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What can Swedish Non-profit organisations employ from For-profit organisations' marketing and internationalisation operations?

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ABSTRACT

Title: What can Swedish Non-profit organisations learn from For-profit organisations' marketing and internationalisation operations?

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Background and problem: With an increased competition on the market for donations, NPOs (Non-profit organisations) may need to search for new methods to become more competitive. However, limitations exist to what extent NPOs can do with funds raised. Two important aspects studied are internationalisation and marketing where NPOs might learn from FPOs (For-profit organisations) to improve, however it is unclear what and to which extent.

Purpose: The purpose is to analyse and compare possible areas in marketing and the process of internationalisation where Swedish NPOs can learn from FPOs, in order to increase funds raised from the public and increase growth to further their cause.

Method: The empirical data has been gathered through qualitative interviews with seven Swedish NPOs which match the criteria of the 90- account. This material was in turn compared and analysed with the theoretical framework to reach relevant conclusions.

Results and conclusion: This study has shown that several NPOs that participated in the study are not international for various reasons; including lack of resources and that their causes are not applicable on the international market. Though, some participants showed interest in internationalisation. Further it was found that the marketing operations of the larger Swedish NPOs already function to a great extent like those of FPOs, and that the spectra of what they can employ is limited.

Abbreviations

FPO - For-Profit Organisations

NPO - Non-Profit Organisations

SIDA – Swedish International Development Cooperation Agency

SI – Svensk Insamlingskontroll

FRII – Frivilligorganisationernas Insamlingsråd

Key Words

Marketing, Internationalisation, Non-profits, Business, Relationship Marketing

Definitions

90-account - This is a so called controlled account which can be used when collecting funds for a charitable purpose. The account is granted to organisations by Svensk Insamlingskontroll who has responsibility to control these account and ensure the public that the funds are being used for the cause of the organisation.

Strategic marketing - A process where an organisation identifies its competitive advantages that it has in its market and thereafter the allocation of resources to capitalise on said advantages.

Relations marketing - This includes marketing activities which are aimed to develop and manage trust in order to create long-term relationships with customers or donors.

International – In this study the term *international*, in regards to NPOs, means that they conduct fundraising in another country than from where they originate.

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Outline of the Study

This study is composed of six chapters: Introduction, theoretical framework, methodology, empirical material, analysis and lastly the conclusion. The outline can be summarised as follows:

1. Introduction - In the study's first chapter, a background is provided as well as a problematisation of the discussed topic. Which in turn are followed by the study's purpose and research question, and in the end of the chapter the limitations of the study are presented.

2. Theoretical framework - Theories and research related to the subject is presented and discussed in this chapter. The chapter also includes internationalisation theory for FPOs and NPOs, the marketing mix, customer relationship marketing, definitions and purpose for NPOs and FPOs.

3. Methodology - Here the reader will find a description on how the empirical material for the study has been obtained, how it has been processed and discussed in the analysis. Furthermore, the methods are motivated and explained.

4. Empirical material - This chapter will present the findings of the qualitative interviews, which will serve as a foundation for the analysis and the answering of the research question.

5. Analysis - This chapter contains a discussion and an analysis regarding similarities or dissimilarities between empirical material and the theoretical framework.

6. Conclusion - The study ends with a cross-examination with the research question, purpose of the study and analysis leading to a conclusion to this descriptive study. Finally, there are suggestions for future research.

1. Introduction

This chapter will provide a background to the reader about the topic discussed. Further, there will be a problematisation of the issue. It will be followed by the purpose of this study and what research question that has been examined. This chapter ends with a discussion regarding the limitations of the study, followed by an outline of the study's structure.

1.1 Background

There are two types of organisations in modern society; those with the purpose to create a profit, and those without. Frumkin (2009) describes NPOs as providers of different products and services without compensation, which could vary depending on their cause, e.g. food and shelter to people that are subject to environmental disasters. These entities are funded out of goodwill by the public, other organisations and governments. The purposes of NPOs are linked with social goals which aim to benefit people in need (Oster, 1995). FPOs on the other hand, provide products and services which they sell to individuals, companies and organisations etc. with the main goal to make profit (Frumkin, 2009). In both cases funds are being raised, however in two very different ways. They use different terminology and have different purposes, with funds raised in the case of NPOs, and revenue acquired for FPOs. However, in general the idea to raise funds is the same no matter how they are obtained. Regarding the funding process which is a crucial part of NPOs and FPOs alike (Čačija, L.N 2013), it is being viewed in different ways. Even though both sectors are acquiring funds the NPOs' perspective is that they invest their funds and do not expect a financial return of their operations, while the other way is that the FPOs will require profit for their operations. NPOs and FPOs have some fundamental similarities in their day to day activities (Drucker, 2004). Essentially, a NPO is organised in the same way as a FPO, but is not perceived as one. A NPO fundamentally functions in same manner as FPOs with; business staffs, managers, sales operations, logistics, have meetings, write reports, strategic planning, financial discussions etc. The difference between NPOs and FPOs can be seen in what they as an organisation provide; where NPOs care for people and help those in need, while a FPO just provide another service to increase revenues (ibid). Profit oriented organisations are often expanding out into the international market and many NPOs have begun doing the same, however the way that it is done may differ (Anheier, 2014).

1.2 Problem Discussion

NPOs are small and their growth is slow while competition is increasing, and in order to further their cause and stay relevant on the market they need to evolve. According to Sargeant (2009), the majority of NPOs are small organisations that usually only employ a handful of people. A statement that is supported by Connecta (2012) who says that 24% of Swedish NPOs have less than 10 employees, and that 56% have between 10-50 employees. As previously stated, the growth is slow; in 2004 Swedish NPOs received funds from the public equivalent to 0.15% of GDP, compared to 0.16% of GDP in 2013[1]. Regarding the number of active NPOs in Sweden with a 90-account it has more or less been stagnant since 2005, when there were 388 organisations with 90-account compared to 404 in 2014 (Svensk Insamlingskontroll, 2014).

Despite the low growth on the Swedish market, 85% of the NPOs in Sweden claim that they are facing increased competition (Connecta, 2012). This increased competition can be explained by the fact that there are fewer donors than in previous years (FRII, 2015). Many large international NPOs such as WaterAid, Amnesty, Greenpeace, UNICEF etc. have established themselves on the Swedish market, which can also describe the increased competition. If the Swedish NPOs do not learn how to handle the increased competition and adapt, it will damage them in the long run.

In order to cope with this increase in competition, they could learn from FPOs. Considering the highly competitive market for FPOs they constantly have to optimise and innovate which ultimately leads to stronger organisations. If NPOs can reform their marketing operations to be more like those of FPOs or broaden their market to include other countries, they could potentially gain a competitive advantage. Kotler (1979) stated that marketing could greatly contribute to NPOs in order to help them grow and strengthen their contributions to society. However, despite this being realised as early as in the 70’s there has been inertia among NPOs to change their operations. One probable reason to this inertia is the perceived problem among the NPOs in Sweden that they always have to balance between spending raised funds to advertise their campaigns and marketing, and at the same time keep overhead low (Connecta, 2012), which

[1] 4073 / 2 660 957 ≈ 0.0015   5821 / 3 640 976 ≈ 0.0016   All numbers are in million SEK. (Svensk Insamlingskontroll, 2013; SCB, 2014)

would be a result from thorough scrutinisation of their expenditures and operations by the media and the public. This makes them reluctant to spend more funds on their operations (ibid), despite the fact that they actually can spend as much as 25% on overhead according to the framework that govern NPOs (Svensk Insamlingskontroll, 2006). Another probable reason is that many NPOs are run by idealists and not by market oriented people, making it so that they are reluctant and unable to work like an FPO since it would, in their point of view, have a negative impact on their credibility (Dolnicar & Lazarevski, 2009).

FPOs on the other hand, spend as much funds as possible on marketing and advertising until the investment no longer yield any returns (Pallota, 2008). By doing this, they can penetrate the market to a greater extent and have a higher success rate. This gap between actual spending of NPOs and the limit to their spending leaves a lot of room to increase expenditures on marketing. When a market is satisfied or slow-growing like the one described here, FPOs have two choices; they can either develop a new product or penetrate a new market, which often means internationalisation (Engdahl, 2006). In the case of NPOs they cannot develop new products in the same way as a FPO, meaning that they will either have to increase their marketing efforts significantly or enter new markets in order to grow, whether that means internationalisation or a new segment on the national market would depend on the organisation and its goals.

Can internationalisation be a solution for the problems NPOs are facing? Fundraising abroad could be a viable solution for Swedish NPOs. Since 2004 the overhead of Swedish NPOs have gone down from 12.2% of total revenue to 10.2% in 2013 (Svensk Insamlingskontroll, 2013). In New York, charities were found to have 20% overhead in 2014, of which 7.5% were spent on fundraising (BBB, 2014), and in addition to this; four out of five Americans think that NPOs should stay beneath 30% overhead (Gregory & Howard, 2009). In addition to this, if one calculate the average donation per person in a country one can see that Swedes donate €64,58 per person and year, while the same figure in the US is €849,80 and €249,20 in the UK (FRII, 2015). So if Swedish NPOs were to internationalise and go to countries with more lenient views on overhead and where the population is more generous; their operations would partially be released from the scrutinisation of the public, and they would also get much more room and funds to invest, which could further their cause.

In contrast to decreasing expenditures on overhead for Swedish NPOs, the marketing environment has changed in the recent years, NPOs have been historically sceptical towards advertising, and have seen it as unnecessary during a large period of time (Andreasen & Kotler, 2003). Now FRII has together with Connecta come to the conclusion that the industry has to become better and more innovative in its marketing (Connecta, 2012). Marketing is more than the promotion and selling of goods and services and many NPOs have been misapprehending it as such, and that it is used to ‘’sell people things they do not need’’ (Dolnicar and Lazarevski, 2009).

In summary, there are a few critical issues for NPOs. Firstly, there is the increased competition from other NPOs and the media static (the crowding of the media sphere) and its consequences for NPOs. Secondly, the very slow increase in donations from the public. Thirdly, there is the conflict between staying ahead of the competition and keeping expenditures low which are resulting in a counterproductive dualism (Pallota, 2008). Considering the enormous competition within the private sector, the NPOs may learn a lot from looking into their practices in order to improve their marketing and receive more funds from the public. The increased competition for NPOs in Sweden can be used to achieve success through innovation and by becoming more efficient. More than 75% of the NPOs in Sweden claim that it is hard to have an impact through media (Connecta, 2012), so if they want to grow and outclass the competition on the market, the NPOs in Sweden could gain a competitive advantage by learning from FPOs.

