



# 'Selling the Third Sector' - Critical Processes to Create Successful Marketing Initiatives for Charities and Other Nonprofit Organisations

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## Abstract

**Purpose:** The purpose of this research is to explore the marketing strategies and practices employed by charity and community organisations to engage with stakeholders, attract and retain funding, and raise their organisational profile. The study aims to provide an holistic view of marketing activities, identify unique selling points, define products or services, and target populations, compile customer profiles, and develop marketing initiatives tailored to individual requirements.

**Methods:** The research employed a mixed-methods approach, involving interviews with practitioners and a review of key articles from principal journals. Data was extracted using inductive methods, and recommendations were formulated using a systems approach to assist practitioners in creating successful marketing initiatives.

**Findings:** The study identified key themes and practices in marketing strategies for charity and community organisations. These included the importance of identifying unique selling points, defining products or services and target populations, compiling customer profiles, and developing tailored marketing initiatives. The findings also highlighted the need for diversification of funding sources, evaluation of potential activities using organisational principles, and the use of key performance indicators to define standards of delivery.

**Originality:** This research contributes to the existing literature by providing a comprehensive framework for marketing strategies in charity and community organisations. Unlike previous studies that have focused on specific aspects of marketing, this study offers a holistic view of marketing activities, including the identification of unique selling points, customer profiling, and tailored marketing initiatives. The use of a systems approach in formulating recommendations adds to the originality of the study.

**Keywords:** charity marketing, community marketing, unique selling point, customer profiles, key performance indicators, funding diversification



## Introduction

The third sector is an essential component of society, providing vital support and economic activity for a wide range of social groups.

### Definitions of the principal terms have been extracted

'Marketing' is 'the business activity that involves finding out what customers want, using that information to design products and services, and selling them effectively'.

'Charity' is 'an organization whose purpose is to give money, food, or help to those who need it, or to carry out activities such as medical research that will help people in need, and not to make a profit.'

Third Sector' is 'the part of an economy that consists of charities' (and other nonprofit organisations).

'Nonprofit' (or Notforprofit) is an entity 'not established to make a profit'.—(Cambridge Dictionary, 2024)

The third sector, comprising charitable, notforprofit and community organisations, is vital to society in providing products and services to support the community. These entities often deliver a provision to society that is not supplied by the regular public services. This sector is socially and economically significant, for example the United States has over 1.48 million active nonprofit organisations and these comprise the country's third largest employer (Ensor, 2024).

These organisations are competing for attention, customers, personnel and funds, therefore, they require an effective marketing strategy, in order to both survive and then thrive in the current volatile environment.

The pandemic and subsequent recession in many countries has, however, caused severe problems for this part of the economy. Individual donations in the United States, for example, rose every year after 2012 until 2022, when they

experienced a decline of 1.7% (Ensor, 2024). The number of charities was reduced during the pandemic with nearly a third of all charities, globally, closing down (Shadyac, 2021).

Third sector organisations have, thus, been threatened by the prevailing economic conditions. Closure and reduction of activity and influence have occurred throughout this sector.

## Research Objective

The research aims to adopt an holistic approach to provide recommendations in respect of developing and implementing marketing initiatives for nonprofit organisations. This should help them to survive and prosper in the prevailing environment.

## Methodology

Several interviews were conducted with practitioners from the nonprofit sector. Two professional managers were interviewed, whose experience covered a number of organisations in the United Kingdom and other countries as well as a range of activities, including senior management, strategy formulation and fundraising. The key themes were extracted from these interviews and this was also done for a range of literature from the principal journals. The themes were extracted without a predetermined coding structure, using an inductive approach, then organised into major themes (Blair & Pagano, 2021a; Easterby-Smith, Thorpe & Lowe, 1991). An approach from soft systems methodology was then employed (Checkland & Scholes, 1990), in order to summarise and present the results using a systems perspective (as per Blair, Barratt and Pagano, 2022). This research provides recommendations for practitioners in the third sector in order to assist in constructing marketing initiatives, thus contributing to strategy and planning in this sphere (after Blair, Barratt and Pagano, 2021).

## Literature Review

A review of the principal journals was enacted and articles relating to the topic of the study were selected. The key themes were then extracted, using an inductive approach, without a

predetermined coding structure. These were then organised into major themes, based on an overview of the research.

### **Donations/Funding**

Shadyac (2021) considers strategies for charities to survive the pandemic and these can be adapted for the post pandemic period.

A focus on online contributions was required. The restrictions on movement in the pandemic meant that facilitating and promoting online contributions to the charity or community organisation was urgently required. This can now be a hybrid facility, with the return of in-person events and contributions.

