

## **Fundraising for Sustainable Community Development and Role of Social Media: Case of Pakistan**

**Shafi Ullah**

Department of Marketing  
College of Business Administration  
King Saud University Riyadh Saudi Arabia

**Arshad Ahmad**

Department of Management  
College of Business Administration  
King Saud University Riyadh Saudi Arabia

**Tanvir Farooq Khan**

Department of Marketing  
College of Business Administration  
King Saud University Riyadh Saudi Arabia

### **Abstract**

*This paper conceptualize a donation-oriented marketing mix (4Cs) a borrowed concept from commercial marketing mix (4Ps) and provides a conceptual framework to formulate an effective marketing campaign by Non-for-Profit Organizations (NPOs) of fundraising for sustainable community development. The study mainly focuses on its research questions of “How do NPOs can best use social media as a tool to attract international donors and build relationships with, to produce best fundraising for a sustainable community development?” And “do NPOs from developing countries like Pakistan use social media the same as NPOs from developed countries do?” The results of conceptual study suggests that if a well-defined and managed strategic plan of usage of social media is adopted, Pakistani voluntary industry can attract international organizations, agencies and individuals in order to raise awareness and enough funds for a sustainable community development. In this way these voluntary organizations will efficiently work against poverty and terrorism that will result in not only peaceful but sustained and prosperous community in Pakistan.*

**Keywords:** fundraising; sustainable; community; development; social media, donation-oriented marketing mix, 4Cs; Pakistan; NPOs.

### **Introduction**

Today U.S. President Barack Obama has more than 8-million followers and makes use of his account to keep informed his followers on his day-to-day News and views; in the 2008 Presidential Election campaign He was the first politician who used social media applications in different ways to engage supporters, fundraise, and defeat the competitive campaigns [1]. President Barack Obama has strengthened his relations with a network of supports. This network was used not only to ensure his Vote bank but to develop an awareness of his campaign namely “CHANGE” and raised a record-making fundraise of \$600-million US Dollars as well. This caused-base relationship with online-followers resulted in a real change in behavior of young Americans and youth voter turnout was raised that may have abounding the edge of success.

The management of Obama Presidential campaign used a database with millions of followers’ names to keep engage the followers almost instantly by using different manners of social media, video clips and emails etc, On Nov, 4, 2008, President Obama sent an email to all his supporters and the email included the line, “We have a lot of work to do to get our country back on track, and I’ll be in touch soon about what comes next.” [1] This type of social networking created an unexpected force to raise money, organize rallies, struggle for to get out the vote that helped them overthrow the Clinton regime and there is every reason to believe that Obama administration will use the network not just to campaign, but even now to govern as well.

In recent years the use of social media within non-for-profit organizations has increased as this emerging media demonstrates some basic benefits for example; Easy to access, free or low cost, mutual interactions and its potential to reach more and more people. On the other hand, the research within the intended area (the use of social media for charity causes) is rather insufficient or is irrelevant. Even there is no academic discipline to educate about successful social media use and how to measure the results drawn of [2].

According to Craig Connects study [3] on 50- NPOs ranked by revenue and their use of social media, 92% of the top 50-nonprofits have at least 1 social media presence on their webpage. While correlation does not equal causation, it may show that strongly using social media, and advertising that fact on your webpage is a sign of a successful NPO. The study shows that 92% of NPOs like their Facebook page, and 90% has love for twitter.

### **Methodology**

The study is built on conceptual research methodology approach [4]; these types of approaches identify concerned variables, categorize them, describe and portray their connections, and plot a map of objects. This study develops a philosophical conceptualization approach that results from inductive philosophical reflection used to put together scattered jobs done on the same issue, sums up the same elements, and portrays the connections of the elements in a summarized style.

Different successful case studies are collected to prove the connections of usage of social media for fundraising campaigns and to build a sustainable community development through the new developed Donation-oriented Marketing Mix (4Cs).

