BRANDING IN NGOS – ITS INFLUENCE ON THE INTENTION TO DONATE

ABSTRACT. The creation of a brand has been identified as a differentiating factor for Non Governmental Organisations (NGOs) when it comes to competing for private and public funding, as well as when trying to recruit volunteers. Due to the importance of these human and financial resources for the survival of many NGOs, our purpose is to analyse the influence of NGOs’ brand image on raising money and time. A sample of 654 individuals, which answered a questionnaire, was used to test a structural equation model. Results show that brand image contributes to the extent that people intend to give money to NGOs, as well as the typicality of the brand and the past donation behaviour. Past donation behaviour is the only variable that influences the intention to give time by volunteering with a NGO. Thus it is very important to facilitate the process of making donations in order to satisfy the donor and convince him/her to repeat the behaviour.

JEL Classification: M310

Keywords: donation, NGO, branding, brand image, brand awareness.

Introduction

Third Sector has a relevant role in the provision of vital social services in areas such as health, social support and education (Chen, 2009; Frumkin and Kim, 2001), having experienced a considerable growth in the last decades, with the situation even more notorious nowadays in these times of economic and social crisis. Traditionally, this sector is mainly financed by public funds (Salamon, Sokolowsky, Haddock and Tice, 2012), but due to the reduction in State support (Besel, Williams and Klak, 2011) and business donations (Faircloth, 2005), together with the growth of the number of non-profit organisations, there has been increased competition inside the sector for both public and private funding (Bendapudi, Singh and Bendapudi, 1996; Frumkin and Kim, 2001). The level of donations has been declining in some countries, and particularly in Portugal, in which the transfers from
the private sector (including private philanthropy, membership dues, corporate gifts, and other similar payments to non-profit organisations) account just for 10% of non-profit organisations’ revenue (Salamon et al., 2012).

All these circumstances have issued Non-Governmental Organisations (NGOs) with an enormous challenge – the need to move from an amateur approach to a more professional system of management (Helmig, Jegers and Lapsley, 2004). This challenge is particularly significant as far as fundraising is concerned (Benjamin, 2010). At the same time, given the volume of resources involved, better information to help in the donor decision process is necessary (Chen, 2009).

Simultaneously, some managers of NGOs began to recognise the potential contribution that marketing could bring to their organisations (Kotler, 1979). This new scenario brought deep changes to the attitudes and responsibilities of leaders of non-profit organisations, who have started to introduce marketing management practices into their institutions, directing them into new competitive areas, where the brand management can make a fundamental difference (Naddaff, 2004).

The focus of this study is precisely the branding, with the term “brand” being understood as the set of perceptions formed about an organisation, company or product, based on all communications, actions and interactions. The brand is linked to the organisation’s reputation, identity and image, in the eyes of stakeholders and the community. Thus, a strong brand can be a valuable asset for NGOs (Daw, Cone, Merenda and Erhard, 2010). Note that in the present research the term “brand” is used to apply to the organisation itself (instead of its products/services), which conducts us to the scope of corporate branding and corporate brand image. In the non-profit context, an organisation’s corporate image provides potential donors with important “guarantees” concerning the organisation’s efficiency, level of familiarity, and credibility.

Given the rise in the number of non-profit organisations, and the increase in competition for donations, the brand has become a crucial factor of differentiation, since the more favourable the brand image is, the greater the potential for number of donations (Michel and Rieunier, 2012). Beside the monetary help, there is also another type of donation that needs to be taken into account – the time donated through volunteering. For many organisations, volunteers represent a considerable part of their staff, and the prestige and reputation of NGOs tend to be closely linked to the ease with which these organisations obtain volunteers (Wilson and Pimm, 1996).

Thus, the purpose of this study is to analyse the influence of NGOs’ brand image, as well as the familiarity, the typicality and past behaviours of donating, on raising money and time, using a sample of 654 individuals to test a structural equation model reflecting several connections between some brand related constructs. Additionally we will focus some apparently incoherent results presented in the literature about the topic (e.g. the familiarity with the NGO does not contribute to the donation – by Faircloth, 2005) and study variables less explored in the scope of the NGOs’ brand research, as is the case of the typicality.

