

FUNDRAISING IN THE CONTEXT OF NONPROFIT STRATEGIC MARKETING: TOWARD A CONCEPTUAL MODEL

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The aim of this paper is to present the conceptual basis for examining the effects of activities, performed within the 'traditional' nonprofit strategic marketing, on the fundraising success. A review of the existing theoretical and empirical studies in the field of fundraising is provided. Open questions in fundraising are addressed, with the special attention devoted to the identification of marketing activities that could ensure higher fundraising, as well as the overall performance of nonprofit organizations. Based on the existing literature, it is proposed that long-term relationships with donors and implementation of the 'traditional' marketing activities are crucial to fundraising, with the fundraising serving as a feedback for nonprofit strategic marketing. This paper also analyzes the situation and prospects of fundraising in the nonprofit sector in Croatia. Further suggestions for the empirical verification of the proposed theoretical model are made, along with the recommendations for future research.

1. INTRODUCTION

Nonprofit organizations need resources to achieve organizational goals and fulfill their mission, as well as to grow and develop their activities. The fundamental categories of required resources are (Andreasen & Kotler, 2008):

- financial resources (including revenues from products and services),
- human resources (employees and volunteers).

Among those, the success in raising funds is crucial to the performance of nonprofit organizations. *Fundraising*, as the activity directed toward securing

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financial resources from donors, is difficult to define. Many authors simply state that it is the collection of funds, or do not provide a definition at all, but rather specify the fundraising activities and tools.

Andreasen and Kotler (2008) define fundraising as an activity of collecting financial resources and identify the main sources of funds. They emphasize that the nonprofit sector (fundraising included) has gone through three orientation phases in its development, as related to the product, sales and marketing orientation. Pavičić (2003) defines fundraising in terms of its activities and believes that it could be viewed not only as a part of the overall marketing strategy, but also as a separate strategic and implementation strategic activity. Sargeant et al. (2010) also do not provide a clear definition of fundraising, but rather emphasize the activities and processes required for its successful implementation. Another significant limitation is the orientation of the existing literature toward practical tools and approaches, with many authors serving as fundraising practitioners. Although such manuals are important for the practice, a more strict approach, directed toward the development of fundraising discipline, is required as well.

2. FUNDRAISING: THEORETICAL BASIS

Fundraising has reached a marketing orientation in its development, and it can no longer be regarded as a request for money, based on the philanthropic motives, but rather as the exchange of values, which meets the donors' needs (Andreasen & Kotler, 2008). Unfortunately, a large number of nonprofit organizations do not share such a marketing orientation to fundraising, as they concentrate on satisfying organizational needs. Thus, fundraising has increasingly become a strategic approach to donors and establishment of long-term relationships, which may not initially generate planned revenues in a short-time perspective. From this viewpoint, there are two approaches to raising funds (Sargeant, 2001):

- **the transactional approach**, concentrating on the immediate financial needs of an organization, without 'anchoring' in the developing a strategic plan and
- **the strategic approach**, based on the organization's long-term plan, which should benefit from the synergy of multiple fundraising projects and activities.

Warwick (1999) points out that fundraising can do much more than simply provide funds for the organization, as the fundraising objectives may include growth (creating a donor base), involvement (making donors active), visibility

(raising organization's public profile), efficiency (reducing the cost of fundraising), stability, etc. Fundamental principles of fundraising are rather simple (Weinstein, 2009). Firstly, people are the basis of the whole fundraising process, since people decide to give financial support to people (who work in organizations) in order to help (other people). Likewise, the importance of the amount of a small donation should not be diminished, as people donate in accordance with the resources available, while the organization not valuing all donated amounts, might be endangering their donor base. Furthermore, the leaders, staff and volunteers need to demonstrate the dedication to the organization by volunteer work or own donations, in order to convince the potential donors of the credibility to ensure the fulfillment of the objectives and "deserve" their donations. Therefore, "*successful fundraising is the right person asking the right prospect for the right amount for the right project at the right time in the right way.*" (Weinstein, op. cit., p. 4). Considering the total amount of collected funds and the number of donors, the Pareto principle is also applicable: often, 80%, or an even higher amount of funds, come from 20%, or even a lower number of donors.

