

APPLYING SOCIAL MARKETING IN FUNDRAISING ACTIVITIES TO CIVIL SOCIETY ORGANIZATIONS

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Abstract

This paper analyses the possibility of applying social marketing to civil society organizations to raise funds for their programs and projects. Social and economic transition as well as economic recession gradually reduce, or even completely exhaust, the number of financial sources for these organizations and endanger their survival. Finding new sources of funding becomes therefore the main prerequisite for their sustainable development. As a result, the organizational and program adjustment to the new conditions in their environment as well as the implementation of the appropriate marketing strategy towards potential donors from the business sector become major determinants of their business strategy. The choice of appropriate and efficient marketing strategy becomes the key factor in the survival of a civil society organization whose financial course is leading to certain demise. Through successful application of the chosen marketing methods as well as through connections with the business sector, civil society organizations will, besides secure sources of funding, have a number of collateral social benefits and experience a general increase of social capital.

Key words: social marketing, civil society organizations, fundraising, business sector.

Introduction

Countries with developed democracies have a long tradition of philanthropy . It has its roots in the Christian worldview of those countries, which through years of continuous theological teaching throughout Christian history encouraged individuals and groups to various acts of goodwill. The emergence of Protestantism in 16th-century Germany as well as its consequent expansion to

Europe and America gave incentive to new forms and ways of philanthropy and goodwill . Economic agents significantly helped directly through their resources the development and improvement of certain economy sectors, particularly during and after the late Middle Ages. This was enabled by the significant accumulation of capital at that time. The emergence of capitalism and its development, especially during the 19th and the beginning of 20th centuries, increased the accumulation of capital, creating industrial societies whose gross national products grew faster than at any time before . On the other hand, social activities of the industrialized countries did not develop at the same pace as the main industrial branches. They lagged behind and did not succeed in solving key social problems, especially in the areas of social and health care and education. In the conditions of rapid industrialization and relatively fast changes of social structures of whole countries, i.e. the increase of the urban and simultaneous decrease of the rural population, state governments turned out to be too slow, dull and inefficient in dealing with the problem of the social standards of the constantly growing working class. In this social and economic context, the tradition of individual and collective philanthropy that arose from Judeo-Christian culture turned out to be one of the possible mechanisms for dealing with at least some of the social problems and needs that, as a rule, did not belong to the industrial, i. e. production, sector.

After the French Revolution in the 18th century, the role of church in society diminished significantly. The civil government gradually took over some of the church's authority and care of certain social areas. The industrial revolution, following the American and later French social revolutions, resulted in the creation of a new civil society that gave rise to the administrative and political, as well as social and economic, conditions for

democracy and the democratic management of society. This means that the Protestant diversity of Christian churches, the Protestant work ethic and capitalist industrialization were necessary social and economic conditions for the emergence of political plurality and multi-party political systems, i.e. the consequent emergence of various forms and versions of civil societies.

The civil society, or the so-called third sector, is the most common phrase in American academic circles used to describe all those individuals and non-government organizations that freely and without any coercion occupy some social areas, individual interests, aims or values. The general opinion is that those organizations satisfy certain individual and social needs far better than government or the business sector and that the modern society is therefore unthinkable and unsustainable without them. In other words, contemporary sustainability and improvement of the so-called third sector, which was the result of the economic and social development, became the precondition of survival of that very society. The sporadic benefactions of some richer members of society at the beginning of the industrial revolution gradually became the rule, especially after the first foundations had been established; and in this way, entrepreneurs became more significant starters and participants of the development of various social activities.

The stability and longevity of donations from the business sector became the prerequisite for survival for some non-profit organizations, especially those in the area of education, health and culture. American pragmatism created therefore at least two very efficient mechanisms, which ensure the longevity of donations as well as the sustainability of non-profit organizations financed or co-financed by them: namely the foundation and the tax deduction for philanthropic donations. Numerous foundations from the 19th century, as non-profit organizations, managed received donations for a long time and spent them in ways defined by their founder(s), but they also managed, indirectly, social consumption and development. Direct investment of funds to non-profit organizations by some companies transferred also the entrepreneurial skills of their owners and managers. Traditionally less efficient and effective than profit organizations, non-profit organizations improved through this, since the investors monitored the use of their funds and directly influenced positively the organizational and managerial performance of the recipients of their donations. The government gave support to these

efficient mechanisms through fiscal regulations that prescribed tax relief for donation projects and programs for the third sector organizations. However, even though it is called "tax relief" and its name indicates some sort of a benefit, it really is not. Even though it seems that the government gives up a part of its fiscal income, it actually enables the business sector that generates that income to be more efficient in its allocation, and then the government monitors its usage. On the other hand, the business sector organizations, through their donations to non-profit organizations, effectively reduce some social tensions in their social environment. Those organizations also, behaving in a socially responsible way, can better cope with all the antagonism that generally marks the capitalist society. These three sectors, government, economic and civil, are intertwined and exchange the resources which can ensure not only the long stability and sustainability of the social system, but also better satisfaction of the needs of all the participants, whether individuals or groups.

