

# MARKETING OF NON-PROFIT ORGANIZATIONS IN ICT ENVIRONMENT

Josip Mesarić  
Faculty of Economics, Osijek, Croatia  
mesaric@efos.hr

Stojanka Dukić  
duxMission Ltd., Osijek, Croatia  
dux-mission@os.t-com.hr

Dušanka Miščević  
Croatian Employers' Association, Regional office Osijek, Croatia  
dusanka.miscevic@hup.hr

## ABSTRACT

Technological advances and potentials offered by modern information and communication technology have allowed traditional manual form of operations to be increasingly replaced by so-called virtual world operations. Virtual business operations are carried out on a virtual market, which has the same rules in transactions as the traditional market, however, the transactions are conducted in very different circumstances, characterized by high level of transparency, high speed of transactions, large number of participants, and lack of physical interaction in terms of exchange of goods and payment. Everybody needs to adapt to these new operating conditions, both organizations working for profit and the non-profit ones. Information and communication technology has produced a special impact and changes in marketing of those non-profit organizations that function as agencies. Such organizations effect their interactions through virtual market, with organizations or individuals who are their sources of finance, as well as with those organizations or individuals to whom their activity is directed. Operating in such altered conditions implies not only a change in the system of promotional activities, but changes the whole marketing-mix. This in turn changes marketing aims and marketing implementation and control. Without a high quality, scientifically-based model approach it cannot be realistically expected that non-profit organizations will manage to adapt to the new conditions defined by information society.

**Keywords:** non-profit organizations, marketing, ICT environment.

## INTRODUCTION

Throughout its development cycle information technology was integrated with multimedia in the eighties of the past century, and in the nineties it was integrated in a global network - the Internet. Multimediality and globalization have become foundations of a new communication channel in which it is possible to conduct not only data exchange, but business transactions as well. Such system supports classic forms of business operations, but it is also different to a large extent due to characteristics attributed to this form of business operations. In the first place this refers to global transparency, availability 24 hours a day on 365 days in a year by means of virtual money and virtual distribution of large number of products, especially digital ones, like programme solutions, distribution of digital multimedial contents, and so on.

Economic operators recognized the importance of this new communication form already in the beginning, and as technology potentials have grown they have increasingly utilized potentials and developed new forms of business operations. In the beginning there was the EDI concept in which economic operators mostly exchanged business information, then it was followed by various forms of promotion and sale via Internet, where suppliers have created their Web sites in function of sale, and now there is an electronic market which is independent of both buyers and salespeople, a place which corresponds to real shops. Processes taking place in the virtual world nowadays are

equivalent to those in the real world and therefore the difference between the virtual and the real world is disappearing when business operations are concerned. The virtual world which supports real business operations is becoming the dominant form of business activities.

Economic operators, especially larger organizational units, are complex systems managed by experts who follow trends and react accordingly. The reason lies in the fact that existence of economic operators has been permanently endangered and it is impossible to survive without the ability to ensure growth, efficiency and flexibility. On the other hand, non-corporate entities, which can be also called non-profit organizations, are not oriented to profit generation, but they are also oriented towards successfulness in satisfying a certain group of social needs - effectiveness. Since efficiency and effectiveness are often conflicting goals, non-profit organizations pay little attention to efficiency and they also neglect the growth and flexibility dimensions. Therefore, especially due to the fact that such organizations are managed by people who are experts in their fields, but who are less educated in the field of management, implementation of marketing and modern information technology in business operations is neglected.

Marketing should basically be viewed as a business philosophy oriented toward satisfying the consumer needs. As a rule, non-profit organizations are oriented towards two markets: the market of sources of finance and the market of users of social needs satisfied by non-profit organizations. In that sense non-profit organizations behave as a kind of agencies, so their power and operational potential should be narrowly tied to the potentials of multimedia. Accordingly, ICT environment requires utilization of information technology resources in all areas of business activities, and it shows its pronounced importance in the field of promotion and distribution of digital product form. Starting from the issues of business operations of non-profit organizations in modern times, the potential model of marketing of non-profit organizations in ICT environment will be considered.