Although there is no generalized classification of fundraising sources, partly due to regional/national characteristics and regulations, sources of funding can generally be (roughly) divided into four main sources (Andreasen & Kotler, 2008): donations of individual donors, donations of profit entities, for-profit and non-profit foundations; income generated by own activities and income from the partnership with the private sector. Each organization has a different ratio of funds from various sources that have been raised in various ways. The fundraising methods can be classified in the same way as the fund sources, depending on the various external factors. One of the frequently quoted classifications of fundraising activities is (Sargeant et al., 2010): major gift fundraising; direct marketing fundraising; Internet fundraising; retention and development of relations with donors; bequest gift, in memoriam and tribute donation; planned giving; corporate giving, and grant and foundations. Nonprofit organizations working in different fields and with different goals have different ratio of funds obtained from different sources, but most of the organizations depend primarily on donations.

3. FUNDRAISING: A REVIEW OF PRIOR RESEARCH

3.1. Individual donor characteristics

Many studies tried to determine the influence of various factors on the behavior of individual donors, both small and large. Sargeant & Woodliff (2008)

provide a comprehensive review of previous studies of the behavior of individual donors, as shown in Table 1.

Table 1. Summary of empirical studies pertaining to judgmental criteria and past experience; individual characteristics and motives of donors

AUTHOR(S)	METHOD	N	KEY FINDINGS
Graney and Graney (1974)	Panel study	64+46	Among the wealthy, giving to charity may be viewed as a form of pseudo-social interaction.
Frisch and Gerrard (1981)	Postal survey	195	Self-serving motives for volunteering are emphasized more among younger individuals.
Davis (1983)	Multiple questionnaires	1.354 students	If one shows high emotionality, shyness and a non-selfish concern for others, it is more likely that she/he will experience empathy.
Amato (1985)	Diary and self-administered questionnaire	97 students	People working in helping professions have higher levels of involvement in everyday planned helping than do people in non-helping professions.
Boris (1987)	Interviews	100	Among the wealthy, giving is motivated by egoism, progressivism, civic responsibility, and scientific problem-solving.
Eisenberg and Miller (1987)	Meta analysis	N/A	Investigation of the link between empathy and pro-social behavior show low to moderate relationship.
Batson et al. (1988)	5 experiments	80+120+88 +60+48	People with empathic emotion show a more altruistic motivation.
Harvey and McCrohan (1988)	Self – administered questionnaire	5.000	Donors' perception of the organizational efficiency is positively correlated with the level of giving of a particular donor.
Midlarsky and Hannah (1989)	2 experiments	2.715+2.73 5	Number of people donating shows a linear increase with their age. Elderly persons are the most generous, when controlled for financial costs.

Griffin et al. (1993)	Self-administered questionnaire	468	Lower levels of empathy, personal distress and intentions to give are led by causal attributions assigned to a victim.
Sargeant (1996)	Postal survey	3,000	Organizations with distinct categories of cause for support have donors who differ significantly in psychographic/lifestyle characteristics.
Frumkin and Kim (2001)	Panel	2,359 nonprofits	Nonprofit organizations with low administrative to total expense ratios do not perform better in fundraising from various sources than those with higher expense ratios.
Sargeant et al. (2003)	Postal survey	10,000	Demonstrable/ familial utility deriving from the gift, organizational effectiveness, the perceived professionalism of an organization, together with the quality of service supplied, are factors that have the capacity to influence gift levels, lifetime value and the longevity of the donor–nonprofit relationship (UK sample).
Andreoni et al. (2003)	Secondary analysis of Gallup survey	4,180 households	Comparing the gender, women give to more charities than men, but offer lower amounts. In marriage, bargaining over giving preferences appears to reduce giving by at least 6%.
Bennett and Savani (2003)	Survey	286	Availability of relevant information about a charity improves the accuracy of a person's ratings of the charity across a range of disparate attributes, such as the level of efficiency. General knowledge and familiarity with the charity sector is a significant determinant of how individuals feel about charities and their ability to rate accurately their performance attributes.