Social and economic context

This research was founded on the hypothesis that every entrepreneurial organization (company, corporation, trade, collective), regardless how big it is, can be socially enlightened and, to a certain degree, oriented to the social environment it operates in. Yet, it must not be forgotten that the present economic recession and long-term social and economic transition definitely have an impact on the level and forms of socially responsible behavior of economic subjects; however, the impact is not crucial. Even though the priority of social subjects is the development and sustainability of their own business, philanthropy in any form of donations, as an occasional side-activity, need not necessarily be excluded from their business policy and operational decisions. With that in mind, this research anticipated the present social and economic context characterized by two main features: (1) the financial and economic recession that started in USA in 2007 and that became globally destructive in the second half of 2009; (2) the social and economic transition from the beginning of 1990s, which is approaching its end but has not yet finished.

Special contextual features of the civil society organizations might be: (1) a few years ago, the funds that the civil society organizations receive

from donors abroad, especially from the European funds, decreased. When Croatia joins the European Union some of those sources of funding will disappear. Even though a number of new sources will be available upon Croatia joining the EU, the civil society organizations, especially smaller ones and those focused on local communities, will be forced to find additional sources, i.e. domestic economic subjects. (2) Some civil society organizations, after years of good performance, go through a sort of organizational and program fatigue manifested in various ways, from the increased turnover of personnel and volunteers to the redefinition of their mission statements. The causes for such situations are numerous and should be investigated in depth in some other paper, but for the purposes of this work, we shall point out only the most significant cause - the constant search for new sources of funding and maintenance of current ones. Talks with leaders of several bigger civil society organizations in Croatia revealed that, in comparison to five or ten years ago, organizations spend more energy on finding new sources of funding for their projects than they invest in implementing those very projects and programs. The synergy of several negative factors have resulted in the closing down of several organizations, and to the aforementioned organizational fatigue.

The described social and economic context shows that fundraising for many non-profit and non-government organizations has become crucial to their survival. The reliance on government, local authority or donations from European funds that are channeled to Croatia in different ways has become increasingly insecure. However, in spite of their unpreparedness for numerous challenges in the area of management and non-profit entrepreneurship, many civil society organizations have managed to preserve their activities through diversification of their sources of funding, i.e. expanding their type and number. The appropriate application of marketing concept is therefore of crucial importance for their survival.

Marketing-mix in fundraising

If we wanted to give a useful definition of civil society organizations marketing we might paraphrase the American Marketing Association's (AMA) definition and describe it as the organizational function and set of processes for creating, communicating,

delivering, and exchanging offerings that have value for customers, clients, partners, and society at large, as well as the means for the management of relations with customers in ways that benefit the organization and its stakeholders. In that sense, civil society organizations marketing encompasses all those activities used for planning and implementation of marketing function as in generic marketing, but with a certain degree of adjustment.

Fundraising is the civil society organizations' activity through which they ask their potential donors for financial and other means which they intend to use for planning and implementing their programs and projects with the aim of fulfilling their organizational mission statement and purpose. The donations need not necessarily take the form of money; other forms are acceptable (merchandise, material, usage, usage of business resources, sharing copyrights, volunteer work, expert assistance or any combination). In turn, the donors receive their gratitude and the awareness that their gift has contributed to the realization of some of the program or project goals. Since whenever there exists the exchange of goods, marketing can be used and the possibility of its application to fundraising is obvious.

The marketing process or marketing program of an organization's activities on the market is usually called marketing-mix. It is the means by which the civil society organizations try to fulfill their mission statements and goals and attract potential additional resources for their programs and projects. The application of marketing to fundraising is the non-profit organization's activity by which, using the marketing conception, marketing-mix and marketing techniques, it occasionally or continuously tries to interest, attract and keep potential donors for its mission statement, i.e. certain projects or programs. Organizations of civil society satisfy their developmental needs, and indirectly also the needs of their users and society, through the concept of non-profit marketing. That is why the non-profit marketing of civil society organizations, after the successful realization of fundraising projects, becomes social marketing that has general social benefit, i.e. contributes to the positive change of the social agents' behavior. This change of behavior, in this case, is directed toward donors who wish to give a part of their resources (in the form of money, resources, and professional service, personal free time) to the non-

