

THE COMMUNICATIONS OF NON-PROFIT ORGANIZATIONS WITH THEIR STAKEHOLDERS IN THE LIGHT OF THE DIRECT RESEARCH¹

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Abstract

The paper is devoted to the issue of communication of non-profit organizations with their stakeholders. It presents the addressees of promotional activities, forms of contacting various groups of interest as well as instruments and scope of marketing communication activities undertaken by organizations. The paper is based on the conducted direct research. Proper communication with the environment is vital for non-profit organizations functioning in the market. The surveyed entities used various forms of contacting their stakeholders, both direct and indirect ones. Particular instruments of marketing communication have been used to different extent by the organizations.

Keywords: *non-business organization, non-profit organization, stakeholder, communication, marketing communication, promotion.*

1. Introduction

The paper aims at presenting the means of communication used by non-profit organizations (NPO) with various groups of stakeholders². The paper focuses on recipients of promotional activities, forms of contact with the environment and the instruments and scope of marketing communication activities performed by the surveyed entities.

The paper presents the selected results of both quantitative and qualitative direct research conducted in 2009³. The research covered non-governmental organizations operating in the area of social security. The choice of the organizations operating in the above-mentioned field was determined by their

1 Publication financed from scientific funds in 2008-2010 as a research project No. 2571/B/H03/2008/34.

2 Stakeholders are individuals being in a relationship with a given entity of their own will or forced to it (*Leksykon zarządzania*, 2004, p. 151). These are entities interested in the functioning of an organization, bearing certain risk related to its functioning (Polskie Forum Corporate Governance. Retrieved from http://www.pfcg.org.pl/article/12760_Interesariusz_ang_stakeholder.htm).

3 The whole research project concerned the role of marketing strategies in creating value for stakeholders of non-profit organizations in Poland.

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role in the society. All entities participating in quantitative research were public benefit organizations (PBO). The possession of a PBO status was seen as evidence of a wider scope of activities of an organization. Quantitative research, conducted by means of a questionnaire, covered three Polish provinces: Małopolska, Podkarpacie and Silesia. Particular organizations from provinces of Małopolska and Silesia were randomly selected⁴. On the other hand, in Podkarpacie, due to a smaller number of registered entities, all PBOs operating in this area were asked to participate in the survey. The quantitative research was conducted on 269 entities altogether. However, the analysis took into account the questionnaires of 253 organizations, as others did not meet formal requirements. The qualitative research consisted in the case study analysis of 10 purposefully selected organizations from the province of Małopolska. It was assumed that these should be the entities with significant achievements in their activity, serving as models for other entities to follow. The research used the technique of an in-depth interview, the analysis of material offered by the surveyed entities and the information published on the Internet.

2. NPO stakeholders as recipients of promotional activities

It is not only service recipients and donors who are recipients of NPO promotional activities. When designing a system of marketing communication, we must take into consideration other entities as well (Wiktor, 2003, p. 326). Non-profit organizations function in a definite environment and provide value to various groups of stakeholders. The nature of the addressees of an organization's activities affects the applied marketing communication strategy (Czarnecki, 2012, p. 233).

The promotional policy may take up the so-called narrow or wide form. In case of a narrow form of promotion, communication of an organization is addressed to a narrower group of recipients than potential clients – to people shaping opinions about an offer or influencing the decision-making process. On the other hand, a wide form of promotion is directed at a broad group of addressees. In this case, apart from the present and potential clients and donors, the addressees of promotional campaigns are also potential intermediaries, local communities and other interest groups (Wiktor, 2003, pp. 326-327). Non-profit organizations, depending on their needs and resources they possess, use both the former and the latter form of promotion.

The most important addressees of promotional activities of the surveyed entities (quantitative research) were potential donors and local communities (Figure 1). NPOs, however, directed their promotional activities also to other interest groups.

⁴ The sampling frame was an all-Poland base of non-governmental organizations: bazy.ngo.pl