Young donors should be enlisted to contribute donations and time to these organisations. This will give longevity to support. Targeted policies, for example using online social media campaigns and, perhaps, influential public figures to support the work, could attract this demographic's attention to the charities.

Corporate partnerships are vital to sustaining charitable organisations. Companies are keen to maintain a good public image with a corporate social responsibility policy that demonstrates their prioritisation of the environment, sustainability and social equity.

Digital innovation can be utilised for these organisations' activities. Virtual tours, webinars, chatbots and online videos, for instance, could all be employed to inform, educate and encourage contributions and support.

The compassion of people can be relied on, in that support will be given for good causes, according to this article. Personal updates to supporters can be provided and online platforms and communities can facilitate synchronous and asynchronous communications. Hybrid methods can now be used, with both online and in-person events. Communications and mechanisms for providing support can, thus, be enabled.

The importance of analysing and understanding donor behaviour in order to develop

effective strategies for fundraising is considered by Kim et al (2021). The latter authors conducted research into a large charity and used quantitative techniques to study donor activity.

The separation of frequency of giving and amount is identified for study purposes. The distinction between individuals, who make donations, and members, who pay an annual subscription, is made. The former are said to be motivated by a sense of altruism and the latter potentially by both altruism and membership benefits, such as merchandise. The nature of the latter can also be considered, in terms of cost and the items offered, in order to attract potential members at minimum cost.

This comprises both intangible and tangible motivators.

Marketing policy can, thus, be informed by this research into fundraising data. Sources of income can be analysed, for example amounts received from pure donors or pure members and how this income is received over time, for example the time of year, prompted by marketing communications or renewal of membership. Marketing communications can be considered, for example, timing them to ensure membership renewal on the anniversary date, to ensure cashflow. The use of communications to prompt for renewal of membership, as well checking that repeated communications do not alienate donors, can be an important aspect of this analysis. It is important to understand the positive and negative effects of marketing communications, in respect of the target population.

A hybrid category, where subscribers make donations and donors become members can be encouraged via targeted marketing, to maximise contributions. Additional categories of donors could, for instance, be created to supplement fundraising efforts, provided there is no dilution here.

The fundraising data should, therefore, be analysed in order to inform policy regarding marketing activities.

The use of creative activities as an incentive for fundraising is explored by Xu et al (2022). These authors conducted several experiments and utilised statistical analysis of donation data to consider this relationship. Their conclusions were that a link existed here and nonprofit organisations could consider using creative activities to stimulate donation behaviour. The use of creative activities was shown to encourage donation, both in occurrence and magnitude. The creative act stimulated fundraising in this study. The rationale was also examined and the act of creativity stimulated a 'positive mindset' in the potential donors. This generated a sense of making a meaningful impact in the specified area. The result was an increase in the likelihood of giving and amount of funds raised in the sample of donors. The types of creative activities did not need to be directly related to the recipient cause.

This suggests a possible approach that notforprofit organisations could employ to enhance their fundraising activities. This area could be explored in order to obtain a marketing strategy that utilises creative activities in order to promote fundraising schemes.

### **Partners**

Nonprofit organisations can establish partnerships with commercial companies, for mutual benefit. The latter are increasingly committed to corporate social responsibility policies, in order to demonstrate their performance of ethical, sustainable practices. A link to a nonprofit entity could provide expertise, guidance and credibility in this area. An article discusses this type of partnership (Simpson and Varley, 2022), suggesting guidelines for such an arrangement.

Nonprofit organisations can be used by corporations to support their product launches. The former can provide expertise and credibility in terms of social and environmental awareness. The corporation needs to use this partnership to help to enact fundamental change in the organisation to establish more ethical, sustainable and environmentally-friendly products and processes,

rather than a superficial enhancement of the brands in a marketing exercise.

A clear definition of roles is needed so that the two types of organisation can successfully collaborate on projects.

Perceived opportunities in the market can be exploited by such partnerships. The commercial companies can raise capital to fund or support innovative nonprofit companies. The example given was the establishment of a carbon removal scheme to offset carbon emissions. Several commercial companies raised the capital for the public benefit company to run the scheme.

Public sector organisations could also seek partnerships with nonprofit entities via outsourcing the supply of services and products. This allows the latter to deliver outputs in their areas of specialism.

### **Online Communities**

The use of online communities as a potential marketing tool can be highlighted. This facility can give a competitive advantage to organisations via creating brand loyalty.