1.3 Research question

What can Swedish Non-profit organisations employ from For-profit organisations’ marketing and internationalisation operations?

1.4 Purpose of the study

The purpose is to analyse the marketing and internationalisation operations of Swedish NPOs and compare them to the operations of FPOs in order to see if the NPOs can be developed to be more similar to FPOs when it comes to marketing operations and internationalisation. The aim is to help them improve fundraising and let them expand and further their cause.

1.5 Limitation of the study

The NPOs that are participating in this study are all geographically based in Sweden, thus the situation may differ from that in other countries. Given the extent of FPO and NPOs' operations it would be impossible to cover the whole spectra within the frame of this study, instead, focus will be put on the NPOs' marketing, and focus has been put on their operations towards private contributors.

2. Theoretical framework

The second chapter will describe the relevant theories acquired from previous studies. Firstly, a definition of FPOs and NPOs will be provided, followed by a general definition of marketing. Thereafter, a description of the theories discussing marketing FPOs and NPOs is provided. This chapter ends with a summary of the theories that have been discussed.

2.1 Definition and purpose of NPOs

The term *NPO* is in a way self-explanatory, it refers to an organisation whose aim is not to generate profit, and it includes a great variety of organisations ranging from hospitals, education and research, to just mention a few. They also rely on the public's goodwill. Another fact put forward by Frumkin (2009), are that what binds these organisations together are not their day to day operations, but rather the purpose and structure of them. Regarding the purpose and structure of these NPOs, there are three main features that Frumkin mentions. Firstly, the NPOs cannot force participation from volunteers, as opposed to employees. Secondly, they do not distribute profit to stakeholders, but rather reinvest the funds into the organisation. Something that Burton (1998) endorses; '*'Production is not governed by the maximization of profit and there are no legal claimants to any of the revenues.''*. This is the definition that will be used throughout the study. Thirdly, there are no clear lines of ownership and accountability, since the organisations are equally responsible to their donors, donees and all the other stakeholders that the organisations have (Buddhika, 2014).

According to Holland and Ritvo (2008) there are four reasons main why NPOs exist. Firstly, because of *thin markets*; the demand for services is too small for a business to make a profit, giving room for a NPO to provide the service. The second reason has to do with public goods, *the government failure theory*; the NPOs develop and distribute services where there is a decline in governmental support. The government failure theory is supported by Sargeant's (2009) claim that NPOs deal with politically unpopular issues that are neglected, simply because they are not important for many voters. Thirdly, Sargeant (2009) and Buddhika (2014) state that there is an opportunity for NPOs where the *contract failure theory* is present. The contract failure theory states that it is hard to evaluate the quality of e.g. a health care program, and that if a FPO offers such a service it is not possible to know whether they are going to reduce the quality in order to cut costs. It is also believed that the NPOs have fewer incentives to this; they are more reliable and can provide a better quality service. Fourthly, *the equity promotion*, meaning that people in need which cannot afford the services of FPOs will have to turn to a NPO for help.

2.2 Definition and purpose of FPOs

What characterises a private firm according to Burton (1998) is that such an organisation is completely dependent on revenue from sales of goods and services which are known as "commercial activities", and that these are produced in a way that they can sell them with a profit and organised in such a way that the production costs are minimised. Furthermore, Burton says that the FPO will provide outputs to all that are willing to pay more than the marginal cost of production and giving nothing away unless it will generate sufficient revenue from other sources. The situation that Burton describes is the normal scenario, though it might be different under certain circumstances, e.g. when a company has too many products in stock and sells them at a lower price. Friedman (1970) states in his article *The Social responsibility of Business is to increase profit* that the sole purpose of a business is to increase value for its shareholders by generating profit and reinvesting them into the company. Friedman argues that in a free enterprise the corporate executive is an employee to his owners, to whom he has a responsibility. This responsibility is to conduct the business in accordance with their desires which, according to Friedman (1970), is to make as much money as possible. However, he includes that in some cases the employers from philanthropic companies might have different objectives, where the manager's sole purpose will not be profit.

The term *FPO* or *business* covers a wide range of organisations. Within the European Union there is a definition called SME (Small and medium-sized enterprises), and in order for organisations to fit within that definition they cannot have more than 50 employees or €50 million turnover (European Commission, 2015). Within the EU, more than 99% of all FPOs are SMEs (ibid), also, the vast majority of the Swedish NPOs fit within this definition (Svensk Insamlingskontroll, 2013), therefore the authors argue that it is a fitting definition for FPOs in this study. Hereafter, when the study refers to FPOs it is the EU's definition of SMEs and Friedman's definition of Businesses that will be used.

2.3 Definitions of marketing

In 1975 Kotler defined marketing as: "*Marketing is the analysis, planning, implementation and control of carefully formulated programs designed to bring about voluntary exchanges of value with target markets for the purpose of achieving organizational objective*s" (Kotler, 1975, pp. 5). Another definition of marketing proposed by The American Marketing Association (2013) states that: "*Marketing is the activity, set of institutions, and processes for creating communicating, delivering and exchanging offering that have value for customers, clients, partners and society at large".* Both definitions talk about the exchange of value which can be further strengthened by the Chartered Institute of Marketing (2001) which define marketing as "*The management process of anticipating, identifying and satisfying customer requirements profitably*" where the ending words connect the two former statements about marketing.
Baines, Fill and Page (2011) argue that the definition of marketing has changed over time where new concepts have risen and former ones become less relevant, such as the transactional concepts with pricing, promotion and distribution to more relationship-centred concepts including customer trust, risk and commitment. They further say that this change has become clearer with the increasing involvement of NPOs in the field of marketing. These mentioned definitions of marketing given by Kotler, the American Marketing Association, Chartered institute of marketing and Baines, Fill and Page all refer to the marketing operations of FPOs in general.

Kotler (1975) has defined the social marketing for NPOs as: "*Social Marketing is the design, implementation, and control of programs seeking to increase the acceptability of a social idea or practice in a target group*" he continues by reasoning that this form of marketing utilizes concepts of marketing segmentation, consumer research, idea configuration, communication, facilitation, incentives and the exchange of theory to maximise the target group response. This definition is backed by concepts where Kotler says that social marketers typically try to change the attitude or behaviour of target markets, they aim to serve the interests of the target market or society without personal profit as well as that social marketing typically markets the ideas themselves rather than certain products or services. Sargeant (2009) supports Kotler's definition from 1975 and he also backs Kotler and Levy's (1969) statement that marketing is "*sensitively serving and satisfying human need*", which claims that marketing removes the emphasis of profit and moves it to the need of society, which characterises the NPOs' core. Kotler's (1975) definitions of marketing and social marketing are the ones that will be used throughout this study. The authors argue that these are well-recognised and precise definitions that are made by one of the leading researchers in the field, and therefore they should be recognisable and understandable by a broad audience.

2.4 Characteristics for FPO and NPO marketing

In 1969 Kotler and Levy stated that both FPOs and NPOs may utilise different marketing methods in their operations. They say that these organisations may use marketing for other purposes than the sales of products. However, Kotler and Levy argue that NPOs are sometimes sceptical against the use of marketing. They find that marketing may harm the organisation; since the use of marketing can be seen as waste of resources which does not further the organisation's cause (Andreasen & Kotler, 2003). Pallota (2008) claims that NPOs are frugal because of the notion that as much money as possible should go to the cause, and therefore they are reluctant to make expenses. He also claims that their view on marketing and expenses is in great contrast to that of FPOs, that spend vast sums of money on marketing until the investment no longer yield any return.

In his literature, Sargeant (2009) discusses the NPOs' attitude towards marketing. Many of them have the belief that marketing is something unnecessary, a belief that stems from their view that the work NPOs are doing is worthwhile, and therefore worthy of support for its own sake. Many NPOs have causes that in their nature are hard to articulate into clear messages for marketing (Connecta, 2012). To perform heavy marketing under such circumstances may lead to unclear messages which are received with scepticism by the public, making it so that the marketing strays away from its main purpose and becomes counterproductive (Andreasen & Kotler, 2003). The need for marketing has increased in the NPO sector since there is a growing competition between the NPOs for funds for their different causes (Häger Jönsson, 2011; Murray & Carter, 2005). To deal with this competition NPOs have found marketing to be necessary, however it has been found difficult for them to use traditional commercial marketing methods since FPOs and NPOs have different objectives with the marketing (Rothschild, 1979; Andreasen & Kotler, 2003).

Bains, Fill and Page (2011) find the reason for the difference in objectives to be in the nature of the relationship between customers or donors in the FPO and NPO sector. In the FPO context, marketing fills the function of developing goods and services which are to be sold to customers, with the hope that this will lead to increased revenue, ensuring future production and sales (Sargeant, 2011). In the case of NPOs, the individuals which donate funds are rarely the ones that will benefit from the services that the NPOs provide, hence there exists a clear distinction between the resource attraction and resource allocation (Ibid). According to Sargeant (2011), two different segments exist in marketing for the NPO sector, firstly is the marketing which is aimed for *donor recruitment* which focuses on bringing in new donors into the organisation (Ibid). Secondly, the *donor development*, where the aim is to retain and develop these donors over time (Ibid).

FPOs often use the traditional marketing's 4Ps to meet the needs of the customer; among these we have Product or service, the Pricing structures, Place or distribution elements and Promotion (Bains, Fill, Page 2011; Brennan & Brady 1999). However, when it comes to the NPOs, these have not been as successful. The problem lies with the Product part which is not compatible with NPOs since they often do not offer an actual product (Brennan & Brady 1999). Furthermore, Bains, Fill and Page (2011) bring up the 7Ps of service marketing which adds three more points to the original 4Ps. Firstly, there is 'People' that describes the importance of how the provider of the service is perceived by the customer since this might affect the quality of the service. Secondly there is the P for 'Physical Evidence' which brings forth the issue that since a service is intangible, it might be hard to measure its quality at first sight and therefore providing some kind of tangible product could strengthen the quality. Lastly is the P of 'Process' which brings up the importance of the process of delivering the service. Kotler (1975) has stated that NPOs are more likely to utilise Social marketing. This area has its own set of 6 Ps with the Social marketing mix

(Sargeant, 2011). The first of which Sargeant mentions is Product; however in this context the product is the actual idea which the organisation wishes to get across to the customer. Kotler (1975) supports this idea when he compares the differences between Business marketing and Social marketing and states that these social marketers communicate the organisation's idea rather than a product or service. Further, Sargeant includes Price which can be regarded as the monetary costs associated with adopting a change in behaviour in the contributors. Place, also a part of the traditional Ps can be found in the Social Marketing Mix, and here Sargeant refers to the location where any service component of the social marketing campaign will be done. The Promotion part is described as which campaigns that the NPOs will utilise in the marketing process such as, advertising, public relations, sales promotion and direct marketing to reach their targeted audience (Sargeant, 2011). Additionally there is the Partnership, as it is suggested that many NPOs may be too small and lack the resources to make an impact on their own and therefore must seek potential partnerships with organisations that share similar goals (Sargeant, 2011). The last P that Sargeant mentions is Policy, which aims to influence both individuals but also Governments to change behavioural patterns. These six Ps show that in the Social Marketing context, we are not concerned with the physical products or services which are essential in traditional marketing (Ibid).