### **Research Question**

The aim of this study is to explore the questions

1. *How do NPOs can best use social media as a tool to attract international donors and build relationships with, to produce best fundraising for a sustainable community development?*
2. *Do NPOs from developing countries like Pakistan use social media the same as NPOs from developed countries do?*

**Variables:** Fundraising, Social Media., sustainable community development. Developed and developing countries.

### **Literature Review**

Sustainable development defined as “*development that meets the needs of the present without compromising the ability of future generations to meet their own need*” [5]. Communication for development is a social process, designed to seek a common understanding among all the participants of a development initiative, creating a basis for concerted action [6]. According to Wilkinson [7], community depends upon interaction, and if interaction is concealed, then community will become limited one. The World is Global Village, and all the nations, organizations and individuals are interdependent, everybody needs to communicate and interact, organizations working for the wellbeing of societies always need to communicate and interact with its donor organizations and individuals and off course community members as well in order to educate them regarding the charity-cause.

Traditionally diversified methods are used for donation collection and/or fundraising by different charity organizations, these include personal meetings, street walk door to door donation collection, direct mail (letters in envelop), organizing special events, fashion shows, auctions on gifted products, involving famous celebrities and through invitational dinners [8]. The electronic (TV, Radio, Internet) and print media (Newspapers and magazines) are still effective tools to appeal for donation and raise funds. Research [9] has shown that Dutch NPOs generated fewer funds for the year 2008 from industries and legacies than before. Likewise, for the same year in America aids were decreased with 5.7 %, it seems that the old-fashioned fundraising methods are obsolete now with the emergence of Social media.

The modern era of internet has widen the field of fundraising studies and provides an attractive way to reach more effectively to more donors in less and competitive time through organization’s own web site and email, while Social Networking has widen the theory in more effective way in order to reach more people through Word of Mouth “a form of peer-to-peer communication in which individuals are encouraged to pass on promotional messages within their social networks” [10].

Social networking sites are used by millions of people around the world and can be an excellent way to publicize fundraising causes. Amazingly, half all charities do not use online fundraising tools and are missing out on this unique opportunity. [11].

Marketing (i.e. promoting the charity organization cause, events or services) is the key target of NPOs for this purpose they always needed a medium and this gap is interestingly covered by internet-based Social Media; “an online platform where users discuss and interact with each others. Recent famous social media include Facebook, Twitter, Linked-In, MySpace, Blogs and many more” [9]. The number of internet users has been increased in the last years and research and it is estimated that by the end of 2012 the figure of social media users will go beyond of 1 billion.

*1. How do NPOs can best use social media as a tool to attract international donors raise fund for a sustainable community development?*

In recent years some successful case studies using social media in fundraising for sustainable community have been reported. In 2008, Biz Stone (Twitter co-founder) appealed those who were celebrating their birthdays in September 2008, to make online donations to charity; “water in lieu of gifts”. This campaign interestingly resulted [12] in a fundraise of \$393,000 for an organization namely “33 villages”. A report by NPSN (Nonprofit Social Network) has been issued to investigate that how charity organizations use social media for fundraising and the results shows that for year 2011, the organization’s own website is the best channel for Non-for-Profit organizations to promote its cause (78%) [13], while Facebook was assigned with 9% for that role while 62% organizations send emails to their followers and subscribers lists. The meanwhile 75% and 73% of organizations were reported with marketing focus - to “engage supporters” or “grow membership”- respectively. This trend can be increased for fundraising as well as 65% organizations use social media to raise money.

Another successful case study [14] belongs to “USA for UNHCR” this organization launched on Dec, 1<sup>st</sup> 2010, The Blue Key campaign as a way to raise awareness and funds in the U.S. to help the refugees worldwide. The campaign’s primary objective was to build awareness and cultivate support for this significant matter by getting 6,000 people in the US to sign up and by their own Blue Key by December 31, 2011. The campaign appealed the US citizens to purchase one key for just \$5 and show support for refugees and the secondary target of the campaign was to create awareness for the vigorous work of more than 6,000 UNHCR staff worldwide, who work 24/7 to grant the refugees with the protection, food, shelter and relief. Amazingly and target crossed 6000 before the deadline.

