

MODERN MARKETING COMMUNICATION OF NONPROFIT ORGANIZATIONS AS A TOOL OF CORPORATE SOCIAL RESPONSIBILITY

Jaroslav Mazanec, Dominika Moravcikova

ABSTRACT

This paper deals with current issues of Corporate Social Responsibility (CSR) in relation to the non-profit sector in the Slovak Republic. CSR is a broad concept that includes Cause-Related Marketing (CRM), corporate philanthropy, private foundations, etc. Currently, many significant companies in the private sector (especially in bank sector) are aware of their important role in the national economy. Therefore, entities establish private foundations to increase living standards in the country. The "boom" of the establishment of private foundations may be associated with the promotion of the founder of the Non-Profit Organization (or Non-Governmental Organizations). Another important tool for promoting include alternative marketing tools in the form of guerrilla marketing, viral marketing and buzz marketing that utilize non-profit organizations because of technological progress.

KEY WORDS

Cause-Related Marketing. Corporate Social Responsibility. Guerrilla Marketing. Non-profit Organization. Philanthropy. Social Marketing. Viral Marketing.

JEL CLASSIFICATION

L31, M14, M31

INTRODUCTION

In the Slovak Republic establishment of Non-Profit Organizations (NPOs) is associated with the gradual process of democratization after 1989. Non-profit organizations are not-for-profit compared with private organizations. The primary aim of NPOs is mainly to help people in need. Although NPOs do not have commercial purpose, but they realise importance of marketing activities due to obtaining material and non-material assistance. Specifically, as CRM is aimed at attracting donors and volunteers (Moravčíková, Križanová, 2016). According to Striš, J. et al., 2009 the first NGOs that applied marketing activities, were

mainly private foundations. At present significant enterprises aware of its responsibility to society. On this basis, they apply corporate philanthropy, for instance, to establish NPOs. Corporate philanthropy is considered a proactive way with emphasis on matching the commercial sector with citizen initiatives. These private foundations may be considered for marketing tool in public relations that is aimed to build corporate identity in relation to the public (Galisová & Látešková, 2014).

1 LITERATURE REVIEW

For the private sector, corporate philanthropy is part of a new trend - CSR. In general, we can claim that CSR is responsible behaviour to company environment, i. e. customers, suppliers, employees, NGOs, etc. Corporate philanthropy belongs to innovative forms of donations that solves problems in education, innovation, etc. and improve the living conditions of the inhabitants. The main difference between corporate philanthropy and sponsorships is that sponsorship is based on promoting company brand. Therefore, countervalue is not expected to corporate philanthropy compared with the sponsorship. Currently, many enterprises provide funds to philanthropy through NGOs (Integra, 2006). On the other hand, the primary objective is to maximize enterprise value for the owners. Therefore, it implies that the activities of given enterprise must be beneficial for all parties involved. The concept is based on economic, social and environmental pillars that corresponds to the so-called. Triple-bottom-line. Economic pillar deals with corporate governance, the code of ethics, quality of products, etc. In social area, there are corporate philanthropy, voluntarism, respect for human rights, gender equality, etc. The environmental pillar is based on saving organic crops, reducing negative impacts on the environment protection and saving natural resources (Moravčíková, Križanová, 2016). CSR principles are based on impartiality, commitment, active cooperation with stakeholders and mainly transparency. The key concept of CSR representatives are enterprises that focus mainly on improving the quality of public services. In Slovakia, a leader in promoting CSR is an informal association - Business Leaders Forum. The aim of the association is sustainable prosperity through the promotion of CSR standards. (Business Leaders Forum, 2017).

Individual definitions of the term CSR differ considerably each other. It is caused that phenomenon of CSR is based on voluntary basis. Therefore, there are many approaches to CSR. Among best-known definitions belong definitions by European Union (EU), World Business Council for Sustainable Development and Business for Social Responsibility.

According to the EU, respectively. Green Paper: Promoting a European Framework for Corporate Social Responsibility (2011) CSR is the integration of social and ecological aspects into everyday corporate operations and interactions with corporate stakeholders.

