Perceptions of Brand Management in the South African Non-Profit Sector

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ABSTRACT

The non-profit sector faces a myriad of challenges. Non Profit Organisations (NPOs) operate in a highly competitive market for financial support, skilled employees and volunteers. They are thus often driven to adopt commercial practices to improve their strategic performance and differentiate themselves in an environment that has experienced significant growth and currently has vibrant and active NPO sectors across the various continents.

The study reviewed the application of brand management within the South African NPO sector and aimed to establish the understanding of the branding construct, the main drivers of a brand and the objectives of branding within this sector. The research paradigm was qualitative and the study was exploratory in nature applying input from thirteen in-depth interviews with respondents from the NPO sector. A thematic approach to qualitative data analysis was applied and the themes that arose included the terminology in use in the NPO sector, how the brand construct is understood, the elements of a brand, challenges in branding, the management and ownership of NPO brands and the results of undertaking branding.

The study established that South African NPOs have different goals in branding with the majority seeking to increase visibility and credibility and garner support for their cause. There are varying understandings of the concept of a brand and it is deduced that branding is still in its infancy in the sector. NPOs also offered a variety of drivers that are deemed to be important for the development and maintenance of a brand supporting the notion that branding is multifaceted and complex. Furthermore, funding was overwhelmingly highlighted as the major constraint for brand management activities followed closely by access to the right skills and knowledge in this area. These key issues highlighted the need for a branding approach that is both relevant and accessible to the NPO sector bearing in mind their daily challenges. The study includes recommendations for key stakeholders and proposes a structure for an NPO branding information source. Proposals for future research are also highlighted.

DECLARATION

I, Tendani Mawela, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Tendani Mawela

Signed at ……………………………………………………

On the …………………………….. day of ………………………… 2009

DEDICATION

To my husband

Lefu Lucas Tseki

and my son

Tokelo Nkateko Tseki.

Thank you for believing in me and keeping me inspired and smiling throughout this journey.

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A heartfelt thank you to:

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All the respondents, who gave of their time, knowledge and experiences. Without you this study would not be possible. I wish you all the best as you change the face of our society through your much-needed efforts.

My mum, Prof. Cynthia Marivate, thank you for always being such a great example of true wisdom!

My entire family, who provided support and understanding throughout this process. Thank you for the many prayers and words of encouragement!

My friends, which I often didn't see over the last few years but who supported me in a variety of ways. Thank you for cheering me on!

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CHAPTER 1: INTRODUCTION

1.1 Purpose of the study

The purpose of this research was to understand the views of non-profit organisations (NPO) regarding the concept of managing their organisation's brand. The research aimed to investigate the understanding of the branding construct, what drives a brand in the NPO sector and what organisations in this sector are intending to achieve through their brand strategies and brand management activities.

1.2 Context of the study

In order to navigate the journey towards understanding the South African NPO sector and how it perceives the concept and role of brand management in their organisations, this report offers an initial overview of the context within which these NPOs operate.

The NPO sector occupies a "distinctive social space" outside both the market and the state or the private and public sectors (Salamon and Anheier 1997: 48). This sector refers to organisations that do not exist primarily to generate profits for their owners (Salamon and Anheier 1997). It is, however, a diverse sector with dynamic qualities and over the years it has resulted in various terms being used to describe it. Salamon and Anheier (1997) highlight the following terms:

- Charitable Sector;
- Independent Sector;
- Voluntary Sector;
- Tax-Exempt Sector;
- Non-Governmental Organization;
- Economie Sociale; and

- Third Sector.

This report will refer to Non-Profit Organisations as per Salamon and Anheier's (1997) structural-operational definition of NPOs. Their view is that NPOs are a collection of entities that are:

- organised – institutionalised to some extent thus purely ad hoc, informal and temporary gatherings of people are not considered non-profit;
- private – institutionally separate from the government;
- non-profit distributing – not returning any profits generated to their owners or directors;
- self governing – equipped to control their own activities; and
- voluntary – involving some meaningful degree of voluntary participation, either in the actual conduct of the agency's activities or in the management of its affairs.

It should also be noted that defining this sector is only one part of trying to understand the sector; the other important requirement is the classification of the sector which includes identifying the systematic differences among the organisations in the sector and an appropriate basis for grouping them (Salamon, Anheier and Institute for Policy 1992).

The report from Salamon et al. (1992) continues to stress that the definition and classification are, in a sense, two parts of a related process. The first specifies what the entities in a group have in common; and the second spells out the ways in which they nevertheless differ. Such differentiation is absolutely essential for serious analysis, and description (Salamon et al. 1992). The Salamon et al. (1992) report also reviews and assesses various classification systems (such as the UN's International Standard Industrial Classification and the European Communities' General Industrial Classification of Economic Activities) and suggests a modified system that could cater for the international NPO sector. The modified system is titled: the International Classification of Non-Profit Organizations (ICNPO). The ICNPO system highlights the different types of organisations that constitute this vibrant sector and the main categories of this system are outlined in Appendix B. The types of organisations that may apply for NPO status in South Africa are included in Appendix C.

Globally and locally NPOs are facing an assortment of difficulties. They operate in an increasingly competitive marketplace for funding, staff volunteers and donations. In this context many NPOs are thus being driven to adopt more commercial practices in order to improve their strategic performance, particularly competitive positioning for donor appeal, staff retention and service strategy and delivery (Hume and Hume 2008). There are various areas of management that the sector could consider to assist them in forging a path towards their future.

This research report focused on the underexplored area of NPOs and Brand Management in South Africa. The research draws on a study conducted by Stride and Lee (2007:107) which aimed to "investigate what is understood by the term brand, what constitutes a brand in the charity environment and what organisational objectives a brand strategy seeks to achieve." Their study also "explores the role played by values in developing charity brands" (Stride and Lee 2007:107).

This study followed an exploratory journey of assessing the understanding and adoption of Brand Management and available strategies, bearing in mind the reality within which South African NPOs function.

1.3 Problem statement

1.3.1 *Main problem*

The research problem was to examine the South African NPO sector's understanding of the concept of a brand, what drives a brand in the NPO sector, and explore what objectives the NPOs seek to accomplish through their brand strategies and brand management activities.

1.3.2 *Sub-problems*

The first sub-problem was to review how South African NPOs understand the concept of a brand and branding within the NPO sector.

The second sub-problem was to understand what drives a brand within the South African NPO Sector.

The third sub-problem was to investigate what South African NPOs are aiming to achieve through brand strategy and brand management activities.

1.4 Significance of the study

To succeed, any brand must have a consistent meaning among those who know about it. The richer the brand meaning, the more those who believe in it will care about it. In the case of an NPO brand, the more its supporters care, the more time, money and positive word of mouth the NPO will have access to (Quelch and Laidler-Kylander 2006).

The study fills a gap in the area of NPOs and Brand Management in South Africa which seems to be an area that requires further investigation and research.

The intended primary audience of this study are South African NPOs; the principle benefit being that they are exposed to the issue of Brand Management, what it means and how to potentially incorporate this management function into their organisations to enhance their reputation in communities, and particularly with donors, volunteers and potential employees. A range of experiences from the international and local NPO sector was drawn upon to offer South African NPOs an initial understanding of the term “brand” and what it means in the non-profit context. The study is a starting point for NPOs regarding possible strategies for understanding, communicating and managing their brands.

The study may also be of value to the donor and volunteer community by offering these stakeholders the current views and perspectives of South African

NPOs regarding effectively managing and communicating their brands and the challenges they face, so that donors are able to appreciate this and possibly translate the insights into applicable actions to support the NPOs.

Another group that may benefit from this study is the public sector, since it offers an introductory view to the difficulties faced by South African NPOs with regards to understanding and managing their brand and any successes that some NPOs may have had to date. This may act as a catalyst for initiatives aimed at helping NPOs build capacity in this area of management beyond the registration and compliance capacity that has been created by legislation in South Africa (Wyngaard 2003).

1.5 Delimitations of the study

The following delimitations applied to the study:

- The research focused on South African NPOs and thus the findings may not apply to the for-profit context.
- Urban based (as opposed to rural) NPOs were consulted for the study.

1.6 Definition of terms

Non-Profit Organisation (NPO):

“Non-profit organisation means a trust, company or other association of persons established for a public purpose; and the income and property of which are not distributable to its members or office-bearers except as reasonable compensation for services rendered” (RSA 1997:2).

These are organisations that are not set up primarily for the personal gain or profit of their members but rather to advance the public interest or some common interest of their members. These organisations are sometimes called non-governmental organisations (NGOs) or non- profit organisations (NPOs) (Honey 2000).

For the purposes of this study the following definition applies: a collection of entities that are organized, private, non-profit distributing, self governing and voluntary (Salamon and Anheier 1997).

Brand Management:

“Branding is the process of creating, assigning, and publicising a brand name, term, sign, symbol, etc., to one or more products” (Lovelock and Weinberg 1984:588).

“A brand is the relationship between the company and customer that secures future profits by securing preferences and loyalty” (Currence 2000:7).

“A brand is a name, term, sign, symbol, or design or combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors” (Kotler and Keller 2006:274).

1.7 Assumptions

The following assumptions were made regarding this study:

- The sample of respondents reflected the typical views and experiences of NPOs in South Africa;
- Respondents had sufficient knowledge in the area of NPO management to be able to clearly articulate answers to the questions that were posed;
- Input from the interview guide utilised in the Stride and Lee (2007) study, coupled with the literature review was adequate for the verification of the interview guide prior to it being posed to the group of respondents;
- Business concepts such as brand management can be adapted for and be useful in the NPO scenario; and

NPOs will benefit from the understanding and implementation of branding strategies and techniques.

CHAPTER 2: LITERATURE REVIEW

2.1. Introduction

A focused review of the literature is essential in any research investigation (Parsons and Harris 2002) and the main purpose is to gather information about a particular topic from many different but relevant sources (Timmins and McCabe 2005). Completing a literature review has various benefits including: a source of ideas and research questions, and it helps researchers build on what others have done and possibly fill gaps that may exist (Zorn and Campbell 2006).

The following section is dedicated to a review of the literature surrounding topics relevant to assessing the perceptions of brand management within the NPO sector.

Questions around the history and current state of the South African NPO sector are tackled, so is the role this sector plays in society, its key challenges, particularly regarding management practices for this sector. It also looks at key concepts around branding, the motivation behind brand management practices, how brands manifest in the NPO sector and the key issues regarding branding a non-profit organisation. It also touches on the strategic objectives of branding within NPOs.

The following main topics were thus reviewed:

1. The NPO sector;
2. The concept of a brand within NPOs;
3. Branding development and management within NPOs; and
4. Organisational objectives of branding within NPOs.

2.2. Background to Research Topic

This research paper refers to NPOs as per Salamon and Anheier's (1997) structural-operational definition. Wallis and Dollery (2006) outline that this widely accepted definition indicates that NPOs are different from other organisational types in terms of five key qualities: they must be organised in the sense that they take some institutional form; they must be private and distinguishable from the public sector; they must be non-profit-distributing with all surplus revenues redeployed into their basic mission; they must be self-governing with a recognisable governance structure and they should be voluntary in nature with non-coerced membership and management (Wallis and Dollery 2006).

NPOs thus represent an interesting organisational format which historically has not attracted much attention with regards to research and analysis. Recently however, studies at further understanding this sector have surfaced globally. This research paper is therefore in line with these developments and seeks to explore the world of NPOs which, it can be argued, play a crucial role in the South African context. Drucker (1990) indicates that there is a "management boom" in this sector as NPOs adopt more techniques that have been traditionally used in the for-profit arena. This study investigates the perceptions of and the role that brand management could play in transforming the NPO sector, how it views itself and how its various constituents have come to understand the sector.

The following section seeks to provide an overview of this sector.

2.3. Non-Profit Sector

Economists have put forward various reasons for the existence of the NPO sector. For instance, some economists believe that NPOs exist as a response to government failures while others argue that NPOs exist due to a failure in the market (Wallis and Dollery 2006). Regardless, NPOs exist due to the underlying needs that they meet in society on a day-to-day basis.

This sector is one that has been poorly understood and documented (Salamon and Anheier 1997). There has been, however, an upsurge of research and interest in this field in this field, albeit mostly focusing on the US and European scenarios (Salamon and Anheier 1997), while there is little known about the non-profit sector in developing countries in a systematic way. Although this research paper is focused on the South African NPO sector, it will draw on relevant literature from the global NPO sector.

2.3.1 International NPO Sector

The existence of the NPO sector globally cannot be denied:

> "*A striking upsurge is under way around the globe in organized voluntary activity and the creation of private, nonprofit or nongovernmental organizations. From the developed countries of North America, Europe and Asia to the developing societies of Africa, Latin America and the former Soviet bloc, people are forming associations, foundations and similar institutions to deliver human services, promote grass-roots economic development, prevent environmental degradation, protect civil rights and pursue a thousand other objectives formerly unattended or left to the state. The scope and scale of this phenomenon are immense.*"
>
> Salamon (1994:1)

Although the rise of NPOs is clear, it is however, not easy to document and analyze this sector at a global level. This is mainly due to a lack of systematic data, varying terminology and the widely differing functions that NPOs fulfil.

Ben-Ner (2002) indicates that the non-profit sector has enjoyed substantial growth, first in the United States where it has been growing steadily since the 1950s and encompasses nearly 10% of total employment. Western Europe has also been growing considerably since the 1980s and more recently there is noticeable activity in the emerging market economies of the world (Ben-Ner 2002).

It is reported that in the United States, the non-profit, or tax-exempt sector has a significant presence in American life, embracing at least 1.6 million formal organizations and several times that number of informal, grassroots groups (Salamon 1999). New York City alone reported having 13 938 NPOs on the eve of the September 11, 2001 attacks on the World Trade Centre (Kapucu 2007).Of all the formal organisations, 1.2 million are public serving organisations with expenditures of approximately $525 billion as of 1996, representing more than 7% of the nation's gross national product.

To further outline the scope and value of this sector, one could look at the case of New Zealand, where NPOs contributed $3.64 billion to their gross domestic product representing 2.6% of the total GDP (New Zealand 2007). It is also reported that the New Zealand NPO sector had over 1 million volunteers as at March 2004, with the value of this voluntary labour being estimated at $3.31 billion. It has been estimated that in the UK approximately 688 000 people are in paid employment by the NPO sector and this represents 2.2 per cent of the workforce (Parry and Kelliher 2009). The sector had an income of about £31 billion and assets worth £86 billion in the years 2005-2006 (Parry and Kelliher 2009).

On the other hand, active NGO sectors have also been identified across countries such as Brazil, Egypt, Ghana, India and Thailand (Salamon and Anheier 1997).

2.3.2 South Africa's Socio-Economic Background

Having touched on the global NPO phenomenon, the South African NPO landscape is reviewed next. It is scrutinized within the context of South Africa's socio-economic situation since NPOs "represent the conscience of society and are the driving force in many efforts that are aimed at improving the quality of life for citizens" (Block 2004:7).

South Africa has a population of approximately 48 million with a GDP of $283 billion and an unemployment rate of about 23% in 1997 (U.S. Department of State Website 2008). Since 1994 the country has developed a range of strategic initiatives to accelerate development and growth aimed at benefiting the entire population and defeat poverty and the legacy of under-development (Brand South Africa 2008).

Taking into account the great strides the country has made, looking forward it also faces various challenges in addressing the inequalities of the past, facilitating economic growth and creating much needed jobs. South Africa will also need to focus on ensuring the delivery of social services to ordinary South Africans is increased and enhanced.

NPOs will have a continued role to play alongside government and business in transforming the country's socio-economic conditions for the betterment of all its citizens. This crucial role that they have in the country is one of the fundamental drivers of this research. The following section seeks to paint a picture of the South African NPO landscape to date.

2.3.3 South African NPO Sector

The NPO Sector in South Africa is governed by the Non-profit Organisations Act 71 of 1997 (the NPO Act). An amendment of the act was introduced in June 2000 (NPO Amendment Act 17 of 2000). The NPO Act is aimed at creating an enabling environment for NPOs and to provide a voluntary public registration for NPOs (Wyngaard 2003).

The NPO Act outlines its objectives as including the creation of an environment in which NPOs can be established, grow and burgeon. It seeks to establish a framework within which NPOs can run their organisations as well as maintaining and improving standards of governance, transparency and accountability in NPOs. On the other hand it endeavours to create an environment where South Africans have access to information regarding NPOs whilst encouraging a spirit of co-operation and shared responsibility within government, donors and amongst other interested parties in their interactions with NPOs (RSA 1997).

The NPO Act is ambitious and positive. However, as per Wyngaard's (2003) evaluation the implementation thereof has been lacking. Wyngaard's (2003) view is that the NPO Act has resulted in measures to build the capacity of NPOs to register in terms of the NPO Act and to comply with regulatory requirements but little has been done to build the general capacity of NPOs.

Despite this, the South African NPO Sector is a vast and complex sector. According to a study conducted by Russell and Swilling (2002), the sector is a major force in the South African economy with a registered 98,920 NPOs representing a R9.3 billion industry in 1998 which was 1.2 percent of the 1998 gross domestic product. The sector is also a major employer and in 1999 the total employment in the NPO sector exceeded the number of employees in many major economic sectors. Russell and Swilling (2002) also go on to outline that the South African NPO sector is relatively larger than in most developed countries, having attracted nearly 1.5 million volunteers in 1999 whose labour was worth approximately R5.1 billion.

