

# **Marketing Strategy in Nonprofit Organizations: Distribution**

## **1. Introduction to Marketing Strategy in Nonprofit Organizations**

Even in mature nonprofit organizations, marketing may be viewed with skepticism. Part of this lack of enthusiasm for the marketing approach is based on a fundamental misunderstanding between what is intended by "marketing" in the business world and "marketing" in the nonprofit setting. The driving force in the marketing orientation literature for the nonprofit world is the numerous obstacles to sustained effectiveness that are collateral to the scarcity of some of the organization's resources. The necessities of marketing are, in part, what this chapter will attempt to propagate in the creation of a model for successful distribution strategies.

Not-for-profit marketing in the person of the marketing manager must attempt to create a situation where the marketing plan matches the capabilities of the institution to the needs and aspirations of a specific sector of the market. That sector is the lives desired to be touched by the charity, the mission of the charity. Deep in the roots of this line of reasoning lies the concept that, although present in a myriad of variations, the goal of a nonprofit marketing activity lies in achieving the mission of the charity, in some form or another. Managers can maximize efficiency by designing strategies and tactics in the not-for-profit concern that are based upon the need for achievement of the corporate objective, producing the largest margin of satisfaction of desire for all the various constituencies. In nonprofit organizations, managers need to maximize the achievement of the mission by designing a marketing plan by determining its activities and their objectives. In this model, the goal of every activity in the plan is to involve those who will help to reach the mission.

## **1.1. Understanding the Unique Challenges and Opportunities in Nonprofit Marketing**

Marketing a nonprofit organization's mission and services is essential but inherently different from marketing a for-profit business. Nonprofit organizations face unique challenges in addition to challenges that businesses face. However, these challenges provide nonprofit organizations opportunities that allow them to engage the communities they serve in meaningful ways.

### **Challenges in Nonprofit Marketing**

Marketing a nonprofit offers inherent opportunities. First, stories are emotional, and marketing a nonprofit is a simple extension of these emotional stories. Nonprofits serve a wide variety of people, animals, natural areas, or other areas that offer a wide range of opportunities for storytelling. Stories, however, appeal to supporters' emotions and cannot directly drive the behaviors of a target audience. The stories can engage and interest audiences, but they must be strategically positioned to appeal to the target audience. Does every listener hang on your every word? Probably not. In fact, nonprofit communicators often express deep frustration when people just don't seem to 'get' their message. They feel that if only people listened to their personal story or heard the statistical information, the humanitarian need, or the expert opinion, the sky would part, and the heavens would pronounce, 'We should care!' After all, what is there not to get?

## **2. The Role of Distribution in Nonprofit Marketing**

The set of practices or strategies used to create, maintain, and improve marketability is equally applicable to both for-profit and not-for-profit organizations. Distribution—also known as placement—is one such component of the marketing mix. Distribution encompasses the strategies to make goods and services accessible to potential consumers. In the case of non-governmental or not-for-profit organizations, such as charities or emergency service providers, the reason for and means of being accessible to the market are different, although of equal importance to organizational success. In essence, distribution is about how the organizations reach out to target audiences and convey the importance and urgency of what they do in order to make a positive impact on those individuals and communities while meeting the goals of the organization. The distribution function involves recognizing existing and potential situations and making products or

services accessible to as many of those at whom they are targeted as possible, given the resources available. A great part of this accessibility lies in presenting an image of the organization that is attractive, professional, accessible, and approachable, making the audience believe the service would be appropriate, beneficial, enjoyable, and/or life-enhancing. Effective distribution channels can be formal and informal, direct and intermediated—national, regional, or community-based—and use word of mouth and recommendations by friends over media releases, social media, or person-to-person presentations. Technique (distribution) follows content (the 'WHY'), but they form an interrelated continuum. Good distribution needs to be backed by a solid understanding of the Who and the Why, and be in place before Who, Why, How, and What interactions by the organization and its audiences can become effective and activated. There is a long list of dimensions and issues that need to be investigated and answered while considering all aspects of distribution through not-for-profit segments of the market. This chapter will, in the first instance, cover these aspects.

