BRANDING IN NONPROFIT ORGANIZATIONS- THE CASE OF ALBANIA

Prof. Ass. Dr. DritaKruja,
Lecturer, University of Shkodra “LuigjGurakuqi”,
Faculty of Economy, Shkoder, Albania
krujadrita@yahoo.com

AlkidaHasaj, PhD candidate,
Lecturer, University of Shkodra “LuigjGurakuqi”,
Faculty of Economy, Shkoder, Albania
alkidahasaj@yahoo.com

ABSTRACT

The non-profit sector is very important for the whole scheme of a country life. Dozens of non-profit organizations actually operate in Albania. During the last 20 years there has been a significant increase in the number of non-profit organizations, because of the rapid changes in environmental conditions.

As nonprofit sector has become more and more competitive in seeking sources of revenue and volunteers, it is important to be able to build strong brand identity, image and personality in order to differentiate themselves in the growing nonprofit sector. The use of branding in traditional for-profit organizations has led to well recognized logos and company names that have become a part of everyday culture. Brands become important during 1990 for nonprofit companies too, in order to in differentiate themselves. As result, nonprofit management has borrowed age-old marketing strategies from mainstream corporations to increase awareness and effectively compete against all force that seek contributions. So the commercialization of non-profit organizations through marketing mechanisms has recently become important.

The purpose of this study is to demonstrate the use of brand management to create distinction, and the challenges of merging branding methodologies into nonprofit organizations that operate in Albania.

The data to conduct this paper were collected from the contemporary literature in this field and using a qualitative research through the depth interviews with managers of a nonprofit organization that operate in North Albania.
Results demonstrate it is a lack of a formal process to evaluate its brand by nonprofit organization that operates in North Albania.

**Keywords:** Non-Profit Organization, Challenge, Marketing, Branding.

**INTRODUCTION**

The non-profit sector is very important for the whole scheme of a country life. Dozens of non-profit organizations actually operate in Albania. During the last 20 years there has been a significant increase in the number of non-profit organizations, because of the rapid changes in environmental conditions. As a result there is a growth in competition among organizations that operate in this sector.

As nonprofit sector has become more and more competitive in seeking sources of revenue and volunteers, it is important to be able to build strong brand identity, image and personality in order to differentiate themselves in the growing nonprofit sector. (Hasaj, A and Kruja, D, 2012) The use of branding in traditional for-profit organizations has led to well recognized logos and company names that have become a part of everyday culture. Brands become important during 1990 for nonprofit companies too, in order to in differentiate themselves. As result, nonprofit management has borrowed age-old marketing strategies from mainstream corporations to increase awareness and effectively compete against all force that seek contributions. So the commercialization of non-profit organizations through marketing mechanisms has recently become important.

By surveying relevant issues confronting nonprofits, such as the new paradigm for strategic management, a greater understanding into key issues facing nonprofits survival in the 21st century can be uncovered. Another core element of relevancy lies in the commercial value of any organization’s message. The sheer number of communiqués in both the commercial and nonprofit world has vastly increased and diluted the meaning of any one brand. In response, nonprofits have turned to traditional marketing theories and practices in order to differentiate themselves to compete for scarce resources.

In consideration of these challenges, a case study was developed to examine the brand management utilized by a nonprofit and strategies employed to combat the new landscape of competition. Interviews with employees, partners, and sponsors has been made about vision, mission and brand management of their Organization. Using this information as a backdrop, the purpose of this study is to focus on a nonprofit organization “VIS – International Volunteer Service for Development” in Shkodra Region, Albania and through a qualitative approach, uncover the many dynamics that are involved with creating a successful brand.

**BRANDING IN NONPROFIT ORGANIZATION AND DEFINITIONS**

Given the intention to examine the brand management practices to the nonprofit organization, it is important to begin by defining what we mean by this term. The nonprofit organizations can be defined as: one that exists to provide for the general welfare of society, through the marshalling of appropriate resource and/or the provision of physical goods and service. Such organizations do not exist to provide for personal profit or gain and do not, as a result, distribute profits or
surpluses to shareholders or members. They may, however, employ staff and engage in revenue-generating activities designed to assist them in fulfilling their mission (Sergante, 2009).

Traditionally, nonprofit organizations relied on three sources of revenue: governmental support, voluntary donations, and grants. Until the late 1970s, the federal government was the single largest supporter of charitable nonprofit organizations in the world (Borman, Anne and Clarence Lo, 1995).

