

The Role of Product in the Marketing Strategy of Non-Profit Organizations

1. Introduction to Non-Profit Organizations and Marketing

Non-profit organizations are a distinct and significant part of the economy and society. While they share several common goals with for-profit organizations, several unique characteristics differentiate them. One is that non-profits generally do not have investors and do not distribute any profits that they do earn to individuals—either members or leaders. Another distinction is that non-profits have no causally appropriable customers. For-profits typically profit because they create value for their customers; the value that is appropriated by customers exceeds the cost of what it takes to deliver this value. Since appropriations are made by self-interested actors, a customer's return on investment should always exceed their costs and should be proportional to that investment. Hence, if a firm's customers cannot consume with respect to their own needs and interests, attractiveness for self-interested investors depends critically on the firm's marketing. The same situation confronts non-profits.

In addition, for-profits have many ways, if not infinite ways subject to some specific constraints, in which they may design a marketing program or portfolio of programs to enhance its attractiveness to current and new consumers. Whether a for-profit sees its markets as goods-driven, sales-driven, service-driven, or brand-driven, marketing is important for profit generation. For a non-profit, since resources are appropriable at the organizational level, talent, tools, and technologies can be matched, and organizational performance can be measured at least in principle. Non-profits are also about reinvesting. However, good performance must also contribute to social programs that society values. Management goals in non-profits are dual—causal appropriating and efficient and effective delivery of value to constituents or shoppers—and hence directions for strategy formulation must always be more complex. Non-profits and for-profits differ further in that non-profits rely on extensive social marketing to achieve their mission. Non-profits have

tremendous marketing opportunities through their products to enhance the achievement of their mission. Non-profits also face many challenges unique to themselves in terms of their marketing. Historically, non-profits have been slow to recognize the need for marketing theory, marketing practice, or marketing research and have thus been late to the game. They also have been known to view marketing as contrary to the support raising, constituency, or social service provision preoccupations. The application of marketing techniques and concepts by non-profits can help in offering products that add value to constituents with optimized impact. In the following sections, we offer more detailed consideration of the role of products and the marketing mix in general, as well as in the marketing strategy of non-profit organizations.

2. Understanding the Product Component in Non-Profit Marketing Strategies

It is critically important to think of every non-profit offering, program, or service as a "product" that is a fundamental component of a marketing strategy. This essay sets out to outline the non-profit "product" in terms of its unique qualities, the role it plays in the strategy of the organization, and its interconnectedness with other elements of the marketing mix.

The product encompasses both goods and services. Here, "service" normally refers to the "output from the functioning of a product in use that gives benefits to the user that are meaningful and tangible to the user." Further broadening of the concept, services can encompass professional expertise, evidence-based practices, human resources, and social innovation. They encompass the campaigns used to deliver programs and the intellectual property of a service mark. They reflect the actual impact of the program on individuals and communities. Products are developed, financed, and implemented because they serve as a means to benefit the community surrounding them, forge community and corporate collaborations, fulfill political and social mandates, and generate income (or any combination thereof).

3. Challenges and Opportunities in Developing Products for Non-Profit Organizations

It is well established that non-profits developing products face a number of challenges, including lack of dedicated funding, experience, dedicated personnel,

time, and space. In addition, market research is often a constrained option, and user and stakeholder needs are often difficult to define and understand. Consequently, not-for-profits often take the easy way out, marketing products that are in vogue, with a lack of awareness or understanding of the target market. Equally, there are likely to be some significant opportunities available for non-profits who develop products, given that they often have a different offering to the private sector that adds value by linking particular products and activities combining environmental and social outcomes in one product. This outcome is made all the more feasible and appealing, given that non-profits are more likely to engage in participatory product design involving communities and stakeholders. The need for products to be designed in such a way is unarguable, as they need to be able to reach their local (and, if possible, global) market. This is feasible when the product development process is open to all. An open instructional process means each product can be tweaked to local conditions and the differing requirements of consumers. Finally, products also need to be designed to be adaptable over time as we, as a society, adapt to changing social patterns and needs. In conclusion, given the link between financial returns, the market offering, and policy and research, it is evident that the lack of a product innovation process and an inability to provide a focused marketing effort not only makes it difficult for an organization undertaking product development to achieve both the financial and social objectives of the project, but also to add value by making the project relevant to policy and market. In light of the realization that marketing and product development is difficult and full of barriers, two questions need to be addressed: How are organizations overcoming these hurdles, and how can organizations proactively overcome these hurdles prior to the beginning of a product development process.