Kottasz (2003)	Survey (email and face-to-face)	158	Men in high-earning professions represent a distinct market segment, are attracted to giving to arts and cultural charities, well-established organizations with a good reputation, and they are also enjoying invitations to special events. Giving behavior may be influenced by the profession which suggests that marketing strategies and communications with occupationally differentially approach may be a useful approach for charitable organizations.
Bennett and Barkensjo (2005)	Face-to-face survey	141	From the donor's point of view, a charity's RM activities are strongly associated with perceptions of the organization's advertising, and with two-way personal contact methods such as special events and PR. Although lowest, direct marketing impact on perceptions of RM activities is still significant.
Sargeant et al. (2006)	Postal survey	1.300	There is a significant positive causal link between trust and commitment, and commitment and giving behavior.

Source: Sargeant & Woodliff (2008, pp. 134-140)

3.2. Other studies

In addition to studies that have focused on individual donors, there have been many attempts to deal with specific aspects of fundraising strategies, as shown in Table 2.

Table 2. Review of empirical studies relating to certain aspects of fundraising activities

AUTHOR(S)	KEY FINDINGS
Bennett (2003)	An investigation of the factors that affect the intention of donating to a certain type of humanitarian organization shows that personal values and preferences have a strong influence on the selection, and that the possession of certain personal values is significantly associated with a specific organizational value that the respondent most admired.

<p>Srnka, Grohs & Eckler (2003)</p>	<p>By segmenting donors by age, gender and social class, the authors have identified conditions under which individuals are particularly willing to donate and suggest results as a dimension for selection and segmentation of specific target groups of donors, which would allow the organization to improve fundraising through easily provided socio-demographic data.</p>
<p>Sargeant & Lee (2004)</p>	<p>The authors have examined the relationship between trust, commitment and behavior in the process of donating funds in order to determine whether trust directly affects behavior in donating or the relationship is indirectly affected by commitment. The conclusion is that the commitment has a mediating role.</p>
<p>Sargeant, West & Jay (2007)</p>	<p>Research confirms that availability, measurability, education, interaction and authorization significantly affect the number of new donors that a web site can attract and that availability, measurability and education are highly correlated with the total value of online donations.</p>
<p>Sargeant & Woodliffe (2007)</p>	<p>By exploring the factors that influence the donor's commitment to an organization, the authors have come to conclusion that the perceived service quality, similar beliefs, perceived risk, the existence of a personal connection with the organization or case for support and trust make commitment in the context of charitable giving.</p>
<p>Waters (2008)</p>	<p>Donors, who have repeatedly made their contributions to the organization, value their relationship stronger than single donors.</p>
<p>McGee & Donoghue (2009)</p>	<p>The analysis of the negative impact on the effects of fundraising in Ireland, where it is primarily perceived as a volunteer activity, is conducted. The authors highlight the potential fundraising pitfalls because the success in attracting funding often depends on the perception of professionalism and confidence in achieving goals.</p>
<p>Stater (2009)</p>	<p>The author points out the lack of empirical research that would support the claim that the nature of nonprofit organizations is different from the profit ones. Thus, their marketing strategies have to be different. The results suggest that the use of marketing principles and activities is largely conditioned by the predominant way of fundraising in the organization.</p>
<p>Diepen, Donkers & Franses (2009)</p>	<p>The authors have examined the impact of direct mail irritation effect on future donation behavior. The results confirm that direct mail can result in irritation, but surprisingly, the irritation does not affect any of the specified donating behavior or the current one.</p>

Source: Author

4. FUNDRAISING: OPEN QUESTIONS

Regardless of the level of social development, the current economic crisis has a major impact on the nonprofit sector. More than 70% of nonprofit organizations have confirmed that the crisis has had an impact on their performance, whereby 33% of them lost their existing donors and other funding sources for their activities (Suri, 2009). Donors evaluate their activities more seriously, as well as evaluate and change their patterns of donating behavior (Klein, 2003). Rapid growth of the sector, combined with the current crisis, highlights the scarcity of resources available to the nonprofit organizations. In order to survive, nonprofits need to improve their performance and ensure more efficient activities, including the implementation of marketing principles, as usually practiced in the business sector. An obvious benefit of such an approach is the strengthening of the image in public (Wywmer, Knowles & Gomes, 2006), which affects the position of the organization in the eyes of potential donors.