The paper has the following structure: we begin with a literature review that examines the applicability of branding to NGOs, followed by the formulation of research hypotheses and the proposed model to be tested; next, we present the research methodology used, including a description of the sample, the variables included in the study and the data collection procedure; after this, the results are described, with a characterisation of the sample and a discussion of the research hypotheses; finally, we present the main conclusions of the study.
1. Branding the non profit sector

As stated before, the growth in the number of NGOs has given rise to increased competition for the attention and contributions of potential donors, in part because the public sector does not have the necessary conditions (human and financial resources) to intervene in all countless situations of shortage and need (Frumkin and Kim, 2001). This context leveraged the attention given to the marketing management in non-profit organisations, and more particularly to the brand management, whose importance is reinforced by Mort, Weerawardena, and Williamson (2007). Smillie (1995) argues that creating and developing a strong global brand is essential for the survival of most international NGOs. Naddaff (2004) adds that branding has become an essential tool for the non-profit sector and Chiagouris (2005) and Judd (2004) believe that having a strong brand image is even more important for NGOs than it is for commercial companies. Despite its importance, Venable et al. (2005) note that there still remains a need for further research into such topics as branding and brand personality in non-profit organisations.

Marketing techniques can help non-profit institutions in the self-generation of funds and in attracting new donors and volunteers (Andreasen, Goodstein and Wilson, 2005). Nevertheless, commercial marketing techniques cannot be directly imported from companies to the Third Sector (Guy and Patton, 1988); instead NGOs must adapt marketing techniques to their own reality, centering their attention on satisfying the needs of their main clients (users and donors). Related to this, Mulyanevara (2010) studied the perceived brand orientation, which is related to customer attitudes concerning the extent to which an organisation engages in brand oriented activities. The author, supported in Napoli (2006), found that brand orientation is positively associated with the non-profit organisation’s performance in terms of its capacity to achieve the objectives and to attend to the stakeholders better than the competition. The results of Mulyanevara's (2010) study shows evidence that the more individuals perceive an organisation as being market-oriented, the more they perceive the organisation as being brand-oriented, presenting such characteristics as unique, reputable and consistent. We can therefore conclude that the brand is the most valuable asset of a non-profit organisation (Webster, 2002), which reinforces the analysis of its effect on the intention to donate as it is developed in the next section.

Despite the low number of studies on non-profit branding, there are some authors such as Michel and Rieunier (2012) that dedicated their research to this topic, especially the brand image, and have shown that the more favourable the brand image is, the greater the potential for the number of donations obtained.

1.1. Variables influencing individual’s intention to donate: a model proposal

Michel and Rieunier (2012) state that although the study of the brand image at NGOs has not yet aroused too much attention on the part of researchers, the same is not true of the study of the brand personality of NGOs. In this specific case, Venable et al. (2005) and Sargeant, Hudson, and West (2008) used a model including a wide variety of characteristics (42 indicators) and the five dimensions of the brand assets proposed by Aaker (1991) to develop a “measure” of brand personality applied to the Third Sector. Using these previous studies as a work basis, Michel and Rieunier (2012) developed a scale for measuring the brand image of NGOs.

Bennett and Gabriel (2003) showed that a favourable brand image, consisting of five dimensions (compassion, dynamism, idealism, focus on beneficiaries and non-political image), results in more donations ($R^2=0,69$). However, according to Michel and Rieunier (2012) the previous research, as the one of Bennett and Gabriel (2003), is mainly based on
concepts used in commercial rather than non-profit branding. If the analogy with product branding is used, we can assume that brand image also influences the individuals’ attitudes and the donation behaviours in the context of the non-profits. In this case donations include not only financial aid, but also the time spent volunteering in the organisation (Samu and Wymer, 2009).

Considering that the donor’s contribution to the organisation may be made in the form of either time or money, it is reasonable to investigate if brand image impacts money and time donations, resulting in the following research hypotheses:

\[ \text{H}_1: \] Brand image impacts favourably on the intention to donate money.

\[ \text{H}_2: \] Brand image impacts favourably on the intention to donate time.

Regarding brand awareness, it can be described as the capacity to remember a brand. As settled by Aaker (1996), brand awareness can have various dimensions as the brand knowledge/familiarity and the brand recall/recognition. Brand awareness and perception are dynamic and intrinsically connected to the formation of attitudes (Einwiller, 2001). However this concept means more than the simple recognition, since it also implies a bond with certain associations in the consumer’s memory (Hoeffler and Keller, 2002) and can be seen as an important influencing factor in the consumer’s decision-making process (Faircloth, 2005).

Faircloth (2005) defends the idea that widespread public awareness (knowledge) of NGOs results in an increase in volunteers and donations. Taking this idea as our starting point, and that familiarity is related with the time that is needed to process to process the information about the brand (Baker \textit{et al.}, 1986), we may expect that the greater our familiarity with NGOs and the greater our recognition of them, the more likely it is that NGOs will attract resources. Thus the following hypotheses can therefore be formulated:

\[ \text{H}_3: \] Familiarity with the brand increases intention to donate money.

\[ \text{H}_4: \] Familiarity with the brand increases intention to donate time.