Nonprofit organizations now face a scenario familiar to the for-profit sector: just as for-profit businesses compete for consumers, demand, nonprofits have to compete for the donation capacity of the philanthropic community, and only the most visible succeed (McDanel, William G., 1983). The concept of branding presents nonprofits with new opportunities to address competition and to increase contributed and earned income.

Brands have always been vital to the promotion and selling of products throughout history. The term “brand” is a name, term, symbol, or design (or a combination of these) which is intended to indentify the product or services of one seller or group of sellers. A brand name serve to differentiate a product from those of its seller competitors. (J. Sutherland and D. Canwell, 2004. P. 42) A brand can symbolize a product, a service, or the organization itself (Andreasen R. Alan, 2008. 166). James Twichell (2004) likes branding to storytelling and argues that much of what we know about ourselves comes through brand.

The Brand Strategy Doctrine is the process for developing and communicating a brand identity. It consists of a detailed strategy for designing, creating, and communicating intended brand perception. In addition, it defines the character, style, and collective architecture (name, byline, graphic representation, etc.) of the brand. The outcome from this activity delivers a set of perceived values that the organization wants to reside in the consumer’s mind’s eye. Al Ries and Jack Trout (Ries, 1994) said brand it best - “perceptions, not products.” The net result of this process ensures that all elements support “what the brand stands for” and that the desired perception is achieved.

Whether there is a new organization going through the critical process of finalizing their mission statement, or a mature organization trying to integrate and redefine their online and offline personality, branding is an important part of a nonprofit’s identity.

As stated in a Harvard University discussion paper, “Effective branding is becoming a central concern of leaders across the nonprofit sector as many nonprofit managers feel increasing competition from other nonprofits, for-profit businesses, and new organizations that claim to blur the boundaries between nonprofit, for-profit, and public sectors.” (Thomas Remya, 2012)

Private sector marketers spend enormous amounts building and defending their brand. Nonprofit organizations are coming to realize that they have much to learn from their experiences. (Andreasen R. Alan, 2008. 167)

There are breadth of issues facing nonprofit organizations today. As it noted by searching, nonprofits face an multitude of issues including government legislation, competition, accountability, management effectiveness, and adapting to the changing marketplace of donors. Nonprofits attempt to balance the need to raise funds, provide satisfaction to donors, and serve the public trust can best be captured in the societal marketing theory. As nonprofits face this new competitive threat, several issues are raised concerning the viability of nonprofit’s purpose and underlying values to society. If nonprofits shed their inherent role to care for the community and switch to a corporate mindset, many vital services and reinvestment into the community will be lost. So, not everyone in the nonprofit sector thinks that an emphasis on organizational branding and positioning is a good idea for nonprofits. (Spruill Vikkki, 2001. 45-46)
The nonprofit world—especially advocacy groups working in fields such as health, education, and the environment—can ill afford to wage corporate-style branding battles. Instead of helping charitable groups work together to build a broad base of support from donors, volunteers and activist, branding becomes a barrier. It fosters unhealthy competition among nonprofit groups for visibility, promotes the hoarding of proprietary information, and leaves donors confused about how their support is making a difference.

The idea that a nonprofit would perform like a for-profit in order to differentiate itself, it can cause competition and perhaps result in questionable practices by nonprofit leaders. But expect this, Kevin Lane Keller. (2003), a expert on branding, explain that an organization’s branded offerings can serve several role:

- Reflect a unique social contribution
- Comprise a promise to target audiences and stakeholders
- Reflect the organization’s mission and values

Identifying a nonprofit brand as having high value can motivate various stakeholders to contribute more—work harder, volunteer more, donate more and reap personal pleasure from involvement with such a powerful and highly valued institution.

Nonprofits that are perceived to have clear, identifiable social good values in sync with its mission are at a strategic advantage over ones with vague goals or unclear identities. There are different approaches to a successful branding process, but the main goal should be to start, or continue, a conversation to build a lasting relationship with stakeholders.

A study of consumer trust in brands in Europe and United States by Edelman Public Relations found that the top four most trusted brands in Europe were actually nonprofits. (Andreasen R. Alan, 2008. 171)

**RESEARCH METHOD**

The purpose of this research was to examine if brand management create distinction, and the challenges of merging branding methodologies in the nonprofit organization “VIS – International Volunteer Service for Development” that operate in Shkodra city, Albania. According to Merriam (1988)a case study is a format in which the researcher explores a single entity or phenomenon (“the case”) bounded by time and activity (a program, event, process, institution, or social group) and collects detailed information by using a variety of data collection procedures during a sustained period of time.

