

MARKETING MISSIONS – A CASE STUDY FOR THE SOCIAL MARKETING MIX

Andrea Finchum, West Texas A&M University

CASE DESCRIPTION

The primary subject matter of this case concerns marketing for Not-For-Profit (NFP) organizations. Secondary issues examined include social entrepreneurship, the social marketing mix, services marketing, entrepreneurship and effective leadership and management of NFP organizations. The case has a difficulty level of four, appropriate for senior level. This case is designed to be taught in two class hours and is expected to require two hours of outside preparation by students.

This case study applies undergraduate marketing concepts to the Not-For-Profit (NFP) organization. The marketing mix becomes more complicated when applied to a NFP organization as the traditional 4 P's morph into 8 P's for a nonprofit organization. The focus for this case study is the 4 extra P's of Publics, Partnership, Policy, and Purse Strings as these elements distinguish the NFP social marketing mix from the more traditional marketing mix leveraged by for-profit companies.

Students will be presented with background analysis for the Red Cross and Habitat for Humanity – two NFPs that have successfully expanded their mission from one individual's passion to a global operation. Students will then consider the cause of a much smaller organization – Snack Pak 4 Kids. Like the Red Cross and Habitat for Humanity, Snack Pak 4 Kids was organized by one man with a passion to serve a societal need. It is a small NFP, local to the Amarillo, Texas area, but desiring to expand its operations throughout Texas and beyond. Students will be asked to consider the Snack Pak 4 Kids social marketing mix best able to launch this small NFP to a national level.

CASE SYNOPSIS

We are teaching a millennial generation with a passion for service. NFP organizations are an important vehicle for public service, and there is no doubt that our students will become involved with NFPs in their lifetime. Therefore, we need to prepare them to effectively lead and participate in these groups. The Social Marketing Mix is a somewhat novel framework for NFP marketing that is largely unaddressed in the typical marketing curriculum. This case brings to students a topic area that they care deeply about and a toolkit to get them thinking about how they can contribute to their societal concerns in a practical way.

CASE BODY

*“Real hunger feels like having your insides crushed all together...”
-- Amarillo middle school student*

Dyron Howell is on a mission to end childhood hunger in the Texas panhandle. He's just an ordinary guy – a pharmaceutical sales representative from Amarillo, Texas – who realized five years ago, that there were children, provided with meals at school during the week, who were going hungry over the weekend. So, he did something about it and on September 2, 2010,

started sending sack lunches home on Fridays with 10 children from Will Rogers Elementary. Today, the Snack Pak 4 Kids organization sends snack packs home with more than 3,700 kids from about 50 schools in Amarillo and works with others who do the same for more than 6,000 students in 34 more school districts in the surrounding area (Beilue, 2015).

Obviously, the need is real, substantial, and reaches well beyond the Amarillo community. Howell's desire is that no child would be hungry on the weekend. His community and his conscience are pushing him to expand his operation. But how does he do that, making the best use of his time and talent to leverage the resources necessary to help the most children possible?

The prevalence of NFP organizations continues to grow. In 2007, nearly 1.6 million tax-exempt organizations (NFP or non-governmental organizations) operated in the United States, representing 8.11% of all wages and salaries paid and \$2.6 trillion in total assets (National Center for Charitable Statistics, 2010). Thus, it is increasingly important for entrepreneurs to an understanding of the extra requirements related to marketing NFP services.

BACKGROUND

Not-For-Profit Organizations

The typical NFP begins with a single individual who has a passion for a societal cause that is recognized and relevant for a specific community. For the NFP to be sustainable as its operations expand, the NFP must create the infrastructure necessary to coordinate funding, communication, and provision to those in need without the continual presence of the NFP founder.

This is not so different from the sustainability requirements of the for-profit company, except that the NFP is not typically generating revenue and so must be concerned with several additional stakeholders. With respect to the NFP's marketing strategy, these additional requirements can be attended to by considering the social marketing P's of Publics, Partnership, Policy, and Purse Strings.

This case explores how two successful NFP organizations – The Red Cross and Habitat for Humanity – addressed the social marketing P's to allow for growth beyond the physical presence of the Social Entrepreneur and beyond the NFP's original geographic territory.

The case then provides background information on a NFP enterprise local to the Amarillo, Texas area – Snack Pak 4 Kids. You will be asked to consider the challenges for this NFP in growing its operation to a national level and to discuss the social marketing mix elements in relation to the Snack Pak 4 Kids mission.