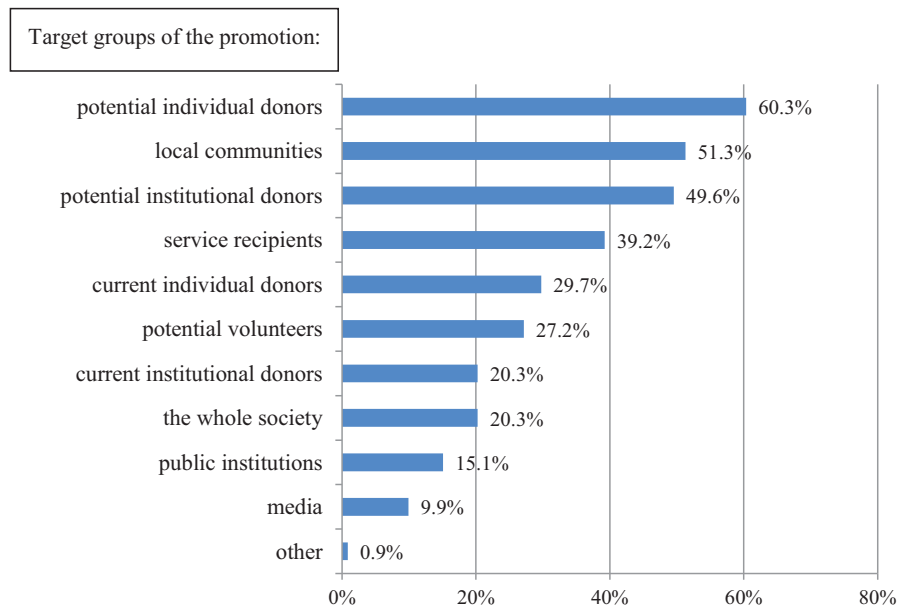


Figure 1. Target groups of promotional activities conducted by non-profit organizations (quantitative research, N=232)

The subjects covered with the research were also asked to rank particular groups of stakeholders taking into account their significance for the organization. The answers obtained in this way allowed me to state that the most significant interest groups for the surveyed NPOs (quantitative research) were: local communities, service recipients and their family and friends. Further places in the ranking were occupied by: donors, the whole society, volunteers and public institutions. The least important interest groups for the surveyed entities, as seen in respondents' declarations, turned out to be employees (in case of associations also organization members) and media. Also the organizations selected for qualitative research were asked to rank their stakeholders. Service recipients, their family and friends and local communities also frequently came on the top of the rankings. 6 out of 8 entities (which created the ranking of significance of particular groups of interest) ranked service recipients on the first place and their family and friends on the second.

3. Forms of communication with stakeholders

The surveyed non-profit organizations used numerous forms of contact to communicate with their stakeholders (direct and indirect, traditional and using latest technologies). The most frequent ways of contacting most recipients were ‘face to face’ and telephone conversations (Table 1). The organizations also often contacted service recipients, their family and friends and volunteers by means of group meetings. Donors were often reached via post and the Internet. The Internet was also used by a considerable group of organizations to contact the media. Public institutions, apart from being contacted via direct and phone conversations, were also often reached through the post. Local communities were most frequently contacted via available mass media. In contacts with employees, obviously ‘face to face’ communication prevailed.

Table 1. Forms of contacting various groups of stakeholders by non-profit organizations (quantitative research)

	Phone calls	‘Face to face’ conversations	Group meetings	Symposiums, lectures, conferences	Mass media	Internet	Post	No contact
Service recipients (N=220)	49.5%	70.5%	42.3%	15.5%	17.3%	31.4%	26.4%	3.6%
Family and friends of service recipients (N=212)	48.6%	54.7%	38.2%	8.5%	13.7%	24.1%	17.9%	12.7%
Individual donors (N=230)	40.4%	68.3%	17.0%	5.7%	27.8%	37.0%	36.5%	1.3%
Institutional donors (N=227)	46.3%	58.6%	10.6%	11.9%	26.0%	36.1%	38.3%	3.1%
Public institutions (N=214)	49.5%	60.3%	8.9%	15.9%	17.3%	31.3%	40.2%	5.1%
Local communities (N=210)	14.8%	28.6%	29.0%	16.7%	49.0%	33.3%	18.1%	5.2%
Media (N=208)	51.4%	45.2%	4.8%	9.6%	20.2%	39.4%	24.5%	13.5%
Employees (N=171)	34.5%	68.4%	32.7%	12.3%	5.8%	24.6%	12.9%	22.8%
Volunteers (N=211)	44.1%	80.1%	46.9%	15.6%	12.3%	32.2%	21.3%	6.6%

The choice of a proper form of communication with reference to a specific group of addressees is of vital importance. An inappropriately selected form of contact may account for the fact that the communication will not reach a particular addressee or the message they receive will be incomplete. (Michalski, 2007, pp. 302-303).

4. The instruments and scope of promotional activities of NPOs

Organizations use various instruments and tools to communicate with the environment. Particular instruments of marketing communication may be used separately, however, in order to obtain quicker and lasting effects, it is justifiable to combine them and to use some of them together (Sztucki, 1996, p. 202). The composition of promotion should be adjusted to the goals of a given organization as well as to the situation this organization is in (Michalski, 2007, p. 314).