4. Product Development Process in Non-Profit Organizations

The product development process in a non-profit organization is systematic and involves an array of steps including: generation of product ideas, assessment of the feasibility of proposed products, and systemic planning of the activities needed to pull it all together. This process integrates the interests and goals of the community, advisory group, and non-profit, approximating a model of the marketing concept of "customer orientation," reflecting the empowerment of stakeholders in identifying and designing products. The process for developing your new product itinerary takes non-profit organizations through this process.

There will be many points where it is appropriate to assess whether the product that is under development will be viable enough to proceed. This will help to keep resource allocation, including staff time, the timing of product launch, and project scope in perspective with implications of being successful. The new or redeveloped product will be somewhat enhanced each time you ask for and receive good advice and apply sound strategies for making it appealing and functional. Thus, flexibility and a resource of creativity are helpful during many stages of putting the process in place. Deciding when to call in expert input, both from your product development partners and your stakeholders, will be a critical choice in the product lifecycle, especially when it comes to evaluation of your activities, creation of the product, and input into its production.

5. Strategies for Positioning and Packaging Non-Profit Products

The first step in selling more goods or services is positioning. Nonprofits that create a strong, authentic narrative around their genesis and their product position those products in an emotionally resonant field. They offer insight into who they are and the specific value they will bring to their audience rather than generalities like "we help children." A successful approach positions the product not just as a fundraiser but as an instrument to support and reinforce the mission by using the money to support operations—the thing every purchaser of the product made happen through the purchase of the first one. When effectively communicating the product, nonprofits use their products to engage supporters. A new product or program can be a unique, fun, and surprisingly easy way to educate potential new donors about their mission. They also know that packaging helps. It makes their product more accessible to more people and can grow everyday use. Finally, they differentiate their products by connecting each product to a unique offer.

Some unique differentiators focus on the mission: they are the first and only coffee company sourcing all the company's coffee exclusively from land identified as part of a global conservation effort. Other unique differentiators focus on how the product performs—a good option when the product is somewhat further afield from the main mission's work. Successful differentiators both introduce a strong story and show how the audience can make a difference by using their purchasing power. Briefly, a product with a compelling story, whose purchase is its own return and whose packaging, price, and placement are appropriate, is positioned for maximum

success. The final—and one of the most important—steps in effectively exposing products comes in consistent and continued effort to cement the product's position and to continue engaging the supporter in the process.

Nonprofits assure product positioning by consistently building the product's message into their communications. This can be done in e-newsletters, on social media, in event literature, and more. Studies demonstrate that messaging exposure increases response and that campaigns that are repeated for four months are significantly more effective than one-offs. Moreover, indicia of quality, scarcity, and value. Further, those who regularly buy new products from a representative retailer frequently have the opportunity to wipe out competitors by becoming the first movers in owning the new product or providing it to someone else.

6. The Role of Pricing in Non-Profit Product Strategy

Where for-profit products are priced to generate revenue, pricing in a non-profit context is more about sustainability and ensuring that cost is not a barrier to participation. This is especially important for non-profits that seek to be inclusive and are marketplace-focused. In terms of the transaction, these principles may mean:

- Non-exclusivity of offer – Most non-profit products are available to anyone. This means non-profit pricing choices need to manage aspirations for profitability with accessibility objectives;
- Managing mixed motives – It is common for non-profit audiences to be influenced by social desire, such as a belief in the mission or the rightness of the organization and wanting to engage. Thousands of people are willing to 'invest' in the cause by donating. The transactional offer ladders of support, however, are very much like entering a fee-for-service transaction and, as such, can be a disincentive for some people to engage deeply in a relationship with the cause.

