

# **THE CONCEPTION OF BRANDING IN NOT-FOR-PROFIT SMES**

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## **Abstract**

A large number of not-for-profit organisations, especially charities, have become more receptive to brands and brand management issues in their search for differentiation and the communication of their services and values (Stride, 2006). However, it is argued that a majority of small to medium sized not-for-profit enterprises (SMEs), due to limited resources, are faced with larger barriers in adapting branding approaches (Khan and Ede, 2009). Others suggest that the reluctance in considering branding in small to medium nonprofits stems from a narrow understanding of the concept (Tan, 2003), and that the misconception of branding held by many practitioners disputes the need for not-for-profits to have a brand (Saxton, 2008).

Surveying a sample of not-for-profit SMEs in the UK, this paper investigates the conception of branding and the perceived barriers in adopting brand strategies within these organisations. The findings reveal the extent to which these barriers are related to the conception of branding. It helps both academia and practitioners to understand the brand management issues faced within these organisations. This is especially relevant in an era of economic downturn, when governments lack funding and seek new resources to deliver public services; hence, not-for-profits become increasingly important in both economic and social contexts (Deborah and Alfred, 2009).

## **Key words**

Branding; not-for-profits; SME; conception; barriers

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## INTRODUCTION

The third sector for some represents 'nonprofit' or 'not-for-profit' while for others are exchangeable as 'voluntary sector' or 'community sector'. These organisations come in a wide range of shapes, sizes, and legal forms; whilst, sharing a common aim which is to address important social needs and stakeholder interests. The UK Government (CabinetOffice, 2007) defines these organisations as 'value-driven, principally reinvesting their surpluses to further social, environmental or cultural objectives'. This sector is especially valued as the socio-political environment changes due to the economic downturn. When the government has to find new resources for the delivery of public services due to a lack of funding, not-for-profit organisations have been 'called to action' to fill gaps (Deborah and Alfred, 2009). This is evidenced by the recent political debate relating to the 'Big Society' vision proposed by the new Coalition government in the UK.

To deliver these expectations, these organisations are under increased pressure to ensure cost-effectiveness, efficiency, and economy in their operations (Mullins, 2009). However, numerous problems relating to the operation of these organisations have been identified in literature. According to Deborah and Alfred (2009), a majority of these organisations are inefficient, unresponsive, and lack strategic visions. Helmut, Stefan et al. (1997) considered that due to the heavy dependence on public funds and close ties to the government in a wide set of policy fields, these organisations were increasingly bureaucratic and 'state-like' in their organisational structure, orientation and behaviour. For the same reason, most of these organisations are struggling to sustain a strategic vision because of the changing policy environment.

Apart from these issues relating to operation, Octon (1983) also suggested that, due to the need to serve many publics (often on a non-discriminatory basis), not-for-profit organisations had problems in formulating and evaluating strategies concerning social objectives. Bryson (2001) believed that satisfying key stakeholders' interests according to their criteria for measuring satisfaction was crucial to the success of a not-for-profit organisation, in order to guarantee the generation of sufficient support, legitimacy, and resources and to ensure the organisation's viability and effectiveness. This view is criticised as it leads to a narrowed focus on limited key stakeholders, such as the funding bodies and members of the executive board (Dominic and Alfred, 2009). For the same reason, Ian (1995) believed that not-for-profit organisations were likely to fail in valuing their real audiences, leading to numbers of issues, for example, the basis of belief can be particularly antipathetic to customer-needs and these organisations can be monopolistic in relation to their beneficiaries.

Alongside these, the growing competition for diminishing financial resources has forced these organisations to seek new skills to address these issues. Theory and practice in marketing have therefore been debated as to their appropriateness in a not-for-profit environment. Octon (1983) has suggested that a closer analysis of the difference between not-for-profits and commercial organisations is essential, because certain characteristics possessed by the not-for-profits are of importance when discussing marketing theory and practice. Others, e.g. (Andreasen and Kotler, 2008, Ian, 1995, Joseph, 1994), believe that although the organisational objectives of these organisations differ from those of profit-motivated groups, the principles of marketing remain the same. Therefore, they believe what is needed is a greater adoption of a marketing approach in not-for-profit organisations. Furthermore, Joseph (1994) proposed that the marketing concept should be applied as 'a philosophy of action for managers, forcing them to reorient the administration of the organisation towards better communication with the customer/user, to understand their needs, to offer them a good product/service, and look for feedback'.