### **2.1. Definition and Importance of Distribution in Marketing**

Distribution is one of the "four Ps" in marketing, and it refers to the specific system designed to show the organization's products or outputs to the intended customer market. However, while for-profit organizations derive funds from actual sales of their goods and services, nonprofits derive funds from contributions and donations rather than sales outputs. Even so, it is still crucial for nonprofits to develop "channels" that bring their services to their target markets, as nonprofits rely on the utilization of their services in order to distribute their messages and agenda. Distribution in this context is the process of delivering a nonprofit organization's message, services, and benefits to the targeted public. It is through visibility that decision-makers and target audiences become generally aware of social concerns or issues. A clear, simple, authoritative issue channel demonstrates membership depth. At the same time, the more widely an organization's message is circulated, the "deeper" its membership in that particular movement looks. Traditional distribution, for-profit, is the channel of outlets offering various services and benefits for satisfying consumer needs. In addition to the product itself, it involves services, sale conditions, methods of width and length, and the company image. Nonprofit distribution targets a greater emphasis on the distribution of the message and the agenda. It involves methods by which an organization tries to spread information, guides, recommendations, advice, and pressures to the public among

direct and indirect channels. Distribution has four dimensions: directness, channel width and length, and the use of formal and informal methods. Nonprofit organizations are challenged in identifying methods to implement in a resource-constrained environment. Likely, the use of multiple distribution channels can improve user access.

### **3. Key Distribution Channels for Nonprofit Organizations**

Introduction Nonprofit organizations can get their messages out to the public in many different ways. How nonprofit organization staff go about deciding how and what to communicate has a lot to do with their audience. Likewise, their distribution strategy should have a lot to do with their audience. The quest for effective distribution can lead to an overemphasis on hard-to-qualify variables about the audience often associated with mass communication distribution from television and radio spots to bulk postal mailers. While using those channels is important, nonprofit organizations benefit in an almost exaggerated way when putting their organization out in person. This section presents a range of possibilities for getting your organization in front of the community. Direct Distribution Face-to-Face. Interpersonal interaction and selling face-to-face are and have always been the most effective of all types of fundraising, sales, and marketing. Salespeople everywhere recognize that people want to do business with people they like and personally trust. There's no "distribution strategy" here since the organization is really trying to sell itself. A mission ineradicably tied to the public market for a social innovation that can have no better spokesperson than the organization's people requires organizations to take their case to the streets and local events. Indirect Distribution - Events and Local Meetings. Another approach is to work with other community groups and churches. All eating ethnic food will be exposed to information passed during the potluck conversation. Sure, the message is also reaching a primarily redirected audience, but this can still be a worthy step in the relationship. Conducting or publicizing informative events and workshops of all shapes and sizes can attract those actively seeking information about a topic and already part of a certain audience. Oftentimes, these informative opportunities would allow an organization to link their work to that of another group easier than in a direct distribution channel. This access to an already involved audience can have the potential to intensify the interest and credibility of those in attendance to an

organization. Regardless, it can be beneficial to tap potential consumers of information and get a little press.

### **3.1. Direct Distribution Channels**

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Direct distribution is a crucial strategy for nonprofit marketing activities because it directly affects scope. Constituents and others in the institution who are directly involved with marketing, fundraising, and events can easily have direct interactions with their constituencies. For example, they can have personal communications with people brought to campus, sports events, and theatrical performances of a nonprofit presenting organization. They can mail recruitment materials to specific groups using mailing lists. In some cases, they can obtain the names of people who are good candidates for admission to college or who have special programmatic interests.

There are several benefits of direct distribution. For one thing, one gets immediate feedback when the communication occurs. In addition, the personal touch can communicate and reinforce the mission of the nonprofit. Hopefully, these personal relationships lead to increasing trust and credibility, which can help lead to increasing loyalty and support for the organization. Moreover, the new generation of college-bound students indicated a preference to hear from real people about their campus and their experiences, rather than from the admissions office; this expectation did not bode well for traditional recruitment materials. Thus, using "real people" as part of personal recruitment served the double purpose of providing testimonials and conveying a personalized message. Sending things to individuals like personal recruitment materials and "accepted" letters can effectively tie the student to the organization. Providing such materials personalized with the student's particular "likes" can be even more effective strategies to improve student involvement and to potentially secure private support.