Interestingly, most NPOs were found to be less formalised and community-based, meaning they are not structured formally as Section 21 non-profit companies, trusts, religious institutions, trade unions or co-operatives (Russell and Swilling 2002). Although the NPOs are not formally structured, it should be noted that most are established, stable organisations that have been in existence for an average of 19 years, and in contrast with the gender profile of the public sector and gender and race profile of the private sector, black women lead and manage the South African NPO sector.

2.3.4 Dimensions of the NPO Sector

When researching the NPO sector, the focus is generally on the fact that these organisations do not distribute profits. This sector does however, have further dimensions to it that constitute this dynamic sector. Some of the main elements are discussed next.

2.3.1.1. Changing Environment

NPOs face an intense environment within which they operate. It is characterised by increasing demand for services offered, a reduction in traditional governmental financial support, a growing number of participants that compete to raise funds, continuous change, and the need to offer higher quality services (Vazquez , Ãlvarez and Santos 2002). NPOs therefore need an integrated management style to tackle this and stay ahead.

Also, NPOs, unlike businesses that are subject to market forces, have to face nonmarket pressures within their environment. This may include certain political directives or regulatory agencies or industry associations which may heavily influence the manner in which NPOs operate and deliver services.

2.3.1.2. Different Products and Services

The NPO sector is primarily concerned with services and social behaviours as opposed to providing physical goods (Lovelock and Weinberg 1984). Drucker (1990) takes it further and nobly argues that the non-profit organisation neither supplies goods or services (as profit institutions do) nor controls or regulates (as the government does) but it’s product is a changed human being. NPOs are human-change agents (Drucker 1990).

2.3.1.3. Definition of Success and Performance Measurement

NPOs that are registered with the Department of Social Development in South Africa are expected to adhere to the standards of generally accepted accounting practice and submit financial statements and narrative reports of their activities along with financial statements for each financial year (RSA 1997). On the other hand, NPOs are also dominated by non-financial objectives and still need to deliver some form of social profit (Lovelock and Weinberg 1984), making it challenging to define success or failure in the traditional (financial) sense. NPOs, therefore, need to develop non-financial measures for performance to indicate their achievements to their various constituents.

2.3.1.4. Balancing the Customer Base

Since NPOs have to focus on attracting resources and allocating these resources in a manner that can help them achieve their mission, they are therefore faced with different customer groups (Lovelock and Weinberg 1984) that have varying needs and expectations of NPOs. NPOs are forced to learn how to juggle and balance these expectations.

There is also often tension between the mission of NPOs and customer satisfaction, since the notion that the customer is always right does not necessarily apply in this sector (Lovelock and Weinberg 1984). Often NPOs' objectives are to convince people to stop certain behaviours (such as using drugs or driving fast) or to encourage society to partake in activities that may not be appealing (such as volunteering or cleaning up the environment). Thus, unpopularity is a reality that some NPOs face daily.

2.3.1.5. Management

Organisations in this sector may also suffer from "management in duplicate or triplicate" (Lovelock and Weinberg 1984:36), meaning that there are various parties involved in the NPO and some of them insist on exercising management control even though the NPO has a management team. These parties may be the board or volunteers and professionals that may have been called in to deliver services. This situation can make managing the NPO quite challenging in addition to dealing with daily operational matters. Wallis and Dollery (2006:494) view this as "stakeholder ambiguity" which is characteristic of NPOs and refers to the overlapping roles within many NPOs where often no clear-cut distinctions can be drawn between "employer and employee, employee and non-employee, provider and recipient, chairperson and director, director and subordinate" (Wallis and Dollery 2006:494).

2.3.1.6. Commitment to the Cause

However, people within these organisations can be commended for being generally driven by a desire to care and not for financial gain. Furthermore, the sector is characterised by a culture based on participative forms of decision-making and to values linked to the organisation's cause or mission (Cunningham 2001). Values are the essence of this sector and give legitimacy to the existence of this sector (Aiken 2005).

2.3.1.7. Watchful Eye of the Public

NPOs are also under extreme public scrutiny (Lovelock and Weinberg 1984), more so than private sector businesses. The public has come to expect more from NPOs, demanding fiscal accountability, sound management practices, zero tolerance for scandal, and superior efficiency (Robinson 2003). This may be due to the nature of activities undertaken by the NPOs and also due to NPOs relying heavily on donations.

Generally, NPOs have gained the respect of the public and the overall sense is that they play an important role in society. However, NPOs do not go without some criticisms:

- NPOs have an action-oriented approach – “let’s roll up our sleeves and get on with it” (Bruce 1995:81). This approach coupled with a desire to direct as much resources as possible to the direct services means that consumer research (especially independent consumer research) is not common and thus NPOs are at times less knowledgeable about the real needs and desires of their beneficiary customers than might be expected (Bruce 1995).

- NPOs are frequently cast as organisations that often operate by crisis and chaos (Block 2004).

- Some NPOs still operate in what marketers term production mode - they are focused on processes and process efficiency rather than the needs of donors, beneficiaries and supporters (Bruce 1995).

- Donors claim to be bled dry by vociferous, too frequent demands which treat them as impersonal groups to be “milked of their money” and that they are not sufficiently appreciated and thanked (Bruce 1995:82).

- NPOs are becoming overly commercialised (Salamon 1999) leading to questions being raised about the legitimacy of the sector and if there is any justification for the various benefits it enjoys, such as tax breaks.

- Volunteer service workers feel undervalued and lost through inefficient recruitment processes (Bruce 1995).

2.3.5 The significance of the NPO Sector

Adeyemi-Bello (2001) puts forward the argument that the NPO sector is just as important as the for-profit sector and that any gains in effectiveness that are made in the management of these organisations may translate at least indirectly to a more productive national economy.

The role of NPOs is large and growing (Kapucu 2007; McKinley-Floyd and Shrestha 2008). People rely on the NPO sector and it brings a variety of benefits to society. These may include religious expression, preserving cultural customs, advancing research and scientific findings, improving the physical and emotional health of people, educating people, mediating issues between citizen groups and government and protecting citizens from harmful corporate practices (Block 2004). These are but the tip of the iceberg since the benefits from NPOs are as many and diverse as the NPOs that are in existence.

2.3.6 Key challenges faced by the NPO Sector

The NPO sector is a growing sector and with growth comes change, opportunity and new trials. A review of the literature also reveals that of the trials that this sector faces, some are unique to the sector and others similar to those seen in the public and private sectors. Some of these hurdles come from a change in the environment in which NPOs operate (Cunningham 2001) while others are due to internal dynamics of managing a not-for-profit entity.

Ahmed (2005) puts forward the following most widely faced challenges: fiscal, competition, technological, accountability, human resources and the identity crisis.

The fiscal giant faced by NPOs is mainly due to a decline in government support for NPOs as well as a steady decline in private giving (Ahmed 2005).

NPOs are also increasingly becoming in direct competition with private organisations as services providers to government (Cunningham 2001; Ahmed 2005). Also, the reality is that the marketplace for donors and volunteers service workers is intense (Bruce 1995), with the demand for donors outstripping the supply of donors driving fierce competition.

Having financial pressures also adds to the stress of having to keep up with technological changes, since there is simply no budget to do so.

As with their public and private counterparts NPOs are not immune to strains regarding personnel matters. A study completed by Dullahide et al (2000) cited in Cunningham (2001) indicated that in the UK, staff turnover in the NPO sector stood at 20 per cent and rising. According to Ahmed (2005), attracting and retaining skilled and motivated personnel, especially at the higher levels, was an ongoing structural challenge which was worsened by high turnover rates. Parry, Kelliher, Mills and Tyson (2005) concur, outlining the key issue as a limited pool of qualified workers and difficulties in attracting and retaining staff.

Also, staff may not be as committed as the general public may want to believe with some staff having joined the sector as a career move (Leat 1995 cited in Cunningham (2001)). The sector is also seeing increased levels of casual and temporary staff with continued employment dependent on successful funding bids (Cunningham 2001).

Even though overall NPOs still have “the moral high ground afforded by doing good” (Bruce 1995:84), accountability is still a major issue with public trust of NPOs not being taken for granted anymore and non-profits facing increasing pressure to maintain accountability to a variety of internal and external stakeholders (Ahmed 2005).

The identity crisis issue stems from recent trends where NPOs resemble more and more for-profit firms through forming partnerships with for-profit firms or operating their own profit making entities (Ahmed 2005). This could be attributed to the pressure from funding restrictions (Cunningham 2001).

The South African NPO sector is not immune to obstacles. Kraak (2001:3) outlines the following issues that require the South African sector's attention going forward:

- The paucity of sound research on the sector, the persistence of significant gaps in our knowledge of the sector, and the negative impact this continues to have on effective policy formulation for the sector;
- The problem of the longer term sustainability of the sector (including the perennial issue of reduced donor funding and the absence of effective strategies to counter this trend);
- The difficult legislative and fiscal context in which the sector operates;
- An apparently deteriorating relationship with government;
- Problems within the South African National NGO Coalition (SANGOCO) in providing national leadership and direction for the sector and its alleged neglect of the provinces; and
- Poor leadership and lack of organisational capacity in many organisations.

Taking into account the profile of the NPO sector and the various obstacles it faces, it can be said that it is still a sector that remains an integral pillar in the future of South African society.

Ben-Ner (2002) ventures to argue that there will exist a demand for NPOs as solutions to problems for which for-profit firms cannot offer adequate answers. Block (2004) believes that NPOs add vitality to our communities and provide essential services that enhance and protect our wellbeing. At the same time, the NPOs also have a myriad of challenges they need to conquer on a day-to-day basis.

To cope with the above and more, NPOs will need sophisticated managers who have the organisational acumen and technical skills to control complex strategic issues, solve problems and implement changes that allow their organisations' mission to be realised (Block 2004).

2.3.7 Adoption of for-profit management techniques

"*The sector has changed. There is much more commercial awareness*." - UK NPO director quoted in Cunningham (2001:233)

Historically, the NPO sector considered the word "management" in a negative light (Drucker 1990), since they did not view themselves as businesses and they didn't have a bottom line that required managing. Over the years, however, the NPO sector has started looking to the profit sector for assistance in various ways. They have come to realise that they need so-called management techniques even more because they do not have a traditional bottom line (Drucker 1990). Cunningham (2001) outlines that in the UK, the voluntary sector is found to be recruiting staff from the private industry and that these recruits have brought needed managerial and professional expertise to assist NPOs with their responsibilities in social care.

It cannot be denied that the resources and expertise possessed by the NPOs are important assets for communities (Kapucu 2007). NPOs help solve problems in society and tackle disasters, so there is much to be learnt from this sector as well. At the same time, NPOs can learn from profit-geared organisations.

NPOs are currently required to adopt a much different attitude to their funding sources, organisational strategies and ways of managing these effectively in order to accomplish their goals (Macedo and Pinho 2006). This may mean looking to the for-profit sector for some ideas.

Marketing, as an example, is increasingly obtaining the attention of the NPO sector. McKinley-Floyd and Shrestha (2008) highlight that, generally, NPOs have, over a period of time, become highly marketing savvy. NPOs are using techniques from the marketing field to convince donors and volunteers to support them. Additionally, Macedo and Pinho (2006) point out that the adoption of the concept of marketing can be viewed as an adaptive strategy for NPOs to ensure that the organisation is able to receive the necessary resources for accomplishing their mission and carrying out their activities. For instance, marketing planning is being adopted rapidly in the public and non-profit sectors. The use of annual marketing plans was reported in 62 per cent of NPOs surveyed in a study completed by Cousins (1990). The NPOs outlined that they used the marketing plan to gain customers for their product or service or to raise income or both (Cousins 1990).

On the other hand, Vazquez, Ãlvarez and Santos (2002) propose that the adoption of market orientation principles by an NPO will ultimately contribute to the fulfilment of the organisation's mission that justified its creation and guides its operation. Market orientation emphasises the attainment of competitive advantages based on the correct identification of customer needs. It also enhances customer satisfaction through the development of a commercial offer providing a higher added value to the market than the competition. Evidence of the application of this orientation has been gathered on profit making organisations. It is suggested that NPOs should implement a market orientation strategy through assuming the attitudes, beliefs and values of this concept (Vazquez et al. 2002).

Bruce (1995:84) proposes that what is needed is a greater adoption of a marketing approach in NPOs. This is happening, but is hindered in part by a view held in the NPO sector that marketing is synonymous with "selling people things they do not need and cannot afford". Bruce (1995:84) goes on to lament that: "it is ironic that the marketing profession and all that it stands for has, with notable exceptions, failed to project to the not-for-profit sector the benefits which marketing could bring in helping them value and serve their customers better".

Other management techniques historically used only in the for profit sector have been shown to have positive results in the NPO sector. A study by Sheu and Wacker (1994) indicated that an operations planning and control framework could provide an excellent opportunity to improve operations efficiency in an NPO. The study showed potential improvements in recognising customer demand, determining the level of output with the recognition of welfare objectives, identifying types and amounts of materials and labour requirements as well as executing cost controls.

Furthermore, Chapman (1998) suggests that considering the dilemmas faced by NPOs and the absence of readymade or simple solutions, process consultation and process-oriented change programs are approaches that can be used to great effect.

On the other hand, it has been found to be possible to apply the intellectual capital (IC) management concept within NPOs (Kong 2007). It is proposed that IC focuses on qualitative, non-financial indicators for future strategic prospects and may be harnessed to co-ordinate the unique environment in which NPOs operate (Kong 2007). In addition, IC contributes to an NPO's strategic positioning by providing enhanced understanding of the allocation of organisational resources. It is claimed that IC enables NPOs to enhance their performance by providing meaningful information to organisational stakeholders and can therefore help NPOs reconcile their social and commercial objectives (Kong 2007). This technique is put forward as one that takes into account the uniqueness of the NPO sector.

It has also been shown that the concept of outcome measurement can be applied to NPOs and used effectively as a tool for learning and providing feedback to NPO management (Buckmaster 1999). This tool can assist NPOs to cope better with the increased demand for more accountability in the NPO sector by its various stakeholders.

Robinson (2003) has designed a disaster recovery planning framework for NPOs. This important area of management has often been neglected by NPOs focusing on concerns of finance and staff. Robinson (2003) has highlighted the need for, and applicability of, this planning technique in NPOs. Adopting such a tool can enhance an NPO's ability to deliver on its mission amid a crisis.

Also, several NPOs have adopted branding techniques developed in the corporate sector mainly as a response to increasing competition (Stride and Lee 2007).

It is clear that opportunities do exist for NPOs to benefit from various techniques originating from the for-profit sector. Having mainly regarded the uniqueness of the NPO sector in comparison with the public and private sectors, Euske (2003) proposes that the three sectors have many similarities and that these similarities present opportunities to interact and learn from each other. Focusing on the parallels rather than the differences can facilitate the exchange of ideas and learning across the sectors. This can assist in seeing how for-profit principles could be successfully translated into solutions for the organisational challenges experienced in the non-profit scenario.

It should however, be noted that there are voices that are cautious about adopting for-profit management practices within non-profit contexts. There are those that believe that "business ideas don't all profit non-profits" (Buchanan 2009:1).

Rojas (2000) outlines that often NPOs facing a multitude of challenges succumb to pressure and therefore randomly implement management practices from the for-profit sector. This is seen as possibly doing more harm to the NPO in the long run.

Salamon (1999) is grieved by seeing that some NPOs' response to the challenges they face is to become overly commercialised.

Buchanan (2009) further argues that the NPO sector receives a great deal of advice from the business sector but not all of it is sound. There are many instances of businesses insisting that, for NPOs to become more efficient, they must become more business-like, but Buchanan (2009) warns that the recent financial crisis, as well as the collapse and near-collapse of companies such as Lehman Brothers and Chrysler, should be a sobering reminder that the business sector is not always synonymous with rigour or effectiveness.

The overall lesson is thus that NPOs should not apply a "copy and paste" approach when looking to the private sector for solutions, since management solutions must be tailored to the challenges at hand, and the complexities aren't all the same in the NPO sector as compared with the private or public sector.

2.3.8 Conclusion

NPOs will still be needed in the foreseeable future and they will remain a formidable force since the demand for their services will continue to exist. This could be attributed to realities such as increases in global populations and chronic poverty (McKinley-Floyd and Shrestha 2008).

Managing these much needed NPOs is not an easy task. It will require solid and creative leadership that can help address adequately and effectively the challenges faced by this sector. This should be coupled with effective managers, good planning, motivated staff and financial resources to mention a few (Ahmed 2005).

2.4. Brand Construct

The following section reviews the brand construct and understanding the much widely used term "brand":

2.4.1 Understanding the concept of a "brand"

Although there has been much literature in the area of brands and branding it seems that this is still a concept that is understood in various ways and the term is somewhat subjective (Chapleo 2007). As Kapferer quoted in Chapleo (2007:24) aptly puts it: "the reality of the modern brand makes us realise that there are different types of brand...in reality, no one is talking about precisely the same thing".

According to Kotler and Keller (2006:274) a brand is "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors". It is thus a product or service with added dimensions that differentiate it in some way from other products or services designed to satisfy the same need.

Lovelock and Weinberg (1984:588) agree with this and offer an almost matching definition in that a brand is "a name, term, sign, symbol, design, or combination of these that seeks to identify the product of an organisation and differentiate it from those of competitors".

From this it can be deduced that the crux of a brand is that it firstly identifies the products or services (e.g. burger) that an organisation offers and also differentiates those goods or services from its competitors (e.g. Burger King versus McDonald's burger) through the use of a name, symbol or logo and other attributes.

A review of the literature goes on to outline that brands have a tangible and intangible dimension to them to create that underlying differentiation. The tangible aspects include: the name and logo as well as the functional or rational differences that are related to the product performance of the brand (Kotler and Keller 2006), whilst the intangibles are more symbolic and may include the brand personality, emotional benefits of that brand and are related to what the brand represents (Kotler and Keller 2006).