Branding has become one of the most frequently adopted marketing tools by not-for-profit organisations. Roberts-Wray (1994) first argued that charities were under-using their most valuable asset: their brands. He suggested that these organisations should market themselves as brands, using conventional, for-profit, brand management techniques. Following this, large charities seem to be more receptive to brands and brand management issues in their search for differentiation and the communication of their services and values (Stride, 2006). However, for small to medium sized not-for-profit organisations, branding remains an untouched territory (Hina and Donna, 2009).

## LITERATURE REVIEW

### **Branding In Not-For-Profit Organisations**

Earlier literature has focused on the appropriateness of branding in not-for-profits. The rationale for using brand in not-for-profits has been shaped around the idea that these organisations are value-based organisations. This is also believed as what differentiates themselves from commercial organisations. Based on this, Stride (2006) argues that it is more natural for not-for-profit organisations to use brand as a tool to conceptualise their core values than commercial organisations. He explains that commercial organisations can only use the brand concept to either 'mirror' (reflect) or 'lamp' (influence) those values underpinning the needs and desires of consumers; whilst, for not-for-profit organisations, these values are rooted in the organisation and therefore brand can be used as a 'lens' to project the values of the organisation. In this way, he believes branding offers an applicable and effective model in the not-for-profit context. Therefore, not-for-profit organisations are well-placed to become powerful brands. Tan (2003) believes that the motivation and passion behind the organisation's work is a fine basis to articulate a brand and what should be communicated is the significance of its work, not just a single message, logo or catchphrase. Given this, Saxton (2008) suggests a brand should be rooted in, and derived from the not-for-profit organisation itself.

Hankinson (2001) considers the extended role of brand, not only as an identifier, but as a communicator of what the organisation does and the values it represents. It has been increasingly acknowledged that having a clear defined brand value holds numbers of advantages for not-for-profit organisations; for example, a statement of the brand value provides a guideline for actions towards better communication and more salient offerings (De Chernatony et al., 2003); a benchmark to ensure their activities are 'on brand' (Olins, 2003); and a key differentiating factor to help not-for-profit SMEs survive in an increasingly saturated and demanding environment (Hina and Donna, 2009). There seems to have seen increasing pressure on such organisations to establish "a name" for themselves. A clearer understanding of how values are conceptualised in branding is necessary in order to establish whether branding is an appropriate and effective tool in the not-for-profit context.

A growing body of literature has focused on the practical side of branding in not-for-profits. For example, Saxton and Denye (2005) have proposed a branding tool for not for profit organisations. This has been supported by Saxton's view (2008) which suggests that non-profit organisations need more coherent and individual approaches to branding than adopting those used by the commercial sector, because the personalities of not-for-profit organisations are potentially deeper than those of most commercial brands, and the marketing budget for not-for-profit organisations is far less than that commercial brands would invest. Similar difficulties in applying branding in not-for-profit organisations have also been reported in the literature. For example, in Hina and Donna's study (2009), gaining company-wide consensus, a lack of enthusiasm amongst some employees, limited financial resource, and a short-term view toward the investment in branding are regarded as barriers.

Interestingly, another focus in the literature has been on the misconceptions held in not-for-profit world in relation to branding. Back in the 1950s, Ian (1995) pointed out that marketing to many people in the not-for-profit world was synonymous with "selling people things they do not need and cannot afford", and the professional technique has been largely disregarded. Recently, there has seen growing concern about the over-commercialisation of the sector. Saxton (2008) suggests that the need for not-for-profits to have a brand is disputed by many practitioners in this sector and many not-for-profit organisations are therefore reluctant to think of themselves as "brands" or "potential brands". Tan (2003) believes that this reluctance stems from a narrow understanding of branding as a marketing tool rather than as a core organisational principle. Saxton (2008) further argues that the misunderstanding might be down to the abuse of branding techniques in the commercial sector, for example, a heavy emphasis on visual identity and many brands are maintained by heavy use of image advertising; the brand is the product of the marketer and the maintenance of the brand is focused on appearance and style; brand management and corporate identity are inextricably intertwined; and heavily rely on a large marketing budget to drive the message home in a variety of media. Therefore, the money spent on the brand is regarded as a cost, not a long-term investment, and spending large amounts of money on activities such as a re-branding seem inappropriate (Hina and Donna, 2009).

