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**Strategic Positioning in Voluntary and Non-Profit
Organizations in the UK: Exploring the experiences of
British Charitable Organizations
(VOLUME II)**

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Doctor of Philosophy

ASTON UNIVERSITY

November 2006

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Appendix 1:

Preliminary Exploratory Discussion Guide

PRELIMINARY EXPLORATORY DISCUSSIONS GUIDE

PURPOSE

The exploratory discussions are part of my doctoral research into the strategic positioning of voluntary and non-profit organizations. The discussions are informal and aim to:

- (1) Provide an initial and broad understanding of what contemporary marketing strategies and marketing activities are undertaken by British Charities, and in the process, provide an early justification for the importance/contributions of my research topic;
- (2) Clarify themes and constructs that I have identified in my preliminary conceptual framework, and at the same time, highlight other plausible themes/constructs/variables that could be included in the framework;
- (3) Obtain preliminary inputs on the postal questionnaire contents, language and layout during the survey design stage.

PARTICIPANTS

The exploratory discussions are conducted with charity marketing practitioners who are involved in their organizations' strategic marketing planning and/or implementation. Additionally, the discussions are also conducted with my supervisor and three other academics who are knowledgeable in research in the UK Voluntary Sector.

DATES & DURATION

The discussions are held from October to November 2003, and in early February 2004 mostly at the participants' organizations or at a neutral location (conference/university). The duration ranges from 1.5 to 2 hours for each discussion.

STRUCTURE OF DISCUSSION

A list of broad themes/open ended questions is used to guide the semi-structured discussions but the atmosphere is essentially informal.

Celine Chew
February 2004

EXPLORATORY DISCUSSION - SOME THEMES/QUESTIONS

1. Please provide some background information about your charity's work and the ways in which the organization is set up to carry out its work in serving its cause(s). (e.g. mission, when it was set up, organization structure, any marketing dept/unit etc.)
2. To what extent does your charity carry out marketing Planning? (e.g. strategic, operational, or as part of your organization-wide strategy planning process)
3. What are the activities/tasks in your marketing planning process?
4. How does your charity fund its organizational/marketing activities?
5. Who do you consider are your:
 - 'main target audiences'?
 - 'competitors'?
 - 'stakeholders'?or do you refer to these parties in different terminologies?
6. Describe the types of marketing strategies that your charity use. (give examples).
7. How does your charity differentiate itself from the other service providers in the sector(s) that it operates in, or from the other charities? (i.e. does it undertake positioning? What types of positioning decisions are involved?)
8. What are the major factors that you consider could influence the choice of your organization's strategy/positioning decisions?
9. Do you consider Marketing an important function for your charity? If so, how and why? If not, why not?
10. Can you give examples of how marketing is relevant and contributes to your charity? (strategic vs. operational benefits)

Appendix 2:

Major Sub-Sectors in the Top
500 Fundraising Charitable
Organizations in the UK
(including the General Welfare
& Social Care sub-sectors)
1997 to 2002

MAJOR SUB-SECTORS IN THE TOP 500 FUNDRAISING CHARITIES IN UK
(1997 to 2002)



Illustration removed for copyright restrictions

(Source : CAF Charity Trends 2003; Mintel 2001. * adjustments by CAF 2003 post-publication)

Appendix 3:

Exploratory Postal Survey Telephone Script

EXPLORATORY POSTAL SURVEY - TELEPHONE SCRIPT

Good morning/afternoon . Is this the(check name of charity)....?

I am Celine Chew from the Academy for Research in Management in Aston University. May I speak with your Manager/Director or someone in charge of your organization's strategy planning or marketing activities, please?

We are conducting a research study and would very much like your help in this study.

The study is about the extent to which charitable organizations, such as yours, carry out their positioning of their charities and the ways in which they distinguish themselves in the sector that they serve.

(If asked: Your charity is selected because it is in the sector that we are very keen to know more about, i.e. in the general welfare and social care sector, and because your charity is among the most successful top 500 charities in its fundraising activities).

The purpose of my call is to invite you to participate in the first phase of this study, i.e. a survey questionnaire.

I will be mailing to you a set of the questionnaire that I would appreciate your time in completing and returning it to me in the freepost reply envelope provided. The questionnaire will take about 15 minutes to complete.

- 1. Ask for name and position of person (addressee) for the mail.**
- 2. Check address of the charity and any email addresses.**

Thank you for your help. Goodbye.

Appendix: 4

Feedback Form -
Pilot Test of Postal Survey
Questionnaire

YOUR FEEDBACK ABOUT THE SURVEY QUESTIONNAIRE

Thank you for taking time to complete the questionnaire.

**It would help me very much if you could provide some feedback about the questionnaire
In the areas listed below, and send it back to me together with the completed questionnaire.**

Celine Chew
Academy for Research in Management
Aston Business School

How long did you take to complete the questionnaire? _____ minutes

	(please mark 'X' in one box only)	
Were the instructions to the questions clear?	Yes <input type="checkbox"/>	Can be improved <input type="checkbox"/>
Was the layout of the questionnaire clear and attractive?	Yes <input type="checkbox"/>	Can be improved <input type="checkbox"/>
Was the flow of the questionnaire easy to follow?	Yes <input type="checkbox"/>	Can be improved <input type="checkbox"/>
Was the cover letter clear?	Yes <input type="checkbox"/>	Can be improved <input type="checkbox"/>

If you have marked 'can be improved' in the answers above, please suggest areas for improvement.

Were the questions clear?	Yes <input type="checkbox"/>	Can be improved <input type="checkbox"/>
---------------------------	------------------------------	--

Which questions were unclear and ambiguous? (please specify)

Appendix: 5

Covering Letter and Final Postal Survey Questionnaire

Date:

(name of person)
(name of charitable organization)
(address of charitable organization)

Dear Mr/Ms (name of person)

SURVEY IN MARKETING PLANNING AND POSITIONING STRATEGIES

Marketing planning is commonly used by many organisations to guide their operational activities. Increasingly, it is also being used by charitable organisations in their strategy development.

I am writing to ask your kind help to take part in a research study about the extent of use of strategic marketing planning in developing positioning strategies in charitable organisations.

I have attached a questionnaire that I would appreciate your time in completing. The purpose of the questionnaire is to find out the *extent* to which charitable organisations, such as yours, carry out marketing planning and positioning strategies to distinguish themselves in the sector(s) that they serve. In this respect, it does not matter if your organisation carries out strategic marketing planning and positioning strategies extensively or in a more limited way.

There is no right or wrong answer, but it would help me if you could complete this questionnaire and return it to me in the reply paid envelope before 30 April 2004.

All respondents will each receive a copy of the survey findings report. Furthermore, if you are interested in being a case study organisation in this research and in receiving detailed feedback on your organisation's marketing planning and positioning strategy, then please tick the box in the back page of the questionnaire.

I would like to reassure you that the information you provide in this questionnaire identifying you and your organisation will not be disclosed to anyone under any circumstances.

If you have any questions or problems in answering the questions, please contact me on telephone 07919 141465 or email: chewcp@aston.ac.uk

Thank you for taking your time in completing this questionnaire. ***Your views are important and your support is greatly appreciated.***

Yours faithfully,

Celine Chew
Academy for Research in Management
Aston Business School

ASTON BUSINESS SCHOOL

CONFIDENTIAL

Questionnaire *Marketing Planning & Positioning Strategies In Charitable Organisations*

Please complete this questionnaire as instructed and return to
Celine Chew in the enclosed FREEPOST envelope.

If you have any queries please contact
Celine Chew at Aston Business School, Birmingham.
(Telephone 07919 141465 or email: chewcp@aston.ac.uk)

THE CONTENTS OF THIS FORM ARE STRICTLY
CONFIDENTIAL. INFORMATION IDENTIFYING THE
RESPONDENT OR THEIR ORGANISATION WILL NOT BE
DISCLOSED TO ANYONE UNDER ANY CIRCUMSTANCES

Dear Sir/Madam,

PURPOSE OF THE QUESTIONNAIRE

Marketing planning is commonly used by many organisations to guide their operational activities. Increasingly, it is also being used by charitable organisations in their strategy development.

This questionnaire is part of a research project about the extent of use of strategic marketing planning in developing positioning strategies in charitable organisations.

In this respect, it does not matter if your organisation carries out strategic marketing planning and positioning strategies extensively or in a more limited way. What is more important is for me to know the *extent* to which your organisation carries out or does not carry out these activities and what they mean to your organisation.

INSTRUCTIONS IN COMPLETING THIS QUESTIONNAIRE

There are four sections in this questionnaire. Each section concerns a particular topic with questions that are preceded by appropriate instructions. Please read the instructions carefully in order to help you in answering the questions.

There is no right or wrong answer, but it would help me if you could complete this questionnaire and return it to me via email before Friday, 16 April 2004.

All respondents will each receive a copy of the survey findings report. Furthermore, if you are interested in being a case study organisation in this research and in receiving detailed feedback on your organisation's marketing planning and positioning strategy, then please tick the box in the back page of this questionnaire.

I would like to reassure you that the information you provide in this questionnaire identifying you and your organisation will not be disclosed to anyone under any circumstances. If you have any questions or problems in answering the questions, please contact me on telephone 07919 141465 or email: chewcp@aston.ac.uk

Thank you for taking your time in completing this questionnaire. *Your views are important and your support is greatly appreciated.*

Yours sincerely,

Celine Chew
Academy for Research in Management
Aston Business School

SECTION ONE: About your organisation

This section is to help me understand your answers in this questionnaire in the context of your organisation. I would again reassure you that the information provided in this questionnaire identifying you and your organisation will be kept strictly confidential.