Bussgang and Bacon (2020) discuss online communities and their impact. These potentially give tangible benefits, such as customer support including education on the brand, aids to marketing, brand advocacy, feedback on products and services, as well as event creation, hosting and attendance. There are also the intangible benefits of customer loyalty to the community, with the social aspect being integral to this phenomenon. The notforprofit organisation can build up and retain support, using the online community to gain valuable feedback and allow customers to share experiences and provide mutual support and advice. These communities have the advantage of ready accessibility for potential members, without access or travel obstacles. The network effect of being connected to people is viewed as being a very strong motivation for loyalty to the brand and community.

The main characteristics that these communities need to be successful are stated

as: a clear rationale which attracts members; facilities and resources that can be easily accessed; members can readily create value; straightforward governance to regulate the community.

The community can be monitored by the creator company by checking participation, value creation, the customer experience and evaluating the community building and maintenance activities. This should give an holistic perspective of the online community.

Online communities can, thus, be a considerable source of value for nonprofit organisations, in respect of marketing. Complementary services, such as therapies and education, and products, for example giving pain relief, can be made available to users via the community. The support aspect is especially important, for instance in terms of customers and carers sharing experiences and may provide a key factor in product differentiation. Brand loyalty can be influenced by the presence of an online community, with its additional benefits for the customer.

### **Performance Measurement**

Measuring the performance of the organisation's strategy is considered by Kenny (2023a). This should permit the assessment of the marketing strategy, in the environmental context. The main issue, as suggested by this article, is a disconnect between key performance indicators (KPIs) and organisational practice. Several examples are cited, such as a notforprofit organisation with fragmented, disconnected indicators. The chief executive changed these to focus on the stakeholders, including people with autism and their families, thus measuring results that had a tangible positive effect on them.

The principal solution, therefore, is to define performance measurement according to the organisation's key stakeholders. These measures should, therefore, indicate how well the areas that matter to these individuals and groups are being addressed.

Measuring activity should focus on outcomes that are important to these key stakeholders, such as

customers, suppliers, employees and shareholders. This will assist in delivering results that are meaningful to these personnel and will affect the perception of the organisation.

It is also vital to consider the level of analysis. Measures that are appropriate at one level may not be satisfactory at another. A possible solution is to develop the performance metrics from the top of the organisation and then at each level moving downwards through to the lowest level. This should ensure consistency of reporting and eliminate any omissions, where key data is not collected or is not compatible with other levels. The strategy and the measures should, thus, be consistent.

### **Governance/Procedures**

The infrastructure for volunteers and different modes of engagement are considered by Gruber and Deschênes (2024). Volunteers are a vital resource for charities and other forms of notforprofit organisation. Marketing the organisation to volunteers is, therefore, a critical activity in order to secure this essential support. A case study of an organisation located in a European capital city, representing an international charity, was detailed in this article. The recruitment, training and management of volunteers was very established, with a strong commitment to the cause expected from all recruits. The emergence of a new type of volunteer, who preferred to give their time and efforts occasionally, probably as part of a portfolio of interests, rather than the dedicated service of the 'traditional' volunteers, was noted. The organisation recognised the need to change the infrastructure to accommodate and recruit this new type of volunteer, who were less committed to the charity but offered a potentially useful resource. The charity, hence, developed a new membership category for the latter. They had different uniforms for these volunteers, that were returned after the volunteer projects. They were briefed and supervised, as necessary, by the 'regular' volunteers. Contact was via the website and direct requests for support were made, based on the volunteers' recorded skills and experience. These 'casual' volunteers were engaged only for

the duration of a specific task or project. They were not expected to provide ongoing service or undergo a training programme but were treated as a useful resource for specific jobs, according to their skills and experience. This category of volunteers was introduced to appeal to individuals who did not want to commit to a more dedicated form of volunteering. They preferred to restrict their engagement to specific periods, in order to suit their lifestyle, which included other interests.

The infrastructure was, therefore, required to accommodate this new category and facilitate their periodic contribution. This type of membership could also be marketed to potential volunteers, who wanted a more 'casual', periodic form of engagement.

The requirement to offer different modes of engagement to volunteers, who have different expectations, is noted and this will, therefore, have implications for the accompanying organisational infrastructure.

### **Business Model**

The article by Brumme and Trelstad (2023) examines the key elements of a nonprofit startup, in considering the choice between profit and nonprofit modes for starting an enterprise.

Market type and maturity are important factors in this decision process. The presence of a definite need for the product or service and a potential market is paramount, as well as the prospective customers' ability to pay. A nonprofit venture could be suitable for an undeveloped market with customers who have lower levels of discretionary income, for instance.

An online education platform in India is cited as an example of a successful nonprofit startup company, attracting donors to help fund a socially important product in a developing market.

The requirement for capital investment to initiate and maintain the organisation is a key consideration. The potential source of these funds, for example via donations, customer payments and corporate sponsors, is another critical factor in the nonprofit startup.