The organisation’s typicality also has a considerable impact on the intention to give time and money, as is referred by Michel and Rieunier (2012). Typicality is defined as the prototype of an organisation that has the characteristics that NGOs are supposed to possess. In other words, it is related to the idealised picture that each individual has of certain NGOs. But note that for individuals to be able to consider a NGO typical, they are expected to be aware of its existence and to be familiar with it. According to Bennett (2011), the sense of affinity and identification with the organisation’s target seen is also to affect the level of donations. To check the impact of this variable on the intention to donate, the following hypotheses are formulated:

\[ \text{H}_5: \] Typicality positively impacts intention to donate money.

\[ \text{H}_6: \] Typicality positively impacts intention to donate time.

Regarding the donation of time or money, research has also found that past behaviour is one of the most important predictors for such action (Lee \textit{et al.}, 1999). Further, in Smith and McSweeney's (2007) research, past donating behaviour was found to significantly predict intentions to donate, but was not a significant predictor of donating behaviour. In turn, Verhaert and Poel (2010) found that the personality, the intentions and some socio demographics variables have a considerable predictive power of past behaviour in charitable giving. Their results confirm the importance of the traditional predictors and the added value of considering measures of empathy with the organisation in the studies.

Some authors (e.g. Bult, Van der Scheer and Wansbeek, 1997; Jonker, Piersma and Poel, 2004) have been showing that past donation behaviour drives both decisions to donate and generosity. Therefore, the existence of more past donations can indicate that the donor is more likely to donate in the future (Verhaert and Poel, 2010). Considering these ideas, the last four hypotheses are stated:

\[ \text{H}_7: \] Past money donation behaviour positively impacts intention to donate money.
**H8:** Past money donation behaviour positively impacts intention to donate time.

**H9:** Past time donation behaviour positively impacts intention to donate time.

**H10:** Past time donation behaviour positively impacts intention to donate money.

*Figure 1* illustrates the model that will be tested and the hypotheses formulated above, as well as the connections between the variables.

![Research Model Diagram]

Legend:
BI – Brand Image; FA – Familiarity, TY – Typicality; PM – Past Money donation; PT – Past Time donation; IM – Intention to give Money; IT – Intention to give Time.

*Figure 1. Research model*

*Source:* own research.

### 2. Research methodology

This study uses a sample of 654 Portuguese individuals, who agreed to take part in this specific research. The sampling technique was not a random one, but sought to maximise the number of places where data could be collected, as well as their geographical dispersal, in order to make the sample as representative as possible. At the data collection points, the choice of respondents did not follow any particular selection criterion in order not to bias the choice. The instrument to collect the data was a questionnaire administered in the form of a personal interview, and this procedure was previously tested with a group of 10 individuals. The questionnaire was designed to assess brand awareness, typicality, familiarity, brand image and the intention to donate time and money (see the list of variables in the annex).

In order to assess the respondents’ knowledge of the brand, the measurement scale that was used was the one proposed by Keller (1993) and by Laurent *et al.* (1995). For the measurement of brand typicality and brand familiarity, the scale developed by Faircloth (2005) was used. Brand image was assessed with the scale developed by Michel and Rieunier (2012). The intention to collaborate with the NGO was measured with the scales of Faircloth (2005) and MacKenzie, Lutz, and Belch (1986).

The questionnaire was divided into three sections. In the first section, the respondents were asked to choose, from among five international NGOs – Médecins du Monde (Doctors of the World), Red Cross, Caritas, UNICEF and AMI – the one that they knew best (interviewers showed them a set of five cards, each with the name and symbol of the NGOs). This first question was intended to measure brand awareness through the assisted top-of-mind technique (Keller, 1993; Laurent *et al.*, 1995). The choice of these five NGOs is justified by
their similarities in terms of their area of activity, their INCPO classification, tradition, geographical coverage and mission. In studies carried out in other countries which used a similar methodology in the choice of NGOs (e.g. Venable et al., 2005; Cervera, Ruiz and Kleefeldt, 2008), the criterion of notoriety was also used. However, because in Portugal there is no known study on this subject, it was not possible to follow this criterion. In the second section of the questionnaire, there were 30 statements that the interviewees were asked to score using a 5-point Likert scale, with 1 corresponding to “completely disagree” and 5 corresponding to “completely agree”. This section was designed to measure brand awareness and brand image, and the intention to donate (this scale was translated using standard back-translation protocol and some little adjustments were made to ensure that the questions were relevant and adequate to national context). The last section intended to collect some demographic characteristics.

