THE EXTENT OF USE OF MARKETING IN NOT-FOR-PROFIT ORGANIZATIONS: THE CASE OF NON-GOVERNMENTAL ORGANIZATIONS IN KENYA.

BY

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This Project is my original work and has not been presented for a degree in any other University.

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ANNE GATHUO

This Management Project has been submitted for examination with my approval as University Supervisor.

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DEDICATION

Dedicated to my brother Frank Kago who I'll never be
able to thank enough.

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ABSTRACT

Marketing writers often emphasize the universality of the
marketing process   as it applies to all organizations in our
society, whether profit or not-for-profit, government or private,
professional or nonprofessional, international or national,
industrial or consumer-products companies.

The not-for-profit sector constitutes an important economic
sector consisting of a wide variety of organizations including
universities, charitable organizations, hospitals, government
agencies, and foundations.

The study reported here was an exploratory study whose
objective was to find out the extent of the use of marketing
tools in Not-For-Profit Organizations, with special reference to
Non-Governmental Organizations (NGOs) in Kenya.

The data was collected by use of a structured and non-
disguised questionnaire. The questionnaires were administered
on a "drop-and-pick-later" basis where possible while the rest
were mailed to the respondents. Eighty-one organizations were
surveyed of which fifty-one responded.

According to the findings of this study, most administrators
of the NGOs seem to believe that marketing is a process peculiar
to business organizations. Indeed, this came out very clearly
in some of the notes that accompanied the questionnaires that

were mailed back blank. One of the respondents, for example,
had written: "We are sorry your questionnaire is not relevant
to our organization since we are not a business enterprise..."
Another had written "We are a charity organization, we cannot
be involved in marketing..." Clearly, the notes suggest that
the attitude of the administrators is that marketing is not
only inapplicable but also a process to be shunned by Not-For-
Profit Organizations.

Indeed, the extent of the use of marketing planning and
development of new products/services were found to be very rare.
Advertising in various media types was also found to be very
rare. One interesting finding was that religious organizations
use marketing tools more extensively than educational institutions.

In general, the extent of the use of marketing in NGOs
was found to be very limited. There is therefore need to
educate the administrators on what marketing is all about and
show them that the goals and problems of Not-For-Profit
Organizations can be dealt with most effectively by applying
marketing approaches.

ACKNOWLEDGEMENTS

CHAPTER 1

INTRODUCTION

BACKGROUND

According to Lazer and Culley marketing embraces so
diverse phenomena that it has been described in numerous ways –
as a business activity; as a group of related business activities;
as coordinating, integrating aspect of policy making; as the
process of concentration, equalization, and dispersion; as
the creation of time, place, and possession utilities; and
as many other things.[1]

Marketing techniques include promotion decisions such as
advertising, publicity, personal selling and sales promotion;
pricing decisions, product decisions such as new product develop-
ment, branding, packaging and labelling; as well as distribution
decisions.

In the business sector, formal marketing techniques have
in general been accepted and used for many years now. In recent
years, however, marketing has also increasingly attracted the
interest of Not-For-Profit organizations (NFPOs) such as

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[1]William Lazer and James Culley, Marketing Management:
Foundations and Practices. Boston: Houghton Mifflin
Company, 1983, p. 9.

colleges, hospitals, museums, and symphonies.

The current status of Not-For-Profit marketing is
largely the result of an evolutionary process that began in
the early 1960's when several writers suggested that
marketing could be useful in situations outside profit-oriented
organizations.[2] ,

In 1969, for instance, Kotler and Levy argued that the
marketing concept should be broadened to include the Not-For-
Profit sector of the society.[3] The theoretical justification
for this view was that marketing is a generic activity for
all organizations. That is, it is a function that is performed
by any type of organization. This was termed the broadened
concept.[4]

The broadened concept was, however, not unanimously
accepted by marketers. Thus Luck argued that it was an
unwarranted extension of the marketing concept.[5] Again,

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[2] Beckman Kurtz Boone, Foundations of Marketing, Toronto:
Holt, Rinehart and Winston, 1982, p. 712.

[3] Philip Kotler and Sidney J. Levy, "Broadening the Concept
of Marketing", Journal of Marketing, (January 1969),
pp. 10 - 15.

[4] Boone, Op Cit p. 712.

[5] David J. Luck, "Broadening the Concept of Marketing - Too
Far", Journal of Marketing, (July 1969) pp. 53 - 55.

Laczniak and Michie argued that a broadened marketing concept could be responsible for undesirable social changes and disorder[6]. Despite some dissent, the broadened concept has continued to enjoy wide acceptance among NFPOs and various students of marketing.[7]

Research on the use of marketing in NFPOs indicates that a number of such organizations have enbraced marketing and used it to their advantage.

Boris Brott, of the Hamilton Symphony Orchestra, for instance, took a small, little-known amateur orchestra in 1969 and made it into the 43rd largest out of 700 symphonies in North America. He did this through the improvement of the core product (hiring of professionals into the orchestra) as well as extensive advertising, sales promotion and publicity. The marketing of Hamilton Symphony has therefore worked. The orchestra now sells 93% of ticket capacity, outdraws cities of comparable size for grants and donations and has a budget of US$ 1.5 million with a surplus of US$ 73,000.[8]

Again Caldwell College, a liberal arts college for women was running a deficit of about US$ 100,000 per year. Enrolment

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[6] Gene R. Laczniak and Donald A. Michie, "The Social Disorder of the broadened Concept of Marketing". <u>Journal of the Academy of Marketing Science</u> (Summer 1979), pp. 214 - 232.

[7] Boone, <u>Op Cit</u>, p. 712.

[8] Ibid, P. 719.

was down to 370 full-time students and was dropping further.
The board of trustees hired a consulting firm that specialized
in marketing higher education. The firm adopted a marketing
approach and set out to analyze Caldwell's market. The college's
new approaches and programs have put an end to declining
enrolments.[9]

Many organizations have turned to marketing as a major
answer to their problems.[10] Over 40 percent of the hospitals
in the United States now have a marketing director in contrast
with less than 1 percent in 1972. The U.S. Postal Service and
Amtrak have developed and implemented marketing plans for their
respective operations. The U.S. Army has an elaborate and well-
researched marketing plan to attract recruits in the country.[11]

Governmental and Non-governmental agencies are now
marketing antismoking campaigns, antidrug campaigns, family
planning, reafforestation, and other public causes. Indeed,
one survey of marketing educators found that 95% believed the

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[9]"In a Buyer's Market Colleges Step Up to Hard Sell", New
York Times, Nov. 16, 1980, p. 1.

[10]Philip Kotler, Marketing Management Analysis, Planning
Implementation and Control. Prentice-Hall of India Private
Ltd. New Delhi 1988, p. 30.

[11]Thomas J. Peters and Robert H. Waterman, JR. In Search of
Excellence: Lessons from America's Best-Run Companies:
Harper & Row, New York, 1982.

scope of marketing should include non-business organizations.[12]

STATEMENT OF THE PROBLEM

There are indications that Not-For-Profit organizations in Kenya are realizing the importance of marketing and increasingly utilizing marketing techniques, notably advertising. Apparently, the Family Planning Association of Kenya (FPAK), various church groups and other NFPOs are using extensive advertising and publicity in order to attract attention of the relevant audience.

There is however no empirical evidence on the extent to which such marketing techniques are used by NFPOs. This is what the survey reported here sought to establish.

OBJECTIVE OF THE STUDY

The objective of the study was to determine the extent to which marketing tools are used by Not-For-Profit Organizations in Kenya.