## RESEARCH METHODOLOGY

Information society, it can be freely said, is no longer the matter of the future, but the matter of the present. This is a society dominated by a new communication channel called the Internet and the society which utilizes the potentials of this communication channel. Not only this communication channel makes it possible to carry out business transactions, but it also has large significance for marketing, especially in the areas of promotion and distribution. It indirectly influences also other elements of the marketing-mix, i.e. product and price. Product in this channel is above all virtual, very often digital. Digital products are not only traded with, they are also distributed through this modern distribution channel. Impact on price becomes evident through potential transparency which leads to price standardization, and it exerts pressure on standardization of product quality. Product is in this communication and distribution channel virtual in the same way as money is here often virtual, which allows creation of virtual exchange cycle. Complexity of the virtual exchange system, which includes phases preceding to the exchange itself, and then they also follow the exchange, is so wide that it can implicate plenty of scientific researches. This research will focus on considering potentials of the Internet as an exponent of the information society in promotion and distribution of products of non-profit organizations, both on the market of potential users of social needs and on the market of sources of finance. Accordingly, the following hypothesis is made: It is possible and necessary to use potentials of the information society in application of a marketing concept on business operations of non-profit organization, especially in the part referring to promotion and distribution of products to the benefit of the community.

The objective of the research is to consider possibilities for utilization of potentials offered by information technology in modern information society for the purpose of a marketing concept in business operations of non-profit organizations.

In this regard the research should result in a descriptive model of information technology utilization for the needs of advertising of non-profit organizations, both on the market of users of public benefit services and on the sources of finance market, and possibilities for distribution of some of the products of public benefit by using the Internet as a communication channel.

As regards the set hypothesis and the research objective, the paper is deductive, and in addition to deduction also other research methods were used, especially abstraction, classification, generalization, causal deduction, analysis, and, finally, research results are synthesized in the form of a descriptive model of the marketing of non-profit organizations.

## THE MARKETING OF NON-PROFIT ORGANIZATIONS

Marketing can be generally viewed as a business philosophy in which consumer is in the focus of interest and all business efforts are directed toward satisfying consumer needs. Although in only some of the marketing segments and in more primitive forms marketing has existed since the beginning of the human civilization, that is, exchange of products and services among people, its full affirmation followed as late as in the second half of the twentieth century. It was then that marketing has become a subject of scientific research, which resulted in a range of marketing definitions. As a rule, marketing can be viewed as „... the social and management process by which individuals and groups obtain what they need and want through creating and exchanging products and values with others.“<sup>1</sup> In addition to the Kotler's definition, marketing can be also defined according to Bazala: „The goal of marketing is to satisfy consumer needs which are positively evaluated in the society on one hand, and satisfying the needs of economic operators by generating appropriate profit on the other hand.“<sup>2</sup>

Although marketing is usually perceived through its conventional effect, that is, through its application by profit-oriented business operators, marketing is an important component of functioning of non-profit organizations as well. Non-profit marketing in the principle has the same foundations and the same way of working as the conventional marketing. The important difference between the marketing of a profit and a non-profit organization lies in goals, target markets, market entities, and organizational forms as well as in the ways and possibilities for measuring successfulness of marketing activities or marketing efforts. While for conventional operators the realized profit is a dominant measure for successfulness of marketing efforts, marketing success measurement in non-profit economic operators is a much more complex task, because the method of measuring successfulness of marketing depends on the form of activities of a non-profit oriented organization and its goals. Related to this subject, Meler states: „Further, the goal in the conventional marketing is to increase sales, reduce costs and increase profit. The goal in the non-profit marketing is to increase social welfare.“<sup>3</sup>

Private ownership is the basis for classification of economic operators, while all other forms of ownership or associations are a base for recognizing all other forms of activities which can be commonly called non-economic activities. Such organizations have a primary goal not to generate profit for the owner, but to satisfy some public need, that is, some social need.

Accordingly, non-corporate entities in the first place include those entities which are not oriented towards creating benefits for the owner of the capital. In the literature such organizations are very often called non-profit organizations. If the term *profit* implies aggregated name for categories of profit and income which are defined by law in the Republic of Croatia, then we can say that non-corporate entities are non-profit organizations. Profit is very often identified with earnings, so in case of such understanding, non-profit organizations would include not only organizations which are not oriented towards creating benefits for the owner of the capital, but also those organizations which are owned by natural persons - sole proprietors. For this reason, in order to provide full understanding and consistency in considering organization groups which do not create benefits for the owner of the capital or to those who organized them, for the purpose of this research all such organizations shall be called both non-corporate entities and non-profit organizations.