profit organization. Geoff Lancaster ascribes a sort of social role to social marketing – it refers not only to the increase of standards, but also, it serves as the force that maintains and influences general cultural values and social norms. According to him, the area of marketing influence is significantly wider than the mere economic area – in other words, marketing becomes socially directed . Business subjects that accept the offered fundraising project and become donors contribute to a “sort of socialization, i. e. socialization of marketing as a business concept, but also a life philosophy and behavior. Social marketing represents therefore operationalization and instrumentalization of unavoidable interaction on the relation marketing-society. We must distinguish between social marketing and social direction of marketing, i.e. the social conception of marketing. Kotler thinks that the concept of social marketing has the task of determining needs, wishes and interests of target markets as well as the fulfillment of desired satisfaction in more efficient and effective ways than the competition. This should be done in ways that protect, i.e. improve, the general wellbeing of customers and society at large” .

Marketing-mix of the civil society organizations consists of four traditional elements: product, price, promotion and place (of sale) . Next to these four traditional elements, Kotler and Roberto add three additional elements to the area of non-profit marketing: personnel, presentation and process . All these elements exist in conventional marketing as well, but in non- profit marketing they are far more pronounced and should as such be taken into account when it comes to marketing planning: personnel, employees and volunteers that offer services of the organization they are with; presentation, which encompasses all audio and visual methods used for presentation of certain products and services to target groups, and process, which refers to the stages target customers go through before they accept the offered service or product. All these marketing-mix elements can be very efficient in marketing fundraising projects.

Product. The service that the civil society organization offers to its customers, either in material or non-material form, represents the product of this organization. For example, the information on the possibilities of army services with instruction in how to write a letter to the government agency in charge. At the same time, a

project or program offered to the potential donors can also be considered as a product - for instance, the acquisition of fixed assets, of new materials for library collection, funding of literary evenings, purchase of online database subscriptions and so on. The design of the good product is as important, complex and crucial for the end results of the campaign for non- profit organizations as it is for profit ones. The product of the fundraising campaign should be adjusted to the preferences of the potential donors. For example, the acquisition of the new communication system for the civil society organization might be interesting to the producers and distributors of such systems, whereas the organization of a children’s corner or playroom in the children’s department of the local library might be for the producers and merchants of children’s shoes and clothes, toys and children’s equipment. Entrepreneurs with common origin might be willing to co-finance students from their own place of birth or growing up. Differentiation of products that can become the object of fundraising projects results in reaching a wider audience of possible donors and their preferences, and consequently in better success of projects. Marketing tools offer possibilities of creating a product-mix of the organization that will give more choice to potential donors.

Price is the amount paid for a product or service by the consumer, in either a direct (annual fee, voluntary benefaction) or indirect way (through government budget that contains funds from taxes and contributions, or from other sources, such as European funds, from different foundations, etc.). Price represents either the project value that the civil society organization presents to the potential donor or part of the value if more than one donor is expected to participate in covering the total costs of the project. During the phase of project presentation to donors, individual amounts of donations can be adjusted to the donors’ interests and/or economic power. Fundraising project presentation documents generally contain several options of amounts that are expected from donors. In that way donors can decide between small, medium, high and very high amounts, or they can even choose to cover all the costs of a project. Experience tells us that the choice of amounts, i.e. money marketing-mix, makes it easier for donors to make a decision, and they usually opt for the one of the middle values.

Distribution takes place at the civil society organization's place of work or where they offer their services, such as offices, places where customers or potential customers gather together, radio, TV stations, Internet and other means of public communication. This marketing element refers to the method of distribution of the civil society organization's product or service to its target groups, or in our case potential donors. Fundraising projects can be distributed through most of the conventional channels including the Internet, especially if marketing activities are directed to donors who have previously donated something to the civil society organization. In the case of new donors, the method of individual visits to their place of operation is highly recommended, and only exceptionally can group presentation of a fundraising project be applied. In any case, the best results in planning and implementation of this marketing element are achieved through an optimal combination of various distribution channels.

Promotion as an element of marketing mix contains all those activities through which a civil society organization presents its projects or programs (present and future) to its target groups. It includes publicity and public relations, and to a lesser degree methods of sales promotion (e.g. presentation of new products). These organizations use advertising far less than profit organizations. In promotional marketing-mix in the case of fundraising projects, all the activities mentioned in professional literature are included, regardless of whether they, according to Sudar, belong to primary or secondary activities. However, past practice shows that the best results are achieved through personal sales, either individual or in a group, because the civil society organization representative meets one or more potential donors and presents in person all the project elements. Public relations and publicity might be heavily used to generate a general positive image of the civil society organization, the importance of its educational, scientific and social role in general. The final positive decision on donation is most frequently made after the so called personal sale, i.e. the presentation of fundraising project, in a one-to-one setting. In cases where potential donors are familiar with each other, or if they belong to the same or similar economy branch, the presentation of the fundraising project might be conducted in small group(s).

