# The Use of Brand Alliances to Change Perceptions of Nonprofit and Private Organizations

**Nathan Heller**
**Embry-Riddle Aeronautical University - Worldwide**

**Kees Reitsema**
**Embry-Riddle Aeronautical University - Worldwide**

*Brand alliances long have been used in the private sector and are increasingly utilized by nonprofit organizations. Brand alliances are assumed to benefit both organizations, particularly the focal nonprofit organization that strategically forms the partnership. Both private and nonprofit organizations must be careful in selecting a partner. Partner public reputation was systematically varied using created organizations and a positive reputation enhanced willingness to contribute. Nonprofit organizations with a positive reputation were found to be slightly more desirable as a partner in strategic alliances when compared with private organizations.*

## INTRODUCTION

Organizations survive in part upon their reputations, embodied in the public's perceptions. Businesses rely on the public's positive perception of product or service quality for sales. But these perceptions are also bound up with perceptions of the organization. Research indicates that the way organizations are perceived includes at least three dimensions: visions of the quality of management, the reliability of service guarantees and the belief that the company stands behind its product (Perry, 2004). Van der Heyden and van der Rijt (2004) also point out that the public perception of an organization is affected by people's beliefs about its mission, role in society and the extent of its social responsibility. These same issues are also critical for nonprofit and public organizations (Basil & Herr 2003). A nonprofit organization may be judged on its ability to achieve its goal (service delivery or contributing to sustaining societal values), but also on the effectiveness of its management, the central value status of its goals, and its tactics for achieving goals (Deshpande & Hitchon, 2002). Public judgment is an important issue because the public is the source of two critical resources for nonprofits: volunteers and contributions. While there is social psychological research on the ways in which organizations are perceived, this research has not been conducted in a marketing context. The present study addresses citizen assessments of nonprofit organizations in the context of brands and brand alliances.

With a turbulent economy and a recent history of scandal in all three sectors, private, public and nonprofit organizations face pressure to maximize the positive esteem in which they are held by the public (Menon & Kahn 2003). Businesses make alliances or partnerships with other companies to promote mutual interests in products and services offered and in the public's perception of their legitimacy. Among nonprofits, there has been increasing interest in the past decade in similar alliances and partnerships to maximize their ability to persist in an environment where they must often compete with other nonprofit and public sector organizations for limited resources.

### Understanding Brand Alliances

There are several ways to define brand alliances (Kotler 1997). Definitions that emphasize the brand define brand alliances as the combination of existing brand names to create a composite name for a new product (Park et al., 1996; Keller & Sood, 2003). On the other hand, Kotler et al. (1999) and Berkowitz (1994) define co-branding as the practice of using the established brand names of two different organizations for the same product.

Those that have focused on the *nature* of the alliance take a broader perspective and focus more on the collaboration involved in the alliance. Kapferer (1999) defines co-branding as the pairing of the respective brand names of two different organizations in a collaborative marketing effort. Collomp (1995) defines the collaborative effort from the viewpoint of certain operational areas of marketing, for example denoting brand alliances as merely advertising or promotional agreements. Still others view the link between brands as running deeper than the publicity or promotional level to incorporate a joint venture of production or commercialization between competing firms (Visser 1998). This view is compatible with the concept of ingredient branding where the purpose of the link established between two brands involves both image transfer and the integration of a new physical attribute into the existing brand (Waters 1997).

For the purpose of this research, a brand alliance refers to the partnering of two organizations to pursue a mutual goal. This definition parallels the work of Lafferty, Goldsmith and Hult (2004), who view alliances both in terms of the impact of the partnership on the participating organizations and upon the "brand" that each represents. Brand alliance is commonly used in the private sector, and is used in this research interchangeably with partnership to reflect the language of nonprofit sector. The point here is not to make a theory- or policy-based distinction, but only to acknowledge that the literatures of the two sectors commonly use a different term for what is essentially the same arrangement.

## RESEARCH QUESTION

An important issue for nonprofits is citizen "willingness to contribute" to organizations. The goal of this research is to understand the impact of forming a brand alliance upon peoples' willingness to contribute to a focal nonprofit organization. The alliance members or partners studied come from the nonprofit and business sectors and have both positive and negative public reputations. The research question asks whether combinations of sector and reputation have an effect on people's willingness to donate to a nonprofit (as the dependent variable).

### The Marketing Context and Branding

Marketing includes the development of strategies for influencing the behavior of others. For example, businesses attempt to influence customers to eat at a particular fast-food sector chain and not at rival eateries or at home. The same is true in the nonprofit world where managers understand they must influence donors to give, volunteers to come forward, clients to seek help, and staff to be client friendly (Bottomley & Holden 2001; Brown 2005). Therefore, marketing and the marketing mindset are critical to success across sectors.