Practitioners and writers also believe that the brand holds some value for an enterprise which introduces the concept of brand equity. Brand equity is the added value endowed to products and services and it represents an intangible asset that has psychological and financial value to a firm (Kotler and Keller 2006). Kotler and Keller (2006) believe that the value of the brand may be seen in how a customer acts, feels and thinks about the brand or it may also be represented by the prices and profitability that a brand commands for a company. They continue to propose that to understand brand equity you need to see it from the perspective of a customer, leading to their "Customer Based Brand Equity" approach (Kotler and Keller 2006:277), whose premise is that power of the brand lies in what the customer has seen, read, learned about and experienced from the brand over time. A company thus wants their brand to have positive customer-based brand equity, meaning customers react more favourably towards the brand and ultimately conduct repeat purchases. This is perhaps why there is such a key focus on brands in the for-profit sector.

It then becomes clear that brands are really about managing what is in the mind of a customer regarding a particular product. It is about what your customer knows and feels towards your brand. It is also important to refer here to brand knowledge which is comprised of brand image (which gives the consumer certain emotional, functional and self-expressive benefits and is based on how the consumer perceives the brand (Kotler 1982)) and brand awareness (which is the consumer's ability to identify the brand under different conditions).

Aaker quoted in Smith, Graetz and Westerbeek (2006:253) believes that "brand image reflects how a brand is perceived, whereas brand identity specifies the desired perception". Brand image is in the mind of the consumer and brand identity is defined by the enterprise and is the basis for all marketing communications delivered by an organisation. Furthermore, a brand allows consumers to express themselves and is linked to how the consumer perceives the brand. This is referred to as brand image and is the consumer's perception of reality.

In recent literature about brands the role of values in branding is a theme that is being highlighted as an important aspect of understanding brands. It is argued that values are at the heart of brands. The acknowledgement of the values aspect brings forth a slightly different definition which is: a brand is a multidimensional construct whereby managers augment products or services with values and this facilitates the process by which consumers confidently recognise and appreciate those underlying values (Chapleo 2007). Consumers are likely to repeat a purchase if their needs are monitored and then reflected in the brand's unique cluster of values (Stride 2006). McLaughlin (2006) believes, however, that values are only half the equation in branding and that managers must focus on another half, this being the concept of replicability. This refers to the ability to deliver the product or service consistently in the manner that is expected by a customer. It can be deduced that values are important to the customer, thus values need to form a central part of the mission and vision statements and underpin the marketing operation (Stride 2006) and how the brand manifests itself in the marketplace.

As a final note on understanding the brand construct, it should be highlighted that although in some literature and in practice the term brand is used interchangeably with the term product, a brand is not a product. A product is anything that can be offered to a market to satisfy a need. This could be physical objects, services, persons, places, organisations, and ideas (Kotler and Andreasen 1987). A brand, as outlined earlier, resides in the mind of the consumer, it is rooted in reality but reflects the perceptions of consumers (Kotler and Keller 2006).

2.4.2 NPOs and understanding of brands

NPOs have traditionally not been keen to adopt brands and thus it is argued that brands represent real challenges to this sector that has been slow to embrace the basic principles of branding (Chapleo 2007).

Also, cultural resistance to the ethos and practice of branding (Chapleo 2007) may have been one of the issues behind a clear understanding of the brand concept in the NPO sector. NPOs historically saw branding as an activity that was suited for commercial enterprises.

In Chapleo's (2007) study of brands within the higher education (university) context, it was found that when respondents were probed about their understanding of the term brand, the majority of them made a clear distinction between brand and reputation. Several respondents felt branding was a commercial term that had crept into the higher education world and that they were concerned more with the reputation of their institutions. One respondent is quoted as saying that academics still feel uncomfortable using the term brand.

From the literature it could be said that a great deal of the NPO sector is aware of the concept of branding but somewhat has a fear of the term brand and do not possess a full understanding of the term and how branding can impact their organisation.

Grounds (2005) believes the key issue is the power and misuse of the word brand. He argues that since the early existence of charities they sought to communicate clearly and consistently their reasons for existing, what they do, to clarify what makes them different from other charities, to make their offering distinctive and to convince their varying audiences to give them support. In

Ground's (2005) view this is the very basis of brand strategy. Thus it could be said that charities have partaken in branding to some degree even though they may have not viewed it or understood it as such and may have given it other titles such as reputation.

This leads us to the first research question:

2.4.3 Research Question 1

How do South African NPOs understand the term "brand"?

2.5. Brand Development and Management

Branding is "the process of creating, assigning, and publicising a brand name, term, sign, symbol, etc., to one or more products" (Lovelock and Weinberg 1984:588). Branding is about creating differences. It involves creating mental structures and helping consumers organise their knowledge about products in a way that clarifies their decision-making processes, and, in the process, provides value to the firm (Kotler and Keller 2006).

It is further argued that branding is about convincing the consumer that there are meaningful differences among brands in a product category; they must not think that all products in that category are the same (Kotler and Keller 2006).

It is believed that the process of branding is of key strategic marketing importance (Smith et al. 2006) and that the brand is essentially the organisation (or marketer's) promise to deliver a predictable product or service performance (Kotler and Keller 2006).

The following section investigates the elements of a brand, how it is developed and managed:

2.5.1 The brand development process

In developing brands, organisations need to consider brand elements that make up the brand, the actual product or service and associated marketing activities that support the brand, as well as any other associations that could be transferred to the brand by linking it to some other entity (Kotler and Keller 2006).

a. *Brand Elements*

According to Kotler and Keller (2006) brand elements are those trademarkable devices that aim to identify and differentiate the brand. Most strong brands will use multiple brand elements, e.g. logo, a slogan, name, jingles and signage. It is proposed that in selecting brand elements for your organisation the following key criteria should be considered (Kotler and Keller 2006):

- Memorable – the elements should be simple for the consumer to recall under different contexts and situations;
- Meaningful – the elements should be credible and suggestive of the corresponding category;
- Likeable – it's vital that they be aesthetically appealing to consumers;
- Transferable – this refers to the ability to introduce the brand to new products in same category or different categories;
- Adaptable – the organisation should be able to adapt and update the brand as the needs of consumers change; and
- Protectable – the enterprise should be legally able to protect their brand and it shouldn't be easy to copy.

Various examples exist of organisations that have carefully selected their brand elements and have thus benefited from doing so. Kotler and Keller (2006) highlight a widely-known brand in the commercial sector, Nike, which has managed to define and manage distinctive brand elements including their "swoosh " logo, the "Just Do It" slogan and the "Nike" name (Kotler and Keller 2006:281). These elements have gone a long way to developing the Nike brand into what it is today.

2.5.1.1. Marketing Activities

The marketing program and activities must be carefully designed to support the brand. Kotler and Keller (2006:284) believe that the company should define the activities within a "holistic marketing" approach, which means considering themes such as personalisation, integration and internalisation.

Personalising marketing is about ensuring that the brand and how it is marketed is as relevant as possible to as many customers as possible. On the other hand, integrating marketing is about mixing and matching marketing activities so as to maximise the individual and collective effects. This can mean considering different communication options for their varying strengths to enhance the brand. Lastly, a company should look at internal branding activities to ensure that employees are informed about and inspired by the brand so they can deliver on the brand promise on a day-to-day basis, particularly in their interactions with customers.

2.5.1.2. Secondary Associations

In building and developing brands, companies can also loan some brand equity from other brands or entities. Kotler and Keller (2006) indicate that this can be done by linking the brand to certain factors that represent a source of brand equity. These could range from other companies, spokespeople endorsing the product, sponsoring events or certain causes. Selecting and using secondary associations should be completed carefully to ensure that the perception that the customer has of the brand is not negatively impacted.

The literature outlines that building and developing a brand is a multifaceted task requiring both rigour and creativity. The challenge for marketers or organisations in developing a strong brand is ensuring customers have the right type of experience with the products and services and that their marketing programs create desired brand knowledge structures for the brand (Kotler and Keller 2006). Thus understanding and investing in consumer brand knowledge is vital. Griffiths (2005) believes that to impact this knowledge that the consumer has of your brand, you have to communicate what you do and what your products and services are about in a simple way, even if it is complex.

2.5.2 Brand Development for NPOs

"There are those in the not-for-profit sector who believe that the world of branding and corporate identity is something for the 'dirty' world of business and consumer products to worry about." Meanwhile, "others are concerned that donors might find out we think of ourselves as brands and this revelation will affect their willingness to support us" (Grounds 2005:65).

It seems that within the NPO sector, although the adoption of branding is evident, there are still obstacles being faced by organisations in this sector. Gizzard (2007) proposes several reasons why NPOs do not become brand-oriented and focus on developing their brands. These include:

- Branding is not taught in non-profit management courses as a basic business fundamental. Thus the know-how may not exist in this sector.
- Building strong brands requires the leaders of the organisation to understand branding and believe in its merits, and typically this is not the case in NPOs.
- Many of the organisations that do undertake branding focus on marketing communication efforts such as advertising, public relations and direct mail only, whereas there is so much more to branding.
- Building strong brands is hard and complex work, and few NPOs are prepared to take on a strategic challenge of this scope. Therefore NPOs may find themselves being too busy delivering on their mission to take time to focus on developing their brand.

Another potential barrier to the development of the NPO brand is the perception around what it costs to build a brand. Some NPOs assume brand development will inevitably result in unjustifiable expenses and unreasonable use of donors' money (Grounds 2005). There are, however, those that are opposed to this view. Griffiths (2005) believes that attracting the mainstream consumer need not cost much. NPOs need to have the right idea and execute it properly and consistently and not necessarily in an expensive manner.

Griffiths (2005) expands on the possible reasons why NPOs are still lagging behind the commercial sector with regards to branding. Perhaps it is partly about money but it is also the attitude to their existence as NPOs are determined to be seen to remain full of integrity, purpose and achievement (Griffiths 2005).

However, the question remains: do NPOs have a choice to brand or not to undertake branding for their organisations? According to Griffiths (2005), NPOs have no choice but to wade knee deep into the modern world of branding since, with such an explosion of competitors in this sector, brand differentiation is an absolute necessity.

Also, NPOs can essentially be seen as service providers and Lovelock and Wirtz (2007) believe that because services are performance-driven there are "no tires to kick prior to purchasing" (Lovelock and Wirtz 2007:483). Therefore, it is important for them to be seen as a trustworthy brand since a trusted brand reduces perceived risk. Lovelock and Wirtz (2007) propose that these organisations should focus on developing differentiated brands through:

- Distinctively communicating a consistent message;
- Performing core services reliably; and
- Finding ways to connect emotionally with customers.

The above factors help build credible and trusted brands (Lovelock and Wirtz 2007:483).

Building brands takes time and constant attention, and managing it takes even more. NPOs should thus focus on both since the power of a brand can be an NPO's biggest intangible asset (McLaughlin 2006).

2.5.3 Brand Management

Managing a brand requires a long term view of marketing activities (Kotler and Keller 2006). It is about how the brand is handled within the organisation daily on a long term basis and also how the customer experiences the brand over time. McLaughlin (2006) maintains that the power of a brand lies in its ability to persuade funders, consumers, and other stakeholders that they will get the same top quality results each time they use the service and that there will not be any surprises or inconsistencies.

Consistency is essential to brand management but the brand needs to keep abreast of the changing environment as well. The brand must address the demands and evolving needs of buyers within a market that is seeing more and more global competition and the opening of territorial markets (Shocker, Srivastava and Ruekert 1994). Thus the ultimate brand management challenge is being consistent but also to simultaneously understand and appreciate the dynamics of changing markets.

In managing the brand the organisation may turn to various techniques for assistance. Kotler and Keller (2006) believe that an organisation should focus on facets such as brand reinforcement, brand revitalisation and managing brand crisis, depending on their organisation's particular needs.

An organisation can use brand reinforcement by ensuring marketing actions consistently convey the meaning of the brand to its consumers. This should cover what the brand represents, what core benefits its supplies and what needs it satisfies, what makes the products or service superior and emphasise unique brand associations that should exist in the consumer's mind. Kotler and Keller (2006) warn that failure to reinforce the brand will diminish brand awareness and weaken brand image.

Also, enterprises can utilise brand revitalisation to keep up with consumer preferences or as a response to the market environment. Revitalisation approaches may be to come up with new sources of brand equity or revisit the sources that originally built the brand (Kotler and Keller 2006). Grounds (2005) elaborates by highlighting that good brands cannot remain static but marketers must take account of changes in the world and in the expectations of their constituents. They "evolve without losing what is in the heart and soul of the organisation" (Grounds 2005:66).

On the other hand, managing brands is also about dealing with a brand crisis that may occur at some point or another. Kotler and Keller (2006) stress that, in order to weather the storm, the organisation will need a carefully designed and executed crisis management program. They advise that, in the case of a brand being in crisis, an organisation's response should be swift and sincere and must acknowledge the severity of impact and show willingness to take whatever steps necessary or feasible to solve the crisis.

2.5.4 NPOs and Brand Management

Just as in building a brand it seems the NPO sector is also lagging behind with regards to managing their brands. McLaughlin (2006) argues that NPOs are not good at consistently reproducing their service over time, which is why they are not good at branding and managing their brands. It is further argued that NPOs are rather better at solving problems in highly individual ways and that this does not constitute a brand. Only when you can solve problems in a predictable way do you have the makings of a brand (McLaughlin 2006).

Thus it appears that NPOs may need to adopt an element of consistency in how they manage their brands and could also look to some of the approaches and techniques of corporate enterprises to assist with the management of their brands.

Another fundamental aspect of developing and managing a brand is ensuring that it is internalised on a continuous basis. This means employees should be informed about the brand and what it stands for. Grounds (2005) highlights a key challenge in NPOs, where it is often found that employees feel that branding is not their issue. He argues however that in order to grow a brand it needs to be owned and managed to some level by everyone who represents it (Grounds 2005).

Grounds (2005) does suggest ways in which NPOs can bring their brand closer to their internal constituents. This can include making the brand strategy meaningful for the majority of people in the NPO through communicating it simply, stripping away jargon and sophisticated theories, helping them see on a day-to-day basis that the experiences that external people have of the NPO are the results of all the people who work there and that these have an impact on the brand (Grounds 2005).

This brings us to the second research question:

2.5.5 Research Question 2:

What drives a brand within South African NPOs?

2.6. Objectives of Branding

"Brands are powerful weapons. They can change the entire landscape of industries. Some even force themselves deep into the psyche of entire nations" (Crainer and Dearlove 2003:xi).

2.6.1 Significance and Role of a Brand

Brands today play a number of important roles that improve consumers' lives and enhance the financial value of firms (Kotler and Keller 2006).

Kotler and Keller (2006:274) put forward several key roles of brands for both customers and enterprises as follows:

<u>Customers:</u>

- Brands identify the source of a product and allow customers to assign responsibility to a particular manufacturer or distributor;
- Customers may evaluate the exact same product differently depending on how it is branded; and
- Brands signal a certain level of quality and thus simplify decision-making and reduce risk for consumers, since they know what to expect based on past experiences.

<u>Enterprises:</u>

- Brands simplify product handling or tracing;
- Organise inventory and accounting records;
- Offers legal protection for unique features or aspects of the product;
- Brand loyalty provides predictability and security of demand for firms and can create barriers to entry for competing firms;
- Brand loyalty can translate to consumer willingness to pay a higher price; and
- Brands secure a competitive advantage.

McLaughlin (2006) emphasizes that successful brands reduce the buyer's risk. This is because brands help the user recognize a product and know its quality in advance (Kotler and Andreasen 1987) and thus facilitate decision-making.

Also, brands create differentiation for the customer and they also help the company achieve efficiencies in their marketing expenditures and activities (Schreiber 2002).

Finally, building trust is outlined as a key concern for NPOs, and Grizzard (2007) believes that there is no more superior channel for building trust than an organisations brand.

2.6.2 Purpose of Branding Strategy

A branding strategy reflects the number and nature of common and distinctive brand elements applied to the different products sold by the firm (Kotler and Keller 2006). A branding strategy involves deciding the nature of new and existing brand elements to be applied to new and existing products.

Brand strategy is a driver and a guide, an inspiration and a rule book (Grounds 2005). The important issue to note is that the branding strategy needs to have a balance between being flexible and being consistent. Thus, even though it is essential to have a framework within which to work in (being the branding strategy); knowing when to relax the rules for the benefit of the brand is critical.

2.6.3 Branding Strategy for NPOs

It is believed that the benefits of a strong brand for NPOs include market leadership, higher revenues, and a deeper and longer constituent loyalty (Grizzard 2007), however, the need for NPOs to have a brand and applicable brand strategy is still disputed by several practitioners (Saxton 2008).

This leads us to the third research question:

2.6.4 Research Question 3:

What are the organisational objectives of branding in South African NPOs?

2.7. Conclusion of Literature Review

The literature review has revealed various information regarding NPO sector on the one hand and the area of brand management on the other. However, there is still to some extent, a gap in the specific study of brand management within the NPO sector. The establishment of an exploratory view of brand management within this sector was expected to add value to the sector and its various constituents as well as form the basis for future research.

The following sums up the research questions and provides a summary of the literature expectations, along with the key references for each research question:

2.7.1. Research Question 1:

How do South African NPOs understand the term “brand”?

Prior research drives this research question and indicates that NPOs have various understandings of the term “brand”. A multitude of words are used to refer the concept of a “brand” and this adds to the inconsistency regarding the understanding of brands. Also, the sector may not have a full view of all the elements within a brand.