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[12]Leslie Lawson, "Marketing Science in the Age of Aquarius", Journal of Marketing, Volume 35 (July 1971), p. 71.

IMPORTANCE OF THE STUDY

The results of the study are expected to benefit the following:

(i)   Not-For-Profit Organizations, particularly NGOs - those currently utilizing formal marketing techniques are expected to find the study useful in assessing their marketing techniques. Those not utilizing the marketing techniques are expected to use the study to decide whether or not to make use of the techniques.

(ii)   Academics - The study will add to the little literature currently available on the subject of marketing for Not-For-Profit Organizations.

ORDER OF PRESENTATION OF MATERIALS IN SUBSEQUENT CHAPTERS

The second chapter gives definitions of NFPOs as given by various marketing authors. A classification of these organizations has also been given as well as a description of the differences in operations of profit and Not-For-Profit organizations. The chapter also gives types of nonprofit marketing and the Not-For-Profit marketing mix. A definition and a classification of NGOs has also been given in this chapter.

Chapter three is a brief description of the population of study, research instrument, data collection methods and data analysis methods. Operational definitions of various variables that were considered as constituting marketing have also been given in this chapter.

In chapter four, a summary of the findings on the main variables has been presented. These findings have been summarised in percentages and mean scores and presented by use of tables.

Chapter five gives a summary of the findings, conclusions, recommendations, limitations of the study as well as suggestions for future research.

CHAPTER II

CONCEPTUAL FRAMEWORK FOR NOT-FOR-PROFIT ORGANIZATIONS MARKETING

NOT-FOR-PROFIT ORGANIZATIONS (NFPOs)

According to Boone Not-For-Profit Organizations are those organizations whose primary objective is something other than returning a profit to owners.[13]

Lazer and Culley define an NFPO as an organization that provides services in the absence of a profit goal.[14]

NFPOs include religious organizations, human service organizations, museums, libraries, colleges and universities, symphony orchestras and other music organizations, organizations such as government agencies, political parties, and labour unions.

NFPOs can be found in both public and private sectors of the society. A distinction is often made between these two categories of nonprofit organizations because their methods of financing and operations are different. Government units are financed through taxes and ran by government appointees and employees. Private NFPOs on the other hand are mainly financed through donations and are ran by volunteers and employees.

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[13] Boone, Op Cit p. 712.

[14] Lazer and Culley, Op Cit p. 825.

CLASSIFICATION OF NOT-FOR-PROFIT ORGANIZATIONS

Unlike business organizations which are usually owner-oriented, NFPOs are beneficiary-oriented and aim to satisfy the main group of people they serve. Lazer and Culley classify NFPOs into client-oriented, member-oriented, and public-oriented.[15]

Client-oriented NFPOs deal with specific clients rather than the entire community. These NFPOs are concerned with three main markets namely clients, donors, and service providers. The clients may or may not pay fees. The donors pay for the services and in turn get social recognition and satisfaction of serving others. The service providers administer the services to the clients for free or for a fee. Examples of client-oriented NFPOs include universities, museums, hospitals, and social welfare agencies.

Member-oriented NFPOs mainly serve their own constituents. They must market to the target   groups so that they can enrol as members and gain acceptance and support for their activities. Examples of these are trade unions, professional associations, cooperatives, religious groups, and sport clubs.

Public-oriented NFPOs must be aware of and respond to the needs of the general public, and their services and methods

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[15] Lazer and Culley, Op Cit, p. 825.

of operation must be generally accepted. Examples of public-
oriented NFPOs include the police force and the fire depart-
ment.

DIFFERENCES IN THE OPERATIONS OF PROFIT AND NOT-FOR-PROFIT ORGANIZATIONS

The success of Not-For-Profit Organizations is measured
by the quality and level of service rendered. An NFPO may be
successful in attracting contributions but unsuccessful in
performing its duties and satisfying its beneficiaries. Thus
success and failure are more difficult to measure than it is for
business organizations.

Again NFPOs lack a bottom line (overall profitability
measure of performance). While an NFPO may attempt to maximize
its return from a specific service, less measurable goals such
as service level standards are the usual substitute for an
overall evaluation. In addition, NFPOs have no market standards
for judging progress over time. Management must balance its
own preferences with those of society and the organization's
beneficiaries and donors.

Finally, NFPOs are generally highly centralized because
decentralization is difficult to implement and usually reflects
weak administration and lack of adequate controls.

WHY NOT-FOR-PROFIT MARKETING EMERGED

The fundamental reasons why NFPOs have turned to marketing is that their goals and problems can be dealt with most effectively by applying the approaches and techniques of marketing management. The successful use of marketing management in business organizations has prompted NFPOs to start giving more attention to marketing management.

Three specific stimuli have moved NFPOs toward marketing.[16] These are: changing environment, altered perceptions of marketing and severe financial challenges.

As long as NFPOs had strong support and excess demand for their services, there was no need to stress marketing. Competition and a depressed economy have changed that situation. This is especially true for western countries like the U.S. where enrollment in colleges has gone down and the college administrations have had to adopt aggressive marketing programs.

NFPOs have also experienced change in their perceptions and acceptance of marketing. In the past, marketing was often seen as undesirable, unprofessional, unethical or even illegal.[17] Professional associations barred members from aggressive marketing particularly advertising. This has changed in developed

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[16]Lazer and Culley, Op Cit p. 837.

[17]Ibid p. 838.

countries particularly in the U.S. Professionals who advertise
aggressively often increase their business although colleagues
may object. Some professionals fear that the use of marketing
techniques will turn them into business owners, more concerned
with profits than service.

The survival of the important Not-For-Profit sector depends
on voluntary marketing strategies, planning, budgeting, marketing
research, market segmentation and communications. Facing
uncertain economic and social environment, NFPOs now must
compete vigorously for financial support. They cannot try to
increase revenues merely by raising their prices and claiming
that their services merit support. Marketing helps NFPOs to
assess opportunities and capitalize on them.

Marketing techniques help NFPOs to identify and serve
their markets better. Governments, for example, use marketing
research to determine investment levels for public transport-
ation, energy and social services.

TYPES OF NOT-FOR- PROFIT MARKETING

Not-For-Profit Organizations market social issues. This
has been termed "social marketing". Social marketing consists
of the design, implementation and control of programs seeking
to increase the acceptability of a social idea, cause or practice
in a target group.

Three groups of Non-Profit marketing may be identified:[18]

(i)   Personal Marketing refers to efforts designed
to cultivate the attention, interest, and preference of a
target market toward a person. This type of marketing is
typically employed by political candidates and celebrities.

(ii)   Idea Marketing refers to the identification and
marketing of a cause to chosen consumer segments. A highly
visible marketing mix element frequently associated with idea
marketing is the use of advocacy advertising.

(iii) Organization Marketing attempts to influence
others to accept the goals of, receive service of, or contribute
in some way to an organization. Included in this category are
mutual-benefit organizations such as churches, labour unions
and political parties; and service organizations such as
colleges, hospitals, and museums.

THE NOT-FOR-PROFIT MARKETING MIX

Like business organizations, NFPOs should seek to offer
the mix of services, "pricing", distribution and communication
that best satisfies clients' needs while achieving the organiza-
tion's objectives.

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[18] Boone, Op Cit p. 712.

Product Component

Kotler defines product as "anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need".[19]   The product aspect of NFPOs deal mainly with services and with such non-marketing prices as time and effort expended by consumers.

A service may be defined as "any act or performance that one party can offer to another that is essentially intangible and does not result in ownership of anything. Its production may or may not be tied to a physical product".[20]

Some NFPOs have complex product policies, for they often support scores of service agencies and must allocate limited resources among them.

