanced

needs on the top of the hierarchy. The idea of the hierarchy pyramid is that the needs on the bottom must be satisfied before moving up the pyramid to the next level.

Maslow's Hierarchy of Needs (Figure 1):



Figure 5 Maslow's Hierarchy of Needs

Maslow's Hierarchy of Needs in today's welfare society influences consumer's satisfaction only in a general way. It does not influence daily purchase power. The marketer must only know there are enough customers on the right level of needs to make the purchases.

2.2.4 SWOT analysis

The overall evaluation of a company's strengths, weaknesses, opportunities and threats is called SWOT analysis. It is a way of monitoring the external and internal marketing environment. (Kotler et al. 2009 101)

SWOT analysis (Wikipedia 16.9.2013)

SWOT ANALYSIS



Figure 6 SWOT analysis

2.2.5 ARPA-strategy

The ARPA-strategy was invented by a Finnish sport markets Erkki Alaja (2000) for all sport associations. The strategy is made as easy to follow as possible and it is practical, hands-on and moldable for different associations. The strategy consists of four pillars, which are followed step by step. (Alaja, 2000. 51)

ARPA-strategy Figure 2 (Alaja 2000. 51):

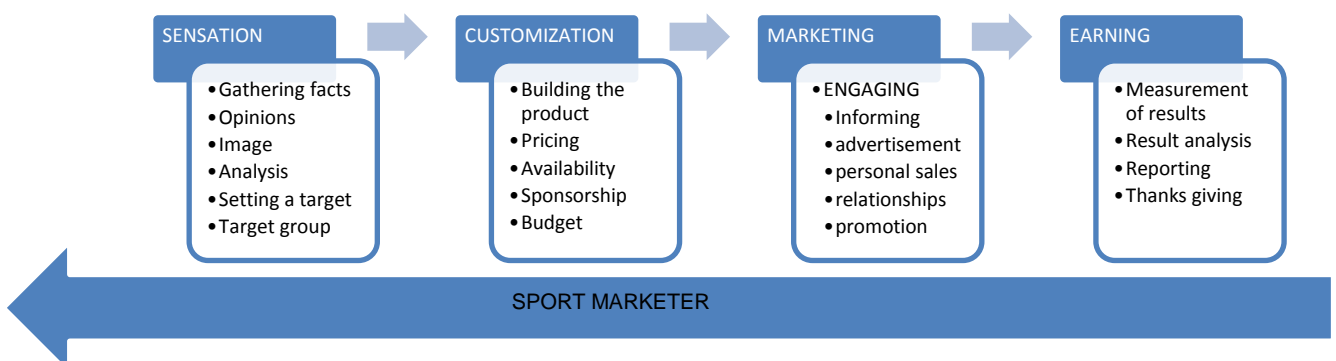


Figure 7 ARPA-strategy

The strategy starts in the first pillar by analyzing the current situation of the association. First pillar is information gathering, the objectives are to collect all possible market information, get a realistic vision of the product, to form an understanding of customer's needs, take into consideration prevailing opinion climate, anticipate the future of the product, analyze the gathered information and withdraw needed conclusions, to set marketing objectives and to set the target group. (Alaja, 2000, 67-68)

The second pillar is focused on the product, the service itself. The product is customized for the customers' needs, the price is set right and purchase is made easy. Sponsorship deals are made to maximize the income and the marketing plans are made into a form of a budget. (Alaja, 2000, 69)

In the third phase the process has moved to selling the product. First phase of this pillar is to find the right personnel to lead this project and to commit them to the project. The personnel should first inform the whole organization of the product, pricing and availability. The important factor is to stand out with the product from other similar products and to get attention for the product. The product should raise interest together with positive attitudes and to wake the customer's desire for purchase and to activate the customer. The last phase of this pillar is to create sale and maintain customer loyalty. (Alaja, 2000, 70-71)

Last pillar focuses on the final analysis and report of the new marketing plan. The achieved results must be measured. The results are analyzed comparing to the earlier objectives that were set. A marketing report should be made for the key personnel of the project. An important finalization is to show appreciation and thank all parties involved in the project. (Alaja, 2000, 72-73)

After the project is finished and the four pillars are done, the sport marketer goes back to the first pillar and starts again. (Alaja, 2000, 73)

2.3 Nonprofit Organizations

Nonprofit organizations are organizations whose primary focus is not in making profit. Nonprofit organizations always have a mission, which means it is important for them what for and whom for they work for. In order for the mission to work it requires actions from the organizations stakeholders. In addition to the employee's work input, a nonprofit organization also needs member fees', sponsor's donations and volunteer work. (Vuokko 2004, 14)

2.3.1 Sectors of Nonprofit Organizations

Vuokko (2004, 15) divided societies into four sectors; private, public, third and fourth sector. Nonprofit organizations exist both in public and private sector. In comparison, traditional American model divides nonprofit organizations in three sectors; public, private and charity organizations. (Burnett 2007, 7-8) In this thesis the first division is used, as it fits better in a Finnish case.