Profit-making businesses set prices to cover costs, as well as contributing to the achievement of other business objectives such as increasing revenue, market share, or brand equity. While non-profits are permitted to generate profits in some situations, it is not their core objective. Some non-profit organizations articulate their pricing policy explicitly in their mission and value statements, advocating for affordability and access over maximizing revenue. It may be a responsibility or a condition of funding to provide affordable access to programs, products, or services.

Non-profit pricing must also be consistent with the legal and association standards of taxation and provision of free or subsidized support, for example. The popular association of high prices and excessive profit-making with waste, unconcern for the environment, and social and environmental exploitation can be a driver of commercial responsibility in a not-for-profit market orientation. Research also shows that environmental organizations trade in the perceived fairness of their only offer – the right to support the environment or ethical cause as a single donation. In the minds of some donors, support of these altruistic causes is limited to what is perceived as a conditioned exchange of good feelings for economic gain. The higher the return on the gift for the donor, the 'less' true the reward and the lower the respect for it. Evidently, such psychological drivers influence offers to accept money and the factors that will attract donors. The pricing of a one-time donation will challenge the public perception of charities as services or, if they suspect this may be the case, stigmatize them as greedy and inappropriate for popular support. The delicate balance of the ethical offer is not easy. A final decision on the right offer is generally recommended in early market research and fundraising planning in strategy meetings. With all offers that may seem potentially too high or odd, it is strategic to test them with quick and informal pre-test surveys of known donors, sponsor companies, or staff. The research adopts a multi-strategic approach that includes searching secondary source data and new information that can be collected through a mix of methods, such as establishing comparative pricing strategies, by considering the cultural relevance to non-profits. Market research in this area is operational in grown programs because the cost of understanding is affordable. Setting prices for cost recovery programs permits medium-length terms of business sustainability costing approximately 15% of the funds raised; an additional 0.5% of funds is expended on surveying the value and utility of new programs.

7. Distribution Channels for Non-Profit Products

There are various options for the distribution of non-profit products. Distribution can be organized through traditional and modern channels. Modern channels suggest digital interaction via the internet. The best choice should be based on audience needs and their habits, and the type of product you are representing. The strategies chosen should help an organization expand its markets and market coverage. Digital channels provide the most direct and easy means of working with distant clients. Clients have the convenience of accessing resources whenever and wherever they want. Moreover, by using partnerships with existing non-profit,

governmental, and commercial organizations, non-profits can extend distribution to areas where such organizations are more often utilized by targeted clients than home-based governments and non-profits. Moreover, such partnerships with large, well-known entities can provide indirect and credible endorsement of an organization and its work and may enable the non-profit to exert leverage to increase attention to their own priorities and work opportunities in a variety of sectors. With the consolidation of online groups and social media venues, non-profits also have the opportunity to utilize membership in those related groups for cross-posting, marketing their social networking sites, and employing related groups for their products. Appearing on an established online global platform is a low-cost approach to e-commerce. The primary product platform generates approximately 1.3 billion page views per month. As the auction host for a powerful tool, it allows buyers and sellers to trade virtually anything and is well-known for attracting cause-conscious buyers. In addition to showcasing a non-profit's products, e-market sites encourage individual sellers, manufacturers, and wholesalers to list their goods directly on their sites via classified advertisements, auctions, or fixed price sales. Products can be sold here either at the price fixed by the non-profit, at auction, or at a fixed price with a best offer option for potential buyers. Storeowners can reduce overhead costs, increase geographic coverage, attract competitive prices, attract different kinds of buyers, and eliminate time constraints.

8. Promotional Strategies for Non-Profit Products

Events and social media are the strongest media promotions for connecting with the community and forming a relationship within it. Tagged photos from our efforts have helped us gain a following on various platforms. We have found that one platform is our strongest to get our message out to the community. Digital advertising has become a promotional medium that is expanding our reach to a younger audience and opening our message to new potentials. Traditional print advertising, creating a single page in a magazine venture, with a larger portion spent on events, food generation, and recipes, was the second-highest percentage of product-to-promotion time and cost. We have multiple newspapers covering our food and event-based stories to get our message out to their greater community. Generally, radio was included in all event sponsorship packets, mentioning "day of" event details, location, and time.