It appears that these difficulties identified in the literature are associated with either the fact that a majority of not-for-profit organisations are operating on limited resources; or the fact that the brand concept is misconceived; as a result, these organisations generally lack sophisticated knowledge in branding. Both can be fundamental issues especially for small to medium sized organisations, which constitute the majority of this sector (Tan, 2003). However, little has been researched into this area. Hina and Donna's study (2009) is probably the first one exploring explicitly the role of branding in not-for-profit SMEs. Literature on branding in SMEs is further explored to identify potential barriers in applying branding faced by these organisations.

### **Branding In Small To Medium Sized Enterprises**

Branding in small to medium-sized enterprises (SMEs) is also an area of study in its infancy (Ojasalo et al., 2008). Frank (2005) comments that although considerable literature has been published about brand management in general, a majority of theory and case studies are based only on multinationals. Among a limited number of publications on branding in SMEs, it appears that conception-related barriers exist alongside practical difficulties. This is coincident with the literature in not-for-profit organisations. For example, Ojasalo et al.'s research (Ojasalo et al., 2008) clearly shows that directors of SMEs often think that branding is just for big companies, as brand building is usually perceived as a large-scale effort with massive investments.

Constrained by limited resources, most SMEs will be on the lower steps of the ladder. This is confirmed by Wong's study (Wong, 2005) which has conceptualised the extent to which SMEs orientate brand within the organisation. The lowest level is entitled 'minimal brand orientation', characterised by 'having low-key marketing across the board'. The second level is 'embryonic brand orientation', characterised by 'stronger marketing but not branding; very informal branding; seen as optional; narrow promotional tools; and word of mouth'. The highest level is 'integrated brand orientation' which shows 'stronger marketing and branding; either informal or formal branding; branding integral, not an option; wider promotional tools'. Moving towards higher ladders in practice, to a large extent, is dependant on how clearly these organisations can locate themselves on the evolutionary map.

Merrilees (2007) has suggested that branding can actually add value to small business in a much more fundamental way. He has proposed eight key mechanisms for branding to assist small business create new ventures, including: opportunity recognition, innovation, business model development, capital acquisition, supplier acquisition, customer acquisition, and success harvesting. Merrilees's research (2007) supports the view that due to limited resources, the means of branding are often different (2008). However, whether these mechanisms can be implemented largely relies on whether these can be recognised by SMEs. Therefore, understanding the conception of branding and the perceived value by these organisations becomes critical.

More importantly, in implementing branding, SMEs are faced with numerous practical issues. Ojasalo et al's study (2008) has identified five special issues in brand building in SMEs. These issues are related to: (i) goals and perceived benefits, (ii) resources, (iii) external and internal cooperation, (iv) means and communication, and (v) the process. For example, the goals of brand building are often vague and branding has a less systematic role in the overall strategy; resources allocated to brand-building are generally limited; the visual image and material production are dealt with internally; there is change resistance and a lack of commitment; and the decision making related to branding is conducted by few managers.

