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# **Charity Marketing**

Meeting Need Through Customer  
Focus

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**Ian Bruce**



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*To my parents and the other parent figures in my life:*

*Tom and Una Bruce, Bob and Lillian Barker, John and  
Edna Stroud, and Peter and Margery Rowland*



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## Preface to the third edition

It is now just over ten years since the first edition of this book was published. What has happened over that period? In most ways progress has been startling. Since then, the *International Journal of Nonprofit and Voluntary Sector Marketing* has been launched in this country; non profit marketing articles appear regularly in the *Journal of Marketing* and the *European Journal of Marketing*; three more charity marketing books have been published in the UK; a masters degree in marketing and fundraising has been launched; and NCVO holds successful annual conferences on the subject, which are regularly over subscribed – all evidence that interest and commitment is growing at a rapid pace.

But whether it is because it is a dark afternoon, or because it is true, I feel a huge drag on acceptance of marketing in our sector, caused by public misconception of the subject – which I put down to the losing battle commercial marketers and their representative bodies are having in maintaining ordinary people's belief in the breadth and morality of marketing. When I started my career in the 1970s, being known as a marketer engendered approbation; now it requires a defensive explanation as to why I am involved in something so narrow cast and unethical. In the 1970s producers used to say 'we have to advertise it better'. Now they say 'we have to market it better', equating marketing with the last, separate and rather vulgar stage of developing a product. This usage is even rampant in business schools across the UK. Even more worrying, I sense marketing has increasingly been associated with unethical behaviour, often imagined but no less damaging for all that. The high profile usage of the term by the industries of drinks, tobacco, football and politics has certainly not helped – encouraging the view of marketing which I sometimes describe as 'selling people things they don't need at prices they cannot afford'.

So what do we charity marketers do? I think we can help in our small way. First, we are using marketing for obvious good (although even we

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need to be vigilant over our fundraising marketing ethics). Second, we are pushing back marketing frontiers with our widespread and continuous addressing of multiple target groups/constituencies with differing needs and wishes, some of which pay money and some of which do not, but all of which pay hidden prices. And third, we have the zeal and freshness of new converts to a cause, who are bringing new thinking with new territory. But I do appeal to the overwhelmingly dominant branch of our profession in the commercial world to relaunch the product that is marketing.

This third edition has been carefully updated and so readers can be confident that some of the best and newest references are included. However, it is reassuring for our emerging specialism that so much of the earlier writing has stood the test of time. The book is re-structured into three parts. The third part, which is entirely new, contains chapters on relationship marketing and partnership marketing, including cause related marketing (CRM). The chapter on income and fundraising generation has been extensively updated, and all the chapters include revisions. People familiar with commercial marketing can skip Chapter 2.

In an attempt to reclaim and make clear the breadth and depth of the marketing contribution, I have once again modified the title. This is intended as a public signal of the fundamental contribution of marketing to the effective running of voluntary and community organisations in order to meet the needs of beneficiaries.

All the thanks and appreciation recorded in previous prefaces remain undiminished, especially to the people in Unilever who first taught me about marketing. I wish to add special thanks to colleagues in ICSA, to Susan Richards and Clare Grist Taylor for asking me to do this third edition and to Phil Brown, Kevin Eddy, Kate Ellison, Jacki Reason and Simon Bailey. Ten years is a long time in the life of a business school and my thanks go to the new dynamic leaders helping us to make an impressive impact – David Rhind, David Currie, Steve Haberman, Henrietta Royle and Georges Selim. This has also been an inspirational 18 months in the life of VOLPROF, now transformed into the Centre for Charity Effectiveness, and my thanks go to the Worshipful Company of Management Consultants, particularly John Mclean Fox, Patrick McHugh, Gareth Rees, Barrie Collins, William Barnard, Allan Duigood and Allan Williams. Their contribution has been critical, not least

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because it has given me the space to work on this edition. The quadrupling in size and impact of the Centre has also been through the contribution of my Centre colleagues Caroline Copeman, Sue Douthwaite, Denise Fellows, Andrew Forrest, Mary Harris, Jenny Harrow, John Hailey, Karen Hickox, Adah Kay, Peter Grant, Ruth Lesirge, Paul Palmer, Atul Patel and Ian Williams, whose cheerful companionship have aided this writing commission. Lastly, but pre-eminently, I have had unfailing support from Tina, my partner for life.