Dolnicar and Lazarevski (2009) state that NPOs have had problems with applying traditional FPO marketing concepts for their operations, meaning that they do not have an understanding of the customer and that their operations are not based out of the what the market desires. They state that instead of having a *customer-centred* approach NPOs tend to have an *organisation-centred* approach to their marketing, and that they may mistakenly believe that their service or product is needed on the market. According to a study conducted in Australia, The United Kingdom and the US; only a very small number of NPOs use some kind of strategic marketing, and the majority show a noticeable shortcoming of understanding of what marketing really is and that they mainly focus on sales and advertising (ibid). The same study also showed that only 18% of the people working with marketing in NPOs have a higher education in that field.

For the FPOs it is necessary to conduct relation based marketing with their customers (Grönroos, 1990). In order for a relation to be realised, there must be a relationship commitment, meaning that one part is willing to invest considerable time in the client to maintain the relationship in the long-term (Morgan & Hunt, 1994). According to Grönroos, FPOs use relation based marketing in order to create, maintain, improve and commercialise the relationships to the customers, attained through a mutual exchange and fulfilment of promises. This is something that can be used by the NPOs and their contributors as well in order to create a competitive advantage (Sargeant, 2001). Sargeant also claims that relationship marketing could be extra beneficial for NPOs. The customers rarely look for the cheapest product or service, but rather look for something that they can relate to on a personal level (Grönroos, 1993), an insight which could be useful for NPOs. In addition to this, Meijer (2009) argues that the reputation is an important factor when it comes to the fundraising, where there is a strong positive correlation between a good reputation and the amount of donors an organisation has. Meijer's arguments are supported by Morgan and Hunt (1994) who emphasises the importance of trust in the relationship. Nevertheless, having a relationship with an individual is not enough; he or she must be converted into a customer or contributor. Bruhn (2003) argues that all the FPOs' actions should relate to the *management of expectations*, meaning that the organisation should give the customer a better idea of what the organisation is offering, and that this should be done with both push and pull promotion. Bruhn (2003) describes push promotion as when the company provides information without it being requested, and that pull promotion is that the information is given when the client requests it. Smith (2011) argues that this should be done systematically by the FPOs according to a promotional calendar, where a part of the communication should focus on creating and maintaining the relationship, and one part should consist of actively promoting the product or service.

2.5 Internationalisation

Calof and Beamish (1995) define internationalisation as: "The process of adapting exchange transaction modality to international markets". It can be said that internationalisation is a series of critical steps that the organisation needs to go through in order to understand the motives for internationalisation, which markets to enter and how to enter them are the most important (Andersen, 1997). Regarding the FPOs' motives, there are two different factors that are relevant; the push factors consisting of industry competition, economy, legislation and domestic saturation, and the pull factors such as economic and political stability, new opportunities and access to resources among other things (Etemad, 2004). The natural following step would be for the organisation to choose which country to enter, corresponding to their strategic needs. Finally, they have to decide which method of entry that they will use (Sakarya, Eckman, & Hyllegard, 2007). There are four main motives for internationalisation according to Dunning and Lundan (2008); natural resource-seeking, market-seeking, efficiency-seeking and innovations-seeking. Where natural resource-seeking is the firms need to obtain resources such as e.g. oil and minerals. Market-seeking refers to organisations' will to serving their customers in a better way. The efficiency-seeking motive is when the organisation is optimising its production cost reductions. And lastly, innovation-seeking firms are looking to facilitate learning and access know-how on different markets. In addition to this, Engdahl (2006) argues that there exist two main motives for the internationalisation of FPOs, economic reasons and non-economic reasons. Concerning Engdahl's economic justification for internationalisation, there are three main reasons; Expansion aspirations based on the abundance of personnel, capital, know-how and commodities. The possibility for increased revenue with competition in pricing and higher level of usage of their research and development centres. Securing resources abroad is an aspect for the internationalisation together with the procurement of a larger market, adapting to a new market to avoid being ousted from that market in the future due to custom laws. Regarding the non-economic reasons they include; the distribution of welfare and the unidentified background causes connected to personal reasons within the company (Engdahl 2006). Expanding internationally requires a well-planned strategy to be successful. The Product and Market Grid Strategy with basis in the Ansoff matrix, which was developed by Ian Ansoff (2007), is one of the methods used as support by FPOs when planning expansion, often internationally (Engdahl, 2006; Stone 2001). The Ansoff Matrix has traditionally been used for product based organisations, but is still applicable for the service industry (Andersen & Kheam, 1998; McDonald et. al, 2011)

Market/ Product	Present products/services	New services/products
Present Markets	Market penetration	Service/product development
New Markets	Market extension	Diversification

Own Table: Table 1 - Based on the Ansoff Matrix

As shown in the table, it includes four different elements of which market penetration is the first, where the goal is to increase the existing share to facilitate further growth (Ibid). In market extension the product or service is taken from existing markets to new ones. The product development is either; modifying the current product, or developing new ones. The last of the elements is diversification, which is bringing completely new products to old markets, old products to new markets or a mix of them (Ansoff, 2007; Engdahl, 2006; Stone 2001).
Another internationalisation strategy presented by Engdahl (2006) is the Guerrilla tactic, which focuses on growing without drawing substantial attention from other competitors. He states that the companies should combine different countries with different markets, and starting off with small segments in the market which could lead to future growth. Reasons for considering international expansion can be found in the product life cycle (Engdahl, 2006). FPOs go through the normal product life cycle which consist of, Introduction, Growth, Maturity and Decline with each of their products and services, however the time differentiates (ibid). When they have reached the stage of maturity companies have the choice of developing a new product or entering a new market, which might be in another country (Ibid).

For the NPOs, it is not very common to see them using the product life cycle since they do not see themselves producing a normal product. However as McLeish (2010) states, the adaptation of this method to NPOs might increase their economic viability. McLeish argues that by doing this, the NPOs could improve the success of new market entries and develop astute competitive moves in these markets. Regarding the internationalisation of NPOs, the major theories mainly discourse their activities to further their causes (Buddhika, 2014). However, Aldashev and Valdier (2009) argue that one of the key reasons for internationalisation of NPOs is because of the domestic competition for donors. The organisations may have come up against donor saturation in their home countries, and by going to foreign countries they may reduce the costs of donor recruitment and increasing their scale of donors. Aldashev and Valdier argue that by creating these affiliates around the world to recruit new donors they become international entities similar to the FPOs multinational firms, and with these cross subsidised affiliates they can protect themselves from falls in donations if there were to be any negative impacts in one of the countries.

Buddhika (2014) continues to mention that there are two theories of internationalisation that relates to their structure; firstly, there is the will to share knowledge with other NPOs in order to increase efficiency, and secondly, they have outgrown their home markets (ibid). Concerning the market choices of NPOs, the factors that influence them are relatively unknown (Brass, 2012). Finally, considering the entry mode of NPOs, they are not in the same need for market control as FPOs according to Buddhika (2014), as long as they can carry out their mission. Therefore, Buddhika further argue, NPOs prefer shared control entry modes if they can find a suitable partner.

2.6 Aspects of International Marketing

Regarding international marketing, there are two main lines of thought, localisation and standardisation (Kanso & Kitchen, 2004). The standardisation approach argues that the customers throughout the world are so similar that the product, service or marketing should be the same no matter which market that is being targeted, while localisation means that the same content should be tailored to the specific desires and needs of each respective market (ibid). However, it is important for the organisation to decide the level of standardisation or localisation, how much or little and how they should change their content or service in order to appeal to a specific market. Subhash (1989) discourse three main things an organisation needs to focus on in regards to this; Market development, market conditions and competitive factors. Naturally, different markets are in different stages and it can be connected to the product life cycle, as described in the section above. Therefore, it is advisable that the organisation that approaches a new market change their marketing efforts according to the phase that market currently is in.

Secondly, the organisation needs to focus on market conditions. Subhash further argues that there are three market conditions that are important in regards to standardisation; these are cultural differences, economic differences and differences in the perceptions of the customers. Thirdly, Subhash brings up competitive factors as a critical point of international marketing. If the organisation is market leading in their domestic market and in its foreign markets, standardisation is advisable. On the other hand, if the organisation is not in a leading position it is necessary to gain an advantage to its rivals by delivering a product or service that is precisely catering to the local conditions. Furthermore Czinkota and Ronkainen (2012) argue that the main goal of the product development process is not to create a standardised product but more to make the products adaptable, which enables them to attain worldwide appeal.

Apart from what has been mentioned above, the methods and principles for international marketing are the same as for domestic marketing, e.g. the 7Ps and the importance of relations and their commercialisation.

2.7 Summary

Throughout this theoretical framework it has been shown that there exist differences between the traditional marketing for FPOs and NPOs, especially when the difference in Social Marketing and Traditional Marketing are presented. NPOs have begun to adapt to increased competition and the result is a perceived increase in the need of marketing. The methods that they can use in response to the increased competition are often revised versions of the FPOs’ methods, e.g. the 6 P’s of the Social Marketing Mix, but in general there is a lack of theories compared to the abundance of theories for FPOs. This is especially true when it comes to the international aspects of NPOs. Compared to FPOs there is little research done on how NPOs should internationalise their organisations, but it is shown that the reasons and strategies for the NPOs’ internationalisation differs from that of the FPOs. The main ideas from this chapter have been summarised in the table below.