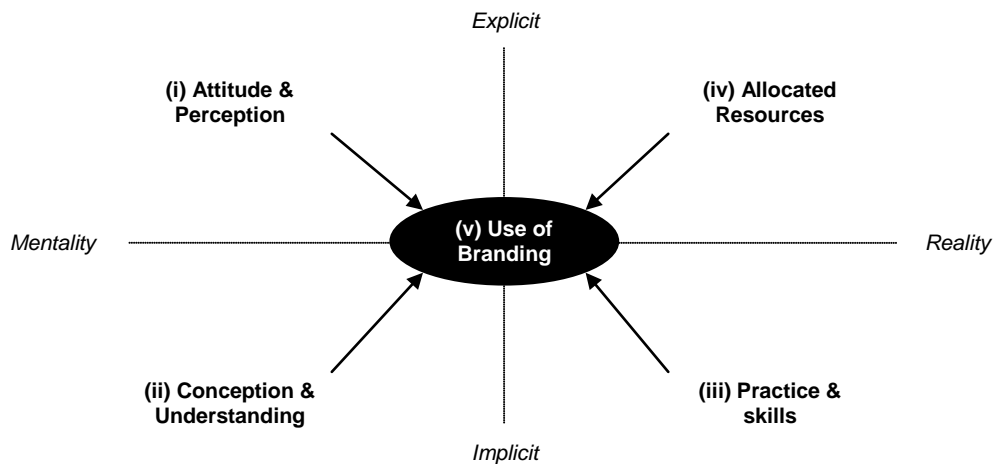
## RESEARCH FOCUS AND METHODOLOGY

Literature in brand management relating to SMEs and not-for-profits suggests that branding can be fundamental in creating new ventures, when it is used as a philosophy of action underpinning the organisational principles. However, it is also suggested that the concept of branding is often misperceived in this sector and branding is often associated with large organisations, massive investment, and commercialisation. These misconceptions appear to hinder the use of branding by these organisations. At the same time, constrained by limited resources and available skills, these organisations are faced with numbers of practical difficulties leading to reluctance in investing in brand development. As shown in Figure 1, these issues can be categorised into four tiers:

- (i) attitude and perception related – perceived appropriateness, perceived value, and perceived importance;
- (ii) conception and understanding of branding;
- (iii) practice and skills enabling the implementation of brand development;
- (iv) and resources available for brand development.

The literature has recorded that each of these issues, to a certain degree, influences the full exploration of branding in not-for-profit SMEs. However, it is not clear as to the extent to which they impact on the use of branding and how. This study therefore aims to fill this gap. To achieve this, an online questionnaire was developed to collate five sets of data relating to the five areas outlined in the conceptual framework (Figure 1).

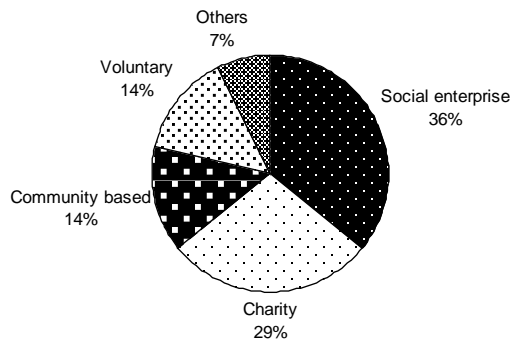
Figure 1 Conceptual Framework



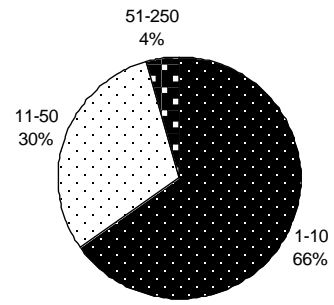
Directors or their equivalents in not-for-profit SMEs were considered as the target respondents, because the director of this type of organisations usually have a critical role (Frank, 2005, Hina and Donna, 2009) and their conceptions are critical to the overall receptiveness towards branding within the organisations.

Directors (or equivalents) from 130 not-for-profit SMEs (mainly located in the Northwest of England) have been approached. 25 have completed the questions. Of these organisations, a majority employ less than 50 people and only a very small proportion (4%) hire more than 50 employees (Figure 3). These organisations come in a range of forms as shown in Figure 2.

**Figure 2 Forms**



**Figure 3 Sizes**



## FINDINGS

### Mentality Related (Areas i and ii)

Various authors, e.g. (Saxton, 2008, Tan, 2003), have mentioned that there are widespread concerns about the use of branding in not-for-profit SMEs. In the survey, the respondents were asked the extent to which they agreed with the statements representing these concerns cited from literature. The results are shown in Table 1.