In the context of ensuring the adequate fundraising performance, it is necessary to emphasize two dimensions of the nonprofit marketing implementation:

- **Nonprofit organizations collecting most of the resources through membership fees and income from their own activities** can implement marketing activities, as practiced by the profit sector, without additional obstacles.
- **Nonprofit organizations that collect most of the funds through donations** from various sources might find it more difficult to apply good practices and techniques from the profit sector, due to cultural (and other) limitations.

In approaching potential donors, nonprofit organizations must emphasize the achievement of objectives to be attained by the funds raised. Many authors (Sawhill & Williamson, 2001; Herman & Renz, 1998; Poister, 2003; Andreasen & Kotler, 2008) discuss the problem of measuring performance in nonprofit organizations and provide reasons which prevent the formulation of generic performance models. The most significant are: different fields of activities of nonprofit organizations, multiple stakeholders and different (subjective) interpretation of nonprofit performance. Measuring fundraising performance is equally complex, with the same problem of the lack of generally accepted theories and models (Poister, 2003; Heinzl, 2004; Madden & Scaife, 2008; Sargeant, West & Jay, 2007; Srnka, Grohs & Eckler, 2003). Since the achievement of nonprofit objectives largely depends on the success of

fundraising activities, it is equally important to create a generic model for measuring fundraising performance.

There are two approaches to the organizational assessment of fundraising performance (Sargeant et al, 2010):

- **Assessment of the financial perspective**, related to the (relative) effectiveness of fundraising activities in the context of resources spent versus the amount of funds raised;
- **Assessment of the relationships with key stakeholders**, related to the efficiency of the organization and the rational use of funds, as perceived by the key stakeholders.

Relationship marketing (Sargeant, West & Jay, 2007) is one of the most important perspectives for assessing the relationship with key stakeholders in the context of successful fundraising. Christopher, Payne & Ballantyne (2002) define relationship marketing through three factors: (a) the commitment of the organization to extend the lifetime of the present stakeholders/donors by using retention strategies, (b) the concept of focusing marketing activities to multiple markets and stakeholders, to be achieved by the interfunctional cooperation within the organization. Long-term relationships with donors require the use of the strategic approach to donors, instead of the transactional one, since it extends the donor lifetime (Sargeant, 2001). This is achieved by the outcomes of fundraising activities, performed within the strategic fundraising context, to the donor commitment (Sargeant & Jay, 2004.).

In previous studies, the fundraising process in various nonprofit organizations has been analyzed, along with different characteristics of the funding sources and approaches to donors. Most of the studies (Andreoni, 2006; Bennett, 2003; Hart, 2008; Heinzl, 2004; Knowles & Gomez, 2009; Stater, 2009) are related to the behavior and motives of individual donors, with some restrictions and guidelines for further research being identified, as well. However, the lack of generic models, especially those applicable to different contexts, requires further analysis.

5. FUNDRAISING IN CROATIA: SITUATION AND PERSPECTIVES

Fundraising in Croatia has developed in a specific historical and institutional context. In the period during and shortly after the independence war, there was a surge in the number of nonprofit organizations (primarily humanitarian), trying to alleviate its consequences. Simultaneously, there were

more international humanitarian organizations present, providing donations, human resources, and knowledge. Those contributed to alleviating problems, but also helped to organize the nonprofit sector in Croatia. Some of the humanitarian organizations, which did not have enough knowledge or skills to continue functioning in a different context, dissolved when life was normalized. For some organizations, the social needs did not justify their continued existence, but still the number of registered nonprofit organizations has been growing during the last two decades.

In early 2013, in Croatia, according to the *Register of citizens' associations*, there were 48,240 organizations active in different venues of civil society/nonprofit activity¹, which would be an astonishing achievement, if all of them were active. Unfortunately, the state of nonprofit sector in Croatia is not very positive. Many associations are inactive, partly because of the lack of knowledge/skills or founders' motivation, while some might have been established with an objective that had not much in common with the proclaimed mission. These problems, along with a wide range of organizations and methodological problems related to the classification of active organizations, represent significant obstacles to analyzing and conducting research on the nonprofit sector in Croatia.

Therefore, it is partly understandable that the existing knowledge is insufficient to describe the current situation. In addition, Croatian nonprofits are aware of the lack of necessary knowledge and skills to successfully achieve their goals, whereas the need to enhance skills in specific areas of nonprofit marketing is especially highlighted. It is noted that the most important areas in which nonprofit organizations need support and cooperation are fundraising (66.7%) and the organizational improvement/development (59.15%) (Pavičić, Alfirević & Ivelja, 2006).

