

Integrated marketing communications as a relationship-building strategy literatur...

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Introduction

There are numerous non-profit donors in the United States of America. The country's non-profit sector accounts for a better part of the country's gross domestic product. As well, it employs a good number of the USA's workforce. The non-profit sector is exceedingly competitive, and many organizations constantly work to attract grant funding, donors, media attention, employees and volunteers.

Just like non-profit organizations, for profit organizations derive a lot of benefits as a result of creating a long lasting relationship with the organization's supporters (Weir and Hibbert, 2000). Gaffney (1996) demonstrates that an organization not only becomes profitable in terms of its net income. As a result, to effectively make investment in recruiting fresh donors, the organization needs to effectively to create long lasting relationships with nonprofit donors for a period longer than eighteen months.

For a good number of for profit and non-profit organizations, the stakeholders who are most important are the supporters who extend donations in form of time and money and the people that benefit from the services of the company (Venable et al., 2005). Communication strategies that focus on creating relationships have been proven to be effective for both the mentioned stakeholder groups (Weir & Hibbert, 2000). Bennett and Barkensjo (2005) carried out a study on five relationship building strategies with people who receive services provided by the human welfare in Britain.

These are relationship advertising, listening, two way communication, face-to-face contacts and database marketing. This literature review therefore demonstrates that long lasting relationships with non-profit donors is only attainable with effective communication and higher levels of satisfaction. The theory of communications relational dialectics can be used to explain the concepts of relationships with respect to organizations that aim to create long lasting relationships with nonprofit donors.

Literature Review questions

This literature review aims to expand the knowledge about the United States present organization's use of IMC to build relationships with stakeholders.

The goals of the research are: to describe the content and use of IMC tactics and to examine the success of those tactics in enhancing relationships. In particular, the literature review undertakes to review the theory of communications relational dialectics in creating long lasting relationships with nonprofit donors. The questions reviewed include:

- Is the success of given tactics relate to the success of building and enhancing relationships with specific donors?
- Do organizations that focus on building relationships as the basic organization strategy have longer average relationships with the donors than organizations that do not?
- What communication tactics are considered successful by organizations that give a high importance to relationship building?

The theory of communications relational dialectics

According to West and Turner (2004), Relational Dialectics Theory holds that relationships in life are characterized by endless tensions existing between impulses which contradict one another. The theory is made on the assumption that three basic tensions exist in any relationship. Additionally, Relational Dialectics Theory postulates that there is no universally accepted way to get rid of the existing tensions and therefore people in any form of relationship must learn various strategies efficient for managing them.

Stability-change, integration-separation and expression-non expression are the major tensions in relationships as identified in the theory of communications relational dialectics. As well, the theory goes ahead to demonstrate that each of the tensions occurs externally and internally.

Basically, individuals always are not able to find a solution to their contradictory elements such as beliefs, and continuously hold their incompatible beliefs about the relationship. This leads to an endless state of tension within the relationship.

The theory of communications relational dialectics proposes that the closer people become to each other, the more the conflict arises which eventually pulls them apart. In particular, individuals that spend a lot of time apart without any intimacy are likely to feel extremely alienated and eventually resort to abandoning the relationship. Applying this theory to the relationship between an organization and the donor, tensions can be in form of social commitment, monetary costs and emotional investment. Tensions vary from person to person. Therefore, organizations must learn to recognize that

relationships are never linear entities. Rather, they consist of undulation between desires which are contradictory.

The theory proposes that relationships can only progress when it makes part and parcel of it the elements like intimacy, certainty and self-disclosure.

Therefore, organizations must imagine creating long lasting relationships with nonprofit donors as a continuum of certain, less or more intimate and open. In the perspective of dialectic, complexity is taken as the only alternative to progress. Organizations must therefore employ complex and diverse integrated marketing communication strategies to enhance the relationship with the nonprofit donors.

Equally, the theory proposes the need for change. The theory identifies relationship change or process as the qualitative and quantitative movement through time in underlying contractions on which any working relationship is basically organized on. Essentially, the way an organization was when it started the relationship with the donor will never be the same the way it is today. There has to be a difference. However, the difference is not a linear movement towards an intimacy.

The theory similarly proposes that communication is critical to negotiating and organizing relational contradictions that may exist between the donor and the organization. Such contradictions, in the form of tensions like social commitment, monetary costs and emotional investment can only be effectively organized and negotiated through effective integrated marketing communication strategies. From this perspective, the organization is able to give life through its communicative practices to any contradiction that

organize its relationship with the donor. In particular, West and Turner (2004) notes that social reality of any contractions is specifically reproduced and produced by the actions of communication the social actors. Therefore, when an organization is engaged relationship advertising, listening, two way communication, face-to-face contacts and database marketing, it is expressing and is negotiating for closeness which creates a long lasting relationships with nonprofit donors. Conversely, when the organization fails to communicate, it is assumed that it is protecting itself and thus keeps itself from being very open with the nonprofit donors.

As the organization and the nonprofit donors solve the tensions through constant communication, the relationship and attractive to one another concurrently increases. The partners get motivated to continue the relationship because as openness and satisfaction increase, the number of available alternatives for achieving the same level of satisfaction decreases. Effective communication essentially removes tension by establishing customer loyalty with the nonprofit donor. Achieving this commitment level, or customer loyalty, is the ultimate goal of developing relationships for most organizations. Organizations must therefore constantly uphold the basic elements of the dialectical perspective, i. e. contradiction, praxis, totality and motion.

