Chapter 4

Brands and branding in the non-profit sector – theoretical overview and discussion

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Introduction

Branding has been acknowledged as a fundamental function for companies (e.g. Aaker & Shansby 1982: 56; Ambler et al. 2002: 13; Doyle 1990: 5; Gardner & Levy 1955; Grönroos 2007; Homer 2008; Keller 1993). A brand may be explained as an entirety of perceptions and feelings that consumers associate with a product/service recognized by a brand name. Included are aspects like distinctiveness (e.g., its packaging and logos), quality, performance, familiarity and user imagery (e.g. Batra, Ahuvia & Bagozzi 2012). Brands should effectively influence consumers and generate positive and attractive images that will eventually lead to the product being sold (Rindell, Strandvik & Wilén 2013).

We observe that most successful non-profit organizations are in fact perceived as brands; the American Red Cross (which intriguingly has worldwide ‘brand awareness’ equalling those of the likes of Coca-Cola and McDonalds), Amnesty International, the Salvation Army, or World Wildlife Fund. The associations, memories and positive feelings that we perceive when we think of those are based on a solid banding principle. It appears that branding has an established position within the non-profit sector exemplified by e.g. major arts and performance companies, museums and universities, and humanities. Non-profit brands are increasingly acknowledged as being among the strongest brands in the world (Laidler-Kylander & Austin 2004).

Moreover, these organizations are facing increasing competition when striving for donors. Some of them aim to increase their inflow of money by exploiting the logo as a label (e.g. ‘approved by WWF’). Clearly, they need to be careful in order to maintain both their brand identity and their brand personality.
In this study we aim to:

- clarify the conceptual underpinnings of non-profit branding,
- list the criteria for distinguishing a non-profit brand from ‘conventional’ branding of products and services,
- relate non-profit branding to organization identity theory.

This paper is structured as follows. Following this introductory chapter, branding is defined in a general sense, and brands’ merits are summarized. The paper then discusses branding in the non-profit sector with special emphasis on delineating suspicion of brands in the sector. The paper is then summed up with concluding thoughts.

1. Kaleidoscope of brandings conceptual underpinnings

Technically, a brand is a multidimensional artifact consisting of several elements such as name, qualities, benefits, value, service, attitude, message, and uniqueness that together form a whole which makes the brand attractive to customers. Building up a brand requires careful planning (Keller 2008). It is a long-term investment that, if properly done, will convey value to consumers and constitute an intangible asset for organizations. In either case, profit as well as non-profit business, a brand’s personality clearly supports organizational identity. When branding a product, service, organization, or whatever the object to be branded, tangible and intangible dimensions are added to differentiate this particular circumstance from other similar items that are meant to fulfil the same need.

Although it is about sixty years now since the first distinction was made between a product and a brand, those same methods have been utilized in the for-profit sector for years, but, to a lesser extent, in the not-for-profit sector.

In order to avoid the redundancy of repeating and comparing definitions of the terms ‘branding’ or ‘brand’ respectively, we follow the approach of Kotler and Pfoertsch (2007) explaining what a brand, and branding, is not. Branding was not invented to send untrue messages, although its purpose is often misinterpreted, or even thought to be that of creating the deception that a product or service is in some way of a higher standard than it is in actuality (Hague & Jackson 1997). Likewise, branding is not meant to stir consumers into irrational buying decisions, and branding is not just a function of the marketing department (Kotler & Pfoertsch 2007). Branding is not merely a visual identity (graphic design, logo or name), a precise marketing message or a marketing campaign. A brand is not a simple poster, a viral communication or an ad in the paper. A brand’s personality echoes the target customers’ self-concept directly. It represents
the way people feel about the product, service or organization. It is a prominent topic of conversation among people in general and it is the most powerful determinant of organizations reputation. A brand is a concept placed in the minds of all those cognizant of the branded organization, movement, product, or person.

All these features apply irrespective of whether you are a company or a non-profit organization despite different goals of the two. In short, we define the difference as follows: The ultimate goal of companies can be stated to maximize shareholders’ value, but the aim of a non-profit organization is to use surplus revenues to attain its objectives rather than allocating them as profits or dividends. In the corporate for-profit region, marketing professionals endeavor to create a brand identity and experience, whereas in the non-profit region a global/national identity is strived for by informing stakeholders what the non-profits are doing and why they are doing it. In both cases, however, success depends on identifying with the public, determining the needs and wants of the selected groups and fulfilling those with the organization’s particular goals in mind. In both cases the point is to advance branding far beyond a logo. Before any further comparisons are made, branding will be reviewed in broad terms.