Lazer and Culley[21] have characterized product concepts in NFPOs as follows:

1. Not-For-Profit Organizations have products, brands, and slogans like business organizations, but their products are more like those of the service industry.

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[19]Kotler, Op Cit p. 445.

[20]Ibid p. 447.

[21]Lazer and Culley, Op Cit p. 840.

2.   The products of an NFPO may go through a life-cycle, and the organization may have to develop new products or new markets (or face extinction).

3.   In order to realize success, NFPOs must learn to differentiate their products from those of other organizations.

The role of competition in Not-For-Profit Organizations is worth noting. Although competition promotes efficiency in the business sector, it may not do so in the Not-For-Profit sector. Competition among say, hospitals and universities results in a duplication of facilities, whereas cooperation could result in efficiencies and less costly services. The society thus often benefits when such organizations can set jurisdictional boundaries aside.

Boone expresses the importance of a well-thought out product strategy in NFPOs as follows:[22]

> A common failure among non-profit organizations
> is the assumption that heavy promotional efforts
> can overcome a poor product strategy or marketing
> mix. Consider the number of liberal arts colleges
> that tried to use promotion to overcome their
> product mix deficiencies when students became
> increasingly career oriented. Successful
> institutions adjust their product offerings
> to reflect customer demand.

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[22]Boone, Op Cit. p. 718.

Thus, Not-For-Profit organizations face the same product decisions as profit seeking firms, and they must choose a product, service, person, idea or social issue to be offered to their 'target market.

Pricing Component

While businesses set prices to maximize profits or to realize satisfactory returns on investment, NFPOs are more concerned with developing affordable, fair, and reasonable prices. The fact that NFPOs do not need to show a profit or even breakeven, affects their pricing policies. Many NFPOs charge token or nominal fees, and some render free services. Prices may also involve non-monetary exchanges as when a member or donor "pays" in terms of time, effort or service. Because NFPOs face many different pricing situations, payment takes many forms and names. Churches take collections, educational institutions charge tuition, social agencies charge fees and clubs charge subscriptions.

Typically, pricing concerns for NFPOs centre on recovery of costs, market penetration and market exclusion.

Many NFPOs will continue to provide services so long as they can recover costs. The 'cost' usually refers to out-of-pocket operating costs rather than fixed costs.

Pricing to achieve market penetration makes use of low

prices to gain rapid, broad market entry. NFPOs may set prices
ridiculously low in relation to costs in order to attract
audiences.

An opposite approach is pricing to achieve market exclusion.
High prices discourage people from doing something. For example,
some governments charge higher taxes to people with many children
to discourage large families.

Distribution Component

NFPOs must ultimately deliver the right products and
services to the right people at the right time if the organization
is to accomplish its mission. Mobile clinics and libraries,
branch outlets and telephone reference services are all good
examples of distribution component of social services. The
tasks in distribution include reaching out to donors and
translating their motivations into actions by delivering
satisfaction for contributions; as well as establishing
accessible outlets to deliver services to intended beneficiaries.

NFPOs must answer questions like the following:[23]

1. <u>What service level will be offered?</u> The quality of
services must be established, needs must be balanced against
costs in a realistic manner, recognizing that some potential
clients will not be served.

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[23]Lazer and Culley, <u>Op Cit</u>, p. 844.

2. <u>What type of market coverage is required?</u> Just
as business must decide whether to offer exclusive, limited or
intensive distribution, so also must NFPOs. A university, for
example, may operate only on its main campus, or it may establish
regional and international centres and utilize various media to
deliver its courses.

3. <u>What intermediaries should be used?</u> NFPOS must
establish and manage some distribution channels.

Distribution is complicated for many NFPOs because they
often are separated geographically from both clients and donors.
Yet their services, products, and pleas for support must reach
the right market at the right time.

Promotion (communication) component

Advertising campaigns, personal selling, publicity and
sales promotion can all be adapted to fit the Not-For-Profit
marketing mix. Both donors and clients form impressions about
an organization on the basis of its physical facilities,
employees, policies, methods of operation, publicity volunteers,
and advertising. NFPOs offer intangibles in the form of ideas
and services, which are harder to communicate to relevant
markets. For NFPOs, therefore, effective communication with
markets is sometimes more critical than for businesses.

NFPOs must establish the same kinds of advertising decisions made by businesses. They must establish advertising objectives and budgets, and they must decide what media, themes, copy and layout will be most effective. Advertising messages should be positively motivating, for example "Thank you for not smoking" rather than "No smoking".

NFPOs usually often fail to train their salespersons, particularly volunteers, in fundamental appropriate techniques. They also do not usually recruit, select, direct and motivate their personnel effectively. This, however, is probably because they rely on volunteers and are constrained by finance.

Non-Governmental Organizations (NGOs)

The term Non-Governmental Organizations is a universal term and is recognized and used for organizations related to the United Nations Economic and Social Council in which context it was originally defined - (Resolution 288 (x) of 27th February, 1950).

The term NGO is often used interchangeably with voluntary agency. The main characteristics of a voluntary agency may be summarized as follows:[24]

1. It should be established by a group of private individuals.

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[24] International Concil for Voluntary Agencies, "Definitions of NGO and PVO and Related Terms", Geneva 1983 Mimeo.

2. It should be autonomous.

3. It should be managed by an independent, volunteer board of directors elected periodically by the membership.

4. A voluntary agency must have a clearly defined constituency and be accountable to that constituency.

5. It should have formal legal status, permanent headquarters, and employ professional or volunteer staff.

6. It should be financially independent.

7. It should have humanitarian objectives and programmes.

The above characteristics/criteria would apply to many of the agencies involved in Third World development.

The term Private Voluntary Organization (PVO) is specifically used in the US. PVOs are defined by USAID as follows:[25]

> Non-profit organizations which receive some portion of their annual revenue from the private sector... and receive voluntary contributions or money or staff time or in-kind support from the general public....

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[25] United States Agency for International Development, The Aid-PVO partnership: sharing goals and resources in the work of Development", Washington DC, Office of Private and Voluntary Cooperation (1984).

An international development publication[26] groups NGOs
as follows: The Generalistics (OXFAM); Human Rights (Amnesty
International, Anti-Apartheid Group); The Educators (New
Internationalist, Development Education Centre); The Church
Channels (Christian Aid, World Vision); The Traders (Third
World Shops); and the Child Minders (Save the Children, Action
Aid).

The groupings here are based on the activities of the
NGO or as in the case of Child Minders, the target group.

Thus Non-Governmental Organizations offer a diverse
array of Non-Profit settings.

Summary

It is apparent that Non-Governmental Organizations can
apply marketing techniques and benefit from it. The purpose
of this study was to find out how much the NGOs apply these
marketing techniques. Details of how this was done are set
out in the following chapter.

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[26]New Internationalist, June 1985.

CHAPTER 3

RESEARCH DESIGN

INTRODUCTION

This chapter gives a brief description of the population
of study, the research instrument, and the data collection
method. Operational definitions of the variables considered
have also been given as well as a description of the data
analysis methods.

THE POPULATION

The population of interest in this study consisted of the
list of Non-Governmental Organizations (NGOs) as maintained by
the Ministry of Culture and Social Services as at the end of
1987 (Appendix 3). The list contains eighty one such organizations
all of which were surveyed.

THE RESEARCH INSTRUMENT

The data was collected by use of a structured and non-
disguised questionnaire (Appendix 2). The types of questions
used were structured multiple choice, dichotomous and open-ended
questions. The questionnaire was divided into three sections.
The first section was geared towards tapping data on demographics
of these organizations. The second section contained questions

on market segmentation, marketing planning, marketing research and the marketing mix. The third section was geared towards finding out the value of marketing in NGOs as perceived by the administrators.

