

Marketing in the Context of Small Non-Profit Organisations

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Abstract

The application of the marketing concept has been accepted as appropriate in the non-profit context. Non-profit market orientation scales arguably fail to capture the main dimensions of marketing, as it is practiced and understood by smaller non-profit organisations (NPOs) that dominate the non-profit landscape in small countries like Bulgaria. The paper presents the results from a mixed method research study that included in-depth interviews with managers of prominent Bulgarian NPOs and structured interviews with representatives of active non-profit organisations in Bulgaria. The research aimed to understand how active Bulgarian NPOs implement the marketing concept and to establish the main dimensions of marketing orientation in this context. The results showed that non-profit marketing is mostly implemented through brand building and communication activities. Furthermore, donors tend to significantly limit the use of marketing instruments to avoid the commercialisation of non-profit initiatives, which reduces the ability of grant-dependent organisations to apply a comprehensive and consistent marketing strategy. We established that influencing the

environment is an overarching motive for NPOs to be marketing oriented and we introduce the concept of impact orientation as a potential dimension of non-profit marketing orientation. Impact orientation was identified as one of the main dimensions of the nonprofit marketing orientation of active Bulgarian NPOs.

Keywords: small non-profit organisations, marketing orientation, market orientation, mixed method research

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1. Introduction

Market orientation has long been acknowledged as a key factor in the success of modern commercial enterprises, which are facing increasing competition and ever more demanding and informed customers. The term 'market orientation' refers to the operationalisation or implementation of the marketing concept (Kohli & Jaworski, 1990; Sharp, 1991; Wymer, 2015) and can be viewed both as an organisational philosophy and as organisational behaviour (Gonzalez et al., 2002). Market orientation has been established to positively influence a number of business performance outcomes (Appiah-Adu, 1998; Kohli & Jaworski, 1990; Raju, 2011). Furthermore, the adoption of successful business practices has been considered useful in a non-profit context and could help

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organisations achieve their goals (Gainer & Padanyi, 2002; Gonzalez et al., 2002; Kotler & Levy, 1969; Modi & Mishra, 2010).

The theory of market orientation was formulated in the context of large business corporations (Wymer & Alves, 2012). As such, some of the functions performed by larger organisations might be invalid (Sargeant et al., 2002) or irrelevant in the context of small organisations, which often lack the formal mechanisms required to implement them (Modi, 2012) and which have a different experience of marketing (Mitchel, 2019). This study answers the call of Chad et al. (2013) and of Macedo & Pinho (2006) for more research on how market orientation is practiced in non-governmental organisations (NPOs) in different countries and is based on the conceptual model developed by Wymer et al. (2015), who emphasised the need for the development of new constructs to capture marketing as employed by non-profit organisations (NPOs). The paper presents the results from a mixed method research study that aims to capture the main dimensions of marketing orientation in the context of the Bulgarian non-profit sector, which largely consists of organisations with a limited capacity and fewer than ten employees .

Context

An in-depth study of the Bulgarian non-profit sector (Open Society Institute Sofia, 2017) revealed that the skills required for effective communication with the public and the media, together with the expertise for fundraising, are the kind of expertise that active NPOs in Bulgaria have identified as the most desired and missing. Furthermore, public image and awareness of organisations have been defined as the factors that most significantly affect public trust in NPOs. The

same analysis identified poorly developed public relations, the invisibility of the sector and incomprehensible communication strategies as key weaknesses of the non-profit sector in Bulgaria. This is no surprise, considering the fact that Bulgarian NPOs have started facing increasing pressure from multiple sources during the last few years. For example, a steep decline in media freedom in Bulgaria (Reporters Without Borders, 2020) led to decreased media coverage of the work of the non-profit sector, to negative media representation (Gorchilova, 2010) and campaigns against signature organisations. Thus, we argue that the application of the marketing concept by these small NPOs cannot be captured by instruments that were originally developed for large commercial organisations (Kohli & Javorski, 1990; Narver & Slater, 1990) and adapted by larger NPOs (Modi & Mishra, 2010; Modi, 2012). The latter implies the existence of formalised structures within the organisations and overemphasises the importance of satisfaction of different stakeholders while disregarding marketing functions, such as those related to brand building and brand awareness, which are essential to small NPOs. Similar to the research by Lee et al. (2019), who explored market orientation in the Chinese NPO context, the present study aims to answer the following research questions:

- 1) How is marketing understood and implemented by active Bulgarian NPOs?
- 2) What are the main barriers hindering the adoption of marketing orientation by active Bulgarian NPOs?
- 3) What are the main dimensions of marketing orientation as employed by active Bulgarian NPOs?

