The Comparison between NGO Marketing and Conventional Marketing Practices from SWOT Analysis, Marketing Mix, and Performance Evaluation Perspectives

Fong Mun Yee
Center for Southern New Hampshire University (SNHU) Programs, HELP College of Art and Technology, Kuala Lumpur, Malaysia

Rashad Yazdanifard
Center for Southern New Hampshire University (SNHU) Programs, HELP College of Art and Technology, Kuala Lumpur, Malaysia

Abstract

The study aims to let those who have altruistic impulses to know deeper about how marketing strategy can actually be applied on non-governmental organizations (NGOs). As there are misunderstandings that marketing is only available to corporates, some of the NGOs have lost their opportunities to raise more funds and as a result help more people in need. For this purpose, the paper includes the study on how marketing strategies are being used by NGOs. Besides, the study of conventional marketing is also being written on paper in order to clear up the misunderstandings. This paper uses some of the organization’s examples to help provide discussion. Throughout the study, the formulae to formulate, implement and evaluate is the same. However, the ways to formulate make the differences as the purposes of NGOs and corporates are different. As a conclusion, this study will cause NGOs to realize the importance of marketing towards their mission and also their way to sustainability.

Keywords: NGO marketing, conventional marketing practices.


1Corresponding author’s email: fongmunyee@hotmail.com
Introduction

There are different classifications of non-governmental organizations. For example, culture, education and research, health, social services and environment (Tabaku, & Mersini, 2014). Non-Governmental Organizations’ purposes are not about gaining profit but to build awareness and so to help those in needs (Yazdanifard, Massoumian, & Karimi, 2013). The objectives of NGOs are somehow different from corporations. Their objectives are like fundraising, getting more volunteers, create awareness and look for some support from corporates (Blery, Katseli, & Tsara, 2010). There will not be any contributions from the donors if the NGOs are not recognized. Hence, marketing plans are needed to create awareness among the people and so to gain support. For example, World Wide Fund for Nature has implemented marketing plans to promote the protection of animals threatened with extinction and so to get the supports from donors. The examples of NGOs are World Vision, Care and Oxfam International (Aldashey & Verdier, 2009). Some of the Non-Governmental Organizations (NGOs) serve their own countries but also other countries. According to previous studies, some of the NGOs did not have their own marketing departments like private and public companies (Blery, Katseli, & Tsara, 2010). NGOs did not want to implement marketing strategies as they thought those strategies are manipulating. Due to the lack of understanding towards marketing, NGOs also thought marketing methods are hard to be applied because of the unchangeable products like ideas and mission and price that cannot be fixed (Blery, Katseli, & Tsara, 2010). Besides, NGOs were being argued that they may spend a lot on marketing to build the awareness but had forgotten to help those in need (Benett, 2007). However, the perceptions of NGOs toward marketing have changed. NGOs implement marketing strategies to sustain, to help more those in need, and so to satisfy those who do not know how to help (Aldashey & Verdier, 2009).

Marketing is important for any type of businesses (Wall-To-Wall Marketing, 2015). Conventional marketing is generally used by corporations which the ultimate purpose is to earn more profits. The marketers focus on the use of the marketing mix which are product, price, place, and also promotion (Grönroos, 2009). The corporates offer different types of products and services and they set prices for each products and service offered. The corporates’ primary purpose is to gain profit. Therefore, they will need strategic marketing plans to increase sales. The corporates have to target who are their potential customers. Besides, the corporates may need marketing plans in order to tighten the relationships with customers as it will be more expensive to turn prospects into customers. Loyal customers are more likely to recommend to their friends or family members the products or services when they are happy about the values and services provided by the corporate. From another perspective, maintaining relationships with customers allow the corporates to gain more reputation (Richmond, 2012).

The Comparison between NGO Marketing and Conventional Marketing Practices from SWOT Perspective

In order to create a good strategy, NGOs and corporates have to implement SWOT analysis (Hooley, Saunders, & Piercy, 2004). The marketers first have to determine the strengths, weaknesses, opportunities and threats (Mayer & Vambery, 2008). Well known identities can be the strength for both NGOs and industries. However, the weakness of
both NGOs and corporates might be the lack of marketing professionals. Besides that, the opportunity may be the subsidies from the governments whereas the threat may be the economic factor like deflation that cause problems to NGOs and corporates. Both NGOs and corporates can also use Porter’s five forces analysis when doing SWOT analysis. Porter’s five forces which include the rivalry among existing competitors, the threat of new market entrants, bargaining power of buyers, bargaining power of suppliers and the threat of substitute products or services can be used to determine external opportunities or threats (Minton, 2010).