Branding, in its simplest sense, is an identification representing ownership of a particular company (Barwise, Dunham & Ritson 2000) and a brand name distinguishes the products and services of a seller and differentiates them from those of his competitors (Evans & Berman 1994). The American Marketing Association defines a brand as “a name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller”. (American Marketing Association). Several academic studies support the AMA definition (Keller 1993; Erdem & Swait 1998: 139), although the definition has been critiqued; mainly for its narrow scope. Other viewpoints suggest that a brand should be viewed beyond merely performing as an entity (Berry 2000: 128; Dall’Olmo & de Chernatony 2000; Davis, Buchanan-Oliver & Brodie 2000) and should also apply in a broader service setting; it should include functioning as a process (Stern 2006) and be built on relationships (Fournier 1998), as well as other factors like brand involvements, consumer consumption habits and culture (Arnoud & Thompson 2005; Carù & Cova 2003; Schroeder & Salzer-Mörling, eds. 2006) and co-created brand experiences (Prahalad & Ramaswamy 2004) Furthermore, respected scholars have criticized the AMA’s definition. Grönroos (2007), for example, maintains that the AMA definition does not take into account the significance of the service process, which means that the consumers’ relationships with the
company are excluded; to him brands essentially should signify a relationship. He maintains that since services are perceived as processes in which the customer participates, the service process creates a distinction between one brand and another. Grönroos further maintains that in cases where the consumer is not involved in the production process, as is the case in with most physical products (for example cereals and soft drinks) the service element is minimal, but for products that are more service oriented, “the situation changes and the importance and involvement of the customer increases dramatically” (Grönroos 2007).

Brands are intangible assets based on audience perception (Batra, Ahuvia & Bagozzi 2012; Aaker & Joachimsthaler 2000b; de Chernatony & McDonald 1998; Grace & O’Cass 2002; Nilson 1998; Riezebos 2003). Current literature generally does not exclusively focus on obvious ‘elements’ such as name, slogan, logotype, color, symbol, or design. Instead, the focus is on the entirety of ideas and associations these elements evoke among audiences; the brand’s image (de Chernatony & McDonald 1998; Grace & O’Cass 2002; Nilson 1998; Riezebos 2003; Duncan 2002; Simoes & Dibb 2001: 217).

Effective use of branding requires the orchestration of a number of impacts. One dimension is the degree to which the product or service is distinctive in comparison to a competing brand. A brand represents an image in the consumer’s mind and branding bestows the power of public stature on products and services. Branding revolves around differences and teaching the consumers about those differences, frequently by advertising. The consumers are taught who the product is for, what it does, and why they should care (Kotler & Keller 2005) by offering a mental structure to aid them to categorize the product or service in their minds. In that sense, branding entails more than merely selecting and endorsing an attractive name or symbol. Ballantyne and Aitken (2007) adopt a constructivist approach to brands and propose that associations enclosed in a brand are embedded in the minds of consumers and other stakeholders, thus propositioning that brand value is confirmed or disconfirmed by use through customer contact points over time.

It is important to note that a brand name is more than the label employed to differentiate among various manufacturers of a product. The brand name is a multifarious symbol that represents an assortment of ideas and attributes. It informs the consumers about numerous things, not merely by its resonance, but, more importantly, via the body of relations it has generated and developed as a public object over a period of time(Gardner & Levy 1955). Furthermore, Kapferer (1992) maintains that branding is about more than simply naming a product or products, as brands are a straight outcome of strategic aspects, segmentation and
product differentiation. Brands are identified by the consumer’s perceptions, and crafted and preserved through the communiqué surrounding the entity in question. Furthermore, communicating through brands can exemplify a wide variety of things, including people and organizations. Thus, brands are, by definition, not limited to a certain market or type of products (Blombäck & Axellson 2007). Following on from an initial review of various definitions of brands, the next chapter develops an understanding of the advantages of brands.

2. The merits of brands

There are few doubts about the strategic influence of accurate brand identity as a precondition for delivering brand value (Aaker & Joachimsthaler 2000b; de Chernatony & Riley 1998). Many studies have established the strategic significance of brands which have well-defined brand associations and their appropriate role of brand communication in the context of brand implementation (Keller 1993; de Chernatony & Riley 1998; Aaker & Joachimsthaler 2000a).

