

TOWARD REFINED CONCEPT OF NON-
PROFIT SERVICES MARKETING

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Abstract

The author deconstructs the prevailing conceptualization of non-profit marketing and concludes it rests on three principles: voluntary exchange, an open system organization, and self-interest motivation. A review of the genesis of these principles revealed that alternative principles were ignored in the social science literature. Based on a qualitative analysis and critical hermeneutic approach a revised conceptualization of non-profit marketing was suggested which incorporated the principles of reciprocity, the features of a contingency-choice organization, and altruistic interest motivation. A revised definition of non-profit marketing is offered based on these principles.

Key Words: Non-profit sector marketing, Reciprocity, Generalized exchange, Substantivist economic anthropology, Contingency-choice model of formal organization, Benevolence motivation.

Introduction

Although the concept of non-profit sector marketing (Kotler, 1972; 1975; Kotler and Andreasen, 2008; Lovelock and Weinberg, 1978; Nickels, 1974) has been widely embraced by marketing academics, many scholars and managers in the non-profit field remain skeptical. Their skepticism was recognized by the commentator who observed that "marketing in the public sector has a love-hate evaluation" (Roberto, 1991, p. 81). Similar ambivalence has been expressed in the non-profit marketing literature (Havitz, 1988; Schultz, et al., 1988) and in related fields (Buchanan et al., 1994; O'Fairchellaigh et al., 1991, Vanden Heede & Pelican, 1995; Walsh, 1994). Skeptics of the appropriateness of the marketing concept in the non-profit field argued that its application distorted a non-profit organization's objectives, antithetical to its social service ethic, and invited inappropriate commercialization of non-profit services (Dustin and Goodale, 1997; Goodale, 1985; Godbey, 1991; Schultz, et al., 1988).

Purpose and method

The intent of this paper is to deconstruct the prevailing conceptualization of non-profit marketing into a set of underlying principles; contrast these principles with alternative principles, and use the alternative principles as a basis for developing a superior conceptualization of non-profit marketing. To pursue these objectives the study employed a critical hermeneutic approach which focused on deconstruction, understanding, and interpretation (Bleicher, 1980).

Critical theory was used to better understand how the prevailing conceptualization of non-profit marketing was developed, including its historical context, and to develop alternate interpretations. Although the use of this approach in the marketing fields has been sparse (Monieson, 1988, Wish, Dholakia & Rose, 1982), it appeared to be useful for addressing the goals of this study because it provided a framework for revealing, analyzing, criticizing, rejecting, and modifying premises underlying the prevailing conceptualization of non-profit marketing. Critical theory is designed to reveal the meanings, values and motives of social actors; to disclose contradictions caused by biased interpretations of key meanings (Comstock, 1997); and to locate and interpret social phenomena in specific historical contexts. It recognizes that explanations of social phenomena (thesis) often are subjective so there are likely also to be alternative explanations (antithesis), and that integrating the original and alternatives can sometimes lead to superior explanation (synthesis).

Critical researchers tend to avoid the "traditional" structure of positivistic reports and employ a report format that Harvey (1990) termed "a story with a plot." A critical study report presents a central question that is being addressed. The core argument is present in skeleton form throughout the study, but is gradually supported by data as the study proceeds. Critical reports typically present evidence in the form of analogies, use references to commonly known and observed facts, offer citations of previously published works in academic journals, and collect original empirical data from key informants (Etzioni, 1988). Eloquent examples of "story with a plot" study formats, include Kuttner's (1997) critique of laissez-faire capitalism; McMurtry's (1997) work on the contradictions of free markets; Monieson's (1988) work on intellectualization forces in the marketing science; and Capon and Mauser' (1982) review of nonprofit texts.