Use was made of the ordinal scale (see Appendix 4) to rate the different variables that were used to measure the extent of use of marketing.

DATA COLLECTION METHOD

The questionnaires were administered on a "drop and pick-up-later" basis where possible while the rest were mailed to the respondents. The questionnaires were addressed to the "Administrative Officer", "Director", or "Project Coordinator" as appropriate.

OPERATIONAL DEFINITIONS OF THE MAJOR VARIABLES

Marketing

The following are the major variables that were considered as constituting "marketing"; marketing planning, marketing research, pricing decisions, product decisions, promotion decisions, and distribution decisions.

Marketing Planning is the process of anticipating the future and determining the courses of action to take in order to achieve marketing objectives.

Marketing budgets are forecasts of expenditure and/or revenue for a specified period of time.

Marketing research is the systemmatic gathering, recording, and analyzing of data about problems related to the marketing of goods, services and ideas.

Pricing decisions include decisions on how much to charge and what criteria to use when setting the price. Price may be defined as the exchange value of a good or service, the value of an item being what it can be exchanged for in the market place. For NFPOs, many terms may be used to refer to price, for example, fee, tuition, collection, and token.

Product decisions include choosing a product, service or idea to market, and deciding whether to offer a single product (service or idea) or a mix of related products (services or ideas). They also include making product identification decisions, for example, the use of a symbol, sign, logo or trademark by an organization to distinguish itself from other organizations.

Promotion or communication includes the use of advertising, personal selling, publicity and sales promotion.

Distribution decision include deciding what distribution channels to use, and establishing such channels formally.

"Extent" of use of marketing

The "extent" of use of marketing refers to how much the variables defined above are utilized by the organizations. For example, a firm that carries out marketing research will be considered as doing more marketing than one that does not carry out such research.

DATA ANALYSIS METHODS

The collected data was summarized in percentages and mean scores, and presented in cross-tabulation form. The Median test, (see Appendix 5) a nonparametric statistic that uses Chi-square distribution, was used to test whether there is a statistically significant difference between the extent of use of marketing in educational institutions and religious organizations.

CHAPTER 4

DATA ANALYSIS AND FINDINGS

INTRODUCTION

This chapter gives a summary of the findings on the main
variables that were considered as constituting "marketing".
The findings have been summarised in percentages and mean scores
and have been presented by use of tables. A nonparametric
statistic (the median test) was used to test whether there is
a statistically significant difference between the extent of
the use of marketing in religious organizations and educational
institutions.

Responses to the questionnaires

Fifty one of the eighty one questionnaires were completed.
Table 1 shows the response rate in detail.

Table 1: Response rate

Method of Administration	No. of questionnaires distributed	Number of responses	Response rate %
"Drop & pick-up-later"	35	31	88.6
Mail	46	20*	43.5
Total	81	51	62.3

*A total of 27 questionnaires were mailed back but 7 of these
were blank.

DEMOGRAPHICS

Age of Organizations

The organizations surveyed were established between 1910 and 1984. About 50% of these organizations were established after 1970.

Number of Employees

The number of employees in these organizations ranged from 10 to 600. Over 50% of the organizations had under 100 employees.

Types of Organizations

Of the 51 organizations surveyed 36 were local while 15 were foreign. Most of the local ones had international ties.

The organizations were varied in the nature of their activities but could be grouped into nine broad categories.

Table II indicates the categories under which the organizations fall.

Table II: Type of Organizations

Type of Organizations	Number of Organizations
Religious Organizations*	9
Educational Institutions	14
Child Minders**	9
Population projects and programmes	2
Medical services	3
General development	9
Research and Implementation	2
Trade Union***	1
Hunger Foundations	2
Total	51

* Religious organizations include church headquarters and
organizations affiliated to major church groups, for example,
the Catholic Relief Services.

** The Child Minders included Children's Homes as well as
foundations set up specifically for child welfare.

*** The trade union was the only organization that was member-
oriented; all the others were client and public-oriented
mainly dealing with charity work.

Existence of a marketing department

None of the 51 organizations surveyed has a marketing department. However, one organization has a marketing officer in one of its branches which is involved in making furniture. 16% of the   organizations indicated that they have a public relations officer who deals with matters of publicity.

Marketing plans and budgets

Several respondents pointed out that what they prepare are "programme plans" rather than marketing plans. These plans stipulate what activity the organization will be involved in. The plans are prepared together with the annual budgets. The budget represents an estimation of what the NGO is going to require during that period; which is normally required by the donors before they can make funds available to the NGO.

Table III indicates the percentages of organizations that prepare marketing plans and budgets within a specified period.

Table III: Extent to which organizations prepare

marketing plans and budgets

Frequency of Preparation Marketing Variable	One or more times in a year	Every 2 - 5 years	Every 6 -10 years	Every 11 or more years
	%	%	%	%
Marketing plans	21	6	0	73
Budgets	75	22	3	0

The mean score for marketing plans was 1.76. The highest possible mean score was 4 while the lowest was 1. This shows that the responding NGO's scored below average on marketing plans. The mean score for budgets was 3.7. Thus the NGO's scored very high on the preparation of budgets.

Market segmentation

To assess the extent of use of market segmentation in NGOs, three questions were relevant. One question asked to what extent the organization developed different marketing plans for different segments of the market. The other two questions asked how well administration knew the sales potential and response to marketing effort of different segments of the market. The responses to these three questions are summarized in tables IV and V.

Table IV: Development of different marketing plans

for different segments of the market

Extent Market Segment	To a great extent	Somewhat	a little	Not at all	Mean score
Different geographi- cal areas	% 19	% 0	% 0	% 81	1.5
Different income groups	61	29	0	10	3.4
Different age groups	39	45	8	8	3.1

Table IV shows that when preparing marketing plans, the organizations seem to be placing emphasis on different income groups and different age groups.

The organizations seem to know very little about sales potential of different geographical areas; but they seem to know about the sales potential of different customers as table V indicates.

Table V: Extent of knowledge of sales potential of
different market segments

Extent / Knowledge of sales potential of	Not a all %	Somewhat %	Very well %	Mean score
Different customers	25	5	70	1.6
Different geographical areas	76	24	0	1.2

In general the administrations of these organizations know
very litte about the response to marketing effort of different
market segments. Table VI summarizes the responses on the question
concerning this aspect of market segmentation.

Table VI: Extent of knowledge of response to marketing
effort of different segments

Extent / Knowledge of response to marketing effort of:	Not at all %	somewhat %	Very well %	Mean score
Different customers	76	17	7	1.33
Different geographical areas	76	12	12	0.98

From the above tables, it can be concluded that the NGOs do little or no market segmentation.

Marketing Research

The question on marketing research was geared towards finding out how often marketing research is carried out in these organizations. As shown in table VII, most of the organizations indicated that they never carry out marketing research.

Table VII: Marketing Research

How often marketing research is carried out	%
Once or more times in a year	4*
Every 2 - 5 years	0
Every 6 - 10 years	0
Every 11 or more years	6
Never	90

*The figure of 4% represents the two organizations whose main work is research and implementation. The organizations however, qualified their response by stating that what they carry out is not always marketing research as it related to their organizations. For example, one of these organizations is involved in research for new sources of energy. The

organization may spend 2 - 3 years developing a new stove and
then it tries this stove out in the market and collects information
on it for one year. Thus it can conduct marketing research "once
or more times in a year" depending on whether it has any new
developments to try out in the market.