2. Previous Research

2.1. Broadening the Marketing Concept

In their seminal work, Narver and Slayter (1990) identified three behavioural components of market orientation: customer orientation, competitor orientation and interfunctional coordination. Kholi and Javorski (1990) offered a different perspective on market orientation, linking it to the generation and dissemination of market intelligence across the organisation and the companies' responsiveness to customer needs. From a cultural perspective, market orientation has also been represented as a set of beliefs that place customers' interests first (Deshpande et al., 1993; Modi & Mishra, 2010). The goal of market orientation is to enhance customers' satisfaction through the development of commercial offers that provide higher value to the market than the competition (Vazquez et al., 2002).

Kotler and Levy (1969) were the first to suggest broadening the marketing concept to the non-profit domain. They defined marketing as 'sensitively serving and satisfying human needs' (Kotler and Levy, 1969). This definition essentially eliminated the profit motive from marketing activities, thus renouncing the concept of transaction and its underlying goal of generating profit for businesses as a defining characteristic of modern marketing (Novatorov, 2014). Kotler and Levy (1969) thus introduced the generic concept of non-profit marketing as 'the marketing of services, persons, and ideas', which Bagozzi (1975) further modified, arguing that non-profit marketing is a complex exchange in which at least three parties/social actors are involved. Since then, the consensus among academics and managers has been that the concept of marketing is relevant in non-business contexts, and NPOs would benefit

from the adoption of marketing practices, as they are also facing increasing competition for resources and legitimacy. The adoption of business-like models by NPOs, such as market orientation, is usually regarded as the result of resource competition, the need to pursue higher effectiveness and the need for the alignment of social and economic values (Shoham et al., 2006).

Typical barriers to the implementation of market orientation by NPOs include management beliefs, a short-term focus, difficulty in changing traditional thinking, organisational structure, apathy, self-interest of staff, lack of co-operation between functional units and lack of understanding of potential benefits (Wymer et al., 2015). Scepticism towards marketing also arises out of fears that its application is antithetical to its social mission, that it might distort NPOs' objectives and that it could invite inappropriate commercialisation of non-profit services (Novatorov, 2012). Another impediment is the common 'business bias' among practitioners who view marketing only as a commercial activity (Ito, 2018) related to sales and advertising, which have little relevance in the non-profit context.

2.2. The Conceptualisation of Non-Profit Marketing

The conceptualisation of non-profit marketing evolved with the adaptation of market orientation scales specifically made for NPOs (Gainer & Padanyi, 2005; Gonzalez et al., 2002; Modi & Mishra, 2010). Building on the works of Shapiro (1974) and Narver and Slater (1990), Modi and Mishra (2010) made a notable attempt to operationalise the non-profit market orientation construct by developing a preliminary non-profit market orientation scale consisting of four components: beneficiary

orientation, donor orientation, peer orientation and inter-functional coordination. The scale was later refined to be more parsimonious, efficient and relevant to the context of smaller NPOs and developing countries (Modi, 2012). However, Modi and Mishra's (2012) modified non-profit orientation scale was developed based on scales designed for large commercial organisations and emphasised goals such as satisfaction and interdepartmental coordination. The latter are more relevant in the context of business organisations or large NPOs, but are difficult to extend to small NPOs, which dominate the non-profit landscape in developing countries (Hristov, E., 2016). Classic scales of market orientation are difficult to apply to NPOs, as they are designed with a certain type of organisation in mind, namely large business organisations, and thus are conceptually limited to the commercial context (Wymer et al., 2015; Wymer, 2013). Wymer et al. (2015) conducted a series of in-depth interviews with non-profit managers from Germany and Canada to establish what marketing really means in the context of NPOs and how the organisations themselves apply the marketing concept. To close the practice-theory gap, Wymer et al. (2015) developed an original preliminary scale designed to capture non-profit marketing orientation, which comprised of four dimensions: brand orientation, supporter orientation, commercial orientation and service orientation.