The critical theory inquiry used three analytical and evaluation techniques: investigative research, negative case analysis, and theoretical triangulation (Douglas, 1976; Kidder, 1981; Patton, 1990). The *investigative research* was undertaken because the concept of non-profit marketing is accepted by a majority of marketing scholars but, at the same time, rejected by

many non-profit and public administrators and managers. The notions of investigative research (Douglas, 1976) and an underlying adversary research paradigm (Levine, 1974), emerged in response to limitations identified in the statistical analysis and cooperative research paradigm. Levine (1974, p. 669) noted:

“By an adversary model, I mean that we are dealing with a situation in which there are claims and counterclaims, and arguments and counterarguments, each side advanced by an advocate who attempts to make the best possible case for his position. The scientific community, in the form of an editor, a referee, or a program committee, act as a judge does in a preliminary hearing, deciding whether there is a sufficient case made in the particular study to take it to trial before the scientific community”.

Douglas (1976, p. 57) maintains that the work of researchers who use the adversary model is similar to the work of detectives, investigative journalists, judges, and prosecutors. All of them are confronted with the same type of problems: misinformation, evasions, lies, fronts, taken-for-granted meanings, problematic meanings, and self-deceptions.

Investigative research, along with biographical methods, was comprised of several steps. First, through a literature review the views of the original authors who contributed to development of the nonprofit marketing concept were identified. Second, using publicly available interactive media resources, such as the Internet, authors' affiliations were reviewed and their professional biographies analyzed. Third, social science disciplines that have influenced the development of non-profit marketing were identified. Fourth, concepts borrowed by marketers from the social science disciplines identified in step three have been reviewed and analyzed. Fifth, the meaning of concepts identified in step four were defined and compared with their interpretation in the marketing literature. Sixth, if discrepancies in interpretations were found, disconfirmatory data were recorded and their original meanings as postulated by the original authors were summarized.

The rationale for choosing investigative research included a need to test the extent to which the current concept of non-profit marketing is objective and values free. Morrow and Brown (1994) contend that circumstances of theory production (e. g., contract research) or characteristics of the theory producer (e. g., political party associations, sexual orientation) may affect the conclusive arguments of research. Similarly, Harvey (1990) argues that researchers may experience "pressures" from such sources as research funders, academic administrators, and the business or political establishments during the research process. For example, Ekeh's (1974) critical appraisal of social exchange theory showed how political, philosophical, and ethical beliefs of the theory's author affected overall development of the theory. The task of investigative analysis in this study was to find out whether any of the "pressures," "circumstances of production" or "characteristics of the theory producer" were present in the development of the non-profit marketing concept.

Because several opponents of non-profit sector marketing have persistently identified additional conceptual data that has been ignored in discussion of the non-profit marketing concept, the *negative case analysis* was chosen. Kidder (1981, p. 244) compares procedures of negative case analysis with statistical tests of significance. A goal of both methods is “to handle error variance.” During negative case analysis all existing propositions, null hypotheses, or assumptions underlying theories or concepts, are tested and refined against alternative explanations until no or a minimum possible number of alternative explanations are left. Kidder

(1981, p. 241) notes: "negative case analysis requires that the researcher look for disconfirming data in both past and future observations. A single negative case is enough to require the investigator to revise a hypothesis." This method is consistent with the Hegelian method of dialectic, which suggests that any proposed thesis should be countered by an antithetical proposition in order to achieve synthesis.

Application of negative case analysis in this study included two major elements. The first element dealt with results of the investigative research and included a search for alternative concepts or disconfirming data. For example, if investigative research found that some concepts from the social science disciplines were borrowed to develop the non-profit marketing concept (e. g. the concept of formal organizations from organizational theory, or the concept of social exchange from sociology), then these concepts (the concepts of formal organization and social exchange in our example) were analyzed and the existence of alternative conceptualizations was investigated in the organizational theory or sociological literatures. If alternative conceptualizations were found then they were studied and analyzed in the context of their usefulness for the non-profit marketing discussion.

