

# Planning strategic marketing for non-profit organizations

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## Planning strategic marketing for non-profit organizations

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**Markkinointistrategian suunnittelu non-profit-yritykselle: Case HVNA Alliance ry**

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Tämän opinnäytetyön aiheena on markkinointistrategian suunnittelu non-profit-yritykselle. Työn tarkoituksena oli kehittää toimeksiantajalle uusi toteutuskelpoinen markkinointistrategia ja suunnitella visuaalinen, kompakti ja selkeä ohje markkinointistrategian tehostamiseksi. Tarkoitus oli tällä tavalla tukea yrityksen tavoitetta laajentaa osallistujien lukumäärä. Alliance ry on venäjänkielistä nuorta väestöä tukeva yritys, joka on toiminut Suomessa yli 10 vuotta.

Teoreettinen osuus on jaettu kolmeen osa-alueeseen. Ensimmäiseksi käsitellään, miten non-profit-yritys voidaan määritellä ja millaisia ominaisuuksia niillä on. Toisessa pääluvussa käsitellään markkinoinnin suunnittelun lähestymistapoja, aihetta on tarkasteltu non-profit näkökulmasta. Kolmannessa luvussa käsitellään markkinointistrategiasuunnittelun keskeiset periaatteet: valmistelu, analyysi, kohderyhmän tunnistaminen, tavoitteiden asettaminen, kehittäminen ja arviointi. Suunnitteluprosessi etenee kyseisen mallin mukaisesti ja tutkimusmenetelminä on käytetty kyselyä, havainnointia ja SWOT-analyysia.

Toimeksiantajalle laadittiin tuotos, joka on hyödyksi Alliancen tavoitteiden saavuttamiseksi. Työssä kehitettiin ehdotuksia markkinoinnin strategian toteuttamiseksi. Opinnäytetyön toimeksiantajan arvioinnin perusteella markkinointistrategia tullaan toteuttamaan.

Asiasanat: markkinointi, markkinointistrategia, non-profit, prosessimallinnus

Enckell, Maxim

**Planning strategic marketing for non-profit organizations case study: HVNA Alliance ry**

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The following study examines the process of planning strategic marketing for non-profit organizations. These companies have become an integral part of our society, not only in Finland but all over the world, and a thorough understanding of this planning process can be highly beneficial. The objective of this study is to create a clear and concise review of the marketing strategy planning for a specific company, a non-profit organization, "Alliance ry," which has worked with Russian-speaking youth in Finland for over 10 years.

This study is divided into two main sections: the analytical section and the section on the case study of Alliance ry.

The analytical section covers three main topics. First, a non-profit company and its main features are defined. A clear understanding of these features is necessary for creating a successful marketing strategy. Second, an examination of marketing planning approaches from a non-profit point of view is included. Finally, a description of the main principles of marketing strategy planning are covered : preparation, target group analysis and identification, objectives, and finally, evaluation. The planning process directly correlates to these principals.

The case study section, shows how the non-profit company received marketing planning guidance, which would help it reach its own objectives. The study developed proposals for the implementation of marketing strategy, and based on client feedback, its marketing strategy will be implemented in the near future.

Keywords: non-profit, marketing, strategy, process planning

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## 1. Introduction

Marketing is an important part of business development in various organizations, including those in the non-profit sector, and marketing is at the heart of a successful company in every field including non-commercial sector. Marketing management for non-profit organizations has great economical and social importance because it helps to address a wide range of society's problems in a more effective way. The results of these activities are designed to meet specific public needs and can be brought to the consumer through information exchange, cooperation, trust, respect and support. Because of this, marketing as a tool plays a core role in linking these non-profit companies with the final customer. However, marketing for non-profit organizations is often given little attention while a limited pool of non-profit organizations actually realize the necessity of using a marketing approach as one of the important factors in their work. In this regard, the relevance of research in marketing for non-profit organization is important and reasonable subject for research.

In today's world, non-profit organizations play a more important role in society. According to Andreasen there are three most important explanations for their role in civil society. First, the fact that they provide services which are not often offered by government. Usually governmental services cover the median voter, while non-profit organizations provide for the rest. Secondly, sometimes profit organizations cannot be trusted to fairly and equitably provide some goods and services. And lastly, non-profit organizations cover the gap that national and international governments create due to their implementation policies that are not effective in creating faster change (Andreasen 2008, 4).

### Background of the study

The non-profit sector exists to the benefit of the society, but within the non-profit sector, there is a rich and dynamic diversity of causes and organizations (Wymer 2006,7). Marketing in the non-profit sector has been considered an important way for an organization to increase its reach and efficiency, and as a result maximize the competitive capacity for organization. With the right approach, well-integrated marketing strategies solve a number of issues that arise in the work of non-profit organizations. For example, the increasing involvement of volunteers, attracting media attention and potential investors. Also with the help of marketing an organization can increase its perception and garner more trust.

Marketing strategy planning is important, even for small companies. It helps drive increasing competition and demands for accountability. In addition, well-done strategy planning allows non-profits to coordinate activities throughout their organization over time so that actions that need to

be completed before others will be done on time (Wymer 2006, 89). Therefore, it raises up the idea to research the specifics in marketing strategy planning in non-profits.

## ■ Overview of Case Organization (Alliance ry)

Finnish-Russian Youth Cooperative, Alliance ry, is a national youth service for the young Russian-speaking generation living in Finland. It is a politically and religiously free organization that has around 125 members. The Alliance's aims are to help grow young people into responsible members of society, participation in decision-making and international activities. The Alliance serves youth organizations and youth work in cultural and education fields.

The cooperative's goal is to involve these Russian-speaking youths in different types of activity: cultural, educational, and tourism, and they organize various kinds of activities both in Finland and abroad. The cooperative closely collaborates with the Russian consulate in Finland and with the Russian cultural centre in Helsinki.

According to the cooperative's Charter of Organization the main goals are to present to the Finnish public modern Russia, its language, history, cultural, and scientific and economic potential. As well as the preservation of the linguistic and national identity of the Russian-speaking population in Finland and cooperation with the Finnish state and public organizations for the implementation of the Russian-speaking population and the interests to promote a positive image of Russia and Russians in Finland. Also coordination of interaction between associations of Russian compatriots living both in Finland and in other countries as well as between them and government and non-governmental organizations of the Russian Federation and Finland is also an important part of cooperative's strategy.