**Table 1 Attitude, Perception, Conception and Understanding**

	Strongly disagree or disagree	Neutral	Strongly agree or agree
<b>Perceived Appropriateness</b>			
Focusing on developing a brand will over-commercialize the organisation	96%	0%	4%
Branding is for big companies	87%	0%	13%
Branding is for commercial organisations	78%	0%	22%
<b>Perceived Importance</b>			
Branding is less important than other development	83%	9%	9%
The money spent on branding is a cost as opposite to a long-term investment	78%	13%	9%
<b>Perceived Benefits</b>			
Increases the acquisition of customers in the early and later stages of the venture	4%	13%	83%
Provides an overarching integrating tool for the entire new venture process	4%	22%	74%
Brings focus and discipline to the innovative and creative process	4%	22%	74%
Sharpens the business model formulation	4%	30%	65%
Increases access to new venture capital	17%	30%	52%
Could be seen as a filter to the opportunity recognition process	9%	43%	48%
Increases the access to suppliers in the early and later stages of the venture	22%	30%	48%
<b>Conception</b>			
Branding is a large-scale effort with massive investments and heavily relies on a large marketing budget	65%	22%	13%
The brand is the product of the marketer	57%	22%	22%
The maintenance of the brand should be focused on appearance and style	52%	26%	22%
Branding means advertising plus the brand name and/or logo	39%	22%	39%

Three statements were used to test the perceived appropriateness of branding for not-for-profit SMEs (Table 1). The results show a strong consensus and a majority of the respondents disagreed with the misconception hypotheses. Contradicting the literature where it is believed that there is shared concern about its appropriateness to not-for-profit and SMEs, this finding reveals that branding is considered appropriate for not-for-profit SMEs in general.

The data also shows that branding is not perceived be less important compared with other developments either; and that investing in a brand as 'equity', not a cost, is recognised among these directors.

Further to this, the respondents were asked the extent to which they agreed that brand development could add value to SMEs. Merrilees's study (2007) was cited here as a benchmark. The results show that the general view towards the value of branding is highly positive. A majority of the respondents either strongly agreed or agreed with all the benefits listed. Notably, 83% of respondents either strongly agreed or agreed that branding '*increases the acquisition of customers in the early and later stages of the venture*'. Interestingly, among these benefits, '*brand increases access to capital*' and '*suppliers*' received the least support. This may be read as an indication that the value of branding has not yet been fully recognized. It appears that branding is considered as a tool valuable for internal employers and consumers, but not for other key stakeholders such as funding bodies and suppliers. In this way, branding is perceived as valuable largely in a traditional marketing context, instead of being fundamental in creating new ventures.

There is, however, a caveat: it is unclear to what extent the answers reflect the true conceptions, given that the respondents were clearly made aware of the purpose of this research and this might have led to some strategic answers. If this is the case, the results can be interpreted as an indication of reluctance to admit their bias towards branding.

The survey also investigated the conception (perception of a concept) of branding in this sector. In the literature, it is believed that the reluctance and concerns of engaging branding derive from the misconceptions of branding held in this sector, e.g. (Tan, 2003). The data shows that half of the respondents failed to acknowledge the misconceptions relating to how a brand is developed. This is especially true in the last statement '*branding means advertising*

plus the brand name and/or logo', 22% held a neutral attitude and 39% agreed with it, showing a less sophisticated understanding about brand and brand development in general. The finding correlates with the literature that there is a lack of understanding across the board as to what it takes to develop a brand. This also correlates with the belief, e.g. (Saxton, 2008), that the abuse of branding techniques in the commercial sector has influenced how branding is perceived in not-for-profit sectors.

### Practice related (Areas iii and iv)

In the survey, a list of practical difficulties in brand development identified in the literature was tested as to its relevance to the type of organisations in question. This set of data indicates the knowledge and skills required for branding.

The results (Table 2) show that a majority of the barriers are to a certain extent relevant to some organisations. However, the relevance of each barrier differs significantly across the board. When the barriers are related to resources, the results show a high consensus about the impact of resources on the use of branding across board; and these issues also appear to be highly relevant to a majority of those organisations.