There is an increasing perception that organizations across the three sectors—public, private and nonprofit—can benefit by acting cooperatively, particularly through branding and forming alliances (Sagawa & Segal 2000). Government agencies such as the National Cancer Institute or the Centers for Disease Control and Prevention partner with organizations like the American Cancer Society or the Campaign for Tobacco-Free Kids to achieve mutual objectives (Pierce et al., 2002). Corporations increasingly partner with nonprofits to achieve corporate objectives. Nike, Coca-Cola, Nickelodeon and other private and nonprofit organizations have engaged with Boys & Girls Clubs of America to pursue the common goal of engaging youth as clients (Boys & Girls Clubs of America, 2006). Part of the pressure on corporations to get involved in the nonprofit sector is growing criticism of corporate practices that are deemed to be socially irresponsible (Bottomley & Holden, 2001). Highly visible and innovative corporations such as Nike and Wal-Mart have been criticized for allegedly condoning sweatshop labor, putting enormous pressure on companies to change the nature of their interactions with the "social sector" (Sealey and others 2000). Reflective of this pressure has been a relatively new stock market trend creating mutual funds and other investment vehicles that include a social responsibility component as a hurdle for investment.

Managers in each sector need to understand marketing and how marketing is – and ought to be – used in the nonprofit environment. Nonprofit managers must more effectively influence a range of different stakeholders and publics whose behaviors determine the nonprofit's success. Government managers need to know how nonprofit marketers think and act so that they can effectively work together. Finally, corporate marketers need to understand nonprofit marketers if they are going to partner effectively with them (Andreasen 2003).

These needs can be placed in the context of four important nonprofit marketing developments. First, there has been a significant acceleration in the growth of social marketing—targeting different social groups with identifiable beliefs and preferences (Elliott 1991). Second, many nonprofits recognize the importance of international markets and have developed international partnerships. For example, Goodwill Industries of America changed its name to Goodwill Industries International, Inc. According to its chairman this recognizes "the global influence of our organization in providing training to those in need (Buss 1993)." The third major change has been the growing importance of corporate involvement in the nonprofit sector. As nonprofits find themselves in greater and greater need of outside support, they are turning to private sector partnerships for assistance. Cause-related marketing--a commercial partnership between a charity and a business --involves associating a charity's logo with a brand, product, or service. Thus, Frito-Lay agreed to contribute to an anti-drug program for every bag of potato chips sold (Smith, 1989). Another example is pledge by General Foods of 10 cents to Mothers' Against Drunk Drivers (MADD) for every Tang proof of purchase submitted to the company (Weeden 1998). Finally, the nonprofit world has also experienced management scandals with ethical components (O'Reagan & Oster 2000). The high visibility of such scandals threatens support for all nonprofits. Brand alliances are believed to be one means of sharing positive reputations and repairing scandal damages (Becker-Olson & Hill 2006).

## RESEARCH DESIGN

This research centers on comparisons among organizations with specific reputations representing specific sectors. The study design follows the classic social psychological approach (Krauth 2000), creating positive and negative reputations for two hypothetical nonprofit and two hypothetical business organizations. Then, these organizations are paired with one another (a nonprofit organization is always the focus of the comparison) to form partnerships that are defined by varying sectors and reputations. Four partnerships pairings are created for this research. They include: two positive reputation nonprofits, two nonprofits where one is positive and one negative, one positive nonprofit with a positive business and one positive nonprofit with a negative business. The goal is to compare these combinations to understand how the perceptions of nonprofits (indicated by willingness to contribute) paired with businesses vary based on the business reputation and how perceptions of nonprofits are affected when paired with other nonprofits of positive and negative reputation. In all cases, the dependent variable is a subject's willingness to contribute to a focal nonprofit organization. There are no experimental or control groups for subjects; each subject rates each individual organization and each of the four target combinations of organizations.

### Measurement

The basic dependent variable in this study is the individuals (subjects) "willingness to make a contribution" to a focal nonprofit organization. This "willingness" variable measures a person's ultimate support of an organization. That is, in the nonprofit marketing discipline, the principal test of product or service perception is whether it is deemed worthy of "contribution" by consumers or donors (Peter & Olson 1999). It is acknowledged that the decision to donate is influenced by myriad variables—including views of the organization, assessment of the product or service, social normative view of the product itself and the organization selling it. However, whatever the complex calculus used to make such a decision, the actual commitment to donate represents at least some degree of support for the organization. that transcends just the product or service itself. It is this psychological commitment (and not the donation) the intangible "good feeling" or the tangible product purchased that is of interest in this research. Indeed, this concept of commitment is the target of the manipulation of sector and reputation that are used in this research to differentiate the choices made when alliances are evaluated by the subjects.