The Social Entrepreneur

The Social Entrepreneur is that individual who recognizes a societal need and endeavors to address it to create lasting change to the benefit of a society or to a particular group in a society (Light, 2008). Very often, the social cause is concerned with a basic, human need related to provision of food, water, shelter, or safety (Certo & Miller, 2008).

The NFP entity is created for tax purposes and to establish the enterprise to receive donations and other funding. The Social Entrepreneur brings to the NFP the resourcefulness and creativity that comes with a desperate effort to provide relief for a dire situation. Add to that the

charismatic delivery of the call for help, and the Social Entrepreneur represents an engine for a cause that is difficult to replicate. (Dees, 1998).

Socio-Cultural Factors

Any marketing strategy exercise will include a conversation on the benefits to be delivered. While the consumer is purchasing a collection of product/service features, traditional marketing theory is that the consumer is persuaded to make the purchase based on the benefit(s) expected. As marketers, we are trained to identify and communicate these qualities – “the sizzle” – rather than the factual product features. As examples, marketers of Nike tennis shoes communicate how “cool” it is to have the same shoes that Michael Jordan wears; ADT markets the *feeling of safety* that parents will have with a home security system; Victoria’s Secret capitalizes on women’s *desire* to be sexy. The benefits of a NFP mission may be obvious as they tend to relate to basic human needs, but it is critical that the NFP understand that benefit realization is sensitive to local practices and cultures.

It is a recent notion that there exists for sustainable NFPs a link between the socio-cultural environment and the social marketing mix. The logic is that societal needs or issues are related to particular behaviors or socio-cultural qualities that apply to a defined group of people. For example, in Tanzania where childhood mortality due to malaria is prevalent, the societal value for a NFP cause to prevent malaria in children is likely to be high. Some of the behaviors and customs related to high childhood malaria in Tanzania include employment being unavailable near the home, rituals related to funerals and other ceremonies, and outdoor social activities. These behaviors are related to social determinants like social class, poverty, and racial inequality, which are specific to the Tanzanian community (Yamin, 2008 in Wasan & Tripathi, 2014). Thus, the NFP’s efforts need to be specific to the behaviors and socio-cultural realities that are relevant for the population it intends to serve. The malaria prevention efforts in Tanzania will communicate the risks associated with the related cultural rituals and behaviors. And the population will likely be receptive to the NFP’s efforts because of the very relevant local concern for malaria.

The Social Marketing Mix

The four components of the traditional marketing mix are Product, Price, Promotion, and Place. These elements of a marketing strategy are familiar and, thus, they will not be addressed here. Of special concern to the NFP are the 4 additional P’s of the social marketing mix: Publics, Partnership, Policy, and Purse Strings.

Publics – Publics relates to the audiences of concern for the NFP, both external and internal. External Publics include the target populations, policymakers and gatekeeper organizations which may influence the NFP’s success (e.g. the media). With respect to the NFP’s target audience, the NFP very often identifies behaviors which are linked to the NFP concern and asks the target audience to change their behavior in some way. For example, the American Cancer Society works to persuade consumers in America – its target audience, and one of its external publics – to stop smoking. Internal Publics, on the other hand, are those groups involved with the operations, either with respect to approval or implementation. Internal Publics include staff and policymakers which allow for funding the NFP.

Partnership – NFPs often find it helpful to partner with other organizations to address a societal concern. The tactic for the NFP is to identify organizations with similar target audiences, even if they promote different agendas.

Policy – NFP's will often pursue policy change to support the behavioral changes they promote. NFPs may leverage media avenues to put pressure on legislative bodies, industries, and other groups to promote policy changes that support the NFP cause. They may also be involved with aggressive lobbying efforts to promote their cause. Legislative changes related to smoking in public places, for example, has effectively supported the American Cancer Society's effort to curtail America's smoking habits.

Purse Strings – Unlike for-profit companies, the NFP is typically not able to secure funding by generating sales revenue. Instead, the NFP must often secure governmental grants and/or foundational and private donations. Thus, the NFP must be very deliberate in securing funding in order to remain a sustainable enterprise, particularly as its operations expand geographically (Weinrich, 2011).

It is imperative for the NFP intending to expand its operations that some combination of these four elements become part of the NFP strategy. When the NFP can tap into relevant socio-cultural concerns in the growth areas to leverage Publics, Partnership, Policy, and Purse Strings, then the physical presence of the Social Entrepreneur is no longer mandatory. The Red Cross and Habitat for Humanity are two global NFPs that have done exactly this.

