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## **THE APPLICATION OF RELATIONSHIP MARKETING IN NON-PROFIT ORGANISATIONS INVOLVED IN THE PROVISION OF SOCIAL SERVICES**

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### **INTRODUCTION**

A variety of factors have gradually contributed to a possible greater role for marketing in non-profit organisations to offset the decrease in income experienced by many of these organisations. These factors are as follows (Terblanché 1999):

- Increased privatisation of some of the activities of the state;
- Decreased support from traditional sources of support;
- Increased competition among non-profit organisations;
- Increase in the number of non-profit organisations;
- Absence of tax incentives;
- Globalisation of non-profit organisations.

Another factor that could be added to this list is the potential contributions to non-profit organisations that are now being spent on National Lottery tickets. Although the National Lottery was established, *inter alia*, to pool and distribute money for welfare causes, many non-profit organisations stand to lose the traditional contributions made to them by members of the public. Much of the money that is spent on National Lottery tickets would have been donated to non-profit organisations. In principle a few non-profit organisations may benefit from the National Lottery, but a large number will miss out on the contributions of donors who spend the extent of their former donation on National Lottery tickets and feel that they are still contributing to non-profit organisations (Baguley 1996:127).

The marketing literature of the past decade is saturated with strategies and tactics with which organisations could enhance and increase the duration of their interaction with customers. The concept of relationship marketing was born out of this need for longer-term interaction with customers. The emphasis in relationship marketing is on the establishment and maintenance of long-term relationships to ensure loyalty to the organisation. The unique characteristics of non-profit organisations make such organisations fertile ground for the application of relationship marketing principles (McCort 1994:54-55). Relationship marketing offers benefits such as the fostering of a long-term committed relationship between donors and a non-profit organisation, the building of donor confidence and a sense of ownership to donors in the mission. Some of the principles underlying relationship marketing are especially meaningful for the retention of donors and volunteer workers.

### **OBJECTIVES AND STRUCTURE OF THE ARTICLE**

The primary objective of this article is to explain the possibilities for the application of the concept of relationship marketing by non-profit organisations. This new approach or orientation to marketing offers various benefits to non-profit organisations, especially in their endeavours to

acquire resources. Secondary objectives are to identify areas and activities which non-profit organisations can investigate and exploit for their own benefit as part of a relationship marketing strategy.

The first section of this article deals with the concept of relationship marketing as found and applied in the business world. The next section deals with the diversity of relationships and stakeholder groups involved in relationship marketing. An account of the components of relationship marketing and their relevance for non-profit organisations then follows. The article ends off with some suggestions for the application of relationship marketing in non-profit organisations as well as some conclusions.

## **A BRIEF OVERVIEW OF THE CONCEPT OF RELATIONSHIP MARKETING AS FOUND AND APPLIED IN THE BUSINESS WORLD**

Marketing has become progressively more concerned with the development and maintenance of mutually satisfying long-term relationships with customers. Relationship marketing focuses on developing and maintaining a continuous relationship between buyers and sellers (that means not just getting, but also keeping customers) and other parties in the marketplace, so that the objectives of the parties involved are met. These relationships are frequently, but not necessarily always, long term as well as dynamic (Boedeker 1996:106-107). Relationship marketing covers a wide range of different parties involved with a firm, some internal and other external to the firm. It is therefore necessary for business organisations to shift their focus away from the individual transaction and rather focus on the building of relationships. A successful enduring relationship with a customer cannot be easily imitated by competitors and hence offers a unique and sustained competitive advantage. The major differences between transaction marketing and relationship marketing are spelled out in Table 1.

**TABLE 1  
DIFFERENCES BETWEEN TRANSACTION MARKETING AND RELATIONSHIP MARKETING**

<b>TRANSACTION MARKETING</b>	<b>RELATIONSHIP MARKETING</b>
Focus on single sale	Focus on customer retention
Orientation on product features	Orientation on product benefits
Short time-scale	Long time-scale
Little emphasis on customer service	High customer service emphasis
Limited customer commitment	High customer commitment
Moderate customer contact	High customer contact
Quality is primarily a concern of production	Quality is the concern of all
Stand-alone product	Add value to a product

(Silver & Laine 1996:228; Payne 1993:32)

A definition of relationship marketing that includes all the viewpoints of various authors is that relationship marketing includes all the activities necessary to identify, establish, maintain and enhance profitable relationships with internal and external customers and other stakeholders, so that the objectives of all parties involved are met through mutual exchanges and the making, enabling and keeping of promises.