---

<sup>1</sup> Kotler, Ph. (2001), *Upravljanje marketingom, Analiza, Planiranje, Primjena i Kontrola*, Zagreb: Mate Zagreb, 9.

<sup>2</sup> Meler, M.(2001), *Neprofitni marketing*, Osijek: Ekonomski fakultet u Osijeku, 11. (developed according to Bazala, A.(1978), *Istraživanje tržišta u funkciji udruženog rada*, Zagreb: Progres, 14.)

<sup>3</sup> Meler, M.(2001), *idem*, 65.

According to Grbac, based on classification by Pavičić, in the framework of non-profit organizations two groups can be distinguished, and these are „basic non-profit organizations“, and „originally related non-profit organizations“, and he classifies them as follows:<sup>4</sup>

a) Basic non-profit organizations:

- Humanitarian organizations
- Religious organizations
- Scientific and research organizations
- Educational organizations
- Health and social care
- Culture and arts
- Sport and recreation
- Political organizations and trade unions
- Movements, associations and ideas

b) Originally related non-profit organizations:

- The state and state institutions.

Grbac further says that it is possible to create a whole range of other classifications which are active in the non-profit sector. Using the National Classification of Activities (NN 98/94 (*Official Gazette*)) and Regulations on Classification of Business Entities (NN 52/03) as the starting point, he also gives a classification of non-corporate entities within which non-profit organizations can be founded, and these are:<sup>5</sup>

- Public administration and defence; compulsory social security
- Education
- Health and social work
- Removal of waste waters, removal of waste, sanitation activities, and similar
- Activities of member organizations
- Recreation, cultural and sport activities.

Meler also made a classification of non-profit organizations, and using classification Sargeant he formed the following groups of non-profit organizations:<sup>6</sup>

- *Group 1.* Culture and recreation
- *Group 2.* Education and scientific research activities
- *Group 3.* Health
- *Group 4.* Social welfare
- *Group 5.* Human environment
- *Group 6.* Development of local communities and housing
- *Group 7.* Legal protection and politics
- *Group 8.* Promoting philanthropy and voluntarism
- *Group 9.* International activities
- *Group 10.* Religion
- *Group 11.* Business and professional associations and trade union organizations
- *Group 12.* Other.

Meler also states that in the literature, and especially in practice, it is possible to find a whole range of various non-profit organizations, so he lists:<sup>7</sup>

NFP	<i>Not For Profit Organization</i>
NFGO	<i>Not For Gain Organization</i>
PVO	<i>Private Voluntary Organization</i>
NGO	<i>Non Governmental Organization</i>
GONGO	<i>Government Organized Non Governmental Organization</i>
QUANGOs	<i>Quasi Autonomous Non Governmental Organizations</i>

<sup>4</sup> Grbac, B. (2005), *Osvajanje ciljnog tržišta*, Rijeka: Sveučilište u Rijeci, Ekonomski fakultet sveučilišta, 344. (developed according to Pavičić, J. (2003), *Strategija marketinga neprofitnih organizacija*, Zagreb: Masmedia, 24.)

<sup>5</sup> Grbac, B. (2005), idem, 344.

<sup>6</sup> Meler, M. (2001), idem, 93. (developed according to Sargeant, A. (1999), *Marketing Management for Nonprofit Organizations*, Oxford: Oxford University Press, 5.)

<sup>7</sup> Idem, 4.

BONGOs	<i>Business Organized Non Governmental Organizations</i>
FOMGOs	<i>Funder Organized Non Governmental Organization</i>
PONGOs	<i>Political Non Governmental Organizations</i>

From all of the above stated it is obvious that individuals or citizen groups are motivated by various kinds of needs to undertake certain entrepreneurial or non-entrepreneurial projects. While individual and common needs are the most frequent motives for starting an entrepreneurial project, social needs are the most frequent motive for starting entities in non-corporate activities.