Personnel. The success of fundraising project presentations depends largely on people who perform the presentation, their motivation, know-how; all in all, the process of decision making through which they guide their potential donors should be well planned. Organizational leaders with their collaborators must prepare a good and articulate fundraising project and adjust it to the presentation methods they plan to use. Simultaneously, they will have to undergo programs of continued professional education in order to master necessary presentational methods as well as to develop their emotional intelligence, as described by Daniel Goleman. The ability to persuade about the project's value and importance is crucial for the project's success. This means that the person who does the presentation must him/herself be convinced of the importance, value, and purpose of the project, and him/herself be its donor, as well. These two things, personal delight with the project and personal investment in its realization might be the key that turns a potential donor into an actual one. "The best results in fundraising are achieved by those organizations that make their donors their partners, creating emotional ties between them and the non-profit organization and its projects."

Presentation. This marketing-mix element encompasses the training and exercise of the non-government organization personnel that deal with fundraising activities for their project. The choice of presentation topics and methods of presentation are as important as the immaculate performance of the presentation itself. Presentation can be done either individually or in groups. Individually means that it is performed in front of one potential donor, regardless of how many people are actually in the room during the presentation. A special case of presentation is the so-called one-to-one presentation. This type of presentation represents the most effective method of fundraising, but it requires perfect organization, patience, flexibility and skillfulness in choosing and negotiating the time of appointment. The length of presentation should be appropriate, not longer than ten minutes; the written materials are either sent beforehand or distributed at the end of the presentation. After the presentation, it is necessary to simply and clearly articulate what and how much is expected from the potential donor, making sure that this part of the meeting does not wander into digression. Group presentation is common when there is more than one donor in the audience and is usually

conducted at so-called donor dinners (banquets) or donor conferences. In those cases, a short cultural and entertaining program is followed by the project presentation. After the presentation, the organization's leader or representative gives a motivational speech trying to motivate the present potential donors to donate. A proactive approach in fundraising should never become dominating but create a balance between speaking and listening.

Process. Last but not least, extended element of marketing-mix represents a number of successive stages the donors go through until they finally accept the offered product. The marketing process guides the potential donor through the process of decision making up to the point when (s)he makes the decision about the donation and implements it. Decision-making on donations has several stages. After the donor's attention has been drawn, the presenter will give him/her a little, only the most important, information about the fundraising project, taking care not to overload the potential donor with too many facts and numbers. The presentation of facts and all the relevant information about the project gives the presenter the power to manage the rational aspect of decision-making. He addresses also the emotional side of the potential donor, trying to win the donor's inclination for the project. However, the presenter must be very careful about the pitfalls of emotional manipulation of the listener, and in particular not cause negative emotions, such as fear or guilt. Those two components, rational and emotional, create the positive setting for the formation of the donor's preferences in donating. This setting triggers the donor's conviction about the actual need and the desire to donate. The last stage in decision-making is taking action, i.e. donating. Experience tells us that it is practically impossible to go through all the above described stages during only one meeting. Most presenters will agree that usually every stage requires a meeting. Besides, the presenter must acquire skills that will help him/her recognize and choose the appropriate audience as well as recognize the stage the majority of the listeners find themselves in. Those two pieces of information are crucial for the fundraiser and (s)he will prepare appropriate content and choose effective fundraising methods according to them.

Research results of civil society organizations' fundraising possibilities from the business sector in Croatia

The main purpose of this research was to give information to numerous civil society organizations in Croatia about the growing possibility of fundraising activities from the Croatian business sector through social marketing methods. Through those methods, i.e. getting in a direct relationship with entrepreneurs, the civil society organizations can help raise the entrepreneurs' consciousness about their social responsibility in promoting the common good and creating a just society.

Previous experience has shown that the domestic economy has significant resources that might be used relatively easily for the program needs of civil society organizations. Those are potentially available resources, regardless the size of the economic subject (measured in number of employees or annual income). The second hypothesis that this research was supposed to test was the statement that a number of economic organizations, upon application of social marketing, can be sufficiently enlightened to respond positively to the civil society organizations' requests and offer required help, either partially or wholly, in money or goods.