The technique used for the data analysis was the structural equation modelling (Structural Equation Model-SEM), through Partial Least Squares Structural Equation Modelling (PLS-SEM), considered suitable because the objective of the research is related to prediction (Hair, Ringle and Sarstedt, 2011). The analysis was performed with the aid of SPSS version 19.0 for Windows and SmartPLS 2.0.

3. Results

In terms of the sample characterisation, the average age of the respondents was 38.9, with individuals’ ages ranging between 18 and 83. Half of the sample were aged 36 or under and 75% were aged 48 or under. As far as the distribution by gender is concerned, there were equal numbers of men and women. The most common level of education consisted of people who had completed secondary education (35.02%). It should also be noted that 65.6% of the sample had a level of education equivalent to or higher than a secondary degree.

As far as the descriptive analysis of the variables included in the questionnaire is concerned, the results for the assessment of knowledge/notoriety, using the assisted top-of-mind method and brand typicality, are presented below (Table 1).

Table 1. Analysis of the brand awareness (top-of-mind) and typicality

<table>
<thead>
<tr>
<th>NGO</th>
<th>Frequency (top of mind)</th>
<th>Mean (typicality)</th>
<th>N (typicality)</th>
<th>Standard deviation (typicality)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red Cross</td>
<td>267 (40,83%)</td>
<td>4,24</td>
<td>267</td>
<td>0,589</td>
</tr>
<tr>
<td>UNICEF</td>
<td>187 (28,59%)</td>
<td>4,27</td>
<td>187</td>
<td>0,554</td>
</tr>
<tr>
<td>AMI</td>
<td>83 (12,69%)</td>
<td>4,28</td>
<td>83</td>
<td>0,554</td>
</tr>
<tr>
<td>Caritas</td>
<td>66 (10,09%)</td>
<td>4,22</td>
<td>66</td>
<td>0,505</td>
</tr>
<tr>
<td>Médecins du Monde</td>
<td>51 (7,80%)</td>
<td>4,15</td>
<td>51</td>
<td>0,559</td>
</tr>
<tr>
<td>Total</td>
<td>654 (100%)</td>
<td>4,24</td>
<td>654</td>
<td></td>
</tr>
</tbody>
</table>

Source: own calculation.

The analysis above shows that the NGO best-known among the respondents was clearly the Red Cross, with 40.83% choosing this NGO as the one they were most familiar with. Next came UNICEF, with 28.59% of choices. The least well-known NGO was Médecins du Monde, with only 7.80% of respondents choosing this as the best-known of the five NGOs in the study.
The analysis of typicality showed that AMI obtained the highest score for this factor and that, generally speaking, NGOs are a good example of the humanitarian sector and represent their values well. The variability in the answers was similar for the five NGOs.

Regarding the model test and the hypotheses analysis, data was analysed with the SEM/PLS technique, using SmartPLS. The measurement model consists of seven reflective constructs (Brand Image, Familiarity, Typicality, Past Money Donation Behaviour, Past Time Donation Behaviour, Intention to Donate Money, and Intention to Donate Time). Considering Götz, Liehr-Gobbers and Krafft's (2010) model evaluation criteria, to assure indicator reliability, six out of 30 indicators of the measurement model were dropped as their loadings were lower than 0.4 (Hulland, 1999, p. 198).

Construct reliability showed satisfactory scores for most constructs (ρ>0.7), except for Familiarity (ρ=0.67) and Typicality (ρ=0.48). Discriminant validity (AVE should be larger than the common variances of the latent variable with any other of the model’s constructs – Fornell and Larcker, 1981, p. 45) was achieved for all constructs. Convergent validity showed weak performance in the construct Typicality (AVE=0.32) (Hair et al., 2011).

Results of bootstrapping with 1000 samples of size 500 are shown in Table 2.