Foundations, as significant institutions in the developed nonprofit sector, are underrepresented in Croatia, with the dominant ones being oriented toward providing scholarships and social welfare services. They do not have enough assets and have not developed adequate partnerships with the public institutions (Bežovan, 2008). However, the visibility of the nonprofit sector and its perception among the Croatian general public are rather satisfactory. According to a recent survey (Franc et al., 2012), 86% of the citizens are familiar with the notion of a nonprofit organization, while about 64% know the meaning of the term and can name at least one organization. It is important to emphasize that,

¹ Available at: <http://www.appluprava.hr/RegistarUdruga/faces/WEBINP/pages/searchForm.jsp>.

according to the same survey, 76% of the citizens have a positive general attitude to nonprofit organizations, 22% express a neutral attitude, while the proportion of citizens with a general negative attitude is negligible.

Even though the positive public attitude toward the nonprofit sector might be an important prerequisite for successful fundraising, it can be suggested that the majority of Croatian nonprofits do not conduct fundraising in a systematic and continuous manner. This is partly seen in fund sources structure, where the largest share in organizations revenues comes from the government, while partnerships on projects with public good objectives are still rare, as well as donations from individuals/firms (Bežovan & Matančević, 2011). From the donors' perspective, the two main problems of financing nonprofit organizations in Croatia are a large number of various organizations competing for limited financial resources and insufficient development of the civil sector (Hromatko, 2007). Fundraising, as one of the fundamental determinants of the successful nonprofit sector, needs to be fully developed, which takes additional effort and education and training of experts. In that way, the nonprofits in Croatia may diminish uncertainty of government funding dependence.

6. FUNDAMENTALS FOR MODELING THE IMPACT OF MARKETING ACITIVITIES ON FUNDRAISING SUCCESS

According to the established lack of the generic theoretical fundraising models/theories, in future research it is necessary to formulate an empirical model, explaining the impact of marketing activities to fundraising success. It should address:

- establishing and maintaining the long-term relationships with donors and their influence to fundraising performance,
- identifying the set of generic fundraising performance indicators,
- determining nonprofit marketing mix, resulting in a higher nonprofit performance,
- identifying ways the analysis of fundraising performance might contribute to the improvement of nonprofit strategic marketing, via a feedback link.

The existing literature addresses only some elements of the general/generic model, linking fundraising (as a specific marketing activity) and fundraising performance to the overall nonprofit strategic marketing framework. Therefore, a complete/elaborate model should be created, devoting special attention to the themes of long-term relationships with regular annual donors and large individual donors. Waters (2008), for instance, has already analyzed the

relationship between nonprofit organizations and these two significant donor categories, in order to clarify relations and mutual influence of fundraising activities and public relations. By using Hon and Grunig's (1999) variables, focusing on four dimensions of the relationship quality (trust, commitment, satisfaction and control mutuality), Waters concludes that large individual donors are more satisfied with the organization than the occasional ones. The limitation of this study is the sample, consisting of donors of a single (large) organization, which makes it very difficult to generalize.

Knowles and Gomes (2009) also explored relationships between organizations and their large individual donors, by developing AID-TIM model for relationships with major gift donors. They noted that the implementation of 'classical' marketing concepts and tools ensures the development of long-term relationships with major donors, as opposed to the short-term model of raising the currently required amount of funds. Bennett (2006) points out that the humanitarian organizations have been trying to predict the lifetime value of donors, so as to establish the segmentation and focus to donors of high value, defined by the estimated discounted value throughout the donor's lifetime. Thus, organizations can calculate costs and benefits of each donor and evaluate relationship effectiveness.

On the other hand, Sargeant (1998) warns that the future potential of a donor should be accounted for, as well. Improving relationships with the organization's donors is considered to be an important part of the marketing strategy, which is correlated to the organization's annual revenues. This is to be achieved by building relationships, especially in terms of database analysis, personal communications and listening to donors' needs (Perkins, Algren & Campbell Eichhorn, n.d.). Nevertheless, no studies so far have provided the empirical evidence for the superiority of long-term relationships in terms of achieving high fundraising performance. The lack of generic indicators of successful fundraising is another theme to be addressed by future research, which also needs to determine which of those are currently (un)reasonably used. The data² on the fundraising activities of the 200 largest US charities in 2005 demonstrates that the most commonly used indicators of fundraising success are:

- the so-called FACE ratio (sum of the fundraising and administrative costs in relation to total expenses),
- cost per collected monetary unit and
- benchmarking.

