

## **NPOs Marketing Practices in the USA and France: Differences and Success Factors**

**Virginie Pioche Khare  
University of Tampa**

*This paper investigates two developed countries with different political and social backgrounds, namely the United States and France, and reviews marketing practices of non-profit organizations (NPOs) in both nations. Environmental differences are first presented before an analysis of two identical organizations operating in both countries, to see the extent to which they marketing practices differ. Secondary data from web sites are collected and analyzed to understand their marketing orientation. The non-profit organization in the United States is found to have a much stronger marketing orientation than its counterpart in France.*

### **INTRODUCTION**

In today's world, non-profit organizations (NPOs) have to compete to achieve their missions. This is particularly true in developed nations where philanthropy –both from corporations and individuals— has increased and thrived since the first Industrial Revolution. As the amounts given have increased, so has the number of NPOs and it has become more and more difficult for NPOs to gain support –in the form of both donations and volunteer hours. Consequently, just like businesses, NPOs have discovered that they can benefit from many marketing practices, such as market segmentation, branding and advertising. How has this trend evolved around the world? Does NPOs' marketing differ between countries, especially when environmental factors are dissimilar?

To answer such questions, this paper investigates two developed countries with different political and social backgrounds, namely the United States and France, and reviews marketing practices of NPOs in both nations using web site analysis. The NPO landscape of each nation is first reviewed before environmental differences are presented. An analysis of identical organizations operating in both countries follows in order to understand their marketing orientation. Specifically, segmentation, marketing communications, branding and online marketing are discussed.

### **NON-PROFIT ORGANIZATIONS IN FRANCE AND THE UNITED STATES**

France and the United States are two highly developed democracies that are home to a multitude of non-profit organizations (NPOs). However, there are considerable differences in the social and political environments surrounding these NPOs. Several theories offer potential explanations for the existence, scale, composition and financing of NPOs. Salamon and Anheier suggest that the government failure and market failure theory is the most valid for heterogeneous democracies (Salamon & Anheier, 1998).

According to that theory, individuals will turn to NPOs to supply the public goods they cannot obtain through either the market or the state.

Both France and the United States are democracies with heterogeneous populations resulting from their history. Both nations possess a multitude of NPOs that offer social services to citizens beyond what is provided by for-profit business and government. There are, however, several dissimilarities between them, especially with regard to the funding of NPOs. First, government spending on social welfare represents 29% of GDP in France while it is only 13% in the United States. Concurrently, the non-profit sector employs 4.2% of the labor force in France versus 6.9% in the United States (Conference de la Vie Associative, 2004; Salamon & Anheier, 1998). Four areas account for at least 75 % of NGOs: health, social services, cultural services, and recreation. Funding is usually solely or partially by the government in France while it is more from private donors, fees and service charges in the United States.

In 2004, the French government gave 25 billion Euros to NPOs while private donations totaled 1.9 billion Euros, which represents 251 Euros per household. French households can deduct donations from their taxable income making data readily available. It is estimated that two thirds of households donate regularly or occasionally. Over half of donors have yearly revenues of under 39,000 Euros and half are over the age of 60. Urban areas also donate more than rural areas. The current economic crisis has had an effect on donations since 25% of households have reported stopping donations altogether because they could not afford it anymore (Bekmezian, 2010).

In the United States, the Center on Philanthropy Panel Study reports that 65 percent of U.S. households make charitable contributions each year with an average contribution of \$2,213. Surprisingly, low income households give a bigger percentage of their earnings than other income groups. Similarly to the situation in France, households with a head 65 years of age or more are more likely to contribute (76 % rate of giving). Additionally, donations were greater in urban areas. Finally, 53 percent of donations concern religious entities such as churches, temples, etc. (Center on Philanthropy at Indiana University, 2008). Table 1 provides a comparison between NPOs in France and in the United States.

**TABLE 1**  
**NPOS IN FRANCE AND THE UNITED STATES**

	United States	France
<b>Government spending on NPOs (% GDP)</b>	13	29 <sup>a</sup>
<b>Percentage of population employed in NPOs</b>	6.9	4.2 <sup>a</sup>
<b>Prominent focus of NPOs</b>	Health Care Religious Institutions	Social Services
<b>Primary source of funding</b>	Private Donations	Government
<b>Percentage of population that contribute to NPOs</b>	65% <sup>b</sup>	67% <sup>c</sup>
<b>Average donation by private household</b>	\$2,213 <sup>b</sup>	€251 <sup>c</sup>
<b>Age group with highest giving rate</b>	65+ <sup>b</sup>	60+ <sup>c</sup>

<sup>a</sup>: Salamon and Anheier

<sup>b</sup>: Center on Philanthropy Panel Study

<sup>c</sup>: Le Monde, 2010

## **SOCIAL AND POLITICAL ENVIRONMENTS OF NPOS IN FRANCE AND THE UNITED STATES**

The environments surrounding NPOs' operations in specific countries have been investigated in multiple studies but there is a dearth of comparative analyses of NPOs' practices (Donilcar & Lazarevski, 2009). The most recognized study in this field was conducted by Salamon and Anheier (1998) for the Center for Civil Society Studies at Johns Hopkins University and centers on explaining patterns of non-profit development among countries. A decade later, as Dann et al report in their 2007 commentary on contemporary issues in non-profit organizations, social and political factors are still central to the marketing operations of NPOs (Dann, Harris, Mort, Fry, & Binney, 2007).