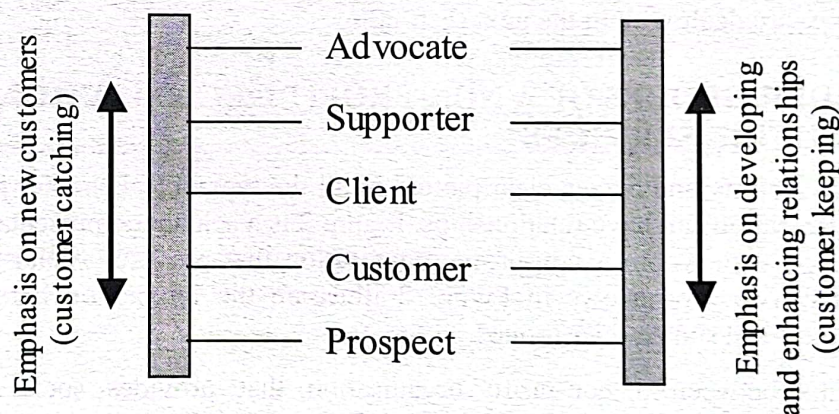
The growth in relationship marketing can be ascribed to the potential long-term financial benefits it offers. In terms of economics, relationship marketing is based on two economic arguments. The

first argument states that it is more expensive to win a new customer than it is to retain an existing customer. The second argument states that the longer the relationship between a firm and a customer lasts, the more profitable the relationship becomes for the firm. Traditionally marketing has focused on the creation of more and more customers, with less emphasis on the retention of existing customers. Relationship marketing focuses on the retention of existing customers. It has been common knowledge for a long time that it is between five to ten times more expensive to win a new customer than it is to retain an existing one (Rosenberg & Czepiel 1984:45-51). Although the cost of retaining a customer will differ between industries, the message is simple: recruiting new customers can be extremely expensive.

The second argument mentioned above, namely increased profits from long-term relationships, has led to the development of the term: the "lifetime value" of a customer. The sales value and the profit earned from a single sale are the focus of a transaction-orientated view of the customer. In contrast, a relationship-orientated view of the consumer take into account the income and profit to be earned during a long-term relationship with a customer. Studies undertaken to determine the effect of retaining customers over a long period indicate that firms should endeavour to improve their customer-retention performance (Reichheld & Sasser(Jr) 1990:105-111).

The long-term objective of relationship marketing is thus to increase customer loyalty. A loyal customer does not only mean direct profits for a organisation; a loyal customer also acts as a spokesperson and advocate for an organisation. Figure 1 illustrates the relationship marketing ladder of customer loyalty.

**FIGURE 1**  
**THE RELATIONSHIP MARKETING LADDER OF CUSTOMER LOYALTY**



(Payne, 1993:33)

New clients or customers are, of course, also very important to the future of any business. A balance is therefore needed between the efforts directed toward existing and new customers. The relationship marketing ladder of customer loyalty in Figure 1 also illustrates this point.

### **THE EXTENT AND DIVERSITY OF RELATIONSHIPS IN RELATIONSHIP MARKETING**

Relationships between customers and suppliers are the ground for all marketing (Gummesson 1999:6). Much of everyday marketing takes place via an impersonal exchange through mass promotion and mass distribution where the manufacturer and/or the retailer may even be totally anonymous to the consumer, who in turn is just a statistic. In contrast, the prime focus of relationship marketing is on the individual or the individual organisation. This approach is also

known as one-to-one marketing (Peters 1992:17). In relationship marketing the focus is also on like-minded people, called affinity groups. The group members share a common interest, namely that they want a relationship with a supplier, its products and/or services and even with each other. Golfers, environmentalists and computer enthusiasts are examples in this respect. These groups in turn form communities (Gummeson 1999:6).

The focus of relationship marketing, however, goes much further than internal and external customers. Morgan and Hunt (1994) identified ten relationships that exist between a firm and its stakeholders. Gummeson (1999) went even further and stated that thirty relationships exist between an organisation, the market and society. Gummeson (1999:20-23) groups the thirty relationships into the following four types:

- Classic market relationships. These relationships are the supplier-customer dyad, the triad of supplier-customer-competitor and the physical distribution network;
- Special market relationships. These are the classic relationships, such as the interaction in the service encounter or the customer as member of a loyalty programme;
- Mega relationships. These exist “above” the first two market relationship types. They provide a platform for market relationships and concern the economy and society in general. Examples in this regard include mega marketing (lobbying, public opinion and political power), mega alliances and social relationships;
- Nano relationships. They are found “below” the market relationships and are relationships inside an organisation such as those between internal customers and internal markets.