According to the World Business Council for Sustainable Development (2010) CSR is a continuous commitment of the company to behave ethically, contribute to economic growth, and calls for improving the life quality in society.

According to Business for Social Responsibility (2017) a CSR is a way of doing business that corresponds to the behaviour beyond the ethical, legal, commercial and societal expectations.



Figure 1 The fit between Cause-Related Marketing, Corporate Community Investment, Philanthropy and Corporate Social Responsibility

Source: ADKINS (1999)

According to Figure 1 we can claim that business investment, marketing and philanthropy create CRM. It allows to build a positive image and public relations. Therefore, CRM is a community investment with a commercial motive. The NGOs are also associated with Social Marketing. The first authors who introduced the concept of "social marketing" in marketing theory, were Philip Kotler and Gerald Zaltman in a paper "Social Marketing: An Approach to Planned Social Change" in the Journal of Marketing. According Striš, J. et al., 2009 "Social Marketing" applies the tools of marketing theory to solve social problems. Today, "social marketing" is associated with NPOs. Thus, it is referred to as a marketing term for NPOs.

Marketing activities represent an important role in non-profit sector. NPOs don't apply only CRM, Social Marketing, as well as non-traditional means of communication. Recently, the marketing of NPOs regularly use alternative tools of marketing communication due to

technological advances. Among the best-known non-traditional marketing tools belong guerrilla marketing, ambient marketing, viral marketing (Majerova, 2015), word of mouth, word of mouse and buzz marketing. Guerrilla marketing is an unconventional tool to achieve maximum effect in the case of minimum resources. Ambient marketing is considered as one of the forms of guerilla marketing (Majerova, Zvaríková, 2014). The purpose of non-traditional means of communication is mainly to present NPOs as a creative and innovative way (Tajtáková et al., 2016).

2 OBJECTIVES AND METHODS

The main aim of the paper is to describe the marketing communication of non-profit organizations with a focus on the modern methods of comparison tools and consultation.

Comparison is the search objects or phenomena that have a common feature or features. It is a method of measuring identical or different properties of the observed entities. It is one of the fundamental operations of thought.

The method that was used to detect the importance of new forms of marketing communications for non-profits specific banking entities, has been marketing survey through questionnaires (Križanová, 2014).

Communication or a communication submix is for non-profit organizations a way to apply their marketing in the market and tell the public about the existence, operation or message. They are often the reasons are necessary for the successful operation of a non-profit organization.

Non-profit organizations use the tools of communication submix especially advertising and public relations. Because of technological and communication advances, advertising has for non-profits two problems. The first is too high advertising costs that cannot profit organization of their income to cover, the second problem is difficult targeting advertising message. Unlike advertising, public relation is more efficient from a cost point of view (Kicová, Nadanyiová, 2015). His task is to get non-profit organization to a wider public awareness, report on its activities, social contribution and influence the attitudes of citizens towards a positive and enabling the objectives of the non-profit organization.

2.1 Marketing survey

Through questionnaires were analysed to what extent used traditional and modern tools of marketing communication foundations of banking entities, namely the Nadácia Slovenskej

sporiteľne, Nadácia VÚB and Nadácia Poštovej banky. Furthermore, we were interested in whether the said foundation banking entities have prepared a communication strategy to achieve its objectives beneficial to the public and, finally, we investigated which of the forms of public relations most appeals to the public.

Marketing research has been carried out on a random sample of 250 respondents in the period November 2016 - January 2017.