THE INTERNATIONAL COMMITTEE of the RED CROSS (ICRC)

The Red Cross was founded in 1863 in Geneva, Switzerland by Henri Dunant. Five years prior in 1858, Dunant had witnessed the slaughter of approximately 40,000 soldiers at the Battle of Solferino in Northern Italy between Austrian and French forces. Following the battle and with the help of peasant villagers, Dunant collected the wounded and organized a clinic for them in the church of a neighboring town called Castiglione. He then paid a visit to Napoleon III and convinced him to declare that the Austrian medical personnel and the Austrian soldiers being tended to in the Castiglione makeshift hospital would be released and allowed to return to Austria (Joyce, 1959).

Dunant's goal with the Red Cross was to put an end to warfare, his stated philosophy two-fold: "succour for the victims of war, and repudiation of war itself." (Max Huber, Executive President of the International Red Cross Committee in Joyce, 1959). Dunant knew from the outset that his mission would be an international effort, requiring the involvement of governments. Very early on, Dunant created a leadership team that didn't include himself. Thus, while he was the impetus to create the organization, he created an infrastructure for the organization that didn't require his presence.

The very first ICRC conference in 1863 was attended by delegates from fourteen countries, and support for the group grew very quickly. Only one year later, delegates from sixteen countries met again to adopt the first Geneva Convention, which delineated the rules for humane treatment of soldiers during wartime (Joyce, 1959).

The ICRC organization is now represented in every country and is sustained by millions of volunteer supporters. The organization's mission has stretched in the last century to cover non-wartime concerns as well, its stated mission today being "to alleviate human suffering, protect life and health, and uphold human dignity especially during armed conflicts and other emergencies" (The Movement, 2013). In 2014, the ICRC operations purport to have improved

access to shelter and water for more than 26 million people and provided aid including food and health care services to nearly 10 million people in countries including South Sudan, Somalia, Ukraine, and Myanmar (Annual Report 2014, 2015). At the local level, Red Cross groups also provide such services as CPR Training, lifeguarding instruction, and blood drives (Health and Safety Training and Education, n.d.).

The ICRC governing body in Geneva, Switzerland oversees and contributes to the efforts of each country's National Society (the Red Cross operation at the country level). While the Red Cross organization is very active in seeking private, corporate, and foundational donations, the bulk of its funding comes from government grants (Finances, n.d.).

The ICRC has made it a guiding principle to cooperate only, allowing the National Societies to develop their own operational plans, which are sensitive to the local behaviors and cultures (Cooperation with the National Societies, 2010). The ICRC has instituted an infrastructure that allows local people to communicate their needs and concerns, leveraging digital technology and social media tools. Similarly, the organization has built a culture of communication, seeking input and feedback from communities served to be sure proper attention has been given "to understand the culture and mores and to carefully consider local dynamics" (Empowering People and Communities, n.d.). This has proven to be a very successful strategy to ensure that each ICRC aid program is sensitive to the customs and cultural norms for the people being assisted.

HABITAT FOR HUMANITY

Millard and Linda Fuller founded Habitat for Humanity (HFHI) in 1976 in Americus, Georgia. HFHI provides homes to low-income families that would otherwise not qualify for home-ownership. They are a Christian-based NFP whose mission is: "Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities and hope" (Habitat for Humanity, 2015).

Home-owners are offered interest-free mortgages and are required to participate in the building effort. They make a small down payment on the home and must make monthly mortgage payments to maintain ownership of the property. HFHI recognizes no profit on the home sales and uses the monthly mortgage payments to fund additional home building projects. The homes are constructed using volunteer labor and donated money and building materials (Smith, 2013). Since its inception, HFHI has constructed or renovated more than 800,000 homes, which makes it the largest NFP builder on the planet (Habitat for Humanity, 2015).

Fuller believed strongly that the provision of a safe and stable home was instrumental to reducing poverty in communities, one family at a time. He argued that owning a home meant that a family would be able to raise healthy children who would feel more secure, be more successful in school, and therefore, would be more likely to succeed in life. He believed also that owning a home brought with it a sense of pride and success that would foster further personal growth for homeowners, effectively leading them away from life habits that would otherwise serve to keep them mired in poverty (Reckford, 2011).

HFHI recognized relatively little success in its early years, funding only 342 homes in its first five years of operations. That changed dramatically when, in 1984, Millard Fuller approached former President Jimmy Carter to become a spokesperson for the NFP's mission. In the next two years, the organization's funding grew from \$2.4 million to over \$60 million, and funding as of 2013 had skyrocketed to \$1.35 billion.