**Table 2 Practical Issues**

	Highly irrelevant or Irrelevant	Neutral	Highly relevant or Relevant
<b>Barriers Relating to Resources</b>			
Companies' brand-building resources are limited	0%	17%	83%
The organisation lacks marketing- and management-oriented personnel to co-operate brand building	17%	26%	57%
There are limited promotional resources	17%	17%	65%
Financial resources are limited	9%	13%	78%
<b>Barriers Relating to the Nature of Organisations</b>			
The organisation is exclusive because of the nature of funding received	78%	9%	13%
The organisation has to serve many public audiences (often on a non-discriminatory basis)	52%	13%	35%
The organisational goals have to respond to the changing political environment	43%	35%	22%
The organisation is action oriented	43%	22%	35%
<b>Barriers Relating to Brand Development Practice</b>			
The decision making related to branding is limited to a few people in the organisation	26%	13%	61%
There is resistance to change from some employees	48%	13%	39%
Some employees lack motivation	43%	17%	39%
The organisation lacks a consistent line in communication during the brand development process	43%	17%	39%
The goals of brand building are vague	48%	17%	35%
Information used in brand building is not sourced from your customers	43%	22%	35%
There is a lack commitment within the organisation	48%	17%	35%
Brand building has a less systematic and minor role in the organisation	35%	35%	30%
Marketing communications rely on limited media such as personal selling or face-to-face communication	52%	17%	30%

Literature suggests that some characteristics of not-for-profit SMEs may represent barriers for the use of branding in these organisations. These barriers may relate to, for example, the nature of funding received, the variety of targeted public audiences, ties with political agendas, and the tendency to be action-oriented. These were tested in the survey. The results, however, do not show a strong consensus. Similar to this, when asked whether the list of difficulties (regarding how brand is implemented) was relevant, the respondents came out with discrete views. As shown in Table 2, there is a very low consensus.

Given that these organisations come in a wide range of shapes, sizes, and legal forms, it is logical to deduce that these practical barriers do not equally impact on the operation of different organisations; therefore, it is sensible to investigate further to see how discrete they are related to various sizes and forms of such organisations.

Further analysis shows that although there are shared trends among these two groups, the relevance of these barriers is associated with the size of the organisations. Table 3 shows the overall weight for each type of barriers by multiplying the degree of relevance with its frequency. The results show that organisations with less than 10 employees are more likely to be constrained by issues relating to resources and nature of organisations; whilst, larger organisations (11-50 employees) appear to have more problems in relation to how branding is implemented within the organisations. For example, larger organisations may experience more difficulty in assuring a consistent commitment within the organisation.



In particular, Table 4 lists the shared barriers for both sized organisations. It shows that most shared issues are related to resources. It is worthwhile to note that regardless of size, both groups face the problem that *'the decision making related to branding is limited to a few people in the organization'*. Among the list, it is perhaps to be expected that financial and brand-building resources present significantly higher barriers for smaller organisations than larger ones.

However, some barriers are not shared between these two groups. Table 4 also lists those showing the highest discretion. For smaller organisations, it is highly relevant that *'the organisation has to serve many public audiences (often on a non-discriminatory basis)'* and *'Information used in brand building is not sourced from your customers'*; but for larger ones, these two issues are totally irrelevant. Similarly, for smaller organisations, it is not a problem to ensure commitment; whilst for larger ones, this presents a challenge.

**Table 3 Correlation between relevance of barriers and size of organisations**

How relevant these types of barrier are to the organisation on average	1-10 (Employees)	11-50 (Employees)
Barriers Relating to Resources	9	8
Barriers Relating to the Nature of Organisations	-2	-3
Barriers Relating to Brand Development Practice	-2	0

**Table 4 Comparison**

How relevant these barriers are to the organisation on average	1-10 (Employees)	11-50 (Employees)
<b>Shared Barriers</b>		
Financial resources are limited	15	8
Companies' brand-building resources are limited	13	8
The decision making related to branding is limited to a few people in the organisation	5	6
There are limited promotional resources	4	8
The organisation lacks marketing- & management-oriented personnel to co-operate brand building	3	7
<b>Discrete Barriers</b>		
The organisation has to serve many public audiences (often on a non-discriminatory basis)	3	-5
Information used in brand building is not sourced from your customers	1	-4
There is a lack commitment within the organisation	-6	1