The research lasted from January to February 2011. Questionnaires were sent by post to a target group of 150 small and middle-sized companies, that varied in type of registration (trade associations, crafts and collectives) and type of activities (agriculture, industry, energy industry, civil engineering, trade, tourism, catering, traffic, banking, financial services). All economic subjects in the sample were privately owned.

All together, 102 correctly filled-out questionnaires were returned, which gives a response rate of 68%. The data were processed by SPSS statistical software package. We insisted that the surveys be filled out by either the company director, i.e. company owner, so that the collected data would have relevance for this research. We used the structured questionnaire, mostly with Likkert scales, ranking or choice questions. The questionnaire also contained questions in which we asked for the entrepreneurs' opinions on certain segments of civil society organization financing and their preferences about donations. Besides a questionnaire, we also collected qualitative data

from phone conversations with a few company directors/owners. We asked about their views on civil society organizations and their objective possibilities of giving donations. Furthermore, we interviewed several persons who have been involved in fundraising in Croatia for the last ten years and we asked them about their experience. Finally, we consulted professional literature on the possibilities of applying marketing to fundraising activities .

In our research, 85 subjects (83.33%) expressed their wish to be notified about the research findings. We consider this to be the sign of interest for

contents that fall outside of their everyday work. We used the opportunity, and besides the standard elements, we inserted additional texts on the role and significance of civil society organizations so that the questionnaire had an educational role as well.

The analysis shows that the majority of our respondents have finished at least the academy (75,49%), and that 62,7% have either the bachelors, masters or doctoral degree. Table 1 shows the data for the whole sample.

Table 1. Company directors /owners level of education

No.	Description	Number	%
1	High school	25	24,51
2	Academy	12	11,76
3	Faculty	51	49,02
4	Masters	13	12,74
5	Doctoral degree	1	0,98
	Total	110	100,00

Table 2. Type of company by registration in the sample

No.	Legal status	No.	%
1	Trade associations	75	73,53
2	Crafts	22	21,67
3	Collectives	5	4,91
	Total	102	100,00

Table 3. Type of activity of the companies in the sample

No.	Type of activity	No.	%
1	Services	25	24,51
2	Trade	18	17,65
3	Industry and energetics	14	13,72
4	Agriculture	13	12,74
5	Civil engineering	12	11,76
6	Catering and tourism	8	7,84
7	Traffic	5	4,90
8	Banking and financial services	3	2,94
9	Other	4	3,92
	Total	102	100,00

This research included not only trade associations but also crafts that employ a significant number of workers, as well as collectives (catering and tourism, business advisory companies and agriculture). Our purpose was to find out about the real possibilities and preferences of part of the entrepreneurial sector that is at the moment not counted among financial partners by civil society organizations.

In the sample service companies predominate, trade and industry and the energy industry (55,88%). There are slightly fewer companies from the area of agriculture, civil engineering and catering and tourism (32,34%) (Table 3).

The companies from our sample direct the main part of their business activities to the domestic

market (92,08%), and only a small number of respondents stated that they also do business abroad (3,92%). Furthermore, almost 58,83% of our respondents do business only in their vicinity, county or macro-region.

This research attempted to look into the company directors/owners' personal perception of their familiarization with the work of civil society organizations (Table 5). Their responses can be considered an objective self-evaluation, which was additionally confirmed in consequent phone interviews. We can say that the familiarization with the activities of civil society organizations in our sample is satisfactory, although not to the degree it should be. This calls for more active promotion of civil society organizations, of their activities and purposes.

Table 4. Business territory of companies in the sample

No.	Business territory	No.	%
1	Headquarters and vicinity	21	20,59
2	County	20	19,61
3	Macro-region (several counties)	19	18,63
4	Croatia	38	37,25
5	Abroad	4	3,92
	Total	102	100,00

Table 5. Familiarization with the work of civil society organizations (self-evaluation)

No.	Description	No.	%
1	Not familiar at all	5	4,90
2	Mostly not familiar	24	23,53
3	Familiar in some parts	52	50,98
4	Yes, familiar	12	11,76
5	Extremely familiar	9	8,82
	Total	110	100,00

The next question in our questionnaire dealt with the contribution of civil society organizations to the general good and the development of society. 24,51% of our respondents considered that they contribute, but not to a satisfactory degree; 32,35% thought that they contribute sometimes; 39,22% thought that they contribute significantly, and only 3,9% had the opinion that they contribute fully. Interestingly enough none thought that civil society organizations do not contribute to the

general good and the development of society. It can be said that 71,57% of our respondents have a positive attitude towards the contribution of civil society organizations to the benefit of the society at large. When asked whether they would be willing to donate to a project of a civil society organization, our respondents gave answers that can be found in Table 6.