As it has been already stated, a non-profit (social) marketing is a part of the overall marketing. The term *social marketing*, in addition to the word *marketing*, also includes the word *social*, which is derived from the word *society*. According to Anić, the term *society* implies „1. Totality of human relationships in an organized community (with public and state authorities, production, culture and civilization); 2. *ideol.phil.hist.* A kind of organization of human community ...; 3. A group of people connected with common interests, opinion, goals ...; 4. A meeting of people who meet independently of their congeniality “<sup>8</sup>. In the phrase *social marketing* the word *social* refers to overall relationship of people within an organized community, so in the definition of social marketing Meler states the following: „We can, therefore, define social marketing in the most simple way as application of marketing in the process of realization of social goals which do not have earnings as the primary goal, but satisfaction of needs of general nature.“<sup>9</sup>

As it can be observed from the previous definition, social marketing primarily differs from the conventional, profit-oriented marketing by defined goals. While the dominant goal in the conventional marketing is profit orientation, that is, profit generation, this goal is not dominant in the social marketing<sup>10</sup>. Dominant goals are those representing general social benefit, and these are mostly goals with social dimension. Related to the goals of the social marketing, Meler states: „The ultimate goal of the social marketing is to satisfy the needs of the target group for certain „products“, services or ideas, while income, but also other effects (achieving certain human, political, personal or other goals, or obtaining reaction of a certain reaction from the target group), may appear as an additional goal. If realization of income is a secondary goal, then in most cases it is an additional income, not the basic income (which is obtained based on allocation from budgets at different levels and according to various criteria).“<sup>11</sup>

In addition to goals of the social marketing, we can also mention target groups, that is, market segments to which this marketing is directed. The target group can be an individual, a particular segment of the public, or overall public. Marketing as a business philosophy in general „... has the goal to satisfy consumer needs which are positively evaluated in the society on one hand, and satisfying the needs of economic operators by generating appropriate profit on the other hand.“<sup>12</sup> Social marketing in its base has been derived from the conventional marketing, and as such it uses methods and principles of functioning as in the conventional marketing, with effect of different derived goals and different target groups.

The changes that take place in the overall social community also reflect to non-corporate entities. Although due to its position, which is very often monopolistic, especially in the underdeveloped countries, non-corporate entities, that is, organizations from the domain of social activities, behave according to the principles of production, that is, the sales concept. Their survival without accepting marketing as a business philosophy in the future is questionable. Marketing in such organizations is very often identified with advertising, and effects of marketing are identified with short-term promotional activities. The reason for that surely can also be found

<sup>8</sup> Anić, V. and Goldstein, I (2007), *Rječnik hrvatskog jezika*, Zagreb: Novi liber, 83.

<sup>9</sup> Meler, M. (2001), idem, 73.

<sup>10</sup>The fact is that many organizations which are not profit-oriented and they work in the ield of social marketing aspire to self-survival through implementation of profit-generating programs, so for example, Croatian legislation envisages that such organizations that are engaged in both profit and non-profit activities have to pay profit tax for the profit generated from profit-oriented activities.

<sup>11</sup> Meler, M. (2001), idem, 74.

<sup>12</sup> Meler, M. (2005), *Osnove marketinga*, Osijek: Ekonomski fakultet Osijek, 17. (developed according to Bazala, A.(1978), *Istraživanje tržišta u funkciji udruženog rada*, Zagreb: Progres, 14.)

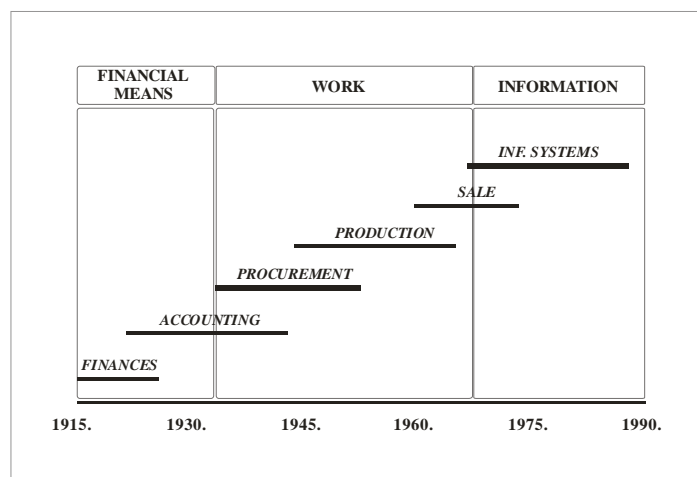
in the fact that some of the non-corporate organizations were started by people who are not professionals and who have a profane approach to the decision-making process.