² http://www.forbes.com/2005/11/18/largest-charities-ratings_05charities_land.html.

The criticism of the often used 35% limit for the FACE ratio in practice is explained by the fact that the critical values have not been empirically evaluated (Sargeant et al., 2010). The same authors also criticize the cost per collected monetary unit as another key measure of fundraising efficiency. Benchmarking is a useful tool by which an organization can improve business (Letts, Ryan & Grossman, 1999), but it is not commonly used in the fundraising analysis, because of the lack of available information and comparative data within the sector (Conley Tyler, 2005). In addition, nonprofit organizations often claim to be effective, if their administrative costs are low. However, Frumkin and Kim (2001) consider that low administrative costs will not lead to higher fundraising performance. Namely, fundraising success is rather the result of the donor's identification with the organization than the perception of the organization's efficiency due to low administrative costs.

Bennet (2007) proposes four groups of nonprofit marketing performance indicators. His financial indicators partly include the fundraising perspective, such as the revenue per donor, frequency of donations, market share of donors within the sector, the number of new donors in the period, marketing cost per donor, the value of the organization as a brand and marketing expense of other organizations in the sector. Research results (Bennet, 2007) show that the most commonly used fundraising outcome indicators are relatively simple, such as the number of new donors and the total amount of the raised funds. However, additional research is recommended, so as to develop a set of generic indicators, complementing the existing ones to establish the fundraising performance.

(In)adequate implementation of nonprofit marketing activities can have negative consequences. Nonprofit organizations tend to avoid reporting costs of their marketing activities. As a result, they are not being used in relationships with stakeholders due to the fear of resembling the profit sector (McGee & Donaghue, 2009). Bennet (2007) confirms the existence of a bias against the implementation of marketing in the UK nonprofit organizations, with the dominant perception of marketing as wasting precious resources necessary to accomplish the goals. Other reasons for the inadequate implementation of nonprofit marketing include lack of funds, followed by the lack of professional staff and basic marketing knowledge (Pope, Isely & Asamo Tutu, 2009). As numerous organizations have shown significant misunderstanding and ignorance of marketing principles and activities and have mostly focused on sales and promotional activities (Dolnicar & Lazarevski, 2009), it is very difficult to expect adequate implementation of fundraising.

Positive aspects of nonprofit marketing and their influence on fundraising and organizational performance can be found in the adequate people, i.e. human resources trained in nonprofit marketing (Judd, 2001). An adequate segmentation of specific target groups and individuals could also contribute to identifying relevant attitudes and other donors' characteristics, as well as bring benefits from the services provided by the organization and determine the cost-benefit ratio for a targeted donation (Srška, Grohs and Ekler, 2003). The fundraising process could also affect the nonprofit marketing strategy, i.e. the overall context of nonprofit marketing (Stater, 2009).

Therefore, there is a lack of global literature related to the relationship between integrated marketing activities and the fundraising performance. This is even more evident for the Croatian nonprofit sector, with a lack of research and literature on the civil sector in general, and especially in the field of applying nonprofit tools, such as marketing, fundraising, etc. Although it is reasonable to expect improvements with Croatia's accession to the EU, particularly in the availability of civil society support programs (Bežovan & Matančević, 2011) the lack of knowledge will be a barrier to the development of the nonprofit sector.