The prospect of generating income and attaining commercial investment is noted. Products and services from nonprofit organisations could be developed in order to generate surplus income and even be converted to commercial enterprises, perhaps enhancing their contribution to social causes.

The potential workforce is a vital consideration. The requisite labour should be identified. These could be volunteers or staff prepared to work for less than the average or minimum wage. The organisation may also have access to public or private sector personnel resources and systems, due to its nonprofit status. The focus on social or community objectives may facilitate employment of dedicated staff at reduced cost.

These areas are critical to nonprofit organisations as ongoing concerns, as well as startup initiatives.

Athuraliya (2022) explains the Business Model Canvas (by Osterwalder and Pigneur) as a tool for startup enterprises, including nonprofit organisations. This attempts to create an holistic understanding of the proposed venture to enable it to be operationalised. A template is used to allow key elements to be completed by the appropriate personnel, perhaps as a team activity.

Critical elements for a new enterprise should be defined, in order to formulate a viable product or service. The prospective customers should be identified and profiled according to their characteristics, together with a statement of the value proposition from the organisation and the methods of communication with these customer groups. Potential partners and sources of funding, such as donations or 'crowdfunding' via the web, should be ascertained, as well as the possible cost and revenue of the new enterprise. The marketing channels should be determined, for example, dedicated such as the organisation's website and hosted, such as a digital sales platform, as well as more traditional methods, for instance television advertising and billboards. The key activities of the new enterprise can, therefore, be discerned.

This technique can also be used to consider department initiatives or product launches, as appropriate, prompting an organisation to answer critical questions to define the key aspects of a marketing initiative.

An agile approach can be employed (after Blank, 2013) in order to create the product and marketing content. This may entail surveying a group of potential customers or their representatives in order to gain preliminary feedback on iterations of the product or service, thus assisting in defining the product and the marketing approach. A number of iterations, producing prototypes, may be required, in order to define a viable final version and accompanying marketing activities, based on this feedback.

### **Value**

Bertini et al (2024) discuss the commercial approach of nonprofit organisations charging for their products and services. This entails marketing a shared proposition of value that affords an element of ownership to the customer. An example is offered of water pumps being installed at a cost to the local community, leading to improved maintenance and usage of that resource, due to the contribution from the customers.

The objective is to seek a sustainable pricing structure and mechanism for payment that benefits the nonprofit organisation and its customers. This may entail leasing and credit arrangements, for example.

Funds from customers can be invested to allow further expansion to new areas. External funding from companies and individuals is viewed as being more difficult to attract with more potential costs and conditions.

The suggestion is that segmentation of customers should occur, according to their characteristics. This should include their ability to pay for the outputs. Potential beneficiaries who cannot afford these products and services should be given them at no charge, with perhaps a scale of charges and different payment and credit mechanisms being offered, depending on the

customer profile. This should permit an element of cross-subsidisation.

Education may be needed to ensure that the customers understand the benefits, costs and obligations of these arrangements. This provides the opportunity for targeted marketing to the potential customers. This should, thus, be differentiated in approach by the customer profile and the accompanying requirements.

Accountability should, ideally, be shared between the nonprofit organisation and its customers. The use of payment mechanisms should encourage this mutual relationship. Customers can thus be motivated to demand standards and adherence to these standards from the nonprofit organisation. The requirement here is to agree on the service or products and the change agenda, so both parties have an accepted definition.

Kenny (2023b) addresses the topic of creating value for organisations. It is an essential activity for organisations to create value and this should be based on the requirements of their stakeholders.

This article identifies different ways of determining what an organisation's customers value.

Price is an important criterion in some cases, so lowering price may be a valid tactic to improve customer perception of the product. This may permit additional numbers of customers to be able to afford the products or services, which are viewed as 'standard commodities'.

A more customised view can be taken by adjusting the non-monetary features to increase perceived value, for example via improved service or quality of materials.

A rational view can be taken to determine value, for example applying strategic factors of quality, delivery and service, including support.

More emotional reasons could be employed in respect of attachment to a brand, for example. This could be based on an advertising campaign, celebrity endorsement or recommendation from a trusted source, perhaps via social media or a professional or personal reference.

The criteria for selection could be entirely quantifiable by the potential customer, for example a higher price could be accepted for a more convenient service to be delivered as the customer requires.

The criteria may not be assessable by the potential customer, so recommendations and perceptions of value may be used. A decision to select private medical treatment, for example. The latter decision may use a high price as an indicator of value and rely on advertising literature from the clinic, stressing the high quality of treatment including references, use of the latest technology and techniques, for instance.