	NPO	FPO
Definition & Purpose	- Dependent on the public's goodwill. - An organisation that does not maximise profit and there are no legal claimants to the revenues. - Using their resources to increase welfare in the world.	- Dependent on commercial activities. - To maximise the profitability of the entity and the shareholders' value. - SMEs have no more than 50 employees or €50 million turnover.
Marketing	- They market an idea rather than a product, making it hard to articulate clear messages. - Little experience with relation based marketing. Customers seldom look for the cheapest product, but something they can relate to, a possibility for NPOs. - Frugal when it comes to expenditures. - Have traditionally been sceptical; have begun to see the need for ameliorated marketing. - The donors are not the ones consuming the service. - Organisation-centred approach to marketing.	- Market services and products to gain revenue for further production. - Successful with relation based marketing via management of expectations in a systematic approach. - Invest in marketing until it no longer yields any return. - Customer-centred approach. - Use known marketing approaches such as the 4 Ps or the 7 Ps. - Standardisation and localisation are important aspects of international marketing.
Internatio-nalisation	- Driving factor comes from the organisation's cause and not from economic or organisational reasons. - Some argue that driving factor is donor saturation in the home market. - Timing for internationalisation could be explained by the product life cycle. - A mean to stabilise fluctuations in the fundraising.	- Both economic and non-economic reasons behind internationalisation. - There are push and pull factors in each market. - Timing for internationalisation can be explained by the product life cycle. - A mean to increase their market and achieve economies of scale.

Own Table: Table 2 - An overview of the theoretical framework.

3. Methodology

In the third chapter there will be a description and justification of the chosen methods. It will also include an explanation and motivation of the chosen research approach in addition to a description regarding the theoretical framework and collection of empirical material. Also, there will be an explanation of the procedure and execution of the methods. The end of the chapter will discuss the choice of method for the analysis, the ethical position and the quality of the study.

3.1 Scientific approach

When choosing a scientific approach to the study it must be relevant to the study's problem and research question, therefore the authors have chosen the heuristic approach in this study. According to Moustakas (1990) the heuristic approach is a mean to interpret qualitative data in its context for the sake of understanding why and how certain phenomenon occurs. In order to discover whether NPOs can learn from FPOs or not, it is important to understand ‘’why’’ and ‘’how’’ things are the way they are, whether the structures would allow it or not. The heuristic approach is also supported by Yin (2009) who claims that those questions are adequate for analysing events that cannot be manipulated by the researchers, due to the questions explanatory nature. In order to get this understanding of ‘’why’’ and ‘’how’’, one can use the *hermeneutic circle* (Alvesson & Sköldberg, 2008). According to Alvesson and Sköldberg, the hermeneutic circle accentuates the importance of the understanding of separate parts in order to fathom the whole story, thus constituting a circular way of understanding, as an individual part or the whole text cannot be understood without reference to each other. Since the aim of this study is to compare the empirical material to the theory in order to find possible solutions, it is crucial to acquire insights on how they are related to each other. Therefore, the heuristic approach was chosen for this study.

3.2 Research method

3.2.1 Qualitative method

When conducting studies as this, there are two common approaches to research methods which include the qualitative method and the quantitative method (Creswell, 2013). Creswell describes the quantitative method as a method involving the processes of collecting, analysing, interpreting quantitative data and later writing a result of the study. This survey design is comprised with numeric descriptions of trends, attitudes opinions of a group of people to help understand a specific phenomenon and later reaching a result (Ibid).

Studying in a qualitative manner is generally done, according to Ritchie et.al (2013), in an interpretive way which is concerned with studying a phenomenon from the interior by taking perspectives and accounts from reach precipitants as starting point of the study. Further they say that a common method of study in the qualitative area is by in depth interviews performed to study certain phenomenon and later analyse the results to reach a conclusion from the questions at hand, this will lead to a deeper understanding of a complex problem.

3.2.2 Justification of the choice of research method

This study is aimed to solve the question of whether NPOs can learn from FPOs in the area of marketing and internationalisation in order to increase growth and their competitiveness. Since there exist two separate forms of marketing, one for each organisational form, the study uses in-depth interviews to see if and to what extent NPOs use these two forms of marketing, and what they eventually could learn from FPOs. With the qualitative method, the objective is to analyse a number of subjects to increase the understanding of how the NPOs operate in the studied area by conducting interviews and reviewing relevant research. This method will help enlighten the choice of marketing and see the processes which NPOs take as well as finding key drivers in marketing and internationalisation.

The research question aims to find out what NPOs can employ from FPOs, and in order to answer that we must get a broader understanding of the context, therefore we must answer questions such as “Why and how” are NPOs operating like they do in order to find out what they actually can employ. Since the research question is not “How much” they are gaining in terms of numerical numbers, the quantitative method could be ruled out. Although, Bryman and Bell (2011) argue that the qualitative method is too subjective, meaning that it rely too much on the researchers' biased views. The aim of the study is to interview representatives from NPOs in Sweden to learn about their practices and values to find get a deeper understanding for the topic and find areas for amelioration, and not about statistics or numeric descriptions of their operations. Against this background, the authors chose the qualitative method.

3.3 Research approach

When one is considering a research approach for the conducting of a study as this, Alvesson and Sköldberg (2008) describe three different options which are, inductive, deductive or abductive. Each one depends on how the research will be conducted. Considering the lack of theories for internationalisation and marketing of NPOs, the inductive approach could have been used to forge new theories. The inductive approach is used when there is a lack of theories regarding the topic and general conclusions may be drawn from the empirical observations (Pålsson, 2001). In contrary to the inductive approach, the deductive approach is used when the aim is to test theories by performing empirical studies and creating generalisations from these results. Finally, there is the abductive approach which is more commonly used when case studies are included in the research and allows own interpretations from the researchers. An abductive approach is, according to Pålsson (2001), when existing theories are analysed and compared to the empirical material and are either accepted or repudiated. For this study in-depth interviews for the empirical part were used, as well as a theoretical framework to explain how NPOs handle marketing questions and the prospects of internationalisation. For this reason the abductive approach would be appropriate, as it would be a tool for identifying the core of this study; to see whether NPOs can learn from the FPOs when it comes to marketing and internationalisation.

3.4 Developing the theoretical framework

3.4.1 Literature sources

To create a theoretical framework the use of different forms sources are necessary such as primary, secondary and tertiary (Saunders et.al, 2003). Firstly we have the primary sources which are often studies made about subjects that have not been researched before and therefore find explanations for certain phenomena and provide reports. These are often trustworthy and the use of them is preferable when conducting studies in the same area. However they are not easily found and the use of our second form which is tertiary sources comes in hand. Tertiary sources include tools such as the Internet where search engines and different databases supply data for the study therefore these two complement each other well. The last form of literature source used are the secondary sources, these are created from already existing researches that have been conducted. It could be described as primary sources which is written and published again; it includes both books and journals. Using of this form of source saves time for the researchers as they have already been studied and can provide a foundation for future research (Saunders et.al, 2003). One can find these most commonly in academic journals which are thoroughly assessed before being published to ensure its reliability and quality.

This paper will use all three forms of literature sources which include the use of: Databases, search engines, journals and books when researching for the chosen topics. This will help create a better understanding of the area of study. It aided in the formation of the theoretical framework with literature relevant for the foundation, to later be compared with the findings from the collection of the empirical data.

3.5 Method for empirical material collection

3.5.1 Primary Sources

In order to conduct a qualitative study the empirical material should be acquired from an original source through interviews, observations, etc. (Ritchie et.al, 2013).

For qualitative studies Lantz (2007) recommends an open directed interview, meaning that a broad issue is illuminated with questions regarding the issue and the interviewer will immerse him- or herself in the questions that the participant finds important. Larsen (2009) on the other hand, argues that a semi-structured interview is better for time restricted studies and where the interviewers lack relevant experience. Therefore, the authors decided that the semi-structured approach would be used for the study, ensuring open answers from the participants and at the same time guiding the conversation. The study's aim with this was to gather ample and relevant empirical material in order to compare the answers to the theoretical framework of NPOs and FPOs. The interviews were all conducted via telephone and with the same main questions and format, facilitating the answers' comparability.

Given the nationality of the authors and participants in the interviews, the interviews were held in Swedish. All the empirical material gathered through the interviews has thus been translated into English by the authors. The study was shared with the participants of the interviews, ensuring that nothing had been misinterpreted or changed in translation.

3.5.2. Secondary Sources

Articles, online books and web journals have been found through the use of the search engine Google Scholar and the Gothenburg University Library database (GUNDA). Keywords used for this search were: ‘’Non-profit marketing’’, ‘’Non-profit internationalisation’’, ‘’Non-profit fundraising‘’, ‘’shareholder value’’, ‘’relation based marketing’’ and ‘’competition Non-profit’’ among others. The search results corresponding to the keywords were then looked through in order to single out sources that were relevant and used in this study. Complementary to the searches online, physical searches at the University of Gothenburg's different libraries have been done, which facilitated the process of finding relevant literature. All in all, the sources used as the foundation to this study were a result of these searches.

3.5.3 Sampling and Choice of Sources

When conducting case based studies there are two main methods for sampling sources. Firstly, there is the probability sampling method which is representative for the population; secondly, there is the non-probability sampling method, which in turn is not representative for the population (Quinlan, 2011). Considering the small number of cases, the chosen method in this study would be the non-probability. Naturally, with such a small sample the qualitative research is restricted and therefore generalisations should not be made according to Bryman and Bell (2011). With this in mind, it is of importance that the cases chosen will return relevant and extensive data for the study. Therefore, a purposive sampling method has been used in accordance with Yin's (2009) theories to create a transparent linkage between the study and the cases. This resulted in four criteria that were designed to choose suitable cases.

1. They should be NPOs,
2. They should be based in Sweden,
3. They should have a 90-account,
4. They should have at least one person assigned to work with communication/marketing

From these criteria, the authors contacted organisations with an invitation to participate in the study and those that responded are the ones seen in this study. As earlier mentioned, Ahrne and Svensson (2011) claims that six to eight interviewed people is enough to gather enough relevant data for a qualitative study, thus arguing against Bryman and Bell. For this study, six people representing seven organisations have been interviewed. The objective with the sampling is to get diversified empirical material, therefore organisations of different size and with different causes have been asked to participate in the study. With the diversification of the empirical material, the study might achieve a more complete view of the Swedish NPOs' context and the study might better grasp the ''hows'', ''whys'' and ultimately the ''whats'' of their operations.