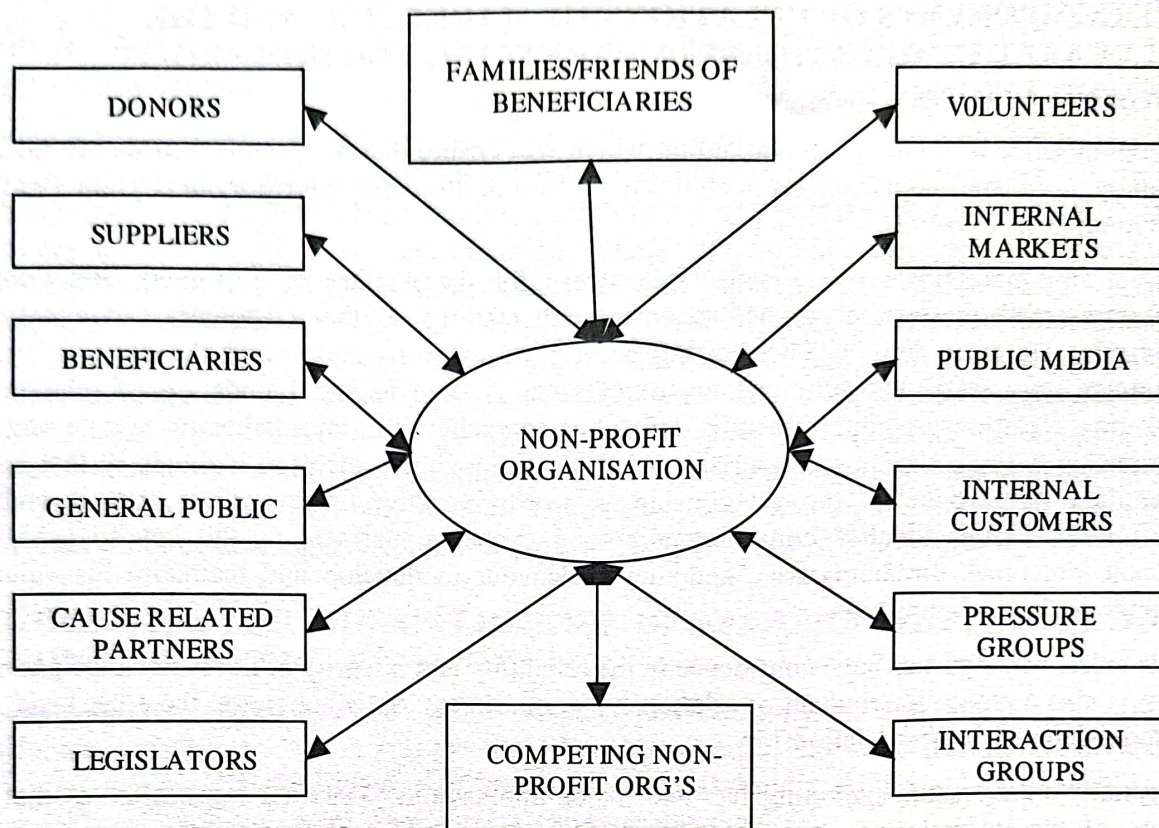
The stakeholder groups with whom a non-profit organisation which provides social services can have relationships are dealt with in the next section.

## **STAKEHOLDER GROUPS OF A NON-PROFIT ORGANISATION THAT PROVIDES SOCIAL SERVICES**

It is necessary to identify and have a clear picture of all the typical stakeholder groups with whom a non-profit organisation can have relationships. Figure 2 is a schematic presentation of the typical stakeholder groups with whom a non-profit organisation that provides social services can have relationships. The two-way arrows in Figure 2 illustrate the interaction between a non-profit organisation and typical stakeholder groups.

The relationships between a non-profit organisation that provides social services and its stakeholders, as illustrated in Figure 2, can also be grouped in accordance with the work of Gummeson (1999:20-23).