The situation is becoming more difficult when the fact is considered that in the meantime the total social community has evolved, and from the industrial age, owing to technological advances, stepped into the so-called post-industrial, or, as authors very often state, information age. Therefore, not only non-profit organizations, that is, social marketing entities have to transform in the short period from product and sales-oriented to the marketing-orientated entities, but they also need to accept changes in the functioning system brought by the modern information technology. Although such situation presents a problem at the first sight, it should be also viewed as a challenge and an opportunity. Information technology brings a sort of welfare and promises benefits to those who use it rationally. Therefore it should be considered what a new information age is bringing, and offer good solutions for utilization of opportunities in the process of creating a marketing concept that is more appropriate for the modern society.

### MARKETING AS A BASIC BUSINESS PHILOSOPHY IN NON-PROFIT ORGANIZATIONS

Analyzing the importance and impact of certain business functions on business operations of economic operators, Srića generates a scheme from which it can be observed that before there was marketing there were some other business functions that dominate in business operations of economic operators (Figure 1).

Figure 1. Importance of certain business functions on business operations of economic operators throughout the 20<sup>th</sup> century



Source: Srića, V., Kliment, S., Panijan, Ž. (1983), *Poslovni informacijski sistem*, Zagreb: CDO Birotehnika, 10.

As it can be observed in the Figure 1, at the beginning of the 20<sup>th</sup> century finances had a dominant role in the success of business operations of economic operators. Development of banking system and shareholding solved this problem, and accounting occurred as a dominant function for economic operators. Concerns about funds allocation, which is in the domain of accounting, and creation of elements for management of an economic operator were replaced by the needs for raw materials which were caused by fast industrial development in industrially developed countries at that time. It is considered that struggle for colonies, that is, for raw materials, caused large world wars in the 20<sup>th</sup> century. After development of neo-colonialism the dominant problem is no longer procurement of raw materials, but the technology.

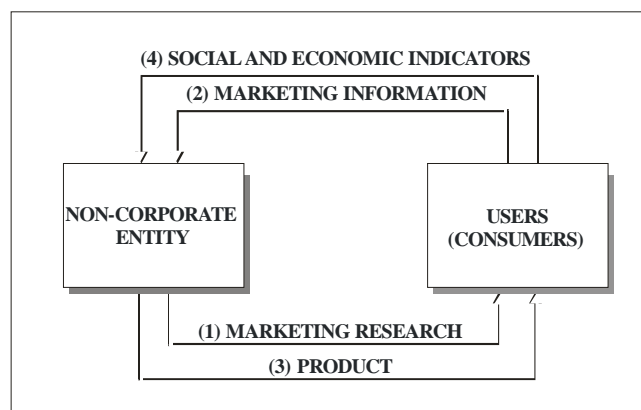
Fast development of science solves the problem of technological development, and this leads to one of the specific situations in human history, and that is surplus of goods on the market, which results in changed business philosophy and introduction of marketing as the dominant business function. Marketing as a dominant philosophy represents the beginning and the end of every business process, because business goals are formed based on market research and identified needs of consumers, whether on strategic, tactical or operational level. Accordingly, marketing

became the foundation of modern management processes, which further produced modern theoretical and pragmatic approaches to process management, that is, the theory of decision making in general.

It can be observed in Srića's scheme that information science has lately become the dominant factor for survival, but its introduction does not reduce the importance of marketing. Just the opposite, marketing and information sciences collaborate in the form of new business philosophies, among which the most developed form of marketing activities is the customer relationship management.

In the situation with the surplus of production potentials on the market, advantage of the marketing concept is that the product is adjusted to the needs of consumers (market), which implies a positive financial result - in market economies this is a profit, the measuring of which determines whether the overall business operations, and through it also the marketing of an economic operator, was successful. The equivalent process, it can be said, takes place also in non-corporate entities, with the difference that the result of such business operations is not financial, that is, profit, but it is a range of social and economic measures that indicate the successfulness of business operations. The Figure 2 shows the marketing concept in non-corporate, that is, non-profit organizations.