Another significant issue associated with the adaptation of market orientation scales for the non-profit domain is the considerable bias of for-profit organisations towards customer needs and wants, which sees customer satisfaction as a primary objective (Kholi & Javorski, 1990; Levitt, 1960) and not as the outcome of market orientation. This perception

implies that both commercial organisations and NPOs exist to satisfy target groups, a purpose that shadows their strategic objectives and missions. Overemphasising satisfaction seems redundant in non-profit contexts where critical services are being offered and fundamental issues are being addressed. Therefore, we argue that the implicit utilitarian notion of non-profit market orientation scales grounds non-profit marketing in the standard economic framework and does not accommodate well the primary non-pecuniary motive of NPOs to alter the environment, not just to respond to it.

The terms 'market orientation' and 'marketing orientation' are often used interchangeably. According to Sharp (1991), unlike market orientation, marketing orientation accords equal weight to customer demands and company objectives, not just to responding to transient changes in the market's demands and preferences. Wymer et al. (2015) defined non-profit marketing orientation as the operationalisation of the marketing concept in NPOs, and we accept this definition as more appropriate for the purposes of this study.

3. Materials and Methods

A mixed method sequential exploratory design was chosen, which employed both quantitative and qualitative data in the assessment of the same phenomenon to improve the accuracy of conclusions (Rossman & Wilson, 1985). The use of various empirical materials also added richness and depth to the study (Flick et al., 2008).

3.1. Target Population and Sample Design

The study's target population was active NPOs in Bulgaria. An organisation was considered 'active' if it complied with at least one of the following criteria: 1) the organisation

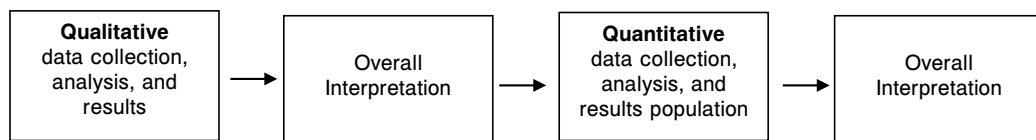


Figure 1. Design of the study.

has received funding from the Program under the Financial Mechanism of the European Economic Area, 2) the organisation has a profile page in the largest NPO Information Portal in Bulgaria (www.NPObg.info) that has been updated during the last year and/or 3) the organisation has received funding from the largest institutional donor in Bulgaria, which is America for Bulgaria Foundation, during the last three years. The definition of active organisations is borrowed from the aforementioned representative study by the Open Society Institute (2017) on the state of the non-profit sector in Bulgaria. The research considered organisations that met at least one of the first two criteria, to be active in seeking funding for their activities and/or in communicating their profile and activities. We added a third criterion to also include the organisations funded by the largest institutional donor in the sector.

The first phase of the study aimed to unveil the essential determinants underlying the adoption of marketing orientation by NPOs and involved the collection of qualitative data in the form of 14 in-depth interviews with senior managers from leading Bulgarian NPOs registered for public benefit. The findings from this phase shed light on how Bulgarian NPOs understand marketing, the typical marketing activities in which they engage and the challenges they face regarding the application of the marketing concept. The

second phase represents a quantitative study of the marketing orientation of active Bulgarian NPOs. On the basis of the chosen criteria for identifying the active NPOs, a sampling frame comprising the contact details of 880 organisations was compiled, from which a computer program randomly generated a sample of 300 organisations. A professional market research agency conducted 192 successful computer-assisted personal interviews with respondents occupying senior managerial positions at their organisations. This accounted for a response rate of 64%. The structured interviews showed that only 12 of the 192 surveyed organisations had more than 10 employees. Furthermore, more than 50% of the organisations declared that they rely on the help of more than 10 volunteers, which demonstrated that the largest part of active Bulgarian NPOs are very small organisations¹.