Name of person completing this questionnaire: _____

Position in organisation of person completing this questionnaire: _____

Tel No: _____ Email address: _____

1. Name of your organisation: _____

2. Purpose of your organisation: _____

(for example: to reduce the incidence of heart diseases; to save lives at sea)

3. Charity Sector that your organisation is in:
(Please mark 'X' in the box that **best** describes your organisation's sector)

(a) General Social Care

☐

(b) Children

☐

(c) Benevolent Funds

☐

(d) Religious General Welfare

☐

(e) Elderly Care

☐

(f) Service/Ex-Service

☐

(g) Other ☐ (please specify): _____

4. Number of **years** your organisation has been in existence
(Please mark 'X' in only one box)

(a) Over 10 years

☐

(b) 5 to 10 years

☐

(c) Below 5 years

☐

5. Your organisation's approximate average annual total income over the past three years (Please mark 'X' in only one box)

Annual Total Income (approximately)		% that is Voluntary income (please specify the % following the box that you mark)
(a) Over £10 million	<input type="checkbox"/>	_____ %
(b) £1 to £10 million	<input type="checkbox"/>	_____ %
(c) Below £1 million	<input type="checkbox"/>	_____ %

6. Relating to Question 5 above, please write the approximate proportion (%) of your organisation's TOTAL INCOME that comes from Government sources (central and local government funding such as grants, contracts).

Approximately _____ % is from Government funding

7. Approximate number of paid staff in your organisation (please specify)

(full time): _____ (part time): _____

8. Who in your organisation is overall in charge of its marketing activities?
(please specify the title or position)

SECTION TWO: Your Organisation and Strategic Marketing Planning

In this section I would like you to think about the types of marketing planning activities that your organisation has carried out over the past three years (or shorter, if you have only recently started these activities).

It does not matter if your organisation has an established or a newly set up marketing planning process, or if your organisation is going to implement marketing planning in the near future or if your organisation does not have such a process at all now. What is important for me is to understand the *extent or not* of marketing planning in your organisation.

8. On a scale of 1 to 10, please indicate to what extent has your organisation carried out the following marketing planning activities over the past three years. If your organisation does not carry out a particular activity, please choose [0] in the first left-hand column.

(Please mark 'X' on the appropriate number)
1 = to a small extent 10 = to a large extent

- | | |
|--|----------------------------|
| (a) Identifying opportunities and threats in the external environment (political, regulatory, economic, technical, social-demographic trends). | [0] 1 2 3 4 5 6 7 8 9 10 |
| (b) Monitoring activities and performance of other organisations (competitors) in the same sector and/or different sectors. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (c) Market research/analysis of donors and funders. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (d) Market research/analysis of service users (beneficiaries, clients). | [0] 1 2 3 4 5 6 7 8 9 10 |
| (e) Identifying strengths and weaknesses (including marketing resources) in your organisation. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (f) Setting marketing objectives in line with your organisation's mission and goals. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (g) Identifying the different groups of existing and potential donors and funders that your organisation depends on for financial resources. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (h) Identifying the different groups of existing and potential service users (beneficiaries, clients) to whom your organisation provides or delivers services/products. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (i) Identifying how to differentiate your organisation and/or its services/products in the sector that it operates in. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (j) Developing communication plans and actions to inform, educate or motivate users, donors, volunteers, the public and other stakeholders (public or media relations, advertising). | [0] 1 2 3 4 5 6 7 8 9 10 |
| (k) Developing fundraising plans and actions to generate donations from the public and companies. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (l) Allocating marketing resources and/or other resources (including personnel) to support and carry out the marketing plans and objectives. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (m) Monitoring how well the plans are achieving results. | [0] 1 2 3 4 5 6 7 8 9 10 |

SECTION THREE: Your Organisation and Strategic Positioning

In this section, I would like you to answer the following questions about the *extent* to which your organisation does or does not carry out activities that distinguishes itself and/or its services/products from other organisations in the sector that it serves. You should choose the answer that is most applicable to your organisation's circumstances.

9. On a scale of 1-10, to *what extent* does your organisation make the following decisions? If your organisation does not make a particular decision, please choose [0] in the first left-hand column.

(Please mark 'X' on the appropriate number)
1 = to a small extent 10 = to a large extent

- | | |
|---|----------------------------|
| (a) Decision on which groups of user/client/beneficiary to serve. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (b) Decision on which groups of donors or funders to target. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (c) Decision on how to differentiate my organisation from other service providers operating in the same sector. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (d) Decision on which strategy is best able to differentiate my organisation from other service providers. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (e) Decision on which strategy to adopt that can best be supported by the organisation's existing resources and capabilities. | [0] 1 2 3 4 5 6 7 8 9 10 |
| (f) Decision on which strategy best fits the organisation's mission and culture. | [0] 1 2 3 4 5 6 7 8 9 10 |

Other decisions ☐ (please specify): _____

10. When deciding the ways to appeal to the different groups of target audiences (e.g. service users, donors, funders or other stakeholders), organisations have a variety of approaches to use. Please let me know which of the following approaches is most applicable to your organisation.

(Please mark 'X' in only one box)

- | | |
|--|--------------------------|
| (a) Identifying and communicating the unique ways in which my organisation and its services/products meet the needs of clients or donors and are valued by them. | <input type="checkbox"/> |
| (b) Identifying and communicating the ways in which my organisation can serve a particular group of users (clients, beneficiaries), or in a particular geographical area or by providing a particular type of service better than other organisations. | <input type="checkbox"/> |
| (c) Identifying and communicating my organisation's ability to provide competitively lower prices of services/products due to its cost efficient operations and accessibility to low cost resources. | <input type="checkbox"/> |
| (d) Other <input type="checkbox"/> (please specify): _____ | |

11. Please now select the way(s) in which your organisation is positioned to stand out among other organisations in the sector that it operates in.

(You can mark 'X' in more than one box)

- | | |
|---|--------------------------|
| (a) We are different based on the quality in which we deliver our services/products. | <input type="checkbox"/> |
| (b) We are different based on the quality of the services/products we offer. | <input type="checkbox"/> |
| (c) We are different based on the wide range of services/products we offer. | <input type="checkbox"/> |
| (d) We focus on specializing in providing particular types of services/products to our customers (users, clients, beneficiaries). | <input type="checkbox"/> |
| (e) We focus on specializing in serving the needs of particular user/client segments or in particular geographic segments. | <input type="checkbox"/> |
| (f) We are different based on the degree of support/ancillary services that we provide. | <input type="checkbox"/> |
| (g) We are different based on our organisation's mission or identity. | <input type="checkbox"/> |
| (h) We are different based on our network of branch offices. | <input type="checkbox"/> |
| (i) We are different based on our unique relationship with central and/or local government agency/branch. | <input type="checkbox"/> |
| (j) We are different based on our low-cost of operations. | <input type="checkbox"/> |
| (k) We are different based on the competitively low prices of services/products that we offer. | <input type="checkbox"/> |
| (l) Other <input type="checkbox"/> (please specify) _____ | |

12. Please mark '1', '2', '3', '4' AND '5' in the appropriate boxes below that you consider are the **FIVE TOP FACTORS THAT ARE MOST INFLUENTIAL (in descending order)** in your organisation's choice of approaches to positioning in the sector(s) that it serves.

- | | | | |
|--|--------------------------|--|--------------------------|
| (a) External environmental factors (political, regulatory, economic, social, technology, demographics) | <input type="checkbox"/> | (b) The needs of various groups of donors that my organisation target | <input type="checkbox"/> |
| (c) Actions of other Charities in the in the same sector(s) | <input type="checkbox"/> | (d) Actions of Voluntary organisations other than Charities | <input type="checkbox"/> |
| (e) My organisation's mission | <input type="checkbox"/> | (f) My organisation's culture | <input type="checkbox"/> |
| (g) The needs of various groups of service users (beneficiaries, clients) that my organisation target | <input type="checkbox"/> | (h) My organisation's available resources (financial, physical, human) | <input type="checkbox"/> |
| (i) Preference of Trustees/Board Members | <input type="checkbox"/> | (j) Government (central or local) funding agency | <input type="checkbox"/> |
| (k) One or more dominant non-government funding organisation(s) | <input type="checkbox"/> | (l) The needs of various groups of volunteers | <input type="checkbox"/> |
| (m) Other <input type="checkbox"/> (please specify) _____ | | | |

SECTION FOUR: Competition and Clients/Users

Finally, in this section I would like you to answer the following questions that will help me to compare your organisation's experience with that of other charitable organisations.

13. How would you consider the current level of competitive intensity for funding and other resources in the sector that your organisation is operating in? (mark 'X' in only one box)

(a) Low competitive intensity

☐

(b) Moderate competitive intensity

☐

(c) High competitive intensity

☐

14. Referring to Question 13 above, how likely do you think the current competitive intensity in your sector will decrease/ increase in the near future? (mark 'X' in only one box)

(a) Decrease

☐

(b) No change

☐

(c) Moderate increase

☐

(d) High increase

☐

15. Who is/are your organisation's main competitor(s) in the sector that it operates in? (You can mark 'X' in more than one box)

(a) Other Charities that provide similar services in the sector

☐

(b) Private sector organisations that provide similar services

☐

(c) Voluntary organisations other than Charities

☐

(d) Central Government agency/dept

☐

(e) Local Government agency/dept

☐

(f) Other

☐

(please specify)

16. Who is the main client/user/beneficiary of your organisation's services? (e.g. children under 5 years; adults with physical disabilities)

17. If there are questions in this survey that you find hard to answer or if you have further comments in any of your answers, could you tell me which ones and why?

**THANK YOU VERY MUCH FOR TAKING TIME TO
COMPLETE THIS QUESTIONNAIRE.**

All respondents will each receive a copy of the survey results.

Please indicate below if you are interested in being a case study organisation in this research and in receiving detailed feedback on your organisation's marketing planning and positioning strategy.

Yes

☐

No

☐

IF YOU WOULD LIKE TO ADD ANY OTHER POINTS OR COMMENTS, PLEASE DO SO
IN THE SPACE BELOW OR ON AN ADDITIONAL SHEET
(PLEASE ATTACH IT TO THE QUESTIONNAIRE).