It was initially a guiding principle that HFHI would not accept government funding for several reasons. First, HFHI wanted to ensure the community involvement element of their mission was preserved and feared government funds would reduce the need for and the emphasis on this preserved. Also, since HFHI was a religious-based mission, Fuller was concerned that government involvement might threaten these underpinnings. Finally, Fuller simply didn't want to rely on the government, fearing it might not be a consistent and long-term resource. The opportunity for government funding proved too lucrative, though, and Fuller eventually reversed his stance on this position. However, he maintained that grant money could only be used for land purchases, infrastructure such as utilities and roads, and administrative costs, intending to preserve the volunteer and community involvement in the home constructions (Smith, 2013).

Since 1996, HFHI has made a significant shift from building single homes in the middle of existing neighborhoods to purchasing large tracts of land and constructing entire communities of homes. The intent was two-fold – to provide as many homes to as many people as possible, using resources as efficiently as possible, and to create more public awareness around the Habitat for Humanity mission. While the jury is still out on this strategic decision, HFHI has recognized considerable criticism in recent years with obvious deterioration and increasing crime becoming concerns for some HFHI communities. Some have argued that HFHI is effectively creating new slums and causing property values to decline for homeowners around the HFHI communities (Smith, 2013).

The HFHI enterprise is organized into five global area offices – for the United States and Canada, the Middle East and Africa, the Asia Pacific countries, the Latin American and the Caribbean countries, and Europe and Central Asia areas. In addition, country-level and community-level offices function in partnership with HFHI, but coordinate all aspects of each project at the local level with respect to fundraising, family selection and support, setting up the mortgage, and constructing the home. Fuller and his wife have not been involved with the governing of HFHI since 2005 when they were dismissed from the board of directors, Fuller being accused of inappropriate conduct and sexual harassment (Habitat for Humanity, 2015).

Throughout its operation and continuing today in Fuller's absence, one thing that hasn't changed is the centrality of community for the HFHI mission. It has been an unwavering tenant of the HFHI mission to involve the local community in the effort to help a family work their way out of poverty and to give people the opportunity to help their fellow man. HFHI has been very active in partnering with churches, veterans' groups, architectural and design firms and many, many other organizations to rally expertise and volunteers for its home construction projects. This same philosophy has extended to HFHI's international operations. Approximately 80% of people in the world don't hold title to their home or the land it sits on. It has often been a necessary first step, therefore, for HFHI to involve local governments to delineate property boundaries and to establish policies that will allow for and ensure home ownership. In addition, local communities are called upon to assist in providing access to safe water and healthy living conditions for the new homeowners (Reckford, 2011).

Both the ICRC and the HFHI have found sustainability in creating infrastructure that allows for provision of help at the local level, relating to the socio-cultural behaviors, cultures, and norms of local communities. Both have also successfully navigated their operations beyond the presence of their original founder. For these reasons, they offer insight to the Snack Pak 4 Kid program as it expands its operations.

SNACK PAK 4 KIDS

Weekend hunger for children in America is a significant need as evidenced by the more than 3,600 backpack food programs operating in this country, providing food on weekends to approximately 190,000 children (Beilue, 2015). Dyron Howell's Snack Pak 4 Kids (SP4K) program contributes in a significant way to this effort, providing hearty, nutritious weekend snacks to nearly 10,000 school-age children across the Texas panhandle and into Oklahoma.

At the core of the SP4K operation is the schools. Teachers or other school staff identify children in need and enroll them in the program. Snack Pak 4 Kids receives donations from many corporations, churches and civic groups, and 100% of all donations go to purchase food supplies for the children. Snacks provided for the children include healthy choices such as milk, peanut butter, trail mix, fruit cups, cereal and beef stew, mostly things students can prepare for themselves without adult supervision (Bernet, 2011). Thanks to the many volunteers wanting to be involved in the effort, 100% of all donated funds go to purchase food for the children. Teachers then play a critical role in the process by delivering the lunch bags to students on Friday afternoons (Snack Pak 4 Kids, n.d.).

Beyond alleviating weekend hunger, the SP4K program has generated the related benefit that students are doing better in school. Two-thirds of teachers surveyed in the last three years' report improved academic performance, which they attribute to the SP4K program. "If you eat over the weekend, you come back ready to learn," reports Howell. (Bernet, 2011).