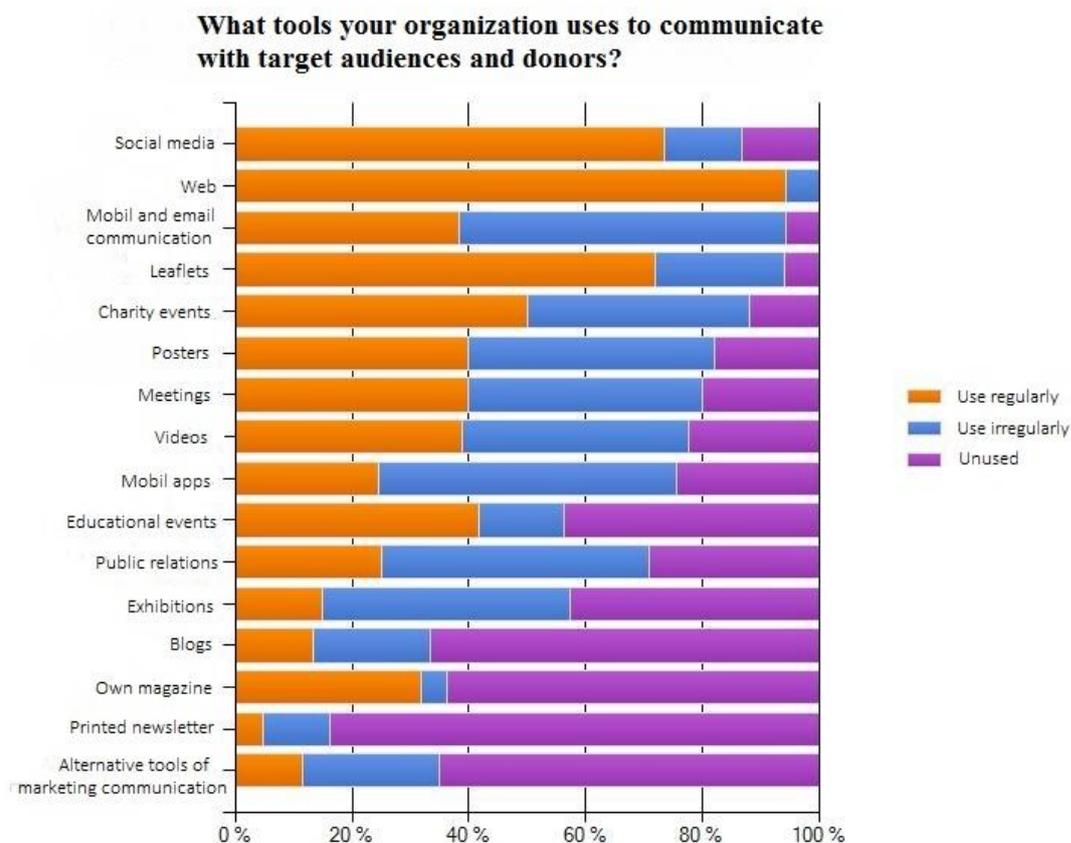


Chart 1 Type of tools used by the Foundation to communicate with the public

Source: Own processing according to the questionnaire survey

Chart 1 shows that the foundations of banking entities use to communicate with target groups a wide range of tools. Website have become a matter of course, this tool is used by all organizations interviewed, while 94.2% use it regularly. The regular use of further follow social media and mobile phone and email communication.

Furthermore, we wonder if the foundations of banking entities have clearly defined communication strategy serving to achieve their goals. Results showed that only 17% of foundations of banking entities has a communication strategy defined in writing, 40% have a defined oral and less than half of the remaining 43% it is defined very vaguely.

In the last part of marketing research, we wanted to know which of the above forms of public relations appeal to most respondents. The results point to the fact that most respondents appeal to charitable events (35%), followed by the partnership at festivals (30%), partnership in projects that benefit the public (21%) and finally educational events (14%).

In terms of CSR, it is necessary to mention also examined the Corporate NGOs (mainly bank foundations) whose mission and values are described in the following.

Nadácia Slovenskej sporiteľne helps achieve qualitative changes in education, culture, science, sports, health, social assistance, development and environmental protection. It wants to implement activities that enhance fundamental social values. Promote education and financial literacy, helping start-ups, we contribute to improving life in regions. It is part of interesting projects in the field of culture, promote cultural initiatives in towns and villages, help people actively spend their free time through movement and sport. Contribute to environmental protection by supporting environmental projects (Nadácia Slovenskej sporiteľne, 2017).

Nadácia VUB focuses on the arts and cultural heritage - Foundation program for art, education - Foundation program for education, charity - For Hope Foundation Program and active community - for the community foundation program (Nadácia VÚB, 2017).