## **4. Digital Distribution Strategies for Nonprofit Organizations**

Digital. It's available everywhere and quickly becoming an essential part of the marketing toolkit of nonprofit organizations across the country. Our world is characterized by instant, all-access, click-to-buy, upload, download, send, and

**CHIB Amina Djazia**  
**Associate Professor**  
***International Management of Companies and International Marketing***  
***Abou Bekr BELKAID Tlemcen University***  
***Faculty of Economics, Business and Management***  
***Business Department***

receive anytime, anywhere. Now, more than ever, your marketing success in the nonprofit sector is largely due to the successful use of these new norms in communication. Your marketing platform, or where your message and information are distributed, is where your strategy and tactics converge. Your chosen methods will work to reach your target audience. You could think of distribution as the various theaters and stages of your publicity and information activities. You may choose to distribute information through face-to-face meetings, or via email, through the phone or the post office, text messages, traditional mail, or through social networking channels. Of late, the online distribution option has become further customized to our shortened media attention spans, available around the clock, and completely customizable based on end-user wants and needs.

Most religious organizations distribute their information by word of mouth, bulletin announcements, postcards, emails, snail mail, and e-newsletters. Any or all of these possibilities could be distribution options. When thinking about your options, consider the amount of traffic each source will provide in conjunction with cost. Your answer may be as simple as focusing your distribution tactics based on what you already know about your audience. What distribution channels will they best receive or benefit from your message? Your website is a non-negotiable and should be your most cost-effective and flexible distribution option available. For example, your website probably lists what time your worship activities take place, when your offices are open, what your church believes and adores, any news or events, and a handy section. If your distribution or marketing strategy includes luring in new visitors, then your website will include welcoming language and slogans, maps and directions to your facility, and possibly a facility tour on video, common questions, a "what to expect" section, and contact and welcome desk information. You will also have a high-quality reason they should show up in person: evidence about the events, the church with the "with-it" website that's worth checking out for sure, a trial service or class, and a testimonial that lets your visitors do your bragging for you, reporting on a layperson who found a welcoming home with the congregation and some sense of the Holy, or a deepened understanding of something that you supplied since discovering your website.

Obviously, in both cases, the content of your website will overlap but primarily be distributed to two very different groups. General marketing will focus on current and future members and be more engaging and design- and language-heavy.

Keeping up via tools is also crucial. You can cut costs by combining some stories and information, but you can't exclude any one of these effective, quick, customizable, and widely distributed tools. Online advertising and marketing are intelligent, easy, relevant, and timely. It drives your visitor and potential member or donor to your website over and over again. Think of it as proactive distributing; you pick your distribution method and then look to distribute the materials to those who are searching for them. Email campaigns are cost-effective and, when content-rich, provide links of interest, data, reflections, and digital downloads. Your email will go out on your own schedule and be saved by many for referral and future activity. It will also go to your current and past members for reactivation, outreach, invitation, and retention.

#### **4.1. Social Media Platforms**

##### **4. Distributions**

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Nonprofit organizations have come to realize that social media channels are a powerful way to connect with constituents. There are many social media platforms that allow an organization to distribute its message in a variety of ways. One of the first social media platforms, and still the most active, is Facebook. The Facebook audience is typically made up of a broad representation of a community and can be a great starting point for getting an organization's message out. Twitter is specifically dedicated to short bursts of information. Twitter can be a great platform for sharing brief updates about the nonprofit. Instagram is another platform for sharing an organization's story through pictures and video. Instagram tends to attract a younger, more diverse audience than other social media networks. Pinterest can help drive traffic back to your website as a more passive recipient of information. It allows someone to collect and organize pictures of your organization's work and share them with friends.

Each social media platform has unique characterizations that can be tailored toward a specific audience. Here are a few suggestions for appealing content creation that can be retasked online: simplicity on Pinterest, challenge on Instagram, origins on Instagram/Facebook, and other suggestions. Everything posted on social media needs to be engaging. The reason people participate in social media is to share their unique story and be a part of a community. After all, if an organization is not sharing



someone else's content, chances are good that they are not going to share yours. To begin engagement, an organization really must grow a community and then foster relationships. Relationships can be short or last a long time. One of the strengths is that social media allows for engagement in real-time, where constituents can interact with the organization, ask questions, and get immediate feedback. Unfortunately, it also means that an organization's reputation can be tarnished in a matter of seconds.