The proposition of value to the customer should be determined by the organisation, in order to ensure that the marketing is focused on the appropriate criteria for the customer.

The use of a strategy that is focused on protecting and increasing value, thus promoting organisational growth, is proposed by Hofmann and Sumanth (2024).

The rationale of value creation is viewed as being innovative, future-oriented and strategic. This can embrace administration and procedure, as well as design and product innovation. Examples are given of innovation in credit control and logistics that generated considerable benefits for the organisations.

The rationale of protecting value is viewed as being about compliance, security and scrutiny. This can embrace reduction of errors and attaining standards.

The type of job role may determine the appropriate rationale, for example personnel responsible for product development may focus on value creation, whereas those in cybersecurity may concentrate on protecting and maintaining value.

The notion is that organisations require both activities to work together, in order to create and sustain value in an holistic manner.

These approaches should not be confined to individuals but should be disseminated by leaders

and within teams. This will broaden the scope for an organisation to create and protect value.

The key steps in this value creation and protection process are outlined:

Leaders should communicate expectations, in that the focus will be on innovation for all staff, perhaps linked to performance evaluations;

The scope should be restricted to several key areas and on terminating activities that are not adding value;

The requirement for the leadership is to ensure that the value generation and protection benefit the organisation, by questioning the developments. These activities should be aligned with the overall strategy. This will guarantee coordination of efforts. Critical areas should be identified and addressed that are preventing progress in respect of team efforts. The need is to ensure that the areas of focus are appropriate for team capabilities and to change the focus or add expertise, as required. The innovations should provide an indicator for future progress as well as contribute towards potential competitive advantage in the organisation's environment;

The creation and preservation of value should be established as a continuous, virtuous cycle. The outcomes of these improvement processes should be evaluated and then the agenda for the next cycle of improvements set and implemented.

The concept of value is addressed by Zwikael (2024) in an article which provides a classification of project benefits. This should assist in defining the project and understanding the associated benefits for the stakeholders. The process of commissioning projects and evaluating their success is, therefore, facilitated. The taxonomy is meant to be comprehensive, embracing projects irrespective of their sector and allowing comparison between different projects in the same organisation. The value proposition can be defined and the expected benefits stated, in order to comprehend the project. The latter can be identified by the project's key stakeholders and this is a vital



aspect of delivery, namely fulfilling the expected benefits, thus enabling a judgement of success or failure by individuals or groups.

The classification of benefits proposed by these authors used the 'ultimate beneficiary' concept, comprising the organisation that owns or manages the project or the public, for example. Financial or non-financial benefits are another key criterion to be employed for classification purposes. These benefits include revenue generation, cost savings and compliance with regulations, as well as learning. Public benefits include the environmental aspects, such as improving sustainability.

Marketing projects for charitable organisations could generate benefits both for the public, in respect of funding and providing a service, as well as for the organisation itself, to raise funds, enhance the profile and attract service users, for example. The value proposition, thus, needs to be understood, in order to construct effective marketing initiatives.

## Review

The need to assess the outcomes of marketing campaigns and attempts to engage with customers is addressed by reviewing failures and successes in making such arrangements. The latter process is discussed by Earle McLeod and Gross (2023), where such analysis can assist in modifying future behaviour to achieve more successful outcomes. This can inform product, service, marketing and finance, in respect of obtaining such insights. Contract-making with potential customers for charities' products and services can, thus, proceed and the business will be obtained.

A critical area for investigation is the value of the choice to the customer. This can aid understanding of the potential impact on the customer and assist in future marketing of solutions. The main decision-makers should be identified. This allows targeted communications in later liaison. Determination of the factors in the decision other than price should also be obtained. This permits the full context to be ascertained,

allowing improved dialogue in respect of future offers and, thus, more effective review processes.

## Findings

Several interviews were held with two experienced UK-based managers from the third sector. A semi-structured format was utilised for this empirical research, with questions based on project management and marketing in this sphere. The remit of the respondents' work covered a wide range of expertise, including fundraising, project management techniques and executive decision-making for operations in the UK and overseas.

The main themes were extracted from this research, using an inductive approach, as per the literature. These were then organised into major themes, regarding an overview of all of the research. The themes from the interviews were linked with the literature, in order to permit further analysis.

The perceived view was that leaders should have an holistic perspective and be flexible in their approach, in order to optimise the marketing activity (Blair, Barratt and Pagano, 2023).

## Donations/Funding

A respondent stated that the need to obtain sufficient funding for the required duration and develop procedures to eliminate waste were viewed as being essential to projects being run by third sector organisations.