The public sector holds in companies that aim to make profit. Public sector are the government, municipalities and federations of municipalities. This public sector also has a precise approach and decision making process; however they don't seek for profit. The public sector in Finland is responsible for over 50% of the nation's gross domestic product so its importance in Finland is very large. Typically, the first two sectors have hired staff to work in the organizations. The thirds sectors are various organizations and associations, like case organization Aerobicfactory. The thirds sector organizations, actions and decision making can diverse from the two first sectors, because of voluntary work. The third sector organizations do not seek for profit. In Finland alone, there are around 135 000 association. (Finnish Patent and Registration Association) The fourth sector is the most informal, it holds in households, friends and family. (Vuokko 2003, 15)

2.3.2 Financial objectives in a Nonprofit Organization

When setting financial objectives, organizations should consider; Is the objective realistic? How do we reach the goal? What resources does it require from the organization? Who are responsible for objectives? (Andreasen & Kotler 2008, 69-70)

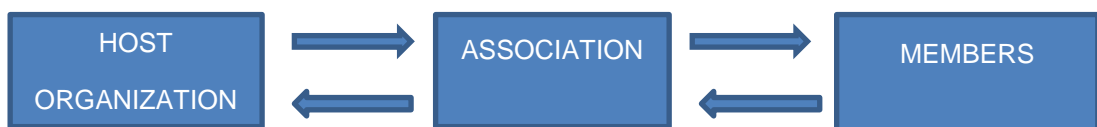
As it has been mentioned, the main focus for nonprofit organizations is not making profit. This does not mean that nonprofit organizations should not have financial objectives. These objectives can be to cover the expenses and costs, to minimize deficit or possibly to gain surplus. (Vuokko 2003, 20)

If a non-profit organization produces surplus, the use of it differ from a basic company. Although in companies, the surplus is added to the capital and used for investments, also the company's shareowners are given some. In nonprofit organizations here are no shareholders, so it is used for the implementation of the mission. Aerobicfactory uses their surplus often for new investments, like gymnastics mattresses or music equipment.

Non-profit organizations try to make profit, however this profit can be more social profit than financial profit. Aerobicfactory's mission is firstly to add physical education among children and young adults and secondly to gain success in aerobic gymnastics in Finland and in the World Championships in the future. Financial profit is needed for new equipment, to improve the training facilities.

Aerobicfactory is a private member association. It gets its funds from the members, sponsors and events.

Private member association Figure



Case Aerobicfactory



Figure 8 Private Member Association

The world of gymnastics works extremely hierarchically. On top of everything is the World's Gymnastics Federation (FIG). FIG defines all rules and changes that come in the sport. European Gymnastics Federation (UEG) comes under FIG. UEG is responsible for events and disciplines in Europe. Under FIG and UEG is the Finnish Gymnastics Federation, which decides and modifies rules, regulations and competitions for Finland. As explained previously, Aerobicfactory is part of Turun Urheiluliitto and their gymnastics and sports division. Aerobicfactory gets funding from the club, however not FIG, UEG or the Finnish Gymnastics Federation.

Aerobicfactory gets funds from its customers; the athletes and their parents. Also under Aerobicfactory work the coaches and other employed personnel.

2.4 Marketing

2.4.1 Marketing in Nonprofit Organizations

The nonprofit concept does not mean "no marketing". Also nonprofit organizations must market their selves. (Vuokko 2003, 29)

Marketing target groups for member associations;

- Members (customer service, informing about the activities, activation of the members)
- Potential members (attracting new members)
- Local decision makers (to gain support and add potential action)
- Sponsors (support for activities)
- External customers (selling of the product or the service)

(Vuokko 2003, 30)

Marketing Plan

A marketing plan is important, however it is not easy. Non-profit organizations face a few additional problems in a comparison to regular organizations; money, attitude towards marketing, decision makers and personnel structure. (Vuokko 2003, 113)

Due to the nature of the activities in a non-profit organization, they don't usually have money to use for marketing. Attitude towards marketing might be negative, because the idea is that income should be used for members' benefit and not for marketing. Planning ahead in a nonprofit organization is also difficult, because many decisions related to money are made outside the organization; decisions for funding from municipalities, sponsors and in this case the head board of the club. The fourth reason that complicates the making of a marketing plan is the personnel structure. Non-profit organizations consist mainly of volunteers, who want to perhaps be involved in something real and physical rather than planning. (Vuokko 2003,113-114)

Vuokko (2003) explains the advantages of a marketing plan; coordinating actions better, making schedules, making organizations communication easier, recognizing the needed developments, preparing for needed changes, control

of the activities made easier, targeting the actions and prioritization and to maintain the organizations mission.

A good marketing plan helps organizations to implement their mission; who are we and to whom? A good marketing plan also basis on facts and reasonable assumptions and takes account organizations resources. The plan should be long term and it covers organization of actions, division of labor and schedules. The plan is easy to share with the whole organizations and it is a good basis on evaluation of the organizations performance. (Vuokko 2003, 119)

The Planning Process (Vuokko 2003, 122-123)

1. Analysis of the situation, where are we now?
2. Strengths and weaknesses analysis, what should be changed?
3. Definition of the objectives, where are we going?
4. Strategic decision of marketing, what do we want to be and for whom?
5. Tactic planning of marketing, what actions to take and what tools to use?
6. Budgeting, what resources do we have?
7. Organization and timing, who does what and when?
8. Guidance and supervision, how do we keep track of the right direction?