Nonprofit organizations must solicit support from a variety of external sources, including governments, corporations, and individuals (Berger, Cunningham & Drumwright 2004). In measuring "willingness to contribute" the unit of measurement is monetary. Certainly there are a variety of methods—other than money—that one can use to contribute to a nonprofit. For example, one can donate personal time or surplus products of some type. Monetary contribution was chosen here to keep the measure for private and nonprofit organizations comparable. Since a product or service is purchased in exchange for money, it can be compared with a contribution of money to a nonprofit organization. In addition to the "in kind" nature of money, it was decided to explicitly define the amount of money as a $100 contribution. The goal was to select an amount that might realistically be expended by a participant, either as a contribution or a purchase, without seriously compromising the individual's finances. The measurement scale follows the form used in related research (Putrevu & Lord 1994; Mittal & Myung 1989; Oliver 1988) utilizing a seven-point response format that reflects the individual's personal judgment about the likelihood of a $100 donation. The below statement was used in questionnaire format:

> *Given the opportunity, what is the likelihood that you, personally, would contribute money to this organization in the amount of $100.00?*

| Zero Likelihood | Remote Likelihood | Possible Donate | Average Likelihood | Above Average Likelihood | Probable Donate | Definite Donate |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

The descriptors on the different levels of each scale conform to the methodological principle that all measurement levels should have unambiguous meaning for the subject (Blalock 1979). This scale forms a multi-category ordinal measure that can be treated as discrete interval scale categories (Blalock 1982; Sujan & Dekleva 1987).

### Creating Organizations

Fictitious names were invented for the organizations used in the research. The use of fictitious organizations insured that all subjects had the same previous exposure to the organizations (none) and minimized the effects of potential preformed or predisposed attitudes that might have arisen if real organization names were used. It was explained in the participant instructions that all organizations were fictitious. The four private organizations were: (1) Jerry's Furniture (positive reputation); and (2) Nirvana Bath Products (negative). The three nonprofit agencies are: (1) The Childhood Disease Foundation (positive); (2) Neighbor's Helping Home Meals Agency (negative); (3) Mom's Friend Childcare for Single Mothers (positive).

### Creating Reputation

The development of a positive versus negative image for selected organizations requires an experimental manipulation. The researcher must introduce a structural element to achieve a substantive goal; in this case the vision of an organization (Levin, 1999). The way people view an organization conceptually overlaps the idea of organizational trust (Nyhan 2000; Butler 1991; Nachimas 1985). Certainly, both organizational trust and organizational reputation are multi-dimensional concepts that include many of the same dimensions. To obtain consistent research outcomes it is important to constrain the meaning of organizational reputation. This insures that each subject has a similar perception of reputation. A short paragraph was developed on each created organization aimed at characterizing the organization as generally positive or generally negative. Four key elements are used to establish reputation: managerial effectiveness, product/service reliability, honesty of claims about product or service, and social responsibility.

Differences in reputation are achieved by varying the descriptions offered for the organizations. Two of the nonprofit organizations are given a positive profile and one is given a negative profile. The two private organizations are given one positive and one negative profile. The organizations with a positive profile contained positive statements in all four of the reputation elements. The organizations assigned a negative profile have positive descriptions in two areas (product/service reliability and managerial effectiveness) and negative descriptions in two areas (honesty of claims and social responsibility).

The positive profile for a private business organization will contain the following statements as a means of establishing a positive identity for the organization.

1. This company is known for its highly effective managers.
2. Consumer and government testing organizations rate this company's product/service as highly reliable over the past decade.
3. This company pays careful attention to accuracy in its advertising.
4. This company embraces its social responsibility.

The statements used to impute a negative reputation to the other private organization addresses each of the same areas. Only two of the statements are altered to reduce reputation: honesty of claims and social responsibility. The last two statements are amended to read: (3) There have been many complaints that this company systematically engages in misleading advertising of its product/service; and (4) This company has repeatedly been sanctioned by courts and regulatory agencies for serious failures to employ socially responsible practices.

For experimental design consistency, the first two (positive) statements remain the same.

The nonprofit sector organizations use the same four dimensions. For accurate comparisons, the statements for reputation between the two sectors are kept almost identical. The four statements used for each nonprofit sector organization with a positive reputation are:

2. This agency is known for its highly effective managers.
3. The service rendered by this nonprofit agency has been evaluated by government organizations and found to be highly reliable over the past decade.
4. This agency is known to be highly honest when soliciting contributions and describing its service.
5. This agency has a reputation for conducting its operations in a socially responsible fashion.

The statements that characterize one nonprofit agency as negative, as done with the private sector, involve only changing the last two statements to read: (3) There have been multiple complaints that this agency systematically engages in misleading claims when soliciting contributions and describing its service; and (4) This agency has been recently investigated by two nonprofit associations for failing to conduct its operations in a socially responsible fashion.