The mean score for marketing research as a variable was
1.2 on a scale of one to five.

Existence of a complaint or suggestion system

Of the 51 organizations surveyed, 33 (65%) had a complaint
or suggestion system while 19 (35%) did not have any such system.
This suggests that most of these organizations are concerned with
their public image and are willing to improve it.

The Marketing Mix

In this section the responses of the NGOs as far as the
four elements of the marketing mix (product, pricing, promotion
and distribution) are concerned are summarized below.

Product Component

To assess the product component in the organizations, four
questions were asked. Three questions were related to the new
product development process while one sought information on the
existence of a trademark, theme, symbol or logo which serves to
distinguish the organization (and its products) from other

organizations (and their products).   The results were as
follows:

Table VIII: Development of New Product or/and service

in response to different market situations

Development of new product/ service in response to:	%
New customer needs	30
Decline in existing demand	12

With the exception of 1, all the respondents felt that
their organization's new product development system is ill-
defined and poorly handled.

All the organizations either have a logo, slogan/theme
or symbol/sign.   Details are show below.

	%
Logo	35
Slogan/theme	18
Symbol/sign	47
Trademark	0

Pricing Component

Most of the organizations surveyed indicated that they do not charge a price as they are charity organizations. The educational institutions all charge a fee. Table IX shows the percentages of different types of organizations that charge a price.

Table IX: Type of Organizations and percentage that charges a price

Type of Organization	Total No. of organizations	Number of Organizations that charge a price	% of Total *
Religious organizations	9	3**..	33
Educational Institutions	14	14	100
Child Minders	9	0	0
Population Projects and programmes	2	1	50
Medical services	3	1	33
General Development	9	4	45
Research & Implementation	2	2	100
Trade Union	1	1	100
Hunger Foundations	2	0	0

*Total refers to that particular category.

**Some religious organizations said they accept donations from their members but this is neither mandatory nor is the amount fixed. These are not included.

All the respondents said that they <u>do not</u> do the
following in setting the price: determine the pricing
objective; measure the demand for the organization's products/
services; analyze competitors' prices; give price discounts;
or use geographical' pricing. Some of the educational
institutions, however, indicated that they use price
discrimination whereby they grant bursaries to children from
poor families.

Distribution Component

Questions on this component were meant to tap information
on whether different channels are used to distribute the
organizations' products and services; and if so, whether there
is a formal procedure used in selecting channel members. Only.
10% of the organizations indicated that they use different
channels for distribution to a great extent. The following
table has details of the responses.

Table X: Extent of use of formal channels

Extent Marketing variable	To a great extent	Somewhat	a little	Not at all
Use of different channels for distribution	% 10	% 4	% 66	% 20
Following of a formal procedure in selecting channels members	0	0	10	90

The responses revealed that the channels used by these organizations include schools, adult literacy classes, hospitals, mobile clinics, mobile libaries, women groups, business retailers and wholesalers, governmental units, cooperative societies; and branch offices.

Communication Component

A question on how often the organization advertises in different media types revealed the following (Table XI).

Table XI: Use of Advertising Media

How often Media Type	Frequency %	Rarely %	Never %
Radio	12	10	78
T.V.	10	6	84
Cinemas	6	8	86
Newspapers	4	10	86
Billboards	0	0	100
Transit (buses, matatus, etc.)	10	4	86
Telephone directory	0	0	100
Posters	39	39	32

Thus, posters were the most popular media with 39% of the
organizations using them frequently.   In general, however, very
little advertising is done.

Other results on the communication component were as
follows:-

(i)   Of the 51 organizations surveyed, only 5 (10%) indicated
       that they do sales promotion such as calendars; and these
       only do so rarely.

(ii) On "salesforce" management, 20% of the respondents
indicated that they recruit representatives who try to
obtain donors and/or clients; and they formally train
those representatives. Eighty percent of the NGOs
neither recruit nor select or formally train
organization representatives.

(iii) The question on whether the organization sponsors certain
specified events was asked in an attempt to find out to
what extent the organizations carry out publicity. The
events that were indicated as being sponsored frequently
by 22% of the organizations were seminars and conferences.
The details are summarized in table XII.

Table XII: Frequency of Events sponsored by NGOs

Frequency of Sponsoring / Event	Frequently %	Rarely %	Never %
Games/sports	2	4	94
Seminars/conferences	22	0	70
Radio programmes	6	10	84
T.V. programmes	2	4	94

Perceived value of marketing

The last question on the questionnaire required the

respondents to indicate the extent to which they felt marketing performed certain functions in the organizations.

Table XIII shows the mean scores of these functions for all the organizations. The score is highest where donors are involved which indicates that NGOs are very much concerned with attracting funds.

Table XIII: Perceived value of marketing in NGOs mean scores

Function	Mean score
(i) Provides information to potential clients.	4
(ii) Provides information to potential donors.	4
(iii) Helps persuade clients to utilize our services.	4
(iv) Helps identify potential donor segments.	2.3
(v) Helps persuade donors to donate to the organization.	4
(vi) Helps create a complete picture of the factors which would create a favourable response for funds.	4
(vii) Helps identify various motivations of the population that lead to favourable responses to the organization.	3
(viii) Helps to determine how best to communicate advice concerning our services/products.	3.7
(ix) Helps to find volunteers.	4
(x) Helps motivate volunteers.	3.3

Extent of marketing in different types of organizations

The highest total possible score for each responding organization was 223. Table XIV below indicates the total scores for different types of organizations and the percentages calculated using the highest total possible score.

Table XIV: Extent of marketing in different types of organizations

Type of organization	Total Scores	%
9 Religious organizations	519	25.9 *
14 Educational institutions	632	20.0
9 Child minders	450	22.4
2 Population projects and programes	146	32.7
3 Medical service organization	120	17.9
9 General development	495	24.6
2 Research & Implementation	140	31.3
1 Trade union	38	17.0
2 Hunger foundations	84	18.8

* This percentage was arrived at as follows:
  Total highest possible score for each organization was 223.
  Total highest possible score for all the 9 religiqus organizations = 9 x 223 = 2007
  percentage = $\frac{518}{2007}$ x 100

  = 25.9%.

Extent of use of marketing in all the organizations

Total highest possible score for all the 51 respondents

$$= 223 \times 51$$

$$= 11373$$

Total scores $= 2624$

Percentage $\dfrac{2624}{11373} \times 100$

$$= 23\%.$$

Thus, from the 51 organizations that responded to the questionnaire, the extent of use of marketing was found to be 23%.

Comparison between the extent of use of marketing between educational institutions and religious organizations.

Median Test

Median of combined sample = 45.

Contigency Table

	Educational Institutions	Religious Organizations	Total
Above median	3	8	11
Below median	10	0	10
	13	8	21

Computed value of $X^2 = \dfrac{21[3(0) - 8(10)]^2}{(3+10)(8+0)(3+8)(10+0)}$

$$= \frac{134400}{11440}$$

$$= 11.74\,8$$

Ho: There is no significant difference between the extent of marketing in religious organizations and educational institutions.

H1: The religious organizations do more marketing than educational institutions.

Level of significance = 0.995

Decision Rule: If computed χ^2 is greater than critical χ^2, reject Ho

At = 0.995, χ^2 = 7.879 therefore reject Ho.

Conclusion

The religious organizations are involved in more marketing than educational institutions.

CHAPTER FIVE

SUMMARY OF CONCLUSIONS

In this chapter, a summary of the findings of the study
is presented. This summary has been done keeping in mind the
major objectives of the study. This chapter also has
conclusions, recommendations, limitations of the study and
suggestions for further research.