**PLEASE RETURN THIS QUESTIONNAIRE IN THE
ENCLOSED FREEPOST ENVELOPE TO:**

Celine Chew
Academy for Research in Management
South Wing, 11th Floor
Aston Business School
Birmingham B4 7ET

Telephone: 0121 359-3611 (extension 4614)
Mobile: 07919 1414654 or Fax: 0121 333-5620
Email: chewcp@aston.ac.uk

Appendix 6:

Reports on Key Findings of
Survey and Case Studies sent to
survey respondents and case
study organizations for feedback

Strategic Marketing Planning and Positioning Strategies: A Study to Map the Activities of British Charitable Organizations

A report by:

**Celine Chew
Policy Studies and Services Management Group
Aston Business School
Aston University
Birmingham, UK**

December 2004

Strategic Marketing Planning and Positioning Strategies: A study to map the activities of British Charitable Organizations

Summary of Key Findings

Charitable organizations are now operating in increasingly challenging and competitive external environments. The National Council for Voluntary Organisations (NCVO) reports¹ that the major drivers of change in the external operating environment will continue to create new challenges for charitable organisations within the wider voluntary sector in the UK. These changes have significant impact on charitable organizations' critical functions of resource attraction and resource allocation, and in managing new patterns of relationships with public and private sector organizations in fulfilling their mission/cause. The importance of developing distinctive organisational positions is increasingly being advocated to charitable organizations as part of their strategic planning process. However, existing cases of positioning/re-positioning among charities are largely anecdotal or post-hoc descriptions. The findings in this empirical study aim to provide an initial but important picture of the extent of strategic positioning activities of charitable organizations, in particular in the General Welfare and Social Care sub-sectors² in the current competitive climate. The key findings are:

- ◆ *Charities are in competition. A majority of respondents perceive high competitive intensity for financial and other resources. The current competitive intensity is expected to increase over the next five years. The main competitors cited are other charities in the same sub-sector, private sector organizations providing similar services, and voluntary organizations other than charities.*
- ◆ *Charitable organizations engage in Positioning Strategy³ activities, which are undertaken within the overall framework of the Strategic Marketing Planning⁴ process. The findings suggest that marketing planning and decision-making are now undertaken in Charities at a more strategic level rather than at the operational level.*
- ◆ *Certain Positioning decisions/activities and Strategic Marketing Planning activities are undertaken more extensively than other activities within the definition of this study. Segmentation and selection of donors/funders and users/beneficiaries, and Developing Communication and Fundraising plans and actions are the most extensively undertaken by respondents as a group; Competitor monitoring and analysis, and market research are relatively less extensively undertaken.*
- ◆ *Two-Thirds of respondents use Differentiation⁵ Positioning, while one-third uses Focus⁶ Positioning as their generic (main) Positioning Strategy.*
- ◆ *Respondents support their generic Positioning Strategy with a variety of positioning dimensions⁷. Specialisation in serving the needs of particular user segments and in offering particular types of services/products, quality of service delivery, wide range of services or products, strong supporting/ancillary services and a wide network of branches are the most cited positioning differentiators.*
- ◆ *There are two main groups of target audience for positioning by Charitable Organizations - [1] users/clients/beneficiaries, and [2] donors/funders.*
- ◆ *The Charity's mission plays a crucial role in positioning as it acts as both a strategic positioning differentiator and as a primary influencer of Positioning Strategy choices.*
- ◆ *The choice of Positioning Strategy is influenced by factors, external and internal to the organization. Preference of Trustees/Board Members, competitors' actions, and organizational culture are ranked lower as top influencers of Positioning Strategy choice than mission, environmental factor, needs of users, needs of donors/funders and organizational resources.*
- ◆ *Government (central and local) is seen as an influencer in Positioning Strategy choice not as a main competitor for organizational resources, but in its policy making and legitimiser roles in the Voluntary Sector in general and in the respondents' sub-sectors in specific.*

The Study Context

This study is the first phase of a larger research that aims to develop a conceptual model of strategic positioning and to depict the factors that could influence the choice of Positioning Strategy (PS) in charitable organizations. There are two main objectives of this study. Firstly, it aims to map the extent of Strategic Marketing Planning (SMP) and positioning activities within a sample of British charitable organisations. Secondly, it attempts to identify the main positioning strategies that charitable organizations use and the major factors that are perceived by charity managers to influence the choice of their PS.

This study uses a self-administered postal survey questionnaire to gather data from a sample of General Welfare and Social Care charities from among the top 500 fundraising charitable organizations in Britain. As well as providing preliminary insights into the strategic planning and positioning activities of these organisations, the postal survey serves as a basis for in-depth investigations using case studies in the next phase of the research. The General Welfare and Social Care sector is chosen because of four main reasons: [1] the sector's increasing public profile in delivering social care/public services in the country; [2] its influence and contribution to policy making in the social care and community development in national and regional levels, [3] its significance in terms of income generated and workforce employed, and [4] the inherent heterogeneity of the charities that operate within this sector could provide interesting findings in their positioning activities.

The survey phase was carried out in six stages from January 2004 to August 2004. The postal questionnaire was mailed to a final sample of 95 General Welfare and Social Care charities between April and July 2004. The achieved response rate was 54%), which is a good response rate for postal questionnaire surveys.

Respondents' Profile

The survey questionnaire was completed by persons involved in the planning and/or implementation of SMP and positioning activities in their organizations. Their titles include Heads of Department and Senior Managers/Managers of Marketing/ Communication/Public Relations (35%), Directors of Marketing/Communication/ Public Relations or Fundraising/Development (29%), Chief Executives (12%), and Others (4% Administrators or Controllers).

Respondents were from all six sub-sectors of the General Welfare and Social Care sample: Other General Welfare Charities (Other GW) 31%, Children Charities 25%, Benevolent Funds 18%; Elderly Care Charities 10%; Service/Ex-Service (10%); and Religious General Welfare Charities (Rel GW) 6%. The largest portion of respondents (51%) were from charities with total average annual income of between £1 to £10 million over the past three years. 26% of respondents earned greater than £10 million and 6% earned less than £1 million average annual income. Summaries of the profile of respondents are shown in Appendix I (see Chart 1; Tables 1, 2 and 3).

Perception of competition among Charities

This study defines competitive intensity as the degree to which charitable organizations compete for financial and other organisational resources in the sector/sub-sector that they operate in. The study finds that:

- A high majority of respondents (90%) perceive high and moderately high current competitive intensity, and 82% think that the current competitive intensity will increase over the next five years. A larger proportion of respondents in the Children, Other General Welfare and Elderly Care sub-sectors view the competitive intensity in their operating environment as high compared to other sub-sectors.
- Respondents cite their main competitors as other charities providing similar services in the sector/sub-sector that they operate in, private sector organisations providing similar services, and voluntary sector organizations other than charities. A small minority of respondents perceives their main competitor to be central government (5.8%) and local government (1.9%) agencies despite receiving funding from this source.
- The above findings support the notion that competition for resources prevails among charitable organizations, and suggest that the intensity of competition perceived by respondents could be sector/sub-sector specific. (See Appendix II: Tables 4 and 5)

Extent of Strategic Marketing Planning (SMP) in Charities

In terms of SMP activities in Charities the study finds that:

- SMP activities are undertaken by charities. The extent of SMP is moderately undertaken by respondents in thirteen activities, each measured on a score of 1 (minimum) to 10 (maximum). Box 1 shows the thirteen SMP activities and the mean score for each of the activities of respondents as a group.

Box 1: Strategic Marketing Planning Activities and Mean Scores for all respondents (N=51)

• Segmentation of Donors/Funders	Mean Score 7.41
• Developing Communication Plans and Actions	7.25
• Developing Fundraising Plans and Actions	7.18
• Segmentation of User/Clients/Beneficiaries	7.02
• Setting Marketing Objectives in line with mission and goals of the organization	6.98
• Allocating marketing and other resources to support and implement marketing plans and objectives	6.56
• Internal Organizational and Resources Analysis	6.51
• Monitoring marketing performance vs. plans	6.47
• External Environmental Analysis	6.16
• Identifying Charity's Positioning Dimensions	5.84
• Market Research and Analysis on Users/Clients	5.59
• Market Research and Analysis on Donor/Funders	5.27
• Competitor Monitoring and Analysis	4.72

- The total mean score of the thirteen activities is 6.38. The findings suggest that marketing planning and decision-making are undertaken at a more strategic level rather than at a tactical level as was concluded in some earlier studies in the 1990s⁸. In particular, this study finds that Segmentation of Donors/Funders has the highest mean score of 7.41, which suggests that charitable organizations have increased their efforts in this activity to support their fund raising programmes compared to the mid 1990s⁹. However, Competitor Monitoring and Analysis has the lowest mean score of 4.72, which reinforces previous findings¹⁰ that non-profit organisations (including charities) tend to pay less attention to competitor monitoring than other marketing planning activities, or compared to private sector organizations.
- The mean score for Identifying the Charity's Positioning Dimensions activity is 5.84, which is below the total mean score of all thirteen activities. This activity score

provides an early indication that positioning is undertaken as part of the overall SMP but the extent to which respondents undertake that activity is not as high as other marketing planning activities.

Extent of Positioning Strategy (PS) activities in Charities

This study identifies that PS activities are undertaken by charities to distinguish themselves from other service providers. The positioning activities comprise of three major components: the choice of target audience(s), the choice of generic (main) positioning strategy, and the choice of positioning dimensions that the organisation uses to distinguishing itself and to support its generic positioning strategy. The study finds that:

- PS activities are moderately undertaken by the respondents. The extent is measured on a score of 1 (minimum) to 10 (maximum) for six PS activities. Respondents that score higher in SMP activities tend to also score high in PS activities. The total mean score of the six PS decisions is 6.64. Selection of Donor/Funder has the highest score of 7.49; while Selection of Positioning Strategy that best differentiates the charity from other providers has the lowest score of 5.76. Box 2 shows the PS activities and their mean scores.