The totality perspective proposes that organizations in any relationship are interdependent. As one would expect, people are more willing to choose to support organizations that demonstrate high quality services and from which interdependent can be established. Volunteers and donors must develop a

trust that a given organization effectively uses their donations of time and money in a manner that enhances interdependence (Venable et al., 2005). As demonstrated by the theory of communications relational dialectics, supporters will only continue to donate money and time to a given organization when they are satisfied that there is no any tension in form of negative results.

How communication creates long lasting relationships with nonprofit donors

In any interaction involving human beings, communication is paramount. Through communication, people get to learn from each other and develop loyalty. It's good communication that keeps customers, and in order to develop customer loyalty, one must find the perfect way of communicating with customers. In profit organizations, customer is the king, and the organization must adopt the best possible ways of keeping the customers. For nonprofit organizations, the donor is the king, and the organization must aim at maintaining sufficient amount of donors. In order to maintain the donors, long lasting relationships need to be created between the organization and the donors. While various research studies focus on donor acquisition, very little has been done on how to build long lasting relationships with donors (Sargeant, 2008).

According to Sargeant (2008), the first academic research on donor retention was published in 2001. However, the state of knowledge regarding donor retention has not changed as the academic researches continue to emphasize on how to attract donors. The studies firmly focus on donor

attraction, with little or no attention on donor retention. As a result, much of the annual fundraising expenditure still goes for waste. In his first study on this topic in 2002, Sargeant identified that, small improvements in the attraction levels can generate significant improvements in the project's value. When an organization has lasting relationships with donors, the advantages are numerous.

Despite the potential benefits associated with building lasting relationships with donors, the scale of the opportunity remains as sizeable as ever (Sargeant, 2008). Sargeant, in one of his studies, observed that a typical charity will lose 50% of its annual cash donors between the first and the second donation, and about 30% annually thereafter. For regular and sustained donation, an annual retention rate of 20-30% is appropriate.

Donor retention, which is achieved through building lasting relationships, is driven by several factors such as donor satisfaction, donor commitment, and trust. Unless these drivers are monitored, it may not be easy to retain donors. It is only through communication that these drivers can be enhanced.

Donor satisfaction

The biggest driver that retains donors and builds lasting relationships is donor satisfaction with the quality of service (Sargeant, 2009). Considering customer satisfaction, customers who are very satisfied are six times more likely to purchase a given product than those who are just satisfied. The same applies to donors. Donors who are very satisfied with the service are more likely to be retained. According to research, very satisfied donors are

two times more likely donate the following year as compared to those who are merely satisfied (Sargeant, 2009).

It is therefore important for nonprofit organizations to measure the donor perceptions on the quality of service provided. This is only possible through communication. The organization should therefore develop an appropriate means of communication, tailored to that particular organization. The communication system should embrace openness (based on the context of the service). Besides, it should reflect the style and tone of communication, the communication patterns, the various ways through which donors can interact one on one with the organization, and the ways in which complaints or disputes are resolved, and the perception of the donor (Sargeant, 2009). The donors can also be asked directly how satisfied they are with the services of the organization. After identifying the areas of weaknesses that need improvement, the organization should develop the strategies to improve the services, and then communicate back with the donors.

Donor commitment

Communication greatly enhances donor commitment. Learning from the profit organizations, it's likely that even the customers who are very satisfied will eventually quit. Similarly, the donors who are very satisfied are likely to quit if they lack the commitment. By definition, commitment is the genuine belief or passion in what is to be achieved. Satisfaction, on the other hand, is a collection of past experiences. Donors have two types of commitments; passive and active. Through communication, a donor with passive commitment can easily be transformed into one with active commitment.

Trust

Trust is another important driver of long lasting relations. Once a donor trusts that the organization is capable of and willing to achieve its objectives and create impact on the beneficiary groups, the loyalty of such a donor is increased and a long lasting relationship is created. In order to build donor's trust, regular communication is very important (Sargeant, 2009). It's very important to provide regular feedbacks to donors, justifying the actions and the achievements. The organization should communicate how the beneficiary group benefited from the actions of the organization. The organization should keep its promises and honor them. It must also honor the promises it made to the donors. The organization should communicate to donors on how their money will be used, and provide evidence on how the money has actually been used. The justification for the decisions taken by the organization should also be communicated to the donors. Finally, the organization must ensure that the communication matches the expectations of the donors in relation to the frequency, quality, and content.

In his further research studies, Sargeant identified that effective communication should be customized in order to build a lasting relationship (Rice, 2009). When an organization customizes its communication -- whether email, phone call, or other similar means -- the attrition rates are likely to be low. Customizing is therefore the key to retention of donors (Howardlake, 2009; Jordan, 2009).

In conclusion, all the research studies about how communication creates long lasting relationships with nonprofit donors, have been conducted by

only one scholar, Adrian Sargeant. This clearly reveals that little is being done in this area. With only one scholar conducting the research studies, it is not possible to compare his findings with what others' findings. Even though all his studies were scientific in nature, various limitations occurred. In addition, Sargeant's findings should be subjected to further investigation to assess their consistency and make a bold conclusion. All in all, Sargeant's results are practical and always experienced in the everyday business life. It is true beyond any reasonable doubt that only communication can create a long lasting relationship between a nonprofit organization and the donors.

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