2.5 Social Media Marketing

Social Media Marketing (SMM) refers to marketing done through social media or social networking websites. Social media marketing provides a low cost way to reach large numbers of customers and gain brand recognition. Many organizations have found social media as a useful source to reach customers. Since social networking websites already have large established online communities, businesses and organizations can gain exposure by simply joining these websites. Many companies attract users by posting frequent updates and providing special offers through their social media profile pages. (TechTerms 16.9.2013)

While social media marketing is a powerful online marketing tool, it is typically used to supplement other online marketing methods rather than replace them. Because just about any company or business can join a social networking website, it can be difficult to stand out from the mass. (TechTerms, 2013)

2.6 Social Media Marketing in a Non-Profit Organization

Some studies have shown that non-profit organizations have not been able to use websites as strategic, interactive customer engagement tools. This was perhaps due to the lack of know how among the organization's staff. The presence of today's social networking sites like Facebook and Youtube have taken this excuse away. These sites are free to join and have built-in interactivity. Any organization big or small can create a site and start building a network of friends and followers. (Lovejoy and Saxton 2012)

2.6.1 Website

An organization's website needs to be extremely simple and in one glance the user must know; where the user is, what the organization does and for what can the website be used for. (Nielsen & Tahir, 2002. 10)

The name of the organization and the logo must be presented in a reasonable size in a convenient place on the start page. It must attract users' attention at the moment they open the page. In Finnish and other similar languages where we read from left to right, the best place for the name and the logo is the upper left corner. The website for the customer needs to offer something that they need to go on the organization's website. (Nielsen & Tahir, 2002. 10-11)

Aerobicfactory uses a Finnish website design model for sport clubs, Sporttisaitti. Sporttisaitti offers inexpensive models for sport club's websites, which can be easily edited for different looks. Sporttisaitti is easy for the user to use and extremely easy for the club to update. Almost all sport clubs in Finland use Sport-

tisaiitti, also different discipline federations, like Finnish gymnastics federation. (Sporttisaiitti, 1.10.2013)

2.6.2 Facebook

Facebook started as a way to people in college to connect with each other and to meet people with similar interests. Facebook rapidly outgrew this original vision. Today Facebook appeals to a mass market of consumers with a wide set of needs and desires. It has conquered and unrivaled market share in each of these groups. (Treadaway, 2012, 37)

If an organization has decided to broaden their marketing to Facebook, they must first set their goals. What is the organization trying to achieve by marketing in Facebook? How does it fit in the existing marketing plan you are executing? The answers might be the following; additional sales, increased revenue, lower marketing/ customer engagement costs, improved customer service, collecting feedback quicker and so on. (Treadaway, 2012, 43-44)

Second, think of the customers that the organization is trying to attract. What kind of people are they? What would they want from the organizations Facebook page? What kind of campaigns should be executed? (Treadaway, 2012, 43-44)

3 METHODOLOGY

3.1 Research Methodology

Research is a term used when trying to increase or revise current knowledge by discovering new facts. (Business Dictionary, 16.9.2013) The term research methodology describes how the research is conducted. There are various ways to collect and analyze data, such like reading books and articles, searching the web, conducting interviews and questionnaires. These methods represent two different kind of categories; qualitative and quantitative methods. (Saunders et al, 2003)

The objective of this thesis was to answer the research questions set in the beginning.

1. Explore various different methods on how to increase membership of children less than 10 years of age in Aerobicfactory?
2. What kind of marketing tools can be used to promote a nonprofit organization?
3. How do customers find out about Aerobicfactory?
4. How to reach new customers?
5. How to get new members?

There are two types of data available; primary and secondary data. Primary data is data that is collected specially for the research. Secondary data include both quantitative and qualitative data. Secondary data is collected for another purpose and may not meet author's needs. (Saunders et al, 2003)

In this research the questionnaire results are used as primary data and conclusions are drawn from those results. The theoretical frameworks of member acquisition and marketing plan for a non-profit organization are considered as secondary data. The theoretical frameworks were used for the design of the questionnaire.

There are two ways to collect data; quantitative and qualitative methods. Quantitative data refers to all data that is numerical or contain data that could usefully be quantified. Quantitative data means for example questionnaires and graphs or statistics. Qualitative data is the opposite; it's based on meaning expresses though words, for example interviews. (Saunders et al, 2003)

For this thesis the questionnaire uses both data collection styles, qualitative and quantitative. The questionnaire has also many open questions, which are qualitative data. Also the author has knowledge of the organization, which can be categorized in qualitative data.

3.2 Data Collection

The questions for this research were based on the theoretical framework and the author's knowledge of Aerobicfactory. When designing the questionnaire the research objectives were kept in mind so that they would be answered.

The questionnaire was made clear and quick to answer. In the beginning there was a short introduction of terms used in questionnaire and the goal of the questionnaire was explained to motivate the respondents. The questionnaire begun with broader questions about the whole club, it moved on to the division and lastly to the discipline.