Brands bring benefits to organizations and various stakeholders of organizations; for the companies and their customers. A brand should advocate a product’s value, simplify trade and promote efficacy. In a way, the brand provides a shelter from the competition (Park, Jaworski MacInnis 1986). If managed properly, a brand adds dimensions to a product or service and differentiates it from competitors in the same area that fulfil a similar need (Kotler, Keller 2005). One of the main proclaimed benefits of branding is its capability to build purchase confidence and enhance customer loyalty (Aaker 1991). Moreover, brands are an effective and convincing means of promoting the benefits and value a product or service can deliver (Morrison 2001). Organizations with successful branding strategies have been able to charge higher prices and increase customer demand. Furthermore, they have been able to extend their brands more easily, communicate more efficiently and obtain larger margins (Grönroos 2007; Hague, Jackson 1997; Aaker 1996; Keller 2008; Quelch, Harding 1996; Wood 2000).

Name recognition has frequently been cited as a feature of successful firms (Aaker 1989), particularly where repurchase decisions rely weightily on the customer’s prior experiences (Levitt 1980); the essential strengths of brands are expressed through the leverage of their name, symbol, or logo; that is, those parts that can be vocalized or communicated (Kotler 1998). Compared to permanent assets, invisible assets such as corporate reputation or knowledge flows, seem to enrich value and are tougher to copy (Grant 1991). The company and its corporate and product brands could also be considered ‘sources’ that help to
validate the trustworthiness of the corporate image (Dowling 1986), the firm’s pledge to customers (Light 1997: 39), and deliver strong brand signals to secure the introduction of brand extensions (Erdem, Swait 1998: 139; Aaker 1991).

To customers, brands are symbols that they have learned to trust, often indicating indefinable product merits (Erdem & Swait 1998: 139), and thus may be considered an assurance of quality, origin, and performance, thereby communicating perceived value to the customer and diminishing the risk and complication involved in the buying decision (Blackett 1998). Brands are developed with a certain consumer category in mind, since the usage of brands describes who the consumer is, wishes to be and/or wishes to be seen as (Simoes & Dibb 2001: 217; Elliot & Wattanasuwan 1998; Kay 1995). Some claim that customers in our post-modern consumer culture appreciate that brands are vital in the creation of their individual identities (Simoes & Dibb 2001: 217). Effective branding is contingent on understanding the consumer so that communications can be tailor-made with a specific segment in mind. Research has demonstrated that brands have the ability to form consumers’ individualities and attract customers based on the brand’s image, personality, and meaning. Consumption of the brand then strengthens the consumer’s hope that the brand’s qualities will transfer over to him (Elliot 1997; Sirgy, Grewal & Mangleburg 2000). Furthermore, the self-concept connects to the idea of consumers’ individuality and image of themselves; who they are and who they would like to be (Todd 2001: 184).

Brands are able to give a symbolic value to products, adding onto their functional benefits (Janiszewski & van Osselaer 2000). Then the symbolic meaning can be used as a medium to create a social identity for the consumer (Holt 2003), defining and communicating traits of the individual’s self-concept. As a result, consumers develop an affiliation with the brand to the point of identification (Lin 2010). Similarly, trust between consumer and company can be enhanced by a strong brand and may offer a link, which can be used to develop a relationship.

From the above discussion it may be seen that brands have many positive aspects associated with them. A perceptive reader may also infer from the discussion that many of the aspects can quite easily apply to non-profit organizations as well – for example the brands’ power to evoke emotions, create perceived differences, educate and offer a mental structure to assist consumers in categorizing and forming individualities. The next chapter turns to a more detailed discussion of brand usage in the non-profit sector.
3. Non-profit branding

Academic interest in the branding of non-profit organizations began to appear in the late 1960s and in 1971 the “Journal of Marketing” devoted a complete issue to the social/environmental role of marketing. Subsequent initial empirical studies appeared in numerous new scholarly journals in the 1980s and early 1990s, including “Journal of Nonprofit and Public Sector Marketing” and International Journal of Nonprofit and Voluntary Sector Marketing”. Kotler & Levy (1969) are accredited for opening the issue to academics. They argued that the scope of marketing was too narrowly defined as a constricted business function and reprimanded practitioners and academics alike for ignoring the broader application of marketing ideas. From that time onwards, non-profit branding has gained more academic attention and has come to be considered just as suitable as a marketing practice for non-profit organizations as it is for ‘selling shampoo’ (Roberts-Wray 1994). What has further spurred the development is a progressively crowded environment for non-profit organizations where branding is desirable to build trust and help simplify donor choice (Hankinson 2000) in much the same way as corporations work with brands, as explained in the previous chapter.