Box 2: Positioning Strategy Decisions and Mean Scores for all respondents (N=51)

• Selection of Donor/Funder to target	Mean Score 7.49
• Selection of User/Client/Beneficiary to Serve	7.06
• Selection of Positioning Strategy that can best be supported by the Charity's existing resources and capabilities	6.80
• Selection of Positioning Strategy that best fits the Charity's mission/culture	6.70
• Selection of Positioning Dimensions to use to distinguish Charity from other providers	6.04
• Selection of Positioning Strategy that best differentiates the Charity from other providers	5.76

- There appears to be two groups of target audience for positioning by respondents: [1] the user/client/beneficiary and [2] the donor/funder. Selection of these two target audiences had the highest scores from amongst the six PS activities/decisions.
- The majority of respondents use Differentiation Strategy (65%) and Focus Strategy (33%) as their generic (main) positioning strategy. Only one (2%) respondent uses Lower-Cost Strategy.
- A high proportion (78%) of respondents in the Benevolent Funds sub-sector tends to adopt Focus Positioning as their generic positioning strategy. This is in contrast to respondents in other sub-sectors where the majority tends to adopt Differentiation Positioning as their preferred generic positioning strategy (see Appendix III: Table 6). This finding reflects the common notion that many Benevolent Funds are founded to serve the needs of a particular group of uses/clients/beneficiaries in a particular trade or industry. This focused approach could be a perceived strength of Benevolent Funds that seek to be very selective in their choice of both target users/clients/beneficiaries and target donors/funders. On the other hand, these narrow markets could also be a perceived weakness in times of changing operating environments in the trade/ industry or geographic location that they exist in.

- Respondents support their generic positioning strategy with a variety of positioning dimensions. Positioning dimensions are identified in this study as key differentiators based on major organisational strengths of the organization and which can provide long-term strategic advantages. The positioning dimensions most frequently cited by respondents are the charity's mission (63% cited), Specialisation in serving the needs of particular target users/beneficiaries (55% cited) or in providing particular types of services/products (45% cited), Quality in excellent delivery of service or product quality (45%), Wide range of services/products offered (30% cited), Strong supporting/ancillary services (22% cited), and the Charity's Network/Branch Offices (14% cited).
- 14% of respondents cite their unique relationship with government agencies (central and local) as a positioning differentiator. A minority of respondents cites low cost of operations (10%) and competitive low prices of services/products (4%) as their positioning differentiators. Appendix III (Table 7) provides a breakdown of the positioning dimensions cited by respondents in the six sub-sectors.

Factors that influence the choice of Positioning Strategy/dimensions

This study finds that the respondents' choice of generic positioning strategy and differentiating dimensions is influenced by factors, external and internal to their organisations. Appendix IV (Table 8) shows a breakdown of the more important influencing factors cited by respondents in the six sub-sectors. The key findings show that:

- A particular influential factor cited by a majority of respondents in all sub-sectors is the charity's mission. It plays a crucial role in the organization's positioning as it acts as both a major strategic positioning differentiator (63% cited) and as a primary influence in the choice of PS (82% cited).
- The charity's choice of PS is also influenced by both the needs of users/clients/beneficiaries (78% cited) and the needs of donors/funders (53% cited) as a key external stakeholder.
- Both external environmental factors, such as shifts or changes in socio-demographic, economic, political, regulatory and technology environments, and internal organizational factors, such as availability of organizational resources are cited by 67 of respondents as among the top five most influential factors. 31% cited Culture as another internal organisational factor, while 28% also cited Actions of other charities/voluntary sector organizations other than charities as another important external factor.
- Trustees/Board Members are perceived to be influential internal stakeholders. 38% of respondents cited preferences of this internal group of decision makers as an influential factor in their choice of positioning strategy.
- Government (central and local) is seen as an influencer of respondents' strategic choices, not so much as a competitor for organizational resources, but in its policymaking and legitimiser roles in the voluntary sector in general, and in the respondents' charity sector/sub-sectors in particular.

Conclusion and Implications for Charity Managers

The significant social and economic contributions of British charitable organizations and their inherent heterogeneity make the study of positioning within the overall strategic marketing planning agenda an important one. The findings in this study have provided an initial but

important picture of the extent of strategic positioning activities of charitable organizations, in particular in the General Welfare and Social Care sector in Britain in the current highly competitive climate. This study suggests that charitable organizations are increasingly knowledgeable in SMP and positioning at an organizational level. A growing number are undertaking these activities fairly extensively in their organizations. The charity's mission, external environmental factors, organizational factors and key stakeholders are cited by respondents to influence the choice of their positioning strategy and dimensions.

However, the findings also suggest several implications and challenges in effectively implementing strategic positioning in charitable organizations:

- There is a need for charities to fully understand the impact of external environmental factors and internal organizational factors on positioning strategy decisions. The study found that, on the one hand, the majority of respondents perceive high competition from other charities and private sector organizations for resources. On the other hand, charities tend to emphasize less on some strategic marketing activities such as competitor monitoring and analysis, market research and in identifying the positioning dimensions that can distinguish the charity from other providers. These activities should be given more attention by charities as part of the overall strategic marketing planning process in developing effective positioning strategies.
- The study finds that there appears to be at least two groups of target audience towards which charities focus their positioning efforts/resources: [1] the users/clients or beneficiaries and [2] the donors/funders. This finding suggests that charities would need to develop dual positioning strategies – one aimed at users of services and another aimed at donors/funders who provide essential financial resources to enable the charity to fulfill its mission. However, in doing so charities need to be concerned about the impact of different positioning strategies on the consistency of communication messages about their positions to the different target audiences.
- Charities adopt a variety of positioning dimensions to support their main positioning strategy. These dimensions serve as strategic bases upon which the positioning strategy draws its advantage. They reflect the key strengths of the charity, which should be supported by organizational resources over a period of time. Given that charities are highly resource dependent on external parties for financial, human and other organisational resources, it is imperative that charities build long-term relationships with resource providers, including government (central and local) in order to sustain their strategic positions over time. This could however be a challenging task.
- The charity's mission is the most important distinguishing feature in the charity's positioning strategy revealed in the study. Mission is also cited as the top factor that influences the choice of the charity's PS. Whilst mission is important in any organization; many charities' mission statements tend to be broadly defined and are often not constructed for appropriate use in strategic positioning. Positions are also not static over time. A key challenge for charitable organizations is therefore to find ways to effectively operationalise their mission to reflect their positional strengths/advantages. They will also need to regularly review their mission statements to reflect the organizations' changing strategic positioning over time as they adapt to external environmental pressures and internal organizational needs.

Acknowledgements

This author appreciates the participation of respondents in the survey and for making this study possible. At the same time, it must be acknowledged that there remain questions that are outside the aims of this survey study. Questions such as how charities develop positioning strategies and why they choose a particular strategy rather than another are subjects for further research by this author. Additionally, the findings from this study are based on charitable organizations in the General Welfare and Social Care Charity sub-sectors in Britain, and therefore, care should be taken in generalising the findings or conclusions to charitable organizations in other sectors/sub-sectors.

The author is also grateful to Professor Stephen Osborne, Aston Business School, for his helpful comments and suggestions in previous drafts of this report. Finally, this report and its reported findings are the sole responsibility of this author and any clarifications/comments are welcomed.

Further Information

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Notes:

¹ Wilding, K. (2003) Voluntary Sector Strategic Analysis 2003-04, NCVO Publications, London.

² This classification follows that used by the Charities Aid Foundation's (CAF Charity Trends) classification of top 500 fundraising charities in the UK.

³ Positioning is defined in this study as a internal managerial process within the organization to develop an organization-level positioning strategy (in contrast to product or brand positioning) that aims to distinguish itself from other service providers. The positioning strategy comprises three major inter-related components: the choice of target audience(s), the choice of generic (main) positioning strategy, and the choice of positioning dimensions that the organization uses to distinguishing itself and to support its generic positioning strategy.

⁴ Strategic Marketing Planning is defined for the purpose of this study as planning for the organization-wide respond to its external environment, target audiences and market opportunities. This study identifies 13 broad activities in Strategic Marketing Planning in the charity marketing context.

⁵ Differentiation Positioning is one of the generic (main) positioning strategy where the organization identifies and communicates the unique ways in which its services/products meet the needs of its target audiences, and which are valued by them.

⁶ Focus Positioning is one of the generic (main) positioning strategy where the organization identifies and communicates its uniqueness by serving a particular group of target users (clients/beneficiaries), or serving a particular geographic area, or by delivering a particular type of service better than other organizations.

⁷ Positioning dimensions are identified in this study as key differentiators based on major organizational strengths of the Charity and which can provide long-term strategic advantages.

⁸ Cousins, L (1990, 'Marketing Planning in the Public and Non-profit Sectors', *European Journal of Marketing*, Vol.24/7, pp. 15-30) found that marketing planning in non-profit organisations in the (including Charities) was more tactical than strategic when compared to counterparts in the private and public sector sectors in the UK.

⁹ Sargeant, A. (1995, Do UK Charities have a lot to learn?, *Fund Raising Management*, Vol.26/5, pp.14-16) found that there was a low level of sophistication in the use of market segmentation approaches on donor markets among the top fundraising Charities in the UK.

¹⁰ In the same study, Cousins, L. (1990) found that non-profit organizations tend to pay little attention to competitor monitoring compared to private sector organizations, and many use informal methods of market research to stay in touch with customer needs.