The questionnaire was conducted through a free online tool surveyexpression.com. This tool was chosen because it was free, easy to use and it provided results also in a form of graphs.

The questionnaire was sent to all the parents of the sport and gymnastics divisions whose children have been in a competitive gymnastics group in the spring of 2013. The first email was sent through the member register programme. A reminder email was sent one month later to Aerobicfactory's parents by the author. So the population was 100%.

The questionnaire was sent to 204 parents and 80 replied, which makes the total response rate 39,22%.

4 ANALYSIS OF THE RESEARCH

4.1 Questionnaire

4.1.1 Introduction to Questionnaire

In total the questionnaire had 15 questions. Some of the questions were multiple choice questions and in others respondent could also provide an own answer. These answers to open questions are in great value when developing the club towards the customers' needs and wants.

The questionnaire starts with background questions, moves on towards questions about the current situation and in the last part recipients can provide ideas for development. All recipients are parents of the gymnasts and they answer the questionnaire their child's discipline in mind.

4.1.2 Background facts

Questions from one through six are background questions. Question number one tells how many parents from which discipline answered the questionnaire. Since there are only three families involved in artistic gymnastics, they did not answer this questionnaire. Largest amount of answers came from parent whose child does aerobic gymnastics. This was expected, since the reminder email was sent only to parents of aerobic gymnasts.

Figure (chart) to question 1

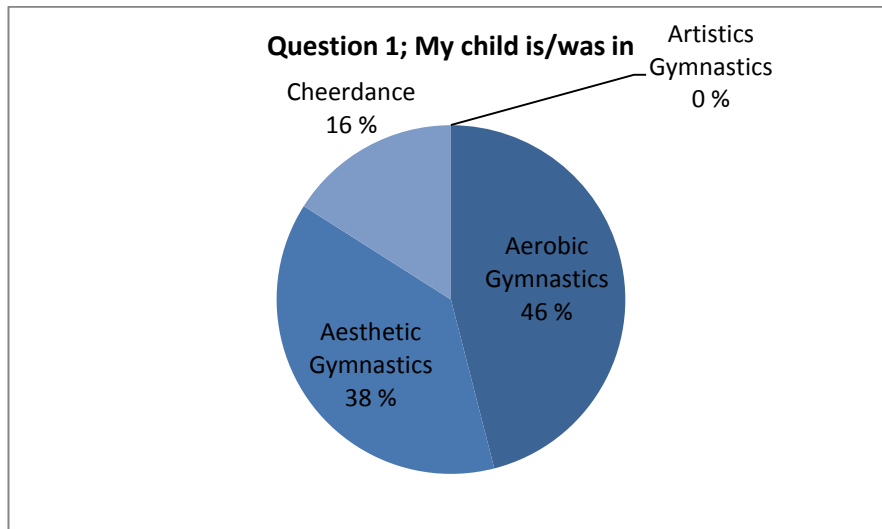


Figure 9 Questionnaire, question 1

The survey was sent to all the parents of gymnastics and sports division's competitive gymnasts. For this thesis, the main interest was on the aerobic gymnasts' parents. The first question was asked to clarify the amount of respondent's from different disciplines.

Questions two and three what made you or your child choose this sport and how did you hear about gymnastics and sport division? Question number two was an open question and there were almost as many different answers as recipients. However mostly customers answered that the child heard about the sport through a friend or they already were customers in the children's general gymnastics classes. Answers for question number three were in the similar lines with question two; 15% children or parents heard about the division from a friend. However, the majority of recipients in question three (20%) answered they found the divisions on the internet. This answers the second research question, that internet and social media marketing are extremely important tools for non-profit organizations. Question three also answers the third research question of how do customers find out about Aerobicfactory. Aerobicfactory should focus on their marketing plan how to get existing children's friends in-

volved in the sport. Perhaps providing tryout training where everyone can bring a friend.

Questions five and six gives the statistics, of what age the children started competitive gymnastics and how old they are now.