### **Social Environment: Demographic Makeup and Cultural Values**

The population of the United States (304 millions) is much greater than that of France (62 millions) and is also growing at a faster pace (1% vs. 0.5%) (World Bank, 2010). It is also younger since the median age in the United States is 36.8 versus 39.7 in France, as reflected with 12.8% of the population age 65 and over in the USA vs. 16.4% in France. A closer look at the makeup of each country's population reveals dissimilarities in income distribution and in the diversity of the population. Average income per capita is much lower in France at \$32,800 than in the United States (46,400\$) (Central Intelligence Agency, 2010). This is likely due to the higher French income tax rate but also the lower gini index for France (32.6 vs. 45 for the US).

France and the United States also foster rich ethnic subcultures. Due to their history in colonial times and more recently with immigration waves, they have very different minority groups. In the United States, the top four minority groups are Hispanic Americans, African Americans and Asian Americans. In France, minorities are mostly from former colonies in North Africa, Central Africa and Asia.

### **Political Environment: The Role of Government and Citizens Expectations**

As in other European countries, the non-profit sector in France dates back to the Middle Ages but it differs in that it was secularized and restricted at the beginning of the nineteenth century by the centralized state. Dating back to the French revolution, the state had the monopoly of public interests concerns but this tradition lost strength in the twentieth century and NPOs have multiplied in every field of public interest, especially after the Second World War. This trend was encouraged by the central and local governments in a period of decentralization and European integration (Archambault, 2001). However, French citizens are used to see government involved in the non-profit sector and expect most funding to come from the Ministère de la Jeunesse, des Sports et de la Vie Associative (translated, Ministry of Youth, Sports and Non-Profit "Life").

France and the United States may both be democracies but they have followed slightly different economic and political paths. France has adopted a more socialistic approach, allowing the government's involvement in key industries and in the non-profit sector. For instance, France has a national health care system while the United States still has a privatized one. This is a true reflection of what each of this country's citizens believes. And since French citizens expect government to provide NPOs with funding, they might not expect them to take a very commercial approach. This has been the case in Ireland, another member nation of the European Union where tensions have arisen from NPOs being perceived as overly concerned with the taint of money and financial matters and, therefore, moving too far from their voluntary or nonprofit roots. McGee (2009) explains that this can have negative consequences for NPOs marketing themselves since they are viewed as primarily volunteer activity and choose not to invest in their marketing effort, hence leading to a lack of development in the profession of fundraising (McGee, 2009).

## **NPOS MARKETING STRATEGIES IN FRANCE AND THE UNITED STATES**

It has been a long time since Kotler's seminal article in the *Journal of Marketing* where the author advised American NPOs to look at marketing beyond advertising and adopt successful marketing practices (Kotler, 1979). NPOs have indeed realized that focusing on customers can be a winning solution and bring about greater recognition and success (Andreasen, 1982; Pope, Isely, & Asamoah-Tutu, 2009). Since France and the United States have significant differences in their social and political environments, NPOs may have dissimilar management approaches and marketing goals. To illustrate such dissimilarities, we analyzed the information given on their web sites by two NPOs present in both countries that are completely independent one from the other, Feed America (FA) and its French equivalent, Fédération Française des Banques Alimentaires (FFBA).

### **Feeding America**

Feeding America (FA), formerly America's Second Harvest, is the United States largest network of food banks with a yearly budget of 706 million dollars. FA has an information-rich web site. A pop-up on the landing page invites visitors to donate to the organization and on each subsequent page one can visit a donation request is present. The site gives the option to register as member. It is visually pleasing with plenty of pictures and is easy to navigate. Information about key statistics and the location of food banks as well as how to help is accessible. This information is provided with the visitor in mind since he/she can take a course, Hunger 101, or even test his/her knowledge of hunger in America by taking the Hunger Quiz. Visitors can also be people in need of help since a tab "Get Help" is on the web site.

It is clear that Feeding America understands marketing concepts from its section titled "Our Brand", which explains the name switch from America's Second Harvest to today's Feeding America. It also details how the company plans to get greater awareness nationally (Feeding America, 2010). Additionally, it makes use of sales promotion tactics; currently, it offers a tote program: members register to contribute monthly and get a shopping bag. This way, donors can get recognized for their contributions by other members of society and at the same time protect the environment. Additionally, FA has partnered with Kraft Foods and is displaying the company's logo on its main page.