The research goal of establishing an artificial reputation for different organizations was checked using a pretest procedure to insure that the intended positive or negative perception could be obtained in the field setting (Spector, 1981). The critical feature is that participants characterize the positive and negative reputation statements in the same way as intended by the researcher. As a pretest, 13 software and financial employees of a computer manufacturing firm, different than the firm studied but in the same geographical area, were asked to rate each of the four descriptions as positive or negative. Each set of statements was given to each volunteer, who was asked to respond to the claim: "This is a positive description of the organization." The response format was a standard set of Likert categories ranging from strongly agree through strongly disagree. The responses were coded such that a value of 1.0 was assigned to strongly agree (indicating positive reputation) and a value of 5.0 was assigned to strongly disagree (indicating a negative reputation).

The data from this pretest confirmed the attribution of positive and negative reputations to the different statements. The four statements for "private sector business, positive reputation" received an average rating of 1.79, indicating that subjects believed these statements were positive. The four statements for "nonprofit sector agency, positive reputation" received an average rating of 1.43. The four statements to describe "private sector organization, negative reputation" produced an average score of 4.12, indicating that most subjects disagreed that the statements were positive. The four statements for "nonprofit sector agency, negative reputation" yielded an average score of 4.81, which shows that most subjects disagreed that the statements described a positive organization.

**Structured Comparisons**

The comparisons demanded by the research question require that the two types of organization (private sector versus nonprofit sector) and two reputations (positive and negative) be grouped into four pairings?. To standardize the comparisons, in each case the focal (rated) nonprofit organization has a positive reputation. The positive reputation nonprofit is then paired with positive and negative nonprofits and businesses for four comparisons:

1. Childhood Disease Foundation (+)/ Jerry's Furniture (+)
2. Childhood Disease Foundation (+)/ Mom's Friend Childcare for Single Mothers (+)
3. Childhood Disease Foundation (+)/Nirvana Bath Fixtures (-)
4. Childhood Disease Foundation (+)/Neighbor's Helping Home Meals (-)

**Experimental Protocol**

The principal dependent variable is the willingness to donate scale. The instrument was a questionnaire (available as paper copy and on an internet site). The questionnaire provided a brief description and the "reputation" statements for each organization. The questionnaire was pretested for usability, format presentation and comprehension on an availability sample of 12 public sector employees. To maximize the number of completed questionnaires, two follow-up reminder messages (with a questionnaire) were made via the company email system. Where needed, a third follow-up was made by the researcher in person for those who do not respond to email. They received a printed version of the questionnaire delivered with a request to return it via mail. This process yielded a total of 117 (of 120 possible) completed questionnaires for analysis.

**Participants**

The subjects are an availability sample (non-probability sample) of 120 volunteers from a Fortune 500 electronics company. Consequently statistical generalizations cannot be made to any defined population.(Babbie 2004).

## RESULTS

There were slightly more females (52.1%) than males among the participants. The ages of the participants ranged from 21 years through 51 years. The mean age was 31.4 (standard deviation 7.1years), with a median age of 31 years. The younger age range is reflected in the number of years each participant has worked at the company. More than one-third (34.8%) of the participants have held their current jobs for one to five years. An additional 35.7% (41 participants) have worked at the company for six to ten years. Twenty-six participants (22.6%) have worked at the company for eleven to fifteen years and six participants (5.2%) have been employed with the company for sixteen to twenty years. Only 2 participants (1.7%) were employed for more than twenty years.

Because the study design requires comparing participant perceptions of nonprofit organizations with private sector organizations, it was important to document the experience of these private sector employees with nonprofit organizations. Two questions were asked to address this issue. To document the participant's experience with directly supporting nonprofit groups, they were asked: "How frequently have you contributed time or money or made other types of donation to any nonprofit organization (not a church)?" Frequency of contribution was measured on a seven point scale where "never" was assigned the lowest value (1) and "always" was assigned the highest value (7). The participant's showed a mean score of 3.28 (between descriptive statements of "infrequently" and "sometimes"). The standard deviation was 1.5 and the median score was 3.0 ("sometimes"). The three lowest contribution categories ("never," "rarely," and "infrequently") accounted for slightly more than one-half (53.9%) of the participants. The three highest contribution categories ("frequently," "regularly," and "always") included only about one-fifth of the participants (19.1%). Although the participants were private sector employees, as a group they do have a history of involvement with nonprofit organizations; nearly one-half (46.1 percent) reported that they donated to nonprofit organizations at a frequency of sometimes or greater.