(Lovelock and Weinberg 1984; Kotler and Keller 2006; Chapleo 2007; Salamon and Anheier 1997; Stride and Lee 2007).

2.7.2. Research Question 2:

What drives a brand within South African NPOs?

The literature also supports the second research question and reveals that, mostly, NPOs view branding as the business of the corporate sector, thus they may not focus on the key drivers of brands and components that are critical to building and managing a brand within the NPO sector. However, various NPOs exhibit some elements that are important to building a brand. Finally, most NPOs focus narrowly on activities geared at fundraising, rather than looking at their organisation's brand holistically due to different reasons such as a lack of skills or budget for branding.

(Lovelock and Weinberg 1984; Salamon and Anheier 1997; Grounds 2005; Kotler and Keller 2006; Stride and Lee 2007).

2.7.3. Research Question 3:

What are the organisational objectives of branding in South African NPOs?

As per the literature review, NPOs have various reasons for undertaking branding within their organisations. NPOs are perhaps seeking to obtain greater visibility with their various stakeholders and are branding as a response to the increasing competition within the sector. On the other hand, NPOs may be trying to increase their revenues and build support and loyalty for their organisation.

(Lovelock and Weinberg 1984; Salamon and Anheier 1997; Kotler and Keller 2006; McLaughlin 2006; Grizzard 2007; Stride and Lee 2007).

CHAPTER 3: RESEARCH METHODOLOGY

According to Brynard and Hanekom (2006), the research methodology of collecting data requires careful consideration of the planning, structuring and execution of the research in order to fulfil the demands of truth, objectivity and validity that form the foundation of solid research. The following section seeks to outline the research framework within which this study was completed and the process that was followed to complete the study. It reflects on the applicable research paradigm, discusses the research design and provides details regarding the population and sample that were looked at for the study. An explanation of how the data was analysed as well as issues around validity, reliability and limitations of the study are also included.

3.1 Research methodology /paradigm

Brynard and Hanekom (2006) argue that fundamentally two basic research methods can be distinguished: qualitative and quantitative methodology. They further elaborate that quantitative methodology is analytical in nature and is concerned with assigning numbers to observations and through counting or measuring things, data are then produced. Alternatively, qualitative methodology is research that produces descriptive data with usually no numbers or counts assigned to observations (Brynard and Hanekom 2006).

It is also indicated by Walker (1985) that the qualitative research seeks to indicate what types things exist whereas quantitative research seeks to count how many things there are.

Patton (1987) believes that qualitative methods allow a researcher to study selected issues in depth and produce detailed data that has depth through direct quotation and careful description of events, people and interactions. Conversely, quantitative methods use standardised measures that fit a range of opinions and experiences into predefined response categories thus facilitating comparison and statistical aggregation of data, giving the researcher a broad, generalisable set of findings.

The overarching research paradigm for this study was qualitative methodology, since the study was concerned with understanding what the perceptions of brand management are within the NPO community. The qualitative paradigm assumes a commitment to perceiving the world from the point of view of the actor or participant (Brynard and Hanekom 2006) and this study aimed to delve into how the NPO sector (or participants based in this sector) view the concept of brand management. This study was not concerned with counting or measuring observations (quantitative) but was rather exploratory (qualitative) in nature since it was seeking to explore and describe the understanding of brand management in South Africa, which seemed to be an area which had not had formal research conducted.

In closing, several advantages and disadvantages of qualitative research are mentioned below. The advantages highlighted include:

- Qualitative research provides the researcher with an opportunity to study meaning and tap into the perspectives and interpretations of participants. This generates genuinely novel insights and new understandings (Willig 2008);

- The qualitative research process is iterative and emergent and thus, interim findings can be used to inform ongoing data collection and analysis (Forman, Creswell, Damschroder, Kowalski and Krein 2008);

- Since sampling is mostly purposeful, the study can yield deep insights into the area under study (Forman et al. 2008);

- Data collection is open-ended to allow participants to express themselves in their own words and facilitate a process of discovery (Forman et al. 2008);

- Also, since it is open-ended, the research process is not necessarily fixed in advance and as a result unjustified assumptions, inappropriate research questions and other issues can be identified and the direction of the research changed accordingly (Willig 2008); and

- Qualitative research is sensitive to diverse forms of expression (Willig 2008).

The disadvantages cited for qualitative research methods include:

- In assessing validity, the central and ongoing role of interpretation in qualitative analysis must be considered, and although methodological rigor and relevance are essential, evaluating the quality of the researcher's insight and interpretation is difficult and must rely largely on subjective judgment (Forman et al. 2008);
- Qualitative research does not allow the researcher to identify generally applicable laws of cause and effect (Willig 2008);
- Since qualitative studies tend to focus on small samples they cannot make claims about trends or distributions in a population (Willig 2008);
- Findings can be generalised, not through statistical inference from the study sample to the population it represents, but rather from one context to other, similar contexts (Forman et al. 2008); and
- Since qualitative research methods often work from varying epistemological positions, it is not always possible to compare or integrate their findings even when they are concerned with a similar subject matter (Willig 2008).

Taking into account the objectives of this research study, it is still deemed applicable to follow the qualitative research paradigm.

3.2 Research Design

The underlying research design of this study was descriptive in nature. The goal of descriptive research is to provide the researcher with information about what exists (Bear-Lehman 2002), and in this case, what views are held regarding the concept of brand management within South African NPOs.

Furthermore, the research exhibits key characteristics of qualitative methods, namely an interpretive study supported by an exploratory semi-structured, in-depth interview process that consisted mainly of open-ended questions (Patton 1987). It has to be noted that with this type of study the researcher is an intrinsic part of the research and may influence the outcomes of the study by being present in the interviews and through interacting with the participants, which is usually what is found in qualitative studies.

Also, the comments from the open-ended questions that were posed were expected to provide a forum for elaborations, explanations, meanings, and new ideas (Patton 1987) regarding NPO brand management perceptions; this is highly characteristic of qualitative research.

In addition, (Bear-Lehman 2002) outlines that qualitative research is linked to constructivism whereas quantitative methodologies are known as logical positivism. Logical positivism relies on a predetermined, controlled look at a sample in order to describe what exists but constructivism aims to understand the complex nature of people in their social-cultural context and to describe the meaning they associate with their experiences and actions. This study aimed to understand, interpret and describe experiences of NPOs as they pertain to the subject of brand management and to understand how the participating NPOs have experienced brand management in their particular organisation's context and circumstance and within the broader South African society. The study was also anti-positivist since formal experimentation and hypothesis testing was not done and it did not look at predetermined variables that are often independent of historical, cultural and social contexts (Bear-Lehman 2002) as is the case with quantitative research.

Finally, within qualitative research the researcher enters the research process without preconceived hypotheses (Bear-Lehman 2002). This was the case in this study and it was expected that the study may form the foundation for establishing future hypotheses and be a platform for further research.

3.3 Population and sample

3.3.1 Population

Non-Profit Organisations registered with the NPO Directorate within the Department of Social Development of the Republic of South Africa were considered as the applicable population for this study. Appendix C outlines the types of organisations that may register as NPOs according to the Directorate.

3.3.2 Sample and sampling method

Sampling is the procedure employed to select a small group (sample) with the objective of determining the characteristics of a large group (the population) (Brynard and Hanekom 2006). Thompson and Walker (1998) outline that quantitative research is characterised by large, representative samples with randomly selected subjects whereas qualitative research may have smaller samples which are usually purposively selected participants based on experience.

It is argued that sampling for qualitative research should be different from quantitative sampling (Curtis, Gesler, Smith and Washburn 2000), although, the sampling technique applied is important for the validity of qualitative research and should thus be carefully considered. Marshall (1996) indicates that there are three broad approaches to selecting a sample for a qualitative study, namely: Convenience Sample, Judgement or Purposeful Sample and Theoretical Sample.

The sampling technique selected for this study was judgement (purposeful) sampling which involves the researcher actively selecting the most productive sample to answer the research questions. Candidates that were ideal for participation in this research were initially highlighted as the following:

a. Senior manager or executive in an NPO;

b. Solid experience of general management of an NPO (over 6 years); and

c. Exposure to fundraising and marketing activities within an NPO.

The researcher has employment experience in the NPO sector and thus selected NPO senior management or executives from the researcher's network to contribute to the study. The study aimed to include a sample of between ten and twenty participants. The researcher subsequently interviewed ten NPOs since it was found that after discussions with ten NPOs there was convergence of the views held by South African NPOs. It was felt that additional interviews would not yield radically different perspectives of brand management by NPOs.

Also, an additional three interviews were conducted with design agencies (across the digital, advertising, branding and internal communication competencies) that had experiences working with NPOs. The interviews were used to support and augment the views of the NPOs and not to find conflicting or comparative input.

It should be noted that the sampling strategy had an element of convenience sampling, since only those respondents that were based in Gauteng were included in the study. It is assumed that these NPO managers represented typical South African NPO views and were applicable for a research study of this nature and its stated objectives.

3.3.3 Ethical Considerations

The principle of informed consent was paramount in this study (Hankinson, Lomax and Hand 2007). Each potential participant received an introductory letter, email or phone call outlining the purpose of the research and the impartiality and independence of the researcher. It was also highlighted to respondents that the data would be handled in the highest confidence and they would remain anonymous throughout the process of analysing and documenting the findings.

3.4 The research instrument

The actual research instrument is included in Appendix A. The research instrument was a semi-structured interview guide which facilitated the in-depth interviews with NPOs, with the objective of carefully mining their understanding and experiences of brand management. The interview guide consisted of two sections:

a. Section 1: was structured in a similar fashion to a basic questionnaire and aimed at obtaining key identifying and demographic data regarding the organisation and the respondent participating in the interview.

b. Section 2: included the semi-structured open-ended questions that aimed to assess the issues regarding brand management.

The questions included in the interview guide have been adopted from a study completed by Stride and Lee (2007). The benefit of this approach is that the core of the research instrument has been tested in a prior study, albeit within a different context (being the UK NPO sector).

3.5 Procedure for data collection

The interview guide contained in Appendix A was utilised to facilitate in-depth face-to-face interviews with the NPO managers and design houses. The advantage of running an interview is that the interviewer can explain matters that are not clear to the respondent. It is also possible to observe the behaviour of the respondent (Brynard and Hanekom 2006), which may add to the research findings. On the other hand, it should be noted that the disadvantage of interviewing is that persons may fear to commit themselves to telling the truth (Brynard and Hanekom 2006).

A meeting was scheduled for one hour with each respondent in all but one case, where the respondent could not meet personally and thus the responses were collected electronically. A venue that was convenient for the respondents but quiet and conducive to running an interview was utilised (e.g. a closed office at the respondent’s place of work) for the sessions. The sessions were recorded and consent to record the interviews was discussed and confirmed with each respondent. The interviews were recorded to allow the researcher to listen attentively to the respondent without the need to take verbatim notes. This allowed the researcher to respond to the interviewee and allow the interview to remain interactive (Patton 1987).

Lastly, the interview guide also allowed the sessions to be structured in a consistent manner but have a level of flexibility within the session which allowed respondents to elaborate on their experiences.

3.6 Data analysis and interpretation

The data derived from the interviews was qualitative data taking the form of transcripts and notes from the in-depth interviews with the respondents. The overarching approach for analysing the data from this study was the Thematic Analysis method. Braun and Clarke (2006:79) define thematic analysis as "a method for identifying, analysing and reporting patterns (themes) within data". At the very least, thematic analysis arranges and describes the data in rich detail but usually it goes beyond simple description and interprets various aspects of data as it relates to the research topic (Boyatzis 1998 cited in Braun and Clarke 2006).

The thematic analysis method was selected for the analysis of data for this study due to the various advantages it brought to this research:

- Flexibility in that the method is not necessarily married to a particular type of theoretical framework and thus can be used in different theoretical contexts;
- A relatively easy and quick method to learn and do;
- Accessible to researchers with little or no experience of qualitative research;
- Results are generally accessible to educated general public;

- A useful method for working within participatory research paradigm, with participants as collaborators;

- Can usefully summarise key features of a large body of data and/or offer thick descriptions of the data set;

- Can generate unanticipated insights;

- Allows for social, as well as psychological interpretations of data; and

- Can be useful for producing qualitative analysis suited to informing policy development (Braun and Clarke 2006).

It should, however, be noted that the thematic analysis method has been criticized and some of its disadvantages are outlined below:

- Its flexibility has been cited as a disadvantage in that it makes developing higher-phase analysis difficult and a researcher may find it difficult deciding which aspects of their data to focus on;

- If you don't use thematic analysis within an existing theoretical framework that anchors the analytical claims made, then it may have little interpretative power beyond mere description; and

- If compared to other qualitative analytic methods such as the narrative or biographical approaches, it has been found that with thematic analysis you may not be able to retain a sense of continuity and contradiction through any one individual account and that these contradictions and consistencies across individual accounts may be revealing (Braun and Clarke 2006).

The thematic approach to qualitative data analysis that was applied in this study is described by Braun and Clarke (2006) as follows:

The researcher becomes familiar with the data through reading and re-reading the transcribed data as well as noting initial ideas regarding the data.

Next, the researcher formulates initial codes and key words. Coding involves identifying interesting dimensions of the data in a systematic manner across the entire data set and collating data relevant to each code.

This is followed by a search for themes in the data through the collation of codes into potential themes. The themes are then put through a review cycle to check if they work with the data set and an initial thematic map (Braun and Clarke 2006) is put together.

Next, the researcher has to define and name the themes. This incorporates an ongoing analysis and refining of the themes and generating clear names and definitions for each theme.

Lastly, the analysis is put together into a report including vivid examples from the data, balanced with analytical narrative, as well as interpretation that will substantiate the themes, relate back to the literature review and tell the overall story that is contained in the data in relation to the research question.

Throughout this iterative process, the objective is to produce good qualitative analysis that is "able to document its claim to reflect some of the truth of a phenomenon by reference to systematically gathered data" (Pope, Ziebland and Mays 2000:116).

The data obtained from the interviews conducted by the researcher was taken through the above-outlined process of analysis.

3.7 Limitations of the study

There are a number of limitations ingrained in qualitative studies of this nature and would have influenced the study. These include:

- Sampling bias, since respondents that were approached for the study were based in Gauteng only (from urban NPOs);
- Due to the geographic, distance and time constraints a judgement/convenience sample of NPOs was used (Gauteng based);

- The study was also qualitative, meaning that the study may not be easily generalised. It was, however, exploratory so it may be transferable to similar contexts and may be a useful starting point for further research in the future;
- Due to limited material on the NPO sector in South Africa and in particular on brand management for this sector, this study relied on experiences, research and theory from the United States, the United Kingdom and other first world countries; and
- The study did not review the significance of values in brand development as in the Stride and Lee (2007) study.

3.8 Validity and reliability

The importance of ensuring validity and reliability of research cannot be underestimated. Brynard and Hanekom (2006) believe that validity and reliability are crucial to scientific research. Validity and reliability ensure that that the research has rigor and is of good quality. Morse, Barrett, Mayan, Olson and Spiers (2002) argue that without rigor, research is worthless, becomes fiction and loses its utility. Therefore a great deal of attention should be focused on reliability and validity in all research methods (Morse et al. 2002).

The following section seeks to outline how this research study aimed to ensure that the important aspects of reliability and validity were maintained throughout the research process.

3.8.1 External validity

External validity refers to the applicability to similar problems and of the conclusions drawn from the research (Brynard and Hanekom 2006). This requires a focus on the generalisability or transferability of the research. In qualitative research the concept of transferability is applicable rather than generalisability which applies to the quantitative research paradigm. Although this study is based on a study conducted in the UK non-profit sector, it is believed that it may be transferable to other non-profit scenarios in developing countries similar to South Africa.

Also to further ensure transferability, the study focused on:

- Conducting the research in the “real world”. Actual NPO managers were interviewed to obtain their day-to-day experiences with brand management; and

- Ensuring that the final report clearly defines the context, process and dimensions of the research so that other researchers and scholars may find it easy to see how the study can be applied or transferred to other contexts.

3.8.2 Internal validity

Joppe (2000) cited in Golafshani (2003) believes that validity determines whether the research truly measures that which it is intended to measure or how truthful the research results are. Internal validity focuses on the credibility or authenticity of the research and how believable the research is. Bless and Higson-Smith (1995) cited in Brynard and Hanekom (2006:48) indicate that that there are various dimensions to validity including:

- Content validity – refers to the correctness and appropriateness of the questions included in the test or questionnaire;

- Criterion validity – involves testing whether or not an instrument (A), selected for data collection, measures what it is expected to measure and whether or not it can be compared to another instrument (B) which is known to be valid;

- Construct validity – refers to the degree to which the measurement technique uncovers the information which it was designed to uncover; and

- Face validity – is concerned with the way an instrument appears to the participants. It is based on the subjective judgement of the researcher and respondents;

This study aimed to increase the internal validity in the following manner:

- Utilised interview guides based on a prior study and extensive literature review. This also added to the construct, content and criterion validity.

- Ensured that all respondents were informed prior to the interviews of the purpose of the research and that their feedback would remain anonymous. This was to ensure that the feedback they provided was honest, authentic and was reflective of their real views.

- Researcher listened to the recorded interviews again prior to the data analysis and interpretation process to try and minimise the impact of time and memory on the study.

- Most of the respondents commented that they found the research topic to be interesting and relevant to the NPO sector and that they would be interested in the final findings of the study. This was interpreted as a reflection of relatively good face validity.

3.8.3 Reliability

Reliability pertains to the accuracy and consistency of measures (Brynard and Hanekom 2006), and is focused on the accuracy and precision of the measurement procedure.