3.5.4 Justification of the Choice of Sample

In order to be able to perform a cross-comparison between empirical material, theory and the organisations in the study, empirical data from NPOs was crucial. Few studies have been made on this topic in the past, and in order to acquire the information needed for the study, it was essential to interview organisations representative to the diversity of the Swedish market, meaning that NPOs with different causes was targeted. Furthermore, in order to ensure comparability between the organisations, they needed some similar characteristics such as origin; personnel dedicated to marketing, consumers/private donors as their main focus and their relationship to profitability. Moreover, only organisations that are originating from Sweden were chosen because of the purpose of the study, to analyse the Swedish NPOs' possibilities to learn from FPOs. In addition to this, only organisations with 90-accounts were included in the study to make sure that they all operate on the same conditions. These choices were made so that the study will be more representative for the market as a whole and so that as many NPOs as possible in Sweden might gain from the results of this study. Thus, it might ameliorate the conditions on the market.

3.5.5 Acquiring Empirical Material - Qualitative Interviews

The participating organisations in this study were first contacted via e-mail with the question if they would want to be a part of the study. A time and date was set for the interview with each organisation that accepted the invitation. Aware of the risk that they would not answer when called, the participants were sent a reminder one working day in advance. The interviews were held through telephone. There were several reasons behind the choice of conducting the interviews through telephone. Firstly, the geographical distances; the majority of Swedish NPOs operate from Stockholm and the travelling would not be practical. Secondly, biased opinions on the interviewers by the participants are reduced, since the interviewers characteristics cannot be seen (Bryman & Bell, 2011). Thirdly, telephone interviews are fast and the whereabouts of the participants are not important. Lastly, if the participants cancel the interview, they can easily be contacted again at a later time. The interviews were recorded, even though this might create an uncomfortable feeling and less detailed answers from the participants. In order to avoid such a scenario, the interview questions were sent in advance to the organisations that accepted the invitation so that it would facilitate their preparation and ensure that the interviewers receive answers that are relevant and detailed. The justification of taping the interviews is to ensure that biased views and faulty memories will not affect the transcribing of the interviews, and ultimately the quality of the analysis. Each interview was conducted by both authors of the study, which was time-consuming, but determined necessary to ensure the quality of the interview and insightful follow-up questions. During each interview, one of the interviewers had a more passive role and focused on taking notes and assist with follow-up questions.

An unstructured interview approach with questions formed as neutral and open as possible was chosen to encourage the participants to talk freely, and provide ample and relevant information. By doing this, the participants can raise topics that they believe are relevant and could provide a basis for future research questions (Eriksson & Kovalainen, 2008). The people and organisations that took part in this study are presented below.

Organisation	Primary Cause[2]	Participant	Position[3]	Interview date
Barncancerfonden	Research related to childrens' cancer	Linus Almqvist	Chief of fundraising	2015-04-20
Erikshjälpen	Health, education and safety for children.	Louise Nordlund	Chief of communication	2014-04-21
Hjärt-Lungfonden	Research related to heart and lung maladies	Kristina Sparreljung	Secretary-general	2015-04-23
Hoppets stjärna	Health, education & food for children	Ulrika Kallin	Head of organisation	2015-04-23
Vi-Skogen	Poverty reduction through self-help projects	Anna-Maria Broman Ek	Manager of fundraising - Private donors	2015-04-27
WeEffect	Poverty reduction through self-help projects	Anna-Maria Broman Ek	Manager of fundraising - Private donors	2015-04-27
Cancerfonden	Research related to cancer	Sara Brodahl	Chief of marketing and fundraising	2015-05-04

Own Table: Table 3 - The participants

[2] As interpreted by the authors
[3] Freely translated into English by the authors

3.6 Method for empirical material analysis

3.6.1 Template analysis

When conducting qualitative studies it is common to perform a template analysis on the empirical material acquired, meaning that the empirical material is arranged in categories that will provide a structure for the analysis that facilitates the finding of patterns and links (Saunder s et.al, 2003; Bryman, 2011). Bryman (2011) further discusses the conditions for the creation of a matrix where the discovered information will be put, along with references to where the material is taken from within the study and that the authors should keep the participants' terminology intact to the greatest extent possible. The categories and matrix that Bryman (2011) refers to should be created from the theoretical framework, meaning that the base for the analysis is already done before the empirical material is acquired. The procedure of template analysis is flexible and can be adjusted in accordance with the research question, as it lets the authors create a hierarchy between the different categories that shows their relevance and give access to different depths of analysis.

When analysing the empirical material Cresswell (2013) suggests five steps to process it. Firstly, he suggests that the researchers organise the data by creating files. The second step is to read through the material while making notes, in order to discover a vestige of themes or codes. Thirdly, one must describe the discovered themes and codes by putting them into their context, thus making them understandable. The fourth step consists of breaking down the information and categories and then restructuring those novel ways, in order to find information that coincides, which otherwise would have been overlooked. And the final step is that the researchers create generalisations from the analysis that could result in an academic contribution. Although, this process must be performed with prudence, lest the discovered categories be put into an inaccurate context, due to eventual biased views of the researchers.

When the empirical material for this study was analysed, the authors used the approaches mentioned above as it harmonises with the hermeneutic approach. Firstly, the five steps of Cresswell were used in order to discover and understand important information, then using the matrix suggested by Bryman in order to categorise and understand it. If the empirical material is fragmented and processed in such a way, the bigger picture may be understood.

The interviews conducted in this study has been compiled and analysed shortly after their occurrence in order to minimise errors in the analytical process. When it comes to qualitative studies it is both practical and beneficial to continuously perform analyses, as this reduces the risk that vital information is overlooked or that certain questions in the interview have been misinterpreted by the participant (Patel & Davidsson, 2003).

3.6.2 Validity & reliability - The quality of the study

In academic studies there are two important aspects; reliability and validity. Thurén (2007) describes validity as when the researcher really has been studying what the purpose declared and nothing else. The aspect of validity can be ensured by explaining the respondents' answers in detail and that the authors are well-read on the topic, as this minimises the risk of misinterpretation of empirical material and deviation from the research's question and purpose (Collis & Hussey, 2009). Furthermore, to ensure the validity of the study, the empirical findings from the interviews that have been summarised in the study were shared with the participants in order to look over its correctness.

Considering the human imperfection, biased views are also a concern in academic studies. The pre-determined views of researchers, and that the participants say what they think are politically correct instead of what they really feel would negatively affect the validity of the study's outcome. In order to minimise the risk for false answers and biased views the participants in the interviews have been offered anonymity, and note-taking has been done separately by the authors and later compared. The template analysis has also been done separately by the authors and was later compared to ensure that validity would be achieved.

Reliability refers to the replicability of the study (Yin, 2009). The interviews in this study have been conducted in an open and partly semi-structured manner, meaning that the interviews have not been identical. The participants could have interpreted the questions in different ways and it is also possible that they have begun talking about another topic of interest, thanks to the interviews partly open format. Because of this, a new study on the same topic could yield a different result. In order to achieve greater reliability in the study, the main questions for the interviews have been attached in the appendix. The questions for the interviews were scrutinised by other students at the University of Gothenburg, resulting in small changes to the form of the questions and a better understanding of the interviews' estimated length was acquired.

One negative aspect of the study is the limited sampling. Bryman and Bell (2011) argues that when a population of cases is too small, one cannot make generalisations. The sample is small and many Swedish NPOs have been left out, and although the authors tried to diversify the types of organisations in the study, they may not be representative for the market as a whole. Though, for qualitative case studies it is considered enough with interviewing six to eight people to yield enough relevant information according to Ahrne and Svensson (2011). Therefore, the authors argue that some generalisations can be made from this study.

Furthermore, the differing size and professionalism of the organisations in the study might have affected the outcome. Considering the varying backgrounds of the people working in the organisations they might have very different competence, background and views on the topic, which could result in a big spread in the understanding of the topic and the depth of the answers in the interviews.

One thing that could have an impact on the study is its broad scope, e.g. the study discourse marketing in general which includes many theories and different operations.

3.6.3 Criticism of the sources

This study contains a wide variety of sources and authors to build a solid theoretical framework as well as a clear methodology. Many of the authors have reached their own theories; however some have built their research on the work of others, where Philip Kotler is one of the most cited researchers. Kotler has authored and co-authored over 150 published articles and 55 books. Mr Kotler's book *Principles of marketing* has been cited over 12768 times and his work *Marketing Management 14th Edition* has been cited up to 40358 on Google Scholar. Another author frequently mentioned in the study is Adrian Sargeant whom is a well-known writer in the NPO sector, specifically in the area of fundraising and marketing and has written books such as *Marketing Management for Non-profit Organisations* and *Fundraising Principles & Practice*.

As mentioned Kotler's work has contributed to many of the later studies written, it has strengthened the other sources credibility which validates their use. However, since much of the literature used in both the marketing area but also in internationalisation, is based on the American market it cannot always be translated directly to the Swedish conditions regarding NPOs and FPOs; therefore it might not always be applicable to Swedish circumstances. The cited literature which has been used to conduct this study varies in the date in which it was written, where some is written recently and others were written considerable time ago. The conditions might have changed since the articles or books where written.

Authors as Robert K. Yin, Alan Bryman and Emma Bell have written multiple articles and books on methodology related theories in recent years. Bryman and Bells work *Business research methods* have been cited over 6171 times on Google scholar and Yin’s work has reached over 92786 citations on Google books.

3.7 Ethical Position

Concerning qualitative studies there are several ethical principles that should be adhered to. When conducting interviews the participants should be informed about the purpose of the study; there is also a demand of approval of participation for the ones being interviewed and their right to discontinue an interview (Bryman & Bell, 2011). Neither should the ones being interviewed be forced to answer any questions but enjoy the right to withhold answers to any questions they find unfit (Trost, 2010). Before the interview was conducted the participants were notified via e-mail about the study’s purpose, how the information gathered would be transcribed and dealt with and that they could remain anonymous if desired, this was repeated to them at the beginning of the interview. The participants also received the interviewers’ main questions in advance. Bryman and Bell (2011) mention two more demands regarding the information received by the participants; firstly, there is a demand that the interviewers will use the information only for the purpose of the study; secondly, the participants should not give misleading information. Given the options proposed to the participants and the methodology of the study the authors consider it to follow the ethical norms of the academic world.

4. Empirical Material

The fourth chapter consists of a collection of the interviews held with the NPOs. The chapter is divided into several sub-topics, where each part represents the topics brought up in the interviews that were relevant to the study. This will also facilitate the reading and understanding of this chapter. The chapter is concluded with a table that summarises the content of the chapter, which aims to facilitate the circular understanding for the reader, enabling them to more easily compare the empirical evidence to the theoretical framework in the fifth chapter.