As impressive as the SP4K program is, the need is greater, and Howell's ability to respond is being stretched. Even within the Amarillo area, it is estimated that the need has not yet been met, given that in Amarillo alone, nearly 65% of Amarillo students – approximately 21,000 kids – qualify for subsidized lunches (Beilue, 2015). Additionally, new schools continue to request to be included in the program, some beyond the Amarillo area; seven San Antonio schools now operate within the program (Bernet, 2011). Further, as children have graduated beyond elementary school, SP4K is being called on to provide the same weekend service to students in middle school and high school. SP4K has, therefore, started a service called "Snack Shaks" which is run online by students and supported by a growing number of churches and local corporations. Older children have bigger appetites and greater nutritional requirements, and so the need continues to grow. SP4K currently relies on a donated warehouse space to assemble the snack bags for the Amarillo area, but they need more room and more resources to coordinate the increasingly massive weekly effort (Beilue, 2015).

The Snack Pak 4 Kids program is at a crossroads. It has reached its capacity for operating as a volunteer organization. Howell is tired and recognizes that he needs support in the way of staffing and leadership to relieve some of the burden on him. Also, he can see now that the SP4K program is addressing only a symptom of larger societal problems relating to parenting and poverty. While his efforts are staving off weekend hunger for some, it is not addressing these larger issues. Howell is questioning his ability to effectively serve a larger body of hungry children with his current operational platform.

REFERENCES

- Annual Report 2014 (2015). In ICRC online. Retrieved from <https://www.icrc.org/en/document/ICRC-annual-report-2014>
- Beilue, J.M. (2015). Snack Pak explosion - Program takes off in 5 years, but unreached remain. *Amarillo Globe-News*, May 27, 2015.
- Bernet, B. (2011). Snack Pak 4 Kids program aids needy children. *Amarillo Globe-News*, January 17, 2011.

- Certo, S. T., & Miller, T. (2008). Social Entrepreneurship: Key issues and concepts. *Business Horizons*, 51, 267-271.
- Cooperation with the National Societies (2010). In ICRC online. Retrieved from <https://www.icrc.org/eng/what-we-do/cooperating-national-societies/overview-cooperation-national-societies.htm>
- Dees, J. G. (1998). *The meaning of "social entrepreneurship."* Center for the Advancement of Social Entrepreneurship, Fuqua School of Business, Duke University. Retrieved February 8, 2008, from http://www.fuqua.duke.edu/centers/case/documents/dees_sedf.pdf.
- Empowering People and Communities (n.d.). In ICRC online. Retrieved from <https://www.icrc.org/eng/who-we-are/history/150-years/index.jsp?rdpage=/eng/who-we-are/history/150-years/challenges/challenge-2-empowering-people.htm>
- Finances (n.d.). In ICRC online. Retrieved from <https://www.icrc.org/en/who-we-are/finances>
- Habitat for Humanity (2015). In Wikipedia online. Retrieved from https://en.wikipedia.org/wiki/Habitat_for_Humanity
- Health and Safety Training and Education (n.d.). In American Red Cross online. Retrieved from <http://www.redcross.org/what-we-do/training-education>
- International Committee of the Red Cross (2015). In Wikipedia online. Retrieved from https://en.wikipedia.org/wiki/International_Committee_of_the_Red_Cross
- Joyce, J.A. (1959). Red Cross International and the Strategy of Peace. New York, NY: Oceana Publications, Inc.
- Light, P. C. (2008). *The Search for Social Entrepreneurship*. Washington, DC: Brookings Institution Press.
- National Center for Charitable Statistics. (2010). *Quick facts about nonprofits*. Retrieved from <http://nccs.urban.org/statistics/quickfacts.cfm>.
- National Center for Charitable Statistics. (2010). *National Taxonomy of Exempt Entities*. Retrieved from <http://nccs.urban.org/statistics/quickfacts.cfm>.
- Reckford, Jonathan T. M. (2011). Affordable Housing is Everyone's Problem – and Everyone's Opportunity. *Vital Speeches of the Day*, 78(1), 23-28.
- Smith, C. A. (2013). The Rise of Habitat for Humanity Subdivisions. *Focus on Geography*, 56(3), 95-104.
- Snack Pak 4 Kids (n.d.) Retrieved from <http://snackpak4kids.org/>
- The Movement (2013). In ICRC online. Retrieved from <https://www.icrc.org/eng/who-we-are/movement/overview-the-movement.htm>
- Wasan, P. G., & Tripathi, G (2014). Revisiting Social Marketing Mix: A Socio-Cultural Perspective. *Journal of Services Research*, 14(2), 127-144.
- Weinrich, N. K. (2011). *Hands-On Social Marketing: A Step-by-Step Guide to Designing Change for Good*. Sage Publications: Los Angeles.