**FIGURE 2**  
**TYPICAL STAKEHOLDER GROUPS OF A NON-PROFIT ORGANISATION**  
**PROVIDING SOCIAL SERVICES**



- The classic market relationships include relationships with the following:
  - Donors
  - Cause-related partners
  - Volunteers
  - Beneficiaries
  - Suppliers
  - Competing non-profit organisations;
- Special market relationships include the following relationships:
  - Families/friends/colleagues of beneficiaries;
- Mega relationships would include relationships with stakeholders such as:
  - General public
  - Legislators
  - Public media
  - Pressure groups
  - Interaction groups;
- Nano relationships refer to the relationships with stakeholders such as:

- Internal markets
- Internal customers.

## **THE COMPONENTS OF RELATIONSHIP MARKETING AND THE RELEVANCE OF RELATIONSHIP MARKETING FOR NON-PROFIT ORGANISATIONS**

The components of relationship marketing, which will ensure that the promises made are fulfilled mutually, are identified as concern, commitment, trust and satisfaction (Morgan & Hunt 1994:20-38; Gruen 1995:447-469).

Relationship marketing's very essence is concern for the welfare of customers. Relationship marketers strive to meet or exceed customer expectations so that customers can experience satisfaction or even delight. The starting point for this is to understand the expectations of customers very well. The relationship commitment is seen as the foundation of relationship marketing. Relationship commitment is defined as an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum effort to maintain it; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely. Parties identify commitment among exchange partners as the key to achieving valuable outcomes for themselves, and they endeavour to develop and maintain this valuable attribute in their relationships.

Trust exists when parties have confidence in the reliability and integrity of their exchange partners. Trust is also a major determinant of relationship commitment. Satisfaction, on the other hand, is a prerequisite for a lasting relationship.

Essentially relationship marketing has two major implications. The first implication is that the nature of the interrelations with the customer is changing. There is a move away from the traditional transaction focus to a relationship focus with the aim to develop and maintain long-term customer retention. The second major implication is that marketing activities are not limited to the marketing department only; marketing impacts on a wide range of stakeholders. Apart from its commitment to its customers, the firm also has to concentrate on the development, maintenance and enhancing of relationships with other stakeholders. Typical stakeholders that have become increasingly important to the marketing function are employees, suppliers and other persons and organisations that make it possible for the firm to market its products and/or services. Various distinct forms of relationships that a firm has with internal and external stakeholders can be identified. These relationships have been dealt with in the preceding section of this article.

There can be no doubt that the economic arguments underlying the application of relationship marketing in the business domain are also applicable to non-profit organisations. In the first instance it is certainly more expensive to win a new donor or volunteer than it is to retain an existing one. As far as the second argument goes, it can be stated that the longer the relationship between a non-profit organisation and the donor/volunteer lasts, the less cost, energy, supervision, etc. are required to convince the donor/volunteer to make a contribution. In respect of volunteers, a long-term relationship leads to less training and time necessary to familiarise the volunteer with the non-profit organisation's mission, objectives, policies and procedures. Kotler and Andreasen (1996:282) sum this up by stating that "... with any marketing task, it is usually much easier to market to present customers (volunteers) than to new customers (volunteers)." As far as donors are concerned, it is clear why a longer-term relationship is favourable to a non-profit organisation. It has been reported that the more money people give, and the more frequently they do so, the more they are likely to give if appealed to (Schlegelmilch, Diamantopoulos & Love 1997:14). It has also been found that donor development is inherently more profitable than donor recruitment and,

although there are no clear rules in this respect, it is likely that in an established non-profit organisation the ratio between donor recruitment and donor development will 80:20 in favour of donor development (Sargeant 1999:130).

## **APPLICATION OF RELATIONSHIP MARKETING TO NON-PROFIT ORGANISATIONS**

In a normal profit-driven business, the success of the process of resource attraction is clearly linked to the success of resource allocation (Birks & Southan 1991:15-20). This is not the situation with non-profit organisations. From another perspective it can be stated that in the case of a non-profit organisation the product or service can be entirely separate or partly connected to the flow of income (Cousin 1990:15-30). The direct exchange which is a characteristic of marketing in the commercial world is absent in the marketing of a non-profit organisation. The challenge for a non-profit organisation is thus to convert the process of resource allocation into meaningful and tangible evidence to the stakeholder groups that provide the non-profit organisation with resources. At this point it is deemed necessary to make it clear that not all non-profit organisations have been reluctant or resistant to the application of marketing principles in their activities. In fact, there are numerous examples of non-profit organisations that have been excellent in meeting the individual needs of their constituencies for years (Reed 1996:6; Massey 1995:35-38).