3.2. Data Analysis

The data from the in-depth interviews were transcribed verbatim, and the transcripts were analysed using both inductive and deductive approaches (Miles & Hubberman, 1994) that revealed several themes, which will be discussed in the results section. Since the Wymer scale has not yet been empirically confirmed (to the best of our knowledge) and since six new variables were added to the original set of items, an exploratory factor analysis was deemed most appropriate for the

¹ Comprehensible and reliable data on NPOs' annual revenue could not be found in public registries, in order to be considered when defining organisations as 'small'.

second phase of the study, as the purpose was to identify the underlying structure (Hair, 2009, p. 105) and the main dimensions of the marketing orientation of active NPOs in Bulgaria.

4. Findings

4.1. In-Depth Interviews

4.1.1. The Meaning of the Marketing Concept

Research in the non-profit marketing area aims to help NPOs improve by developing better managerial knowledge for the benefit of society (Chad et al., 2013). In the current study, most respondents appeared to have a 'business bias' towards marketing (Ito, 2018), associating it with sales and related techniques and often trying to use business analogies to explain how they understand marketing in principle. In the context of NPOs, many of the respondents viewed marketing as openness to the environment, as the acquisition of public and financial support and as important to the realisation of the organisations' ideal goals.

'This is not marketing in its purest form, to offer a product and people to buy it. Our gain is support, like-minded people, forming a culture'.

Respondent 5

Marketing is seen as a means to increase the awareness of organisations and their mission, to breed likability and to build a positive public image:

'Whatever you do, you have to take care of your good name, because when you are a cause, your good name is your biggest plus'.

Respondent 2

Having a strong brand name and reputation is also perceived as beneficial for acquiring resources and winning grants:

'A good reputation contributes to fundraising and winning projects because the project reader is a person who, if they have heard about you, knows about you, and it is easy for them to find information about you, to get piles of things, there is a much better chance then'.

Respondent 8

Specific marketing activities that the organisations performed included communicating with media representatives, maintaining a social media presence, distributing print material, organising events and conducting surveys and focus groups. Several of the organisations also carried out limited commercial activities, such as selling souvenirs and other merchandise. Several of the respondents in the study expressed hesitancy regarding the appropriateness of commercial marketing techniques in a non-profit context, considering the different ethos of commercial organisations. One respondent explained his frustration with the application of business terminology to the NPO context:

'Phraseology needs to change its focus. You are trying to measure things that are difficult to measure but are in the realm of emotion.... Some sound offensive to me. You have no marketing goals, no number of people to sell them anything.... There is no such connection X money in advertising, and you expect some kind of a result. Rephrase. Then, it will be more adequate. These things are measurable, but not only at this level'.

Respondent 1

Marketing activities are a function of individuals' awareness of NPOs rather than a result of an established organisational culture. This is reinforced by the fact that, in these organisations, most people work on an entirely voluntary or semi-voluntary basis. This dependence on specific individuals and their abilities significantly limits NPOs' ability to implement comprehensive marketing policies and sustain their marketing orientation.

4.1.2. Funding Activities, Not Capacity

Most NPOs in Bulgaria are strongly dependent on grant financing, which funds activities and not capacity building, as NPOs need infrastructure to survive, to retain employees and to succeed in their mission (Brandt, 2013). The underlying assumption is that the lower the administrative and fundraising expenses, the higher the effectiveness of an NPO. This significantly reduces their flexibility and responsiveness to the environment, which are essential to the adoption of a marketing orientation. Non-profits are expected to spend the bulk of their funding on programme expenses and only a small amount on overhead costs (Brandt, 2013).

Adopting a marketing orientation requires capacity building and the work of experts with experience in this field, but this type of activity is rarely perceived as expert work, and sufficient funds are not usually allocated. NPOs are unable to hire an employee/expert to be primarily responsible for the marketing activities of the organisation, and usually these responsibilities are personally assigned to the manager of the organisation or added to the main responsibilities of other employees, making them part-time marketers (Kraleva, 2016). These employees are forced to acquire the necessary marketing skills ad hoc and

to create something out of nothing (Mitchel, 2019). The term 'volunteer sector' also implies that much of the work is done on a voluntary basis, which contradicts the expectation for professional results and the high importance that is placed on the projects' objectives.