Appendix 1: Profile of Survey Respondents in the General Welfare and Social Care Sub-Sectors

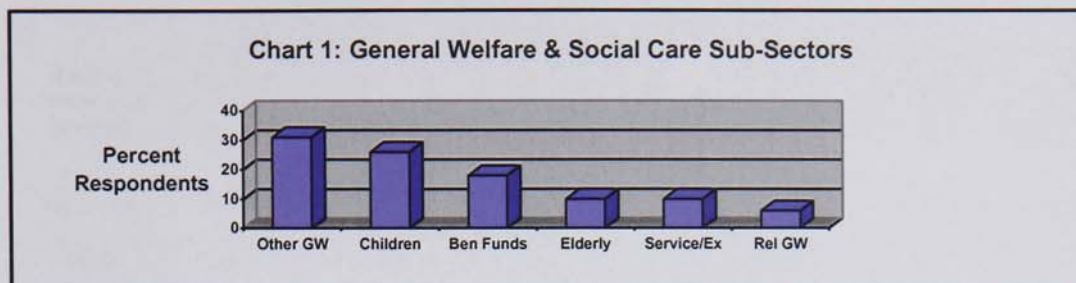


Table 1: Total Annual Income in General Welfare & Social Care Sub-Sectors							
£	Other Gen Wef (n=16)	Children (n=13)	Ben Funds (n=9)	Elderly Care (n=5)	Service/ Ex Service (n=5)	Rel Gen Wef (n=3)	Total (N=51) No. & %
Below £1 m	3 (19%)	2 (12%)	1 (11%)	-	-	-	6 (12%)
£ 1-10m	9 (56%)	8 (64%)	6 (67%)	2 (40%)	1 (20%)	-	26 (51%)
Over £10 m	4 (26%)	3 (24%)	2 (22%)	3 (60%)	4 (80%)	3 (100%)	19 (37%)
Total	100%	100%	100%	100%	100%	3 (100%)	51 (100%)

Table 2: Voluntary Income in General Welfare & Social Care Sub-Sectors							
% Voluntary Income	Other Gen Wef (n=16)	Children (n=13)	Ben Funds (n=9)	Elderly Care (n=5)	Service/ Ex Service (n=5)	Rel Gen Wef (n=3)	Total (N=51) No. & %
<25	6 (39%)	-	2 (22%)	2 (40%)	-	1 (33%)	11 (22%)
>25-50	1 (6%)	1 (8%)	-	1 (20%)	2 (40%)	-	5 (10%)
>50-75	4 (25%)	4 (28%)	1 (11%)	2 (40%)	1 (20%)	1 (33%)	13 (25%)
>75-100	5 (30%)	8 (64%)	6 (67%)	-	2 (40%)	1 (34%)	22 (43%)
Total	100%	100%	100%	100%	100%	100%	51 (100%)

Table 3: Government Funding in General Welfare & Social Care Sub-Sectors							
% Govt Funding	Other Gen Wef (n=16)	Children (n=13)	Ben Funds (n=9)	Elderly Care (n=5)	Service/ Ex Service (n=5)	Rel Gen Wef (n=3)	Total (N=51) No. & %
<25%	7 (42%)	11 (84%)	8 (89%)	5 (100%)	4 (80%)	2 (67%)	37 (72%)
>25-50	4 (26%)	2 (16%)	-	-	1 (20%)	-	7 (14%)
>50-75	3 (19%)	-	1 (11%)	-	-	-	4 (8%)
>75-100	2 (13%)	-	-	-	-	1 (33%)	3 (6%)
Total	100%	100%	100%	100%	100%	100%	51 (100%)

Notes: Cells with no figures mean that no respondent were from those particular categories.

Appendix II: Competitive Intensity in the General Welfare and Social Care Sub-Sectors

Level of Competitive Intensity	Table 4: Competitive Intensity in General Welfare & Social Care Sub-Sectors						
	Other Gen Wef (n=16)	Children (n=13)	Ben Funds (n=9)	Elderly Care (n=5)	Service/ Ex Service (n=5)	Rel Gen Wef (n=3)	Total (N=51) No. & %
Low	1 (6%)	2 (12%)	2 (22%)	-	-	-	5 (9%)
Moderate	6 (39%)	1 (8%)	3 (33%)	-	3 (60%)	2 (67%)	15 (29%)
High	9 (55%)	10 (80%)	5 (45%)	5 (100%)	2 (40%)	1 (33%)	31 (61%)
Total	100%	100%	100%	100%	100%	100%	51 (100%) *

Change in Competitive Intensity	Table 5: Change in Competitive Intensity over next five years						
	Other Gen Wef (n=16)	Children (n=13)	Ben Funds (n=9)	Elderly Care (n=5)	Service/ Ex Service (n=5)	Rel Gen Wef (n=3)	Total (N=51) No. & %
No change	3 (19%)	2 (15%)	2 (22%)	-	2 (40%)	-	9 (18%)
Moderate increase	9 (56%)	8 (62%)	5 (56%)	5 (100%)	3 (60%)	3 (100%)	33 (65%)
High increase	4 (25%)	3 (23%)	2 (22%)	-	-	-	9 (18%)
Total	100%	100%	100%	100%	100%	100%	51 (100%) *

Notes: *Does not add up to 100% due to rounding of figures.

Cells with no figures mean that no respondent in that sub-sector selected that particular item.

Appendix III: Positioning Strategy and Dimensions in the General Welfare and Social Care Sub-Sectors

Type of Generic Positioning Strategy	Table 6: Generic Positioning Strategy in General Welfare & Social Care Sub-Sectors						
	Other Gen Wef (n=16)	Children (n=13)	Ben Funds (n=9)	Elderly Care (n=5)	Service/ Ex Service (n=5)	Rel Gen Wef (n=3)	Total (N=51) No. & %
Lower-Cost	-	1 (8%)	-	-	-	-	1 (2%)
Focus	5 (32%)	3 (24%)	7 (78%)	1 (20%)	1 (20%)	-	17 (33%)
Differentiation	11 (68%)	9 (68%)	2 (22%)	4 (80%)	4 (80%)	3 (100%)	33 (65%)
Total	100%	100%	100%	100%	100%	100%	51 (100%)

Type of Positioning Dimensions (ways in which respondents distinguish their organization)	Table 7: Positioning Dimensions in General Welfare & Social Care Sub-Sectors						
	Other Gen Wef (n=16)	Children (n=13)	Ben Funds (n=9)	Elderly Care (n=5)	Service/ Ex-Serv (n=5)	Rel Gen Wef (n=3)	Total N=51 No. & %
We are different based on our organization's mission or identity	11 (35%)	8 (25%)	5 (16%)	3 (9%)	2 (6%)	3 (9%)	32 (63%)
We specialize in serving the needs of particular user/client segments or in particular geographic segments	9 (32%)	6 (21%)	7 (25%)	2 (7%)	1 (4%)	3 (11%)	28 (55%)
We specialize in providing particular types of services/products to our customers (users/clients/beneficiaries)	8 (35%)	7 (30%)	2 (9%)	3 (13%)	1 (4%)	2 (9%)	23 (45%)
We are different based on the quality in which we deliver our services	8 (35%)	7 (30%)	4 (17%)	1 (4%)	2 (8%)	1 (2%)	23 (45%)
We are different based on the quality of the services/products offered	7 (39%)	6 (33%)	2 (11%)	3 (17%)	-	-	18 (35%)
We are different based on the wide range of services/product available	7 (47%)	3 (20%)	2 (13%)	1 (7%)	1 (7%)	1 (7%)	15 (30%)
We are different based on the degree of support/ancillary services that we provide	5 (46%)	3 (27%)	1 (9%)	-	2 (18%)	-	11 (22%)
We are different based on our network of branch offices	1 (14%)	1 (14%)	1 (14%)	-	3 (43%)	1 (14%)	7 (14%)
We are different based on our unique relationship with central and/or local government agency/branch	2 (29%)	1 (13%)	-	2 (29%)	2 (29%)	-	7 (14%)
We are different based on our low-cost of operations	2 (40%)	3 (60%)	-	-	-	-	5 (10%)
We are different based on the competitively low prices of services/products that we offer	2 (100%)	-	-	-	-	-	2 (4%)
<i>Notes: Totals do not add up to 100% because respondents in each sub-sector can choose more than one positioning dimension, but not necessarily all of them. Cells with no figures mean that no respondent in that sub-sector selected that particular dimension.</i>							

Appendix IV: Key Factors Influencing Choice of Positioning Strategy in General Welfare and Social Care Sub-Sectors

Key Factors Influencing Choice of Positioning Strategy	Table 8: Responses on Top 5 Factors Influencing Choice of Positioning Strategy in General Welfare & Social Care Sub-Sectors						
	Other Gen Wef (n=16)	Children (n=13)	Ben Funds (n= 9)	Elderly Care (n=5)	Service/ Ex-Serv (n=5)	Rel Gen Wef (n=3)	Total N=51 No. & %
My organization's mission	11 (69%)	11 (85%)	8 (89%)	4 (80%)	5 (100%)	3 (100%)	42 (82%)
The needs of various groups of target users/clients/beneficiaries targeted	14 (88%)	9 (76%)	8 (89%)	5 (100%)	2 (40%)	2 (67%)	40 (78%)
My organization's available resources (financial, human, physical)	12 (75%)	10 (77%)	6 (67%)	1 (20%)	4 (80%)	2 (67%)	35 (69%)
External Environmental Factors (political, regulatory, economic, social, technology, demographics)	11 (69%)	9 (69%)	6 (67%)	4 (80%)	3 (60%)	1 (33%)	34 (67%)
The needs of various groups of target donors/funders	9 (56%)	9 (69%)	4 (44%)	2 (40%)	2 (40%)	1 (33%)	27 (53%)
Preference of Trustees/Board members	4 (25%)	6 (46%)	6 (67%)	1 (20%)	-	2 (67%)	19 (38%)
My organization's culture	4 (25%)	5 (38%)	2 (22%)	2 (40%)	2 (40%)	1 (33%)	16 (31%)
Actions of other charitable organizations in the same sector/sub-sector	5 (31%)	1 (8%)	3 (33%)	2 (40%)	2 (40%)	2 (67%)	15 (29%)
Government (central or local) funding agency	5 (31%)	1 (8%)	1 (11%)	-	-	1 (33%)	8 (16%)
The needs of various other groups of volunteers	2 (12%)	1 (8%)	-	1 (20%)	1 (20%)	-	5 (10%)
Actions of Voluntary organizations other than charities	1 (6%)	3 (23%)	-	-	-	-	4 (8%)
One or more dominant non-government funding organization(s)	2 (12%)	-	-	1 (20%)	1 (20%)	-	4 (8%)
<i>Notes: Totals do not add up to 100% because respondents select 5 factors that they think are most important in influencing their choice of positioning strategy and dimensions. Cells with no figures mean that no respondent in that sub-sector selected that particular factor as among the 5 most important.</i>							



STRATEGIC POSITIONING IN UK CHARITABLE ORGANIZATIONS

CASE STUDY

***COMMUNITY CARE* SERVING TYNE & WEAR AND NORTHUMBERLAND**

REPORT ON KEY FINDINGS

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May 2006

CASE STUDY IN STRATEGIC POSITIONING

COMMUNITY CARE, SERVING TYNE & WEAR AND NORTHUMBERLAND (CF)

EXECUTIVE SUMMARY

This report provides a summary of the key findings along three main themes that were used to guide the cross-sectional case study in CF. The case study was part of a larger study undertaken by this author in Aston Business School into the strategic positioning of General Welfare and Social Care charitable organizations in the UK.