Building positive image was vital for the surveyed non-profit organizations. E of the entities (quantitative research) performed regular activities in this area (Table 2). Over half of the respondents declared that they often or very often undertook activities aiming at creating positive image⁵. Huge significance of an organization's image in the society was confirmed by the respondents reaction to the following statement: "The organization does not attach significance to its image in the society". 85% of organizations did not agree with this statement (34.6% totally disagreed while 39.5% disagreed). The expressed opinions were affected by subjective evaluation of a financial situation (grouping variable "evaluation of financial situation", Chi-square = 13.941, df=4, Asymptotic significance = 0.007 < 0.05). Individuals which evaluated their financial situation as very good, more often than the others "totally disagreed" with the statement that "The organization does not attach significance to its image in the society". The expressed opinions were not influenced, however, by: the size of the city in which the registered office of the organization was located, the province or the geographical scope of its operations⁶. The significance of the non-profit organizations' image in the society was also emphasized by individuals taking part in the qualitative research. It should be emphasized that taking care of the most favorable image is particularly important for a non-profit organization, as it relies on external support and image is essential in accomplishing its goals and its mission

5 Other research conducted by Klon and Jawor Association shows that 54% of Polish foundations and associations performed activities "related to promotion and creation of the organization's image" (Herbst and Przewlocka, 2011, p. 140. Retrieved from http://civicpedia.ngo.pl/files/civicpedia.pl/public/raporty/podstawowefakty_2010.pdf.

6 Kruskal-Wallis test: grouping variable "size of the city" (Chi-square = 5.045, df=5, Asymptotic significance = 0.410), grouping variable "province" (Chi-square = 2.975, df=2, Asymptotic significance = 0.226), grouping variable "geographical area of operation" (Chi-square = 1.481, df=3, Asymptotic significance = 0.687).

(Krzyżanowska, 2000, p. 117; Szymańska, 2004, p. 338). Building a positive image is a long-term process (Howaniec, 2005, p. 27), requiring constant and well thought-out activities (Kotnis-Górka, 2011, p. 82).

Table 2. Promotion methods used by non-profit organizations (in %, quantitative research)

	Regularly	Very frequently	Frequently	Seldom	Hardly ever	Never
Advertising in mass media (newspapers, radio, TV) (N=239)	4.6	10.9	18.8	29.3	20.9	15.5
Additional promotion (coupons, contests, shows, lotteries, gadgets, calendars, Christmas cards, etc.) (N=237)	3.4	7.6	22.4	26.6	18.1	21.9
Creating positive image of an organization (N=243)	25.1	16.5	36.6	12.3	6.2	2.3
Personal promotion (direct contact with addressees of organization's activities) (N=241)	29	29.5	28.6	7.1	4.1	1.7
Advertising in the Internet (www pages, sponsored links, blogs, advertising banners, etc.) (N=237)	22.8	11.4	12.7	18.6	16.9	17.7

Non-profit organizations may also use advertising in mass media. It allows them, for example, to repeat the messages many times and to direct them at a wide range of addressees at the same time (Kall, 2002, p. 18; Michalski, 2007, p. 323). A serious constraint encountered by non-profit organizations which would like to advertise in mass media are costs. Mass media advertisements (press, radio, TV) was regularly used only by 5% of the surveyed respondents (quantitative research). It was frequently or very frequently used by almost 30% of organizations. On the other hand, over 15% of the respondents never used this promotion method. Advertising in the Internet was never used by nearly 18% of organizations, while 23% of entities declared their regular presence online. The use of the Internet is “a vital feature of all contemporary marketing communication systems” (Iwankiewicz-Rak, 2011, p. 72). The Internet gives

non-profit organizations a lot of new possibilities of communication. It is a relatively cheap and interactive medium (Kotler, 2005, p. 612), characterized by constant access and offering a possibility of reaching remote places with the message. Undoubtedly, non-profit organizations will intensify the use of this medium.

Personal promotion was an instrument of marketing communication intensely used by the surveyed respondents. It was used regularly by 29% of organizations, while 58.1% used it frequently and very frequently. Direct contact with addressees of activities is particularly important for non-profit organizations due to the nature of their offer – namely service (Iwankiewicz-Rak, 1997, p. 125; Krzyżanowska, 2000, p. 116). Personal promotion tasks refer to all employees contacting the surrounding environment of an organization (Wiktor, 2006, p. 129, 131-132), representatives of the board, volunteers and organization members. Direct forms of communication may serve the purpose of attracting various groups of stakeholders, such as service recipients, donors, volunteers (Iwankiewicz-Rak, 1997, pp. 125-126).