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How would you define "Success" with this project? Public relations support the promotional efforts we already have with events and digital media. We assist in providing more opportunities for all involved in an active role in campaigns for messaging. We aim to make partnerships with like-minded, influential individuals to support our "Why" of the manifesto: building a healthier, more sustainable community through smart food choices. How will you measure the success of the project with which this application is associated? At the close of a season, we will review our numbers, including the built area, number of new Garden Members, number of Garden Members that attended events for promo redemption, social media suites, and additional avenues that supported the marketing strategy. Data will be analyzed to determine the effectiveness of our efforts. All numbers and claims will be provided. Furthermore, a research study is assisting to determine how the Garden increases the EBDPA in local restaurants. What will be your promotional voice, story, tagline, slogan, etc., that will spark interest around your products? What impact will this tagline have on the brand identity? What support do you offer as proof of claims to amplify the impact of EBDPA? How do you clearly communicate the value of EBDPA? After composing a promotional voice, grow a detailed plan for a direct mail design to cater to your target demographic of potential members, whether residential or commercial. What strategies does the Direct Mail implementation address? What splash of the "WOW" standard will you use - color envelope, color flyer, and EBDPA window cling? How will you keep the integrity of print? Additionally, we will target all participants in the professional development workshops and recognition events emceed by us this year as a prospect base offering. In the second year, we will direct mail to all garden member households. All garden area members can enter our drawing for four tickets to an event at the conservatory.

9. Measuring and Evaluating the Impact of Non-Profit Products

Measuring and evaluating the impact of non-profit products is also a necessary piece of the broader concept of non-profit products. While it alone is not a sufficient indicator of the overall appeal of a non-profit product or the generosity of the donor base, the success of a non-profit's product offerings is easily quantified. Often, success is judged by the number of recipients of the product or the number of times it is used. The determination of how to judge the success of a non-profit product in your specific context is influenced by characteristics shared with for-profit goods

and services (beneficiaries, the cost to deliver the product, and an understanding of public needs, desires, and habits). Consider the following possible metrics that can be used in isolation with other relevant context or in combination with one another for a more comprehensive view of the broader impact: units of the product consumed or otherwise utilized by the target audience; total cost to produce and deliver the product; and the amount of coverage for a given project or department's product via earned media. While these metrics may provide a more quantitative view of a product's impact in the world, there is often a necessary place for qualitative data collection. The lived human experience cannot always be captured in numbers alone, and certain impactful pieces of data may emerge once a product or program is being animated in the world that would never have been critiqued or otherwise taken into account during a period of abstract implication.

10. Case Studies and Best Practices in Non-Profit Product Marketing

Throughout this report, we have discussed several marketing strategies and tools that can effectively assist non-profit organizations in distributing their messages and attracting supporters. Many of these techniques have been illustrated with actual examples and case studies. Here we have collected a selection of the case studies and best practices detailed in the previous sections. These case studies represent the rich array of non-governmental organization products and groups in the non-profit sector and the many ways these organizations meet their mission through products. Sectors they represent include animal welfare, environmental advocacy, and humanitarian efforts. Strategies include enabling partnerships with micro-direct advantages, sporting event tie-ins, volunteer appreciation, and marketing products created at the request of constituents or as the result of a collaborative process.

Each of the following case studies discusses a strategy employed by a non-profit organization and how it bolsters the presentation of and alliance-building for its marketing products. Non-profit organizations build and sell products every day; this report illustrates the diversity and reach of these programs and gives us an idea of some of the best practices used to enable these impactful programs. Non-profit organizations sharing examples of their efforts have found consistently that one of the keys to producing a marketing product is the flexibility to be responsive to their audiences. For this reason, while each case study gives us a picture of a particular

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way of customizing and employing marketing products, none of these case studies should be taken to be a “template” so much as an inspiration or guidepost for other organizations to use when designing their own release. The key takeaway about them is the “news you can use” strategies that can make a product launch more likely to be a memorable and successful event.

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