7. DETERMINANTS OF THE INTEGRATED FUNDRAISING MODEL

A future model of integrated fundraising model should include both the overall nonprofit marketing activities and all the elements of the nonprofit marketing management: analysis, planning, implementation, and control. In order to address the knowledge gaps in the existing literature, it is necessary to modify and review the operationalization of the marketing mix and positioning as key elements of the implementation of nonprofit marketing. Even though some authors (Balabanis et al., 1997; Duque Zuluaga & Schneider, 2008; Dolnicar & Lazarevski, 2009; Gainer & Padany, 2002) measure marketing orientation by applying Kohli & Jaworski's (1993) MARKOR, or Narver & Slater's (1990) MKTOR scale, it would be desirable to identify particular stages of the nonprofit marketing management, as well as the attitudes on the importance of marketing activities within the organization. Given that the goals of nonprofit organizations are not "monetary" and are hardly measurable, fundraising success should be measured by combining the existing performance measures (Bennet, 2007; Sargeant & Jay, 2004; Sargeant et al., 2010), which could be divided into financial and nonfinancial fundraising goals.

The future research could concentrate on the need to monitor the performance in relation to the plan (as usual) and test the performance relative to the competition, while taking into account the attitudes of staff and other stakeholders. In fact, the organization's attitude toward its own success, i.e. achieving fundraising goals in relation to its competition, can slightly compensate for the lack of information and available comparable data within the sector, which is an obstacle to the implementation of benchmarking (Letts, Ryan & Grossman, 1999).

Such information could be used to determine the generic fundraising and performance indicators, useful for the entire sector. Since the establishment of long-term donor relationships has been of significant interest to researchers (Bennet, 2007), two dimensions should be examined: the orientation toward donors and the long-term relationships with donors. By creating a scale to measure relationships with donors, one should take into account the degree of implementation of long-term relationships, as opposed to transactional ones (Sargeant, 2001).

An additional component to be included into the modeling is related to learning via the feedback link, provided by the evaluation of previous fundraising. This should result in (re)defining the nonprofit marketing activities in terms of organizational learning and control. Thus, it is necessary to review the implementation of control activities and attitudes on the importance of each control component within an organization. Moreover, it is useful to examine the reasons for creating new and redefining the existing plans. On the other hand, the organizational learning is of multidimensional character and consists of four dimensions (Lopez, Peon & Ordas, 2005): acquisition, distribution, interpretation of knowledge and organizational memory, which needs to be addressed by the adequate research orientation.

8. CONCLUSION

Marketing concept within nonprofit sector as well as fundraising performance continue to be of interest to scholars. The problem with a lack of theoretical fundraising models and their adjustment with the known marketing theories prove the need for future researches which would explain the impact of marketing activities on fundraising success. As fundraising is one of the major activities of nonprofit organizations it would be of importance to develop generic fundraising performance indicators as it is proposed in this paper. Even though long-term relationships with donors as a potentially critical factor of fundraising performance (possibly) influence success, this concept should be

investigated through the development of conceptual model and its empirical evaluation. Furthermore, another interesting part of the proposed conceptual framework is the influence that the feedback link of previous fundraising performance has on improving the nonprofit strategic marketing. The results of future studies should contribute to better understanding and wider implementation of effective fundraising, in the context of integrated nonprofit marketing.

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FUNDRAISING U KONTEKSTU STRATEŠKOG MARKETINGA: PREMA KONCEPTUALNOM MODELU

Sažetak

Cilj ovog rada je prezentirati teorijske i empirijske osnove za formulaciju modela utjecaja marketinških aktivnosti na uspješnost fundraisinga uz prijedlog za empirijsku verifikaciju uz pomoć sadržajnih determinanti budućeg modela. Pregledom teorijskih osnova i dosadašnjih istraživanja područja fundraisinga ističe se potreba za istraživanjima koja će rezultirati novim spoznajama te razvoju znanstvene baze o disciplini fundraisinga. Problematika otvorenih pitanja u fundraisingu (sa ili bez krize) ističe važnost determiniranja kombinacije marketinških aktivnosti kojim bi se osigurala uspješnija izvedba neprofitnih organizacija te definiranje pokazatelja uspješnosti fundraisinga koji bi trebali biti primjenjivi bez obzira na područja djelovanja organizacija. Pri tome se predviđa kako je uspostavljanje dugoročnih odnosa s donatorima zajedno s implementacijom marketinških aktivnosti presudna stavka uspješnosti fundraisinga neprofitnih organizacija uz pretpostavku postojanja i povratnog utjecaja uspješnosti fundraisinga na definiranje marketinških aktivnosti. Posebno se izlažu stanje i perspektive fundraisinga u neprofitnom sektoru u Hrvatskoj uz preporuku za buduće istraživanje.