As discussed above, the overarching research paradigm of this study is that it is a qualitative study (as opposed to quantitative). Seale (1999) cited in Golafshani (2003) explains that to ensure reliability in qualitative research, examination of trustworthiness is crucial.

According to Graneheim and Lundman (2004), credibility, dependability and transferability are used to describe the various aspects of trustworthiness.

Credibility deals with the focus of the research and refers to confidence in how well data and processes of analysis address the intended focus (Graneheim and Lundman 2004). This may cover appropriateness of the participants in the research as well as the data collection and analysis approaches selected.

Dependability, on the other hand, refers to the degree to which data change over time and alterations made in the researcher's decisions during the analysis period (Graneheim and Lundman 2004).

Transferability is about the extent to which findings can be transferred to other settings or groups (Graneheim and Lundman 2004).

This study aimed to ensure reliability through the following measures:

- Purposeful sampling of NPO managers that have the relevant experience and were able to add interesting perspectives to the research study;
- Consistent application of the consistency matrix throughout the research process to ensure that the researcher obtained congruency between the problem statement, objectives of the research, the applicable literature review findings, the research questions, collection and analysis of the data;
- The interview guide was based on an existing interview schedule that was applied in a similar study in the UK;
- Use of the same interview guide for all the respondents; and
- Interviews were conducted by one researcher, to avoid variations in approach.

The researcher focused on remaining aware of the issues around validity and reliability throughout the research to ensure that this study was not compromised and would deliver high quality research.

CHAPTER 4: PRESENTATION OF RESULTS

4.1 Introduction

A total of thirteen people were interviewed for the study, ten being managers within NPOs and three being managers within design agencies that work within the NPO sector through the provision of pro bono services. The NPOs involved represented a cross section of causes including child welfare, HIV/AIDS, substance abuse, crisis support, education and literacy.

Discussions regarding confidentiality were held with the respondents and they were all encouraged to respond truthfully, without fear of being identified and knowing that there are no right or wrong answers, since the study was exploratory in nature and interested in their personal experiences.

The data obtained from the in-depth interviews with the respondents are presented in this chapter. The chapter firstly outlines the demographics of the respondent group and then follows with a description of the outcomes for each research question. The chapter closes by summarising the results and key findings.

4.2 Demographic profile of respondents

The study aimed to include between ten and twenty managers from South African NPO's. The actual number of respondents that were included is outlined in Figure 1 below:

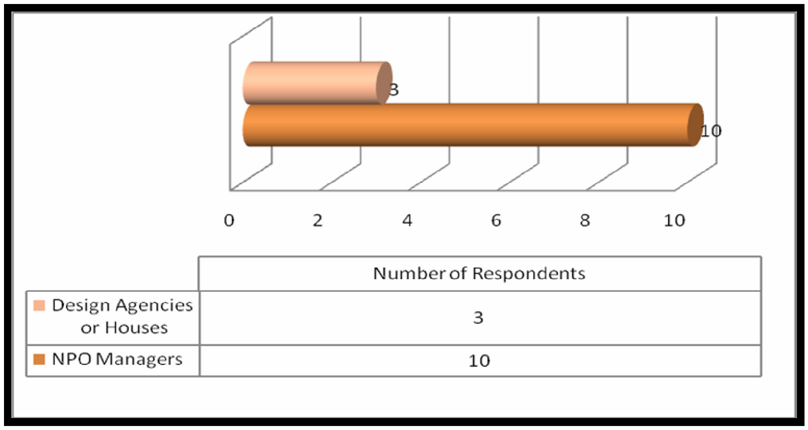

Figure 1: Respondent categories

The gender profile of the thirteen respondents is outlined in Figure 2 below:

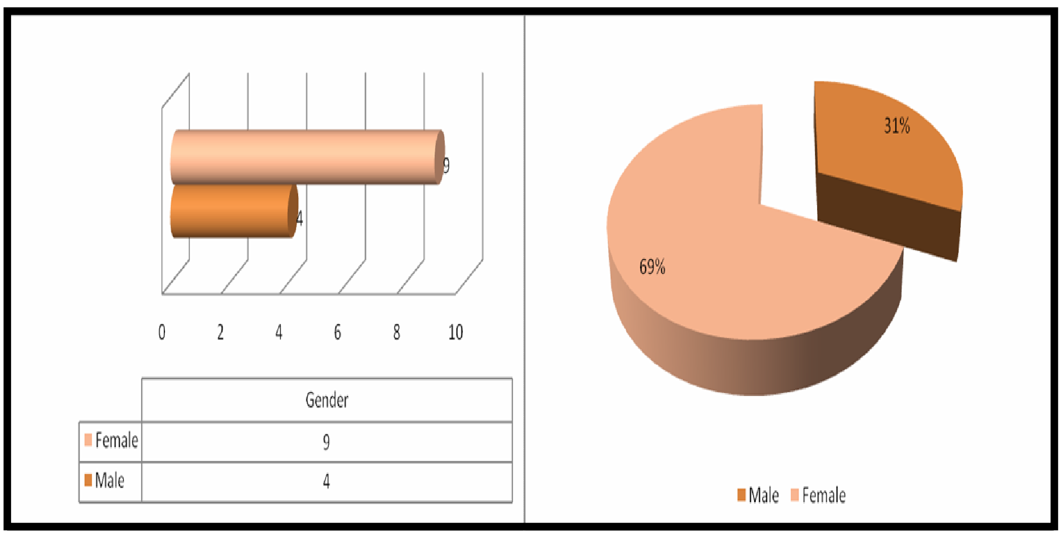

Figure 2: Gender profile of respondents

As per the figure above the majority of respondents were female.

The general career experience of the *NPO Managers* is summarised in Figure 3 below:

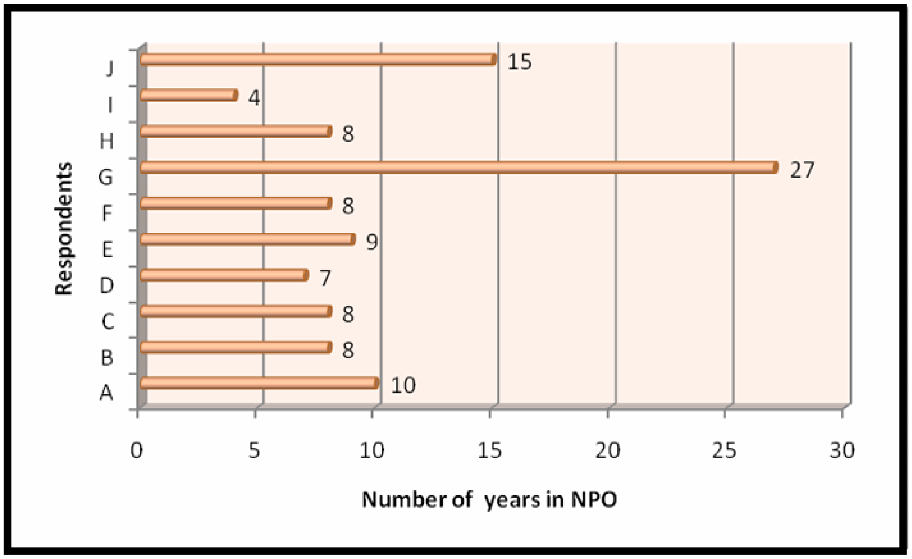

Figure 3: Number of years working within NPO Sector

(*NPO Managers Only- Names Withheld*)

The NPO Managers had an average of 10.4 years working within an NPO environment.

The management experience of the NPO Managers is indicated in Figure 4 below:

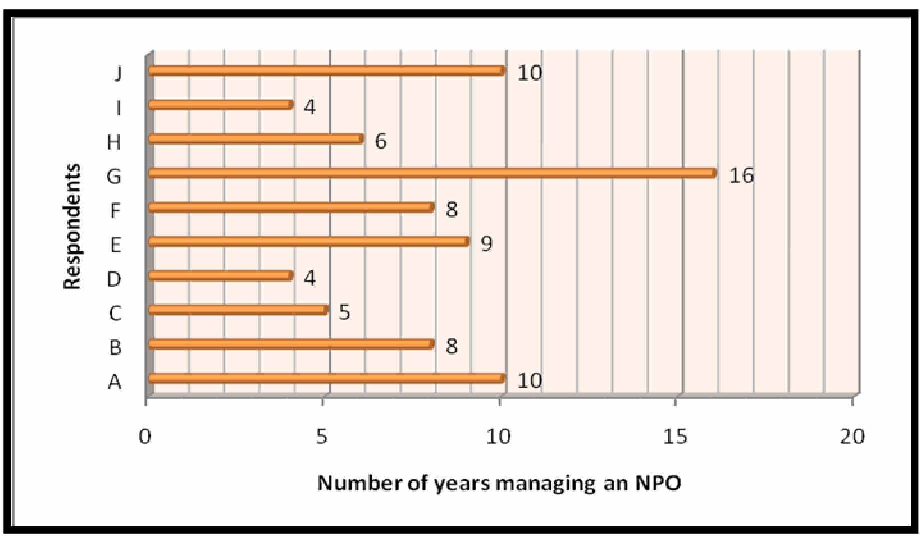

Figure 4: Number of years in management

(*NPO Managers Only - Names Withheld*)

The NPO Managers had an average of eight years managing within an NPO environment.

The group of respondents ranged from managers, senior managers to executives and directors of various NPOs.

4.3 Results pertaining to Research Question 1: How do South African NPOs understand the term "brand"?

(Lovelock and Weinberg 1984; Kotler and Keller 2006; Chapleo 2007; Salamon and Anheier 1997; Stride and Lee 2007).

4.3.1 Terminology

When queried regarding the terminology used when referring to their particular organisations, the respondents highlighted various terms including "Profile, Identity, Image, Brand, Non Profit and Reputation" as can be seen in Table 1 below:

Table 1: Terminology used by NPOs

Term	Number of respondents that mentioned the term
Actual Organisations Name or Non Profit Status	1
Profile/Public Profile	1
Brand	2
Identity/Image	1
Personality	1
Reputation	3
Publicity	1

Furthermore, the design agencies outlined that they have experienced NPOs using similar terms to those outlined in the above table to describe their institutions.

4.3.2 Understanding of Brand Construct

Next the research sought to probe the understanding of the brand construct and it was found that there were as many definitions of the brand construct as there were NPOs.

The key definitions provided by the respondents are outlined below:

Figure 5: Definitions of the brand construct by NPOs

The design houses had experienced that the NPOs they worked with have various understandings of the branding construct ranging from not understanding what a brand is to some that have a solid grasp of the brand concept and what it means.

4.3.3 Elements within a Brand

The NPOs also had differing views regarding what comprises a brand. The key items that were mentioned as elements that make up a brand follow below:

Figure 6: Elements of a brand as defined by NPOs

The design houses concurred that NPO's also have varying ideas of what constitutes a brand and the elements that make up a brand.

Overall it was found that the understanding of the branding concept was different across the NPOs and this was ingrained by the differences in terminology used in these organisations and the views held regarding the elements that form a brand.

4.4 Results pertaining to Research Question 2: What drives a brand within South African NPOs?

(Lovelock and Weinberg 1984; Salamon and Anheier 1997; Grounds 2005; Kotler and Keller 2006; Stride and Lee 2007).

4.4.1 Management and Ownership of the Brand

The discussions with the NPOs showed that the burden of managing the brand was often placed on the shoulders of one individual such as the founder or marketing manager or perhaps the design houses and agencies that were providing the NPO with marketing and brand-related services. The majority of NPOs indicated that staff members are generally focused on the provision of services and thus do not participate in managing the brand. Two of the NPOs highlighted that the responsibility of managing the organisations brand should not be solely placed with an individual but rather be shared by various stakeholders in the organisation including the board, employees, volunteers and management team.

4.4.2 Brand Management Contributing Factors

The factors driving the development and maintenance of a strong brand were identified by the respondents as including the following:

Figure 7: Factors influencing NPO brands

The NPOs highlighted a variety of factors that are seen as important drivers for the establishment and maintenance of a strong brand citing mostly funding and the right skills as being essential.

4.4.3 Brand Management Challenges

In addition to the discussions on the factors that drive brand management, the respondents were also probed on the challenges they face in managing the brand as it is perceived by their multiple constituents and audiences. All the NPOs agreed that the major challenge in developing and maintaining their brand was the access to sufficient funding and financial resources to support them. They also mentioned further challenges that they face on an almost daily basis on the branding landscape and in trying to communicate to a range of stakeholders. The myriad of challenges are depicted in the figure below:

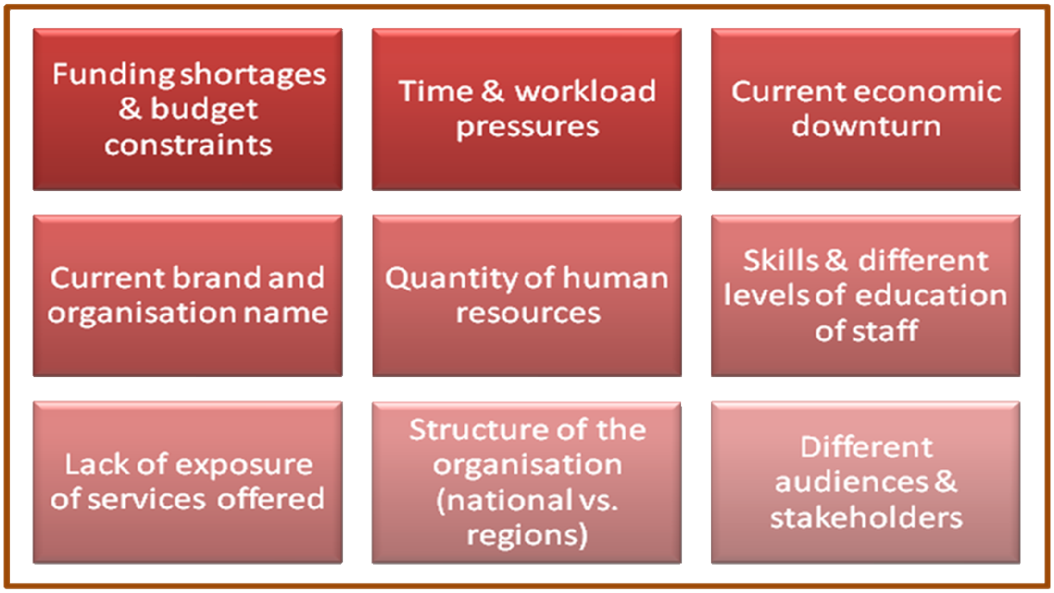

Figure 8: Challenges faced by NPOs in branding

NPOs overwhelmingly alluded to financial and human resources as an obstacle in branding their organisations and also in communicating to a multitude of stakeholders. Only one NPO highlighted that they did not focus on branding because at this stage in their NPO they did not have a pressing need to brand the organisation since they had to date not faced difficulties with financial support.

4.5 Results pertaining to Research Question 3: What are the organisational objectives of branding in South African NPOs?

(Lovelock and Weinberg 1984; Salamon and Anheier 1997; Kotler and Keller 2006; McLaughlin 2006; Grizzard 2007; Stride and Lee 2007).

4.5.1 Objectives of branding

NPOs highlighted the following as motivators for building and managing their brands:

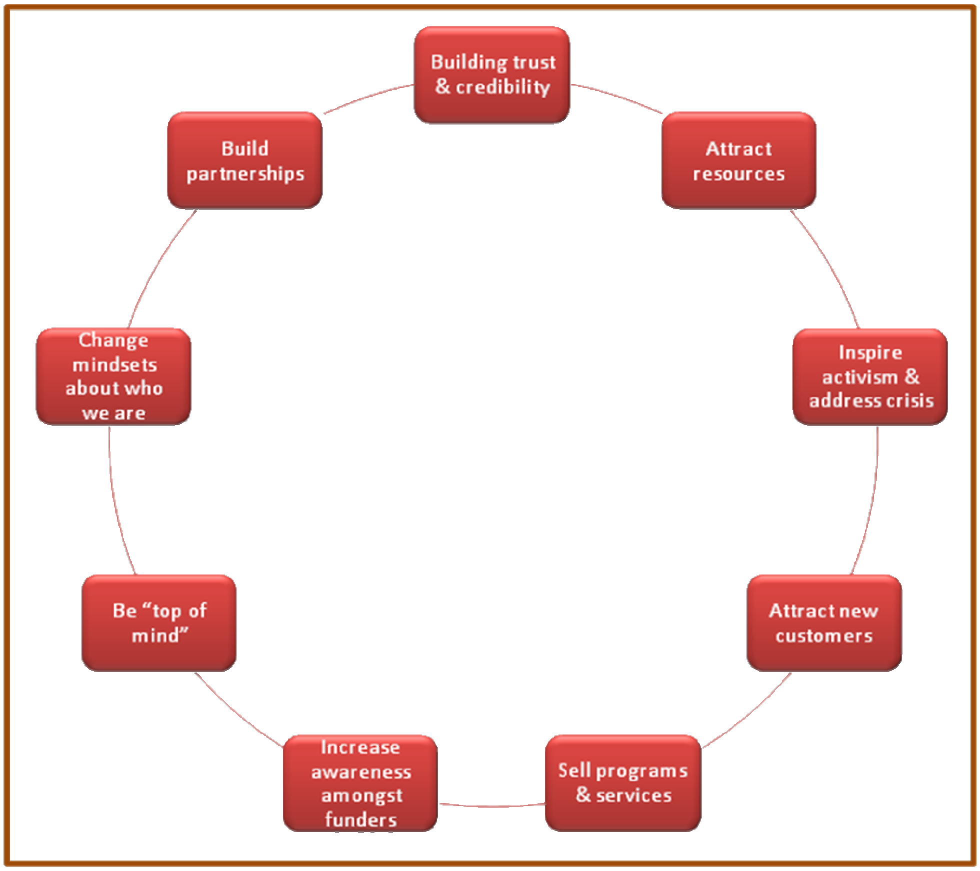

Figure 9: Main objectives of branding within NPOs

Many of the NPOs indicated that their main objective for building a brand would be to increase awareness of their organisation in the market place and build trust and credibility with their various constituents.