The strengths of the NGOs will probably be the selling price for the missions and also the costs of advertisements in newspaper (Blery, Katseli, & Tsara, 2010). The price is low. Every donors can donate according to their own will. For example, the World Wide Fund for Nature’s product is the mission to adopt an animal and its price can be either 3 euros, 5 euros, 10 euros or other prices (World Wide Fund for Nature [WWF], n.d.). Besides, World Wide Fund for Nature can place advertisements in newspapers for free (Blery, Katseli, & Tsara, 2010). However, the weakness of NGOs is the capacity to communicate with the public. Some of the NGOs have to pay for the manpower in order to sustain (Blery, Katseli, & Tsara, 2010). Besides, there are donors who may want to donate but they did not own a credit card so they are unable to donate to the organizations through online. The advancement of technology and internet allows NGOs to advertise with zero payment (Blery, Katseli, & Tsara, 2010). From another aspect, the internet allows NGOs to reach out to the market more effectively as the users can view the advertisements at any time and at any places (Rollyson, 2012). For example, social media sites like Facebook has a sharing function that allows the users to share their posts or videos (Darwell, 2013). When the users who have the interest to help those in need, they can share the related posts to others who have the same interest. Whereas the threat is the cost for TV advertisements because NGOs cannot invest on TV advertisement which originally allows them to communicate more effectively with the people. Besides, the numbers of donors will decrease after some time because of product life cycle (Mayer & Vambery, 2008). For example, they may have concerns towards breast cancer awareness but have forgotten about the concerns for animals. In addition, governments in Canada and U.S. reduced the financial supports and has shifted the responsibilities to NGOs (Wymer, Knowles, & Gomes, 2006). Thus, NGOs have more difficulties to help those in need. From another perspective, NGOs also have their competition like corporates. The competition is becoming stiffer as the numbers of NGOs are increasing.

The corporate’s strength may be having creative employees who can create high tech products and to have higher market shares than others (Rice, 2010). For example, Apple Company’s strength is its products like iPhone, MacBook and iPod (Ebscohost’s database, 2015). The information can be saved in other devices automatically without needing users to share or email. The weakness may be the types of productions are less. However, the corporates can expand its products types by doing research and development. Furthermore, there may be the unreliable channels of distribution or the lack of capacity (David, 2011). The corporates can take control by changing the vendors or implement forward integration strategy. Besides, the corporates can also increase its capacity by gaining more shareholders by implementing strategic marketing plan. From another aspect, corporates may be facing opportunity and threat at the same time. The opportunity may be the increasing amounts of subsidies by government but the threat may
be the invention of substitute products. For example, Apple Company introduced iPhone 6 whereas its competitor, Samsung introduced Samsung S6 at the same time (Briden, 2015). It showed the rivalry among the competitors as both of the companies were the big giants in the market as at 1st of July, 2015. Both opportunities and threats are beyond the corporates’ control but the corporates can change the weaknesses or threats into strengths or opportunities by implementing strategic marketing plans (Goetz, Hoelter, & Krafft, 2013).

The Comparison of Product Planning between NGOs and Corporates

According to Mayer and Vambery (2008), every product has its own life cycle. Product life cycle can be divided into four stages. For example, introductory stage, growth stage, mature stage and decline stage. Introductory stage is when the product is new and just starts being marketed. At this stage, there will be some customers who are innovators, who will be the first to buy and try the new product. Followed by early adopters, they will follow the innovators to consume the products or services (Huha & Kim, 2008). Growth stage is when the sales are likely to grow and stop whereas mature stage is when the sales of products reaches its peak. Lastly, decline stage is when the sales are dropping. After that, the product’s life cycle will come to an end and the product will be driven out from the market.

NGOs do not sell products or services but they sell mission and ideas (Blery, Katseli, & Tsara, 2010). They sell missions and ideas in order to raise funds and help those in need (Jordan, 2008). For example, World Vision’s mission is to help the poor ones (World Vision, n.d.). Individuals or companies who agree with the mission will likely donate or even join NGOs to help. Furthermore, NGOs may sell mission or ideas in order to gain public awareness on the issues. For example, Amyotrophic Lateral Sclerosis (ALS) association’s mission is to treat ALS patients. It had successfully built the awareness of public towards the disease by creating the event called the Ice Bucket Challenge (ALS Association, 2015). Due to the campaign, ALS association successfully raised $220 million in order to implement research to find the way to cure the disease (ALS Association, n.d.).