The second step in negative case analyses was to investigate the potential for conceptual consistency among and between the existing and the revealed alternative concepts. For example, if alternative conceptualizations of both social exchange theory and formal organizations were found, they could be compared with each other looking for possible consistency, connections, or links among them. For instance, were they developed by the same authors, in the same university, at the same period of time? Do they share something in common, for example, the same fundamental premise. If links were found, they could be recorded and analyzed. In summary, the investigative research procedures were focused on "vertical" search and identification of disciplinary and conceptual sources, and the negative case analysis supplemented this analysis by investigating a "horizontal" search of alternative conceptualizations within a particular social science discipline.

Supplemented by investigative research, the negative case analysis attempts to find out if researchers who developed the concept of non-profit marketing suppressed evidence. Kahane (1973, p. 233) contends that such actions can occur when a researcher "conceals evidence unfavorable to his own position." It does not necessarily mean that a researcher on purpose hid or omitted evidence or alternative concepts. As suggested by Douglas (1976) a researcher may have a diversity of reasons for suppressing evidence. Negative case analysis assists in avoiding the suppression of evidence by checking if alternative conceptualizations were considered and consequentially incorporated.

Maxwell (1996, p. 90) noted that: "the most serious threat to the theoretical validity of an account is not collecting or paying attention to discrepant data, or not considering alternative explanations or understandings of the phenomena you are studying." The conceptualization of non-profit marketing cannot be generic and universal if its originators purposefully or mistakenly ignored alternative explanations. The issue is analogous to public hearings and legal proceedings, where both offensive and defensive parties are given the right to be heard. In order to be fair, the negative case analysis focused on the evidence available and reported *prior to*, and not *after*, development of the concept of non-profit marketing.

Because some researchers have challenged the appropriateness of the marketing concept based on the voluntary exchange paradigm in the nonprofit sector context, the method of *theoretical triangulation* was adopted. Triangulation involves validating conclusions by using multiple observers, theories, methods and data sources in order to overcome biases associated

with a single method, observer, theory, or data source (Patton, 1990). Triangulation is closely associated with the modus operandi of detectives, and it partly overlaps investigative research and negative case analysis procedures (Scriven, 1974). Implementation of this method is, in the words of Miles and Huberman (1996, p. 267), mere "analytic induction"—seeing or hearing multiple instances from different sources and reconciling the findings of the different approaches.

Levine (1974, p. 669) suggested that theoretical triangulation could be compared with a cross-examination test:

“... the particular position asserted in a paper is subject to cross-examination or further probing. Attempts by others at replication, new experiments, and inclusive logical critiques of experiments, or of an area of study, may all be viewed as attacks on a particular position by advocates of another position. In legal proceedings, the cross-examination is considered the essential safeguard to the accuracy and completeness of testimony. The cross-examination tests the credibility of the direct testimony, or it brings out additional related facts that may modify the inference one draws from some bit of testimony.”

In this study, theoretical triangulation was undertaken in the form of cross-examination of findings identified by investigative research and negative case analysis. One of the goals of theory triangulation, according to Patton (1990), is to understand how different assumptions and fundamental premises held by various stakeholders affect conclusions. Therefore, implementation of theoretical triangulation in this study included not only reconciling, cross-examination, and evaluation of existing null assumptions of non-profit marketing with alternative assumptions; but also included an attempt to understand how premises held by the originators of non-profit marketing affected their final conclusions, and why some concepts (negative cases) were neglected or significantly reworked. The reason behind choosing theoretical triangulation was an attempt to find out if alternative concepts (negative cases) had potential and usefulness for the conceptualization of non-profit marketing.

Genesis of the prevailing conceptualization of non-profit marketing.

The earliest conceptualizations of non-profit marketing literature emerged in articles and text books written by Shapiro (1973) and Kotler (1975). Inspired by the general idea of exchange emanating from the provocative theory of social exchange (Homans, 1969), Kotler and his associates modified existing political communication and public advertising theories to formulate the marketing approach comprised of the "4 Ps" model, voluntary exchange, and the marketing philosophy of meeting customers' needs (Bonoma and Zaltman, 1978; Kotler and Zaltman, 1971; Zaltman, Kotler, and Kaufman, 1972; Zaltman and Sternthal, 1975). This explanation of the notion of marketing resulted in the term "social marketing" which was defined as:

"The design, implementation, and control of programs calculated to influence the acceptability of social ideas and involving considerations of product planning, pricing, communication, distribution, and marketing research. (Kotler and Zaltman, 1971, p. 5)".