The non-profit organization is working in primarily in a few different fields: culture, language and education, programs for youth, scientific and business cooperation, and support of the Russian-speaking population in Finland.

## ■ Research objectives

The objectives of this thesis are to analysis the marketing approach of non-profit organizations and analysis marketing strategy planning process for Alliance ry. In accordance with this purpose, objectives of the thesis are: familiarization with the essence of marketing strategy for non-profit organizations, analysis of the specific marketing strategies for non-profit organizations and identifying the role of marketing for non-profit organizations.

In the summary, the marketing strategy plan for the target organization taking into consideration specifics of work and field of operation, will be covered. The thesis will present the planning process, analyzing each step of planning strategy, from setting of goals and finishing of methods of evaluation.

## Research methods

In this work I am going to use such methods as observation to analysis the role of marketing for non-profit organizations and new approaches and surveys to understand our target group's needs and potential clients. For data collection there are a number of different methods. The most common methods for data collection are the postal questionnaire, the Internet questionnaire, interview forms and systematic observation. (Vilkkä 2007, 27)

For this thesis I will conduct a survey regarding the target organisation. Through this survey, I want to find out the most appropriate method of communication for our target group. This survey will take place through social media tools.

After the survey and data collection, the analysis of the information begins. In this part, it is usually easier to gather all the answers together and compare the answers than to analysis the answers separately. At the end, based on the results, I will make the marketing decisions. These decisions will form the basis for further marketing strategy for my target organization.

This will be only one research that will take place in this thesis. The rest of the data will be available as secondary data from open sources. In my case this sources will be Internet databases, academic articles and reports.

## 2. Analytical Overview

### Non-profit organization

The name "non-profit organization" means that the main purpose of the organization is not in the production of financial profit for the organization itself or for its owners. According to the Handbook on Non-profit Institutions in the System of National Accounts, (2003, 26) the international classification of non-profit organization characterizes the basic principles of these kind of organizations: Organizations, that are non-profit, and by law or custom, do not distribute any surplus they may generate to those whom own or control them, and that are institutionally separate from government, self-governing and non-compulsory.



Understanding the term of “non-profit organization” is very important because the non-profit sector has grown faster than the private sector all over the world in the past years. For example, the USA’s non-profit sector has grown from 1996 to 2004 by 28.8 percent overall. Most of the growth in the sector is represented by charity organisations, whose share increased by more than 50 per cent. The figures and the numbers are huge, but it is the only visible part of numbers. It’s important to remember that non-profits include millions of volunteers around the world, but the amount and value that they contribute to the organization is almost impossible to calculate. (Andreasen & Kotler, 2008, 15-16). But of course the USA is not a unique case and non-profits and voluntary organisations have a long history in other parts of the world, including Finland.

### 2.1.1 Non-profit organization features

Non-profit organizations have a number of key features that distinguish them from ordinary commercial or government organisations. Understanding these features gives a clear vision of how these organizations operate, how they are funded and also managed. According to Salamon (Salamon 1996), there are five key characteristics of non-profit organization.

First is the ownership structure and the fact that they are self-governing. Non-profit organizations do not have ownership structures like businesses or commercial companies. Non-profits do not belong to one person or shareholders. A non-profit company is “owned” by the public, because it exists and produces services or goods for everybody, and a non-profit company cannot be sold to other organization. The self-governing aspect of non-profit organizations means that all top-level decisions and direction remains with the board of directors or trustees. Usually this is a group of people who most actively participate in the day to day operations of the organization. Their mission and vision of a company monitors the implementation of the charter and allows them to make important decisions. They also need to ensure accountability of finance and find sources of funding. Accountability is one of the main factors in non-profit sector. It is not just to comply with the law, but also to built respect and protect their reputation. This is a critical aspect for people to be willing to donate money.

The second characteristic is that a non-profit company is separate from government. Non-profit organizations are not part of the state power, and it is important that the structure of such organizations can not be involved in the structure of government. It does not mean that non-profit organizations may not receive funding from the state, or that state officials cannot enter the board of directors, but that the organization has an institutional identity separate from that of the state. It is not an instrumentality of any unit of government whether national or local. (Salamon 1996, 3).

The third main characteristic is a lack of distributed profit. The purpose of a non-profit organization is not intended to make a profit from its activities. The organization can accumulate finances during the year, but it cannot be given to members of the organization or the board of trustees. Salamon raises the fundamental question, how does the organization handle profits? And draws a clear boundary: "If they are reinvested or otherwise applied to the stated purpose of the organization, the organization would qualify as a non-profit institution. This differentiates non-profit organizations from the other component of the private sector - private businesses" (Salamon 1996, 3).

And the last one is voluntary activity. Volunteering is an integral part of the non-profit company. Volunteers could be present at all levels, ranging from the ordinary members to the board of trustees. Voluntary means not only financial support, but also spending one's own time to support the organization. In addition, "voluntary" also carries the meaning of "non-compulsory." Organizations in which membership is required or otherwise stipulated by law have to be excluded from the non-profit sector. (ConnectUs 2016)

#### 2.1.2 Non-profit organization classification

Non-profit organizations could be categorized by their structure or by primary area of activity. Structure of a non-profit could be formal or informal. Informal types of organizations are volunteer operated and have no paid staff. Formal non-profits usually have more than one paid staff and they're registered with the government in their country (Wymer 2006, 8).

Depending on country-specific laws an organization may have various category of activity, but generally it falls into one of these categories:

*Religious organizations.* This kind of organization promotes religious beliefs, religious services and different kind of rituals. Usually included in this category are churches, mosques, synagogues, temples, shrines and other similar religious institutions.

*Education.* This type of organization's activities includes administering, providing, promoting, conducting, supporting and servicing education and research.

*Health-related organizations.* This kind of non-profit organization is involved in health-care activities such as nursing homes, psychiatric hospitals, mental health treatment and others.

*Social welfare.* These organizations provide different kinds of social programs including self-help and other personal social services.

*Art and cultural organizations.* Organizations and activities in general and specialized fields of culture and recreation.

*Business and professional field.* This type of organization promotes, regulates and guarantees the business, and professional interests. Also different types of professional unions belong to this sector.

*Youth development organizations.* The main field of work for these organizations concentrates on the support of young people. This includes educational and cultural programs aimed at supporting young people in various aspects of life.