Figure (chart) questions 5 and 6

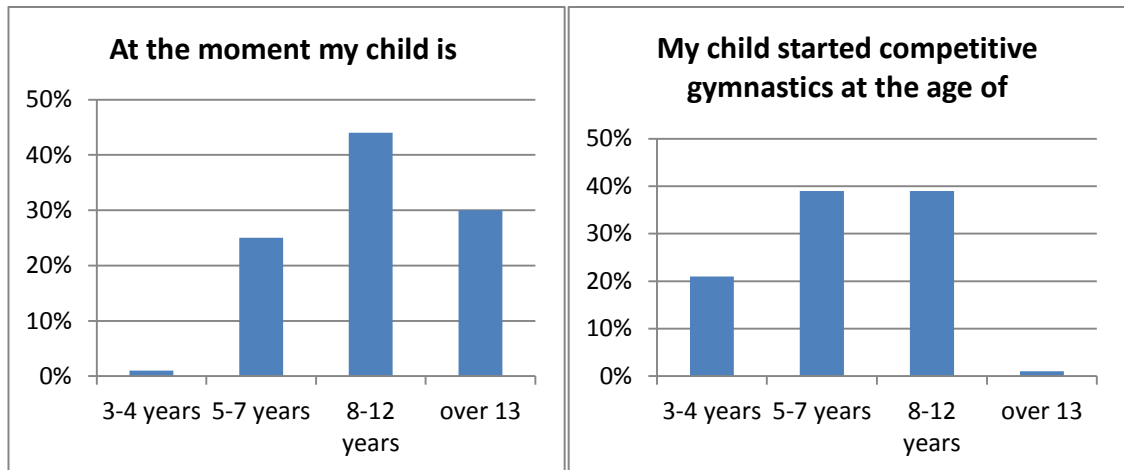
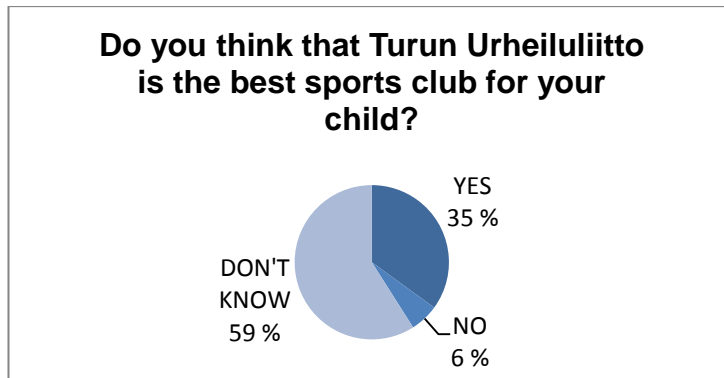


Figure 10 Questions 5 and 6

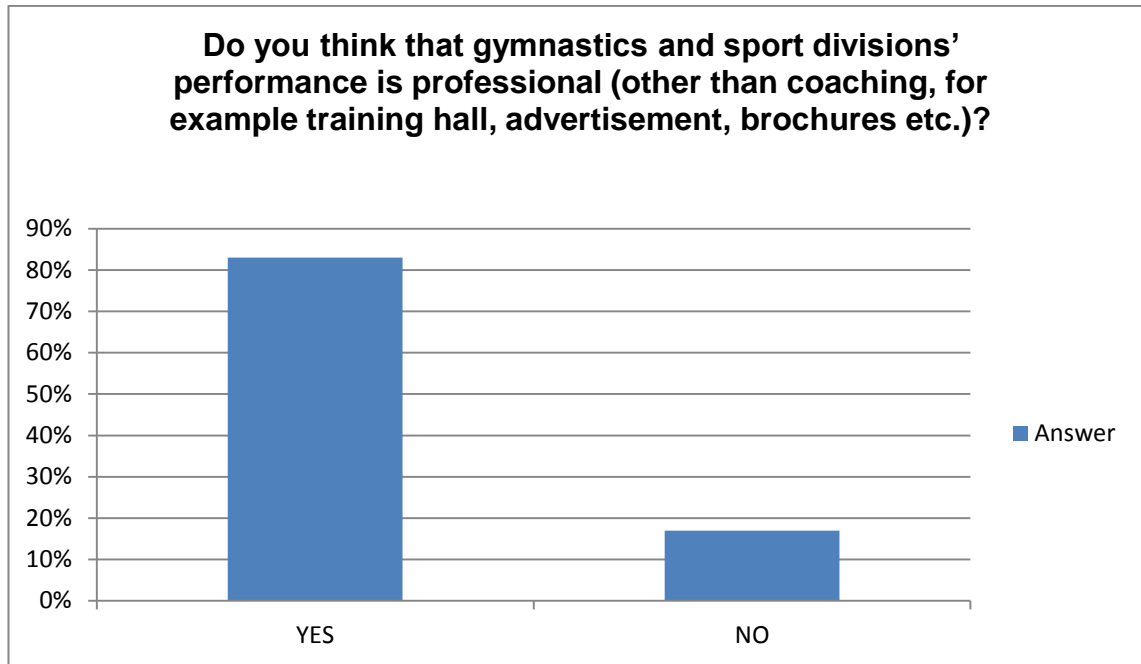
Answers for questions 5 and 6 tell concerning news; children who are now 8-12 years of age started gymnastics when they were 3-4 years and today sport and gymnastics division has only 1 % of 3-4 year old gymnasts. This is not good for the future. This is an issue that must be dealt with in marketing.

4.1.3 Current situation



In current questions, the aim was to see what is good in the organization at the moment and what does not work well for the customers. When asked if recipients thought that Turun Urheiluliitto was the best sports club for their child, the answers were reasonable. 35 % of the recipients said yes, 59 % did not know and only 6% said no. In the next question it was asked if the competitive gymnastics coaching is professional in the division, 82% said yes. The remaining 18 % said no and they were asked an explanation. Many recipients answered that they think that some of the coaches are too young; they are not yet trained and educated enough and the level of coaching depends greatly who is your child's coach. This is a problem that has been noticed in the gymnastics and sport division however it is the problem when there are no full-time coaches. When young coaches finish their education, they start working and having children of their own and they do not have enough time for evening coaching.

Question 10 asked if the gymnastics and sport divisions' performance is professional. The recipients were told that it includes everything other than coaching for example training hall, advertisement or brochures. 83 % answered yes, which is good. The 17 % that weren't happy with the performance defined that there is a lack of information flow between the coach, club and parents, which to their opinion is not acceptable for a club so big and successful.



