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Alternative Marketing Strategies in Nonprofit Organizations

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Synonyms

Entrepreneurship; Innovation; Networking;
conducting outreach via online technologies

Definition

Modern approaches to exploit technological, Internet-based communication and networking methods; building capacity; and increasing revenue.

Introduction

The entry “Marketing in Nonprofit Organizations” in this encyclopedia describes the marketing function in general terms. This entry discusses less traditional and more entrepreneurial approaches to making a nonprofit organization more competitive and financially sound. The approach of alternative marketing strategy takes advantage of twenty-first century technology,

such as social media, and emphasizes innovation and adaptation to the modern environment.

This description of alternative marketing strategies will discuss new technological approaches to reaching consumers in cyberspace, modern methods of fund-raising, nonprofits’ creation of commercial enterprises, joint ventures, investments, and other alternative means of raising revenue and surviving in a competitive environment.

Alternative Marketing Approaches

Khankaew et al. (2015) describe six cutting-edge approaches to alternative marketing. They are:

- *Expeditionary marketing*. This approach focuses on being a market leader through innovation.
- *Guerrilla marketing*. This approach focuses on the use of low-cost communication methods and strategic reliance on collaboration and networking.
- *Radical marketing*. This approach focuses on effective use of market research that facilitates extensive understanding of customer behavior and preferences.
- *Buzz marketing*. This approach focuses on information exchange through social networks to engage customers.
- *Viral marketing*. This approach takes advantage of economical communication through e-mail and online advertising.



Competition and Nonprofit Organizations

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Synonyms

Conflict over resources; Encroachment into profitable industries; Rivalry

Definitions

Rivalry between nonprofit organizations and other nonprofit or for-profit organizations to command patronage or loyalty from the same customers, clients, or partners.

Introduction

Nonprofit organizations are participants in an intensively competitive marketplace. They compete with other nonprofits and, in fact, with for-profit firms and governments. Nonprofits need resources, so that they are in competition with every other entity that is trying to obtain resources. They must compete for donations, grants, clients, qualified professionals, capable volunteers, coverage in the news media, support

of community leaders, and the public's affection and loyalty. In some cases, the competition is direct, as when a nonprofit hospital competes with proprietary hospitals. In other cases, the competition is indirect, as when a nonprofit symphony is competing for the same attendees who might otherwise patronize a nightclub.

That the distinction between nonprofits and profit-seeking corporations has blurred in the United States is also apparent in decisions by US courts and the Internal Revenue Service to confer charitable status on nonprofits that concentrate on commercial activities. Some of the better known commercially oriented nonprofit organizations in the United States include Underwriters Laboratories, Inc., and Blue Cross/Blue Shield. Blue Cross and Blue Shield evolved from small, voluntary plans for prepaid medical expenses. The largest such plan was founded in 1929 by Baylor University Vice President Justin Ford Kimball, in response to his observation that a large proportion of debts that went bad at Baylor's medical facilities was associated with local schoolteachers. Only in recent decades, as other insurance companies complained about the difficulty of competing with the tax-exempt Blue plans and – in many cases – conceded health insurance entirely to the Blue plans, have state governments exhorted Blue Cross and Blue Shield organizations to reorganize as for-profit corporations. Commercial testing laboratories that compete with Underwriters Laboratories (UL) have similarly complained about their

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Governing and Managing International and Global Nonprofit Organizations

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Synonyms

Leadership and operation of international non-profit organizations (INGOs)

Definition

Needs for and approaches to organized global activity to address resource inequity, threats to the environment, animal abuse, warfare and other violence, criminal activity, natural disasters, famines, epidemics, human-rights violations, and other causes of suffering.

Introduction

Around the world, and especially in developing countries, there are innumerable individuals who are suffering because of poverty, illness, natural disasters, and warfare and other sources of violence, among other sources of misery. Other individuals – especially sympathetic people in

developed countries – have established international nongovernment organizations (INGOs) to move resources to areas where suffering abounds, to marshal world opinion, and to lobby governments and international government organizations for resources and reform. Various circumstances determine how activists structure their INGOs and how they distribute influence among leaders, professionals, other employees, volunteers, and other members of the organizations.