Summary

The objective of the study was to determine the extent to
which marketing tools are used by Not-For-Profit organizations
in Kenya. To achieve this objective, eighty-one Non-Governmental
Organizations were surveyed. Fifty-one of these responded and
data was analyzed using the responses of these organizations.
The results of the study are summarized below.

It was found that marketing plans are not prepared often
by NGOs. Seventy-three percent of the respondents indicated
that they prepare them "after eleven or more years."

Budgets are however prepared more often in NGOs as
seventy-five percent of the respondents indicated that they
prepare budgets at least once a year.

Market segmentation based on geographical areas and
different distribution channels is not usually done by the
NGOs, but they take special interest in the low-income groups
and age of clients especially in the case of Child Minders.

Marketing Research is not common in NGOs as ninety
percent of the respondents indicated that they do not carry
out any marketing research.

Very little new-product development is done by NGOs.
The organizations are however concerned with identification
since all of them have a logo, symbol, sign, slogan, or theme
for identification.

Most of the organizations surveyed do not charge a price
and, therefore, do not go through a formal pricing procedure.

It was found that some NGOs use different channels for
distribution but do not select their channel members formally.
Posters as advertising media are the most popular but
advertising in general is not common.

Sales promotion is done very rarely and then only by a
few organizations. Only twenty percent of the NGOs formally
recruit and train organization ("sales") representatives.

Publicity, on the other hand, is done mainly through the
sponsoring of seminars and conferences but in general it is
not very common.

The administrators view marketing as important for
providing information to clients and attracting funds from
donors.

When various marketing variables were considered, the
extent of the use of marketing was found to be twenty three
percent.

Conclusions

From the foregoing, it may be concluded that NGOs in Kenya
use marketing tools to a very limited extent. The NGOs give
different emphasis to different tools. Marketing plans, for
example, are almost non-existent in these organizations while
budgets are prepared very often by most of the organizations.
The reason why budgets are prepared so often is probably
because they are required by the donors before they can make
any funds available to the NGOs.

Development of new products and services is another aspect
of marketing that is neglected by NGOs. Probably, the major
reason for this is the fact that most NGOs rely on donors for
funds and are thus financially constrained. Indeed, most of
the NGOs offer free services to their beneficiaries. Some NGOs,

however, do charge prices as when the Salvation Army collects
items and resells them. Some church groups and educational
institutions take "collections" and fees. Most NGOs however
"charge" nonmonetary "prices" such as time and effort
expended by volunteers and clients.

The NGOs have products, brands, and slogans much like
the business organizations, but their products are more like
those of the service industry. Most of the NGOs offer intangibles
in form of ideas [such as birth control for the Family Planning
Association of Kenya (FPAK)] and services (as in the case of
SOS Children's Home and other Child Minders)..

The communication component in the NGOs is not well
developed, perhaps because the intangibles that the organizations
offer are much harder to communicate to the relevant markets
than   tangible products. At the same time, advertising,
personal selling, sales promotion and publicity all represent
some form of expenditure (funds for which are not available)
on the part of NGOs. Again, usually the demand for the services
provided by the NGOs exceeds supply for them, hence clients'
choices are limited and promotion is unnecessary.

Although no formal procedure is adopted in setting up
distribution channels, NGOs do attempt to deliver their services
to the right people, at the right time through the use of
different distribution channels such as mobile clinics, branch

offices, local women groups, schools, hospitals, churches, and various governmental units. Thus it may be concluded that the distribution component in the NGOs is fairly well developed.

Lack of marketing research in most of the organizations suggests that NGOs have adopted the attitude that they know how best to serve their clients. Thus, they decide what services to offer, when to offer them and how to distribute them. Because of this attitude, the administrators of the NGOs view marketing merely as a means of informing and educating people about the services they have chosen to offer and for attracting funds from donors.

Since NGOs offer a diverse array of non-profit settings, these conclusions may be extended to Not-For-Profit Organizations in general.

Recommendations

On the basis of the foregoing, it appears that the administrators of the NGOs have not accepted marketing as a process that can benefit their types of organizations. Yet literature on the subject indicates that marketing has worked for various organizations. Most of the NGO administrators seem to regard marketing as exclusively relevant to business organizations. There is therefore need to educate these administrators on what marketing is all about and show them that the goals and problems of Not-For-Profit Organizations can be dealt with most effectively by

applying marketing approaches.

To make marketing more effective, an NFPO must recognize and accept the need for marketing. The NGO administrators must therefore bolster their organizations with marketing specialists. The organizations must also be infused with marketing at the top levels, and overcome resistance in the use of marketing tools. Effectiveness of the use of marketing however, depends on the art of application; on how well marketing techniques are adjusted and adapted to specific organizations. The application of marketing techniques can result in a reassessment of an NGO. Marketing questions may be raised about its mission, opportunities, organization, clients and marketing management.

Limitations of the Study

This was an exploratory study that dealt with the very broad area of "marketing". Given the breadth of the subject area it was impossible to exhaust all the aspects of marketing in one questionnaire; hence some relevant questions may have been left out.

Again, due to the fact that most respondents did not know what marketing was all about, they may have found it difficult to answer some of the questions despite the researcher's efforts to make them as simple as possible while retaining the intended meaning. It was perhaps primarily due to this problem that some

questionnaires were mailed back blank.

Suggestions for Future Research

The present exploratory study has revealed that the extent of the use of marketing in NFPOs is limited. A more exhaustive and hence more conclusive study would be to break down the present research and concentrate on a specific tool of marketing such as advertising or marketing research.

This would give the researcher a better chance of obtaining more information, hence ability to make more meaning ful conclusions on the extent of the use of marketing tools in NFPOs. At the same time, questions for such a study would be easier to simplify since each aspect can be broken into many different questions without making the questionnaire too long and tedious.

APPENDIX 1

LETTER TO RESPONDENTS

> Anne Gathuo,
> University of Nairobi,
> Faculty of Commerce,
> MBA Office,
> P.O. Box 30197,
> Nairobi.
>
> April 13, 1989

Dear Sir/Madam,

I am a postgraduate student at the Faculty of Commerce, University of Nairobi.

Currently, I am conducting a survey on the Role of Marketing in Not-for-Profit organizations, specifically Non-Governmental organizations.

Please assist me by completing the attached questionnaire to the best of your ability. All the information you disclose will be treated as strictly confidential. Please let me know if you would like a copy of the final report.

I have enclosed a stamped self-addressed envelope to make it easier for you to send back to me the completed questionnaire.

Thank you for your co-operation.

> Yours faithfully,

> ANNE GATHUO
> MBA II Student

c.c. Professor F.N. Kibera,
      Academic Supervisor.

APPENDIX 2.

QUESTIONNAIRE

Please answer the following questions by placing a mark (X) in the appropriate box or by giving the necessary details in the spaces provided.

SECTION 1

1. What is the name of your organization?

    ----

2. When was your organization established here in Kenya?

    Year:------------------------------

3. Under which of the following categories does your organization fall?

    a) (i)   Local   [   ]

        (ii) International   [   ]

    b) (i)   Educational institution   [   ]

        (ii) Social cultural institution

              (e.g. museum, library, hospital)   [   ]

        (iii) Religious organization   [   ]

        (iv) Manufacturing organization   [   ]

        (v)   Service provider   [   ]

        (vi) Other (Please specify)

              ----

4. How would you classify your organization?

    (i)   member-oriented   [   ]

    (ii)   client-oriented   [   ]

    (iii) public-oriented   [   ]

    (iv)   Other (Please specify)

    ----

5. How many employees does the organization have?

SECTION II

6. How often are marketing plans prepared in your organization?

    (i)   One or more times in a year   [   ] 4

    (ii)   Every 2 - 5 years   [   ] 3 .