When asked in question 11 if the fees were competitive in gymnastics and sport division, only 29% answered yes. However 49% did not know because they hadn't compared prices among Turku region gymnastics clubs. Only 6% said the prices are too high.

4.1.4 Development of Aerobicfactory

In this part of the questionnaire customers were asked ideas for further development of gymnastics and sports division and Aerobicfactory. First question was about our seasonal brochure; would they like to receive rather my email or traditional postal service. This is a question that the divisions board always wonders, since postal service is more expensive however emails are easy to just delete without reading. 58% answered that they would rather receive an email rather than advertisement by mail.

Last two questions were open questions, where customers could provide their opinions about the division. In question number 12 parents were asked to answer if they had been satisfied about their own discipline's actions. 74% answered yes. Reasons for their satisfaction were; most important factor was that the child likes the hobby other reasons were good coaches, progress in abilities

and success. The remaining 26 % percent who weren't happy with the discipline's actions gave reasons like parents are not allowed to take part in the hobby, there are less opportunities for children who are not the best athletes and again the lack of information flow was mentioned.

4.2 SWOT analysis for Aerobicfactory

4.2.1 Opportunities

Good marketing is the art of finding, developing and profiting from these opportunities. A marketing opportunity is an area of buyer need and interest that a company has a high probability of profitability satisfying.

Aerobicfactory has several opportunities in Turku, however at the moment no one is working towards them. As a city Turku region is a big area with plenty of new children to come to a new hobby.

4.2.2 Threats

An environmental threat is a challenge posed by an unfavorable trend or development that would lead in the absence or defensive marketing action to lower sales or profit. (Kotler)

For Aerobicfactory there are not specially threat aerobic gymnastics clubs in Turku. At the moment as Aerobicfactory is the only club providing aerobic gymnastics, it does not have competitors in the exact area. However in Turku there are a lot of gymnastics choices and these other disciplines are a threat, since children have a lot to choose from. Also generally all other sports clubs are a threat, since inspired by a friend, a child can choose any kind of sport.

4.2.3 Strengths and Weaknesses

Each business needs to evaluate its internal strengths and weaknesses. (Kotler)

Aerobicfactory has many strengths on its side. It is the only club in Turku region offering competitive aerobic gymnastics. Aerobicfactory is also one of the biggest aerobic gymnast clubs in whole of Finland, with many athletes in national teams and its athletes have won many Finnish national titles. Aerobicfactory is part of one of the biggest sports clubs in Finland, Turun Urheiluliitto. The club offers extremely beneficial factors, like financial stability, name and image, knowledge in sports and of course partners and sponsors. Aerobicfactory also has its own training hall, with a special aerobic gymnastics floor. These floors are specially made for only aerobic gymnastics and there are only four of them in Finland.

At the moment Aerobicfactory's weakness is that it has not got very many employees; coaches. All of the coaches work part-time in addition to either studying or working full-time somewhere else. The work the coaches are doing is mostly coaching, no planning for the future, visioning or preparing. In my opinion, Aerobicfactory soon needs a full-time coach to reach the next level in professionalism.

4.3 Marketing Ideas for Aerobicfactory

4.3.1 Social Media Marketing

At the moment, Aerobicfactory has an own Facebook page. It has 225 likes, mainly current and past gymnasts and their relatives or friends. Aerobicfactory posts pictures of all events their gymnasts have attended and writes about upcoming events, competitions or news. For this thesis, the author tried Facebook

marketing by buying an advertisement with 5 euros, which resulted in 1288 views in two days and two new gymnasts.

Social media marketing is the most important tool for Aerobicfactory. This is because it is an extremely important marketing tool for non-profit organizations since it is mainly free of charge.

Social media marketing will continue through the same channels as before, however enhanced. Website is now updated and it will be updated by coaches every beginning of the season in January and August. Website has information about training times, coaches and athletes. Facebook on the other hand has more specific updates on everything Aerobicfactory's members have been involved in. Updates are mostly pictures and videos from events. Videos are added to Aerobicfactory's Youtube channel and linked to Facebook. Videos are added by coaches, so that one video of every top athlete from every category is added per season. By following this plan now for one month Aerobicfactory has had 30 new likes on Facebook, which is an increase by 15%. Also this season Aerobicfactory has had twelve new gymnasts under the age of 10 joining the club.

During this project, an Instagram page was also created for Aerobicfactory. Time will tell how these tools will affect member growth.

In the future Aerobicfactory plans to try Facebook campaigning with bought advertisements and the division has started negotiations with a television channel for an advertisement that may feature Aerobicfactory.

4.4 Challenges in Marketing of Aerobicfactory

As mentioned before, one of the most crucial challenges in Aerobicfactory's marketing is the fact that in a non-profit organization there are almost no funds for marketing. Non-profit organizations must work harder to find marketing tools which are free of charge or can be executed with voluntary workforce.

There are also general challenges that organizations providing services face in service marketing.