For corporates, there are different types of products like consumer products, shopping products, specialty products, unsought products and business products (Boundless.com, n.d.). Consumer products are goods for personal or household usage. The examples are clothing, cosmetics, nutritional supplements, cleaning materials and insecticides (Schettler, 2006). Shopping products are the goods that the consumers will have to compare before purchasing. For example, car, house, laptop and computer software. (Hsiao, 2009). Whereas specialty products are products that are unique and hard to get, such as limited edition handbags and shoes that are made by famous designers (Lamb & Dunne, 2011). Besides, there are also unsought products which customers buy because of fear, precaution or need. For example, fire extinguishers, life insurance policies and pharmaceutical products. Business products are products that will be sold to other vendors or to the end consumers. The numbers that businesses will buy are large in amounts compared to consumers’ purchases quantities (Richmond, 2012).

The Comparison of Pricing Strategies between NGOs and Corporates
For NGOs, there are no fixed charges for the missions or ideas to be sold. However, NGOs will need more funds to help those in need and so to pay to their personnel (Blery, Katseli, & Tsara, 2010). NGOs do not name the price as “payment” but “gift” (ALS Association, n.d.). NGO like ALS association suggests different gift amounts like $25, $50, $100 and $500. When the donor does not know how much to donate, the suggested choices enable the donor to choose and pay. Besides, the donor can also donate in other amounts by filling the box given on the billing information form.

For corporates, the selling prices are fixed for products and services. Besides, some of the companies use price to gain competitive advantages (Dass, 2013). For example, Costco Wholesale’s mission is to provide quality goods and services at the lowest possible quality (Costco Wholesales, n.d.). The customers buy the products or services not only because of the selling prices but also the values they receive. Some of the companies may cut down the prices in order target low income consumers. However, there are also companies who increase the prices to show their brand identities.

The Comparison of Place Strategies between NGOs and Corporates

Donors or volunteers can find NGOs via internet or even visit to their centers (World Visiom, n.d.). They can contribute via online or contribute at their center. For example, World Vision has its official network site and official profiles at social media sites like Facebook and Twitter. The donors and volunteers can easily find NGOs by typing the names. Besides, donors and volunteers can also search the lists of NGOs using Google. The official pages of NGOs show their missions and ideas. Besides, the addresses will also be shown on the official pages which allows the ones interested to visit their centers. Furthermore, the prospects can also find the missions in the newspaper. According to Forstorp (2007), when there was the occurrence of Tsunami, there was billing form displayed below the news article. The donors could fill in the details and send it to the centers.

Corporates’ products or services can either be found in store or online. As the products or services are different, the places to sell may be different. For example, the place may be at a cinema, coffee shop, food halls or shopping malls (Hsiao, 2009). Different places provide convenience to the customers. The customers can choose to go to any distributors based on their time feasibilities and locations. Some of the customers will likely to go malls to shop as they can have fun with their family or friends. Whereas, some of the customers prefer to shop online because of time constraints. From another perspective, some of the consumers prefer to purchase online as they can compare the prices of different brands in the easiest way. No matter it is a brick mortar store or a click store, the customers will be satisfied as long as they get the values they expected.

The Comparison of Promotion Strategies between NGOs and Corporates

Promotion mix includes advertising, personal selling, sales promotion, publicity, word of mouth and public relations (Nour & Almahirah, 2014). The promotion tools can also be used through medium like direct mail, word of mouth, television, radio, newspaper, internet, signage, direct mail and telephone (Tuten & Solomon, 2015). With the advancement of technology, some of the promotion mix like direct mail, word of mouth,
newspaper can be done via internet. For example, social tagging enables web users to express their thoughts using “tags” at Facebook, Twitter or even Instagram (Hyoryung & Kannan, 2014). The others will be noticed because of the “tags”. Furthermore, NGOs can search for the same groups of people based on the tags. In addition, the donors, volunteers, consumers or even business customers can use smart phones, laptops or even computers to search for NGOs, industries and also the products information (Xia & Pedraza-Jiménez, 2015). Most of the NGOs and corporates utilize the internet to promote their products or services. Using internet, NGOs and corporates are able to reach their purposes easier. To create word of mouth, NGOs and corporates can employ bloggers, experts and ambassadors to advertise the missions and ideas (Tuten & Solomon, 2015). Besides, NGOs’ and corporates’ official links can be included in the blogs so those who are interested can easily get to NGOs’ official sites.