4.1 Internationalisation

In the aspect of continued growth in donations for NPOs there exists the possibility of becoming international which is an application of the Ansoff Matrix, e.g. market extension, and thereby reach new markets to increase funds for their various projects. The competition is at a growing pace with foreign NPOs gaining entrance to the Swedish market. Swedish companies could do the same and find new sources for funding. However, when the organisations participating in the study were asked regarding a possible internationalisation or if they already are international, when it comes to fundraising from private donors, the answer was no from each participant. If people wish to send donations to them from abroad they will make it possible for them but they do not actively work with international fundraising. Four out of seven of the organisations are international in their daily operations helping people in need, while Barncancerfonden, Cancerfonden and Hjärt-Lungfonden cooperate with their counterparts internationally and share know-how. WeEffect and Hoppets Stjärna however discussed the possibility that in the future they might start collecting donations in countries they have operations in. They have found that there has been a significant rise of people in the middle class which could become future donors since they would have the resources necessary to aid their own countrymen. Worth to mention as well is that both WeEffect and Erikshjälpen activity apply for funding from international institutions. All of the organisations brought up different difficulties with being or going international, where Barncancerfonden and Cancerfonden who mainly work with research have counterparts all around the world, as does Hjärt-Lungfonden. The work which Cancerfonden, Barncancerfonden and Hjärt-Lungfonden do is focused on Swedish patients and Hjärt-

Lungfonden further states that it would be difficult to raise funds from other countries to fund Swedish research, when the same issues are being researched in respective country. Two of the largest issues discussed when becoming international were according to Erikshjälpen and Vi-Skogen the lack of resources to be able to cope with the international competition since most of the organisations have many foreign counterparts and as well to be able to set up the necessary networks for donations. WeEffect and Hoppets Stjärna also mention that problems with becoming international are linked to growing international competition. Another thing that WeEffect mentions as a challenge is who that should be responsible for the organisation's work and actions on the foreign market, whether it should be WeEffect in Sweden or the local partners abroad. They argue that the responsibility should lie with their local partners since it is they that do all the work at the scene, but they also state that the organisation cannot force the local partners to do it. Erikshjälpen argues that in any case it is more profitable for them to solely stay on a national level and continue in the same manner. Four of the participants have sister organisations in one or more of the Nordic countries with whom they actively share knowledge and aid each other in growing, however, they make it clear that the fundraising processes are not driven in common, but separate, and they do not share funds.

4.2 Competition & Market Collaboration

As the market keeps growing, so will the competition. In Sweden today there exist over 400 NPOs which all compete for Swedish donations for their various causes. To be able to cope with these issues that may rise from an increased competition each NPOs has to find an approach which is suitable for their operations. When asked, the organisations had different views on the question of competition. Barncancerfonden and Hjärt-Lungfonden did not view competition from other NPOs in the same way as the fierce competition among FPOs, as an obstacle or something which could be a problem. Barncancerfonden mentions that they want to see a growth in the entire NPO sector and actively work with a market driver strategy to spread know-how and knowledge to help other organisations; however they do see an increasing competition against commercial companies and this is agreed upon by Hjärt-Lungfonden. Hjärt-Lungfonden further say that every donor is unique and will for the most part donate to a cause which is close to their heart. They also discussed the problem with the growing media competition as more companies use different forms of media for their marketing operations. All of the participating organisations have seen an increased competition during the last 15 years and with this it has become more difficult to reach donors. However Hoppets Sjärna states that even though the competition has increased it is not an aggressive or fierce form of competition. Cancerfonden has approached the increased competition with trying to form new cooperation with other NPOs which work with the same issues as them and thereby bypassing the competition to some extent and in contrast to WeEffect and Vi-Skogen they have invested heavily during high season. Cancerfonden said that the average donor gives to five organisations during high season. Both Erikshjälpen and Hoppets Sjärna try to find a niche segment, in their case Christian communities, to avoid most of the competition, indicating that they have been analysing the market with strategic marketing and also with market penetration as found in the Ansoff Matrix. WeEffect and Vi-Skogen try different approaches to marketing to cope with competition.

4.4 Marketing

4.4.1 Expenses

Regarding the marketing of NPOs one must differentiate between small and large organisations because of financial reasons. The larger NPOs are simply so much larger that they have a whole different situation when it comes to expenses on marketing. Compared to FPOs, the NPOs are discriminated when it comes to expenditures due to the condition set up by *Svensk Insamlingskontroll* (SI) that overhead must not exceed 25% of total turnover if the NPO wants to keep their 90-account. All the participants state that the 90-account is an important part of the credibility of NPOs in Sweden. The participants agree on that investments are necessary to grow but how much and how long they keep up a high level of overhead differ. All participants in the study agree that they must think in a long-term perspective when doing investments because of this. Barncancerfonden and Vi-Skogen mention putting a larger focus on the importance of reinvesting funds and allocating them to become cost effective and to maximise their growth potential to be able to reach more people in need, and as is commonly known in the commercial sector, they say to make money you need to spend money. WeEffect, Cancerfonden and Hjärt-

Lungfonden however state as well that even though large investments are necessary to grow, the percentage of overhead can be misleading in the sense that it does not measure the efficiency of the operations. Hjärt-Lungfonden and Erikshjälpen work actively on keeping the overhead down by optimizing their operations; this is also down by the other NPOs however these two are more specific that it is important to show the donors that their donations go to the cause. Hoppets Sjärna has during a period of time recently worked hard on cutting down on their overall costs to gain control over their organisation completely and thereafter make new investments to grow. Out of all the participants in the study there is only one organisation that is using as much money as they can to grow, namely Vi-Skogen whose expenses are 25% of the total turnover. Though, one should know that organisations such as WeEffect receive money from The Swedish International Development Cooperation Agency, SIDA, which they cannot use for their fundraising, and therefore the true percentage of expenses is distorted. Barncancerfonden stated that many organisations do not dare to get close to the 25% limit either due to fear of media scrutinisation or that the organisations have no interest in further growth. The majority of the participants in the study agreed that the percentage is an unsophisticated tool to measure an organisation, and that a measurement of true efficiency would be preferred, something that the industry has been approaching, .e.g. with efficiency reports produced by SI. As the empirical material shows that it is not the NPOs with the lowest percentage that are the biggest and most efficient ones. In order to ameliorate the conditions for the Swedish NPOs Hjärt-Lungfonden said that a future campaign with other NPOs could be a good idea, in order to change the Swedish people and media's opinions towards their expenditures.

4.4.2 Marketing approach

When it comes to the methods of marketing all the participants, no matter their size, work with similar methods. They have a focus on PR via the media and their websites and in addition to this they buy their way into marketing channels such as social media, mail, televised advertisements etc. When it comes to traditional advertising both Cancerfonden and Barncancerfonden say that it is getting increasingly difficult since the bought channels are getting less influence on society, therefore it is important to find new ways to reach their potential donors and optimise the ways they already have. Cancerfonden, Hjärt-Lungfonden and Barncancerfonden talked about strategic

marketing and how they have been thoroughly analysing their past campaigns and marketing operations in order to find which ones that give the best return of investment. The participants mention two different ways of marketing, e.g. Hjärt-Lungfonden and Barncancerfonden say that they have no products and that they need to work with their reputation and the feelings of the donors, while organisations such as WeEffect and Vi-Skogen actually have physical products that they sell. However, WeEffect and Vi-Skogen use products in their marketing for different reasons. Namely that Vi-Skogen uses products for donor retention and WeEffect for donor recruitment. Though, both of these methods have the same goal, to make the donor feel that he or she is participating and that they will contribute to the cause. Barncancerfonden have had the strategy of focusing on hope in all their communication but state that it is hard to keep the message ''fresh'' over time. When it comes to keeping the message of the organisation fresh Erikshjälpen says that the donors must be able to recognise them and that the NPOs can't reform too much without consequences. Regarding the message that each organisation communicates WeEffect and Cancerfonden state that it is hard for NPOs to articulate and package their messages so that they are easily digested and understood by the donors. The message needs to be clear, effective and relevant and that is something that all participants work with improving, e.g. Hjärt-Lungfonden talked about their focus on creating quality content as a way to penetrate the media static. Hoppets Sjärna states further that with too intensive marketing campaigns towards donors it might lead to negative effects as donors lose interest when they are constantly being asked for further donations. All of the participants state that there is a public interest in their causes. Cancerfonden talked about the FPOs achievements when it comes to communicate through storytelling even though they most often do not have a story and must create one and that this is something that NPOs in general do not excel at, despite the fact that they have real stories.
Something that six of the seven participants consider important for their communication is accessibility. Barncancerfonden have been working with new payment methods in order to make it more convenient for the donor, and Cancerfonden stressed the importance of sending paying-in forms to potential donors so that the active choice of donating will not be as big for them. Hoppets Stjärna and Vi-Skogen said that timing is an important aspect when it comes to

communicating, and try to do so close to paydays and they avoid high season, e.g. around Christmas.

People that work with NPOs are often seen as idealists that work with issues that affect a lot of people, expecting little or nothing in return. Traditionally this has been the case, however as Vi-Skogen mentions there has been a development, and now many NPOs recruit people from FPOs to increase the professionalism and become more competitive. However both Barncancerfonden and Vi-Skogen argue that NPOs need to continue working on becoming even more professional in their work to be able to compete with the commercial sector. Cancerfonden and Hjärt-Lungfonden however points out many NPOs have already become very professional due to their scale of operations and the amount of resources they possess. They say that the large NPOs today look much like any FPO and function much in the same manner. The issue with becoming more professional is therefore limited to smaller NPOs. When it comes to setting goals for the organisation, there are some contrasts. Barncancerfonden has had a strong focus on financial growth during the last few years; they want to double their revenue in four years' time. On the other hand, three participants in the study lacked clear goals for growth and development and how this could be achieved via marketing. From the remaining three participants no such information was received.

Cancerfonden and Hjärt-Lungfonden claimed that there are very few differences between NPOs and FPOs, and that there is a difference in how NPOs work depending their size. According to them larger NPOs in Sweden work exactly like FPOs when it comes to marketing, but smaller organisations could improve their work.