Another barrier to the adoption of a marketing orientation that stems from the dependence on grant financing is related to the time lag between changes in the environment, policy formulation and the actual implementation of these policies. Funding schemes usually reflect the donor organisations' long-term priorities, and sometimes years might pass between the occurrence of these changes, the call for proposals and the actual implementation of the measures. As such, these funding mechanisms often fail to address important changes in the environment, which require a response by the civil society.

4.1.3. Marketing as a Taboo

Grant financing usually comes with a limited communications budget for predefined activities, such as the development and dissemination of a manual with good practices, opening and closing press conferences or brochures. These activities are usually not sufficient to provide marketing support for the significant work carried out throughout a project and largely remain blanket measures. The means provided for communication are disproportionate to the means provided for other project activities. This mostly reflects the priorities of donor organisations that either do not find it appropriate for larger amounts to be spent on marketing and communication or perceive this activity to be of secondary importance. Due to limitations imposed by donor organisations, marketing expenses

are often not eligible for funding or are not perceived as appropriate:

'Donors do not allow it [to spend funds on marketing expenses], and often, the project writers themselves do not make sense of it and ignore it when developing proposals.... Project communication usually has a pre-set framework, such as mentioning the funding mechanism at the end of the press release, which sounds boring, and I could rarely both satisfy the donor and make the message impactful'.

Respondent 12

A typical limitation is the inability of donor funds to be used to 'advertise' NPOs themselves, their activities and the services they provide. Project financing guidelines often only allow money to be spent on a certain type of communication work related to the project, and the use of classical marketing instruments is limited. However, eligible costs include those related to public relations, media relations, training and direct work with journalists and the development of information materials for target groups. Methods for their dissemination through relevant paid communication channels are excluded from eligibility. For example, the costs for the preparation of social media content are eligible, but not for the dissemination of this content through paid social media advertising. When preparing a project proposal, communication funds are often seen as a buffer rather than a real task for organisations to perform. There is a strong notion among all respondents that marketing and communication expenses are important and should be given more funds and leeway for their use:

'You have projects that have budgets, and you can't use them for anything. You

have to be very creative to make a big campaign using that money'.

Respondent 12

Hence, the problem is that marketing is not recognised as an activity of strategic importance, and most often, it is not called by its name, even typical marketing activities, such as advertising. These activities are defined as 'communications and public relations'. A similar effect was reported by Lee et al. (2019), who examined Chinese NPOs' application of marketing and market orientation. They found that the main reason NPOs avoid even mentioning the word 'marketing' is its commercial connotations and their reluctance to appear commercially oriented to potential donors and government institutions, on which they rely for funding. Similar concerns were shared by representatives of Bulgarian NPOs:

'One of the mistakes is that we don't talk directly about marketing; the word "marketing" scares them. Maybe we should talk more about communications'.

Respondent 9

This kind of taboo creates a vicious cycle; organisations do not openly declare their marketing-related needs, and donors continue to treat marketing expenses as inappropriate and unacceptable in non-profit contexts.

4.1.4. Worthiness and the Moral High Ground

A significant issue that surfaced throughout the interviews, but one that has rarely been discussed in previous research, is NPOs' realisation of their conscious or unconscious beliefs that they are doing important work worthy of support on its own (Sargeant, 2009; Ito, 2018):

'If you want to make a good campaign, you need a professional survey of attitudes. It is good to check up the attitudes and moods by age, gender, but we think we are good people and they must understand us, but they don't'.

Respondent 3

The implicit assumption of worthiness and moral high ground leads to the expectation that society should notice, respect and appreciate the work for its benefit and the organisations engaged in this work. This conviction causes these organisations to reduce their efforts to properly communicate their work and the benefits it produces, thus resulting in capsulation and a lack of transparency. This is in stark contrast to the marketing concept, which implies that organisations must proactively try to win their target market's attention and loyalty. NPOs in Bulgaria are often reluctant to discuss and communicate their achievements as they are related to charitable work. The notion *'We just do our job, not talk about it'* is common. This belief has never been an issue for commercial marketing, but it might have an influence when promoting good deeds:

'We need to be visible. It is full of colleagues around us who work no worse than us, but are absolutely invisible. They don't understand that letting people know about your work is just as important as doing a good job. That's why the NPOs, we are in this situation, because the main good players are struggling for what they are doing. "It is not very good to brag, it is not moral and ethical", they say'.