With the emergence of services marketing theory in the late 1980s, the focus of studies in the non-profit field shifted toward the conceptualization and measurement of non-profit service quality and idea of relationship marketing (Berry, 1983; Crompton & Love, 1995; Gronroos, 1991; Toy, Rager, & Guadagnolo, 1989). As a result of these developments, professionals and students in the non-profit field now have access to minimal number of good quality texts which specifically address non-profit marketing problems (Howard & Crompton, 1980; Kotler and Andreasen, 2008, Leadley, 1992; Sargeant, 2009; Torkildsen, 1991, O'Sullivan, 1991, 1998).

In 1972, Kotler formulated his broadened, generic, and axiomatic concept of marketing that was conceptualized as being universal for any type of product or organization including non-profit organizations (Kotler, 1972). The generic marketing paradigm stated that there were three levels of marketing "consciousness." Consciousness 1 was business marketing concerned with market transactions. This was the traditional notion of marketing from its beginning until the early 1970s. Consciousness 2 was a broadened notion of marketing concerned with nonmarket transactions that do not require explicit payments. Consciousness 3 was those marketing activities that were directed to publics other than customers' markets in an organization's environment. All three levels of marketing consciousness shared the same core concept, the notion of exchange. Kotler (1972) asserted:

"The core concept of marketing is the transaction. A transaction is the exchange of values between two parties. The things-of-value need not be limited to goods, services, and money; they include other resources such as time, energy, and feelings. Transactions occur not only between buyers and sellers, and organizations, and clients, but also between any two parties. ... Marketing is specifically concerned with how transactions are created, stimulated, facilitated, and valued, (p. 49, emphasis original)".

Sheth et al., (1988) classified this approach to marketing as the *social exchange school of marketing* which:

(1) advocated a broadened conceptualization of marketing beyond the traditional notion that its

utility is limited to contexts involving the commercial sale of products;

(2) Recognized only minimal differences between private, public and non-profit sectors management: and

(3) Argued for the universality of marketing applications (Bagozzi, 1975; Kotler, 1972; Kotler and Levy, 1969; Kotler and Zaltman, 1971).

After 1970s following text-books on non-profit sector marketing have consciously or unconsciously derived their principles from this school's conceptualization of non-profit sector marketing (Howard and Crompton, 1980; Leadley, 1992; National Park Service, 1983; Torkildsen, 1991; O'Sullivan, 1991, 1998).

The impact of Kotler and his associates and their broadening proposition on the marketing field was impressive. In 1975 alone, Kotler and his colleagues from Northwestern University broadened the theory of consumer behavior (Zaltman and Sternthal, 1975), introduced concepts of political candidate marketing (Kotler, 1975b); developed the concept of nonprofit marketing (Kotler, 1975a); reinforced the generic concept of marketing by introducing concepts from sociological and anthropological studies (Bagozzi, 1975); identified similarities

between public and profit sector management (Murray, 1975); and introduced nonprofit marketing into the public administration literature (Kotler and Murray, 1975; Kotler and Roberto 1989). Literature review and content-analysis of texts suggests that the academic traditions of this social exchange school stemmed from the conservative traditions of the Chicago school of economics which advocates the *laissez-faire*, libertarian paradigm.

Principles of the prevailing conceptualization of non-profit marketing

Representatives of the social exchange school believe that non-profit sector managers should be interested in "understanding what the [non-profit] organization exchanges with each public; i.e., what each party gives and gets... [and what are]...the motivations underlying their transactions and satisfactions received" (Kotler, 1975, p. 17). Three major principles underling the school's conceptualization of non-profit marketing: (1) An open-system model of formal organizations, borrowed from organizational theory (Katz and Kahn, 1966); (2) The concept of social exchange, adapted from individualistic sociology (Homans, 1961); and (3) Self-interest motivation, advocated by formalist's economic anthropologists (Belshaw, 1965). These principles and their origins are discussed in the follow sub-sections.