*Other types on non-profit.* This category includes organizations that are difficult to determine in other categories (Salamon 1996 7-22, Wymer 2006, 9).

Despite the detailed categories, this classification is rather arbitrary and only shows the main areas of a non-profit's work. Some organizations working in related fields have no clear classification or their type of activity depends on the specific project. However, these are the main areas of activity, and as a rule the majority of the organization can fall to one or the other category.

## Marketing planning approaches

Any type of organization consists of different departments that operate separately and have specific functions in the organization: financial department, sales department, legal services division etc. The marketing department is also one part of organization's overall structure. The mechanism and goals of the marketing department may vary specifically from company to company depending on the type of business, size of the company, cultural background and the company's operational area and marketing aims. Despite these differences, there are certain functions that marketing departments always perform.

Marketing is a way of thinking and acting in certain ways, and marketing goals are set to make the organization's services and products well known. Also marketing seeks to answer its customer's needs, create an interest and associate a product or service to the customer, which helps them to find each other (Vuokko 2003, 38-39). Kotler defined marketing as "the social process by which individuals and groups obtain what they need and want through creating and exchanging products and services of value with others" (Kotler 1982,6).

Thus, marketing is an effective tool to understand the needs and requirements of a market and choose those that a company can serve better than others. This will allow the company to

produce a higher quality product or service. Using marketing, a company could increase sales and achieve goals by better serving the needs of targeted customers.

### 2.2.1 Non-profit marketing

Non-profit marketing has a number of features that should be considered when planning and conducting marketing strategy. Non-profit marketing, the same as profit marketing, relies on the marketing mix. Marketing mix will be examined in the next section in more detail. Unlike a commercial company's marketing, non-profit marketing strategy has multiple objectives. Typically, and often the only one goal for a business organization is long-run profitability. Non-profits need to achieve several goals, depending on the-profile, and the most important of these objectives may be non-financial. Implementation of marketing strategy in non-profits is more difficult, because usually there is no paid staff and most of the work is performed by volunteers. In addition, the result of marketing strategy is difficult to measure. (Tschirhart, 2012, 171).

Another feature of non-profit marketing is that the company often has multiple constituencies. In the case of a commercial company, the main and primary constituency is the customer, who is both consumer and money source in one. In the noncommercial world there could be two targets: those who subsidize the organization (source of money) and those who will use the organization's services or product. Both of these groups need a different approach that would take into account their specific features.

Finally, non-profit organizations are subject to public scrutiny because they are funded by public money and people are interested in knowing how their money is spent. So non-profits should be prepared for potential negative public opinion. During marketing strategy, planning of this factor should not be ignored.

The cornerstone of a successful business organization is the rule, "the customer is always right." However, this approach doesn't work in the non-profit world. Often the "customer rightness" and his vision of what is good for him, may conflict with the organization's mission. All these factors must be taken into account during marketing strategy designing. Using direct marketing approaches for business organizations in this case is not appropriate.

### 2.2.2 Marketing mix

Marketing mix is a kit of marketing techniques that companies use to implement their marketing strategy. These techniques are known as the four P's of marketing: product (the offer), price (monetary and nonmonetary costs), promotion (marketing communication with target audience) and place (distribution, location, and availability of product). The choice, content and

implementation of these controllable variables are extremely important for the success of the organization (Wymer 2006, 122).

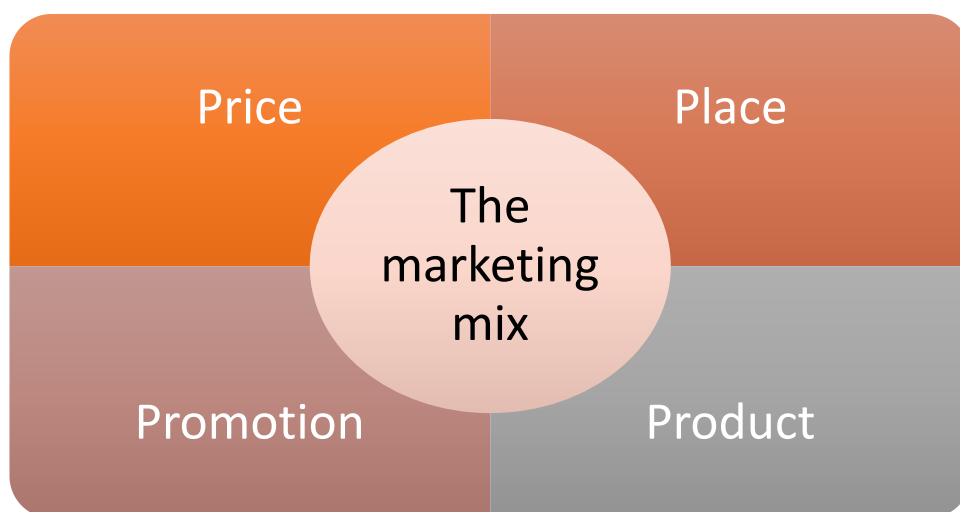


Figure 1 Marketing Mix (Jobber 2009)

#### Product

Product is the core and most important feature in an organization. The Product is the “face” of company. Only after the organization has decided what it sells or offers, further plans about price, place and promotion could be made. In the context of non-profit market identifying the product could be a challenge. Usually non-profit offers/products are rarely goods, and more often they are services or social programs. The goods are something that we can touch and it may be manufactured and stored for later distribution. A service is perishable, inseparable and variable, because it always depends on the service provider. Social marketing programs are even more difficult to define because they are more intangible, perishable, variable and inseparable than a service (Wymer 2006, 123).

In building a marketing strategy five levels of a company’s organization should be considered (Figure 2). This approach could be very useful in non-profit marketing when it comes to developing better offers, anticipating competition and developing marketing communication.

The core level is a fundamental need, or what does target audience expect from product. This level is the heart of any service or product. All other product levels should not be lower priority to this level. The next level is called "basic." In this level all the qualities of the product or service are represented. In the third level, presented is a set of characteristics that the product must have in the target group’s opinion, the expectations of the final costumers. This level is often called "the perfect product profile" and it includes a set of basic mandatory functions as well as the expectations and views of the target consumer about the service features.