Respondent 8

4.1.5. Non-Profit Marketing by For-Profit Marketers

Marketing is not reserved solely for selling toothpaste, soap and steel (Kotler & Levy, 1969), yet commercial organisations are the biggest advertisers and comprise the larger part of the professional marketing service sector, recruiting top talent in this area. When asked what has worked for their organisation in terms of marketing, the communication manager of an influential human rights organisation provided a simple and short answer: *'Quality.'*

'Agencies want money; you need resources, and some do pro bono work, but it's different when they are hired. The quality is different'.

Respondent 4

Brands compete mostly for attention and mental availability (Romaniuk & Sharp, 2015), as do NPOs. They compete with all available products and services. In this uneven battle, NPOs can rarely afford high-quality advertising copies or the service of professional marketing agencies.

'We hire the agency, consult with it, but if it's not part of the campaign strategy, things are sluggish. We can't just go and pay [for marketing services]'.

Respondent 11

Even when they do, these organisations often have difficulties communicating their needs, and professional marketers have difficulties in meeting those needs, which appears to be non-standard work for them.

'It's like if you are a shoe size 3, but you have to wear 5. You see...we are flopping

in the shoes of trade marketing. We'll get there, but it still doesn't fit...'

Respondent 14

Many of our respondents were experts who had been working in the fields of social services for most of their careers and lacked any or had little experience in business organisations. Older non-profit managers had never taken even an introductory-level course in marketing in their university years, which made it challenging for them to adopt a marketing orientation.

4.1.6. Raison d'Être and Impact Orientation

A fundamental difference between NPOs and business organisations lies in their principal objective—businesses usually aim to survive and grow, while NPOs' ultimate goal is, paradoxically, to no longer have to exist. In other words, they want to eradicate a particular societal problem and to extinguish the need for their own existence (Baines & Fill, 2014). Undoubtedly, societal problems such as climate change and poverty will not be easily eradicated, but taking into account the *raison d'être* of both types of organisations is more than a mere intellectual equilibristic. The prospect of the problem that inspired their creation being eliminated is a tangible possibility for NPOs. Two of the interviewed non-profit managers independently and unsolicitedly declared, *'Our primary goal is to no longer be needed'*.

The need for marketing has emerged from abundance (Kotler & Levy, 1969) and oversupply (Wilkie & Moore, 2006), while voluntary initiatives are a result of scarcity and the undersupply of certain products and services according to market and government failure theories (Salamon & Anheier, 1998; Weisbrod, 1975). An essential difference

between for-profit organisations and NPOs in terms of marketing orientation refers to their relationship to the environment; a successful business responds and adapts to the environment, where a successful NPO aims to influence and change the environment. Influencing the environment is a fundamental motive for NPOs when applying the marketing concept:

'The essence of an NPO is to change...to try to change policies, people. Our mission is to change the environment'.

Respondent 7

'The way you stand in front of the outside world and try to influence it, is key'.

Respondent 2

'We make products that do not bring profit, but change attitudes'.

Respondent 11

NPOs aim to change the environment in myriad ways, and many of the changes that affect their desired results occur in entities other than individuals (Annie, 2004):

'The campaign is a product, to gather more people, funds. We work at the meta level to change policies, laws. Our marketing orientation is to reach the maximum number of influential people to change a law and to change attitudes'.

Respondent 2

'We influence public attitudes for the inclusion of people with disabilities. Changing attitudes is a means to achieve our goal'.

Respondent 6

The Casey Foundation (Annie, 2004), offered a comprehensive description of the directions of change that NPOs aim to effect, which are: 1) changes in institutional policies and regulations, public opinion, community norms, service practices, business practices and issue visibility, which the foundation defines as *influence*; changes in target groups' knowledge, skills, behaviours or conditions, defined as *impact*; and changes in public or private funders' investment strategies for community programmes defined as *leverage*. Based on the results from our qualitative study and on the conceptual foundation laid by the Casey Foundation (Annie, 2004), we defined the strategic orientation towards influence, impact and leverage as 'impact orientation' and we identify it as a potential dimension of marketing orientation. As such, we tried to capture this dimension with our quantitative study.