Rationale of Multinational Activity

While the borders that separate nations have towering political significance, there are any number of human behaviors and natural phenomena whose effects migrate across those borders. Droughts, famines, storms, earthquakes, pollution, business-cycle fluctuations, criminal conspiracies, ideological and religious movements, terrorist bands, and warfare frequently cross national borders and affect populations of multiple nations. The interactions of national governments through international relations, including discussions under the auspices of such international governmental organizations (IGOs) as the United Nations, are often insufficient to resolve such mobile challenges. Indeed, it is not unusual for national governments to lack the resources or, perhaps, the incentive to address the suffering of their own respective populations and of neighboring societies.



Institutional Theory and Nonprofits

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Synonyms

Organizational theory pertaining to institutions

Definition

Perspectives about how organizations develop cultures, systems of patterned behaviors, and recurring processes.

Introduction

The economic theory of the nonprofit sector states that the sector's existence is attributable to market failure, pluralism, and needs for modernization, trust, and solidarity. Nonprofit organizations are structured in accordance with democratic, collective/feminist, hierarchical, and elitist approaches. As individual nonprofit organizations become larger and more complex, they become *institutions*. Social scientists apply the term "institutions" to organizations that have developed a well-defined structure and a *culture* founded on rules, folkways, mores, and customs. The culture

influences the behavior of the organization's members, making it consistent. Institutions in a field of activity converge toward similar structures and cultures. Deviations from this pressure for convergence, when they occur, are brought about by "institutional entrepreneurs."

Institutional Theory in Economics, Political Science, and Sociology

Origin of Institutional Theory

The attention of a large proportion of social science scholars has been caught by the concept of institutions during the last few centuries. For example, ever since the US Constitution went into effect in 1789, many American political scientists have assiduously studied Congress, executive agencies, and the Supreme Court, described their interactions, and analyzed the extent to which they influence the making of public policies. That approach to the study of public policy is known as "institutionalism." In general, the term "institutional theory" refers to the strain of thought that places institutions at the center of social interaction and production of results. This theory attracted adherents beginning in the 1850s. Sociologists who used the concept of institutions as a framework for their analyses include Herbert Spencer, Karl Marx, Émile Durkheim, Max Weber, Charles Horton Cooley, Talcott Parsons, Robert K. Merton, Philip Selznick, and Everett Hughes. Since the 1970s, most social science

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Marketing in Nonprofit Organizations

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Synonyms

Customer orientation

Definition

Marketing: a managerial function whose purpose is to cause the organization to offer to the marketplace products and services that satisfy consumers' needs.

Introduction

Marketing is a managerial function whose purpose is to cause the organization to offer to the marketplace products and services that satisfy consumers' needs. The modern marketing concept has succeeded an earlier management mindset that assumed that an enterprise would be successful if it would improve on product design (as in the aspiration of "building a better mousetrap") or enhance its skill of selling to otherwise reluctant customers. Management expert Peter

Drucker popularized the concept that an organization's success would be best served if it would explore and identify the public's needs and wants and then provide gratification to the public by delivering products and services that satiate its desires.

Many business firms adopted the marketing orientation, especially as they observed enterprises like McDonald's restaurants and Microsoft earn spectacular profits by satisfying the public's need for the intangible benefits of convenience, simplicity of use, and time-saving efficiency. That fast-food restaurants were offering less flavorful meals and expecting customers in effect to wait on themselves proved to be entirely beside the point. Soaring profits and recurring stock splits caught the attention of entrepreneurs around the world.

Meanwhile, managers of nonprofit institutions disregarded the example of market-oriented business firms, assuming that practices that generated impressive profits were inapplicable to organizations that have no profit-seeking owners. In 1969, marketing experts Philip Kotler and Sidney J. Levy proposed that marketing is an inevitable function of nonprofit management, and the first nonprofit-marketing textbooks emerged in the early 1980s. The effort to persuade nonprofit managers to focus on customer-oriented marketing has met significant resistance, especially as such managers have mistaken marketing for aggressive salesmanship or cutthroat competitiveness.