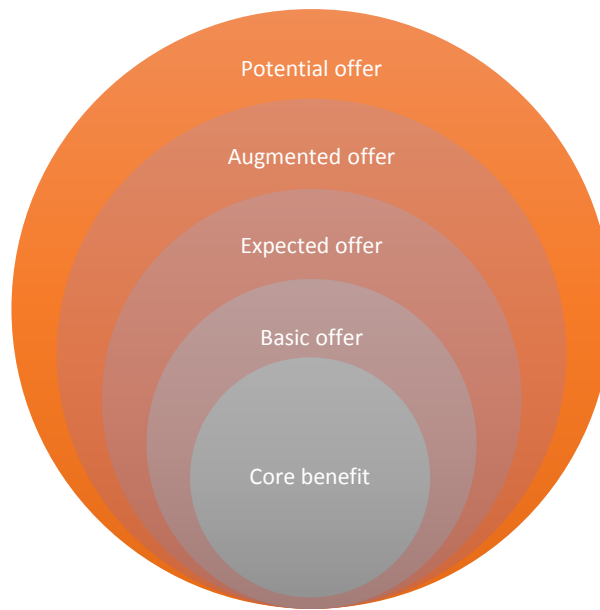


Figure 2 Five levels of non-profit offer (Wymer 2006)

The next level is the augmented offer that includes anything that comes with the expected level that the target audience does not expect. It is the set of important characteristics that make sense of unique. At the final potential level, there is a set of possible improvements and modifications of the service or product, which can improve its competitiveness in the future. This level is necessary for long-term vision and strategies. In this level previous mistakes or omissions can be corrected, and in case of loss of competitive advantage the potential product level will quickly react to changing situations (Wymer 2006, 123-126).

#### Place

According to Jobber the aspect of place has to do with the decisions concerning the utilized distribution channels and their management, the location of outlets, methods of transportation and the inventory levels to be held (Jobber 2009, 10). In the case of non-profit organizations this aspect is not as important as for profit organizations. Most non-profits do not produce a physical product and some of them do not even have an office. In this case it will be more relevant to think about creating an online location and web site. In creating a marketing strategy, it is necessary to pay attention to how the service or information about organization will reach their target audience. Typically, non-profits must overcome time, place and possession gaps that often exist between non-profit programs and their potential customers (Wymer 2006, 136).

## Price

Pricing is one of the most difficult decisions in a non-profit organization. It is a much more complex topic than in a usual commercial organization. According to the official definition of a non-profit organization, non-profits have no profit objectives. They are prohibited from generating profits from operations or other sources. But on the other hand non-profits also need funds to operate as a typical commercial structure.

In the pricing policy the first thing that a non-profit organization must decide is the objectives that it wants to achieve. Usually the objectives are in conflict but a choice must be made. Kotler lists the possible options for pricing policy: surplus maximization, cost recovery, market size maximization, social equity and market disincentivization (Andreasen & Kotler, 2008, 238). The non-profit managers must keep prices reasonably high as they are needed to ensure continuing revenues to the organization. In this case all other costs should be reduced as much as possible to lower barriers. But if the product is already properly positioned in the market it is possible to achieve a better pricing strategy.

## Promotion

Promotion can be very useful in the non-profit word. Promotion is communication to the target audience about the availability and benefits of the service. It is used to inform target groups about an organization's offers and programs. Also it can also be used to remind customers that the product is already ready to be used and teach about its features (Tschirhart, 2012, 191).

Traditionally promotion consists of different tools, which are also known as the promotional mix. This mix consist of following tools: advertising, sales promotions, publicity and public relations, personal persuasion, direct marketing, Internet marketing, and other tools. (Figure 3). Also, as in the case with the pricing policy, before using particular tools from the promotional mix an organization has to clearly define the objectives and priorities of the company. In addition, it is necessary to pay attention to the marketing budget.

From all of the lists of promotional tools, I would like to look into the details of a couple of tools that are most accessible to small non-profit organizations with a limited marketing budget.



Figure 3 Promotional Mix (Tschirhart 2012)

Internet marketing has become a very useful and effective tool for non-profits today. Finland has one of the highest percentages of Internet users, and according to a statistic that was published in 2013, among the population aged 16 to 89, 85% use the Internet (Stat.fi). Obviously, in 2016 this number rose even higher. Web pages and pages in social networks have become virtually mandatory for non-profits today. The non-profit organization's web page must be sufficiently informative, easy to navigate, and provide possibility of feedback and provide related links. Visitors of the website should be able to get the most complete information about the company and possibility to ask questions.

Social media also plays a huge role in mobilizing people. It links friends, friends of friends, family members and associates. For every non-profit organization it is absolutely necessary to have at least its own profile in Facebook, and in the best case own a channel on YouTube, Twitter and blogs. If we compare using social media with traditional advertising, there are a number of advantages to use social media instead traditional advertising. Social media as an advertising tool has lower costs and has a broader and more accurate coverage of the target audience. Moreover, a social network's popularity exceeds all traditional advertise channels (newspaper, TV, posters, etc.) and the audience of social networks is growing daily.



Direct marketing refers to marketing messages addressed to specific individuals. Examples are telemarketing, direct mail and Internet direct marketing using e-mail messages (Wymer 2006, 195). For many non-profits direct marketing is the most cost-effective form of marketing. Direct marketing could be used for many purposes: to attract operating funds, to communicate the organization's programs, and to involve new members and many others. Direct marketing is a universal tool both for business to business and to the consumer market. Some direct marketing tools are: letters, e-mails, phone calls, and telemarketing. A combination of effective tools of direct marketing and social media allows you to use a maximum number of opportunities for customer contact.

As a rule, marketing strategy will be effective only if a non-profit organization has a good relationship with members and with target group. To achieve this result a Public Relationship tool should be used, and understanding public relations as a marketing tool and how it affects non-profit organization is very important. Some companies strategically promote a positive image through their marketing channels (Tschirhart, 2012, 330).

It is important to note that the public relationship helps to not only promote the product or service on the market, but it also helps to improve the overall image of company for its audience. A public relationship target audience is not only the final consumer but sometimes they are far from being the most important target group. Therefore, the list of issues solved by PR-services goes far beyond marketing departments.

Tschirhart also notes that even small non-profit organizations can keep track of the extent and tone of their media coverage. There are a lot of tools available to track customer satisfaction, achievement of objectives and media coverage in Internet. Many of them do not require material costs and are very helpful (Tschirhart, 2012, 330).