Thanks once again to ICSA for asking for a third edition – I hope you have a good read!

Ian Bruce  
*May 2005*

# Abbreviations

4Ps	Produce, Price, Promotion, Place
AIDA	Attention, Interest, Desire, Action
AOP	Association of Optical Practitioners
BA	British Airways
BCO	British College of Optometrists
BCODP	British Council of Organisations of Disabled People
BPA	British Parachute Association
BVS	Broad Voluntary Sector
CAF	Charities Aid Foundation
CRC	Cancer Research Campaign
CDI	Comprehensive Disability Income
CRM	Cause Related Marketing
DARAC	Disability Access Rights and Advice Service
DBC	Disability Benefits Consortium
DCC	Disability Charities Consortium
DDA	Disability Discrimination Act
DfES	Department for Education and Skills
DIG	Disability Income Group
DLA	Disability Living Allowance
DTI	Department of Trade and Industry
DWP	Department for Work and Pensions
FMCG	Fast-moving consumer goods
FODO	Federation of Dispensing Opticians
GDP	Gross Domestic Product
IANSA	International Action Network on Small Arms
ICRF	Imperial Cancer Research Fund
LEA	Local Education Authority
NACRO	National Association for the Care and Resettlement of Offenders
NCH	National Children's Home

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NCVO	National Council for Voluntary Organisations
NOPWC	National Old People's Welfare Council
NSPCC	National Society for the Prevention of Cruelty to Children
NVS	Narrow Voluntary Sector
OFSTED	Office for Standards in Education
ONS	Office of National Statistics
PR	Public Relations
PRO	Public Relations Officer
RADAR	Royal Association of Disability and Rehabilitation
RCSB	Royal Commonwealth Society for the Blind/SightSavers
RNIB	Royal National Institute of the Blind
RNID	Royal National Institute for Deaf People
RNLI	Royal National Lifeboat Institution
RPI	Retail Price Index
RSB	Royal Society for the Blind
RSPB	Royal Society for the Protection of Birds
RSPCA	Royal Society for the Prevention of Cruelty to Animals
SDU	Service Delivery Unit
SWOT	Strengths, Weaknesses, Opportunities, Threats
TEC	Training and Enterprise Council
USP	Unique Selling Proposition
VSO	Voluntary Service Overseas
WWF	World Wildlife Fund (now Worldwide Fund for Nature)

# **PART I**

## **The Philosophy, Framework and Tools**

# 1 What is charity marketing?

## **Introduction**

I am a passionate believer in marketing and in applying a marketing approach to the voluntary sector. This is in part because I was trained as a manager by Unilever, where marketing was, and still is, the ‘way we do it round here’. But the main reason for my continuing passion is that marketing is philosophically and practically well suited to the voluntary and public sectors. What a gift to find a technique that has as its philosophy a dominant ethos of starting with the needs of the consumer, rather than the concerns of the provider. And doesn’t it also just feel right to have a practical process that starts from where the consumer actually is, rather than where we would like them to be? Such a philosophy and practice rings all sorts of bells in my background and current life. For me, as a child of the 1960s, a marketing approach has similarities with community work and community development – giving a major role in the creation and delivery of services to people who were previously regarded as passive recipients. Being married to a Froebelian educator whose core philosophy and practice is the dictum ‘begin where the learner is’ (Friedrich Froebel 1782-1852) has produced an unexpected harmony between an educator and a manager.

## **What is marketing?**

Essentially, marketing is a way of fitting together the planning and implementation of goods, services or ideas in a practical but sophisticated way, and in a way that emphasises the needs of the customer, client or person in need rather than simply trying to improve the efficiency of existing processes or ways of doing things. So much of voluntary sector activity development takes place in what the commercial world would call a product- or production-orientated way. Superficially this can increase efficiency, but the risk in this rapidly changing world is that the

product or process becomes increasingly less relevant or appropriate to what customers or clients need and want.