A service is defined as an intangible act one may offer another and the transaction does not result in the ownership of any product. (O'Neil, 2013)

4.4.1 Service Intangibility

Unlike a physical product, a service cannot be experienced before purchase. As a result, buyers will look for proof of service quality before purchase. (O'Neil, 2013)

For Aerobicfactory this means, that reputation travels by word of mouth and online via various discussion forums. Most new gymnasts come to Aerobicfactory, because someone has recommended the sport and club for them. Most children when asked don't like to share their hobby with classmates, relatives or friends for example from school. They like to keep their hobby to themselves. So when a friend asks is there room for new gymnasts, they answer no. Situations like this are very common. However when a younger relative or neighbour would like to join, most of the times that is a better situation for the existing gymnast.

When a parent is searching online for a new hobby for their child, Aerobicfactory does not pop up in very fast. Aerobicfactory is small and the sport is unknown among parents. Mostly parents choose another form of gymnastics.

To help Aerobicfactory in this situation, visibility in the media is crucial. Aerobicfactory should contact Turun Sanomat or other newspapers about anything worth broadcasting and promote Aerobicfactory on social media sites.

4.4.2 Service Inseparability

Services are created and consumed simultaneously and cannot be isolated from their providers. The physical presence of the customer is a must for service inseparability. (MBAaskool, 2013)

In marketing service inseparability has to be taken in account. A customer must be lured into a gymnastics class; otherwise they cannot purchase the service. In service marketing organization's services can be marketed elsewhere but at the end the customer must enter the service location and experience the service.

Aerobicfactory has to know how to differentiate the provider – client interaction from those of the competitors.

4.4.3 Service Variability

Because service quality is tied to who provides the service and when and where the services are provided, services are highly variable. Marketing's challenge is to limit the perceived variability through training, standardized processes and customer monitoring. (O'Neal, 2013)

Aerobicfactory is a non-profit organization and it works mainly because of volunteer work. This factor results at the moment in very unstandardized actions. It is hard to manage volunteers, since they volunteer and are not obligated to attend training seminars or volunteer meetings. It is of course highly recommended however work and family often come first.

Untrained volunteers result in poor information flow from the club to the customers and the other way around. This makes Aerobicfactory seem unorganized and unprofessional.

A future goal for Aerobicfactory is trained and fully employed coaches who from a closer range can supervise the volunteer's actions.

4.4.4 Service Perishability

Unlike a physical product, a service cannot be stored. The perishability of services can create challenges for marketing when demand for the service fluctuates. (O'Neal, 2013)

Aerobicfactory's service stays the same; some changes are sometimes made to improve the training system. The biggest change that Aerobicfactory among all non-profit sports clubs are facing is the changing culture. Lives are so busy and no one anymore values volunteer work anymore, which leaves clubs without volunteers. Customers today think of sports clubs more as companies that provides them a service that they pay for and not as a common social venture. Customers have become more demanding and less involved. This is a huge challenge for Aerobicfactory, because to run a club help is needed. In order to hire full time employees, the club must either get new member or raise payment. Payment raises would perhaps result in customer loss.

Services are inherently intangible, inseparable, variable and perishable. Each of these characteristics creates challenges for marketers and requires different strategies. Aerobicfactory is not as well organized as it should be and marketing planning is not professional.

5 CONCLUSIONS

The objective of this research was to provide Aerobicfactory useful information and tools for marketing and member acquisition. In the beginning there were five research questions defined to help specify the research.

1. Explore various methods on how to increase membership of children less than 10 years of age in Aerobicfactory?
2. What kind of marketing tools can be used to promote a nonprofit organization?
3. How do customers find out about Aerobicfactory?
4. How to reach new customers?
5. How to get new members?

In this chapter the author will try to answer these questions and bring all the research findings together.

5.1 The Research Findings

The findings are gathered from the theoretical part, the theories and chapter 4 the findings and analysis of the questionnaire.

The thesis research started by studying and understanding the terms and theories related to basic marketing, non-profit organizations and social media marketing. These findings were the base for the survey that was conducted.

The marketing for a non-profit organization differs a lot from a company's marketing. For non-profit organizations there are almost no funds to use for marketing. When thought of marketing that is low cost, social media marketing comes to mind. Social media sites like Facebook, Instagram and Youtube provide a costless way to promote Aerobicfactory. Purchasing advertisements from newspapers or sending out fliers via postal service, is too expensive for Aerobicfactory.

For this thesis a quantitative research method was chosen. The questionnaire results are considered as primary data and conclusions are drawn from those results. The theoretical frameworks of member acquisition and marketing plan for a non-profit organization are considered as secondary data.

The questionnaire was sent to all parents of gymnasts in the gymnastics and sports division. This was to reach more customers. All answers were taken to account however the answers of Aerobicfactory's customers had higher value.

Questionnaire answers gave valuable information for marketing. Customers are at the moment mainly satisfied with Aerobicfactory. Lack of information flow was a problem mentioned. Customers find out about Aerobicfactory firstly from friends, friends of children or relatives. This is a link that is not yet fully taken advantage of, however will be discussed in the future. Secondly the internet, Facebook and Aerobicfactory's website. These parents are modern and follow social media sites and they are able to find Aerobicfactory online.