Table 6. Willingness to consider a request from a civil society organization to fund some of their projects/programs

No	Description	No	%
1	No, I am not willing to consider it	0	0,00
2	I probably would not consider it	6	5,88
3	I might consider it	60	58,23
4	I would probably consider it	34	33,33
5	Yes, I would be happy to consider it	4	1,96
	Total	110	100,00

Our data indicate that a civil society organization's request for funding has a higher possibility of being accepted than rejected. On the other hand, the level of indifference of our respondents toward a potential request from a civil society organization significant and causes serious concern. However, the experience of fundraisers tells us that the indifference can be relatively successfully overcome by rousing their curiosity. For example, when talking to the potential donor one does not state the main content of the donation request but asks whether the potential donor would be willing to meet with the fundraiser and consider his/her request. In this way, one of the marketing-mix elements makes the social marketing of civil society organizations possible.

We were also interested in what form our potential donors would be willing to support civil society organizations and their programs. We asked our respondents to rank six forms of donations, where number one meant the most suitable and number six the least suitable form of donation for our respondent. The results are shown in Table 7.

Entrepreneurs are usually willing to give goods donations, whereas money donations hold the third place. Sponsorship and combinations of donations (goods and money) are not attractive for our sample. Capital donations also have not yet become interesting for our respondents.

Furthermore, we wanted to know to which non-profit activities our respondents prefer to give donations. The respondents answered by ranking the offered social areas from one to nine, where number one marked the activity they would most gladly support and number nine marked the least attractive activity. Table 8 contains the results for the whole sample.

The research showed that the majority of our respondents are interested in donating in the area of

social and humanitarian activities (56 respondents or 54,9%). Peacemaking, the development of democracy, protection of human rights, improvements to legislation and elections control are less popular, as is the area of education, science and research (11 respondents per each variable or 10,78%). Church and church related activities take a modest fifth place (10 respondents, 9,8%). Sport (amateur), art and culture, heritage and folk associations and protection of environment and animals fall out of scope of interest of our sample. Such high interest for social and humanitarian work is explained by our respondents' (small and middle-sized entrepreneurs) sensitivity to the current social situation in Croatian society. In comparison to the directors of big corporations, banks, insurance companies and international corporations, our respondents are more familiar with everyday problems connected with the deterioration of the standard of life. On the other hand, social and humanitarian conditions during the 1991-1995 War and its aftermath created a continued sense of solidarity toward the needy in all layers of society. The results of table 12 indicate that.

The information about the area to which our respondents would be willing to donate is very useful and enables the efficient definition of a product as a marketing-mix element. If the entrepreneur's preferences lie somewhere else, and do not fall into the area of the project in question, it is possible to emphasize only those project features that we know the potential donor is interested in. For instance, if an amateur sport's club needs coverage for travel expenses, but the potential donor prefers supporting persons with special needs, the club may decide to include several persons with special needs interested in sport.

Table 7. Rank of the form of donations our respondents would be willing to donate to civil society organizations

No	Description	Rank	%
1	Goods donation (e.g., their products or services, giving away their resources, etc.)	60	58,82
2	Donation of personal time and expertise, i.e. a form of voluntary work	19	18,63
3	Money donations	13	12,74
4	Sponsorship (money donations with a sort of reciprocal activity, e.g. advertising of donor's activity during project/program)	5	4,90
5	Combination – money and goods donations	3	2,94
6	Capital donations (highly valuable investments that are of particular benefit to the society at large)	2	1,96
	Total	102	100,00

Table 8. Donor preferences for social areas

No.	Description	Rank	%
1	Social activities (help for orphans, people with special needs, support for marginal social groups, asylum seekers, former drug addicts, former inmates, etc.)	40	39,22
2	Humanitarian activities (soup kitchen, homeless shelters, gathering aid for the needy, Red Cross activities, etc.)	16	15,67
3	Peacemaking, the development of democracy, human rights, improvement of legislation, elections control, etc.	11	10,78
4	Educational activities, including science and research	11	10,78
5	Church and church related activities	10	9,80
6	Sport (amateur) activities	6	5,88
7	Culture and art	4	3,92
8	Heritage and folk associations	2	1,96
9	Protection of environment and animals	2	1,96
	Total	102	100,00

Table 9 gives the data for the current business practice of our respondents regarding the actual donations to civil society and other non-profit organizations. The findings show that the majority of our respondents donate to these organizations, 76 respondents or 74,51%. This indicates that our

respondents consider themselves to be habitual donors of civil society organizations, although sometimes not in the desired degree.