NPOs recognize that they need to change their techniques of fundraising and need to discover the new and creative ways. The new social media has change the scenario of promoting causes and NPOs should adopt willingly or unwillingly the new media as on Friday 20th January 2012, The Division for Social Policy and Development (DSPD) organized a Panel Discussion on "How NGOs can use social media to create impact and eradicate poverty", the report presented by Lasica & Burke revealed [12] that there are more than 2.1 billion internet users in the World, of which only 44.0% is covered by Asian users. 5.30 billion People use mobiles, of which near to 1.0 billion people has access to internet through mobiles. 8.0 Trillion Messages were sent in 2011 and 85.0% of new mobile handsets have access to mobile web.

Non-for-Profit organizations are reported that they are avoiding the adaptation of internet-based social media due to some reasons as 10% of nonprofits organizations are reported as late adopters for establishing a recent presence on commercial social networks, and this trend show that an absence of a strategy is the main reason that 60% of NPOs are not going to adopt social media as their promotional tool. A deficiency in qualified staff and sufficient budget is a contributing factor for 57%, while 36% are reluctant due to deficiency of expertise [13]; privacy and control are also demonstrated as contributing factors for 24% and 21% respectively.

*2. Do NPOs from developing countries like Pakistan use social media the same as NPOs from developed countries do?*

## **Pakistan**

In developing countries like Pakistan very few national based NPOs are using the internet-based social media, APPEC (Association of Pakistanis for Promotion of Education and Cooperation) [15] is using badges button of social networks like Facebook, Twitter and Flickr on its webpage to tell stories of effected community and individuals and attract donors, raise fund and accept donations through PayPal, and bank accounts, and collected a fund of €375505.0 Euros in 2011. The fund was further distributed with different community organizations for different causes.

Shaukat Khanum Cancer Hospital has recently launched online donation campaign [16] to accept donations both from Pakistan and abroad as well, the campaign has now more than 210,000 Facebook users and more than 1400 followers on Twitter. This pioneering, state-of-the-art hospital is receiving online contribution in form of Zakat and donation through different promotional campaigns like, SMS, PTCL Hope Line, greeting cards, Mobilink rewards points, Askari Bank reward points, blood donation and internet banking through some of the premium banks of the country.

On small scale in Pakistan locally the fund is raised through street walk appeal, direct mail, Newspapers, Radio and TV appeal, through banners and posters and many more. There is very little or no data to prove that donors are attracted through use of social media. Even the reports [17] show that the usage of internet in Pakistan has been increased in Ten-years (2001 to 2011) from 133,900 to 18.5 Million from 0.1% to 10.4% respectively of total population. Because of this trend in growth, it is expected that the usage amount of internet in Pakistan will significantly increase till 2015. Due to this pace of internet usage people and especially the youth in Pakistan are liable towards social networking, and Facebook is the most famous among the people in Pakistan as the country has been ranked 26th with 5.8 Million Facebook users.

## **Discussion**

All Non-for-Profits Organizations (NPOs) exist to support the community in one way or another. The core reasons that organizations exist is “Cause”, for example UNHCR (United Nations High Commissioner for Refugees) is a United Nation’s refugees agency working for the well being of refugees around the World.

In order to exist in for the wellbeing of community charity organizations like UNHCR need resources, it can be financial (cash, property, commodities etc), Human (volunteers, paid staff/employees and workers), Technological (modern technology and equipments etc. To achieve all or part of these resources organizations need to make a well worked strategy that defines organization’s vision, mission and objectives well in advance. The methodology how to reach, convince and get contribution from the donor individuals and agencies.