4.5.2 Consequences of branding

Respondents indicated that they believed that there would be numerous positive consequences for their organisations if they were to consistently engage in brand management. These potential outcomes that the respondents highlighted included the following:

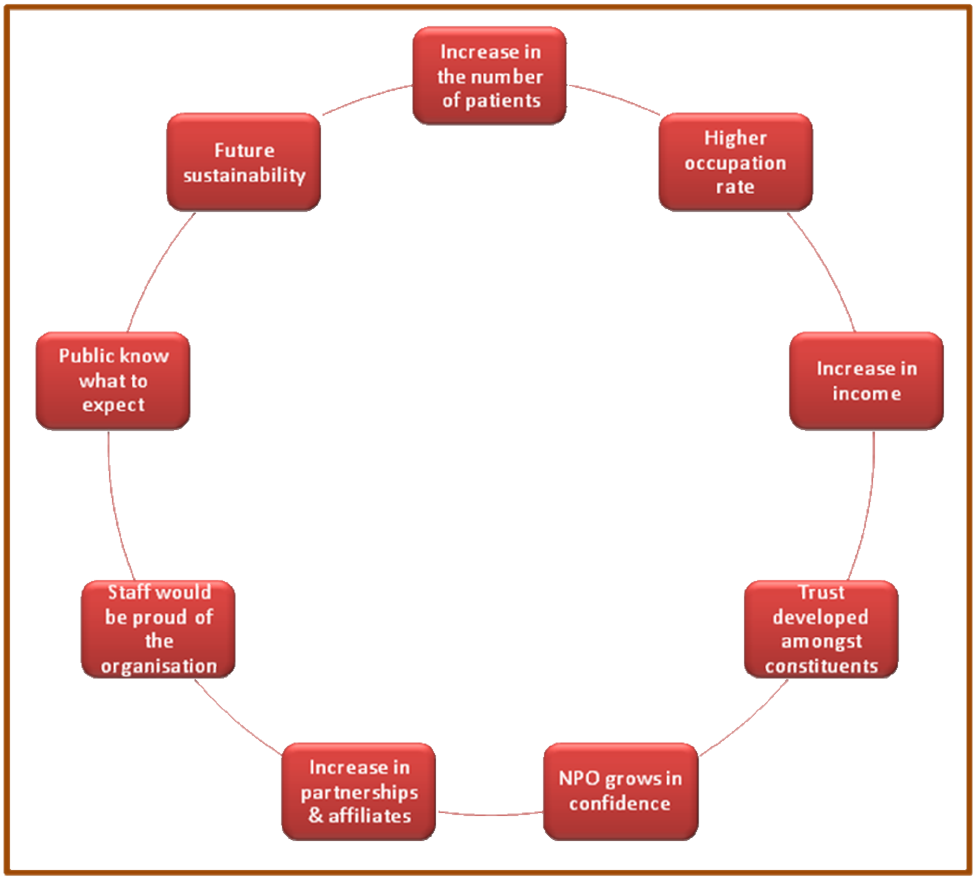

Figure 10: Potential consequences of branding for NPOs

4.6 Summary of the results

The above chapter explored the views of NPOs as they pertain to their understanding of the branding concept, the process of building, communicating and managing their organisation's brand and lastly their objectives in partaking in branding. The NPOs agreed unanimously that branding has a role to play within their organisations, but they often lacked resources and skills to execute on this essential management area.

CHAPTER 5: DISCUSSION OF THE RESULTS

5.1 Introduction

This chapter expands on the results highlighted in the previous chapter through a discussion and interpretation of the results in light of the literature reviewed and the three research questions that the study undertook to investigate. The discussion is based on the transcribed in-depth interview notes and focuses on how NPOs explore the area of brand management with the view that branding would benefit the NPOs and contribute to their effectiveness and future sustainability.

5.2 Demographic profile of respondents

The study planned to include between ten and fifteen managers from a variety of NPOs in South Africa. The profile of the respondents that participated in the study included ten NPO managers and leaders and three executives from design agencies that have experience working with NPOs. It was found that some NPOs opted not to be included in the study due to a perceived lack of knowledge in the area of brand management. One NPO that was approached to participate in the research outlined that: "I don't know much about branding so I am not sure that my input would be useful". This is an interesting response since as outlined by the executive of one of the design houses:" Everybody does branding in one way or another. They just often call it something else!"

The study did not aim to target any particular gender but it was found that the majority of respondents were female. In this study, 69% of the respondents were female. This is aligned to the findings of the Russell and Swilling (2002) study which found that mostly women lead and manage NPOs in South Africa, which is in contrast to the private sector.

The general NPO career experience and NPO management experience of the actual respondents exceeded the required experience that had been outlined at the beginning of the study. The research study aimed to include individuals that had approximately a minimum of six years experience managing within an NPO. The study attracted individuals with an average of ten years working within the NPO sector and an average of eight years managing a non-profit organisation. The study thus included respondents with a solid base of experience with at least three respondents having a minimum of ten years managing an NPO.

5.3 Discussion pertaining to Research Question 1: How do South African NPOs understand the term "brand"?

(Lovelock and Weinberg 1984; Kotler and Keller 2006; Chapleo 2007; Salamon and Anheier 1997; Stride and Lee 2007).

5.3.1 Terminology

The respondents listed various terms that they used to describe their organisations. These included expressions such as: "our profile, reputation, brand, image, publicity, personality, corporate identity and non-profit status". Most of the organisations consider themselves in terms of their reputation and image in the market whereas a few consider themselves as a "brand". The branding challenges faced by NPOs could perhaps be rooted in the language in use and the terminology adopted by the NPOs. Many of the NPOs interviewed did not refer to the term "brand" in describing their organisations. As indicated by one of the respondents: "The biggest problem in NGOs is that they think inwardly and they don't see themselves as a company, as a brand that needs to sell themselves in the world and create an image or perception of themselves...".

When probed about the actual term "brand", most of the respondents seemed familiar with the word but many seemed reluctant to see their organisations as a brand similar to Nike or Coca-Cola. Only one of the NPOs indicated that they view themselves as a "corporate and are therefore structured as such" and for their organisation branding seemed to be a natural and essential management competency.

It could be argued that the terminology in use in the sector is perhaps a reflection of this internal rather than external focus that many NPOs exhibit. NPOs tend to mostly focus on what they are doing. They often have an action-oriented approach of “let’s roll up our sleeves and get on with it” (Bruce 1995:81) and this may overshadow the need to communicate what they do and thus view themselves as a brand that needs to be developed. Another respondent proposed that the terminology in use by the NPOs is what hinders them and believes that this should change: “not non-profits or non-governmental organisations but rather social enterprises.” This shift in terminology would perhaps change NPOs thinking in terms of seeing themselves as an enterprise and branding themselves accordingly.

Thus, there is an overarching view by NPOs that branding is still somewhat the forte of commercial entities but it can also be said that the NPO community is slowly to recognising that branding has a role to play even in their organisations that are not driven by profits. This concurs with Chapleo’s (2007) findings in that there is definitely an awareness of the term brand but a slower embracing of the principles and applications of branding (Chapleo 2007).

5.3.2 Understanding of the Brand Construct

“A brand is a name, term, sign, symbol, or design or combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors” (Kotler and Keller 2006:274).

All the NPOs offered their own definitions of a brand, most of them confidently with only one respondent projecting some nervousness and lamenting that: “I didn’t even know what branding was until last year”.

The understanding of the brand construct was focused mainly on the image of the organisation. Most of the respondents understood the brand to be their image or public profile based mainly on the services they offer or “what we do”. The respondents saw the brand as an identifier; “it’s who we are” but interestingly only two respondents saw the brand as a differentiator from other NPOs “our brand sets us apart”. Another NPO indicated that “an NGOs brand is the rationalised outward expression of its work...distinguishing it from other NGOs”. This NPO also outlined that they believed that their brand “positioned them in the minds of employees, beneficiaries, and donors and creates a perception of what the NGO stands for”. In addition, few respondents saw it as follows: “It's understanding who you are, how you're different, what your promise is to consumers, donors and stakeholders. That's branding”. Furthermore, branding was seen as “something which personifies you and sums you up in your eyes and the eyes of the public. Something that people can recognise, like Coca Cola.”

Some NPOs see the brand as the personality of their organisation with indeed one NPO indicating that they want to build the type of person that people would like to interact with.

Another NPO was keen to outline that their brand was based on what external parties experience in their interactions with the organisation and that the brand is the golden thread that runs through everything they do, the type of staff they employ, volunteers they assign, the way they speak to people, their office decor and dress code. “We are a youthful and vibrant brand, it’s who we are. You’ll see our offices are painted different colours and you’ll see I generally don’t wear shoes! We are young, sussed, independent, extroverted and expressive. We’ve got attitude!”

It could be debated that the tendency to focus on the brand as more of an identifier could perhaps be linked to the need for NPOs to “deliver for the sake of the cause” and simultaneously not viewing themselves as commercial entities that need to compete with other organisations. This is, however, changing within NPOs, albeit slowly as said by one NPO: “We are becoming more aware”.

It is interesting to note that overall there was no consistency regarding what the term brand means and thus perhaps supporting Kapferer's view that: "...in reality, no one is talking about precisely the same thing" Kapferer cited in Chapleo (2007:24).

5.3.3 Elements within a Brand

The respondents revealed various elements that they believed made up a brand and these ranged from the tangible and visible elements to those that were more intangible. This finding supports the finding in the literature that brands have a tangible and intangible dimension to them that create the underlying differentiation.

The tangible aspects that were mentioned included colour, logo, icons, name, trademark and taglines, whereas the more intangible aspects that were raised included service experience, quality of employees, history, culture and atmosphere within the organisation. One NPO indicated that their organisational vision, objectives and values are an important part of their brand since these drive "who they are" and their brand represents who they are.

Another respondent indicated that their service offering and actual programmes were a key component of their brand. This extended to the training offered to partners, networks built and advocacy campaigns. In their view "the whole package is the brand".

An additional respondent felt strongly that the brand is "not just about the logo". "Yes your logo looks nice. So what? You have to be a credible organisation." As highlighted by a design agency executive: "you cannot put a nice logo onto a bad service or product" and believe that people will support it or buy into it. If they do "it will be for a short period of time" and eventually the "promise that the brand is delivering will not be met" and people will stop supporting that brand. "The "fundamental business plan should be feasible" and the offering should be credible. The NPO also needs to “decide on its position within the market” and what they will be focusing on.

Interestingly, there was also a strong focus on physical materials such as pamphlets, profiles, banners, business cards, calendars, pens and annual reports being key elements within branding. A few of the NPOs saw these as supporting their brand, whereas most of them believed they were integral to the brand.

The literature reveals that strong brands use multiple brand elements such as a logo, a slogan, name, jingles and signage and that organisations that have carefully selected their brand elements have benefited from doing so (Kotler and Keller 2006).

5.4 Discussion pertaining to Research Question 2: What drives a brand within South African NPOs?

5.4.1 Management and Ownership of the Brand

The study found overwhelmingly that in all but two of the NPOs the view held was that management of the brand lies with “someone else” this ranged from: marketing manager, communications and PR team to the CEO, advertising agency or internal communications company and executive team. It seems the general belief within NPOs is that brand management is the responsibility of a single person; it is a specific role or position. Grounds (2005) draw attention to this key challenge for NPOs in that it is often found that employees feel that branding is not their issue.

A respondent explained that it would be challenging for staff and volunteers to focus on service delivery and “worry about the brand”. It would be “tough to expect them to do both”. They believed that it is better that “one person be in charge” of the brand and that person should direct the rest of the team in terms what material to use and how to present the brand to various stakeholders. Another respondent indicated that they had not always succeeded at directing their staff on branding matters since: "ninety different staff in this organisation send out ninety versions of our logo" which perhaps means that "the most of our staff don't see it as important at all".

It could be argued that it would perhaps be better to view brand management as a way of life versus a position; thus it would permeate through the various daily activities of all staff members, volunteers and the management and leadership team. Grounds (2005) supports this view and argues that in order to grow the brand it needs to be owned and managed to some level by everyone who represents it. The two NPOs that held a different view believed that the management of the brand should be the priority of all employees, the board, volunteers and management team. "The brand is everybody's responsibility." The other respondent outlined that their employees and affiliates are indeed brand managers and "every person that is walking out there is managing the brand because they are the face of the organisation" and "if everybody within the organisation owns what the organisation is about then it becomes easier to build the brand". One respondent highlighted the importance of an NPO's reputation: "every employee is working on behalf of the brand and building the reputation" and another respondent extended it to: "the staff are the brand".

5.4.2 Brand Management Contributing Factors

The factors driving the development and maintenance of a brand in the view of NPOs vary. The consensus among all the respondents was that the top driver of being able to build and manage a brand was access to sufficient funding. The shortage in funding seemed to result in the areas of branding in particular and marketing in general not being offered the necessary attention required. Funds were directed at other needs such as the delivery of services and payment of salaries with which branding cannot compete.

All the respondents also consistently outlined that access to the right skills (marketing or branding skills) was a major driver in branding. Many of the respondents felt that they did not have the requisite skills or that their skills were not at the level required by the NPO to build and enhance its brand.

A key requirement for a strong brand that most of the respondents raised was the concept of consistency in service delivery, image, communication, marketing materials and the experiences that the stakeholders have with the organisation. Consistency is essential to brand management and McLaughlin (2006) believes that the power of the brand is in its ability to convince donors, consumers and other stakeholders that they will continuously get the same high quality results each time they use the service or interact with the organisation.

An understanding of the role and value of the brand in the organisation was also cited as an important driver of the brand since it will influence how branding is approached in the organisation.

Most of the respondents mentioned that a clear strategy, mission and vision that is understood and supported by internal stakeholders was critical a driver for effective brand management. One NPO articulated it as a “clear value proposition that is supported by all activities in the organisation such as projects, fundraising, finances and governance”. Another respondent outlined that “a good understanding of your objectives is extremely important since your brand aligns itself with what you want to achieve”. Or as another respondent stressed “you know what you are working towards”.

Finally, an interesting dynamic that all the respondents agreed on was that, in communicating to your different stakeholders, you need to be relevant and customise the communication for and interactions with the different groups.

5.4.3 Brand Management Challenges

The respondents in the study cited various obstacles that they face on their quest to build and manage a brand. Funding also came first on the list of branding challenges since “everything costs money”. NPOs put forth that branding requires money and in the NPO case there is generally not sufficient funding for NPOs to deliver services, so branding and marketing is therefore somewhat neglected. The current economic crisis that the world at large is experiencing seemed to exacerbate the funding situation. This finding mirrors the view that was put forth by respondents in saying that funding was a key driver in branding and the proposal by Vazquez et al (2002) that this sector is characterised by increasing demand for services offered, a reduction in traditional governmental financial support, growing number of participants that compete to raise funds, continuous change, and the need to offer higher quality services (Vazquez et al. 2002).

Furthermore, Grounds (2005) supports this notion, outlining that some NPOs assume that brand development will inevitably result in unjustifiable expenses and unreasonable use of donor money. As indicated by a respondent: “even our board will question the marketing line item in our budget. I think there is still nervousness within NPOs to committing real money to this area.” In addition, this NPO indicated that they are “probably not convinced about the returns” of focusing on marketing and branding. “If someone came along and showed me the cash differences that it would bring, then perhaps I would. I think a lot of marketing is ‘soft and fluffy’! ” This further supports the views expressed by Bruce (1995:84) that some NPOs view marketing as synonymous with “selling people things they do not need and cannot afford”. Bruce’s (1995:84) view that: “it is ironic that the marketing profession and all that it stands for has, with notable exceptions, failed to project to the not-for-profit sector the benefits which marketing could bring in helping them value and serve their customers better” seems to be relevant within the South African NPO sector.

Human resources were mentioned repeatedly as another key challenge. This challenge had various dimensions, including the number of staff members. NPOs found that there were “just not enough hands” to complete the work required and regularly experienced workload pressures and had to “multitask”. Respondents also indicated that current staff often lacked skills in the area of brand management and that they are “just not trained to do this”. This is aligned to Gizzard’s (2007) findings that branding is not taught in non-profit management courses as a basic business fundamental, therefore the know-how may not exist in this sector. Respondents also highlighted that the type of person that was attracted to the NPO sector was often passionate about the “cause” and thus issues such as branding are often not a high priority. They are “not business-type people, they are caregivers”.

Other challenges faced were primarily organisational matters based on the structure of the organisation. NPOs that were based in various regions or had several branches indicated that branding across the regions was a challenge. There is mostly no consistency in the brand at head office versus at the branch level: “everyone has their own letterhead, own website and we only share the logo”. The literature concurs indicating that NPOs tend to be decentralised without a strict hierarchy and thus “implementing activities that protect the brand or attempting to update or modify the brand often meets with resistance internally” (Salls 2005:1). Also, NPOs that relied on partners or affiliate organisations found that managing their brand across these other organisations was challenging and time consuming. As outlined by one of the respondents, “policing” is not a key strength of NPOs; therefore, it results in a brand that is presented differently in different areas. Another respondent surrendered to this challenge outlining that “there’s only so much you can do when it comes to the affiliates”.