Table 9. Points of view in the sample regarding actual donations to civil society and other non-profit organizations

No.	Description	No	%
1	We do not give donations because we think that is the government's or local authority' responsibility. We pay taxes and other contributions to the state.	7	6,86
2	We do not give donations because we do not have enough resources for them.	14	13,72
3	We do not give donations because we have not yet come across interesting projects.	5	4,90
4	Yes, we give donations, although not always in the desired degree, and in that way contribute to the general welfare of our community.	43	42,15
5	Yes, we give donations whenever the opportunity arises, contributing in that way to the general welfare of our community.	33	32,35
	Total	102	100,00

Our respondents are willing to donate between 500.00 kn (24,51%) to over 10.000,00 kn (0,989%) (See Table 10). However, the majority (90 respondents or 88,23%) opted for amounts up to 5.000,00 kn. This is a very important piece of information, for price is one of the marketing-mix elements. In other words, it is wise to ask for an amount the entrepreneur is willing to donate. In cases in which the total value of the project is higher, or significantly higher, than the individual donation, which is often the case, the individual donation request directed to the potential donor must be appropriately determined.

We were also interested to know whether our respondents gave donations to any civil society or non-profit organizations in the last two years, and 92 responded positively (90,20%). Those who did were further asked to state the nature of given donations (Table 11). They could choose more than one option, and many of them did.

The type of donation that the civil society organization will request from an entrepreneur might be crucial. Smaller companies prefer goods donations because for them that is more acceptable

than money donations. The fundraiser must have the ability to adjust the donation request according to the individual donor and their preferences. Experience teaches us never to reject any form or type of donation and to continually report to the donor on the project's progress. By doing so, we can emotionally tie the donor to the project, the organization and its mission statement. The next donation of that donor might be bigger and more attractive to the civil society organization than the previous one. However, this type of tactic must never cause the donor to feel emotionally manipulated. On the contrary, it must be seen as transparent announcement of organization's intentions for future cooperation. Otherwise, the donor can completely withdraw from future projects and never again take part in any of the civil society organization's projects.

We asked our respondents for the most important reason for a company to decide to give away its resources for the purposes of a civil society organization's project. They were offered sample answers and were supposed to choose one. Table 8 shows the results for this question.

Table 10. The amount of the possible donation

No.	Description	No	%
1	Up to 500,00 kn	25	24,51
2	Up to 1.000,00 kn	42	41,18
3	Up to 5.000,00 kn	23	22,54
4	Up to 10.000,00 kn	11	10,78
5	Over 10.000,00 kn	1	0,98
	Total	102	100,00

Table 11. Nature of given donations in the last two years

No	Description	No.	%
1	Goods donation (material or service)	64	62,74
2	Money donation	53	51,96
3	Donation of personal time	28	27,45
4	Sponsorship (advertising donation)	16	15,68

Table 12. Reasons for donations

No.	Description	No.	%
1	Solidarity with the needy	28	27,45
2	Moral obligation	18	17,65
3	Social responsibility	12	11,76
4	Building up of image in the public	11	10,78
5	Togetherness and solidarity	10	9,80
6	Other companies do that as well	8	7,84
7	Generosity	7	6,86
8	Social justice	5	4,76
9	Increase of the culture of philanthropy	2	1,96
10	None of the above	1	0,98
	Total	102	100,00

58 respondents or 56,86% opted for solidarity with the needy, moral obligation and social responsibility. Generosity and building up of image in the public are ranked relatively low in our results. Experience in fundraising tells us that those two motifs are actually very important, but the donors are rarely aware of them although their donations are often subconsciously motivated by those two reasons. Also, the conformity ('other companies do that as well') as the reason is not very pronounced (7,84%) in our sample, but experience tells us

that it is frequently present in real-time decision making. The research of motivation that lies behind donations requires additional psychological tests that would rule out the mechanism of so-called self-censorship.

Also, we wanted to know what were, in our respondents' opinions, reasons (objective, external) for some companies to refuse to donate to civil society organizations' projects or programs. In other words, what are the biggest, and what are

the smallest limitations, in giving donations. Our respondents answered by ranking the offered answers where number one represented the biggest obstacle, and number seven the smallest (Table 13).