'Availability of funds is a critical aspect to ensure the success of the project. It is also important to try to avoid waste so that the potential is fully realised.'

It is dangerous if there is only one source of funding.' It is, therefore, important to try to diversify an organisation's sources of funding. Heavy reliance on one source can lead to problems if that income is reduced or stopped. It is important to assess and manage this risk and create contingencies (Blair, Woodcock and Pagano, 2021).

The need for funding was further emphasised in the statement, 'the requirement for a sustainable

income is paramount. The project objective must be to achieve this source or it will not be able to continue.'

### **Partners**

The requirement to establish partnerships with resource providers was mentioned.

'Partnerships are vital to charities, such as job centres. These can help the unemployed get job experience and references. They can facilitate the training of local people.'

### **Personnel**

The marketing activity should be properly resourced with appropriate personnel. They should have the whole or part of their role dedicated to marketing the organisation, together with an appropriate marketing budget.

'Volunteers are essential to the sector. This group can outnumber paid employees by a ratio of 2:1.' The critical role of volunteers in these organisations is, thus, identified.

A respondent stated, 'a full-time manager has been recruited with responsibility for volunteers.' Volunteers are a vital resource and need to be trained, resourced and supervised. It is important to have personnel responsible for recruiting volunteers and supporting them (Gruber and Deschênes, 2024). This is mentioned in Blair, Woodcock and Pagano (2023a), in respect of skills development and also learning and training using technology, in Blair and Pagano (2021c) and Blair and Pagano (2020).

### **Performance Measurement**

'It is best if you collaborate on KPIs or there could be a conflict of interest.' Working with customer beneficiaries, where potential revenues can be generated, organisations should collaborate to define key performance indicators (KPIs) for the contract.

The need for analysing these key stakeholders is stated, 'we perform customer experience audits, in order to better understand the customer and help to define our marketing initiatives.'

'We are good at measuring outcomes. We measure the impact on beneficiaries and report.' Examples are social and environmental impacts, together with impact on the local area. These provide evidence of the effects of the organisation and should assist in shaping current and future marketing campaigns. Environmental considerations are examined in Blair and Pagano (2021b).

### **Governance / Procedures**

A respondent stated, 'It is good to have clear processes, in respect of organisational governance. We have gained a better holistic view and learnt how important marketing is.' This is as per Blair, Grant and Woodcock (2020), in respect of arranging resources and introducing effective procedures.

The need to establish standards in respect of organisational procedures was emphasised, including formal certification from the International Organization for Standardization. This was said to assist in fundraising by demonstrating good governance, as per one respondent, 'Quality Assurance is vital to charities. ISO 9001 for example. You need to apply as this helps to get funding from sources previously barred to the organisation.'

### **Project Management**

The vital role of project management was mentioned, in respect of the activities of these organisations, 'Many charities are entirely project-based organisations. Skills in this area are, thus, critical to these organisations.'

Important factors in the selection of project managers were outlined by a respondent.

'I recruited project managers and the key qualities I sought were: empathy; communications; organisational skills; and transformational leadership.'

One of the respondents described the objective of charitable projects, based on experience. The priorities and use of project management techniques were stated.

'The nature of the projects were: keep people in employment; raise funds and help other organisations to raise funds. The PRINCE2 methodology was utilised to aid this work.' The latter project management methodology (Projects in Controlled Environments) could contribute by helping to deliver successful projects. Managing projects is covered in Blair, Woodcock and Pagano (2023b).

### **Business Model**

'The basic principles of marketing should be applied.' This statement stresses the need for products and services and their customers to be properly understood from the perspective of shaping demand and executing delivery (for example, using agile marketing projects, as studied in Blair, Betts, Conway, Hyde and Pagano, 2024).

The essential role of marketing is noted, as is the issue of limited scope in this area.

The key failure aspects are: lack of marketing perspective; only social media used to advertise. The most important factor is branding, namely constructing the right image. The requirement is to build the right image and define the "target market". This will help to maximise returns,' according to a respondent.

Technology can be employed to assist the organisation in marketing and its other general operations and projects (Blair and Pagano, 2023; Blair, Pagano and Burns, 2019; Blair, Morris and Pagano, 2023).

### **Aims/Principles**

'We evaluate ideas on what to do or not do, based on the principles of the organisation. It is important to stick to charitable objectives.' The importance of these core purposes is, thus, emphasised. The notion of delivering a commercial payroll was not pursued, for example, according to a respondent. This was because it did not align with the principles of the organisation.

### **Value**

'You need to define your Unique Selling Point (USP) in order to market the organisation.' These

organisations need to understand what products and services they are offering then match them to customer profiles. The nature of these offerings should be understood in terms of their markets.