Nadácia Poštovej banky particularly supports training activities and projects that make learning more attractive, more accessible and to bring practical application of acquired knowledge, sporting activities and projects which allow especially children and young people to develop their talents and attitude towards sport, activities and projects in the field of health order to improve the prevention and protection of health or to help create satisfactory conditions in medical facilities for the treatment of patients and the activities and projects that help children, young people and others who find themselves in social, or other emergency (Nadácia Poštovej banky, 2017).

3 RESULTS AND DISCUSSION

Based on the findings, we think that marketing communications involving traditional and modern instruments foundation banking entities, which we have paid attention to in the context it is used not only to promote products, but also to raise awareness.

Today, full of modern communication technologies, as well as foundations and other non-profit organizations forced to implement modern communication tools into its portfolio.

An exception is not even Nadácia Slovenskej sporiteľne, Nadácia VÚB and Nadácia Poštovej banky.

Table 1 Traditional and modern communication tools foundations of banking entities

Corporate NPOs	Modern communication tools	Traditional communication tools
Nadácia Slovenskej sporiteľne	Web page, social networking site Facebook, mobile and email communication. mobile applications Payments, Cash and Locator	Consumer sales promotion, print advertising, a leaflet with discounts for students, Sphere card full benefits of the project Bratislava City Card, PR = Pohoda (mobile ATMs), National run Devin, Orange Music Summer Domaša, Czech-Slovakia has talent, personal sales and marketing at points of sale
Nadácia VÚB	website with online communication and online game for kids, charity events together a non-profit organization Good Angel, mobile version of the website, social networking site Facebook, mobile and email communication. mobile app VUB Viamo	printed presentations, TV campaign, EMMA card Consumer sales promotion, PR = Music Art
Nadácia Poštovej banky	Web page, social networking site Facebook, mobil marketing	TV advertising, information materials, competition, direct marketing, promotion project Bratislava City Card, service CoopKasa, PR = general partner in the project Bratislava Castle Story

Source: own processing according to the banking entities

The results of a marketing survey conducted through a questionnaire it can be concluded that non-profit organizations use for their promotion of modern communication tools to a lesser extent compared to the traditional tools of marketing communication. Foundation surveyed more than banking entities own account on social networks, through which the most advertised and communicate with the public. The second popular communication medium is a mobile application or mobile phone and email communication. Apart from the tools used in the online environment, banking entities organize also many charity events, or participate in public events such as festivals and other social gatherings through which speaks to the public.

Emphasis on enhancing the welfare of society is indispensable in the context of CSR. If in connection with appropriately combine communication tools (traditional / modern), we can

conclude that it is a replacement for changed behaviours intangible benefit not only for individuals but also for society in the long term.

This result is indicative of the fact that the concept of CSR is not geared only to the individual but also to external stakeholders and the environment in which they operate in the short and long term.

CONCLUSION

The paper aimed to focus on modern tools of communication submix non-profit organization with an emphasis on the concept of social responsibility. Within the paper described the theoretical apparatus solve the problem further, we analysed selected banking entities using the concept of corporate social responsibility that the main foundation well-being of society.

Conclusions can be summarized that the main goal of CSR is to achieve change affecting not only individuals but also groups and even the whole society. The primary goal of marketing communications is a non-profit organization to focus its attention on the organization. Since social ideas are of course important for all mentioned levels, their enforcement is possible along CSR also use other means. It follows that, whether non-profit organization or foundation is analysed by banking entities must use the modified marketing communication, t. j. modification is a combination of traditional and modern communication tools with emphasis on moral and emotional appeals.

ACKNOWLEDGMENT

This contribution is a partial output of scientific grant VEGA n. 1/0024/15 THE FUNDAMENTAL RESEARCH PERCEPTION OF CORPORATE SOCIAL RESPONSIBILITY AS A VALUE FOR CUSTOMER.

REFERENCES

ADKINS, S. 1999. Cause Related Marketing. New York: Routledge, 1999, pp. 306. ISBN 0-7506-4481-8.