NGOs implemented different types of promotion strategies to reach the purposes. For example, ALS association had successfully built the awareness of public towards the disease by introducing Ice Bucket Challenge (ALS Association, 2015; Mayer & Vambery, 2008). The participants of Ice Bucket Challenge had to tell the purposes of doing it and then pour the ice water on their bodies. Nominating the others enabled the messages to be passed on to more people. Adversely, some of the NGOs’ promotion strategies failed because of wrong methods. Some NGOs use celebrity endorsements. However, NGOs will not need to give any payments. The celebrities may receive the payments in other forms. For example, he or she can build a better image or get involve to satisfy his or her needs. Some of the celebrities were being doubted because of their credibility (de los Salmones, Dominguez, & Herrero, 2013). However, it can be a successful marketing strategy if the credibility is there because he or she can influence the audiences’ emotion towards the mission. With the use of celebrities, the messages can be passed around more effectively as they have a lot of followers. Besides, media may report the events because of the celebrities. NGOs can promote indirectly at the same time. When NGOs are promoting via press, NGOs should also include information about the advertising fundraising events and also the information about community services (Mayer & Vambery, 2008). For example, after Tsunami tragedy, the press were trying to prove its credibility by attaching the pictures which showing the tragedy situations and writing descriptions about how the victims are suffering (Abdullah, Husain, Bokhari, Jano, Kamarudin, Saad, 2014; Forstorp, 2007). Besides, NGOs should also invite press workers to join the events as they may need news to write about their articles. At the same time, it also enables NGOs’ messages to be promoted through the articles. The articles can be used to attract more donors, volunteers and so to increase the awareness among public.

Corporation like Coca-Cola held campaigns via social media and one of the campaigns was “Share a Coke Can” (Hepburn, n.d.). The customers have to purchase at certain displays all around the world. They snapped the pictures of the Coca-Cola can which labelled their names and hashtag “ShareaCoke”. The responses were good as there were 730,000 glass bottles were being personalized via online and 235,000 tweets about the event. As the idea was good which enabled the customers to put their names on the cans, it created the topic among their friends and family who saw the tweets or posts. From another aspect, the campaign was successful as there were more than 150 million personalized bottles sold. Celebrity endorsements are also popular among the
corporations especially when they want to get the instant attention from the public. Some of the customers purchase the products from the new set up companies not because of the products themselves but the celebrities’ credibility. Besides, the corporates endorse the celebrities for their brands as they want the prospects or customers to think of their brands when there are discussing about the celebrities (Mukherjee, 2009). Besides, the prospects and customers can easily think of the brands which are represented by celebrities because the brands with celebrities can easily being differentiated in the market. In addition, the customers will likely to stick to the brand as they are satisfied with the products or services.

The Comparison of NGOs and Corporates in Performance Evaluation

To evaluate whether the marketing strategies is effective or not, the marketers will need to have quantitative marketing measurement metrics and qualitative marketing measurement metrics. The metrics used for both NGOs and industries are the same but the only differences are the elements that each needs to be evaluated. Quantitative marketing measurement metrics is which the marketers will be evaluate base on the numbers of sales, profit margins, and also the numbers of customers. For NGOs, the marketers will be evaluate base on the amount of funds, the numbers of donors and also the numbers of volunteers (Šalkovska, & Ogsta, 2014). Social tagging is also one of the ways to measure the performances of online campaigns. The tags will group the people who have the same interests (Hyoryung & Kannan, 2014). Hence, it enables the NGOs and corporates to evaluate the effectiveness of the events. Whereas qualitative marketing measurement metrics are which marketers have to evaluate base on customers’ feedbacks or behavior (Benett, 2007; Šalkovska, & Ogsta, 2014). For example, tags enable the corporates to know about customers’ preferences, customers’ perceptions towards the brands and products and customers’ loyalty. Whereas, the marketers for NGO may want to know about the donors’ perceptions about the missions and also campaigns. However, there are some of the challenges for marketers (Tuten & Solomon, 2015). The words used by the customers may carry different meanings because of different cultures. Besides, the marketers may define the collected data wrongly (Leeflang, Verhoef, Dahlström, & Freundt, 2014). From another aspect, some of the customers who give their feedbacks on NGOs’ and corporates’ sites may not be the real customers.