An open-system model of non-profit organizations

The social exchange school assumes that an organization is "a purposeful coalescence of people, materials, and facilities seeking to accomplish some purpose in the outside world" (Kotler, 1975, p. 5). The primary functions of such an organization are:

- (1) Input- -attraction of sufficient resources;
- (2) Throughput- - conversion of these resources into various products; and
- (3) Output - - distribution of these throughputs to the public.

This conceptualization of a formal organization as a resource conversion machine is consistent with the precepts of an open-system model of organizations, designed to respond to external and internal pressures.

The open-system model of formal organizations views a non-profit organization as being at the center of a system that responds directly and quickly to the needs of an array of different publics. It assumes that the non-profit organization has sufficient independence to enable it to respond quickly to changes in the environment in which it operates. The open-system model encourages decentralized decision-making, because success is perceived to depend on being able to respond quickly and adapt to dynamic external and internal pressures. Managers are not pre-occupied with following pre-established goals. Emphasis is placed on attracting additional resources from the external environment beyond those regularly provided by the agency's governing body; to convert these resources into social programs and services; and to efficiently distribute these services. The non-profit organization is assumed to be the primary decision-maker, free of a requirement to constantly refer actions for authorization to a higher authority.

Self-interest motivation

The social exchange school of marketing contends that pursuit of personal self-interest is the essential motivation for exchange between non-profit organizations and their publics. Although Kotler (1975) avoided the term "self-interest," Bagozzi (1975, p. 34), who acknowledged Kotler's influence and advice, openly recognized the central role of self-interest motivation in the context of public sector marketing:

"...many individuals, groups, and firms pursue their own self-interest. This is what Adam Smith meant by his reference to an "invisible hand.. .the pursuit of self-interest can be the foundation for the web of kinship, economic, and social institutions."

Adam Smith (1850, p. 7) described the *quid pro quo* principle that underlies his philosophy of the invisible hand in the following terms: "whoever offers to another a bargain of any kind, proposes to do this: give me that what I want and you shall have this which you want." Shapiro (1973, p. 124) similarly believed that this central role of self-interest in the context of nonprofit marketing was sufficiently self-evident that there was no need to discuss it: "I shall not bother discussing the concept of self-interest; it can be taken for granted."

Voluntary exchange and non-profit organizations

A central tenet of the social exchange school is that all organizations seek to attain their goals through the voluntary exchange mechanism. They perceive voluntary exchange to be the only viable mechanism through which formal organizations can attract, convert, and distribute resources (Kotler, 1975).

Kotler argues that voluntary exchanges are not limited to such conventional resources as: goods, services, and money [but] include other resources such as time, energy, and feelings" (Kotler, 1972, p. 49). He believes that voluntary exchange in all of its resource forms should be conceptualized as a transaction, and that it is the central tenet underpinning the notion that marketing is generic. Such exchanges require the existence of at least two conditions: (1) The availability of two parties, and (2) That each party possesses some resource that is valued by another party (Kotler, 1975, p. 23).

Overview of alternative principles

A major limitation of the theoretical position of both the social exchange school of marketing and the Chicago school of economics is that they use a reductionist methodology (Etzioni, 1988; Moniesson, 1988). Moniesson (1988) characterized this approach as intellectualization, which he defined as "reductio ad absurdum" approach in which the ranges of possible concepts are reduced so they reflect a particular way of thinking. In order to reflect the postulates of the Chicago school, it appears that the social exchange school of marketing reduced the diversity of models relating to formal organizations, types of motivation, and kinds of social arrangements to the narrow set of principles discussed in the previous section. A review of the social exchange school's original sources revealed a set of alternative principles that appeared to have substantial potential to better conceptualize the marketing of non-profit services. These are discussed in the following sub-sections.