Table 13. Objective limitations to giving donations

No.	Description	Rank	%
1	Lack of tax relief for donations and sponsorships	25	24,51
2	Economic subjects do not possess sufficient accumulation in order to give donations to civil society organizations.	19	18,62
3	Business sector contribution might be bigger if the general conditions of economic activities were better.	17	16,67
4	Absence of donation requests, i.e. civil society organizations rarely or never at all ask for help from business sector.	14	13,72
5	General insolvency and unsettled claims in economy.	13	12,74
6	Absence of the general culture of philanthropy and donorship in society	12	12,76
7	Disbelief that the donation will be used for the purpose it was given	2	1,96
	Total	102	100,00

For our sample, the primary limitation in giving donations is the absence of tax relief for donations and sponsorships. However, having in mind that our tax legislation provides tax relief for donations, this reason cannot be taken as valid. This can be explained twofold: either our respondents are unaware of the possibility of tax relief for donations, or this is their personal rationalization for the absence of donor policy in their organizations. The business without enough accumulation is the second most frequently chosen option in the sample. The estimation of insufficient accumulation in one's firm is connected with the perception of unfavorable economic conditions in the country. Our respondents strongly emphasize external, i.e. economic, elements as objective obstacles to giving donations (variables one, three and five) or 55 respondents (53,92%). The absence of civil society organizations' requests for donations was chosen by 14 respondents (13,72%), and the absence of a general culture of philanthropy and donorship in society was chosen by 12 respondents (12,76%).

Conclusion

Civil society organizations, which are becoming a more significant partner in the creation of modern Croatian society and a co-creator of social capital, will have to turn to the business sector as a generic

source of resources necessary for their survival. The economic recession will be over one day, the social and economic transition as well, but after Croatia joins the European Union all pre-accession funds will become inaccessible. Having in mind the experience of some other former socialistic countries that have already joined the European Union, we can expect a number of civil society organizations and entrepreneurs to be unprepared for the relatively new economic environment. That is why it is necessary to start preparations for new sources of income (number and type) before that happens.

During the research, we conducted additional interviews with directors/owners of the majority of the companies in the sample and found out that they are insufficiently familiar with the meaning and significance of terms such as 'general good', 'social responsibility' and 'social capital'. Therefore, it would be wise for civil society organizations to modify their mission statements to include the element of educating the general public about the significance of so-called social capital in the society and about the mechanisms of its growth. This common direction of civil society organizations will create a more favorable atmosphere for their mission statements, which in return will generate more social 'grapes'. In this way, the civil society organizations will generate social capital more

quickly and easily than business organizations that are mainly focused on generating profits. Social responsibility has better conditions for growth and development in civil society than in business organizations. Only the partnership of these two sectors will advance social responsibility, and the social capital of the society will grow accordingly.

An operational form of such a partnership might be a situation where two or three permanently or ad-hoc connected civil society organizations with common programs/projects address one or more business companies. Such cooperation between entrepreneurs and the civil sector can be additionally extended by local authorities; this in turn can precondition donations for a project that has a partnership agreement between the civil and business sectors. A social project created by the civil society organizations, whose efficiency is ensured by business subjects, and whose political integrity is guaranteed by the local authority, has excellent chances to become self-sustainable and to generate social capital. Unfortunately, for such complex social entrepreneurship the pre-existence of certain social capital is necessary, i.e. a society with a developed entrepreneurship, social ethics, and an atmosphere of mutual and general social responsibility.

The previous form of funding indicates that there is a certain eagerness in state government bodies to influence, through available fiscal and other mechanisms, the stream of a number of bigger donations. This can definitely be viewed as a relic of the previous socialist system. Such a mentality and the acquired need that is present in government agencies will linger for a long time; however, its influence will decrease, particularly if the business sector becomes directly involved in the funding of civil society organizations. Political pressure on bigger business subjects regarding the direction of donations might be reduced if the business organizations, instead of making arbitrary decisions, defined a systematic policy on donations based on generally accepted procedures of receiving requests, approval and monitoring funded projects.

The results of this research indicate that there are objective possibilities for that, and they should not be missed. Any type and scope of donations must be readily accepted, even if the costs of their collection are tantamount to their value. When they accept small and even minuscule donations, civil society organizations contribute to the cultivation

of business sector philanthropy and the creation of a socially responsible economy, which is extremely important for general social achievement. The inclusion of entrepreneurs in solving community social problems can contribute to creating better social balance between the civil sector and state government administration in the choice of the development of social goals. At the same time, the business sector will, according to its nature and constant market competition, look for more efficient and effective ways to use resources for the civil sector. The civil society and other non-profit organizations will for a long time be lacking the entrepreneur sensibility and care in the spending of money, material and time resources.

Civil society organizations can apply the concept of social marketing and achieve better results than using individual marketing tools. The adjusted marketing-mix in a specific civil society organization, with previous research of the donor market and the creation of an information database, and together with acquired experience through time, will secure for non-government organizations at least similar effects that entrepreneurs achieve through marketing in their organizations. However, these effects must not be expected to come too soon. We must bear in minds that the profit organizations have been developing marketing activities for more than a century, whereas social marketing has just been born. And it must be given more time.

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