## The marketing planning process

Marketing strategy planning is a continuous cyclical process, whose aims are to bring the potential opportunities of the enterprise in line with market requirements. Planning the marketing strategy is carried out in different companies in different ways, depending on the goals and objectives, organization structure, etc. The range of marketing strategies is wide enough: sometimes they are the only solutions for sales teams, and sometimes it is included in defining business strategy and various marketing aspects of the company. In section three I considered in details the main features of non-profit marketing.

To conduct a successful marketing strategy and to ensure stable development of the company it is very useful and helpful to create and implement a marketing plan. During the planning of

marketing strategy the organization should comply with a specific sequence (Patterson&Radtke, 2009, 1-5).

### 2.3.1 Preparing to plan

In the beginning of any project, the first thing to do is to clearly define the goals and objectives of the organization. Patterson & Radtke underline, that it has to be done before engaging in the planning process. It is important that at this step these goals and aims are clear for each team member, because all further work will be based on the organization's mission. For each objective Patterson & Radtke recommend to use, the so called SMART test: Is the objective Specific, Measurable, Achievable, Realistic and Time-Bound? By asking these questions, the most appropriate objectives for the further strategy could be chosen. So as early as this, the very first stage of planning, it is necessary to take into consideration factors like: the profile of the organization, amount of staff, and budget. Roles and responsibilities also have to be divided as soon as possible, and it is very useful to create a roadmap for all further actions.



Figure 4 SMART Test (Patterson&Radtke 2009)

The goals and mission should be clear and provide an understanding of future direction, not only to members of the organization, but also volunteers and the non-profit's target public (clients, donors, etc.) A clear and concise definition of its core mission and goals will help not only in planning marketing process, but also in daily work in the organization.

### 2.3.2 The situation analysis

When the organization's vision and goals are defined and clearly articulated, marketing plan creation can move on to the next step. The meaning of the second stage is the comprehensive environmental analysis or situation analysis. The purpose is to examine the areas both inside and outside the organization. The most suitable tool for this might be the, so-called SWOT analysis. SWOT (strengths, weaknesses, opportunities and threats) analysis helps to assess both internal processes and the impact of external factors to the organization's work processes (Patterson&Radtke, 2009, 44). The SWOT analysis is a common tool to evaluate the strengths, weaknesses, opportunities and threats of organization, project, situation or strategy. Therefore its designed to evaluate the main internal and external factors, which is important to achieve some goals and objectives. With the help of this tool it is easier to achieve understanding of the whole organization, and its opportunities and weaknesses.

### 2.3.3 Target audiences

For successful a marketing strategy it is absolutely necessary to understand the target audience. In the case of non-profit marketing the target group will include everybody who works with a company. Before a plan will come into effect it is important to identify its consumer's needs, wishes, motivation and interests. During this step, it is useful to conduct a survey and other observations. Collecting this data and feedback about the ways of improvement or changes can also give good results. Sometimes the solution of complex issues is much better seen from another point of view.

Also, in order to involve new members in the organization and for the expansion of the organization it is important to understand the potential target group of people who might be interested in the activities of the organization. The organization should define this group and understand its features and character. The basic approach for the determination of this group is geographic factors (country, cities, location); demographic factors (sex, age, education); psychographic factors (lifestyle, interests). All of these factors must be considered and understood. A clear understanding of your target audience will help the organization articulate its message and plan the marketing strategy most effectively and efficiently.

#### 2.3.4 Marketing objectives

For planning purposes, non-profit organization should have a list of objectives. Marketing objectives can be targeted in different areas, and this may be an internal audience, work with sponsors and attraction of new members to the organization (Pezzullo, 8).

Objectives have to be clear and understandable for the whole organization's staff. When a non-profit company sets objectives, the marketing team should consider how realistic the objectives are, how easily achievable the goals are, how measurable they are and who will be in responsible for them (Andreasen & Kotler 2008, 69-70). Objectives can be sorted by priority and date of implementation.

#### 2.3.5 Message development

At this stage it is necessary to structure the marketing message recipients on various parameters. This might be people who are already involved in non-profit work or people who are just interested in this non-profit organization. Measures may be quite different, depending on organization's objectives. Patterson & Radtke use the definition of «framing» for this process. The main goal at this stage is to plan marketing strategy so that information and messages will come arrive at the right audience. It means that some information may be intended only for people who are already involved in an organization's structure or only for supporters. The target group might be absolutely different and could change depending of the goals and aims.

#### 2.3.6 Measurement and evaluation

A very important step in marketing strategy planning is an evaluation of the plan by all stakeholders and gathering feedback from them. «If you do not define your success, others will discuss your failures» writes Patterson&Radtke (Patterson&Radtke 2009, 151). The plan should be evaluated and diversified from different points of view. Objectives from the first step of the planning have to be carefully analyzed, and common evaluating tools are surveys, observation, clipping service or focusing groups. All employees should be actively involved in the evaluating process as managers have to create an atmosphere where employees are engaged, not simply taking orders. Kotler notices that a clear tracking system should be used to monitor marketing activities, which can be corrected if necessary.

After carrying out all their analytic work, research and brainstorming, it is time to summarize all data and put it all together. All of the different strategies and choices should be prioritized and sorted by relevance. The final plan can be presented to the company as a presentation or guideline, then at this stage it is really important to be opened to criticism and suggestions. While discussing the plan, it may raise new concerns and the person who is responsible for the

internal communication strategy implementation needs to consider them. The team should think in advance about the date when the plan takes effect and the time of implementation of the new strategy

### 2.3.7 Marketing strategy plan benefits

Some companies, especially in the non-profit sector, are sceptical about the marketing planning, but every company, non-profit or profit, regardless of its size have to have a marketing strategy plan. It is a good tool to remove the fog and barriers to vision. Well-done and structured marketing strategies help to determine what activities should be done and what should be ignored. All these things are necessary to discuss with all team members and in the future it will keep the team focused on work that matters.

Another positive feature of a marketing strategy is that it provides a detailed, step-by-step guide for how to achieve a company's aims and goals. As a result, the company can save resources for marketing and be willing to change the situation in field.

## 3. Case Study: Marketing strategy planning for Alliance ry

The marketing strategy should be developed in terms of aims of the organization and cannot contradict to them. The goals and ways of achieving them should not be contrary to the charter of the organization. The marketing strategy planning makes sense to conduct before an annual members meeting and it could be presented to all members during the meeting. It provides reassurance that the majority of members in Alliance ry will be able to read it and discuss during the meeting.