Discussion

In an effort to elucidate the differences of NGOs marketing and conventional marketing, this paper includes the comparisons between products strategy, price strategy, place strategy and promotion strategy. SWOT analysis are being used by both NGOs and corporates when they formulate any marketing plans. The considerations of both NGOs and corporates are somewhat similar and different. NGOs priorities is to have the awareness being built among the public. Whereas, some of the corporates prioritize on the opportunities to increase their bottom lines. To some extents, the opportunities for both NGOs and corporations is the same. The advances of technology enables NGOs and Corporations to increase more profits or funds by organizing campaigns online. Social media platforms like Facebook and Twitter enable the customers or prospects to follow the brands and products online. The sharing function allows the corporates to share their new ideas or products. In addition, the followers and customers can also share and
influence their friends or family members who have the same interests. Furthermore, the
threat for both NGOs and corporates may be the new entries of NGOs and corporations.
Although the word of “competition” is not suitable for NGOs but it is true that the funds
may be lesser as the donors may shift their attentions to other NGOs. Whereas, corporates
have their competitions within the industries. However, internal strengths allow
corporates to have different competitive advantages. The other comparisons are the
product strategies and the pricing strategies applied in NGOs’ and corporations’
marketing plans. NGOs do not produce products or services and sell them to customers.
However, they sell their missions and ideas without a charge. The donors or volunteers
contribute or join NGOs because of the missions. The mission may be to help the poor or
the animals which are on the verge of extinction. However, corporates will need to
produce consumer products, unsought products or specialty products to sell to the vendors
and also the consumers. The products or services require fixed selling prices. The
consumers may buy it because of the product designs, product functions and brand names.
However, the consumer may also reject the offer if the price is not equivalent to their
perceived values.

Furthermore, both NGOs and corporations have their products to be sold at online store
or brick and mortar store. All varieties of corporations’ products or services may be found
at the same places. Marketers of NGOs and corporations use different types of promotion
tools, medium and vehicles to promote the products. Online campaigns were successful
because of search engines and newsfeeds (Darwell, 2013). Customers can search their
interested fields via Google or Facebook search engines. By using that, the search engines
enable the customers to know about the products information, reviews from pundits and
the feedbacks from their friends or family. Whereas, NGOs and conventional marketers
can attract the attentions of the prospects by using newsfeeds. As Facebook will put the
hottest topics at the top of the newsfeeds, the chances of the posts will be exposed to the
prospect donors, volunteers or customers will be higher. Besides, the use of celebrity
endorsements are well known for NGOs and also corporates. However, the concerns of
both NGOs and corporates are the same. NGOs and corporates marketers may worry if
the images of celebrities will affect the brand images positioned in consumers in negative
ways. After all of the promotion strategies, the marketers of NGOs and corporations will
have to evaluate the effectiveness of the strategies. They use the same measurement
metrics but the elements they use to measure will be somehow different from each other.
In summary, the paper suggests the NGOs marketing can also be effective as conventional
marketing.

Conclusion

This paper discussed about the comparisons of NGOs marketing and conventional
marketing from SWOT analysis, product mix and performance evaluation perspectives.
Both NGOs marketers and conventional marketers need to analyze the NGOs and
corporates using SWOT analysis in order to create marketing plans. Both NGOs and
corporates have their own strengths and weaknesses. NGOs and corporates will need to
identify the weaknesses and take some initiatives to turn the weaknesses into strengths.
Then, NGOs marketers and corporates marketers will need to use the strengths to adapt
the opportunities and avoid the threats while formulating the marketing plans. There are
more new NGOs being set up at different places in this era of globalization. The threat of
NGOs is getting lesser funds than before. However, corporates will not being affected because of the new emergence of NGOs but the new corporates from the same industry. The corporate’ market shares or profits may be affected because of the choices provided by the other corporates. From the other aspect, NGOs and corporates may have opportunities like subsidies by government. The cost for NGOs marketing and conventional marketing could be decrease because of the subsidies. However, the government may only give subsidies to NGOs or corporates. NGOs will need to collect funds from the corporates, government or the public by selling mission or ideas. However, corporates do not collect funds. The corporates will need to sell products or services in order to earn profits. Hence, the marketers will need to design different kinds of products for NGOs and corporates. For pricing strategies, NGOs marketers cannot set a fix price for the missions or ideas. However, corporates will need to set fix prices for the products or services. Furthermore, NGOs and corporates will need to have the place for the donors and consumers to purchase the products. Thus, NGOs and corporates marketers will need to plan whether the selling centers should be in brick and mortar form, click and mortar form or online form. In addition, the NGOs and conventional marketers will need to promote the products. As NGOs have lesser budget to advertise so the marketers will need to choose different medium to promote. For corporates, the budget may be less or more so the marketers have more choices to approach the target markets depending on the budgets. After all, the marketers for NGOs and corporates will need to evaluate the marketing plans performances. NGOs marketers will need to evaluate the performances by comparing the funds collected before and after the implementation of marketing plans. However, the corporates marketers will need to evaluate by comparing the profits earned before and after the marketing plans.

References