    (iii) Every 6 - 10 years   [   ] 2

    (iv)   Every 11 or more years   [   ] 1

7. How often are marketing budgets prepared in your organization?

    (i)   One or more times in a year   [   ] 4

    (ii)   Every 2 - 5 years   [   ] 3

    (iii) Every 6 - 10 years   [   ] 2

    (iv)   Every 11 or more years   [   ] 1

8. To what extent does the organization develop different marketing plans for the following?

	4 To a great extent	3 Somewhat	2 a little	1 Not at all
(i) different geographical areas	[ ]	[ ]	[ ]	[ ]
(ii) different income groups	[ ]	[ ]	[ ]	[ ]
(iii) different age groups	[ ]	[ ]	[ ]	[ ]

9. How often do you conduct marketing research?

(i)	Once or more times in a year	[ ]
(ii)	Every 2 - 5 years	[ ]
(iii)	Every 6 - 10 years	[ ]
(iv)	Every 11 or more years	[ ]
(v)	Never	[ ]

10. In your opinion, how well does administration know the sales potential of the following?

	1 Not at all	2 Somewhat	3 Very well
(i) different customers	[ ]	[ ]	[ ]
(ii) different geographical areas	[ ]	[ ]	[ ]

Que. 10 (cont.)

    (iii) different channels   [ ]   [ ]   [ ]

11. How well does the administration know the response to marketing effort of the following?

		1 Not at all	2 Somewhat	3 Very well
(i)	different customers	[ ]	[ ]	[ ]
(ii)	different geographical areas	[ ]	[ ]	[ ]
(iii)	different channels	[ ]	[ ]	[ ]

12. Do you have a complaint or/and suggestion system?

    (i)   Yes   [ ] 2

    (ii)   No   [ ] 1

13. How often do you conduct customer surveys to find out what your clients expect from your organization?

    (i)   Once or more times in a year [ ] 4

    (ii)   Every 2 - 5 years   [ ] 3

    (iii) Every 6 - 10 years   [ ] 2

    (iv) Every 11 or more years   [ ] 1

14. Does your organization develop new services in response to the following?

Que. 14 (Cont.)

		3	2	1
		Yes	Sometimes	No
(i)	New customer needs	[ ]	[ ]	[ ]
(ii)	Decline in demand of existing services	[ ]	[ ]	[ ]
(iii)	Other (Please specify)			

----

15. Does your organization develop new products in response to the following?

		3	2	1
		Yes	Sometimes	No
(i)	New customer needs	[ ]	[ ]	[ ]
(ii)	Decline in demand of existing product	[ ]	[ ]	[ ]
(iii)	Other (Please specify)			

----

16. In your opinion, how well organized is the new product development process in your organization?

(i)   The system is ill-defined and poorly handled [   ] 1

(ii)   The system formally exists but lacks sophist-
       ication   [   ] 2

(iii) The system is well structured and profession-
       ally staffed   [   ] 3

(iv)   Other (Please specify)

----

17. Does your organization have the following, which serve to distinguish it from other organization?

		2 Yes	1 No
(i)	Trademark	[ ]	[ ]
(ii)	Slogan/theme	[ ]	[ ]
(iii)	Symbol/sign	[ ]	[ ]
(iv)	Logo	[ ]	[ ]

18. Does your organization charge a "price" for its services or products?

(i) Yes [ ]

(ii) No [ ]

19. If your answer to Q.18 is "yes", in setting the price, how often does the organization do the following?

		3 Always	2 Sometimes	1 Never
(i)	determine the pricing objective	[✓]	[ ]	[ ]
(ii)	measure the demand for its services/products	[ ]	[ ]	[ ]
(iii)	analyze competitors' prices	[ ]	[ ]	[ ]
(iv)	give price discounts	[ ]	[ ]	[ ]
(v)	use geographical pricing	[ ]	[ ]	[ ]
(vi)	use price discrimination	[ ]	[ ]	[ ]

20. How often does your organization advertise in the following

media types?

		3 frequently	2 rarely	1 Never
(i)	Radio	[ ]	[ ]	[ ]
(ii)	T.V.	[ ]	[ ]	[ ]
(iii)	Cinemas	[ ]	[ ]	[ ]
(iv)	Newspapers	[ ]	[ ]	[ ]
(v)	Magazines	[ ]	[ ]	[ ]
(vi)	Telephone directory	[ ]	[ ]	[ ]
(vii)	Billboards	[ ]	[ ]	[ ]
(viii)	Transit (buses, matatus, trains etc)	[ ]	[ ]	[ ]

21. Does your organization use posters with a view to attracting

more people to the services or products it provides?

(i)   Yes   [   ] 2

(ii)   No   [   ] 1

22. How often does the organization give out free samples or

gifts (e.g. calendars)?

(i)   frequently   [   ] 3

(ii)   rarely   [   ] 2

(iii)   never   [   ] 1

23. To what extent does the organization do the following?

	4	3	2	1
	To a great extent	Somehow	a little	Not at all
(i) Use different channels to distribute its products or services	[ ]	[ ]	[ ]	[ ]
(ii) Follow a formal procedure in selecting channel members	[ ]	[ ]	[ ]	[ ]

24. Which of the following channels does the organization use to distribute its products or/and services?

(i)   Schools   [   ]

(ii)   Adult literacy classes   [   ]

(iii) Hospital   [   ]

(iv)   Mobile clinics   [   ]

(v)   Mobile libraries   [   ]

(vi)   Women groups   [   ]

(vii) Retailers   [   ]

(viii) Wholesalers   [   ]

(ix)   Governmental units   [   ]

(x)   Others (please specify)

----

25. How often does your organization sponsor the following?

		3	2	1
		frequently	rarely	Never
(i)	Game/sports	[ ]	[ ]	[ ]
(ii)	Seminars/conferences	[ ]	[ ]	[ ]
(iii)	Radio programmes	[ ]	[ ]	[ ]
(iv)	T.V. programmes	[ ]	[ ]	[ ]

26. To what extent does the organization do the following?

		1	3	2	1
		To a great extent	Somehow	a little	Not at all
(i)	recruit representatives who try to obtain clients	[ ]	[ ]	[ ]	[ ]
(ii)	formally select the representative (referred to in (i) above	[ ]	[ ]	[ ]	[ ]

27. Do you have a marketing department or equivalent?

(i)   Yes   [   ]

(ii)   No   [   ]

28. Do you have a position for a marketing executive?

(i)   Yes   [   ]

(ii)   No   [   ]

29. If you do have a marketing department, how many employees
    are directly involved in marketing?

SECTION III

30. To what extent would you say the following apply to your
    organization as far as the functions played by marketing. are
    concerned?

		4 To a great extent	3 Somehow	2 a little	1 Not at all
(i)	provides information to potential clients	[ ]	[ ]	[ ]	[ ]
(ii)	provides information to potential donors	[ ]	[ ]	[ ]	[ ]
(iii)	helps persuade clients to utilize our services	[ ]	[ ]	[ ]	[ ]
(iv)	helps identify potent- ial donor segments	[ ]	[ ]	[ ]	[ ]
(v)	helps persuade donors to donate to the organization	[ ]	[ ]	[ ]	[ ]
(vi)	helps create a complete picture of the factors which would create a				

Que. 30 (Cont.)