The planning process can allow all interested members of the organization to participate. From this, members should be chosen in groups of 2-3 people whose responsibility will be planning the strategy and it's implementation. This will be the so-called Marketing Action Team (MAT).

### ■ Preparation before planning

According Wymer, objectives can be divided into two groups: qualitative and quantitative. Qualitative objectives are more difficult to measure and verify. They are more common and likely determine the direction of motion. Quantitative goals are more concrete and easily measurable, for example, numbers, amount of visitors and so on (Wymer 2006, 31).

In the case of the Alliance ry non-profit organization, qualitative goals have been already spelled out in the general position, and include areas such as: supporting Russian compatriots in matters of adaptation and integration in local society, and the promotion of a positive image of Russian culture in Finland. Quantitative objectives should include three major thrusts: campaign for involvement of new members, web page and social media page visitor increases, and creation of new channels of communication with potential participants. All of these objectives are realistic to achieve and could be measured and clear for all organization staff.

At the end of this step, members of the organization need to choose at least three people in that area of responsibility who will be key to achieving its marketing objectives. Of course all members of the organization should take active part in the implementation of this strategy, but these small teams should coordinate action in this direction. A MAT (Marketing Action Team) should consist of the most interested in marketing members of the organization. Their duties include providing marketing goals for all members of the organization, identify target audiences, set time frames for marketing campaigns and ensuring that objectives can be monitored and measured. Obligatory meeting of all members of the organization is carried out in accordance with the charter twice a year: spring and autumn meeting. During this meetings discussions include the current organization's activities, voting on new initiatives and reporting of the work done. On this basis it is reasonable to set a time frame for the implementation of the objectives every half a year.

#### SWOT analyze for Allince ry

At this stage, using the SWOT-analysis tool is necessary to identify the strengths and weaknesses of the organization, and its possible opportunities and threats. Based on the results of this analysis, the marketing action team can plan the marketing strategy more efficiently and accurately. SWOT analysis should be based on experience of working in Alliance, as well as in the organization structure.

#### *Strengths*

One of the strengths of the organization is great experience. Alliance ry has been engaged in its activities for about 10 years and during that time it's had a great deal experience in the organization of cultural and educational events. Throughout the activity many contacts have been established with both the Finnish organizations, as well as with European partners. Long history and deep roots help to attract new partners. Volunteers can also be attributed to the strengths of the organization. Volunteers can mean an enormous savings to the organization, which is particularly important to a small non-profit.

### *Weaknesses*

There is no paid staff in Alliance ry, so the non-profit organization cannot attract the professional marketer. Volunteers and enthusiasts will do all work in the field of marketing. Moreover, there is no official marketing budget in the organization. Therefore, for all the possible costs of marketing (posters, stickers, symbols) the organization will need to seek additional funding. A weakness can be mentioned as the organization has an almost complete lack of experience in marketing.

### *Opportunities*

The post perspective opportunity for Alliance ry is working with its target audience, the Russian-speaking community. People who mentioned Russian as mother tongue are 62 000 in Finland and it shows that there is great potential for the development of the organization. (Helsingin Sanomat) Another opportunity is development of social media as a marketing channel. Nowadays promotion in the Internet is still in the beginning stage of development, and also Alliance ry is not represented in some social networks such as YouTube and Twitter.

### *Threats*

As for many others non-profit organizations, the main threat could be funding reductions, and another possible risk could be the emergence of competitors and difficulties measuring the impact of certain programs. And a long term threat could be mentionedv- the general decline of interest in Russian culture.

## ■ Understanding the target audience

Identifying the target audience for the Alliance is quite easy. The target audience is Russian-speaking people aged 18 to 30 years. To participate in volunteer work does not necessarily require fluent skills in the Russian language, but the volunteer should at least be open enough to be interested in Russian culture and language studies. The age frames are also flexible, but target group is exactly that age.

Although participation in the non-profit organization is not limited by location, for the most effective interaction between organization and members, it makes sense to limit its target audience to the Capital region. Factors such a sex, level of education and income are not relevant.

According the Helsinki city Tietokeskus, the most common foreign language in Helsinki is Russian. As a primary it was used in early 2013, by 15 341 people, which is more than one in five other languages. A Similar situation is in Espoo and Vantaa (Helsingin kaupunki Tietokeskus, 2013). Add to that people for whom Russian language is not native it turns out

there is quite an extensive group in metropolitan area. All these factors suggest that marketing activities should be firstly concentrated in the metropolitan area.

Members are also an important target group of the Alliance ry. Most of them living in Capital area (Appendix 3). Through members information is going forward to other people. Other stakeholders in the organization, as supporters and the media are not in the context of this strategy. Marketing policy in the organization is still in the beginning level and it is not worthwhile to try to direct everything for everyone, but concentrate all activities to the chosen group of people. Inclusion other target groups however, might be possible on later stage, when marketing strategy will be more familiar to the organization.

### Setting the objectives

Based on the understanding of the target audience at this stage, it is necessary to set **precise** marketing goals. Taking into account the limited marketing budget and limited time period, it makes sense to develop the Internet visibility of organization. This step was carried out by a survey in organization's social media group, in which the main goals have become more apparent (Appendix 1). 64 people participated on the summary, and the results of survey can be found in diagram form in Appendix 2.

Based on the data, most respondents prefer to receive information about upcoming events via social networks. Thus, marketing activities should be concentrated in the field of Internet visibility. It takes as an increase of the audience, as well as improvement communication with the current. To do this, is necessary to increase the amount of communication channels.

At this stage the main goals could be summarized as the following:

- Use all possible channels of communication (online as well as offline) to attract an audience which is not familiar with organization's activities.
- Create a new approach of updating social media when users add content by themselves.
- Increase amount of visitors and views of existing channels.
- Try to use a Russian-language print media as a promotional platform.

Qualitative objectives include creating of understanding, why it is useful to be involved in company's activities. Information about past events, projects should be easy to find, be attractive and informative. Reports and interviews with participants will create clear vision about advantages and opportunities that they get being involved in the volunteers work.



## ■ Framing

The purpose of this step is to specify the marketing activities for a variety of tasks and as a result choose the most suitable communication channel. The main directions of marketing activities can be divided into two main directions. Activity aimed at an audience that is not yet familiar with the non-profit organization's activities and to an audience that already knows about the organization's activities.