A closed-system and contingency-choice model of formal organizations

Organizational theory literature suggests that formal organizations can be conceptualized as being closed-systems as well as open-systems. Hall (1972, p. 49) summarized the major differences between these two approaches:

"The closed-system model views organizations as instruments designed for the pursuit of clearly specified goals, and thus directing organizational arrangements and decisions toward goal achievement and toward making the organization more and

more rational in the pursuit of its goal. The open-system model views organizations as not only concerned with goals, but also responding to external and internal pressures. In some cases the open perspective virtually ignores the issue of goals."

The closed-system perspective is older stemming from Weber's classical analysis of bureaucracy. Weber (1946, p. 151) defined an organization as "a system of continuous purposive activity of a specified kind," suggesting that an organization has a clear and explicit goal which determines its internal structure and the tasks which need to be undertaken to achieve this goal. Tasks are divided among members of the organization so that each member has responsibility for an area of activity that matches his/her competence.

Decision-making in a closed-system organization is based on an established normative order and is manifested by clearly specified rules and a chain of command. Selection of members is based on their skills and technical competence. Their duties and levels of remuneration are documented in a written contract (Weber, 1946).

The open-ended or "natural-system" perspective of organizations emanated from criticisms of the closed-ended system (Katz and Kahn, 1966, p. 26). It is based on the conventional microeconomic paradigm. Lesser emphasis is placed on an organization's concern with goals, and greater emphasis on its responsiveness to external pressures:

"The major misconception [of the closed-system model] is the failure to recognize fully that the organization is continually dependent upon inputs from the environment and that the inflow of materials and human energy is not constant".

This view is based on an assumption that energy and resources are scarce and that other organizations also compete for them.

Finally, there has been an attempt in the organizational literature to develop a balanced model of formal organizations that encompasses elements of the both the open-system and closed-system perspectives. The major assumption of this perspective is that organizations have multiple conflicting goals and thus have to make strategic choices in response to internal and external threats. This perspective tries to control three major factors: individuals within an organization; the environment of the organization; and form of the organization. Individuals within the organization are seen as the mechanism through which environmental and organizational characteristics are shaped. The environment is considered as being unstable and varying from predictable to non-predictable. By choosing the best strategic choice-response to a changed environment, the organization attempts to fit itself to the changed environment and accordingly changes its form. That is why contingency and choice are major elements of this perspective (Hall, 1972).

"Coercion mutually agreed upon" and non-profit management

The limitation of self-interest motivation in the context of commonly held resources was formulated by Hardin (1968) in his essay *The Tragedy of the Commons*. Hardin (1968) illustrated the tragedy of the commons by using the parable of a pasture which was fixed in size, but accessible to all residents of a village. Motivated by self-interest, all the villagers sought to maximize their own use of the pasture by grazing as many cattle on it as possible and expanding the size of their own herds. Since each villager followed the same logic the tragedy

occurred. Villagers failed to recognize that the costs of the increased grazing were shared by all villagers, so in the long term the cumulative effect of pursuing their short term independent self-interest goal harmed their collective interest. Without adequate and timely collective measures the pasture was destroyed.

The parable demonstrated that increased demand on limited resources and a philosophy of unlimited access to commonly held resources, eventually may lead to destruction of a resource. Hardin (1968) argued that education efforts to prevent the tragedy of commons are not enough since there are likely to be "free riders", who will not conform and will take advantage of other's voluntary self-restrained actions. His suggested solution was "mutually agreed upon coercion"; a coercion agreed upon through democratic voting procedures by a majority of the people affected. It may take the form of a law, rule, regulation, fine, or a graduated tax. Such an approach, however, requires appointing people and agencies to be responsible for enforcing the agreed procedures: that is, bureaucrats and departments, and independence of non-profit organizations.

Self-interest motivation has limited usefulness in context of non-profit organizations. In many contexts it is antithetical to the philosophy of non-profit services and, hence, is inconsistent with a legitimate conceptualization of non-profit marketing. The application of self-interest motivation is integral to the social exchange school of marketing, but in the context of non-profit agencies it is inappropriate.