The name of the organisation was cited by four of the respondents as a challenge in their branding efforts. The respondents indicated that the name which had been initially adopted when the organisation was founded did not reflect what the organisation stood for in the present day. The name did not indicate to their different constituents the full range of services offered and how the organisation had evolved with time. One respondent felt that their organisation's name was, in fact, hindering their progress towards becoming a well-known brand. When asked if they would consider changing the name, all organisations declined this and indicated that the names had been in existence for a very long time and changing at this stage might cause even further confusion and also "it requires huge budgets to re-launch a brand".

Also, the diversity that is found in South Africa was cited interestingly by a respondent as the major challenge after funding, for their organisation. The organisation operates in all of South Africa's provinces and faces the challenge of presenting their brand to a nation that has eleven official languages, numerous cultures, and dealing with "two generations, mainly the pre-apartheid and post-apartheid generations". Thus "communicating who you are and your brand so that everyone can understand it can be quite challenging".

NPOs are faced with different customer groups with different needs and expectations (Lovelock and Weinberg 1984), and having different stakeholders to address appears to complicate the situation further for NPOs since many found that they often used a "one size fits all" approach. Three of the respondents outlined that they tailored their communication and how they presented the brand to each audience group. It was felt by all that they could communicate their brand and what it stands for in a better manner to their different audiences than they were currently undertaking.

5.5 Discussion pertaining to Research Question 3: What are the organisational objectives of branding in South African NPOs?

5.5.1 Objectives of Branding

It was found that NPO respondents have a variety of goals in attempting to brand their organisations. These objectives were mainly focused on attracting “customers”. The initial customer group includes donors and funders and the objective here was to increase awareness and establish a level of credibility and trust with these groups so as to garner support for their specific plight. The next group highlighted included the actual recipients of the services or programmes offered by the respondents. As put forth by one of the NPOs, they were aiming to ensure that their beds were highly utilised, another respondent wanted their organisation to be “top of mind” in a time of crisis and another wanted to be the “charity of choice” in their sector.

Another group of customers were fellow NPOs, along with the public and private sectors with whom they were trying to set up partnerships in the delivery of their much-needed programmes.

Some of the respondents indicated that they wanted to change the way they are perceived in the market place, particularly because their organisations had evolved and the services on offer were now different to the types of services that were originally provided by the organisation. Others wanted to raise their profile and present themselves thought-leaders or specialists with relevant expertise in their specific areas of service and believe that this enhances their brand. Thus their main objective was to create a different image and communicate the “new” organisation and ensure that they had a brand that “people want to be a part of”.

An interesting objective that was raised by two of the respondents was that they were aiming to establish a brand that resulted in customers that would be willing to pay for the services rather than rely mainly on customers that were supported by government. The respondents wanted to build professional image and one passionately indicated: “if something looks like an NGO we don’t do it!” Another highlighted that they wanted to “generate a much more professional business look. Not something NGO-ish”.

Also, attracting the right skills and passionate employees and volunteers was mentioned as an objective of undertaking branding. The NPO sector is in dire need of skilled employees and thus organisations must find various ways to attract them and it seems that having a strong brand that has credibility is one way of doing this.

Differentiation was mentioned as an objective and as one respondent exclaimed: “in our industry there are so many “fly-by-night” organisations that we try to distinguish ourselves by our history and show that we are solid and dependable.”

Lastly, some of the respondents indicated that their aim was to inspire activism as one NPO explained they wanted to: “create a social movement of individuals and institutions committed to the mission” through the “creation of a compelling South African brand”.

5.5.2 Consequences of Branding

A discussion on what the expected consequences of focussing on building and managing their brands yielded similar views from the respondents. Most respondents expected an increase in the use of their services (thus for example an NPO might have more patients and higher occupation rates) and thus have a greater number of beneficiaries.

It was also believed that effective and consistent branding could result in building trust between the organisation and its stakeholders since the various audiences would have had consistent experiences with the organisations and would ultimately know what the organisation stands for and what to expect from it. This could potentially lead to greater donor support and “meeting financial requirements”. Grizzard (2007) believes that there is no better channel for building trust than an organisation’s brand. In addition, John Quelch quoted in Salls (2005) believes that trust is critical for NPOs. Since the donors are not the recipients of the NPOs services and programs, they depend on the reputation and character of the NPO to assess the quality of these services which they cannot evaluate directly (Salls 2005).

Interestingly, one of the respondents outlined that they had not focused on branding since they did not have a need to do so. This organisation indicated that it had never “struggled for money” and had a strong base of supportive donors and thus focusing on branding was not a key priority for them. All the other respondents indicated that funding is always an issue, thus it could be deduced that the need to brand and an organisation’s focus on branding has some relationship with attracting donors and meeting funding gaps. Also, this particular NPO did not aim to grow beyond their single branch and thus didn’t have a need to “raise their profile and be known”.

Another consequence of branding the organisation would be that the staff would be proud to be associated with a professional brand and would thus be more likely to take responsibility for the brand and how it is presented internally and to external parties. One key change that a few of the respondents indicated was that the confidence levels of the NPO staff would be potentially increased and they would be able to sell their services with greater self-belief.

Also, other organisations would want to be associated with an NPO with a strong brand thus increasing the quantity and quality of partnerships and affiliates that the respondents have access to. The literature proposes that, in addition, these organisations can loan brand equity from their partners and affiliates, since these organisations will also have factors that represent brand equity (Kotler and Keller 2006).

One respondent highlighted a negative consequence of branding since, if you focus on branding as an NPO, some people may see you as “wasting money and overspending on certain communication channels and criticise you for building a brand”. Another view was: “we need to be seen as using the funds frugally”. The dilemma here was explained as follows: “Should you have annual reports written on brown paper or should you have them printed in colour on glossy paper? Because either people are going to think you are too rich or too poor! Which brand do you want to push? Are you Swedish aid workers in sandals or professional people in suits in Rosebank? That’s the issue with the NPOs”.

Most of the respondents outlined that they had mechanisms such as training, leadership development seminars, workshops and materials such as procedure documents to try and maintain consistency in the manner in which staff utilised the branding material and how it is projected. One NPO indicated that they have a “brand manual” that outlines standards for the use of corporate identity material in the hope that this enhances how their brand is perceived. This is similar to the situation in the UK NPO sector where Stride and Lee (2007) found that respondents in their study had introduced branding manuals and or handbooks that outlined the use of the brand name, logos, copy style and other branding related issues.

The majority of the respondents indicated that having a strong brand that was managed effectively over a period of time could result in the future sustainability of the NPO. Contrasting this view, one of the respondents also indicated that the assumption should not be that if the organisation does branding well they will automatically be a success. There could be a range of other conditions that make it difficult for NPOs such as “many competitors and the wrong type of staff members that cannot deliver on the brand promises that you have made”, thus NPOs should be focused on branding but also widely aware of various factors that may impact on the success of their organisation.

5.6 Conclusion

In this chapter, from the three research questions that were discussed and analysed, it was established that South African NPOs have different understandings of the term brand, particularly when compared with the Kotler and Keller (2006) definition. Segments of this “marketer’s” definition of a brand did come through in the discussions with NPO respondents, but not in its entirety. It was encouraging to see that there was some level of understanding and awareness of branding in the NPO sector. Even though it is fragmented, it could be used as a base for building a branding culture within the sector.

Some of the key themes that resonated through the discussions regarding the drivers of a brand are that, firstly, NPOs do recognise the factors that need to be in place to drive the establishment and continual management of a brand and these range from sufficient financial and skilled human resources to consistency in service delivery, meeting stakeholders’ varying expectations and being clear on the values and goals of the organisations.

A key underlying thought is that the extent to which the NPOs succeed at branding seems to be linked to where responsibility for managing the brand lies and who takes ownership of the brand. In many NPOs, ownership and management of the brand resides with one individual, often meaning that branding does not receive the focus and support that it requires to be completed effectively. In organisations which outlined that, although there was a specific role for the day-to-day execution of branding-related activities, they believed that branding was the responsibility of all stakeholders. It seemed that the staff members, volunteers and managers had confidence in the brand and that brand management activities received more attention than in other organisations and thus these specific respondents felt that this resulted in a more cohesive and stable brand. It was expected that, through branding, they could instil a sense of pride in the organisation by their employees, managers and volunteers and therefore see an improvement in the ownership and management of the brand throughout the organisation.

The central theme regarding the objectives of branding is that, branding is used primarily to attract various resources to the organisation by enhancing the organisations' trustworthiness in the eyes of a variety of stakeholders including end-user customers, donors, volunteers and suitably skilled employees. As indicated by one respondent, NPOs can enhance trustworthiness if they become adept at "communicating what they do, what they stand for and the results they have achieved". Also, they need to communicate this not only to their donors but to the "public at large".

Overall, it can be concluded that the respondents were mostly aware of the area of branding, although different understandings of brand management existed. The potential consequences of focused efforts on branding their organisation were highlighted by all indicating a belief that branding, although currently not a key strength in most NPOs, is relevant for the NPO sector.

All respondents agreed that more effort could be placed on understanding the area of branding and implementing brand management strategies within their organisations. As felt by one of the NPOs: "We don't do it enough. We should do more. We usually do it in spurts and it ends up being a 'hit-or-miss' scenario".

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This final chapter brings to a close the NPO brand management study by summarising the findings of the study and putting forward several conclusions based on the findings and literature review. It continues to offer a practical application of the research and several recommendations to the pertinent audiences of this report including NPOs, the public sector, donors and volunteer communities. Lastly, the chapter looks at areas that have scope for further research.

6.2 Conclusions to the research questions

This research study augments the literature around branding within the NPO sector. It has been established that NPOs are facing an assortment of concerns. They operate in an increasingly competitive marketplace for funding, staff volunteers and donations. In this context, many NPOs are thus being driven to adopt more commercial practices in order to improve their strategic performance, particularly competitive positioning for donor appeal, staff retention and service strategy and delivery (Hume and Hume 2008). The study aimed to advance knowledge in this area by exploring the NPO's understanding of a brand, what essentially drives an NPO brand and what NPOs are attempting to achieve through their brand management strategies and activities.

6.2.1 Conclusions for Research Question 1: How do South African NPOs understand the term "brand"?

The literature review proposed that NPOs have various understandings of the term "brand" and that a multitude of words are used to refer to the concept of a brand, further highlighting this lack of agreement of the meaning. Also, the literature suggested that the sector may not be fully aware of all the elements of a brand.

The findings show that NPOs seldom use the term brand and either refer to their organisation's name, the non-profit status or mainly their reputation. Both the literature and the in-depth interviews outlined that there is an awareness of the concept of branding, thus supporting McKinley-Floyd and Shrestha's (2008) view that the NPO sector is becoming marketing-aware. However, their understanding of the concept of a brand varies and the definitions of a brand that are on offer from NPOs are numerous. The elements that are said to comprise a brand also differ according to the various NPOs' responses. Some NPOs highlighted elements that are within the definition of a brand (such as the logo, a slogan and name) but also offered additional elements (such as their beneficiaries, staff and services offered) that would perhaps not be traditionally viewed as components of a brand. This also agrees with Stride and Lee's (2007) findings that branding is still an emergent concept in the non-profit community.

It can be deduced that in the South African NPO sector, although branding is still in its infancy, pockets of branding activity are present. NPOs are generally still inwardly focused and therefore there is an opportunity to expand on this to create a broader understanding of the concept of a brand.

6.2.2 Conclusions for Research Question 2: What drives a brand within South African NPOs?

The literature suggested that the majority of NPOs still view branding as the forte of the business world and thus may not necessarily focus on the key drivers that are essential for building and managing their brands. In addition, NPOs may narrowly focus on fundraising and thus rarely approach branding in a holistic manner.

This research study indicates that the drivers of a brand within the NPO sector are seen as including access to funding, branding skills and an organisation that provides their stakeholders with a consistent experience, specifically as it pertains to service delivery. Also, understanding the potential value that your brand holds is highlighted as an important driver of a strong brand since applicable actions can be based on this important understanding. Many NPOs cited great obstacles to branding and all of them mentioned funding as a key challenge. However, there are those that believe that this challenge may be overcome. As indicated in the literature, it need not cost great amounts of money to catch the eye of the consumer (Griffiths 2005).

The deduction here, is that the drivers of brand management are multifaceted and this is supported by the literature that outlines that "effective brand management is complex" (Stride and Lee 2007:109). NPOs do appreciate this complexity and perhaps often feel overwhelmed by it, thus indicating the need for a simplified and relevant approach for branding in this sector.

It can also be concluded that it is critical for NPOs to understand the value of their brand and that their brand can create awareness and build trust and credibility for their organisations.

6.2.3 Conclusions for Research Question 3: What are the organisational objectives of branding in South African NPOs?

The literature put forward a variety of reasons explaining why NPOs would undertake branding in their organisations. The findings are consistent with the current literature in that, NPOs are using branding to a degree and marketing techniques in general to convince donors and volunteers to support them (Macedo and Pinho 2006). NPOs intend to gain greater visibility, increase their customers, build credibility and ensure loyalty for their organisation (Stride and Lee 2007).

It is deduced that the brand can be an NPO's biggest intangible asset (McLaughlin 2006). However, whilst there is increasing evidence that branding techniques are being adopted by the non-profit sector, it would appear that branding is being used in a "descriptive and tactical way with an absence of strategic application" (Stride and Lee 2007:111). Also, although "respondents talked enthusiastically about branding, it was rarely discussed in terms of it being an important strategic tool in its own right" (Stride and Lee 2007:114).

6.3 Conclusion

In closing, it is concluded that there is potential for NPOs to learn from the profit sector and implement the lessons that are applicable to their context. As one respondent recommends: “We look at what Nike does, we look at what Coca Cola does. We track the trends and look at what other brands do to make sure we can also differentiate ourselves and become a bigger brand”. It is important to highlight that perhaps this view is not held by all NPOs since, as argued by one of the respondents, for an NPO to become like a profit-driven enterprise, they would have to “change how you behave towards the patients and ethically you can’t do that”. Nevertheless, it is fair to deduce that there are some merits in being commercially focused and conducting NPO business as if it were a profit business. The important matter may be to focus on the similarities across the non-profit, profit and public sectors such that learning happens between all the sectors and thus see how for-profit principles can be translated into solutions for the non-profit scenario (Euske 2003) where applicable.

Although the Stride and Lee (2007) study outlines that branding appears at a “superficial level within the larger non-profit community” (Stride and Lee 2007:109), it can be argued that it is perhaps important not to lambast the NPO community for not being sufficiently aware of branding since, as highlighted by a respondent even in commercial entities if you were to probe regarding branding issues you would find that there are various understandings of the concept of a brand and that “only if somebody has really been involved in it, from either a marketing or branding point of view will they give you an answer that talks about the holistic approach” to branding that is beyond “just the logo”. A respondent argues that companies are “not necessarily always really applying brand management in the correct way” and many of them “don’t understand the value of the brand”.

Looking ahead, a key consideration for NPOs is that they should ideally think beyond their strategy, vision and mission, which are important factors and that they should also continuously ask: how are we different? Beyond this, is to then deliver on the brand promise that emerges, since a brand is essentially the organisation's promise to deliver a predictable product or service performance (Kotler and Keller 2006).

Finally, limitations of the research are acknowledged in that the study was qualitative, meaning that the generalisability thereof may be limited. The study was however, exploratory, so may be transferable to similar contexts and may be a useful starting point for further research in the future.

6.4 Practical applications of the study

This study has taken the view that establishing the relevance of branding for the South African NPO sector will create opportunities for organisations in this sector to add to their management toolbox and enhance the success of their organisations through the application of branding strategies.

The study encouraged reflective thought within the NPOs regarding the role of branding in their organisations. As one respondent from a charity concerned with child welfare indicated: "Your asking me these questions challenges me, and it makes me think, should I really be doing something more?"

Furthermore, through discussions with the respondents, a need for an information source for NPOs was highlighted. The main idea that arose is for this research to culminate into a practical website that NPOs can use as a resource in the area of branding. The proposal is for the website to be titled NPO Branding: "www.npo-branding.co.za". The concept is to be explored with a design agency to discuss a strategy for the birth of this potential website. A proposed outline for the website is included in Appendix E. It is expected that the website will encompass a range of resources that NPOs can access and utilise at different stages in their lifecycle as their brands develop and mature.

As indicated by the Stride and Lee (2007) study: "it is highly likely that the most effective remedies developed" for non-profit branding challenges "will not simply be the 'hand me downs' of past commercial experience; rather, they will emerge from a greater appreciation of what branding really means and can realistically deliver within non-profit organisations" (Stride and Lee 2007:119). Therefore, this website could be a trigger for the South African NPO community to develop unique remedies for branding within their sector through collaboration and sharing of knowledge and experiences. This sharing and learning process is critical since, as argued by Adeyemi-Bello (2001), the NPO sector is just as important as the for-profit sector and that any gains in effectiveness that are made in the management of these organisations may translate at least indirectly to a more productive national economy.

6.5 Recommendations

“Powerful causes deserve powerful brands. Branding should influence the entire organization, prompting staffers and volunteers alike to constantly reinforce and burnish the organization’s essence and identity.” -

(Currence 2000:7)

This study has highlighted the need for and importance of branding in this sector and has inspired a different direction of thinking within the NPO sector. Taking these thoughts and turning them into proactive action may place NPOs in a position to build high performing, super brands that impact South African society in a powerful, positive and sustainable way. The following are recommended to the critical stakeholders identified for this research study:

6.5.1 Recommendations for NPOs:

1. Recognise the relevance of branding within the NPO sector, particularly during these challenging times where access to funding and other resources is under pressure. It will be critical for NPOs to exhibit an unambiguous set of skills and values and a distinct personality and offering that differentiates them from other NPOs (that are ultimately their competitors).