Selection of specific marketing channels is important decision for MAT. This choice is based on the evaluation of their profitability. For example, if an ad should appear in magazines, it is necessary to examine the data on their circulation and audience coverage. In the case of Alliance ry it may be the partner media. For example it could be the monthly newspaper "Spectr" or the monthly magazine "Terve" (spektr.net). Then it is necessary to evaluate media characteristics such as credibility, prestige, presence of regional newspapers and periodicals professional bias, quality of printing, editorial policy, the duration of the order and timing of the psychological impact on the reader. On the basis of this assessment MAT will decide which of these channels are most appropriate. An important indicator is the cost of advertising per 1000 people. If an ad in the newspaper is too expensive in terms of the number of readers, it makes sense to select a different channel, such as the Internet marketing.

Another possible marketing channel, which has not yet been used, is posters at a meeting place of people who are interested in or studying the Russian language. For example Russian Cultural Centre in Helsinki. In the front of the main entrance is a stand for the ads that can be a good advertising platform for upcoming events.

For an audience that is already somehow aware of the work of the organization or is involved in its work the most acceptable means of marketing is marketing on the Internet. Direct Mail and development groups in social networks are the priorities at this stage.

## ■ Evaluation of success

Process of measuring and evaluating is one of the most important in whole marketing strategy planning. Through this process organization can develop marketing activities, monitor work progress, figure out the most challenging areas. In addition, the organization should receive the necessary feedback from organization's members and from the end users. Based on them, the company can adjust its work to improve problem areas.

The measurability of Internet marketing activities is much easier than, for example, in the traditional marketing activities. Using different Internet tools is possible to measure almost all

things, but the goal is to find the right dimensions of the matters relating to the objectives set. Measurements can be divided into different types. The first measurement is an amount of views. For example, web page administrators will easily find out that data. This is useful, in case, when is necessary to share the message or news. However, amount of views does not show how many people take advantage of his information.

Another type of measurements for successful Internet visibility is amount of followers in social media. It could be followers in Facebook, VK, or in future YouTube channel. This numbers indicate only that the amount of users who follow organization's media channel, and does not show the hole picture of users interest. The third important measurement is engagement. Engagement means amount of users who participate in the production of content. It could be comments, posts or sharing.

Thus, to evaluate marketing activity, must take all these measurements into consideration. The growth of only one of them cannot be the indicator of success. Only growth of all three indicators shows increasing Internet visibility for the target organization. MAT should set a specific goal for each of these parameters and try to achieve them at a certain date.

With regard to marketing activities is the Internet, the performance indicators may serve to attract new members, the involvement of partner organizations and media references to Alliance. More remembrance in the media, even local, creates a positive reputation for the organization. This may help in attracting new partners and new sponsors.

#### 4. Conclusion

The main objective of this study was to show the marketing strategy planning process for non-profit organizations. Taking into consideration features of the non-profit sector, operating field of the case company and a limited marketing budget was shown at all steps of creating marketing strategy. As a result of this thesis the case organization received a comprehensive analysis of target audience, analysis of marketing channels as well as a ready plan for implementation. During the next annual meeting this strategy will be discussed with members of Alliance. Even if the plan will not implemented, the organization will have detailed instructions for planning marketing strategies. Besides this plan can be used in partner organizations in other cities.

The analytic part of this thesis focused on the main features of the non-profit sector, such as the structure of the non-profit company, funding and work with sponsors, approaches to working with volunteers and classification of non-profit companies. Understanding of these features gives possibility not only to create a marketing plan, but also improve working of whole non-profit company.

The chapter about marketing theory was written keeping in mind the non-profit marketing specific. Classic 4P approach in marketing has a number of differences from compare with forprofit organizations. Despite the fact that the non-profit marketing is a relatively new field in the marketing, it is already written quite a lot books and articles about it, mainly in English

The research problem was to find out the most effective approach to increase visibility of Alliance by using marketing tools. From my point of view this goal is absolutely realistic. Using internet marketing tools and also trying traditional marketing channels the organization can greatly increase its visibility and attract more attention to their work. It is obvious, that with a limited budged, the size of the organization and the specifics of its target audience, it is impossible to simply solve financial problems or attract major sponsors using only marketing. But I'm sure that a thoughtful marketing plan can be a good starting point for further development of the organization.

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Appendix 1: Blank of survey

Age \*

- ☐ Under 18
- ☐ 18-25
- ☐ 25-35
- ☐ More than 35

Place of living \*

- ☐ Capital area, Finland
- ☐ Not Capital area, Finland
- ☐ Not Finland

How did you know about our organization?

- ☐ Social media
- ☐ Our web page
- ☐ From friends
- ☐ Other, what?

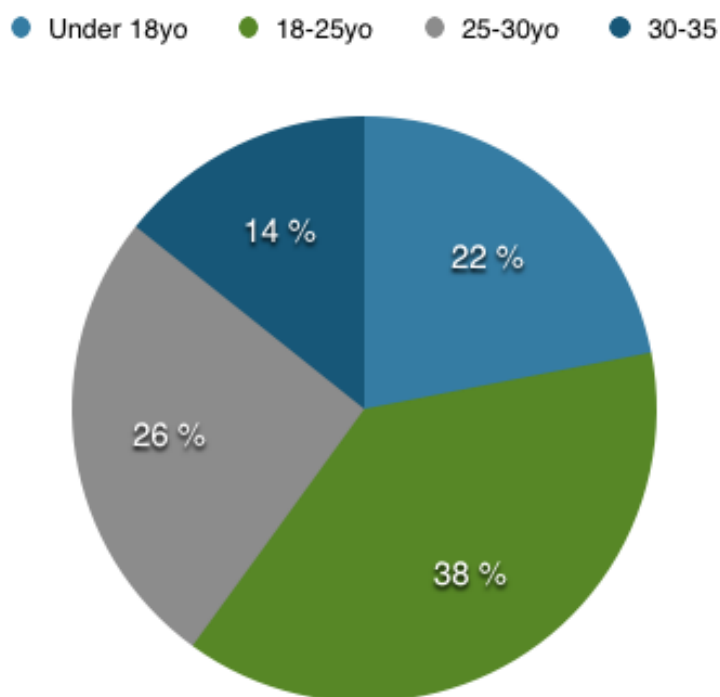
From what channel do you prefer to receive information about upcoming events?