### **Consumer satisfaction**

The majority of definitions describe marketing as an activity to help the organisation achieve its goals by providing consumer satisfaction. This description should reassure the charity reader because it describes the key role of the organisation. But it also establishes the key focus on the customer/user/client/patient. In this book I use the term ‘customers’ to cover all of a charity’s target groups and, when appropriate, divide this term into ‘beneficiaries’ and ‘supporters’ (see page 35). However, at best the selection of the appropriate term is a matter of sensitivity and at worst it is a matter of fashion. Too much concentration on terms, in my experience, simply holds up discussion of the more fundamental issues.

### **Negative associations**

But for many people the term ‘marketing’ has negative associations. It describes a process for selling people things they do not need. For those with a centre-to-left political orientation it is associated with an intensely capitalist and commercial environment that is antithetical to the public and not-for-profit sector. For those with a centre-to-right view, it is generally more acceptable, but its application in the public and voluntary sector can seem irrelevant or inappropriate. Even where marketing is accepted, it is often only readily associated with areas such as fundraising and public relations (PR).

So, if the term starts with such a bad press, why continue to use it in the public and voluntary sectors? Over the last fifty years the approach, practice and techniques of marketing have transformed the commercial world and its provision of goods. It is also now significantly affecting the world of services. Our world needs to take advantage of these advances. But should we use a new name? I think not. There have been attempts in the public and voluntary sector to use the term ‘public relations’ as an alternative (Bruce 1973), but PR also has negative overtones and is too narrow a concept. Professional practices (such as lawyers and architects) tried a similar approach by substituting the term ‘practice development’, but this did not catch on (A. Wilson 1984, pp. xi–xiv).

### **Value-neutral**

Marketing as a term and a process is value-neutral. It can be used for good or ill. It can and has been applied not only in the commercial world, but also in the not-for-profit world, and even in the former planned economies of Eastern Europe.

Despite its 'discovery' for the non-profit sector by Kotler and Levy as long ago as 1969, marketing has only achieved a modest penetration into public and not-for-profit organisations in the United Kingdom. As a rough benchmark, best practice is probably at the quality and penetration levels experienced in the commercial world in the 1960s. Over the last few years it has begun to influence strategic planning, service provision and campaigning but, as suggested above, in the main it is only extensively applied in fundraising and PR (Hankinson 2000). However, best practice in these two areas (such as direct mail) is extremely impressive and can teach the commercial world a thing or two.

### **Definitions**

There is a whole host of definitions of marketing. Most of the more sophisticated ones could be applied to the public and voluntary sector. The one quoted below is by Philip Kotler, Professor of International Marketing at Northwestern University, United States. Kotler has the longest-standing interest of any academic in the field of public and not-for-profit marketing. He developed an early version of the following definition in the 1970s, which has essentially stood the test of time.

‘Marketing is the analysis, planning, implementation, and control of carefully formulated programmes designed to bring about voluntary exchanges of values with target markets to achieve institutional objectives. Marketing involves designing the institution’s offerings to meet the target markets’ needs and desires, and using effective pricing, communication, and distribution to inform, motivate, and service the markets.’

(Kotler and Fox 1985, p. 7)

This comprehensive, albeit tightly packed, definition is helpful because it identifies the different elements of marketing, which helps to indicate

## WHAT IS CHARITY MARKETING?

how it can be applied in the charity sector. Kotler uses the term ‘offering’ in place of ‘product’ – the generic term for physical goods and services. In this book I use ‘product’ to cover a charity’s physical goods, services and ideas. Where it is important to draw particular attention to the type of product, I use the terms ‘physical product’, ‘service product’ and ‘idea product’.

Andreasen and Kotler (2003) have defined marketing management as:

‘The process of planning and executing programs designed to influence the behavior of target audiences by creating and maintaining beneficial exchanges for the purposes of satisfying individual and organisational objectives.’

(p. 39)

### **Case examples**

The following four short case examples exemplify what the different elements in the definition can mean in practice. While two of the four have been taken from social services and education, they could equally have been taken from health, transport, the arts or sports. The social services study is of a voluntary visiting service for older people run by a local charity, but could also have been a study of a service for families under extreme stress or any other personal social service. The example from education is a school run by a national charity, but again any education service may have been selected. The fundraising example is a charity dinner, but could have been big-gift fundraising, a jumble sale or any other fundraising method. A pressure group involved with the arts forms the final case example, but once again could just as well have been drawn from a number of areas, including social welfare or the environment.