Figure 2. Scheme of marketing concept in non-profit organizations



### MARKETING PARADIGMS IN ICT ENVIRONMENT

In the last fifty years there has been a strong development of primarily information, and then communication technology. Various functions were being added to the computer, whose original purpose was to calculate, so today its use is much wider than the original one was. During evolution of IT, evolution of multimedia potentials of a computer has had special significance. If communication potential, which is created throughout the global network, the Internet, is added here, then it becomes clear that we should no longer speak of information or information and communication technology, but about existence of a new medium and a new way of communication, which allows carrying out business transactions in the real time. Not only that computer with its communication component has enabled reception of all things that can be digitalized, but it has also become a strong distribution channel for all those products appearing in the digital form. Since marketing is the foundation of every modern business activity, so it is no wonder that it was marketing that first started to utilize potentials of initial multimedial and communication systems in the form of the Web for the purpose of business advertising. Simply, this form of business activity was supplemented by data exchange through information and communication infrastructure in the business process, carrying out business transactions, and distribution of digital products.

Information technology has developed so much that today, both with economic and non-corporate entities, there are concepts of integral information systems, where marketing and information system and marketing decision support system are only a part of the overall system for providing information. Also, these two systems, in terms of integrality of the concept of the business and information system, cannot exist separately, but they should be considered through

interaction with other subsystems of the business information system. Technological advances in the field of information technology will surely further strengthen the significance of information subsystem, because we are in the information age, and it can be expected that marketing control as an information process will also grow more powerful and more complex. Complexity of such system, in the first place, will be reflected in the increased number of variables and parameters that participate in the process of marketing control itself.

Owing to information technology, that is, to the increased number of variables and parameters which can be collected and processed in the real time, implementation of the new marketing concept has been made possible - marketing of relationships and cooperation. Individual approach to every consumer with the knowledge of their needs is the main characteristic of this concept, where its application is closely related to the potentials of the modern information technology. The new marketing approach has been implemented in the so-called customer relationship management system, which is directly reflected to the parts of the marketing information system and to the parts of the marketing decision support system, and as such it changes the existing principles of marketing planning and implementation.

Information technology has gained special power by appearance of the communication component. This component has come to life in the first place in the global network concept - the Internet, which allows a special form of resource allocation, so that modern information systems can be organized in *outsourcing*. Such organization significantly reduces costs of information technology, but also of information system as a whole, because, in addition to hardware and software, the user of such distributed information system also has access to adequate professional knowledge and organizational skills. The concept of distributed information system is of extreme importance for non-profit organizations that aspire to more rational business operations outside of their primary activity.

Accordingly, it can be concluded that primary paradigms of the modern marketing in ICT environment are:

1. Use of information technology in all marketing spheres
2. Customer relationship management
3. Distributed access to the organization of marketing through separation of information subsystem.

## MARKETING AND INFORMATION SYSTEMS

In the last fifty years, since information technology has become a part of business operations, manual data processing systems were replaced by systems in which most data are processed by a computer. This resulted in formation of particular subsystems, with both economic and non-corporate entities, which are called information systems. The task of information system is to provide a database for decision making, and it can be said that it has a controlling function. Each information system consists of

- machine component - *hardware*
- programme component - *software*
- human potentials - *lifeware*.

These elements are organizationally related and they are in function of implementing the tasks that are given to information system. Information systems were in the beginning built according to functional organization, but very soon it showed that such systems are inefficient, inert, and very often generated confusion in the decision making process due to appearance of uncontrolled redundancies, that is, finding one data on several places. Consequently, in the nineties of the past century information systems were reorganized in terms of creating integral business information system.