## **SUGGESTIONS FOR THE APPLICATION OF RELATIONSHIP MARKETING IN NON-PROFIT ORGANISATIONS**

It was indicated earlier that non-profit organisations not only have a number of different stakeholder groups with whom relationships should be formed, but these stakeholder groups are also very diverse. For the purposes of this article the stakeholder groups are divided into three groups. These groups are donors, volunteers and other stakeholders.

### **Donors**

Donors have different motives for giving and it is necessary that a non-profit organisation understands this. If this is understood, the non-profit organisation can take actions that satisfy the needs of their donors. One of the issues that has been found to be very important to donors is the impact that their contributions have on the needs of the beneficiaries of the non-profit organisation (Hobson & Malec 1996:79-81). Non-profit organisations should continuously aim to satisfy their donors by repeatedly assessing the extent to which donors are satisfied with the non-profit organisation, its mission and its goals and objectives, and letting the donors know that their concerns are being addressed by the non-profit organisation (Vavra 1992).

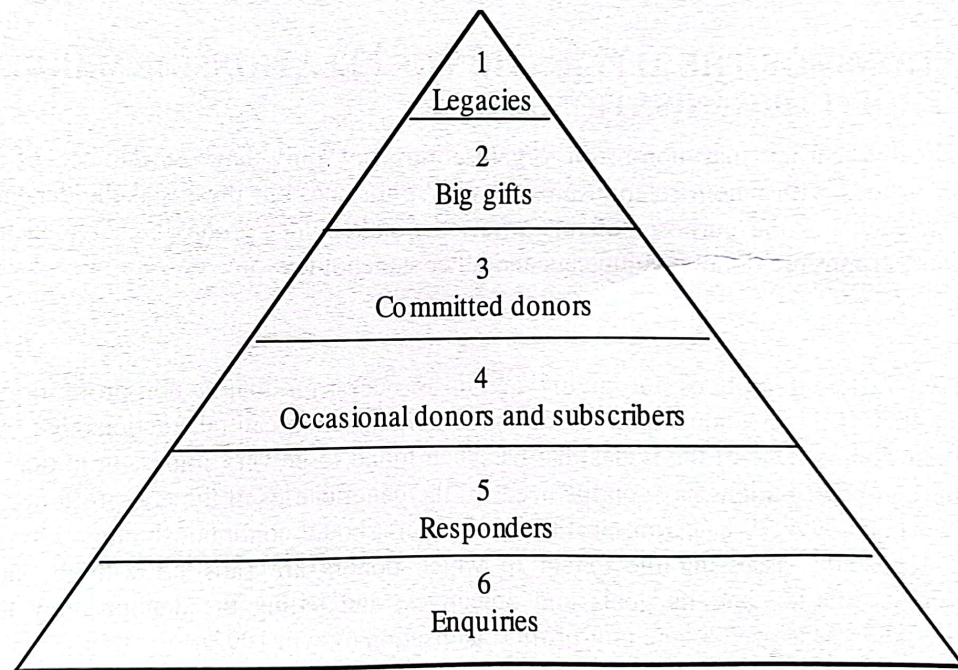
Donors should be kept informed of how the non-profit organisation is performing. It is important to inform donors how their money has been utilised. The evidence suggests that donors who perceive a non-profit organisation as effective and efficient are more likely to donate to them (Harvey 1990; Schlegelmilch 1988). Edmundson (1986:49) found that a life-long relationship begins when the donor feels a personal link with the non-profit organisation and suggests that younger and more recent donors should be given access to as much information as possible about the non-profit organisation and the solutions it offers for the problems it tackles.

Current volunteers are also one of the best sources of extra donations. This means that the non-profit organisation should endeavour to increase the level of involvement between the non-profit organisation and the volunteer. Volunteers are more likely to be donors than non-volunteers, so attracting younger individuals into volunteering would certainly increase the likelihood of their becoming donors. The management of a non-profit organisation should not view volunteer time as

a compensation for donating money; non-profit organisations may even be able to solicit donations from their own volunteers and possibly also ex-volunteers (Schlegelmilch *et al.* 1997:24-25).