- ☐ Social media
- ☐ Web page
- ☐ Email
- ☐ Other, what?

How meaningful was the volunteer work you did for this organization?

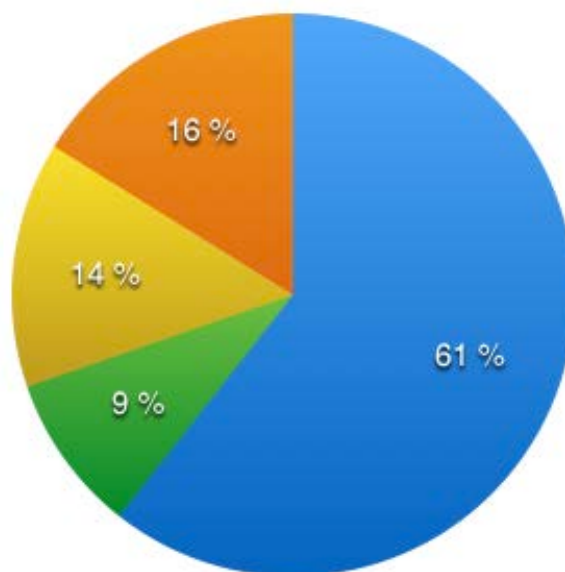
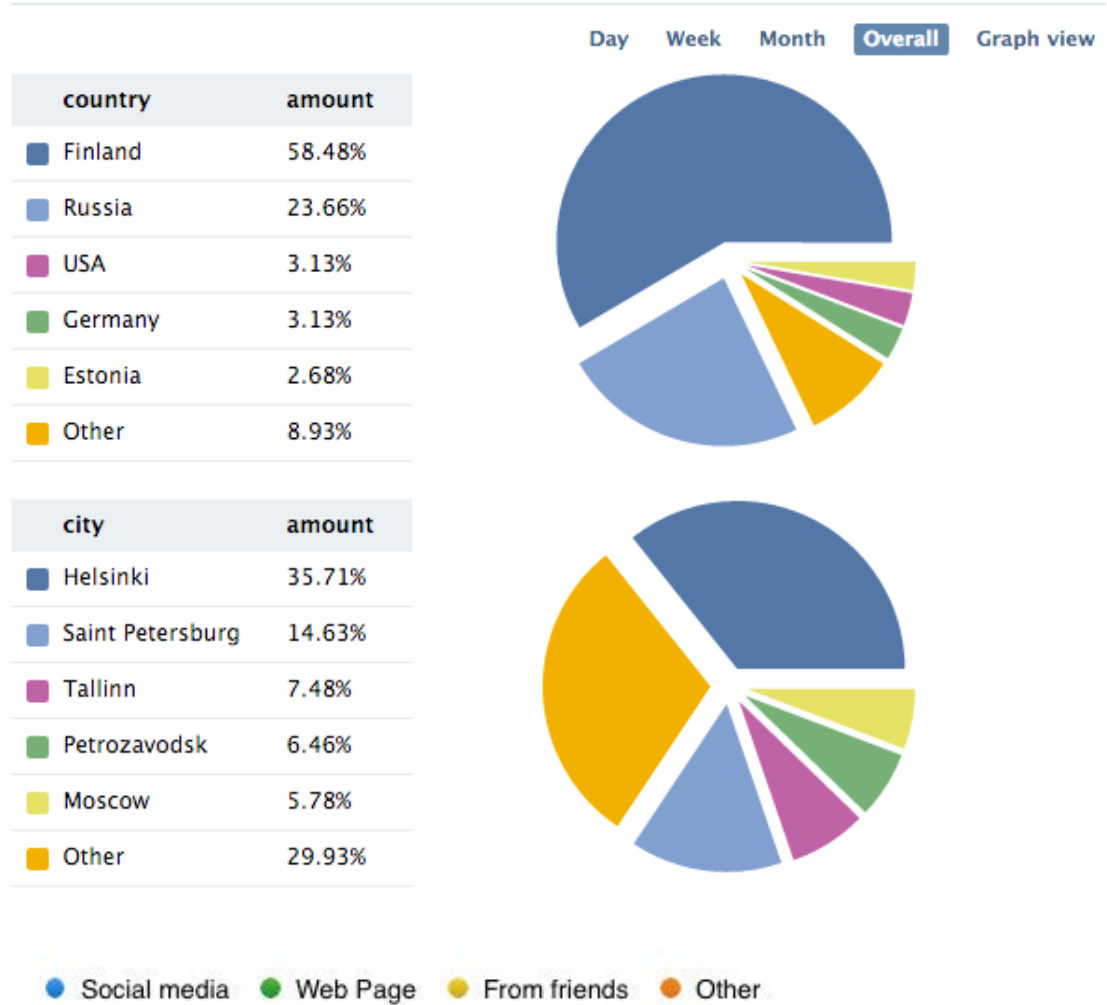
- ☐ Extremely meaningful
- ☐ Very meaningful
- ☐ Moderately meaningful
- ☐ Slightly meaningful

Appendix 2: Survey results



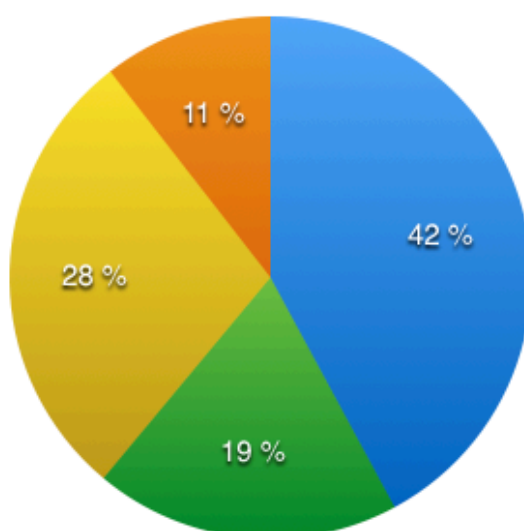


## Geo



From what channel do you prefer to receive information about upcoming events? |

● Social media ● Web page ● Email ● Other, what?



How meaningful was the volunteer work you did for this organization? |

● Extremely meaningful ● Very meaningful  
● Moderately meaningful ● Slightly meaningful