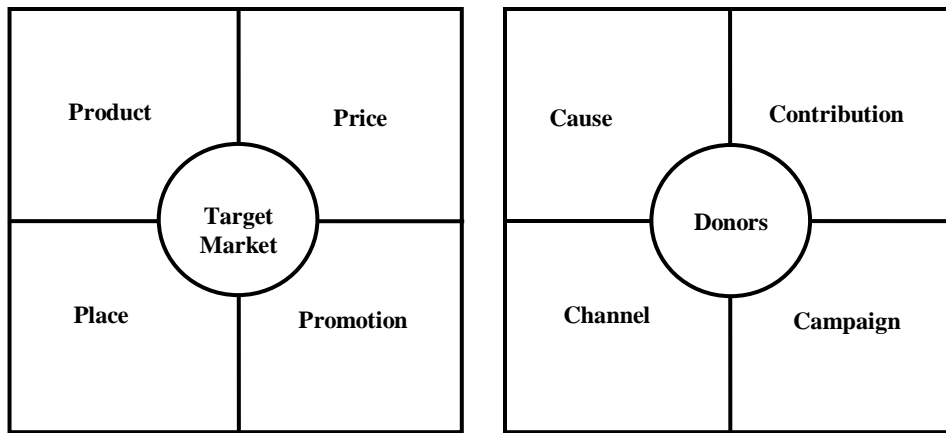
The most significant objective for NPOs is to develop awareness of their cause and raise funds. All NPOs require aids in order to exist and are frequently working to raise funds to support their causes. During the current recession, many NPOs are struggling and are incapable to cover their expenditures. It’s the cry of the day for NPOs to formulate a strategy of how to build awareness of the target community and cultivate enough funds without high costs. And it is possible only if internet-based social media is used for this purpose.

Unfortunately not much research has been done on the efficacy of social media as a marketing tool for NPOs. And there is no single study that compares the usage of traditional media and social media as a marketing tool and the results of the received aid from both.

### **Proposed Model “Donation-Oriented Marketing Mix (4CS)”:**

Social marketing is not like commercial marketing as the former is raising funds for causes and the later is selling products for profit. Kotler at el., [18] defined Social marketing as; “*the use of marketing principles and techniques to influence a target audience to voluntarily accept, reject, modify, or abandon a behavior for the benefit of individuals, groups, or society as a whole*”.

Keeping in mind the above definition of social marketing we can use the commercial Marketing Mix (4Ps); (1). Product, (2). Price, (3). Place and (4). Promotion, to formulate our own Donation-oriented Marketing Mix (4Cs); (1). Cause, (2). Contribution, (3). Channel and (4). Campaign. *Figure 1*, shows the relationship of traditional Commercial Marketing Mix (4Ps) Vs. Donation-oriented Marketing Mix (4Cs).



Commercial Marketing Mix (4Ps)

Figure 1. Commercial Marketing Mix (4Ps) Vs. Donation-oriented Marketing Mix (4Cs):

<u>(4Ps)</u>	<u>(4Cs)</u>
<i>Product</i>	<i>= Cause</i>
<i>Place</i>	<i>= Channel</i>
<i>Promotion</i>	<i>= Campaign</i>
<i>Price</i>	<i>= Contribution</i>

1. CAUSE: In commercial marketing mix (4Ps) the first P means Product, while in donation-oriented marketing mix (4Cs) Product is replaced by “Cause” The main difference is that NPOs, instead of trying to sell products, promote a good cause. Where commercial companies make sales by selling as many products as possible, while NPOs endeavor to yield more and more donations [9]. The “core product” of NPOs is “Cause” and main target is to raise “Funds”.

Oxford dictionary [19] has defined Cause as “a principle, aim, or movement to which one is committed and which one is prepared to defend or advocate” Cause must be talk-worthy and should deliver a complete package of activities, program plans of actions, vision, mission and objectives of the cause.

2. CHANNEL: In commercial marketing mix place means the physical distribution of products to target market while in donation-oriented marketing mix it is replaced by “Channel” and means what channels of communications are used to reach the donor organizations/persons.