Social media organizations with values and for a cause are very attractive in today's society. People are no longer just buying products. They are choosing which organizations to identify with. One of the unique values that social media brings to an organization is the level of transparency it can create. Organizations cannot afford to keep secrets. A key practice when using social media is to always be upfront and provide your constituents with the real truth about an issue. There are several challenges that go along with social media. It is important to recognize and be aware of these challenges. For instance, the main challenge is in dealing with time management. It is important to know how time-consuming social media can be. There is also the aspect of managing an organization's reputation. It is not always possible to control what people are saying about an organization, its cause, its services, or the cause. In addition, social media networks are always changing rapidly. Algorithm changes can cause feedback or replication. No longer can people see what you post when purchasing an organization's picture or when trolling for a tweet. A community built around a specific group on Facebook can take time as a paid strategy and several good weekly posts in that group. These are skills and information needed and sometimes might require some financial investment to increase reach.

## **5. Case Studies and Best Practices in Distribution for Nonprofit Organizations**

Case Study 9: The Artisan Bakery at Novus Bakery, Fife, Scotland, UK

Case Study 10: The Mobile Markets of Austin, Texas, USA

Case Study 11: The Healthy Bodegas Initiative, Washington, D.C., USA



**CHIB Amina Djazia**  
**Associate Professor**  
***International Management of Companies and International Marketing***  
***Abou Bekr BELKAID Tlemcen University***  
***Faculty of Economics, Business and Management***  
***Business Department***

Case Study 12: The Open Door Grocery Store at St. John's Episcopal Church, Capitol Hill, Washington, D.C., USA

Case Study 13: The Indiana State Department of Health's chronic disease prevention programs.

The best practices and lessons learned from the various operations featured in these case studies include:

- Being wholly or partially owned by the distributing nonprofit so that the bottom line can reflect the organization's mission and vision, as well as providing additional space for the customers the enterprise is trying to reach.
- Delivering prevention and public health education through any or all steps of the distribution process.
- Adapting to the community the organization serves and being willing to change course after assessment and evaluation.
- Generating an additional revenue stream in order to reduce the burden funding puts on the delivering nonprofit organization.
- Teaming with other organizations to create a shareable customer base and a "halo effect" that enhances the mission-centric bottom line.
- Building solid relationships with organization and supply chain members to facilitate greater efficiencies and the willingness to try something new or break convention.
- Utilizing a variety of tools to accomplish their distribution and retail goals, including technology.

### **5.1. Success Stories in Leveraging Distribution Channels**

It is apparent from the stories told in the case studies that creating effective distribution strategies means defining channels that are appropriate for different audiences or that appeal to a diverse set of people. One respondent who organizes a huge event said it is more productive to approach people where they already are than it is to create a separate event. They planned to use the 50th Anniversary Celebration to tell their story in a direct and compelling way through print mail and

electronic communication to their alumni and in advertisements in the papers, and to attract all types of audiences it was possible to reach.

The success of the marketing for the Christmas Towne festivals on the campus of the Child Development and Research Center took at least one year off the planning schedule. They used many of the same distribution ideas for Christmas Towne that had been successful for Harvest and would use those that worked for the M.A.C. The Center partnered with various organizations. As it was with the stories told by the directors regarding marketing strategy, many of the respondents for this study in diverse locations described a similarly frustrating relationship with media: "I can't buy a good story." "We got no coverage this year, nothing on TV and minimal press." "We attempted to get newspaper contacts to analysts in the hope they would do a feature about us, perhaps in the business section. We got interviewed by a staff writer and the article appeared on page 3 of the business section on a Sunday." They also felt the coverage, though beneficial, wasn't all it could be for some of the same reasons as mentioned in the marketing section.

#### Conclusion:

Other distribution channels used in both the Christmas Towne and Harvest Festivals were email and regular mail, volunteer recruitment and word-of-mouth, radio, outdoor media, and co-op advertising. In order to reach the alumni and the community at large, they used print mail and electronic communication. In closing, I asked the respondents what they thought the relationship between a compelling message and community outreach/impact should be. Of the people interviewed, all agreed that the more compelling the message, the more the community will feel a need to be involved. "If you gain momentum in the community, you're going to benefit from that." "The more momentum we can gain, the more people will promote it for us."