Two main purposes for this report are intended. It aims to provide feedback to the management of CF as to the major findings from the case study, and to check for accuracy in the information depicted in the report.

Data was collected from various sources in the organization from October 2004 and January 2005, and analysed along the main themes established for this study.

Several major conclusions are offered in this report and summarized as follows:

- CF has begun to identify and strengthen its strategic position in an increasingly competitive operating environment.
- At the time of this study, the organization adopted a FOCUS positioning strategy, which enabled it to use its key strengths and core competences as positioning dimensions to provide expert donor agency and grant making services to particular target groups of beneficiaries in the North East region of the country.
- The process of developing the strategic positioning of CF was more emergent rather than pre-planned.
- The factors that influenced the choice of positioning strategy were a combination of external environmental and internal organizational influences.
- The organisation has adapted to changing external environmental influences by making structural and operational changes whilst maintaining its core strategic position over time. However, tensions have emerged as a result of these changes, which the organization's leaders need to be vigilant of for the future.

This author would like to thank all interviewees for their co-operation during the data collection for this case study. Special appreciation is given to *Mr. XX*, Chief Executive of CF for permission to conduct this case study, and *Ms YY* for coordinating the data collection schedule and providing relevant organizational documents.

STRATEGIC POSITIONING IN UK CHARITABLE ORGANIZATIONS

CASE STUDY IN COMMUNITY CARE SERVING TYNE & WEAR AND NORTHUMBERLAND REPORT ON KEY FINDINGS

1. Objectives of Report

This report provides a summary of the key findings along three main themes that were used to guide the cross-sectional case study in Community Care serving Tyne & Wear and Northumberland (*referred to as CF in this report*).

Two main purposes for this report are intended. It aims to provide feedback to the case organisation as to the major findings from the case study, and to check for accuracy in the information depicted in the report.

2. Overview of the Case Study

This case study was part of a larger study undertaken by this author into the strategic positioning of General Welfare and Social Care charitable organizations in the UK. Three main themes were used to guide data collection and analysis.

[1] **Process:** Was there a formal process of developing the strategic positioning in the case organization? Was it part of the corporate strategic planning process or was it part of the marketing planning process?

[2] **Strategy:** What were the major components of the current positioning strategy? What is distinctive about the strategic position of the case organization? Who were the target audiences and major positioning dimensions that reflect the key strengths and core competencies of the case organisation? Has the organization's strategic position changed since the organization's inception? What prompted/initiated those changes?

[3] **Influencing Factors:** What were the major factors that influenced the choice/type of positioning strategy in the case organization context? And in what ways had they influenced the positioning strategy?

3. Data Collection and Analysis

Data collection in the organisation was from October 2004 until January 2005. A series of semi-structured interviews and group discussions were conducted with key strategy planners and managers at CF's head office in Newcastle, and with two external informants. Supporting data was gathered from CF's organisational documents, marketing/communication materials, and from a site visit to one major community project that CF has provided grants. The interviews were transcribed and analysed along the three key themes established for this stage of the study. Supporting data was utilized to corroborate findings that emerged from the analysis.

4. Background of the case organisation

CF is a UK registered charity that was established in 1988 as a grant-giving organisation serving Tyne & Wear and Northumberland in England. The organization generates funds by encouraging local giving primarily from voluntary sources (companies, legacies, families and individuals) and increasingly from government grant schemes to support local communities in the north east of the country. These funds are then distributed to voluntary and community groups/projects that provide a wide range of services specifically in the north east region of the country. The charity operates in the 'Other General Welfare' sub-sector within the General Welfare and Social Care charities. It was ranked 102nd position¹ amongst the top 500 British charities based on voluntary income in 2002 (Charities Aid Foundation 2003). The mission of the organisation is to help build stronger communities by promoting local giving for the benefit of local community needs/causes

5. Key Findings

The findings were derived from data gathered during the cross-sectional case study investigation in 2004/5, and analysed thereafter along three main themes. The key findings are highlighted in this section.

5.1 Process of developing strategic position

The first theme explored the process of developing the case organisation's strategic position. There was evidence of a formal process in CF to developing the charity's organization-wide corporate strategy. As a relatively 'young' charity, the formalized process of developing the corporate strategy had evolved over time as the organisation grew and became more established in its particular area of service provision. However, there appeared to be little formalized pre-planning in the organization as to its strategic directions prior to 2001. Since then the charity had initiated more conscious efforts to developing and communicating its strategic plan for the longer term. The process of

¹ This position fell to 203rd in 2003 although total voluntary income in the charity had remained relatively stable since 2002. The fall was mainly due to the inclusion of over 252 new entries into the top 500 ranking in 2003 compared to 2002 (Charities Aid Foundation, 2004 p.12 and.39).

developing the charity's strategic position had also emerged from a series of actions, in particular since 2003, rather than conceived as a conscious formal process. At the same time, identifying the organization's strategic position had emerged from the process of developing/reviewing its corporate strategy rather than developed separately or as part of a conscious and deliberate strategic marketing planning process.

The organization had a dedicated marketing (public relations/communications) function within the organisational structure, but this was created only recently since 2003/4. The marketing function appeared to play a supporting rather than leading role in the strategic positioning process, in particular, in communicating the charity's positioning messages to various audiences once these had been defined by senior management and approved by the Board of Trustees.

The marketing function in CF, as in many other British charities, tended to be located at the operational level in the organization's structure. In contrast to commercial organizations, the strategic positioning of the charity did not appear to be motivated by competitive reasons, i.e. positioning against competitors, but more to do with identifying its distinctive competences in order to distinguish itself in the sector/sub-sector that it operates in. Figure 1 depicts a schematic that traces the process stages of developing the corporate strategy and identification of the positioning strategy components in CF.

Figure 1: Process stages of developing 5-year Corporate Plan 2004-2009 in CF
(incorporating reviewing the strategic positioning of the organization)



(References: CF's 5-year Vision and Strategic Plan 2004-2009; Interviews with Chief Executive, Marketing and PR Manager and Grants Team Manager, Nov 2004)

Additionally, certain 'trigger' events had initiated conscious efforts to developing more formalised longer term strategic plans and to identifying the charity's strategic position. These became particularly significant since the beginning of the new millennium. Changes in the wider external economic, socio-demographic and political environments since the

late 1990s had created increased pressures on the charity's operations. These external forces had resulted in increased competition for legacies/other voluntary income, public attention, and in changing relationships with various key external stakeholders, such as local and regional government, local community groups and voluntary organizations in service delivery. Furthermore, the current Chief Executive² brought strategic management thinking into the organisation's planning approach, which had led to more formalized strategic reviews of the charity.

5.2 Current Positioning Strategy

This second theme explored two sub-themes: the components of the organisation's current positioning strategy, and changes to the positioning strategy. Table 1 summarises the key findings for this theme and identifies the components of positioning strategy of CF. Positioning strategy is defined in this study as comprising of three inter-related components: the generic or core position, the key target audiences and positioning dimensions to distinguish the charity from other providers/charities (Chew 2003; 2005).

5.2.1 The charity's stated mission or purpose identified the key distinctiveness of the organization and the primary target audience it serves. CF and its people had developed a strong sense of mission, vision and values, which were communicated openly in various publications to external and internal audiences since 2004. The charity's mission provided the main direction for the organization's core position, that is, how to be distinctive, and guidance on developing the positioning dimensions, that is, how to differentiate the organization from other charities/providers in their sector and other charities in the wider voluntary sector.

5.2.2 The generic or core position of CF appeared to be Focus Positioning. The core position provides the broad positioning stance of the organisation, and distinguishes the core business of the organization (Porter 1980). At the time of this study, the charity occupied a unique position as the only community foundation that served the geographic location of northeast England. The comment below reflects the general perception of interviewees about the core position of CF.

" We have a very focused, niche position as a local grant-maker, geographically serving the North East region."

² The 'current' Chief Executive was in office at the time of completion of the data collection in January 2005.

<p align="center">Table 1: Research Theme 2: Current Positioning Strategy Components of CF</p>	
<p>What is the generic or core positioning of the charity?</p>	<p>Focus Positioning (providing a unique service to target audiences in a particular geographic area in the North East of England)</p>
<p>Who are the key target audiences for the positioning strategy in the charity?</p>	<p>Primary audience - Local donors/local govt funders providing grants - Local voluntary and community groups receiving grants Secondary audience - Local and regional statutory agencies</p>
<p>What are the key positioning dimensions that support the core positioning strategy of the charity? (the distinctiveness of the charity that reflects its current key strengths)</p>	<p>* Largest Community Foundation amongst organisations of particular type of service within a particular geographic NE region * High quality of service to grant donors/funders and grant applicants * Value added services to grant donors/funders * Strong working relationships with and support from local community/voluntary groups, local authorities, private sector organizations * Focused mission</p>

5.2.3 There were two main groups of key target audiences of the positioning strategy for CF. Primary audience in CF comprised of two distinct parties. Donors/fundholders who contributed voluntary funds to be managed/distributed by the organization and voluntary and community groups who benefitted directly from grants given by the organisation. The other target audience comprised of a number of different parties who provided organizational resources/support for the organisation. These external stakeholders were categorized as secondary target audiences in this study. Government agencies (local or regional) were regarded by interviewees as important external stakeholders in their role as funder, provider of community grants, and legitimizer for the charity's work.