There was also concern that private sector employees might be influenced in their comparisons of nonprofit with private organizations by a bias against nonprofit organizations. To assess the presence of such a bias, participants were asked to respond to the statement that "nonprofit organizations are critical to the success of a truly democratic society." The response format was a standard Likert scale, ranging from "strongly agree" (a score of 1) through "strongly disagree" (a score of 5). Collectively, the participants leaned toward agreement with this claim. The mean score on the scale was 2.6 (between “agree" and "neutral"), with a standard deviation of .89. Only 3.4 percent of the participants (4 people) strongly disagreed with the statement, while 5.1 percent (6 people) disagreed with the claim. Forty percent (48 people) responded that they strongly agreed or agreed with the claim and an additional 51.3 percent (59 people) were neutral. These results indicated that these participants did not have a negative view of nonprofit organizations.

**Base Scores by Sector and Reputation**

When considered by itself, Jerry’s Furniture, a private sector organization, produced a willingness to make a $100 purchase mean value of 5.5 (standard deviation = 1.1). This score places the average rating of respondent willingness between “above average likelihood” of purchase (a score of 5.0) and “purchase probable” (a score of 6.0). The small standard deviation indicates that most participant ratings were clustered closely around this mean; that is, there was little disagreement about this level of purchase intention. Nirvana Bath Products, another private sector organization, was assigned a negative reputation and shows a lower willingness to purchase. Nirvana Bath Products received a mean score of 2.1 on the willingness to make a $100 purchase scale (standard deviation = .90). This score is slightly above the scale descriptor of “remote likelihood” of purchase, and the small standard deviation indicates close clustering of cases around this mean value. Since the principal difference between these organizations and the positive reputation businesses rests with the social responsibility and honesty dimensions, it is appropriate to conclude that these issues are important in making decisions about intent to purchase.

Two nonprofit organizations were created with a positive assigned reputation and one nonprofit was created and assigned a negative reputation. The two nonprofit organizations with positive reputations were the Childhood Disease Foundation and Mom’s Friend Child Care for Single Mothers. The positive reputation manipulation was the same for these organizations on the four evaluative dimensions as it was for the private sector businesses just discussed. The Childhood Disease Foundation showed a mean willingness to make a $100 contribution score of 5.1 (standard deviation = 1.1). This score places the average score for this organization just above the descriptor “above average likelihood” of purchase and the small standard deviation indicates participant agreement on this ranking was high. Mom’s Friend Childcare for Single Mothers also shows a mean willingness score of 5.1, with a standard deviation of 1.3. Therefore, each of the nonprofit organizations with a positive reputation achieved a high willingness to contribute score that was similar in magnitude to the willingness to purchase scores generated by private organizations with a positive reputation. The nonprofit organization created with a negative reputation was called Neighbor's Helping Home Meals Agency. The average participant rating on the willingness to contribute scale for this agency was 1.9, with a standard deviation of 1.0. This average rating is just below the scale descriptor "remote likelihood" of contribution. It is important to note that this rating is similar to the ratings for private businesses with negative reputations. Indeed, it appears that reputation is more important an issue in willingness to donate for the participants in this test, than the sector in which the organization operates.

**Brand Alliances**

The research question focuses upon the impact on "willingness to donate" of four different pairings of private and nonprofit organizations with a positive reputation nonprofit. Reputation was dichotomized into positive versus negative; those with a negative reputation were characterized as low on honesty of claims and social responsibility. That is, all the organizations were seen to have effective management and reliable products/services, but the negative reputations were built on low integrity and social responsibility. In all four alliances of sector and reputation, the same positive nonprofit, The Childhood Disease Foundation, is used as the focal organization.

When a positive reputation nonprofit is paired with another positive reputation nonprofit, a willingness to donate average score of 5.2 (standard deviation = 1.2) is obtained. When considered alone, the willingness to donate mean score was 5.1, changing only slightly to 5.2. Thus, pairing the Childhood Disease Foundation with another positive reputation nonprofit causes virtually no change in people's willingness to donate. When the same focal nonprofit is partnered with a private sector business, the mean willingness to donate increases slightly to 5.4 (standard deviation = 1.1). A difference of means test confirms that the increase is not large enough to achieve statistical significance ($t = 1.4$, $p > .05$). Consequently, there little increase (gain) in public willingness to donate when a nonprofit organization with a positive reputation forms an alliance with a business or another nonprofit organization also possessing a positive reputation.

When a nonprofit with a positive reputation, takes on a partner with a negative reputation from either sector, there is a decline in willingness to donate. Such alliances might be initiated by organizations with negative reputations, seeking a positive partner to enhance the perception of their organization. Or, the partnership may begin with each partner positive, with subsequent events altering the public perception of one partner. Also, a nonprofit organization with a positive reputation may choose to join forces with another nonprofit with a negative reputation for a variety of reasons: perhaps the negative nonprofit offers a morally or normatively valuable service and has reorganized or undertaken other measures and is viewed as meriting a "fresh start" (Kotler 1999). The concern with comparisons here, however, is exclusively on the impact of choosing a negative reputation partner upon a positive reputation nonprofit.