'You should have a value proposition per customer group.' Organisations should define their customers and put them in different groups, due to their characteristics. They may need to define different customer profiles, in order to market their products and services (as per Blair, Betts, Conway, Hyde and Pagano, 2024).

A respondent stated, 'you need to understand your value proposition for your potential customers and markets.' Organisations should be able to define the value that they are adding for their customers. They can specify the value per customer group, in order to address the requirements of both their customers and the respective products or services.

'Encourage local investment via micro-loans. These will allow entrepreneurs to create their own businesses and repay the money.' The use of funding to stimulate economic activity and, thus, improve the local ecosystem is highlighted. This will require more sophisticated marketing as well as training but should produce more sustainable activities.

### **Review**

'It is useful to have a post-mortem if we do not win contracts and for projects and successes, for example when competing for funds', according to a respondent. The requirement to have a review in order to obtain the learning from successful and unsuccessful bids and projects is emphasised (Blair, Woodcock and Pagano, 2022, examine contract process, including review and format). This knowledge will assist future projects and routine work.

### **Discussion**

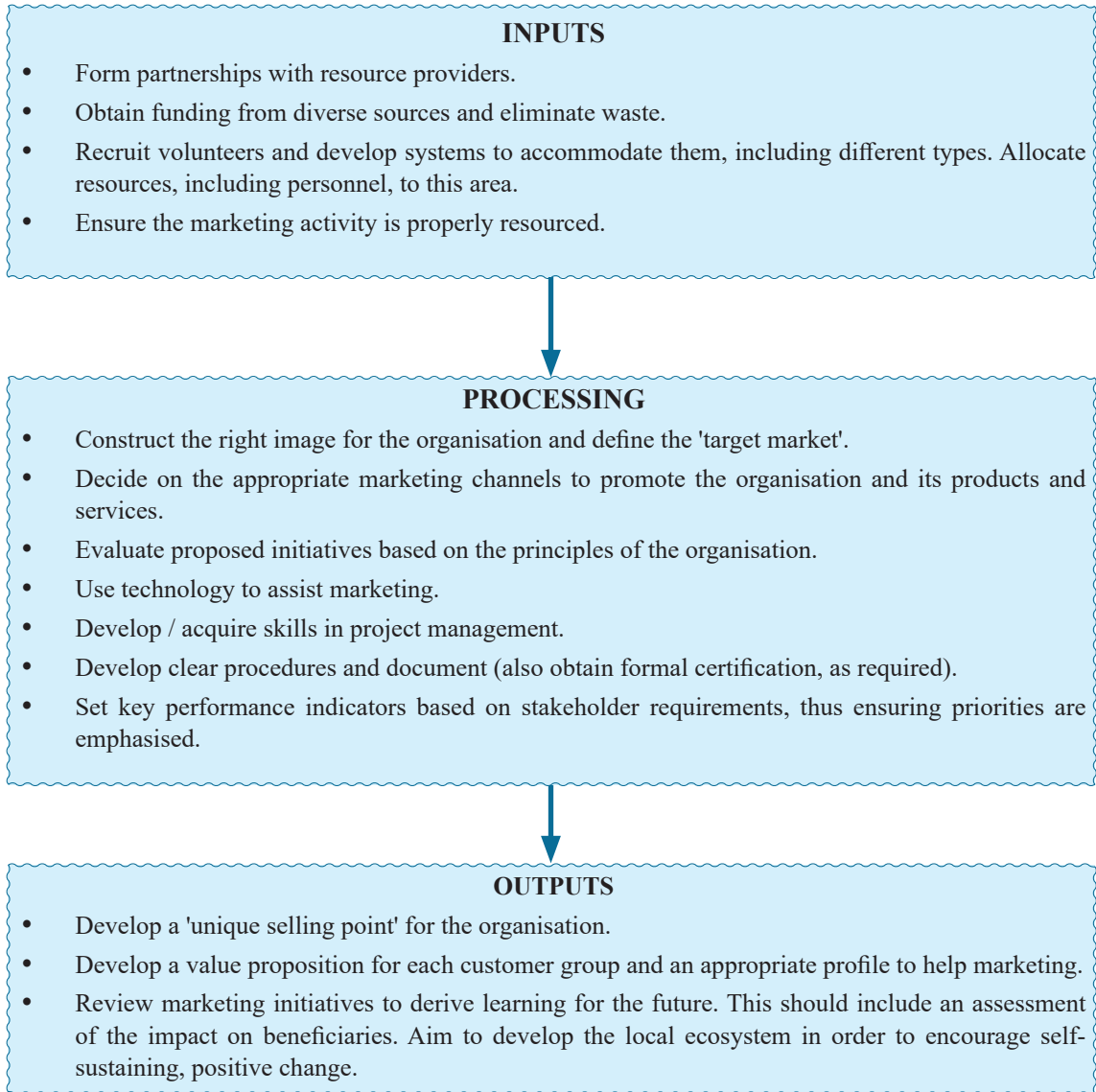
A systems perspective is utilised as an organising device (Checkland and Scholes, 1990). The main focus of the recommended process is categorised according to the relevant component of the system, namely input, processing or output (see Diagram 1 below).