"The government is a key stakeholder in the sense they provide grants to local community and voluntary groups and we manage an increasing number of projects on their behalf. The amount of government grants that we distribute amounted to 52% in 2002, and has increased to nearly 59% by 2004 – therefore we rely on them a lot."

5.2.4 Positioning dimensions are identified in this study as key differentiators based on major organizational strengths that are distinctive of the charity, and which provide long-term strategic advantages (Chew 2003; 2005). They help to differentiate the organization from other providers. However, they require appropriate resources to sustain and to support the core position over time. CF's current positioning dimensions comprised of a unique combination of quality service delivered to users/beneficiaries, specialized expertise (human or technical) in grant services and project management, and strong working relationships with statutory, local voluntary/community groups and private

sector partners in the north east region of the country. The organization has grown to become the largest community foundation in terms of endowed assets amongst community foundations in the UK and in Europe.

5.3 Changes to Strategic Position

All interviewees at head office and in the branch/regional office were in agreement that the core position of the charity, as reflected in the mission and core values, had remained largely unchanged since inception. CF had remained committed to promoting local giving for the benefit of local community needs/causes in the north east region of England.

However, from a wider organizational strategic point of view, interviewees were in agreement that CF had made structural and operational changes to support its core mission/purpose over time. These changes were necessitated because of a combination of external environmental factors and internal organizational responses, such as, declining legacy income, increasing competition for voluntary income and evolving policy context for developing local communities.

Of particular importance were three major strategic and operational changes made over the past years that had impacted on its positioning dimensions.

- (1) Shift in core business – the organization's core business had shifted along the spectrum of services offered by community foundations. Its position had shifted from focusing on donors/private fundholders in the earlier years to both grant applicants and donors/fundholders since about 1998. This shift had been strongly influenced by the community foundation concept and ideas from other community foundations in United States. In line with the shift in its core business, the charity expanded its range of target audiences to include professional advisors and grant applicants besides wealthy individuals and corporations.
- (2) Increasing statutory sources of income - the charity's sources of funding had also expanded to include statutory income besides voluntary income. Since 2000, the organisation had taken on an increasing volume of government grant schemes. This occurred at a time when the organisation was experiencing declining legacy/voluntary income and uncertainty in the stock market for its investment income. At the same time, the government had increased funding to develop community relations within local/regional areas in the country.
- (3) Communicating its strategic position to wider audiences - the charity had developed more 'professional' marketing approaches to communicate the charity's key position and core competences to wider groups of target audiences. These activities had helped to promote greater awareness of the charity to new and existing audiences and for raising voluntary income within the local area.

5.4 Influencing Factors

The third theme examined the factors that influenced the positioning strategy in CF. A combination of external environment factors and internal organisational factors were cited by interviewees as influencing the charity's core positioning and the positioning dimensions. Table 2 summarises the major influencing factors cited by interviewees. Some factors were perceived to have/could have affected the charity's core positioning strategy (CP), while other factors were perceived as affecting the charity's positioning dimensions (PD).

A summary of the key factors is provided below:

[1] Government was perceived by all interviewees as a major influence because of the various roles it played, such as policy maker, legitimizer, provider of service contracts and funder. Government policies and funding priorities for developing community services in the local region were considered crucial for the future strategic positioning of the organization. The charity had taken on increasing government grants contracts over the past few years when the value of its core business (endowment funds/legacies from donors were invested) dropped very substantially due to the drop in stock market. The increasing emphasis on statutory projects and income had directly influenced the types of services that the organization delivered, its user-base, and consequently the pace of organizational growth and the expertise of its workforce.

[2] The charity's mission and needs of its primary audiences were two factors that had influenced the charity's core position. CF had a very focused mission but there was flexibility in providing a range of services to cater to the changing needs of donors/fundholders and grant applicants.

"Organisation's mission – what the charity stands for and what it aims to do – is the lynchpin to its positioning. If somebody asks what is Community Foundation stand for and what we do? I will read to them our mission statement."

[3] Other external environmental factors besides government (such as economic uncertainty and social-demographic changes), competition for funds and service contracts and availability of organisational resources had influenced the positioning dimensions (key strengths) of CF with varying degrees of importance. Interviewees considered shifts in economic and socio-demographic factors in the external environment as affecting the charity's crucial resource base (funding and expertise). External environmental factors indirectly affected the organization's ability to maintain its current strategic position.

[4] Increasing competition for voluntary income had influenced the charity's strategies/approaches in fundraising and in attracting/delivering statutory contracts/projects. This had directly affected the types and amount of organizational resources allocated to fundraising, communications and service delivery.

[5] Availability of organisational resources (financial, skills and capabilities) was needed to support the implementation of the charity's corporate plan and support the strategic position of the organization. Any change to corporate strategic directions would require particular resource capabilities, for instance, the charity had taken on an increasing volume of government grant schemes since 2000, which required the organization to have in place particular grant application processes to administer grants on behalf of government grant funders.

[6] Interviewees cited the Board of Trustees and the Chief Executive as major influences in guiding the initiation and implementation of major strategic directions/plans in the organization. The current Chief Executive, in particular, was instrumental in shaping the leadership position of the organization in its area of specialization. He was credited with shaping a strong organizational culture that was results-orientated and competitive in providing quality services to key stakeholders. The senior team therefore exerted much influence on the current charity's strategic positioning. Any strategic changes to its corporate plans and strategies had to be approved by them.

Table 2:
Research Theme 3: Key Factors That Influence Positioning Strategy
In CF

What are the key factors influencing positioning strategy in the case organizations?	Frequency of responses from interviewees CP = core positioning strategy PD = positioning dimensions
Government (<i>funder, policy maker, legitimizer</i>)	83% cited effect on CP and PD
Needs of Users	18% cited effect on CP
Needs of Donors (<i>non-statutory</i>)	33% cited effect on CP
Trustees/Chief Executive of the organization	50% cited effect on CP
Organizational Resources (<i>include availability of funds, skills and capabilities</i>)	67% cited effect on PD
Competition (<i>other than statutory</i>)	17% cited effect on PD
Other External Environmental Factors (<i>other than government/political e.g. shifts in social-demography, economic, technology, international developments, media influence</i>)	83% cited effect on CP and PD
Mission of the organization	33% cited effect on CP

6. Conclusions

The findings from this case study reveal that CF had begun to develop longer term strategies in order to adapt to increasingly challenging and competitive external operating environments. In particular, the organization has started to identify and strengthen its strategic position. The most significant conclusions are offered below:

- The process of developing strategic positioning in the charity was found to be more emergent rather than pre-planned. However, emergent positioning strategy had provided organizational learning for the charity and its people, and this learning had paved the way for more deliberate approach to strategy development.
- Identifying the charity's core position and positioning dimensions was embedded in the corporate strategic planning process with PR/Communications function playing a supporting role in communicating the charity's strategic position to various key audiences.
- The motivation for adopting the positioning strategy appeared to be a combination of competitive and cooperative/collaborative reasons.
- The key factors that had influenced the choice of positioning strategy in the organization were a complex combination of external environmental and internal organizational influences, some of which appeared to be unique to the charity.
- The charity's mission played a crucial role in the organisation's strategic positioning because it acted as both a positioning differentiator and as a primary influence in the choice of the organization's strategic position.

However, the need to make strategic choices in order to adapt to changing external environmental pressures had created tensions between the charity's long term economic survival and its long held core values. The increasing dependency/reliance on government contracts/funding and managing contracted local/regional government grant schemes could have major implications for the charity's strategic position in the future. A particular tension was maintaining good working relationships with government funding agencies/local authorities, whilst competing with them for delivery of services in the region. At the same time, managing government grants required dedicated resources (staffing and grants selection/awarding and monitoring systems) that were distinctive from those required for the charity's general grant making. Whilst accepting the reasons for the increasing amount of government contracts as a major source of funding in the organization's core business, the Board of Trustees and Chief Executive had recognised the need to be cautious about the over-reliance on short term government funding on the longer term sustainability of the organization's business.

The comments below reflect the general perception of interviewees about these potential vulnerabilities of the organization in the future.

"One of the things that have happened to the organisation over the past 5 years is that it has taken on a lot of grant-making contracts with the government into its core business. They are now about 50% of its annual income in 2004. So, they are now becoming a significant growth area. But, we must see our core business as about selling to donors, raising our donor fund. We don't want just to be a contracts grant agency."

"Increase in voluntary donor base will make the charity less dependent on government funding schemes. One key motivation behind the creation of 5-year corporate plan for 2005-2009 is that the charity management knew it cannot rely on government funding streams post 2006 when many would cease, e.g. the European Funding."

Industry observers have cautioned that voluntary sector organizations in the UK that increasingly deliver public services risk mission drift in their search for funding (NCVO 2004). This study has found little evidence of mission drift in CF. The organization was able to maintain its core strategic position, which was guided by the charity's mission, despite undertaking structural and operational changes over time. It had recently embarked on strategic positioning without straying from the charity's mission (its core position) by developing key strengths and core competences that were unique to the charity, including building new or strengthening well-established collaborative links with the public, private and local community/voluntary organisations. However, CF's leaders would need to be vigilant of the impact of their strategic decisions on relationships with key stakeholders in an increasingly demanding external operating environment without comprising the charity's long held mission, core values and quality of services.

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Appendix: 7

Case Study Protocol to guide
data collection and analysis

Ph.D. Research – Case Studies Stage (Sept 04 –Aug 05)
Case Study Protocol to guide data collection and analysis

1. Purpose

The case studies follow the exploratory survey phase in the research. The case study phase aims to study four cases out of the fifty-one survey respondents among the top 113 fundraising charities in the General Welfare & Social Care sector (Charity Trends 2003), and that had indicated their interest in participating in the case studies.

The case study protocol serves to guide the preparation, selection, data collection and organizing of the case organizations to be studied in this research. It provides an organized and standardised agenda for the case study investigation (Yin, 2003 p. 68)

2. Case Study Objectives

The use of multiple case studies aims to:

[1] Investigate in greater depth the emerging themes from the exploratory survey, to gather 'rich' data from within the case organizations' contexts (Denzin 1978a; Jick 1979), and to obtain a more holistic view of the phenomenon being investigated (Gummesson 2000).