The application of qualitative research consisted of in-depth interviewswith organizational members. In addition, a review of their collateral material, financial statements, press releases, and other promotional materials was examined for content and message. Senior management was targeted for interviews since they are responsible for the vision and mission of the business as well as other key individuals who have direct input into the generation of promotional materials.

The site location for this study was primarily located at the office of the “VIS” organization in Shkodra, Albania. An in-depth interview technique was used, which consisted of unstructured, open-ended questions to solicit an understanding of how the organization perceives itself. These questions are geared toward uncovering the perceptions and attitudes the collective governing body has about their vision, mission, and strategies to achieve both short and long-term goals. This approach was developed to gain a deeper understanding of the issues their brand faces and by what process do they solve their problem.
The secondary data were also used in this study which was achieved through an extensive literature review on the brand management practice of nonprofit organizations, but what was achieved through this data was only theoretical.

CASE STUDY

To consider the brand management in nonprofit organization it was considered as example the VIS- International Volunteer Service for Development a nonprofit organization that operate in Shkoder, Albania.

In 1986 VIS – International Volunteer Service for Development, a non-profit (NPO) of solidarity, began to operate as an educational agency. Based to the law in Italy, nr. 49 in 1987, obtained in 1991 from the Ministry of Foreign Affairs, the possibility to carry out projects of International Cooperation for Development. Promoted by the National Institution of Salesians CNOS, VIS, as a lay organization, collaborates independently with the Salesian Congregation in Italy and in poor nations, thanks to the inspiration of Don Bosco's Preventive System and Salesian educational praxis.

In Italy VIS work, in accordance with its educative mission:
- To raise consciousness within Italian public opinion on solidarity and international cooperation themes
- To support the International volunteer service carried out with educative skill, directed to the human being in order to promote lasting human development
- To train Italian operators to international cooperation, human rights and development of appropriate themes
- To promote economic advocacy for International social justice

With these objectives VIS promotes training activities in Italy and in the European Community, and works throughout the world, carrying out human development, cultural and socio-economic programmes.

VIS organization is present in Albania since 1994, working primarily with local Salesians and the Daughters of Mary Help of Christians, both in Tirana and Shkodra. The initial focus was directed to the construction of the Vocational Training Centre (VTC) Salesianin Tirana and support of families from Albania mountains that during the period of massive urbanization determined to create new districts in the suburbs of the city. In sixteen years of presence in the country, the VIS has retained as a constant in his work to the attention of those who are most in need: the families who yesterday abandoned the mountain, and also to the families left behind to live in the mountains, in hardship and in isolation.

The intervention of the VIS in 2010 has developed around two intervention programs: the "program Breglumasi" (the set of the many projects that you work with in this suburb of Tirana risen from nothing in the early 90s) and the new "Northern Albania Project", launched in late 2009.

Breglumasi in 2010, completed the construction of the new nursery "Lules and jetes (Flower of Life)", thanks to projects funded by the Directorate General for Development Cooperation - Ministry of Foreign Affairs, the Lombardy Region and the CEI have continued social activities for the most disadvantaged children, young people and their families, with the aim of strengthening community cohesion in the neighborhood.

In 2010 is also the year in which the rural development project in northern Albania, with funding from the Directorate General for Development Cooperation - Ministry of Foreign Affairs and the
Italian Episcopal Conference (CEI) and in consortium with Italian NGOs Friends of Peoples COLOR, took concrete. The project aims to improve the living conditions of the mountain communities of Kelmend and Shkrel. The most important issue for VIS in North Albania is the awareness of residents for the preservation and transmission of values, traditions and cultures. An often the employee made campaigns, and even interpersonal meetings with resident of these areas.

VIS in Shkoder operates on the basis of Albania legislation on NPO, and they had no problems in conducting their activities. The organization considers that do not exist competition between nonprofit organizations. Recently in Albania are operating more and more NPO, which have a positive impact in the countries where they operate. But competition might be considered in the situation when there is the need to win grants, and the one who finds these has been the most successful. Actually VIS in Shkoder, Albania is working in an area that few or no organizations have worked there before, and their goal has been to collaborate as much as possible with other organizations in order to become familiar them with the area and in the near future not remain forgotten areas. It cannot be called competitiveness but good collaborators with all those organizations with whom VIS worked with.