Non-profit organizations may also use the tools of auxiliary (supplementary) promotion in their marketing communication process. They form “additional, unusual stimuli” (Wiktor, 2006 p. 199), enriching the organization’s offer (Huczek, 2003, p. 103; Wiktor, 2006, p.199) and contributing to attracting various groups of stakeholders (Iwankiewicz-Rak, 1997, pp. 124-125). The use of additional promotion instruments brings quick but short-term effects (Wiktor, 2006, p. 201). We should also remember that we should not use them too often, as they will cease to be exceptional (Huczek, 2003, p. 103; Wiktor, 2006, p. 201). Additional promotion tools (such as calendars, Christmas cards, lotteries) were frequently or very frequently used by 30% of the surveyed entities. Among other ways of promotion, the respondents often mentioned special events, radio programs, radio and press interviews, information in media on performed activities, performances, shows, exhibitions, leaflets, posters, announcements made in church, conversations, internal marketing.

According to 88.4% of the surveyed people, non-profit organizations should conduct intense promotional activities (Figure 2). Only 2.8% of the respondents had a different opinion on this issue. Opinions on the legitimacy of intense promotional activities performed by non-profit organizations did not depend on subjective evaluation of financial situation, province, size of

the city in which the organization's registered office is located or geographical scope of operations⁷.

Non-profit organizations should conduct intense promotional activities

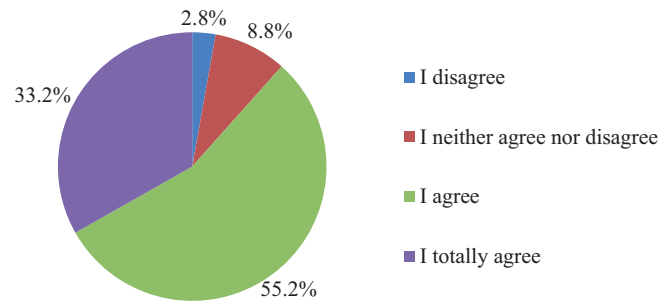


Figure 2. Opinions on the legitimacy of intense promotional activities undertaken by non-profit organizations (quantitative research, N=250)

Promotion messages should emphasize “desirable, exceptional and reliable” benefits (Doyle, 2003, p. 355) for the stakeholders of non-profit entities. Organizations participating in the qualitative research indicated the most emphasized aspects in promotion communication. They are presented in Table 3.

⁷ Kruskal-Wallis test: grouping variable “evaluation of financial situation” (Chi-square = 1.108, df=4, Asymptotic significance = 0.893), grouping variable “province” (Chi-square = 1.829, df=2, Asymptotic significance = 0.401), grouping variable “size of the city” (Chi-square = 4.021, df=5, Asymptotic significance = 0,546), grouping variable “geographical scope of activities” (Chi-square = 1.244, df=3, Asymptotic significance = 0.743).

Table 3. Basic features stressed in promotion communication of non-profit organizations (qualitative research)

Name of the organization	In promotion communication we emphasize most ...
Urszula Smok Foundation "Donate Life"	"idea of bone marrow donation"
Register of Bone Marrow Donors	
"Blessed Sister Bernardyna Jabłońska Hospice"	"our own mission"
Anna Dymna Foundation "In Spite of Everything"	"information on the purpose of collecting resources (and that it can be checked at any time)"
Association of the Sick People's Friends, St. Lazarus Hospice	"information on the care – that it is professional, for everybody who needs it and that it is for free"
Association of Parents and Guardians of Disabled Children "Give a Chance"	"complexity, professionalism"
"Arka" Specialist Counselling and Helpline	"usefulness and effectiveness"
Caritas of Cracow Arch-Diocese	"our own mission"
Association for the People in Need "Sursum Corda"	"effects of our work, results of our activities"

Non-profit organizations should emphasize in their promotion messages the domain of their activities, which was achieved by the surveyed units. They informed about their mission, goals and other vital aspects related to their operations. "Sursum Corda" Association placed the emphasis on information in promotion messages on the effects of their activities. Anna Dymna Foundation "In Spite of Everything" stressed the purpose of collecting the resources, informing of the possibility of verifying the information provided. It seems important, as it may ensure donors that their support was used properly (the resources were appropriated in line with their purpose).

5. Conclusion

The communication system in non-profit organizations aims not only at convincing people to use the offer, but also to attract resources for an organization's activity, attracting people to work for it, building trust of public opinion (Iwankiewicz-Rak, 1995, p. 4). The communication strategy of non-profit organizations should cover then various groups of stakeholders – both external and internal ones (Bruhn, 2005, s. 384). In contacts with their stakeholders organizations can use various instruments. Communication may be traditional and with the application of the latest technologies.

Non-profit organizations must be able to communicate with their stakeholders in an efficient and effective way. It should be emphasized that a one-way activity is insufficient. What is really needed is a dialogue between

organizations and stakeholders, covering information and persuasion activities and feedback between communication recipients and senders (Wiktor, 2006, pp. 41-42). In this context it seems important to cover not only organizations but their stakeholders as well with the research. Such research could, inter alia, indicate the forms of contact preferred by particular groups of stakeholders or the most effective instruments of marketing communication.

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