The environment will provide opportunities, threats, demand, resources, support and opposition, including competing demands. These will comprise inputs and shape the nature of the marketing initiatives.

The outputs are the marketing initiatives and learning, derived from the processes. This learning needs to be captured and used to improve future initiatives via an effective knowledge system.

**Diagram 1**

*Critical Processes for Creating Marketing Initiatives in the Third Sector*



To create successful marketing initiatives for charities and nonprofit organizations, several critical processes must be followed. First, a thorough understanding of the target audience is essential.

This involves identifying the demographics, interests, and behaviors of the potential donors or beneficiaries. For instance, Mishra and Aithal's study on laptop users in Kathmandu highlights

the importance of factors like age, income, and occupation in influencing purchase behavior, which can be applied to understanding donor preferences in the third sector. Second, effective communication strategies must be employed to convey the mission and impact of the charity. This includes crafting compelling messages, using appropriate channels (e.g., social media, email, and print), and ensuring consistency across all platforms. Third, the marketing efforts should be tailored to the specific needs and goals of the charity. For example, a charity focused on education might emphasize the benefits of their programs on student outcomes, while one focused on healthcare might highlight the quality of their services. Finally, continuous evaluation and improvement are crucial to ensure that the marketing strategies remain effective and aligned with the charity's objectives. By following these critical processes, charities can effectively communicate their value and attract support, ultimately achieving their mission more successfully (Mishra, 2019a&b; Mishra & Aithal, 2021a&b; Mishra & Aithal, 2022a&b).

### **Conclusion**

The research presented in this work has provided valuable insights and guidelines for developing and implementing effective marketing initiatives to sustain charities and other nonprofit organizations. By adopting a systems approach, this study has identified the key elements that contribute to the success of marketing efforts in the third sector.

### **Leveraging the Environment**

The environment in which charities and nonprofits operate provides a wealth of opportunities, threats, resources, and support that shape the nature of their marketing initiatives. Careful analysis of these environmental factors is crucial in informing the strategic direction and shaping the marketing approach. Charities must be adept at navigating the complex landscape of competing demands, identifying unique selling points, and leveraging the support of their stakeholders to maximize the impact of their marketing efforts.

### **Optimizing Internal Processes**

The internal processes of charities and nonprofits are the backbone of their marketing initiatives. This includes developing clear customer profiles, crafting compelling messaging, and aligning marketing activities with the organization's mission and objectives. By streamlining these processes and ensuring they are data-driven and evidence-based, charities can enhance the effectiveness of their marketing efforts and achieve their desired outcomes.

### **Measuring and Evaluating Outcomes**

The outputs of a successful marketing strategy for charities and nonprofits are the tangible results, such as increased awareness, donor engagement, and funding diversification. Establishing robust key performance indicators (KPIs) and continuously evaluating the impact of marketing initiatives is crucial for charities to learn, adapt, and refine their approach over time. This feedback loop ensures that marketing efforts remain aligned with the organization's goals and responsive to the evolving needs of their target audience.

### **Fostering a Culture of Innovation and Collaboration**

To thrive in the dynamic landscape of the third sector, charities and nonprofits must cultivate a culture of innovation and collaboration. This involves embracing new marketing technologies, experimenting with novel approaches, and actively engaging with other organizations to share best practices and leverage synergies. By fostering a collaborative and innovative mindset, charities can stay ahead of the curve, anticipate emerging trends, and continuously enhance the impact of their marketing initiatives.

### **Empowering the Third Sector**

The findings of this research represent a significant contribution to the understanding and practice of marketing in the third sector. By providing a comprehensive framework and practical guidelines, this work empowers charities and nonprofits to develop and execute marketing

strategies that drive sustainable growth, increase visibility, and ultimately, amplify their positive impact on the communities they serve.

As the third sector continues to evolve, future research should explore the application of these principles in diverse organizational contexts and across different geographical regions. By expanding the knowledge base and fostering collaborative efforts, the academic and practitioner communities can work together to elevate the role of marketing in the third sector and ensure that charities and nonprofits thrive in an increasingly competitive and dynamic landscape.

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