<table>
<thead>
<tr>
<th>Path</th>
<th>Coefficient</th>
<th>t</th>
<th>p</th>
<th>Hypothesis</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRAND_IMAGE → INT_MON</td>
<td>0.19</td>
<td>4,248</td>
<td>0.000</td>
<td>H1</td>
<td>Retain H1</td>
</tr>
<tr>
<td>BRAND_IMAGE → INT_TIME</td>
<td>0.03</td>
<td>0,869</td>
<td>0.385</td>
<td>H2</td>
<td>Reject H2</td>
</tr>
<tr>
<td>FAMILIARITY → INT_MON</td>
<td>-0.01</td>
<td>0,230</td>
<td>0.818</td>
<td>H3</td>
<td>Reject H3</td>
</tr>
<tr>
<td>FAMILIARITY → INT_TIME</td>
<td>0.01</td>
<td>0,289</td>
<td>0.773</td>
<td>H4</td>
<td>Reject H4</td>
</tr>
<tr>
<td>TYPICALITY → INT_MON</td>
<td>0.11</td>
<td>2,188</td>
<td>0.029</td>
<td>H5</td>
<td>Retain H5</td>
</tr>
<tr>
<td>TYPICALITY → INT_TIME</td>
<td>-0.05</td>
<td>1,156</td>
<td>0.248</td>
<td>H6</td>
<td>Reject H6</td>
</tr>
<tr>
<td>PAST_MONEY → INT_MON</td>
<td>0.51</td>
<td>12,022</td>
<td>0.000</td>
<td>H7</td>
<td>Retain H7</td>
</tr>
<tr>
<td>PAST_MONEY → INT_TIME</td>
<td>0.04</td>
<td>0,977</td>
<td>0.329</td>
<td>H8</td>
<td>Reject H8</td>
</tr>
<tr>
<td>PAST_TIME → INT_TIME</td>
<td>0.63</td>
<td>19,725</td>
<td>0.000</td>
<td>H9</td>
<td>Retain H9</td>
</tr>
<tr>
<td>PAST_TIME → INT_MON</td>
<td>0.01</td>
<td>0,281</td>
<td>0.779</td>
<td>H10</td>
<td>Reject H10</td>
</tr>
</tbody>
</table>

Source: own calculation.

Blindfolding showed that the significant predictors had predictive validity and relevance over both Intention to Donate Money and Intention to Donate Time (all Q² >0, Götz et al., 2010). Explained variances (r²) are weak for the two endogenous constructs Intention to Donate Money and Intention to Donate Time (0,37 and 0,40, respectively).

Conclusions

This research sought to analyse the importance of brand image in forming the intention of giving time and money to non-profits. Preliminary analysis allows us to verify that the NGO that was best-known by respondents was the Red Cross (through an analysis of brand awareness using the assisted top-of-mind method). This result can be attributed to factors such as the non-profit organisation size and its mission (Chen, 2009). As far as attitudes towards donation and the intention to donate resources are concerned, it was found that more than half of the sample were not in the habit of giving financial aid to charitable organisations and that only 21.71% of respondents expressed the intention to make donations
to the chosen NGO within the next six months. Stress should be placed on the low percentage of the number of individuals interviewed who claimed to have already engaged in volunteering activities (28.59%). As far as their intention to engage in volunteering at the chosen NGO in the next six months is concerned, only 9.48% of those interviewed expressed their agreement with this statement.

Results of the model test show that Intention to Donate Money is positively impacted by Brand Image (0.19), Typicality (0.11) and Past Money Donation Behaviour (0.51). Intention to Donate Time is positively impacted by Past Money Donation Behaviour (0.63).

Apparently, the familiarity with the NGO does not contribute to the intention of donating money and time. The results obtained here are in line to those presented by Faircloth (2005). In his study, the more familiar respondents were with the NGO, the less willing they were to help it. The author of this study described this evidence as being counterintuitive. Except for the study by Michel and Rieuinier (2012), which validated the relationship between typicality and the intention to donate, like we did in this study (but just regarding the intention to donate money), no other studies were found that made it possible to compare the results obtained.

Past donation behaviour (giving money) was found to be important to predict the intention to donate in future. Thus it is very important to facilitate the process of donation in order to satisfy the donor and convince him/her to repeat the behaviour. Probably donors who have made some donations to the NGO in the past might have developed a strong internal reference point, which might mitigate the importance of other factors such as the brand image and familiarity with the organisation. Nonetheless, we did not test in our model whether or not brand image has an impact on which NGO a donor chooses to make a donation to. This analysis will be carried out in future researches, introducing also variables related to individuals’ values and orientations. This idea is reinforced by Sargeant, Ford and Hudson's (2008) findings pointing to the fact that characteristics associated with emotional engagement, service and tradition are linked with individual giving behaviour. Also, in the future it would be desirable to carry out studies whose samples included only people who were already engaged in volunteering or already made financial donations; this would make it possible to have a different perspective of the factors that are most valued by those who effectively contribute to NGOs.

A limitation of this research is due to the fact that it covered only a limited number of NGOs (five), which may not be completely representative of the whole of the Third Sector. This limitation therefore conditions the extrapolation of the results obtained.

Acknowledgements

NECE – R&D Centre funded by the Multiannual Funding Programme of R&D Centres of FCT (Portuguese Foundation for Science and Technology).

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