### Use of Brand (Area v)

It is believed that due to various constraints, a majority of organisations of this type would be on lower steps of the ladder to developing a brand (Wong, 2005). The data has confirmed this. As shown in Table 5, all organisations in the survey show a low involvement in brand development. 26% have *'low-key marketing across all its activities'*; whilst, 74% have *'stronger marketing but not branding; very informal branding; seen as optional; narrow promotional tools; reliance on word of mouth'*. Only a small proportion (26%) believes there is a high awareness of the organisation in the key target markets; and 30% high (or positive) brand equity. Interestingly, when asked the question regarding brand equity, 57% could not provide a clear answer. This may indicate a lack of either an understanding of the concept 'brand equity' or a lack in means of evaluating the brand equity. In either case, lack of relevant knowledge and skills in brand development may be a key problem. This finding is consistent with that of the previous section.

**Table 5 Use of Brand**

	Percentage
<b>Level of brand development</b>	
Has low-key marketing across all its activities	26%
Stronger marketing but not branding; very informal branding; seen as optional; narrow promotional tools; reliance on word of mouth	74%
Stronger marketing and branding; either informal or formal branding; branding integral, not an option; wider promotional tools	0%
<b>Brand Awareness</b>	
High awareness of the organisation in key target markets	26%
<b>Brand Equality</b>	
High (or positive) brand equity	30%

## CONCLUSION AND IMPLICATIONS

In conclusion, branding was considered appropriate to this type of organisation by a majority of their directors; and was perceived as important as other development within the organisation. In principal, the value of developing a brand was also well recognised, especially relating to its value in increasing the acquisition of customers and beneficiaries. This clearly evidenced a willingness to engage in brand development among these not-for-profit SMEs.

However, given a highly positive perception of branding among the directors, there was a lack of consistency in sophisticated understanding of branding across the board. The conception of branding was mixed. A relatively large proportion of these directors held a range of misunderstandings including: a heavy emphasis on visual identity and image advertising; brand as the product of the marketer; the maintenance of the brand focusing on appearance and style; and a heavy reliance on a large marketing budget to drive the message home in a variety of media. It is apparent that branding is not fully understood in this sector, whilst, it is not the case this has led to any reluctance in engaging in brand development.

Given this, the lack of resources, including both financial resources and marketing- & management-oriented personnel to co-operate brand building, was considered as a key barrier for brand development. This view was shared by both smaller (less than 10 employees) and larger (between 10 and 50 employees) organisations, although this appeared to be slightly more relevant to smaller organisations than to larger ones.

The existence of difficulties in branding practice is also apparent, although different organisations may face a different range of issues. In particular, a majority of the respondents shared the concerns that *'the decision making related to branding is limited to a few people in the organisation'*. Other issues – e.g. a resistance to change and a lack of motivation, commitment, consistent communication, and clear goals in brand building – presented barriers to numbers of organisations at various levels. These barriers indicate a need for appropriate knowledge and skills to manage the process of brand development.

Given these, a majority of the organisations were at relatively lower levels of brand development. Only a very small proportion of organisations believed that they had a high awareness in key target markets and positive brand equity.

Based on the findings, the level of impact of each factor can be illustrated on the conceptual framework (as shown in Figure 4). In the centre, the use of branding is under developed in general, which should be attributed to the four factors surrounding it:

- (i) Attitude and Perception: given a highly positive perception of branding held in this sector, this should not have a significant contribution towards the poor use of branding.
- (ii) Conception and Understanding: there is clear evidence of misconceptions existing in this sector (although the data did not show a strong consistency among the responses). These misconceptions, relating to 'what branding is' and 'how to develop/maintain a brand', may influence the way resources are allocated, and knowledge and skills are sourced. Given this, it can be deduced that the less sophisticated understanding of branding should have impacted on the use of branding.
- (iii) Practice and Skills: difficulties in managing brand development are apparent, although different organisations may face a different range of issues. A need for cohesive and profound knowledge and skills is evident. Therefore, the lack of practical skills should have had a major impact on the use of branding.
- (iv) Resources: a lack of resources is a significant factor contributing to the poor use of branding in this sector. The high consistency among the responses also indicates the wideness of impact of this issue.