Reciprocity and non-profit organizations

The relationship of formal organizations with their environments can be explained not only from an exchange perspective as suggested by the social exchange school, but also from *reciprocity* and *redistribution* perspectives (Dalton, 1971; Polanyi, et al., 1957; Polanyi, 1944; Sahlins, 1965). These scholars call themselves "substantivists".

This perspective attempts to analyze economic life in primitive and modern societies from three different approaches: reciprocal arrangements based on the symmetry principle; redistributive arrangements based on the centrality principle; and marketing exchange arrangements based on price-making markets.

Reciprocity implies a symmetrical sequence (AB/BA) among just two partners or (AB/BC/CA/AC) among more than two fixed partners. Redistribution is centripetal movement of resources among many actors within a group upon one central figure followed by the action of that central figure upon the actors within the group in unison and repartition (BA/CA/DA/ and then A/BCD). Finally, marketing exchange is chaotic movements (A/BCD, B/ACD, and C/ABD) (Polanyi, et al., 1957, pp. vii-viii). This "substantivist" perspective is different from the "formalist" perspective which recognizes only marketing exchange arrangements (Belshaw, 1965).

Sahlins (1965, 1972) contrasted redistribution as a "within relation" with reciprocity as a "between relation". Reciprocity is obligatory gift-giving among kin and friends. Sahlins (1965) maintained that on a very general view "pooling" and "reciprocity" can merge. However, he believed that the course of analytic wisdom is to separate the array of economic transactions in the ethnographic record into two types because their social organization is very different. Sahlins (1965) noted that there is a popular tendency to consider between relations (reciprocity) as a balanced unconditional one-for-one exchange. However, referring to abundant ethnographic

records, he recognized that reciprocity is rather a “whole class of exchanges, a continuum of forms.” This continuum ranges from “the assistance freely given” or “pure gift” at one end of the spectrum and “self-interested seizure” or “appropriation by chicanery or force” at the other pole. Accordingly, Sahlins classified diverse forms of reciprocities as ranging from the “generalized reciprocity, the solidarity extreme,” through the “balanced reciprocity, the midpoint;” to the “negative reciprocity, the unsociable extreme.”

By generalized reciprocity, Sahlins understood “transactions that are putatively altruistic, transactions on the line of assistance given and, if possible and necessary, assistance returned.” Ethnographic examples of such relationships include “sharing,” “help,” “free gift,” and “generosity.” By balanced reciprocity he understood “the simultaneous exchange of the same types of goods to the same amount.” Balanced reciprocity is more economic and less personal and ethnographic examples include “trade” and “buying-selling” that involve “primitive money.” Finally, negative reciprocity is “the attempt to get something for nothing with impunity, the several forms of appropriation, transactions opened and conducted toward net utilitarian advantage.” Ethnographic examples include such relationships as “haggling,” “barter,” “gambling,” “chicanery,” and “theft.”

Sahlins (1965) suggested that in most societies “generalized reciprocity” is the norm within family relationships and “negative reciprocity” predominates in economic relationships outside the family in modern industrial societies. To explain other economic activities in society, such as payment of taxes and public services, Sahlins argued that a different analytical category and analysis was needed.

While Sahlins (1965) believed that it was wise to separate the array of economic transactions in the ethnographic record into two types (reciprocity and redistribution) because their social organizations are very different, Ekeh (1974), whose study was adopted by the social exchange school, used a different approach. Referring to Malinowski’s (1922) and Levi-Strauss’s (1969) studies of kinship, Ekeh (1974) distinguished between *direct reciprocity* and *generalized reciprocity*.

Direct reciprocity characterizes relationships where actor A expects to be benefited directly by actor B, whenever A benefits B. Ekeh refers to this type of reciprocity as restricted exchange and notes that restricted exchange can take two major forms. Given only two parties, A and B, restricted exchange has the form A/B, and this is referred to as *exclusive restricted exchange*. Given several parties, for example, three individuals A, B, and C, restricted exchange has the form A/B/C and this is referred to as *inclusive restricted exchange*.