## 6. Measuring the Effectiveness of Distribution Strategies in Nonprofit Marketing

Measuring the effectiveness of distribution strategies is one of the most important activities in the arsenal involved in building marketing strategies in nonprofit organizations. The development of distribution channels the nonprofit organization should verify using a range of measures, such as, for instance, how much the

***CHIB Amina Djazia***  
***Associate Professor***  
***International Management of Companies and International Marketing***  
***Abou Bekr BELKAID Tlemcen University***  
***Faculty of Economics, Business and Management***  
***Business Department***

operation of the channels contributes to the realization of established objectives - how they carry out functions of reaching, habituating, and informing potential clients, rendering services and maintaining relationships with clients. Quantum is measured on the basis of the extent of achievement of desired outcomes in relation to the set objectives. The most frequently used objective dimensions are: market infrastructure, behavioral, and financial dimensions. The perspectives of measurements have been variously expressed as stakeholder dimensions, e.g., vital signs. Channel objectives are rated by project staff and stakeholders in accordance with the project operation and stakeholders' awareness about the organization.

Some decision-makers may hold that organizational performance should not be judged on the basis of stakeholder satisfaction. They argue that only a few stakeholders should determine the project performance, e.g., clients and investors, who directly contribute to the organization's mission advancement. However, if other stakeholder groups feel that they have a significant interest in or impact on the organization, including project staff, the board, and other support and strategic partners, and under some circumstances, government representatives, it may be very important to consider their perspective in the evaluation exercise. Measures in the form of Key Performance Indicators are currently recognized as the most effective in the evaluation of effectiveness contribution to, i.e., marketing strategies of nonprofit organizations. The choice of KPIs can be guided by specific questions that need answers such as: How do I know that the distribution channel is or is not working well? Data is the foundation of any performance management system. Once you pick your KPIs, you must determine how you will go about monitoring them. Nonprofits traditionally are not focused on data. So what do you do? Segment data. A data segmentation strategy is a process of organizing your data into categories that will allow you to understand if there are patterns of some kind. The easiest is taking small amounts of data and making groups of similar items and assigning them to named clusters. Segmenting data. Look for patterns. Once the data is segmented, look at the subgroups and compare the scores to see what KPIs are necessary and which ones are not. Focusing on these different subgroups could help make better business decisions. Evaluate. The final step to building a measurement strategy is to analyze the data. This brings us back to KPI theory; the biggest challenge to implementing an effective measurement program is reaching the proper benchmarks. And while data is important, many customers overlook the

value of stakeholder and client feedback. This approach combines data with stakeholder feedback and could be recast for a nonprofit project.

### **6.1. Key Performance Indicators (KPIs)**

Key Performance Indicators (KPIs) are the criteria that we use to evaluate whether our marketing strategy and distribution are effective. In a nonprofit organization, KPIs relate to information that marketers and other staff collect to help measure the efficiency and effectiveness of their distribution. These are the metrics that determine whether an organization is effective in delivering its services and achieving its outcomes. These KPIs should directly reflect the organization's distribution outcomes, outputs, and inputs, be a proper mix of both organizational and distribution outcomes, and include both quantitative and qualitative measurements. Different organizations have their own unique set of KPIs and tools. This guide will help you develop some of the most common KPIs for nonprofits.

The development and use of KPIs for distribution outcomes can be an excellent learning tool for an organization. By using data to drive and support the development and management of distribution methods, you will be able to tell whether your organization is successfully engaging people and motivating them to action. Since KPIs are measurements that you collect, you will need to be able to collect and analyze the appropriate data. The following are some KPIs that are often used to measure the success of a distribution effort. Clearly, you will need to determine whether these KPIs are appropriate for your organization. When developing KPIs, you may need to work closely with your information collection staff to determine what information and data are already being collected and what could be easily added to their collection efforts. Finally, consider that developing and maintaining KPIs can be quite an extensive effort. Nonprofit organizations are usually resource-constrained and will need to determine the feasibility of measuring these characteristics, including any opportunity costs, as compared with the benefits of informed decision-making. One basic way to think about how to use data is in the context of collecting as little as possible, but as much as it will take to make informed decisions.

**CHIB Amina Djazia**  
**Associate Professor**  
**International Management of Companies and International Marketing**  
**Abou Bekr BELKAID Tlemcen University**  
**Faculty of Economics, Business and Management**  
**Business Department**

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***CHIB Amina Djazia***  
***Associate Professor***  
***International Management of Companies and International Marketing***  
***Abou Bekr BELKAID Tlemcen University***  
***Faculty of Economics, Business and Management***  
***Business Department***

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