Communication is facilitated by a monthly newsletter which is sent to members' homes and to whoever requested it. Feeding America has also understood that it could reach more people by getting involved in social media. The web site provides a link to the organization's blog and invites visitors to "connect with us" on Facebook, Twitter, Flickr, YouTube and other social media platforms. Throughout the organization's site the tone is informative and engaging. There are plenty of facts and figures available nationally and locally. Actions and campaigns are detailed extensively and accompanied with plenty of pictures of "real people". Shots of children are well placed to guarantee an emotional appeal. Finally, FA's web site also reports on all the public service announcements made to promote the organization. Campaigns were created in partnership with the Ad Council.

### **Fédération Française des Banques Alimentaires**

The Fédération Française des Banques Alimentaires was created in 1984 to copy the American model and gathers formerly independent food banks. It is also a member of the European Federation of Food Banks. It has a yearly budget of 25 million Euros. The first impression made by the FFBA's web site is that it is very static. Even though it has very similar sections than its American counterpart, such as its partners, location, and newsroom, it is much less sophisticated and does not use any imagery. Donation requests are not omnipresent and the web site focuses on providing basic information about the organization, such as its mission, partners, and locations. The main focus of the web site is to inform possible volunteers of opportunities. Since only 13% of their funding come from private households, this approach fits their needs. The web site does not reflect a strong marketing orientation compared to FA's web site: there is no discussion of branding, communications or social media access. The tone of the web site is also much more rational and no emotional appeal is used. Concurrently, the web site is the same portal used by members of the organization since an intranet access is listed.

Interestingly, FFBA has also partnered with companies –since 49% of their food comes from food manufacturers and retailers— and Kraft is one of them. However, no logo is displayed on the site and the name of the company only appears on a list with others on the partners’ page. The site provides detail about where volunteers are needed and for what responsibilities. Not a single photograph is provided on the site. It is true that France has more stringent personal identity protection laws, but even the article reporting of the appointment of Alain Seugé, the current President of the NPO, does not provide a picture of him. Table 2 provides a summary of the differences between FA and FFBA’s web sites.

**TABLE 2**  
**CHARACTERISTICS OF FEED AMERICA’S AND FÉDÉRATION FRANÇAISE DES**  
**BANQUES ALIMENTAIRES’ WEB SITES**

	<b>Feed America Web Site</b>	<b>Fédération Française des Banques Alimentaires Web Site</b>
<b>Web site users</b>	Donors – People in need of help – Volunteers – General Public – Press	Donors – Volunteers – General Public – Press
<b>Donations requests</b>	Present on each page	Only on the “How to Help” page
<b>Program information</b>	Extensive including financial information and report on Hunger in America	Limited to a page with sources of funding and operating costs
<b>Pictures/graphics quality</b>	Multiple pictures	No picture
<b>Web site navigation</b>	Very easy to navigate Flash technology	Easy to navigate Static web page
<b>Tone/message</b>	Engaging the visitor Interactive tools	Neutral, informational
<b>Appeal</b>	Emotional	Rational
<b>Social media connectivity</b>	Blog Accessibility to Facebook, Twitter and other web sites	None
<b>Current Promotion</b>	Sales promotion: Tote	None
<b>Focus</b>	Donations	Recruitment of Volunteers

## **CONCLUSION: THE FUTURE OF NPOS**

In this study, the NPO from the United States was found to have a much stronger marketing orientation on its web site than its counterpart in France. This is partially due to the differences existing between these countries’ social and political environments. American and French citizens’ expectations and visions of the non-profit sector are dissimilar. Therefore, NPOs’ communications on the web site

reflect these differences. For instance, the French web site focuses on volunteers since most of its funding is provided by government and companies. It does not need to sell itself to donors, but to volunteers. The American web site on the other hand keeps its requests for donation omnipresent and rewards its members with free shopping totes. It addresses the needs of all, including those in need. It is a much more sophisticated web site that puts an emphasis on emotional appeals in its communications as illustrated with the large number of real people pictures. Following the current technology and communication trends, it also includes connectivity to social media portals. The French site alternatively remains static and simple, appealing to people's logic. It is not information-rich and is lacking pictures in its focus on recruiting volunteers.

Can we expect the differences found in this study to be sustainable? Considering that the environmental factors discussed will not change rapidly, the answer is in the affirmative. Each of the two web sites analyzed serves a different population. Further investigation may research the case of global NPOs with global web sites. How do they surpass such barriers? This study was exploratory in nature and will benefit from further research. More specifically, further study should survey American and French citizens to confirm their expectations of NPOs, especially of their web sites. A next phase would also be to survey NPOs' executives to understand how much marketing considerations weigh in decision making and web sites design.

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