4.2. Structured Interviews

4.2.1. Factor Analysis and Results

For the quantitative study, Wymer et al.'s (2015) scale for measuring non-profit marketing orientation was adapted to reflect the specifics of the Bulgarian non-profit sector, which were revealed during the first phase of the study. A few of the items were removed to reflect local conditions (e.g., 'Applies door-to-door practices', as this type of marketing is not common in Bulgaria). A new dimension called 'Impact Orientation' was also added to the original scale, which was identified as a potential dimension of marketing orientation during the first phase of the research, answering the call of Wymer et al. (2015) for further refinement of their model. The impact orientation dimension consists of the items 'We aim to influence public attitudes', 'Our activities lead to sustainable changes

in the behaviours of the target groups' and 'Our goal is to influence the policies in the respective field'. The final set of 32 items that were measured on a 5-point Likert scale (from 1 = It completely applies to our organisation to 5 = It does not apply to our organisation at all) is presented in Table 1.

4.2.2. Model refinement

The factorability of the 32 items was assessed to be high, as 26 of the 32 items correlated at least 0.3 with at least one item. The Kaiser–Meyer–Olkin measure of sampling adequacy was .707, above the recommended value of .6, and Bartlett's test of sphericity was significant ($p < .001$). However, 16 of the 32 variables had to be eliminated because they failed to meet the criteria of having a factor loading higher than .4 or had a cross-loading of .3 and above (Hair, 2009, p. 116). Principal component analysis with Varimax rotation was conducted for the remaining 16 variables, which resulted in a five-factor solution. The value of the Cronbach's alpha coefficient of the overall model was above the recommended cut-off value of 0.7, but the coefficients of the individual subscales were below that, indicating low internal consistency. For this reason, 7 more items had to be gradually deleted to improve the model's reliability. After the model was re-specified, a three-factor final solution was reached. The chosen solution was satisfactory in terms of statistical reliability, theoretical support and conceptual clarity. The number of factors was determined based on their eigenvalues, scree plot and the total variance explained (Hair, 2009). The three factors explained 66.973% of the variance, which was above the recommended cut-off value of 60% (Hair et al., 2007). The first factor consists of four items, accounting for 32.997% of the variation

and was labelled 'Brand orientation', which is in line with Wymer et al.'s (2015) initially proposed brand dimension. The second factor accounted for 20.106% of the variation and was labelled 'Impact Orientation', which further supported our hypotheses of impact orientation being an important dimension of marketing orientation. The third factor accounted for 13.870% of the variation and was labelled 'Supporters Orientation', which is in line with Wymer et al.'s (2015) supporters dimension. The results from the factor analysis are presented in Table 2.

5. Discussion and summary

The current research study showed that marketing is recognised as important and necessary by the non-profit sector in Bulgaria, which largely consists of small organisations. Marketing, as it is being practiced and understood by these organisations, is mostly being implemented to increase brand awareness, to maintain a positive public image, to make an impact on the environment and to attract supporters. These dimensions could hardly be captured by non-profit market

Table 1. Marketing orientation scale

Marketing is one of our main activities
Our goal is that people recognize the organisation
We inform the public to increase the acceptance of our organisation
We actively use social media to communicate
We use the organisation's website to communicate
We organise campaigns to solve a problem
We print information brochures
We publish an information bulletin
We communicate through posters
We maintain contact with media representatives
We use paid advertising to promote the organisation and its services and products
We have a regular presence in the media
We try to have a brand identity and logo
We strive for our organisation to appear in the media
Our goal is for people to have a good feeling about the organisation
We try to initiate positive talk about the organisation
We try to inform all stakeholders about our work
We maintain a certain image of the organisation
We are constantly recruiting staff, volunteers and members
Our communication is oriented to certain target groups
We try to attract grant / project funding
We seek to acquire money donations from individuals.
We seek to acquire money donations from companies.
Our organisation receives funding from members
We develop products / services
The organisation receives funding from selling products / services
We organise events in support of our causes
We strive to establish long-term relationships
Our organisation is focused on the needs of beneficiaries and members
We aim to influence policies in the respective field
We aim to influence public attitudes
Our activities lead to sustainable changes in the behaviour of the target groups