4.4.3 Relation Based Marketing

One aspect that all the participants agreed upon as crucial for their marketing was reputation, both for them as individual organisations and for the industry as a whole. When it comes to the industry as a whole all participants mentioned that they work with the organisation *Frivilligorganisationernas Insamlingsråd (FRII),* which is an interest group for Swedish NPOs. Barncancerfonden referred to FRII as an interest group that try to influence the government in questions important to the industry. This was backed by all other participants which added that FRII also works with campaigns towards the public when it comes to specific questions or quality assurance and industry reputation. Three out of seven organisations said that the reputation of the industry is sensitive and could easily suffer from scandals, e.g. Vi-Skogen, Erikshjälpen and Barncancerfonden mentioned a scandal with the Red Cross in Sweden in 2009 which had a negative impact on the industry for years. Another external factor that can hurt their reputation is what four of the seven participants expressed concerns over, the fact that the media often scrutinise the percentage of expenditures of NPOs' total funds and then flaunt it to the public. This is seen as problematic by all participants as they believe there is no correlation between that percentage and efficiency. When such circumstances occur Vi-Skogen stresses the importance of being transparent as an organisation and to show what real effect their work has. Erikshjälpen, on the other hand, mentions that they gain from such circumstances as they proactively work hard on lowering their expenditures and on their image as a frugal organisation from the countryside without large pay checks and lavish addresses.

All participants agreed that it is highly important for them to have good relationships to their donors as that can translate into recurring donations. However, what the organisations emphasise as important to create a good relationship differs. Barncancerfonden said that it is important to be visible where the donors' interests lie so that the brand is connected to something positive, and for this reason they have been working together with the Swedish national ski team. Hoppets Stjärna has a similar approach where they have been focusing on being visible in Christian magazines and on Christian events as the organisation itself stems from the Christian movement, in order to be positively associated with the church and that community. Erikshjälpen, which in financial terms is the smallest organisation in the study, emphasised that they try to be connected to their donors on a personal level. One example that they brought up is that when they receive critique or questions from private contributors, they always call or e-mail back to them in order to work out the problem and ameliorate their relationship. One can see it as a sort of initial damage control that they convert into a bonding with the donor.

All participants in the study work hard on acknowledging the donors that have contributed to their cause in order to create a relationship to them, but they do so in different ways. Common for them all is that they via digital means or through mail thank the donor for their contribution, and after a while they reach out to the donor again with a new call to action. If successful they reach out again with the encouragement of becoming a recurring donor. In this process, Hoppets Stjärna stresses the importance of being quick, as the interest of new donors can wane fast. All participants mentioned that they have some sort of system that let them know how and when to contact donors from different segments in order to augment the success rate. Cancerfonden also emphasised the importance of creating a personal bond between them and donors, but more so with donors that help them raise funds for their cause. How they do it is that they have deep personal communication with the donors and sometimes acknowledge the donors achievements on their marketing channels, e.g. via social media. Vi-Skogen also emphasised the importance of building relations with the donors, not least major donors. This is e.g. done by using a personal tone in the written communication and inviting the major donors to seminars and events. Hjärt-Lungfonden talked about the inherent curiosity among donors and that one of the most important things when it comes to creating a relationship with the donors is to tell them what their donation has resulted in. To reaffirm them of what they have helped achieve. However, even if an organisation excels at relationship marketing they still need to receive funds. All organisations stated that they rely highly on recurring donors, and Erikshjälpen said that they cannot afford an organisational shutdown, as it would have severe consequences for their beneficiaries, something that is applicable to all participants in the study. Barncancerfonden talked about a conversion gap, meaning that it can be hard to receive funds despite a good relationship to a potential donor. All participants agreed on this difficulty.

4.5 Summary of the empirical findings

In order to facilitate for the reader, the findings in this chapter have been summarised in a table similar to that used for the theoretical framework. This will give the reader an overview that can more conveniently let them compare the empirical findings with the theoretical framework and thus more easily comprehend the analysis and conclusion of the study.

Categories	**Empirical material**
Internationalisation	None of the participants were working internationally with fundraising from private donors; however some expressed the possibility of it happening in the future. The high level of international competition was discussed by all participants as an obstacle for their internationalisation.
Competition & Market Collaboration	With a growing competition, new solutions have been found to deal with this. Different ways of approaching the market have been created by five of the participants, while two did not see competition as an issue or obstacle for growth. Five of seven participants mentioned that more professionalism is needed to keep their competitive advantage.
Marketing expenses	Some limitations in the ability to invest exists due to the 90-account which according to all participants serve as a symbol of credibility. All participants agree on that thinking long term when investing is important.
Marketing approach	Five out of seven participants do not only market ideas, but also products connected to those ideas. Competition has increased; therefore production of high quality content is necessary to penetrate the media static. Six out of seven participants state that accessibility is a major part of their communication. Larger NPOs are more professional than the smaller ones. Three participants lack clear goals for growth and how this can be achieved via marketing.
Relations marketing	The NPOs have a systematic approach for when and how to turn the relationship into a donation, though they find it hard to commercialise the relationship, there exists a conversion gap.

Own Table: Table 4 - An overview of the Empirical findings.

5. Analysis

The fifth chapter will provide the reader with an analysis of the relation between the study's empirical material and theoretical framework. In this part of the study, the reader will find the support for the authors' conclusion in the following chapter.

5.1 Internationalisation

The findings from the interviews with the Swedish NPOs show that internationalisation, as in fundraising from private donors in other countries, is not necessary for them. The problem discussion in this study argued that internationalisation could be a solution for the NPOs to relieve them from the increased competition on the Swedish market, but a majority of the organisations did not see the competition as a threat and that there is still opportunity to expand on the market as they have found different niche segments. In addition to this, internationalisation is highly dependent on what the cause of a NPO is. The NPOs with a focus on research on maladies are bound on a national level, and e.g. NPOs with a focus on children's' rights and poverty were more interested in internationalisation and market extension, given that they have the financial power for it. Thus, the problem discussion is right and wrong in regards to this; it depends on the cause of the NPO. When FPOs decide to internationalise they use strategies which would not be useful for the NPOs if they decided to go international. Since they have different forms of competition and this in turn lays out the foundation for new strategies. The two organisations that showed the greatest interest in internationalisation are Hoppets Stjärna och WeEffect; they discussed the shared control entry mode, as a probable solution, thus confirming Buddhika's (2014) statement that it is the preferred entry mode for NPOs. These two organisations saw the growing middle income class in the countries, where they do their relief work, as an incentive to start raising funds as a part of their daily operations in those countries. But even if they want to internationalise, there are problems with it; as of today there are uncertainties on who that should be responsible for the work carried out at the foreign market. When looking at the theoretical framework regarding FPOs, Etemad (2004) claim that the process of becoming international for FPOs is a result of various push and pull reasons, in addition to this Engdahl (2006) claim that there are both economic and non-economic reasons for internationalisation. Considering that Hoppets Stjärna and WeEffect look at internationalisation for economic reasons, it stands in contrast to Buddhika's (2014) opinions presented in the theoretical framework that NPOs primarily do it to further their cause.

5.2 Competition and Market Collaboration

All participants in the study agreed that competition has increased, but they also talk about two different forms of competition. Firstly, there is the competition between the NPOs themselves. Secondly, they mention the competition with FPOs and the media static in general. The competition between NPOs is not commonly seen as aggressive and fierce, since they often wish each other future fortune and growth. In the theoretical framework the reader can find Buddhika's (2014) claim that NPOs are more inclined to do shared control entries when they enter new countries, this indicates a more cooperative mind-set within the organisations which could be explained by the nature of NPOs. This is also visible in the empirical material that shows that on the domestic market, NPOs often work together to raise funds for their causes, and another example of this collaboration is Barncancerfonden's market driver strategy. Therefore, they work together against their largest competitor, meaning FPOs, and thus have an advantage to them. The theoretical framework includes the 6 Ps of the social marketing mix as presented by Sargeant (2011), one of these refers to Partnership, stating that NPOs enter partnerships with similar organisations in order to pool their resources, and in this regard the empirical evidence and theoretical framework harmonises. Regarding the competition between the NPOs themselves they tend to have different niche segments which are in line with Kotler's (1975) definition in the theoretical framework regarding social marketing. In the empirical material it is shown that all NPOs work with FRII in questions that regard them all, therefore we can see that they are working with the principle of 'Policy' of Sargeant's (2011) 6Ps of the social marketing mix brought up in the theoretical framework.

5.3 Marketing

5.3.1 Marketing Expenses

The empirical findings show that the financial goal for three of the participants is to minimise their expenditures, a strong contrast to three other participants which stated that they will increase expenditures in order to boost growth. The theoretical framework emphasised Pallota's (2008) claim NPOs are frugal; because of the divide in this question shown by the empirical material, the theoretical framework can neither be approved nor discarded by this study. Furthermore, Pallota claimed that FPOs invest in marketing until it no longer yields any return, and the empirical findings in this study show that there are small indications for such a development among NPOs as well, assuming they are within the boundaries of the 90-account.

5.3.2 Marketing Approach

Sargeant (2011) states that there is a clear distinction between FPOs and NPOs, namely that NPOs are marketing ideas and that FPOs are marketing products, and that the donor is not the one receiving the service or product that the money will fund. However, the empirical material shows that the majority of the NPOs in this study sell physical products on their websites and in stores and thus have developed their services and products. Therefore, the 'Product' P of Sargeant's (2009) 6Ps and Bains, Fill and Page's (2011) 7Ps of service marketing are applicable to NPOs. This can also be connected to the 'Physical Evidence' from the 7Ps which provides the donor with a connection to the organisation and its purpose. The NPOs still market ideas, but the donor will in most cases receive something for his or her donation, e.g. bracelets. Therefore, Sargeant's (2011) claims in the theoretical framework concerning resource attraction and resource allocation are not fully applicable for NPOs. Many NPOs have already approached FPOs in this aspect.

The purpose of NPOs is to raise funds for a cause by selling an idea to donors. Connecta (2012) states that NPOs have problems with packaging their messages in a way so that the public can understand their purpose. Three of the participants bring up this problem and continue by stating that it is one of the most difficult tasks which NPOs have and more work on its improvement is needed. Hoppets Själrna points out that if they were to intensify their marketing, it might lead to a decrease in interest from donors, which is in line with what the theoretical framework discourse. Too much marketing from NPOs is met with scepticism from the public and may cause the NPOs to stray from the original purpose and thereby damaging their image. From the empirical material it is clear that the NPOs in the study are working according to the principle of 'Promotion' from Sargeant's (2011) 6Ps of the social marketing mix as they always try to diversify their messages to reach the donors. To handle the issue of over advertising, organisations such as Barncancerfonden work with keeping their message actual and fresh in hope of creating credibility and an increased knowledge of the purpose by the public. Hjärt-Lungfonden call this content development were the main reason is to improve the quality of the message, and Cancerfonden further state that while FPOs have to create a kind of story to reach their customers, NPOs already possess real stories which donors can connect with on an emotional level. However NPOs have not been as successful in doing this as FPOs, and can thereby learn from them how to package their stories. FPOs use intensified marketing during longer periods of time which NPOs are unable to do, since as mentioned, this could be viewed in a negative way from the public. Considering that the organisations need to keep their message up-to-date, they are working according to the product life cycle in the same way as FPOs do. When the public interest in e.g. a special kind of cancer has peaked and is declining, the organisations that work with it turn to another ''service'', such as breast cancer in the case of Cancerfonden. The empirical material shows that the NPOs in the study work hard with how the public perceive them and with their reputation, which shows that they are using the principle of 'People' from Bains, Fill and Page's (2011) 7Ps of service marketing.