When the Childhood Disease Foundation was paired with a negative reputation nonprofit, the mean willingness to donate decreases to 3.8 (standard deviation = 1.2). This mean is substantially lower than the score for the Childhood Disease Foundation (5.1) alone, and statistically significantly lower than the 5.2 mean obtained when the partner nonprofit has a positive reputation ($t= 14.2$, $p< .05$). When moving across sector, the Childhood Disease Foundation willingness to donate mean is 3.1 (standard deviation = 1.2) when paired with the negative reputation of Nirvana Bath Fixtures. The decrease in the mean willingness to donate of .7 is just statistically significant ($t= 2.9$, $p=.05$), signaling that for nonprofits, paring with a negative reputation business does even more harm to donations than pairing with a negative reputation nonprofit organization. When one compares mean willingness to donate for an alliance with a positive reputation business (5.4) with a negative reputation business (3.1), the difference is statistically significantly lower ($t= 15.8$, $p< .05$).

## DISCUSSION AND IMPLICATIONS

The comparisons of willingness to donate to a positive reputation nonprofit organization that enters a brand alliance with organizations of different sector and reputation yield several important findings. In this study, only two aspects of reputation were manipulated: social responsibility and honesty of claims.

Thus the organizations with a "negative" reputation studied here were those that showed low levels of social responsibility and low honesty when making claims about their service or product. An important qualifier for the results is that reputation hinges only on these two factors and does not take into account questions of poor management practice and/or poor product or service reliability.

Within this comparative context, the first key finding is that participants were equally willing to donate when the partner has a positive reputation, regardless of sector. This suggests that there is no difference associated with sector in the way people view the importance of honesty and social responsibility. Since organizations across sectors are generally increasingly aware of social conscience and their social responsibilities, increased and sustained public scrutiny of such elements of reputation may be anticipated. Certainly in this study, nonprofit organizations and corporations are being held to very similar standards.

Usually, brand owners engage in a brand alliance structure because they believe that the co-branded venture will provide both parties with economic or other benefits that would not be captured if they were to enter the market by themselves. The benefits sought in brand alliances usually are twofold. First, there are the obvious financial rewards from the brand alliance venture. Second are additional benefits such as enhancement and transfer of brand equities from the brand alliance partner, as well as an increase in public awareness of the product or service. The findings here suggest that if the willingness to do business scale is a measure of financial gain, then the first expectation sought may not actually be realized. There was no explicit measurement of the "additional benefits", particularly awareness of the product or service, so it is not possible to draw conclusions regarding the magnitude of that potential benefit.

There are a number of different techniques used to measure a brand's value, but marketers and financial managers do not agree on which is the most precise or correct method. The results of this study indicate that a brand alliance between two positive reputation organizations does not significantly increase the likelihood of donations. However, this does not necessarily mean that there is no reason to enter into brand alliances. The likelihood measure does not tap the extent of the impact of co-branding on other dimensions of brand name for either organization. This means that while willingness to purchase does not increase when two positive organizations enter a brand alliance, we do not know whether the value of either brand may have been strengthened synergistically in other ways by the alliance. There are reasons other than increasing sales or donations for entering into alliances. For example, marketers may be interested in creating a more positive brand image tied to public awareness as part of a long-term organizational strategy. Further experimental research focusing on different dimensions of brand alliance outcomes will be required to sort out the answers to this important question.

A second key finding is when a positive reputation nonprofit organization enters into an alliance with a negative reputation organization of either sector, the willingness to donate to the first organization dramatically declines. Furthermore, the decline is greater if the partner with a negative reputation is a business firm. With respect to business pairings, this finding leads to the conclusion that consumers prefer organizations that act in a socially responsible manner. Additionally, honesty is expected in advertising campaigns; claims made in marketing campaigns should accurately reflect product or service performance. Consumers have come to rely on companies to be truthful about the products they produce and sell. A lack of honesty in claims suggests that the company might be routinely misleading the consumer. This behavior potentially leads consumers to wonder what else the company may be dishonestly representing to the public. The honesty dimension is probably associated with social responsibility as a generic approach to doing business. Thus, it might be argued that consumers see a need to be both honest about the product or service and honest and open about the social and societal impacts of their business practices. These results indicate that the public is more positively inclined towards corporations develop and maintain a social conscience.