Although there are many ways to think about the process of how to develop the relationship with donors, one of the well-known examples in this respect is the classic donor pyramid, which illustrates some fairly standard, common-sense ideas about the relationship between different types of financial contributions and different levels of donor commitment. The donor pyramid is based on the assumption that, for the most part, the degree of a donor's commitment and loyalty is likely to be in direct proportion to the size of her or his contribution; the more committed you are to a particular cause, the more you are likely to contribute to it. Conversely, the number of supporters contributing at a particular level is likely to vary in inverse proportion to the size of their contribution. An organisation will probably attract a large number of supporters prepared to make a fairly limited, occasional contribution; fewer will be willing or able to make more regular contributions and commitments and only a handful will be in a position to make a really substantial contribution ("Donors, supporters and customers" 2000:62-63). The donor pyramid and its components are illustrated in Figure 3.

**FIGURE 3  
THE DONOR PYRAMID**



("Donors, supporters and customers" 2000:63)

From a relationship marketing viewpoint, the ideal is to maintain donors at level 3 or, preferably, move them to levels 1 or 2.

Different donors have different needs and one of the variables that can be used to assist in donor development is the so-called catch-all "nature of the relationship that is required" (Sargeant 1999:138). Whilst some donors may be looking for only personal forms of contact with the non-profit organisation, others will be content to receive regular newsletters, telephone calls or mailshots. In this respect it is suggested that a non-profit organisation asks a donor what form of relationship the donor wishes to have with the non-profit organisation.

To develop loyalty amongst donors, it is imperative to maintain a meaningful dialogue with donors over time. Donors (particularly high-value donors) need to feel that they are appreciated and that their “efforts” on the non-profit organisation’s behalf have actually had an impact. Moreover they expect that the non-profit organisation will recall their past deeds and understand a little about them as individuals. Thus more successful fundraisers use every opportunity they can to develop and extend a dialogue with their donors (Sargeant 1999:141).

Apart from what has been said so far, there are a variety of other ways in which donors can be given recognition or rewarded for their contributions. The following are possibilities in this regard (Warwick 1993:58-59; Sargeant 1999:141-142):

- Thank donors as soon as possible for their contributions.
- Personalise communications. Higher-value donors should be sent unique personalised letters or other materials of the non-profit organisation. The most senior staff member of the non-profit organisation should preferably personally also phone high-value donors.
- Send newsletters to donors. Their purpose is to inform donors of how their contributions have been utilised. Such newsletters also serve as useful reminders of the donor’s association with the non-profit organisation.
- Host and invite donors to special events. Open days, dinners, galas, award presentations and the annual general meeting are all suitable occasions for this purpose.
- Give premium materials or gifts. Such materials or gifts provide a tangible dimension to the appreciation shown by the non-profit organisation.
- Thank donors through acknowledgements in the non-profit organisation’s magazine, other promotional material and the press.
- Give plaques or certificates of acknowledgement. Examples in this regard are gold, silver or bronze plaques. The high-value donors could be presented with a particular plaque, the colour of which is determined by the extent of their contributions.

## VOLUNTEERS

Relationship marketing is very relevant for the management and retention of volunteer workers. A volunteer contributes time or resources to a non-profit organisation and as such the volunteer has demonstrated his/her commitment to the purpose of the non-profit organisation. The non-profit organisation then has the obligation to cultivate a relationship with that particular volunteer. Another aspect that should be kept in mind is that the increase in the number of organisations that attend to social work issues has also led to increased competition for volunteers. Volunteers today have much wider options available for their time, effort and emotions compared to a decade ago.

First of all it is necessary to create an “ideal” situation for volunteers in the non-profit organisation. The volunteers of United Way of America, an American non-profit organisation that specialises in the solving of community problems, proposed the following set of ideal characteristics for their participation (United Way of America 1989:21):

- *Recognise volunteers as professionals.* This implies that volunteers should be treated as professionals. A volunteer’s expertise and experience should be taken into account when assigning responsibilities or providing training. It is also important to point out and incorporate scenarios of what *could* happen. One must always bear in mind that volunteers must deal with a wide range of people, attitudes and issues to resolve. It is furthermore useful to provide more