Farwell (Farwell & Garecht 2014) identified three elements of a good non-profit brand, namely uniqueness, authenticity, and consistency. Uniqueness addresses the personality of your organization as well as the brand’s mission and how it differs from those of other non-profit organizations. Some non-profits are for example affable and use light and friendly advertising material while others attempt to communicate severe urgency. Authenticity means taking into consideration the relative strengths and history of the non-profit organization when communicating with the target group. Moreover, authenticity means not saying or doing anything that the non-profit would not also say or do in the foreseeable future, as donors should feel convinced that the organization remains true to its core values and promises. Lastly, consistency is sticking to a predetermined plan. It is not only reflected words and actions, but also in the look and feel associated with your organization, leaving people with an unwavering and singular impression as to what a non-profit stands for.

It is argued that branding can help non-profit organizations to develop trust across crucial stakeholder circles (Ritchie, Swami & Weinberg 1999; Tapp 1996), reinforce understanding among desired audiences (Hankinson 2000) and build loyalty into relationships with donors and supporter groups (Ritchie, Swami & Weinberg 1999). There has been in increased understanding of this in the non-profit region as many non-profit executives now come from for-profit companies where they may have been involved in branding practices and are also in contact with board members and
donors in the for-profit sector (Kylander & Stone 2012). For this reason, increased trust has now developed between non-profit organizations and their partners, beneficiaries, participants, and donors as branding is becoming closer to being a common denominator, e.g. the following quotes: “Our brand is the single greatest asset that our network has, and it’s what keeps everyone together” (Marcia Marsh, WWF, after Kylander & Stone 2012). “Brand becomes critical when you’re seeking to create partnerships, when you’re seeking other funders, and when you’re looking to associate yourself with people in the field. A strong brand helps bring greater credibility and trust to a project quicker, and acts as a catalyst for people to want to come to the table” (Diane Fusilli, the Rockefeller Foundation, after Kylander & Stone 2012). It should be noted, however, that some scholars are concerned that the non-profit sector is becoming over-commercialized and incorrectly using techniques that were developed purposely for the commercial sector (Kylander & Stone 2012; Salamon 1999; Sternberg 1998). Among practitioners, similar sentiments can be found although the very word, ‘branding’, does not carry the same stigma it did only a short decade ago, the term still upsets some non-profit professionals (Farwell & Garecht 2014). To that end, Kylander & Stone (2012) identify four factors which cause the non-profit sector to be skeptical of brands.

First, they list the connection with the commercial pursuit of financial gain which may cause the elevation of brand over substance. This may degrade the work of the non-profit organization in such a way that income becomes a goal in its own right. Second, they mention that the emphasis on brand management may sometimes be seen as a top-down shortcut to avoid hands-on strategic planning, used by high level management to enforce compliance with goals and priorities. Third, branding is seen by some as being grounded in the vanity of an organization’s leadership rather than the needs of the organization, thus becoming an end in itself, for personal goals. Lastly, they point out that strong non-profit brands may overshadow weaker brands working regularly in alliances and for equally good causes. This may lead to disproportionate power among partners.

Conclusions

Some non-profit organizations do not necessarily see themselves as brands and are hesitant to think of themselves as such, although many of them actually use marketing and branding principles in their activities. They argue that their existence is based on their dedication to their cause, art, specific commitment to society, or intellectual aim. This hesitancy may be grounded in a narrow understanding of a brand being a marketing tool rather than a core organizational principle.
Such an attitude reflects a common misconception, which overlooks the strategic function of branding. The strategic aspect is of prime importance; Tan (2003), for example, states that investing in a brand must not be regarded as purely cosmetic. This means that an initial investment of time and expertise is made in creating and elaborating a well-articulated brand that requires sound management and forms the basis for collaboration, streamlines organizational goals, and directs effort towards institutional credibility and distinction.

In this respect, branding in the non-profit sector does not differ from that of the for-profit sector. In both scenarios, a brand is a representational and tactical guide for growth and requires fiscal prudence, good control, transparency and accountability.

References