Both types of restricted exchange based on direct reciprocity are characterized by the notion of *quid-pro-quo*, emotional load, attempts to maintain equality, tensions, distrust, frequent conflicts over fairness, instability, mechanical solidarity, and brittle relationships (Ekeh, 1974; Gillmore, 1987; Uehara, 1990; Yamagishi and Cook, 1993). Restricted or dyadic exchange is traditional economical exchange motivated by self-interest motivation and profit considerations. This exchange is characterized by Adam Smith’s *quid-pro-quo* notion.

Univocal reciprocity characterizes relationships that involve at least three actors and where actors do not benefit each other directly, but only indirectly. Ekeh refers to this type of relationship as generalized exchange that also has two forms.

Chain generalized exchange has the form A/B/C/A, where, "/" signifies "gives to." It is operated by chain univocal reciprocity when actors in the system are so positioned that they operate a chain of univocal reciprocations to each other as individual units.

Net generalized exchange operated by net univocal reciprocity. Net univocal reciprocity denotes empirically observed situations where relationships can be individual-focused or group-focused. *In individual-focused exchange* relationships, the group as a whole benefits each member consecutively until all members have each received the same amount of benefits and attention (ABC/D; ABD/C; ACD/B; BDC/A). In a *group-focused exchanges*, individuals give to the group as a unit and then gain back as part of the group from each of the unit members (A/BCD; B/ACD; C/ABD; D/ABC). Generalized exchange produces a high degree of social solidarity among parties, and establishes trust and commitment, ingredients of modern marketing concept called relationship marketing (Berry, 1983).

A revised conceptualization of non-profit marketing

The revised conceptualization suggested in this article is an attempt to view a non-profit organization as based on the contingency-choice model of formal organization characterized by altruistic motivation of personnel and a reciprocal arrangement mode with external environment. This type of organization has a flat hierarchy, decentralized decision-making, and independent from government funding. These organizations make efforts to attract additional resources from external sources (fundraising and small user fees) and to quickly respond to needs of interest groups. Even though during operations they may have profit they recognize that they have clearly specified goals and mission that is tightly defined by law or grant giver and which cannot be changed. The organization tries to balance two conflicting goals: not to change its clearly specified mission, and to attract scarce additional resources by responding quickly to interest groups.

The reciprocity perspective believes that the collective need for health and civic society in a community is served best when the managers, employees, volunteers and interest groups rely on altruism and benevolence attitudes. According to this philosophy, managers, employees, volunteers and community members, sacrifice their own self-interests for the collective interests and also offer for generous help and assistance.

Interaction of this type of organization with its environment is based on reciprocity principle which is characterized by there being at least three parties involved which do not benefit each other directly, only indirectly. From this perspective, a non-profit organization's interaction with its interest groups diagrammatically can be represented as $A \Rightarrow B \Rightarrow C \Rightarrow A$, where " \Rightarrow " signifies "gives to" and where "A" is a grant-giver, "B" is a non-profit organization with specified mission, and "C" is a group of disadvantaged citizens grateful to grant-giver A.

A revised definition of non-profit marketing

Based on the previous analysis, the following definition of non-profit marketing is offered:

Non-profit marketing is the analysis, planning, implementation and evaluation of non-profit services, designed to facilitate reciprocative arrangements within a community or

target publics that were established by a grant-givers, and expedited by qualified personnel and volunteers who are committed to pursuing them in the mission interest.

This definition suggests that the task of non-profit manager is to accept the mission and objectives set by grant-giver and operate within the parameters and priorities.

To characterize marketing in the non-profit sector and to distinguish it from the traditional "exchange based marketing" which accurately conceptualizes marketing in the for-profit sector, it may be appropriate to adopt the term "grant-giver marketing" or "grant away marketing".

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