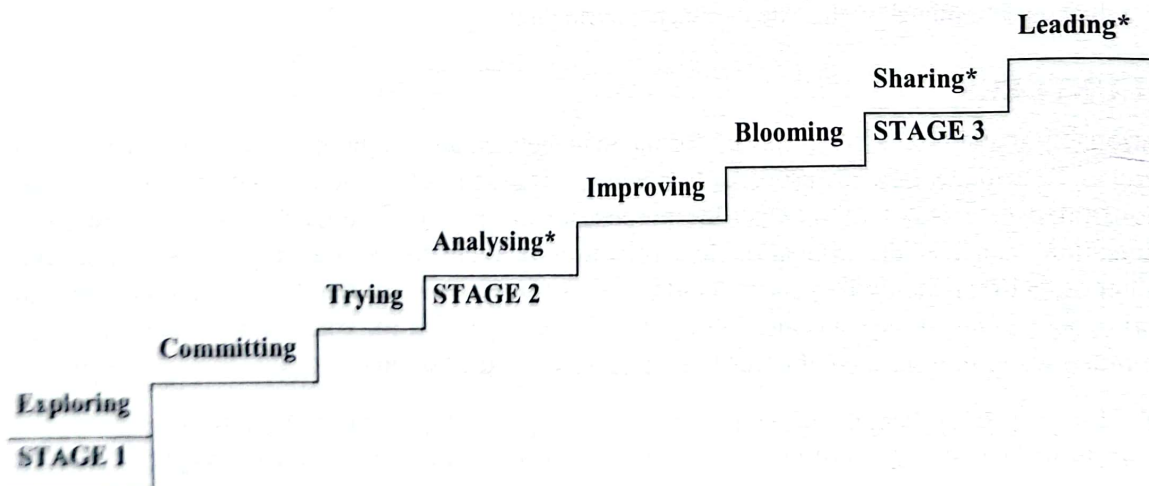
information about how to use the non-profit organisation's printed communication materials and how to modify them for different situations.

- Increase awareness of the impact of the non-profit organisation on the community. Volunteers felt this information would help them motivate donors as well as the volunteers themselves. Information about specific cases of "how people are helped" should be provided and volunteers should always be well informed about the progress of the different campaigns of the non-profit organisation.
- Encourage internal, personal fulfilment.
- Help volunteers to personalise their tasks and encourage volunteers to get to know each other and foster a "team spirit" among all volunteers. Assist volunteers to identify with the cause by making them understand the impact their volunteer work will have on other people.

The selection and recruitment of volunteers is the beginning of a long-term management task of a non-profit organisation, namely that of supporting and developing volunteers. Many models have been put forward to explain how volunteer involvement in an organisation develops. One such model, illustrated in Figure 3, describes the life-cycle of a volunteer. The major task here is to try to ensure that the volunteer achieves a successful life-cycle during her/his career with the organisation (Batsleer, Cornforth & Paton 1992:89-90).

Stage 1 of the life-cycle is an exploratory stage for volunteers, where they are investigating the worth of the non-profit organisation, what they have to offer and whether or not they would be able to get on with the people with whom they will have to work. It is important at this stage to give assurance and spend time communicating directly with the volunteer, exploring expectations, uncertainties and the level of need for information. Because the volunteer may well have second thoughts during this stage, it is important to reassure, explain and persuade.

**FIGURE 4  
LIFE-CYCLE OF A VOLUNTEER**



\* = Points of renewed commitment

(Beugen 1985:17-19)

Stage 2 is a developmental stage for the volunteer. Having decided to remain and become involved, the volunteer will be introduced to new people and situations which hopefully will bring out her/his skills and qualities, enabling her/him to help the non-profit organisation pursue its goals. There will be learning on the way. Towards the end of the developmental stage the volunteers' confidence may be such that they begin to feel undervalued and unappreciated.

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Because a volunteer needed more intensive support during the exploratory stage, the non-profit organisation may leave volunteers to “get on with it” on their own much more at this stage. Even though this is a sign of trust and respect, it can also lead to a lack of communication between the non-profit organisation and the volunteers. Recognising volunteers’ achievements and listening and responding to their personal aspirations for the job they do and the part they play go some way to valuing and affirming volunteers’ participation.

Stage 3 is the mature part of the cycle when a volunteer is making a maximum contribution, is happy to carry the responsibility for her/his particular task/role and perhaps is ready to advance participation even further. A volunteer at this stage in the cycle may be ready to share skills and experiences with others or to take on a position of leadership in terms of greater visibility or a training/support role for others. The non-profit organisation’s task is to ensure that it draws on the qualities and skills that the volunteer can now give because otherwise the volunteer will begin to lose interest and motivation.

The points of renewed commitment, indicated with asterisks in Figure 4, are the prime areas for the application of relationship marketing principles to foster bonds between the volunteer and a non-profit organisation.