The idea that an alliance with a negative reputation business lowers donation likelihood more than an alliance with a similar reputation nonprofit is difficult to explain. Intuitively, nonprofit organizations contribute services to society that are deemed to be important and needed. Since the nonprofit sector "does good works for the larger society", it might be expected that they would be held to higher expectations regarding social responsibility and honesty. It may be, however, that negative feelings toward businesses in general are currently high cite and that there is a desire to repudiate “dishonest” businesses. One might also speculate that subjects reasoned that "organizations are known by the company they keep". It may be that organizations will still be held responsible at some level for the negative information in their profile, regardless of the reputation of the partner. While partnership with a socially responsible and honest profile improves the profile of the negative partner, consumers are not ready to fully disregard negative behavior. That is, one might expect that the benefit to the negative partner is contingent or potentially fleeting. If the negative partner continues with negative characteristics (defined here in terms of social responsibility and honesty), then the gain in public willingness to do business may disappear as time passes. Simultaneously, the risk to the positive partner probably increases since it appears to the public that it has continued in an alliance with an organization that not only has a history but still engages in undesirable practices. At this point, it seems likely that some of the perceived traits of the negative organization would be transferred (in the public eye) to the previously positive reputation organization. Thus, such a scenario would increase the chance that any benefits to either organization of the brand alliance would potentially disappear.

Intuitively, to solidify the benefit from joining an alliance with a positive partner, the negative organization would have to publicly alter the previously perceived negative practices. Certainly public attempts to change on the part of the negative reputation partner reduce the probability that the positive partner would lose their positive assessment. More importantly, if the negative reputation organization can demonstrate positive changes, then there is the possibility that the previously negative public assessment will begin to change. One might speculate that the amount (or magnitude) of increase in reputation for the negative organization in an alliance is related at least initially to the magnitude of the reputation of the positive partner. Thus, the higher the positive partner's reputation to begin with, the greater will be the increase in public perception of reputation assigned to the negative partner.

The importance and consequences of attending to the opportunity and risk of brand alliances is high for the nonprofit sector. To understand the risks, one must consider what reasoning might be used to convince a positive reputation organization to enter into a brand alliance with another organization that has a negative reputation. While the products or services provided by nonprofit organizations may differ widely, they all share a dependence upon donations for operating and development purposes. Donations are contingent upon reputation, presumably in at least some ways that sales in the private sector are not. A business with prices significantly below the competition or one that is the sole producer might be able to expect patronage in the form of sales without regard to reputation. In terms of conventional wisdom, the public could see this organization as a “necessary evil” from which there is no alternative or at least no economically viable alternative. This argument was recently seen in the Flagstaff, Arizona city council deliberations regarding the construction of "big box" stores in the city limits. Citizens speaking in favor of such stores—Walmart in particular—reported that while they did not support many of Walmart's corporate practices, they felt it was important to have the low priced goods handled by this company available in the town (Tina 2006).

Competition for donations in the nonprofit sector is known to be fierce and the reputation of the donation receiving organization is more critical. There may be, from the public point of view, many alternative organizations for donations. The decision to donate to a nonprofit organization is also bound up with personal and societal values in a way that doing business with a private sector organization is not. That is, a donor may look at a value realm—“children’s welfare”—and see hundreds of nonprofit agencies that might be chosen for a donation. The choice of a particular organization may depend upon the donor’s assessment of the ability of particular organizations to “make a difference” (managerial effectiveness and honesty of claims and product or service efficacy) and the ability to help people beyond the target group in delivering the product or service (social responsibility). These issues capture the four dimensions of reputation that are discussed in the branding literature. Hence, reputation is critically important to nonprofit organizations and certainly in terms of the dissertation research, reputation is closely tied to people’s willingness to donate. It would seem that the risk of facing the certain decline in willingness to donate behavior documented here would merit a careful scrutiny by any nonprofit organization with a positive reputation that is considering entering into an alliance with another organization with a less than positive reputation.

On a societal values level, it is possible that the positive reputation organization might portray itself as "helping" the negative reputation organization to improve and thereby the positive organization is within the general mission of all nonprofits to improve the lives of some segment of the society. It remains, however, that if such a strategy is to work, the negative reputation organization will not only have to be successful in changing, but in communicating that success to the public.

**REFERENCES**


Andreasen, A. R. Strategic Marketing for Non-Profit Organizations. New Dehli, Prentice Hall of India, 2003.

Becker-Olsen, Karen and Hill, Ronald Paul, 2006. The Impact of Sponsor Fit on Brand Equity: The Case of Nonprofit Service Providers, Journal of Service Research 9 (August): 73-84.

Berger, Ida E., Peggy H. Cunningham, and Minette Drumwright. 2004. "Social Alliances: Company–Nonprofit Collaboration," California Management Review, 47 (Fall): 1–33.

Berkowitz, E. Marketing. Chicago, Irwin, 1994.

Blalock, Hubert. Social Statistics. New York: McGraw-Hill, 1979.

Blalock, Hubert. Conceptualization and Measurement in the Social Sciences. Thousand Oaks, CA: Sage publications, 1982.

Bottomley, Paul A. and Stephen J. S. Holden (2001), "Do we really know how consumers evaluate brand extensions? Empirical generalizations based on secondary analysis of eight studies," Journal of Marketing Research, 38 (4), 494-500.