In past different Marketing tools (use of loud speakers, street walk, door to door campaigning, direct mail, personal contacts, TV, Radio, Newspapers etc.) were used to raise funds for cause but recently different NPOs use social media (Facebook, YouTube links, Twitter, Flickr, My Space etc) as promotional tools for their causes.

Social media is fast, free and interactive tools to be used for the promotion of causes by NPOs, but it should be kept in mind that donors are not giving blindly, they do not trust every Facebook-page and its appeal for donation, donors would like to check any time that where their donation has been put. In order to increase credibility of any NPO, a well established webpage is very important that should be updated time to time. Rules and regulations need to be followed and if possible there should be some affiliations with United Nation’s organizations.

3. CAMPAIGN: Oxford dictionary [19] defines Campaign as “*Work in an organized and active way towards a goal*”. For Charities and Non for Profits organizations the primary goal is to create an awareness of their cause and to raise funds for [9].

In commercial marketing mix Promotion is a mix of personal selling, advertising, sales promotion and public relations while in donation-oriented marketing mix it means how the appeal for donation is delivered to the target donor organizations/persons. Different NPOs adopt different strategies to deliver the message of the cause to target people. Speed and authentication of message is more important to reach the donors. And social media can play a good role in this type of campaign because of its nature of being interactive and fast.

4. CONTRIBUTION: Price is meant to set a value or cost to charge for a product while in fundraising and donation collection context it means the total fund/donation to be created for the cause and what contribution is gained the contribution can be both tangible and intangible as such money and support from the target organizations/persons. Contribution or Donation; *“any contribution from any person or group is called a donation. It can be in form of cash, land, buildings, supplies and equipment, labour, commercial gifts from businesses, food from farmers, contribution from members and even an advice, or idea; it is donated by individuals, groups and organizations with an affection to help the community”* [20].

All types of support an NPO gets after a cause-oriented campaign using a communication channel is contribution tangible and/or intangible and it is the same as price for commercial product.

### ***Conclusion and Recommendations***

Due to the emergence of Internet and social media in recent years, the whole scenario of donation collection methodology has been changed but unfortunately there is very little data on the linkage of social media and fundraising strategy, this limitation is a challenge for us and needs an empirical assessment which this study is lack of, and will tackle in future studies.

Those NPOs who have adopted social media as promotional tool where they attract the potential donors by storytelling (Video, Picture, blogging) are getting more response than those who still use the old orthodox methods of promotion. Social media will add another chapter to the not-for-profit sector as this media has potential to reach more and more people through Word of Mouth approach.

But on the other side of the picture there are some demerits of the use of this new internet-based social media as well. As message on this media can spread like wild fire, NPOs will get defame within seconds as well if any unwanted message was posted. Internet Scams can attack online donations; hackers can steal the data or donation and so on. Its means that a well-defined strategy should be followed for online presence and appeal for donation. Professionals in internet and social media can help in this regard.

To enhance the horizon of donation collection commercial businesses is another target for NPOS. Commercial Companies require innovative marketing strategies to connect with consumers like never before. Cause branding is a new strategy to unite a brand's core value(s) with a consumer desire and the precise cause partner to generate awareness and funds for a sustainable community development. Effective cause programs can develop a company's reputation and brand image and enhance the credibility of its marketing effort whereas providing consumers an appropriate manner to contribute to NPOs through their buying decisions [21].

Commercial organizations are taking a more strategic approach to their community-involvement efforts, seeking ways of benefiting community organizations while also promoting companies' commercial objectives.

Pakistani NPOs are behind in the run of social media usage and need to adopt social media as promotional tool in order to reach more donors and build better relations with international donor organization, individual and even with volunteers. Empirical research is required to investigate the use of integrated communication technology especially social media for Pakistani NPOs.

In this way these voluntary organizations will efficiently work against poverty and terrorism that will result in not only peaceful but sustained and prosperous community in Pakistan.