As indicated in an earlier article (Terblanché 1999:393-394) and repeated here for the sake of convenience, six key issues have been identified that can significantly affect the improvement of the quality the volunteer worker experiences in a non-profit organisation – these issues are also important to the internal marketing effort of the non-profit organisation (Schneider 1988):

- **Membership issues:** These relate to the benefits that a non-profit organisation can offer to a volunteer worker. Volunteer workers typically desire a position that permits self-expression, provides an opportunity for the development of specific abilities and skills, provides a personal challenge and permits the visibility of achievements.
- **Socialisation issues:** Volunteer workers should experience formal and informal socialisation. The formal socialisation process benefits greatly from structured training programmes.
- **Identity issues:** It has been found that when a volunteer worker identifies with a non-profit organisation, this usually results in improved job satisfaction, improved extra role performance and lower turnover.
- **Structural issues:** Many volunteer workers provide professional services such as medical, counselling or legal services. Where there are too many rules and regulations that must be adhered to, these professional people may become dissatisfied and frustrated. A promising solution in this regard is to allow the professionals to control themselves with a fellow professional held accountable for the work of the particular unit.
- **Interpersonal issues:** It is important that non-profit organisations attract, select and train interpersonally oriented volunteer workers.
- **Environmental issues:** Volunteer workers must be given the opportunity to give advice and input. Ample opportunity must also be provided for volunteer workers to respond to ideas, to complain or to ask questions. Opportunities for follow-up and interaction should be created.

## **OTHER STAKEHOLDERS**

A typical non-profit organisation that provides social work has numerous other stakeholders apart from donors and volunteers. A glance at Figure 2 will confirm this. For the sake of limiting oneself to the essential, only some of the more prominent stakeholders will be dealt with.

Non-profit organisations need politicians to campaign for their cause and politicians need non-profit organisations to gain credibility and enhance their image. A close relationship with a certain political group or individual politician can provide a strong marketing edge (Gummesson 1999:126). If these “friends” lose power and popularity, however, the intimate relationship can backfire. Non-profit organisations should try to be non-political and appeal to everyone, irrespective of political beliefs. The skill of maintaining relationships with many political parties may be the ground for future support. Lobbying is a powerful tool that pressure groups or politicians can use to build relationships on behalf of a cause or a non-profit organisation. The systematic and goal directed pursuit of an issue by means of lobbying is referred to as “issues management” (Gummesson 1999:125). There is often a need for non-profit organisations to become involved in political decision-making processes at an early stage, because the earlier this occurs the better their chances to influence decision making. Examples in this respect would be government wishing to introduce new legislation affecting non-profit organisations or government wanting to reduce the financial support to non-profit organisations. What is important here is that non-profit organisations should realise that they are not equipped to undertake lobbying; they should involve politicians, diplomats and pressure groups to do this for them.

On a more local level, it is paramount that non-profit organisations have sound relationships with local authorities. Local authorities today have more power than before. A positive relationship with a local authority might not only result in, say, subsidised rates and taxes, lower rentals for halls or buildings; it could result in direct financial support for the non-profit organisation. The non-profit organisation should invite councillors and senior officials to their open days, annual general meetings and any other worthwhile events. The support received from a local authority should, whenever possible, be acknowledged in reports, annual statements, etc.

Relationships with the public media are other important links for a non-profit organisation. Successes achieved, fund raising and other events are newsworthy at times and a non-profit organisation should see to it that such information is passed on to the public media for consideration to publish or to broadcast. The formats in which different media require the news topics should be established beforehand.

## CONCLUSIONS

Non-profit organisations have to deal with diverse forms and formats of competition on an increasing scale. Various factors such as the increase in worthwhile causes that warrant support, cutbacks in government funding and the internationalisation of non-profit organisations are responsible for the increased competition for resources. The competition amongst non-profit organisations for donors and volunteer workers will undoubtedly increase in the future.

Relationship marketing has been applied with success in the business world. In relationship marketing the focus is on developing and maintaining long-term relationships with all stakeholders and a further major implication is that marketing activities are the responsibility of everyone in an organisation. The economic arguments underlying the application of relationship marketing in the business domain are undoubtedly also applicable to non-profit organisations. It is certainly more expensive to win a new donor or volunteer than it is to retain an existing one and the longer the relationship between a non-profit organisation and the donor/volunteer lasts, the less cost, energy, supervision, etc. are required to convince the donor/volunteer to make a contribution.

The principles of relationship marketing could therefore be applied with great effect to enable non-profit organisations to manage relationships with its diverse stakeholders and to specifically retain their existing donors and volunteer workers.

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