Boys & Girls Clubs of America, 2006. "Our Partners and Partnerships." Internet address http://www.bgca.org/partners/, accessed October 1.

Brown, Tom J., Peter A. Dacin, Michael G. Pratt and David A. Whetten. 2005. "Identity, Image, and Reputation: An Interdisciplinary Framework and Suggested Terminology," Journal of the Academy of Marketing Science, Volume 34 (No. 2), Spring), pp. 99-107.

Buss, J. (1993). Goodwill Changes Name to Reflect Global Influence. The Non-profit Times. *A*pril , 11-17.

Butler, J.K. (1991). Toward Understanding and Measuring Conditions of Trust, Journal of Management, 17, 643-663.

Cohen, Joel B (1982), "Involvement and You," Advances in Consumer Research vol 9, ed. Andrew A. Mitchell (Ann Arbor, MI) pp324-327.

Elliott, B. J. (1991). A Re-examination of the Social Marketing Concept. Sydney,Elliott & Shanahan Research.

Garcia, Tina. "Walmart is coming, just get over it" Arizona Republic, June 6, 2006, final edition, via http://www.azcentral.com

Kapferer, J.N. (1999). Strategic Brand Management. London: Stylus Publisher LLC.

Keller, Kevin L. and Sanjay Sood (2003), "Brand equity dilution," MIT Sloan Management Review, 45 (1), 12-15.

Kotler, Phillip (1997), Marketing Management. *(9th ed.),* New Jersey: Prentice Hall.

Kotler, P. and Armstrong, G. (1999). Principles of Marketing. New York, Prentice Hall.

Krauth, Joachim (2000) Experimental Design: A handbook and dictionary for medical and behavioral research (New York: Elsevier publishers).

Levin, I. P. 1999. Relating Statistics and Experimental Design. Thousand Oaks, CA: Sage Publications.

Mittal, B. and Myung, L. (1989). "A Causal Model of Consumer Involvement," Journal of Economic Psychology 10 (November): 363-389.

Nachmias, D. (1985). Determinants of Trust within the Federal Bureaucracy, pp. 133-143 in Rosenbloom (Ed.), Public Personnel Policy. Port Washington, NY: Associated Faculty Press.

Nyhan, R. (2000). Changing the Paradigm: Trust and its Role in Public Sector Organizations, American Review of Public Administration, 30, 87-109.

Oliver, Richard L. 1988. "Response determinants in satisfaction judgments," Journal of Consumer Research 14 (March): 495-507.

O'Reagan, K. M. and Oster, S. M. (2000). "Non-profit and For-Profit Partnerships: Rationale and Challenges of Cross Sector Contracting." Non-profit and Volunteer Sector Quarterly 29(1).

Park, C. W. and Shocker, A.D. (1996). "Composite branding alliances; an investigation of extension and feedback effects." Journal of MarketingResearch 33(4): 453-466.

Peter, J.P, and Olson, J.C. (1999). Consumer Behavior Boston, Irwin McGraw-Hill.

Pierce, John; Distefan, Janet; Jackson, Christine; White, Martha; and Gilpin, Elizabeth, 2002. Does tobacco marketing undermine the influence of recommended parenting in discouraging adolescents from smoking? American Journal of preventive medicine 23(2): 73- 81.

Putrevu, S and Lord, K 1994. "Comparative and Noncomparative Advertising," Journal of Advertising 23 (June) 77-89.

Sagawa, S. and Segal, E. (2000). "Common Interest, Common Good: Creating Value Through Business and Social Sector Partnerships." The Harvard Business Review.

Sealey, K. S., Boschee, J. and others. (2000). A Reader in Social Enterprise. Boston,Pearson Custom Publishing.

Smith, W. A. (1989). "Lifestyles for Survival: The Role of Social Marketing in Mass Education." Academy for Educational Development, 5(1), 14-21.

Spector, P., (1981). Research Designs. Thousand Oaks, CA: Sage Publications.

Sujan, M. and Bettman, J. R. (1989). "The Effects of Brand Positioning Strategies on Consumers' Brand Behavior and Category Perceptions." Journal of Marketing Research 26 (November): 454-468.

Van der Heyden, Cynthia and Van der Rijt, Gerrit (2004). Societal Marketing and Philanthropy in Dutch Companies, Journal of Nonprofit and Public Sector Marketing 12 (1): 23-35.

Visser, E. (1998). "Multibranding: Sympton of an Unclear Branding Policy." Design Management Journal Winter: 60-64.

Waters, K. (1997). "Dual and Extension Branding: Using Research to Guide Design Decision and Branding Strategy." Design Management Journal Winter: 26-33.

Weeden, C. (1998). Corporate Social Investing. San Francisco, Berett-Koehler Publishing.

Weisbrod, B. A. (1998). To Profit or Not to Profit: The Commercialization of the Nonproft Sector. Cambridge, Harvard University Press.