During the thesis process, Aerobicfactory's Facebook page likes went up by 18% and an Instagram page was opened. Website was updated and more happy pictures were added to increase positive feeling of Aerobicfactory.

A marketing plan would be effective for Aerobicfactory. A plan, where every volunteer coach would have an own task every week, to improve the member growth through marketing. This would help Aerobicfactory to keep up with marketing and not all marketing would be behind one person.

5.2 Suggestions for Further Research

Due to the reason, the time was limited in this research, not all sources were used. One large source would be to research successful gymnastics and sports clubs in Finland to understand how they do marketing and member acquisition. By questionnaires and interviews more knowledge would have been gathered.

The questionnaire was conducted on all the parents in the gymnastics and sports division. It could have been more effective, if the respondents would have been only parents of aerobic gymnasts.

REFERENCES

Andreasen A.R, & Kotler P. 2008. Strategic Marketing for Nonprofit Organizations. Seventh edition. Pearson Publishers. pp. 504

Burnett, J.J 2007. Nonprofit Marketing Best Practices. John Wiley & Sons, Inc.

Business Dictionary, <http://www.businessdictionary.com/definition/research.html>
16.9.2013

Federation International Gymnastique, FIG. About Aerobics. Read 4.7.2013.
<http://www.fig-gymnastics.com/vsite/vnavsite/page/directory/0,10853,5187-188475-205697-nav-list,00.html>

Finnish Patent and Registration Association,
<http://www.prh.fi/fi/yhdistysrekisteri.html>. Read 9.7.2013

Kivikangas, T. and Vesanto U. (1991) Markkinoinnin perusteet. WSOY. Porvoo

Lovejoy Kristen and Saxton Gregory D. (2012). Information, Community, and Action: How Nonprofit Organizations Use Social Media

Maslow, A. H. (1943). A Theory of Human Motivation.

MBAaskool. 26.11.2013 <http://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/2071-service-inseparability.html>

Nielsen J., Tahir M, (2002) Kotisivun suunnittelu. Edita Prima Oy. Helsinki.

O'Neil Kathleen. 26.11.2013 <http://wasqcon.com/characteristics-services-means-services-marketing/>

Pasha Yarema, 4'Ps FIGURE, <http://pashayarema.blogspot.fi/2012/11/4p-of-marketing.html>

Saunders :, Lewis P, Thornhill A. Third Edition (2003) Pearson Education Limited.

Sportisaitti <http://www.sportisaitti.com/> read on 1.10.2013

Suomen Voimisteluliitto. Lajiesittely kilpa-aerobic. Read 4.7.2013

Swot figure http://en.wikipedia.org/wiki/File:SWOT_en.svg 16.9.2013

Tech Terms. <http://www.techterms.com/definition/smm> 16.9.2013

Treadaway Mari 2012. Facebook Marketing: An Hour a Day (2nd edition) Hoboken, NJ

Turun Urheiluliitto. Seurainfo.Read 4.7.2013.
<http://www.turunurheiluliitto.fi/seurainfo/>

Uskali, Pekka. Secon Edition (1993). Rasion Painopojat Oy

Vuokko. P. 2004 Nonprofit-organisaatioiden markkinointi. WSOY. Porvoo

Questionnaire

1. My child is/was in
 - a. Aerobic Gymnastics
 - b. Aesthetic Group Gymnastics
 - c. Cheerdance

2. What made you or your child choose this sport?

3. How did you hear about gymnastics and sport division?
 - a. newspaper advertisement
 - b. newspaper article
 - c. Divisions flyer
 - d. Internet
 - e. Friend
 - f. Child's friend
 - g. Somewhere else, where?

4. Who or what influenced the choice of the discipline?
 - a. Child themselves
 - b. Parents
 - c. Grandparents
 - d. Siblings
 - e. Something else, what?

5. At the moment my child is
 - a. 3-4 years old
 - b. 5-7 years old
 - c. 8-12 years old
 - d. over 13 years old

6. My child started competitive gymnastics at the age of
 - a. 3-4
 - b. 5-7
 - c. 8-12
 - d. over 13

7. Do you think that Turun Urheiluliitto is the best sports club for your child?
 - a. Yes
 - b. No
 - c. I don't know

8. Do you think that the competitive gymnastics coaching is professional in the gymnastics and sport division in Turun Urheiluliitto?
 - a. Yes
 - b. No, because

9. Do you think that the gymnastics and sport division is the most competent gymnastics club in Turku region?
 - a. Yes
 - b. No, because

10. Do you think that gymnastics and sport divisions' performance is professional (other than coaching, for example training hall, advertisement, brochures etc.)?
 - a. Yes
 - b. No, because

11. Are the fees in gymnastics and sport division competitive?
 - a. Yes
 - b. No
 - c. Don't know
 - d. Something else, what?

12. Would you like to receive gymnastics and sport divisions newsletter rather by
 - a. mail
 - b. email
 - c. Don't care

13. My child is still involved in the gymnastics and sport division?
 - a. yes
 - b. No, why

14. Have you been satisfied with your own disciplines actions in the gymnastics and sport division?
 - a. Yes, because
 - b. No, because

15. Feedback for gymnastics and sport division