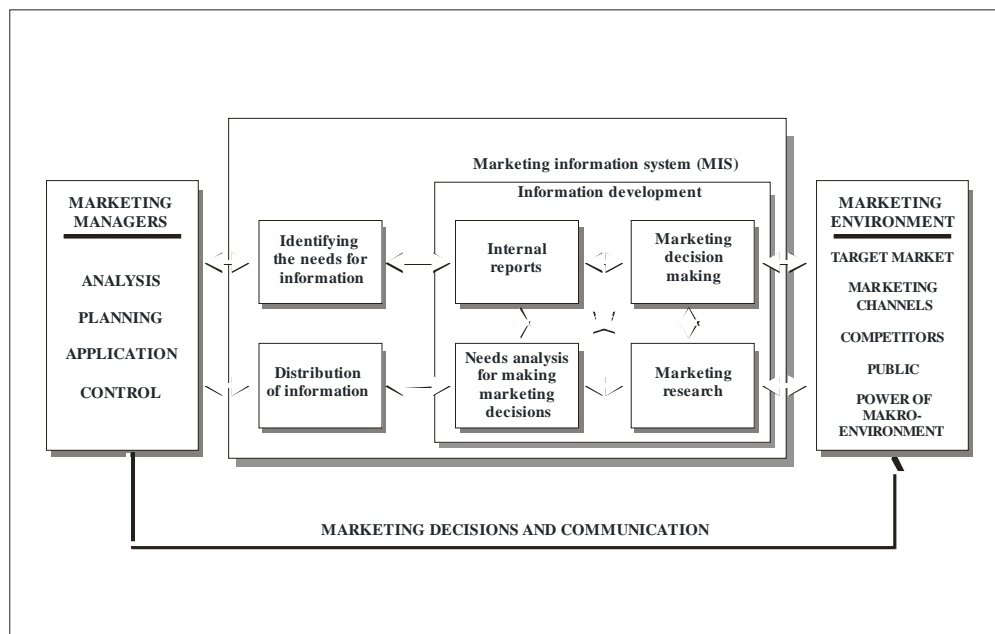
Such integral business information systems in its base build their integrality on a unique database and connected information flows within which data exchange takes place. Such integral information system, in addition to being a group of the above listed components, can also be considered as a group, according to business functions of organized and functionally integrated information systems. Before integration in integral information systems, such systems were transactional information systems. Since this classification is derived from organization according



to the functional principle, then within the classification we can differentiate between accounting information system, marketing information system, human potential information system, production information system, etc.

Marketing and information system (MIS) is an integrated system for data collection and processing and for distribution of information needed for marketing management. In this sense MIS can be considered as a model of organization of marketing information with the purpose of improving decisions needed for planning, execution and control of marketing function, both with economic and non-corporate entities. Kotler says: „Marketing information system (MIS) consists of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute needed, timely, and accurate information to marketing decision makers.“<sup>13</sup> In addition to this definition, Kotler also provides a schematic account of the structure of marketing information system (Figure 3).

Figure 3. Marketing information system



Source: Kotler, Ph.(2001), *Upravljanje marketingom*, Idem, 111.

In accordance to this classification, a sub classification can be also made with non-corporate entities, about which Meler also wrote.<sup>14</sup>

For the purpose of marketing control with economic operators, the most interesting data source is accounting information system as a MIS component, while the other three components, especially analytical marketing subsystem, are more often applied in marketing planning. The reason for that can be found in the fact that profitability as a measure functioning as marketing control is formed from accounting information system. For comparison, with non-profit organizations accounting can be only one of the components of data sources for the purpose of marketing control, but it is never the main, that is, the dominant data source. For non-profit organizations, the subsystem for marketing research as well as analytical subsystem can provide information for the purpose of marketing control that will be more useful than those provided by accounting information system.

<sup>13</sup> Kotler, Ph. (2001), idem, 110.

<sup>14</sup> See more in Meler, M.(2001), *Neprofitni marketing*, idem, 183.

## CONCEPTUAL MODEL OF MARKETING IN ICT ENVIRONMENT

As its name says, ICT environment implies high level of application of information technology in business operations. This implies not only application of information technology with economic operators, but also with those non-profit ones. It can be expected that in the near future it will be almost impossible to do business without using information and communication technology. Non-profit organizations should also be aware of this fact and they should use the facilities offered by information and communication technology. Primarily, during definition of potentials of using information and communication technology in business operations, non-profit organizations should consider areas where information and communication technology may be useful. As regards marketing activities, then it is certainly possible to use information and communication technology in:

- the market research process
- promotional activities
- distribution of products (services) of non-profit organizations, and
- the process of control of achieving the set goals of business operations.

Considering that information and communication technology implies a very short life cycle, non-profit organizations permanently have a problem of collecting funds for the purpose of updating information and communication technology. Therefore it is more rational to organize a distributed information system by using computer equipment and potentially necessary services in outsourcing. Consumer relationship management should also be implemented in addition to distributed organization. Since non-profit organizations are a sort of agencies oriented towards the community product market and the market of sources of finance, development of relationships and establishing care about clients shall be applied to both of the above mentioned markets. In the mutual competitive duel for better positioning both on the social product market and the market of sources of finance non-profit organizations shall use benefits offered by the global communication infrastructure in order to achieve global transparency.

In accordance with the proposed conceptual model, information and communication technology should not only be a link between non-profit organizations and the environment, but it should also be a means of successful management of marketing processes. Accordingly, information and communication technology should become a factor of internal marketing control, and in this sense potentials of the marketing management information system and the decision support system should be used in order to ensure timely and good management information.