2. Consider the opportunities afforded to the NPO’s by incorporating brand management principles into their organisations as a management competency and apply the information and perspectives from this study

to map out a practical strategy for the inclusion of brand management in their organisations through a phased approach.

3. Develop partnerships with commercial design agencies and companies to leverage their brand management expertise and skills. NPOs may even consider employing academics and marketing professors on an advisory basis to solicit ideas and advice on regular basis. As indicated by one of the respondents, they believe in “networking, knowing the industry players, and speaking to the right people, since often people do have a soft side and will assist you to a certain extent. You don’t always need a lot of money to achieve your goals”.

4. Recognise that everyone is indeed a “brand manager”, even within the NPO context and this includes volunteers and employees of your organisation.

5. Encourage NPO staff to familiarise themselves with, and undergo training on, the area of brand management. This may include simple actions such as reading marketing textbooks, articles and other material that can illustrate marketing theory and the application thereof.

6. Continuously develop and enhance their brands. As argued by Kotler (2005): “Never stop improving the brand” (Kotler 2005:72). NPOs should aim to be the leader in their sector in enhancing the brand and introducing it to new clients and supporters.

7. Utilise modern internet based resources such as the proposed NPO Branding website (www.npo-branding.co.za) to access research studies, blogs and general information regarding branding within the NPO context in particular.

8. Engage in dialogue and contribute to the NPO branding website (www.npo-branding.co.za) and other NPO forums to share their experiences in managing their organisation’s brand (successes, areas of improvement and offer practical recommendations to other NPOs).

6.5.2 Recommendations for Donors and Volunteers:

1. Acknowledge the day-to-day challenges faced by NPOs and in particular in the area of brand management.

2. Identify and support new and smaller NPOs that may not have established brands, since they perhaps need more support with building their brands than the established NPOs.

3. Consider opportunities to assist NPOs beyond financial support through other types of support such as sharing of office resources, access to design and branding expertise for NPOs. Companies should not underestimate the value of “pro bono” services.

6.5.3 Recommendations for the Public Sector:

1. View brand management along with the other management competencies as one of the critical areas of success for NPOs if they are to be effective and sustainable.

2. Support NPOs with practical tools for creating capacity within their organisations beyond registering their organisations as per the NPO Act. This could include: funding of research, providing access to research, providing a platform for the sharing of experiences and lessons, providing training workshops and hosting of annual conferences to track trends and changes within the NPO brand management arena.

6.6 Suggestions for further research

Since this study followed an exploratory approach to understanding the perceptions of branding in the NPO sector, it can be deduced that there is still scope for further research and that this critical area warrants scholarly attention. Additional research could include:

1. Further build on this research by widening the sample base to include diverse groups of stakeholders and investigate in greater detail the implementation of the branding process in a larger number of NPOs.

2. Conduct a study that is quantitatively focused (rather than qualitatively focused) on the prevalence of branding within the South African non-profit sector.

3. A comparison of branding across different types or categories of NPOs.

4. A study reviewing brand recognition by South Africans as it pertains to South African NPOs – this study could look at South Africa's "favourite NPO brands" and understand what makes them "great" brands so that other NPOs (and perhaps even commercial entities) can learn from them.

5. Explore a practical model of brand building and management that is specific to the NPO sector (the model could be based on learning from the profit and not-for-profit sector). This model could assist NPOs in becoming more brand conscious and effective at building and managing their brands. The model could also assist, in particular, small NPOs that are struggling to establish their brands in the market.

6. Further explore the concept of branding and how it is associated with the values of an organisation. The research could seek to understand the role of values and how they influence an NPO brand and the branding process.

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APPENDIX A: ACTUAL RESEARCH INSTRUMENT

1. INTERVIEW GUIDE: PERCEPTIONS OF BRAND MANAGEMENT IN THE SA NPO SECTOR

Note: *Discuss ethical issues regarding confidentiality of respondents, reinforce open and honest feedback (there are no wrong answers), and reconfirm reasons for recording the interview*.

Section 1: Identifying Information

Collect information on: age, gender, formal education, further education, number of years in management/executive position, number of years in NPO sector, number of years managing an NPO, number of years' experience in fundraising or marketing for NPO and size of the organisation (number of staff members and branches).

Section 2: Experiences of Respondents

1. What terminology do you use when talking about the organisation's image or identity?
2. What do you understand from the term "brand"?
3. What are the component parts of your brand?
4. Who manages your brand?
5. What do you think needs to be in place in order to develop and maintain a strong brand?
6. How do you manage the process of communicating your brand to a wide range of audiences?
7. What will be the key challenges in achieving the above?
8. In developing your brand what were your key objectives?
9. What are the consequences to an organisation of developing a brand?
10. What are the values of your organisation?
11. How are they arrived at?

12. How do you operationalise the organisation's brand values?
13. Are there systems and mechanisms in place to ensure that the organisation's values are reflected in how people deal with enquiries?

2. COVER LETTER: DISTRIBUTED TO RESPONDENTS PRIOR TO INTERVIEW SESSIONS

The University of Witwatersrand, Johannesburg
Graduate School of Business Administration

2 St David's Place, Parktown, Johannesburg, 2193, South Africa
P O Box 98, WITS, 2050
Telephone: +27 11 717 3924
Facsimile: +27 11 717 3538
Website: www.wbs.ac.za

RE: Participation in MBA Research Study

Dear [*Respondent's Name],*

This letter refers to our earlier telephonic conversation. As discussed, I am currently conducting research for the completion of my MBA degree and would like to invite you to be a participant in the research process.

The title of my research proposal is: "Perceptions of Brand Management in South Africa's Non-Profit Sector" and it aims to:

- Review how South African NPOs understand the concept of a brand and branding within the NPO sector;
- Understand what drives a brand within the South African NPO Sector; and
- Investigate what South African NPOs are aiming to achieve through brand strategy and brand management activities.

It is hoped that the research study will be useful to a variety of stakeholders particularly those within the NPO community.

I am requesting that you be involved in the study as a respondent. This will require no more than an hour of your time to participate in an interview.

As mentioned the interview will be conducted as follows: [*Actual Date, Time and Venue*]

Your input is greatly appreciated. If you have any queries before the interview please do not hesitate to contact me on: 083 679 9808 or tmawela@hotmail.com. My research supervisor is Professor Geoff Bick and he is available on 011 717 3947 or geoff.bick@wits.ac.za.

Yours sincerely,

Tendani Mawela

APPENDIX B: THE INTERNATIONAL CLASSIFICATION OF NON-PROFIT ORGANIZATIONS

Table 2: ICNPO Categories (Salamon et al. 1992)

Number	Group Name	Description
1	Culture and recreation	Organizations and activities in general and specialized fields of culture and recreation.
2	Education and research	Organizations and activities administering, providing, promoting, conducting, supporting and servicing education and research.
3	Health	Organizations that engage in health-related activities, providing health care, both general and specialized services, administration of health care services, and health support services.
4	Social services	Organizations and institutions providing human and social services to a community or target population.
5	Environment	Organizations promoting and providing services in environmental conservation, pollution control and prevention, environmental education and health, and animal protection.
6	Development and housing	Organizations promoting programs and providing services to help improve communities and the economic and social well being of society.
7	Law, advocacy and politics	Organizations and groups that work to protect and promote civil and other rights, or advocate the social and political interests of general or special constituencies, offer legal services and promote public safety.
8	Philanthropic intermediaries and voluntarism promotion	Philanthropic organizations and organizations promoting charity and charitable activities.

Number	Group Name	Description
9	International activities	Organizations promoting greater intercultural understanding between peoples of different countries and historical backgrounds and also those providing relief during emergencies and promoting development and welfare abroad.
10	Religion	Organizations promoting religious beliefs and administering religious services and rituals; includes churches, mosques, synagogues, temples, shrines, seminaries, monasteries, and similar religious institutions, in addition to related associations and auxiliaries of such organizations.
11	Business, professional associations and unions	Organizations promoting, regulating and safeguarding business, professional and labour interests.
12	Not elsewhere classified (NEC)	Those organisations that are not accommodated in any of the other groups.

APPENDIX C: NPO STATUS

Table 3: Organisations that can apply for NPO Status in South Africa (RSA 2009)

Number	Type
1	Non-Governmental Organisations (NGO)
2	Community Based Organisations (CBO)
3	Faith Based Organisations (FBO)
4	Organisations that have registered as Section 21 Companies under the Company Act 61 of 1973
5	Trusts that have registered with Master of the Supreme Court under the Trust Property Control Act 57 of 1988.
6	Any other Voluntary Association that is not-for-profit

APPENDIX D: CONSISTENCY MATRIX

Table 4: Consistency matrix

The research problem was to examine the South African NPO sector's understanding of the concept of a brand, what drives a brand in the NPO sector, and explore what objectives the NPOs seek to accomplish through their brand strategies and brand management activities.					
Sub-problem	**Literature Review**	**Research Questions**	**Source of Data**	**Type of Data**	**Analysis**
Review how South African NPOs understand the concept of a brand and branding within the NPO sector.	Lovelock and Weinberg (1984); Kotler and Keller (2006); Chapleo (2007) Salamon and Anheier (1997); Stride and Lee (2007);	How do South African NPOs understand the term "brand"?	In-depth interviews with respondents from the NPO sector, facilitated by open-ended questions contained in the interview guide (see questions 1, 2 and 3 in Appendix A).	Qualitative (transcribed interviews and notes)	Thematic analysis which aimed to identify analyse and report patterns (themes) within data. It includes familiarisation; coding of data; finding critical themes, analysing and interpreting the themes to tell the story contained in the data.

The research problem was to examine the South African NPO sector's understanding of the concept of a brand, what drives a brand in the NPO sector, and explore what objectives the NPOs seek to accomplish through their brand strategies and brand management activities.					
Sub-problem	**Literature Review**	**Research Questions**	**Source of Data**	**Type of Data**	**Analysis**
Understand what drives a brand within the South African NPO sector.	Lovelock and Weinberg (1984); Salamon and Anheier (1997); Grounds (2005); Kotler and Keller (2006); Stride and Lee (2007);	What drives a brand within South African NPOs?	In-depth interviews with respondents from the NPO sector, facilitated by open-ended questions contained in the interview guide (see questions 4, 5, 6 and 7 in Appendix A).	Qualitative (transcribed interviews and notes)	Thematic analysis which aimed to identify analyse and report patterns (themes) within data. It includes familiarisation; coding of data; finding critical themes, analysing and interpreting the themes to tell the story contained in the data.

The research problem was to examine the South African NPO sector's understanding of the concept of a brand, what drives a brand in the NPO sector, and explore what objectives the NPOs seek to accomplish through their brand strategies and brand management activities.					
Sub-problem	**Literature Review**	**Research Questions**	**Source of Data**	**Type of Data**	**Analysis**
Investigate what South African NPOs are aiming to achieve through brand strategy and brand management activities.	Lovelock and Weinberg (1984); Salamon and Anheier (1997); Kotler and Keller (2006); Mc Laughlin (2006) Grizzard (2007) Stride and Lee (2007);	What are the organisational objectives of branding in South African NPOs?	In-depth interviews with respondents from the NPO sector, facilitated by open-ended questions contained in the interview guide (see questions 8, 9, 10, 11, 12 and 13 in Appendix A).	Qualitative (transcribed interviews and notes)	Thematic analysis which aimed to identify analyse and report patterns (themes) within data. It includes familiarisation; coding of data; finding critical themes, analysing and interpreting the themes to tell the story contained in the data.

APPENDIX E: OUTLINE OF PROPOSED NPO BRANDING WEBSITE

Below is a proposal for an information source that NPOs would use as a resource in the area of branding. The site may contain the following key web pages:

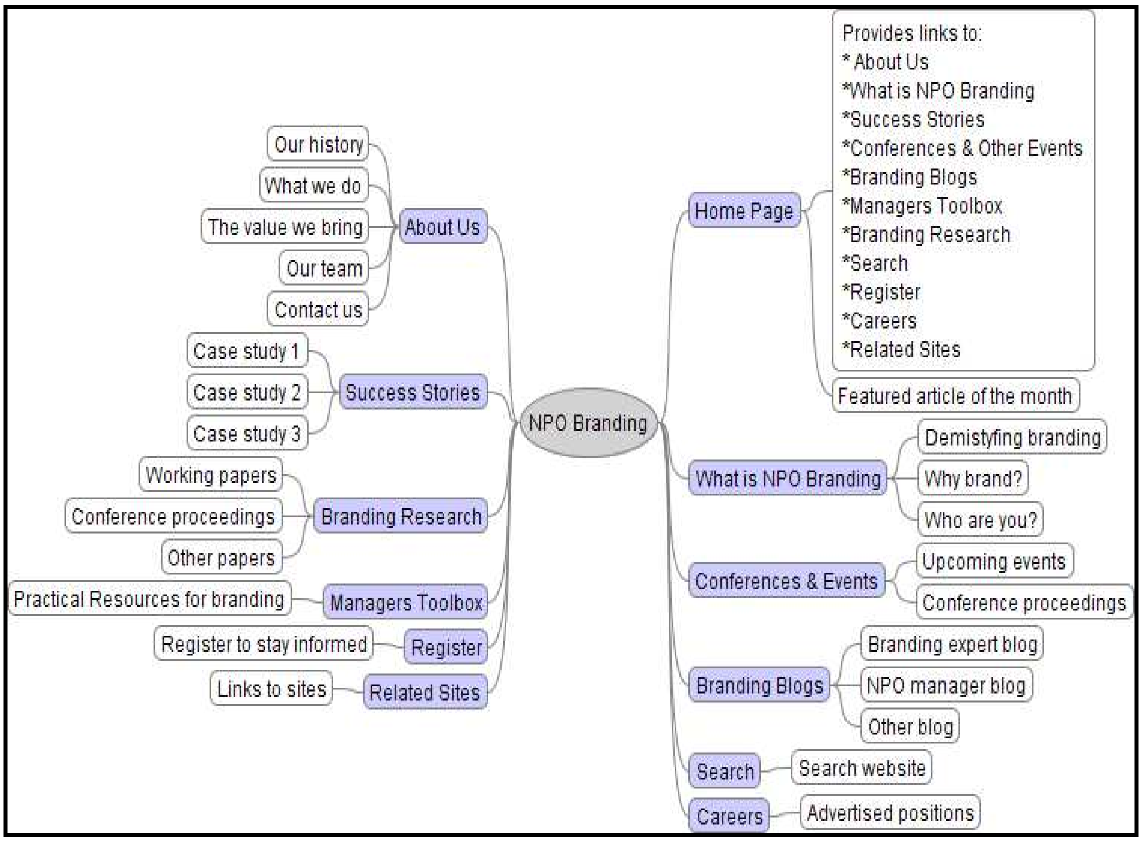

Figure 11: Outline of the proposed NPO branding website

APPENDIX F: SUMMARY OF RAW DATA

The following are samples of some of the raw data from the in-depth interviews with respondents from the NPO sector.

Question 1	**What terminology do you use when talking about the organisation's image or identity?**
Respondent A	"Brand awareness, brand building, brand management, reputation."
Respondent B	"We really identified that the organisation's identity is really, who the organisation is, you know the way in which we present ourselves, the logo, the way in which we present our pamphlet, papers, the banners, the way our office looks. So that's, that's who we are and the image of the organisation is really the way in which people see us."
Respondent C	"We speak of our organisations name and that we offer a drug centre so we'd obviously bring in the substance abuse component but mainly when we speak of us and our services."
Respondent D	"We speak about the organisation and brand reputation."
Respondent E	"We talk about our corporate identity/"

Question 2	What do you understand from the term “brand”?
Respondent A	An NGO’s ‘brand’ could be defined as the rationalised outward expression of its work. It encompasses the organization's strategy, mission, image, and activities distinguishing it from other NGOs. The brand positions the organization in the minds of employees, beneficiaries and donors, and creates a perception of what the NGO stands for.
Respondent B	“When we talk about a brand I think we’re talking about a product, it was quite interesting because when I looked at the brand, it’s not like we have a product that we can sell. So I think essentially I concluded that our product would be the services that we offer.”
Respondent C	“Our image, what we stand for and mainly our service our programs.”
Respondent D	“What we portray as an organisation.”
Respondent E	“The brand is something very important, that when a person sees (it) they must know the clinic is for abused children. People must immediately think, the minute they hear the word ‘abuse’ or they are confronted with abuse of any kind, when it comes to children, they must know that this is where they should go.”

Question 3	What are the component parts of your brand?
Respondent A	"Logo (inclusive of tag line), colour, icons (developed for each fundraising campaign)"
Respondent B	"And the components of the service would then be the programs which we offer. So the components of our brand or our product would be training, because we do training and would be affiliating engagement, because that's where the network comes together. It would be the network, it would be the information and resources program and it would be the advocacy which is part of the affiliate engagement program, so the whole package that we offer to our affiliates would be the product that we are selling."
Respondent C	"Our brand would then consist of our name, our logo but to a lesser extent and the service and quality of service that we offer"
Respondent D	"So encompassing the brand would be our people, our children, and our marketing material, anything that we are showing visually and that is to show also our national footprint within the country."
Respondent E	"It's an eye-catching colour, it's your culture behind the logo, it's our catch phrase which is 'child abuse no more', and so it includes that."