If one look at the definition of strategic marketing used in this study, four out of seven participants spoke about activities relating to it to some extent. In the theoretical framework the reader can find Kotler's (1975) definition of social marketing, which clearly discourse elements of strategic marketing such as segmentation and consumer research, among others. The theoretical framework presents Dolnicar and Lazarevski's (2009) statement that few NPOs understand and work with strategic management, something that might be put into question by this study, as the empirical evidence favours Kotler's theory. According to Dolnicar and

Lazarevski (2009) NPOs most often have few qualified people working with marketing. They also state that there is scepticism towards marketing among them because they feel that they “sell people things they do not need’’. The empirical findings in this study show that the large Swedish NPOs do have very qualified people working for them and that the NPOs tend to work much like FPOs. However, it also shows that smaller NPOs lack this. Therefore a generalisation cannot be made regarding the professionalism of the organisations in the whole industry. Furthermore, Dolnicar and Lazarevski (2009) bring up two different kinds of approaches to marketing, either organisation-based or customer-based and that many organisations risk communicating causes that are not relevant to the customers, i.e. the donors. This part of the theoretical framework can also be put into question according to the findings of this study, as all the organisations enjoy public support and have a strong focus on customer convenience and wants, i.e. Barncancerfonden’s work with payment methods. Therefore, the authors argue that they have a customer-centred approach.

5.3.3 Relation Based Marketing

Meijer (2009) is clear on the point that reputation is in direct correlation with how much funds a NPO can raise. In the empirical material there was an abundance of data supporting this. Reputation and relations was mentioned time and time again by all participants in the study, as something that either can let them flourish or something that will lead to their dissolution.

Furthermore, Sargeant (2011) and Grönroos (1993) state that FPOs are successfully using relation based marketing while NPOs lack in this regard. In the theoretical framework the reader can find the term *management of expectations,* as presented by Bruhn (2003), which relates to how FPOs should work with converting a customer relationship into a paying customer.

The empirical findings show that the majority of the NPOs in this study work according to those principles, e.g. they all try to better show the donors what the organisation is offering and invites the donors to contribute again in a clear and systematic way. Despite this, the empirical findings show that there is a conversion gap for the NPOs in the study. The theoretical framework states that in order to have a successful relation based marketing the FPO must create, maintain, improve and *commercialise* the relationships to the customers (Morgan & Hunt, 1994). Thus, the

NPOs in the study fulfil all steps suggest in the theoretical framework except for the commercialisation. The theoretical framework states that consumers prefer to buy products to which they can relate and not the cheapest one (Grönroos, 1993). In the empirical material the reader can see that it is not the NPOs with the lowest overhead that are the most efficient or largest ones, even though the donors have an interest in the overhead. Therefore, it is possible that the theoretical framework is correct about the consumers' relationships to products and that they do not care which organisation has the lowest overhead, as long as it is reasonably limited, but they rather support an NPO that works in a manner that appeal to their values, and efficiently communicating it.

6. Conclusion

The sixth chapter of the study provides the reader with a conclusion which has been drawn from the analysis of the theoretical framework and empirical material that will answer the research question of the study. The chapter also includes suggestions for future research and an explanation to what importance the study has had to the academic field.

6.1 Empirical and theoretical contributions

This study's aim was to answer the question: *''What can Swedish Non-profit organisations learn from For-profit organisations' marketing and internationalisation operations?''*. The short answer to that question is: Only a few things. The research conducted for this study provides contributions to the academic field in the sense that it is showing that several theories are not fully applicable in their current form. The results show that there are several contradictions between theory and practice. What it also has shown is that the NPOs that participated in the study are already very similar to FPOs in their marketing operations. The conclusions are provided in a categorical manner further down on this page.

Internationalisation is likely a viable strategy to expand the NPOs' markets, but this is highly dependent on whether or not the organisations' causes are applicable abroad. If their causes are applicable, the NPOs, much like the FPOs, have economic reasons for internationalisation, and not only non-economic reasons as previously thought. The study showed that the organisations with applicable causes would internationalise when they are ready for it and the right opportunity comes along, as they see the financial opportunities in the expanding markets. However, the strategies that FPOs use for internationalisation would most likely not be suiting for NPOs. The participants do not have the same fierce view on competition and do not need to challenge other organisations on potential markets or use e.g. the FPOs' guerrilla tactic and hide from their competitors, but rather choose a collaborative course of action, assuming that NPOs abroad work somewhat similar to the participants of this study. Thus, the shared control entry mode described in the theoretical framework would be more appropriate.

The authors of this study conclude that NPOs are too prudent. And that the ones who can should consider internationalisation as a mean to expand their markets in order to innovate, ameliorate efficiency and grow financially so that they can further their cause to a greater extent. What they should learn is to diversify financial risks on several markets and follow the efficiency-seeking and market-seeking actions of FPOs in order to become more sustainable and be partially relieved from the scrutinisation of the public and media in Sweden. Markets that could be good for the Swedish NPOs to expand to would be those of English speaking countries, e.g. the UK or the US, as the donors on these markets donate much more money on average than their peers in Sweden and that they are more lenient towards large expenditures from NPOs.

Regarding international marketing for NPOs, this study cannot draw any conclusions on the matter due to the lack of empirical findings.

The empirical material show us that NPOs already work with strategic marketing to a greater extent than previously believed and that they have a strong focus on segmentation and identifying their competitive advantages and what the donors want. Therefore, the authors conclude that the Swedish NPOs in this study already have a customer-based approach to their operations, just like the FPOs.

Something that should be pursued is learning from FPOs about the commercialisation of a relationship, how to properly handle the whole chain of the management of expectations. The NPOs need to become more clear in their communication as some of their messages are hard to grasp for the donors, they need to become better at showing the donor exactly what the organisation is doing and the results of it, in order to facilitate the commercialisation of the relationship.

Regarding the marketing operations of NPOs we can conclude that the correlation between theory and practice varies greatly. It is clear that the participants work according to several of the 6Ps of the social marketing mix and the 7Ps of the service marketing mix but not all of them, and there are other examples such as the disparity between the use of relations marketing in the theoretical framework and the empirical material. The authors of this study argue that the disparity between theory and practice is a result of the fast development in the industry and that NPOs are becoming similar to FPOs, thus previous theories quickly become less relevant.

In the problem discussion, the theoretical framework and in the empirical findings the reader can find a common denominator, the limitation on expenses and how it affects the NPO’s marketing in a negative way. The empirical material showed that the channels and methods NPOs use for marketing are the same as for FPOs, and the one big thing that differs between the two types of organisations is how much they spend on marketing, and ultimately the effect those investments have. The authors conclude that the single most important thing NPOs need to do is that they must follow the example of FPOs and dare to invest more money and make wise investments that will enhance their growth and let them further their cause to a greater extent.

6.2 Suggestions for future research

Throughout this study the authors have found several topics of interest that could ameliorate and facilitate the work of Swedish NPOs. The empirical findings of the study show that both the media and public critically scrutinise NPOs regarding their expenditures, without paying real attention to the organisations' efficiency. Considering the more lenient approach to this in Anglo Saxon countries, there is a likelihood of a cultural factor that comes into place. Therefore, a study on why this difference exists and how Swedish NPOs can work to change this attitude would be very interesting.

When conducting this study, the authors had problems with finding relevant theory regarding the internationalisation process of NPOs and also methods and principles for international marketing that is catered especially to NPOs. The authors argue that these are important aspects of NPOs and they should be investigated further. With FPOs becoming more and more global, it is natural that other entities in society follow the same pattern, and therefore more knowledge is needed on these aspects.

Another topic that could be of interest is how NPOs can become more professionalised. Throughout the study there was a clear correlation between the work life experience in businesses of the participants and a clear focus on growth and goals for the organisation. Also, the actual growth and achievements of these organisations were in correlation with this. Among the organisations where the participating person lacked this experience from business life, this was not the case. Some were even ignorant of their organisations' goals for growth. The participants see the commercial sector and the media static as competitors and they need to increase their level of professionalism to be able to be competitive and increase their growth. What they have been doing is bringing more professionals into the Non-Profit sector, which increases the level of knowledge and professionalism and yet keep idealists to maintain focus on the core values of the NPO, a further cooperation between professionals and idealists could prove fruitful for the organisations' future growth.

Therefore, as concluded by this study, the possibilities for NPOs do not primarily lie in marketing but could rather be found in management and professionalism.

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8. Appendix

8.1 Interview Questions

1. Are you an international organisation? (I.e., do you have offices and conduct fundraising outside Sweden's borders?)
   If yes: What were the main reasons for this decision? At what stage was it made?
   If no: Would you as an organisation see your selves becoming international? If so what is the main factor? How do you plan to realise this?

2. Which similarities do you see between you and commercial organisations?

3. Are there differences between commercial marketing and the marketing of Non-profits towards the public? What would they be? (*Are there any constraints for you as a Non-profit? E.g. economic, ethical or legal factors?)*

4. How do you communicate the organisation's message to the public?
Are there any difficulties with such communication?

5. How do you operate to create a relation and trust with private contributors?
   How do you work to have monetary gains from this relation?

6. Does increase competition affect your marketing? How do you manage it?

7. Which marketing methods do you utilise? How did you gain access to this knowledge?

8. Is low overhead a goal in itself?
   If yes: Why? Why do you not reinvest more money to promote grow?
   If no: Why not?

9. Are you currently cooperating with other Non-profits regarding marketing operations?

If yes: How does this cooperation look?

If no: Why not?

10. Does your marketing differ from that of other NPOs?

If yes: how?

11. How would you handle a long-term decrease in interest from your private contributors? (By e.g. intensified marketing, internationalisation or changed focus).

12. If so, what would you say that your industry should learn from FPOs?

13. Is there anything else concerning your marketing operations that you find important to mention?