## References

- Carr, D. (2008, November 9). "How Obama Tapped into Social Networks' Power", New York Times, retrieved February 20, 2012 from [http://www.nytimes.com/2008/11/10/business/media/10carr.html?\\_r=2](http://www.nytimes.com/2008/11/10/business/media/10carr.html?_r=2).
- Olofsson, G., (2011). "NGOs social media use: an exploratory study of how NGOs use social media as a marketing tool for creation and cultivation of relationships". (Master's thesis' Stockholm University). Retrieved February 19, 2012 from <http://www.su.se/english/search?q=NGOs+Social+media>.
- Craigconnects (2011, October 13). "infographic: how the top-50 nonprofits do social media". Retrieved February 22, 2012 from <http://craigconnects.org/2011/10/a-look-at-how-the-top-nonprofits>.
- Meredith, J. (1993). "Theory building through conceptual methods". International Journal of Operations & Production Management. Vol. 13, No. 5, pp. 3-11.
- Elliot, J., A. (1994). "An Introduction to Sustainable Development: The Developing World". Routledg, London and New York.
- FAO (2011). "Communication for development: ComDev Expert Consultation, Rome". Retrieved March 03, 2012 from [www.fao.org/sd/KN1\\_en.htm](http://www.fao.org/sd/KN1_en.htm)
- Wilkinson, Kenneth P., (1991). "The Community in Rural America". Westport, CT: Greenwood Press.
- Faina Zamora Lopez, (2012). "The use of social networking as a means of fundraising – analysis of UNICEF's internet-based donation tool". (Bachelor Thesis, Kymenlaakso University of Applied Sciences, Finland).
- Schets, S. (2010). "Meet charities online; how can charities utilize social media as a promotional tool?" (Master's thesis, Hogeschool Holland).
- Bampo, M., Ewing, M. T., Mather, D. R., Stewart, D., & Wallace, M. (2008). "The effects of the social structure of digital networks on viral marketing performance". Information Systems Research. Vol (19) Issue (3), Page 273-290
- Crystal, G. (2010, May 4). "Fundraising Using Social Networking Sites". Retrieved March, 02, 2012 from <http://www.ideasfundraising.co.uk/fundraising-social-networking-sites.html>
- JD Lasica & Shonali Burke, (2012, January 20). "How NGOs can use social media to create impact and eradicate poverty". Panel Discussion, the Division for Social Policy and Development (DSPD) United Nations.
- "Nonprofit social network benchmark report". (2011). retrieved February 21, 2012 from <http://nonprofitsocialnetworksurvey.com/index.php>
- "Americans urged to speak out for refugees new blue key campaign addresses growing world displacement crisis". (2010). Retrieved February 28, 2012 from <http://thebluekey.org>
- "Donating via bank transfer" (n.d.) retrieved March 25, 2012 from <http://www.durabledevelopment.com/appec/>
- "Donations from Pakistan" (n.d.). retrieved March 01, 2012 <http://www.shaukatkhanum.org.pk>
- Butt, N. (2012, January 15). "Growing need for social media management strategy". THE NATION. Retrieved February 20, 2012. <http://www.nation.com.pk>
- Philip, K., Ned, R., and Nancy, L. (2002). "Social marketing: Improving the quality of life". 2nd ed., Saga Publications, Inc.
- Oxford dictionary-English; <http://oxforddictionaries.com/definition/cause?q=Cause> and <http://oxforddictionaries.com/definition/campaign?q=campaign> accessed 02/03/2012
- Bartle, P. (n.d.). "Community internal resources". Retrieved March 04, 2012 from <http://cec.vcn.bc.ca/cmp/modules/rch-ir.htm>
- Neelakantan, U. and Dev, M. (2011). "Organisational and Social Development Interventions". International Conference on Technology and Business Management Dubai. March 28-30, 2011, retrieved February 22, 2012 from [www.trikal.org/ictbm11/pdf/OB/D122-done.pdf](http://www.trikal.org/ictbm11/pdf/OB/D122-done.pdf)