Nonprofit organizations now face a scenario familiar to the for-profit sector, nonprofits have to compete for the donation capacity of the philanthropic community. The concept of branding presents nonprofits with new opportunities to address competition and to increase contributed and earned income. For VIS organization in Shkoder brand means standard and quality. And an approach they undertake to made evident to others the value they offer.

VIS organization have used branding concepts and tools primarily to promote the organization itself. They have had less experience with branding at the campaign level but they are recognizing the potential. They see their positioning challenge at the organization level to be one of differentiating their brand so as to get more donations, more volunteers, and more support from business organizations and politicians. VIS organizations appreciate that their brand from 1(one) to 10 (ten), has 8 (eight) positive impact of its brand in the eyes of donors, government and volunteers. Actually, 95% of the budget for VIS organization in Shkoder, Albania, comes from the Ministry of Foreign Affairs outside Italy (MAE) and 5% from local businesses.

Developing, nourishing, and maintaining a brand is a challenge task. For many organizations that place great emphasis on their brand, it must be a continuing focus. VIS found that working with dedication, honesty and justice they will maintain their brand image. They do not have a single person responsible development of brand, but all the employees in this organization try to contribute on this aspect.

Not all branding today among nonprofit organizations is at the organizational level, for VIS organization is the same. Responsible for the brand name, graphic presentation of the brand this organization is outsourcing, and currently is served by "Rozafa Print and Design"a agency that operetta also in Shkoder. A well designed brand image is no longer a ‘nice to have’, but of incredible value to the organization. A strong brand image conveys an appealing and consistent image across mediums, stimulates engagement, confirms credibility and ultimately motivates action and advocacy for the nonprofit.

The nonprofit- branding don’t understand marketing of branding and see it as some kind of violation of charitable purity. For this reason it has little initiative from VIS in Shkoder, Albania for promoting their brand. Branding strategy in contrary it is an exercise designed to help the nonprofit to serve its constituents better by establishing its uniqueness in a very cluttered
nonprofit world. But regardless the importance of branding there is no measurement that applies VIS organization in Shkoder, Albania for success of this brand.

CONCLUSIONS

In this paper, it was reviewed the background of the competition in the nonprofit sector discussing nonprofit branding as a potential solution to achieve long-term competitive advantages in order to increase a nonprofit’s chances of survival and the challenges of merging branding methodologies into nonprofit organizations that operate in Albania. It was considered the example VIS organization that operates in North Albania. VIS organization promotes training activities in Italy and in the European Community, and works throughout the world, carrying out human development, cultural and socio-economical programmes. It is an organization that operates since 1994 in Albania. To conduct this research it was employed case study method and a case study was created about VIS organization in Shkoder region, Albania. The case studies method is considered useful in research as they enable researchers to examine data at the micro level. Although case studies have various advantages, in that they present data of real-life situations and they provide better insights into the detailed behaviors of the subjects of interest, they are also criticized for their inability to generalize their results.

The ability of an organization to thrive and stay relevant in the marketplace is difficult. VIS organization in Shkoder, Albania operates primarily in a specialized or niche market. Actually VIS in Albania is working in areas that have few or no organizations that have worked there before, and their goal has been to collaborate as much as possible with other organizations in order to become familiar them with the area and in the near future not remain forgotten zone. They also consider important the concept of branding because presents nonprofits with new opportunities to address competition and to increase contributed and earned income. For VIS brand means standard and quality. But the nonprofit branding process has the difficulty to implement. The uniqueness of the environment and the added difficulty of branding in the nonprofit sector compel nonprofit organizations to develop more creative strategies and solutions. Branding strategies borrowed from for-profit businesses are not always applicable in the nonprofit setting.

During the assessment, it was clear that VIS organization in North Albania is lacks of a formal process to evaluate its brand. Although the organization possessed a clear vision, mission, and philosophy statements, no observable process was observed that reflected on the current state of the brand. A brand audit and a competitor analysis will give to the nonprofit organization a good sense of (1) the qualities that differentiate them from the competitors (2) any inconsistencies in major public-facing expressions of their brand, like the website or brochures (3) opportunities that are being under-utilized, which could lead to expanded services or increased donor pool (4) improved cohesion of their internal and external messaging and its lasting resonance.

In closing, VIS organization in Shkoder, Albania, could enhance its brand perception in this area by employing the Brand Strategy Doctrine. Developing, nourishing, and maintaining a brand is a challenge task. For VIS organizations placing a great emphasis on their brand, it must be a continuing focus.
REFERENCES