orientation scales that have been used in previous research and that are mostly applicable to larger NPOs. Small non-profit organisations in transition economies are one of the main guarantors of the democratic process and must compensate for numerous market and government failures. This places them in an important yet vulnerable position, having to justify their mission and their own existence. In the midst of a worsening media environment and increased hostility towards civil organisations, effective marketing and communications are vital. There is a peculiar stigma surrounding marketing that is not only

reflected by NPOs' business bias but also in the priorities of donor organisations. Marketing is often stereotyped by donors and limited to classical public relations and communication activities in an obvious attempt to avoid the commercialisation of non-profit work. Applying the marketing concept is challenging because most organisations are entirely dependent on grant financing, which comes with strict communication frameworks. Furthermore, marketing expenses are usually not regarded as appropriate or eligible for financing. The latter is a defined source of dissatisfaction among non-profit managers who have

Table 2. Exploratory Factor Analysis

	Brand orientation	Impact orientation	Donor orientation
Our goal is that people recognise the organisation.	.786		
Our goal is that people have a good feeling about the organisation.	.759		
We inform the public to increase the acceptance of the organisation	.712		.201
We strive for our organisation to appear in the media	.663	.264	.262
Our activities lead to sustainable changes in the behaviour of the target groups.		.823	
We aim to influence public attitudes.		.812	
We aim to influence policies in the respective field		.731	
We seek to acquire money donations from individuals.			.924
We seek to acquire money donations from companies.			.918

Note: Extraction method: Principal components; Rotation method; Varimax with Kaiser normalisation. Loadings larger than .40 are in bold. Values lower than .20 are suppressed.

Table 3. Reliability Analysis

	N of items	Cronbach's α
Brand orientation	4	.736
Impact orientation	3	.702
Supporters orientation	2	.861

learned, through experience, the importance of marketing activities. The tendency to favour organisations that maintain low administrative costs is a serious impediment to the application of a consistent marketing strategy and the building of know-how in this area. Another significant challenge hindering the adoption of a marketing orientation is NPOs' internal conflict between their desire to be visible and recognised and their natural tendency to be modest and not to brag about their work. The dominance of commercial marketing and the lack of designated funds leave little room for professional marketing for NPOs, which have to settle for ill-fitting services and pro bono work to address their marketing needs. One of the most important motives driving NPOs' desire to be marketing oriented is their goal to make a difference in the environment by influencing attitudes and policies. The hypothesis that impact orientation is a potential dimension of marketing orientation emerged during our in-depth interviews and was further supported by the results of the structured survey, which identified impact orientation as one of the main dimensions of marketing orientation of active Bulgarian NPOs.

The results of the current study showed that conceptualising non-profit marketing remains a challenge. NPOs still need to 'borrow' techniques from commercial marketing. As such, they are always at a disadvantage compared to for-profit organisations. Destigmatising marketing in the non-profit context concerns the envisaged role of civil society—should NPOs be strong independent actors, or should they remain silent? Finding a solution to this problem cannot be achieved only by trying to transfer concepts and best practices from the business world to the non-profit context. Only by establishing how marketing is actually

understood and implemented by NPOs, academics and practitioners could build a well-adjusted conceptual framework for non-profit marketing.

6. Suggestions for Further Research

Further research could be advanced by examining the viewpoint of donors regarding the application of the marketing concept by non-profit organisations and the principles by which they allocate resources for such activities. The hypotheses of impact orientation as a dimension of non-profit marketing orientation might be further tested and elaborated by more emphasis on the three main directions in which NPOs aim to effect change, which are influence, impact and leverage. In view of the evolutionary path of for-profit organisation towards sustainability and towards alignment between social and economic benefits (Porter & Kramer, 2011), the concept of impact orientation becomes relevant and might be further investigated as a potential dimension of marketing orientation in corporate context.

7. Limitations of the Study

This research refers to non-profit organisations registered in public benefit. Those registered in private benefit are excluded from the study. It is possible that other active organisations have a different funding mechanism are not covered by this study.

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