The analysis has concluded that the use of branding is not advanced in this sector and there is a lack of resources, skills, and knowledge which hinders the use of branding. The four factors present barriers for these organisations, at the same time indicating the areas for improvement. As shown in Figure 4, three key actions can be taken to address these barriers:

1. develop cohesive approaches for brand development

Based on this diagnosis, in improving the use of branding in this sector, it is crucial to develop more coherent and individual approaches for brand development for these organisations than simply adopting those in the commercial sector. The findings support (Saxton and Denye, 2005)'s view. Differing from many large organisations in commercial sector, this type of organisation is constrained by the resources available and the marketing budget is significantly less than that commercial brands would invest. Meanwhile, because the personalities of not-for-profit organisations are potentially deeper than those of most commercial brands, alternative approaches need to be explored to source brand messages. Therefore, (as shown in Figure 4), to address the problems in area iii (practice and skills) and iv (resources), not-for-profit SMEs need to systematically think of the potential advantages of branding for their business, and develop creative, targeted, and affordable approaches for brand building.

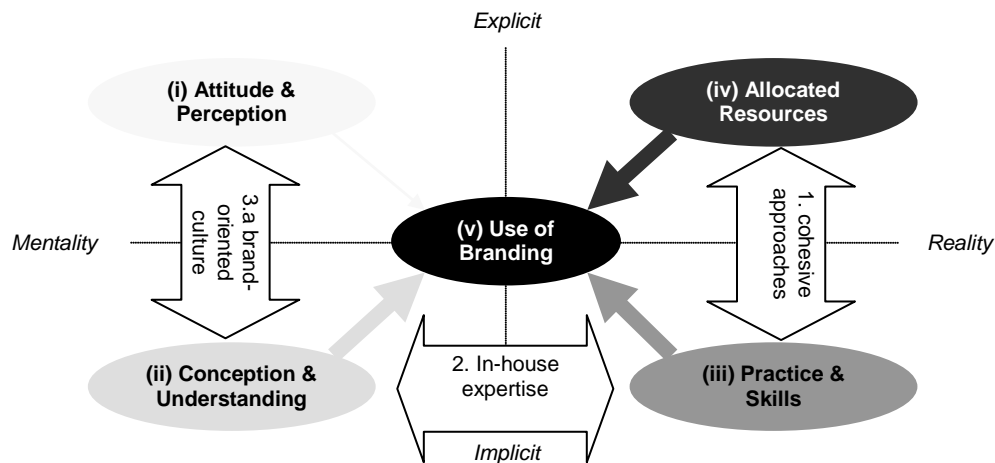
2. develop in-house expertise

Secondly, in enabling the development of cohesive approaches, it is essential for not-for-profits to develop their own expertise to address problems in area ii (conception and understanding) and iii (practice and skills) (as illustrated in Figure 4). This encourages the acquisition and development of knowledge and skills relevant to the individual organisation. Profound knowledge about branding also enables the organisation to fully explore the value of branding for this sector, which should focus not only on marketing, but also on enterprising.

3. develop a brand oriented culture

Thirdly and perhaps important, it is essential to cultivate an environment where branding is understood and appreciated. Developing a brand-oriented culture is important to address the problems in area i (attitude and perception) and ii (conception and understanding). A widely shared understanding also enables the organisation to overcome numbers of difficulties in brand development, such as a lack of commitment, and resistance to change. Given this, for marketers, it is not sensible to impose the old wisdom to this type of organisation. To a large extent, the reluctance in thinking about branding may be a result of the marketing jargons used in the marketing world.

Figure 4 Implications



It is acknowledged that this research is at an early stage of development. It should be read as a diagnosis which depicts how various barriers influence the current use of branding in this sector. Future studies will focus on the development of solutions, based on the three areas outlined as implications in the conceptual framework.

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