BUSINESS LEADERS FORUM. 2016. [Online]. [cit. 2017-02-03]. Available on: <<http://www.blf.sk/o-blf>>.

BUSINESS FOR SOCIAL RESPONSIBILITY. 2017. [Online]. [cit. 2017-02-03]. Available on: <<https://www.bsr.org/en/about>>.

COMMISSION OF THE EUROPEAN COMMUNITIES. 2001. Green Paper: Promoting a European for Corporate Social Responsibility. [Online]. 2001. [Cit. 2017-02-03]. Available on: < europa.eu/rapid/press-release_DOC-01-9_en.pdf >.

GÁLISOVÁ, V., LÁTEČKOVÁ, A. 2014. Firemná filantropia a jej uplatnenie vo vybranom podniku. [Online]. 2014. [cit. 2017-02-03]. Available on: <http://www.tvp.zcu.cz/cd/2014/PDF_sbornik/galisova%20lateckova.pdf>.

KICOVÁ, E., NADÁNYIOVÁ, M. 2015. Marketing mix and its importance in Slovak banks. In: International Scientific Conference on Financial Management of Firms and Financial Institutions, 2015, pp. 509-520, ISBN 978-80-248-3865-6.

KRIŽANOVÁ, A. et al. 2014. Marketing research as a tool of customer's content determination. In: Economics and Social science, Shenzhen: Information Engineering Research Institute, 2014, Vol. 61. p. 92-97.

MAJEROVÁ, J. 2015. E-marketing as a promising part of the concept of CSR and its specific features of pricing policy in a global context. In: International Scientific Conference on Globalization and its Socio-Economic Consequences, 2015, pp. 393-399, ISBN 978-80-8154-145-2.

MAJEROVÁ, J., ZVARÍKOVÁ, K. 2014. New Trends in Marketing Communication of Car Brands - Results of a Survey of Consumer's Perception in Slovak Republic, In: International Conference on Transport, 2014, pp. 145-148, ISSN: 1822-296X.

MORAVČÍKOVÁ, K., KRIŽANOVÁ, A. 2016. Impact of Corporate Social Responsibility on the Company's Reputation. In: ICMIBO International Conference on Applied Social Science and Business, 2016, Vol. 65, pp. 20-25, ISBN 978-981-09-9763-2.

NADÁCIA POŠTOVEJ BANKY. 2016. [Online]. [cit. 2017-02-12]. Available on: <<http://www.nadaciapabk.sk/o-nas/>>.

NADÁCIA SLOVENSKEJ SPORITELNE. 2016. [Online]. [cit. 2017-02-12]. Available on: <<http://www.nadaciaslp.sk/#o-nadacii>>.

NADÁCIA VÚB. 2016. [Online]. [cit. 2017-02-12]. Available on: <<https://www.nadaciavub.sk/o-nadacii/vizia-poslanie/>>.

STRIŠ, J. et al. 2009. Marketingové riadenie. Žilina: EDIS, 2009, 440 s. ISBN 80-8070-680-7.

TAJTÁKOVÁ, M. et al. 2016. Marketing neziskových organizácií, športu a kultúry. Bratislava: Wolters Kluwer, 2016, 196s. ISBN 978-80-8168-407-4.

WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT, 2010. Corporate Social Responsibility: Making Good Business Sense. [Online]. [cit. 2017-02-

12]. Available on: <<http://old.wbcds.org/pages/edocument/edocumentdetails.aspx?id=83&nosearchcontextkey=true>>.

CONTACT

Ing. Jaroslav Mazanec

University of Zilina

The Faculty of Operation and Economics of Transport and Communications, Department of Economics

Univerzita 1, 010 01 Zilina, Slovak Republic

jaroslav.mazanec@fpedas.uniza.sk

Ing. Dominika Moravcikova

University of Zilina

The Faculty of Operation and Economics of Transport and Communications, Department of Economics

Univerzita 1, 010 01 Zilina, Slovak Republic

dominika.moravcikova@fpedas.uniza.sk