Besides answers about processes that should be covered by information technology in the function of marketing in ICT environment, in addition to this initial conceptual descriptive model it is also necessary to consider structural elements that it encompasses, both in physical and organizational sense. In addition to basic components, like hardware, software, communications and people, the system should in organizational sense unite management information systems, decision support systems (for management) as well as office information systems. Concept integrality implies data integrality, so that all data collected in the system should be used for rational decision making.

It is possible to build such system in pragmatic conditions, but during work on its design the needs of marketing experts should be integrated with the potentials and knowledge of experts in the field of information and communication technology. Only cooperation between the two can determine practical good effects in terms of rational implementation of marketing of non-profit organizations, which has conditions to function within ICT environment by using the potentials of information and communication technology.

## CONCLUSION

If maybe not the most significant one, the historical period of the past hundred years has surely been the most dynamic period in the development of human civilization. So many great changes took place during this period, more than in the whole previous history of mankind. Through interaction of knowledge and technology evolution, from agricultural and over industrial community, the human society has reached the period which is usually called the age of

knowledge or the information age. Every turning point in the history of mankind required new approach, so in various fields of human activities during the 20th century new approaches and understandings emerged, which lead to the further evolution of the human community. One of maybe the most important civilization achievements was defined in the middle of the past century as a returning concept of care about man through aspiration to satisfy man's needs. This concept was called marketing, and its preferences allowed for technological advances which lead to the situation that, probably for the first time in history of the human civilization, products were directed according to human needs. This directing ensured significant rise of the standard and general progress in the life quality of a modern man.

Better general life conditions reflected on increased sensitivity of a community toward those parts of the community that were not successful enough to be able to live on their activities as most of the people in the community did. The results of such activities reflected on evolution of non-profit organizations functioning as a sort of agencies-intermediaries between sources of finance and consumers of social products.

In addition to evolution of the society through the tendency to accept the importance of satisfying social needs by the successful segment of the community, the society has also evolved in the way of functioning, owing to technological advances. Digital technology is especially important, because it ensured new space for carrying out business transactions and marked the beginning of a new age, which modern authors usually call the information age. Presence of modern information and communication technologies reflected on the further growth of successfulness of the overall community and by this also on higher capacity of the society to satisfy its social needs. Implied changes required further social adjustment, growth of individual needs, growth of transparency, speed of business operations, distribution of digital products and similar, which has lead to the new significance of the marketing philosophy. The marketing philosophy is more personalized nowadays than it was in the previous periods, and when non-profit organizations are concerned, in interaction with information and communication technology it has become the key factor for success of business operations.

Considering their economic power and primary field of activity, non-profit organizations are not able to build expensive information systems. Therefore, it is necessary that they are oriented towards utilization of the potentials of the modern information and communication technologies, that is, it is necessary that they organize their information systems through outsourcing in the form of the so-called distributed information systems. By respecting the principles of rational behaviour which has been harmonized with the time and conditions in which they exist, non-profit organizations can build a respectable marketing on which they can base their long-term survival.

## REFERENCES

- Anić, V. and Goldstein, I (2007), *Rječnik hrvatskog jezika*, Zagreb: Novi liber
- Bazala, A.(1978), *Istraživanje tržišta u funkciji udruženog rada*, Zagreb: Progres, 14
- Grbac, B. (2005), *Osvajanje ciljnog tržišta*, Rijeka: Sveučilište u Rijeci, Ekonomski fakultet sveučilišta
- Kotler, Ph. (2001), *Upravljanje marketingom, Analiza, Planiranje, Primjena i Kontrola*, Zagreb: Mate Zagreb.
- Meler, M. (2005), *Osnove marketinga*, Osijek: Ekonomski fakultet Osijek.
- Meler, M.(2001), *Neprofitni marketing*, Osijek: Ekonomski fakultet u Osijeku.
- Pavičić, J. (2003), *Strategija marketinga neprofitnih organizacija*, Zagreb: Masmedia, 24.
- Sargeant, A. (1999), *Marketing Management for Nonprofit Organizations*, Oxford: Oxford University Press, 5.
- Srića, V., Kliment, S., Panijan, Ž. (1983), *Poslovni informacijski sistem*, Zagreb: CDO Birotehnika.