		4 To a great extent	3 Somehow	2 a little	1 Not at all
	favourable response to an appeal for funds	[ ]	[ ]	[ ]	[ ]
(vii)	helps identify the various motivations of the population that lead to favourable response to the organization	[ ]	[ ]	[ ]	[ ]
(viii)	helps to determine how best to communi- cate advice concerning our services/products	[ ]	[ ]	[ ]	[ ]
(ix)	helps to find volun- teers	[ ]	[ ]	[ ]	[ ]
(x)	helps motivate volun- teers	[ ]	[ ]	[ ]	[ ]

THANK YOU FOR YOUR COOPERATION

APPENDIX 3

LIST OF ORGANIZATIONS SURVEYED

1. The Salvation Army

2. Bible Translation & Literacy

3. F.A.R.M.

4. OXFAM

5. USAID

6. CHP

7. Compassion International

8. Kengo

9. Kenya Asso ciation of Youth Organization

10. Environment Liaison Centre

11. Institute of Cultural Affairs

12. Church of the Province of Kenya

13. AALAE

14. Canadian Save the Children Fund

15. Food for the Hungry International

16. Don Steward Association

17. Catholic Relief Services

18. NORAD

19. World Neighbours

20. Canadian Hunger Foundation

21. VADA

22. National Council for Population Development

23. Child Welfare Society of Kenya

24. Family Planning Association of Kenya

25. Mennonite Board

26. SOS Children Village

27. CARE – Kenya

28. Undugu Society of Kenya

29. AMREF

30. Manzingira Institute

31. Action-Aid-Kenya

32. Kenya Red Cross

33. C.P.K – Diocese of Kenya

34. Kenya Freedom from Hunger

35. SIDA

36. Kenya Voluntary Development

37. Christoppel Mission

38. YWCA

39. Bahati Community Centre

40. PCEA Dandora Community Centre

41. PCEA Eastleigh Community Centre

42. Islamic Africa Project

43. Kudheina

44. APDK

45. CHSS

46. World Vision

47. PCMA

48.   Christian Children's Fund

49.   MAP International

50.   Ambassadors Development Agency

51.   INADES – Formation Kenya

52.   St. John's Community Centre

53.   YMCA

54.   Wold Education International

55.   Kenya Women Finance Trust

56.   Aga Khan Foundation

57.   Public Law Institute

58.   AIC Mbooni Children's Centre

59.   Ananda Marga Mission

60.   Catholic Diocese of Nakuru

61.   Diocese of Mt. Kenya

62.   Garrisa Boys' Town

63.   Joot Social Services

64.   Kinunga Home for the Blind

65.   Kambui School for Deaf

66.   Kabiyoi Trading Centre

67.   Kipchimchim Hostel

68.   Kaaga School for Deaf Children

69.   Kenya Christian Brotherhood Society

70.   Migori Craft Training Group

71.   Mulina Self-Help Group

72.   Naro Moru Disabled Programme

73.   Nyanza Young Programme

74. Nyang'oma Children's Home

75. Nyabongo Home for the Crippled Children

76. Simon's Community of Africa

77. St. Nicholas Children's Home

78. Tumu Tumu School for the Deaf

79. Vihiga Friends Services Committee

80. Withur Village Polytechnic

81. Girls Town Wajir

APPENDIX 4

Ordinal   Scale*

One   property of the scale of numbers is that of order.
The numbers 1, 2, 3 , 4 are ordered, and the larger the number
the greater the property. The ordinal scale implies identity
since the same number would be used for all objects that are
the same. The difference in rank says nothing about the
magnitude of the difference. Whether one can use the ordinal
scale to assign numerals to objects depends on the attribute
in question. The attribute itself must posses the ordinal
property so as to allow ordinal scaling.

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*Gilbert A Churchil, <u>Marketing Research Methodological Foundations</u>.
The Dryden Press. Tokyo, 1979, p. 244.

APPENDIX 5

Nonparametric Statistics*

Nonparametric procedures are inferential procedures that do not depend on rigid assumptions regarding the distribution of the relevant population. The statistical theory and methodology relating to these procedures are called nonparametric statistics.

Nonparametrics are especially appropriate when the ordinal scale has been used.

The Median Test

The Median Test is a statistical inference to test whether or not two samples differ with respect to central tendency. When the assumptions that the two samples are normally distributed with equal variances are defensible, the t test may be used to test the null hypothesis of equal population means. If the assumptions are not met, or if for some other reason the t test cannot be used, the median test provides a nonparametric alternative.

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*Wayne W. Daniel and James C. Terrel. Business Statistics, Basic Concepts and Methodology. Houghton Miffling Company, New Jersey, 1976, pp. 309 - 316.

To apply the test, the median of the combined samples is determined. Each observation in the two samples is examined to determine whether it falls above or below the common median. The results are then displayed in a 2 x 2 contingency table such as the table below.

Data Display for Median Test

Number of observations	Sample 1	Sample 2	Total
Above median	a	b	a + b
Below median	c	d	c + d
Total	$a + c = c_1$	$a + d = n_2$	$N = n_1 + n_2$

The computed value of X^2

$$\frac{n(ad - bc)^2}{(a+b)(b+d)(a+b)(c+d)}$$

APPENDIX 6

Total Scores for Religious Organizations and Educational Institutions

Religious Organizations	Educational Institutions
56	74
70	38
61	38
50	39
56	40
45	45
55	38
57	46
69	71
	41
	42
	43
	38
	39

APPENDIX 7

Perceived Value of Marketing in NGOs

Total Scores

Function \ Extent	4 To a great extent	3 Somewhat	2 A little	1 Not at all
(i) Provides information to potential clients	204	0	0	0
(ii) Provides information to potential donors	204	0	0	0
(iii) Helps persuade clients to utilize our services	204	0	0	0
(iv) Helps identify potential donor segments	20	15	80	1
(v) Helps persuade donors to donate to the organization	204	0	0	0

Appendix 7 (Cont'd)

Extent ⟍ Function	4 To a great extent	3 Somewhat	2 A little	1 Not at all
(vi) Helps create a complet picture of the factors which would create a favourable response to appeal for funds	204	0	0	0
(vii) Helps identify the various motivations of the population that lead to favour- able response to the organization	12	129	8	1
(viii) Helps to determine how best to communi- cate advice concerning our services/products	160	15	12	0
(ix) Helps to find Volunteers	204	0	0	0
(x) Helps motivate volunteers	60	105	2	0

APPENDIX 8

Knowledge of sales potential of different market segments

Total Scores

Extent Knowledge of Sales pontential of	To at all	Somewhat	Very well
Different customers	35	6	39
Different geographical areas	39	24	0

APPENDIX 9

Knowledge of response to marketing effort of different market segments.

Total Scores

Extent Knowledge of response to marketing effort	Not at all	Somewhat	Very Well
Different customers	38	18	12
Different geographical areas	38	6.5	6.5

APPENDIX 10

Matketing Research

Total Scores

Once or more times in a year	10
Every 2 - 5 years	0
Every 6 - 10 years	0
Every 11 or more years	6
Never	46

APPENDIX 11

Marketing Plans and Budgets

Total Scores

Marketing Variable	One or more times in a year	Every 2-5 years	Every 6-10 years	Every 11 or more years
Marketing plans	44	9	0	37
Budgets	152	33	4	0

APPENDIX 12

Development or different marketing plans for
different segments of the market

Total Scores

Extent Market Segments	To a great extent	Somewhat	a little	Not at all
Different goegraphical areas	40	0	0	41
Different income groups	124	45	0	5
Different sexes	12	6	10	40
Different ages groups	80	69	8	4

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