[2] Identify general patterns and particular discrepancies within each case and across cases and to refine the preliminary conceptual model developed from the literature review and survey phase (Yin's 2003; 1994 replication logic applies); and to reach some general conclusions (Gummesson 2000).

[3] Provide triangulation of various sources of data collected from within each case and data from the survey to enhance reliability and external validity of findings (Denzin 1978a; Jick 1979; Patton 1987).

3. Key research themes and questions for investigation (within each case)

(1) Process:

- How does a positioning strategy develop in the case organizations' contexts?
- What role, if any, does positioning play in the strategic marketing planning or the corporate planning processes in the case organizations?
- In what ways have the current strategic position of the case organizations change from past years, if any?
- Whether the extent of strategic positioning decision making in the case Organizations is influenced by the levels of perceived competitive intensity in the operating environment of the case studies, and if so in what ways do the different levels of competitive intensity shape the type of positioning strategy chosen?

(2) People:

- Who are the key target audiences, key decision makers and key stakeholders (external and internal) in the positioning strategy development process?
- How do they influence the positioning strategy of the case organizations?

(3) Priorities:

- Which are more or less dominant influencing factors that could influence the choice/type of positioning strategies in the case organizational contexts? (e.g. environmental, organizational or resource dependency factors).
- How do these factors affect the charities' core positioning strategy?
- How do these factors affect the positioning dimensions?
- Whether the types of positioning dimensions used by the case organizations to distinguish themselves varies depending on structural and/or organizational factors in the case studies (e.g. sub-sector, degree of competition intensity, organizational mission, availability of resources etc.)

4. Selection of Case Study Organizations

The case organizations selected are not based on statistical sampling but purposive sampling (Yin 2003; Stake 1995). The main aim is to select cases that are varied and interesting, and will enable the confirmation or disconfirmation of propositions developed from findings that have emerged from the survey. The number of interested respondents exceeded that to be studied, a selection (screening process) was undertaken.

Four possible cases were initially identified from the twelve case study candidates from the survey stage who have indicated their initial interest to participate in the case studies. The initial identification was based on a careful review of the respondents' profile and after conducting initial screening interviews with the case study candidates in August 2004.

For contingency purpose, three other case organizations from among these candidates are to be identified as back-up in the event of withdrawal of the selected cases (Stake 1995).

The initial selection criteria used to select four cases are:

[1] Total Annual Income (income bands according to CAF 2003)

This criterion is used to determine the influence of size (income) and organizational factors on the choice of positioning strategies. Two of the four cases are selected from the high income band (above £10 million) and two cases were from the middle income band (£1 to 10 million). These two income bands are considered significant as nearly 90 percent of the top 500 charities were within these two income bands from 1996 to 2002 (CAF Dimensions, 2000 p.7). This is similarly reflected in the respondents to the survey questionnaire. Over 86 percent of respondents had annual total income of above £1 million. In the same vein, the top 500 fundraising charities are generating increasing income. The number of charities generating income of above £10 million has increased by 33 percent from 1996 to 2002; while those generating income of less than £1 million decreased by 16% during the same period (CAF, Charity Trends 2003).

[2] Proportion of Voluntary Income to Government Funding

This criterion is used to examine in greater depth the extent of influence of resource dependence on external stakeholders (in particular funding) in the choice of positioning strategies. In the case organizations. Two cases chosen will have a proportionately higher voluntary income vs. government funding, and two cases will have a proportionately higher government funding vs. voluntary income.

[3] Main users/clients (targets audience)

Three of the four cases are national charities whose main users/clients/beneficiaries are children, youths and families. The fourth case is a regional charity that provides funding and grants services to local community and voluntary groups that deliver various services in the region. 45% of the groups that this charity helps finance provide services to children and youths.

This criterion is used to determine the influence of external environmental factors and competitive intensity on the choice of positioning strategies. One of the key strategic positioning decisions is the choice of the target 'users/clients' to serve, and how the charity would position itself distinctively from the other providers that target the same user/beneficiary. Increased government emphasis on direct provision of welfare services and impending changes in regulations concerning provision of social care to children and families could have potential major impact on the strategic choices of charities serving these target customers. Moreover, public interest has increased in terms of voluntary donations to children and young people causes. The NCVO/CAF (2004) reports that charities serving children and young people was the second most popular donated cause in the UK during 2002/03 and attracted over 20 percent of all donors during this period.

[4] Willingness to participate and provide access to data sources for the case studies.

5. Methods of data collection within each case study

A combination of data collection methods and techniques to collect qualitative and quantitative data is planned to be used in the case studies with agreement from the case organizations. Gathering evidence from a variety of sources can enhance the internal consistency or reliability (within method) and external validity of the findings (between methods), in particular, when used to corroborate/ complement findings from the survey method (Jick 1979; Denzin 1978a, 1978b; Yin 2003, 1994).

- ✚ An average of 5-6 in-depth semi structured interviews with key informants from different levels of strategic/marketing decision-makers, implementers and key funders (e.g. board level, senior management level, operations level, and funders) to get their different perspectives as to how they view the charity's positioning, why this is so, and their role/influence in the position strategy development process.
- ✚ At least one group discussion with other staff at head office e.g. operations, marketing, user services (with permission from case organizations) to reveal broader issues that are not evident from the individual interviews, and to 'validate' some common themes that could emerge from the individual interviews.

- ✚ One site visit to a branch office (if possible) to talk to branch (local) staff or volunteers about their perception of the charity's positioning; and to gain some perspectives as to how the organization's positioning and marketing planning decisions made at head office are implemented at the local levels.
- ✚ Documentation analysis (organizational reports, marketing and research reports etc.) to provide secondary data as a means to triangulate the data gathered from in-depth interviews or group discussions. The secondary data would also be used to validate some of the findings from the survey carried out before the case studies (external validity).

6. **Case Study Questions for data collection for each case** (for in-depth semi-structured interviews with key strategy planners and group discussions with other members of the case organization). Yin, 2003 p. 74-75 suggests Level 1 and Level 2 questions to be planned for data collection for a single case (even as part of a multiple-case study) and is not intended to serve the entire research project. The questions asked are guided by key themes/major research questions under investigation across the four cases in the study.

Level 1: Questions asked of specific interviewees (where appropriate and depending on their position and responsibilities in the organization, or link with the organization, if outside head office or external parties)

Level 2: Questions asked of all interviewees in each case organization (guided by key themes/questions that are under investigation, e.g. process, people, priorities – see section 3 above)

Table 1: Example of Data Display Matrix for the case study interviews
(References: Miles and Huberman, 1994 ; Yin, 2003 p. 75)



Table 2: Example of Typical Data Display Matrix used in Analysing Case Studies Data according to Key Themes extracted from interviews (Ref: Miles and Huberman, 1994)





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7. Case Studies Data Collection Time Frame

Preparation for the cases is to commence from late August 2004. The initial time frame for the case study data collection is from early September 2004 until June 2005.

This involved pre-testing of the semi-structured interviews with the twelve survey respondents that had indicated interest in participating in the case studies.

The initial interviews should be aimed at: (1) testing the case interview protocol; (2) to get initial in-depth understanding behind the responses given by the respondents in the survey questionnaire; and (3) to ascertain that the final four cases to be studied are the most appropriate to fulfill the case study objectives.

Additionally, initial agreement was secured during the preparation stage with the potential four case organizations as to the case study objectives, provisional time plan for each case and access to data collection sources.

Updated: September 2005

Table 3: Profile of 12 Case Studies Candidates

Source: Data extracted from survey questionnaires of respondents (Ph.D. study 2004)

Charity	Sub-Sector	Yrs in existence	% of Vol income	% of Govt income	Tot Yrly Inc £	Paid wk Force ft/pt	Generic Positioning Strategy	Degree of Competitive Intensity	Perceived chng in Comp Intensity
BA	Children	>10	53	46	>10m	2900/3300	Differentiation	High	High inc
PR	OGW	>10	95	5	1-10m	40/6	Differentiation	High	Mod inc
FS	OGW	>10	15	85	>10m	250/150	Differentiation	High	High inc
CH	RGW	>10	70	10	>10m	500/20	Differentiation	Mod	Mod inc
Rescue Service	OGW	>10	99?	1?	>10m	1100	Differentiation	Low	Mod inc
EE	Ben Fund	>10	100	0	1-10m	15/12	Focus	Low	Mod inc
CH	OGW	>10	55	45	1-10m	30/2	Differentiation	High	High inc
Children Homes	Children	>10	100	0	< 1m	12/10	Differentiation	Mod	High inc
Drugs Care	OGW	>10	1?	99?	>10m	650/50	Focus	High	High inc
Community Care	OGW	>10	52	48	1-10m	24/2	Focus	Mod	Mod inc
TF	RGW	>10	58	5	>10m	300/20	Differentiation	Mod	High inc
EF	Ben Fund	>10	95	5	>10m	650/40	Focus	High	High inc

Notes to table:

1. Pseudonyms have been used to replace actual names of Charitable Organizations.
2. Sub-Sectors: Ben Fund= Benevolent Funds, OGW = Other general welfare sub-sector, RGW = Religious general welfare sub-sector
3. Charities in the yellow coloured cells are the four final case studies conducted in this Ph.D.research.
4. For Data Protection Act purposes, the information in the above table is to be used strictly for the purpose of this research, and information revealing the organization and the persons involved in the case studies will not be revealed to anyone under any circumstances.

Appendix: 8

Correspondence to the final case
study organizations on
guidelines for data collection

STUDY ON STRATEGIC POSITIONING IN UK CHARITABLE ORGANIZATIONS

CASE STUDY – ‘RESCUE CARE’

Case Study on Rescue Care

Following the successful completion of the survey questionnaire by Mr. XXX in 2004 of Rescue Care, we propose that Rescue Care to be one of the four selected case studies for our research.

Purpose of the Case Studies

The case study stage is the second phase of this research's data collection, which follows the completion of the exploratory survey in 2004. Four selected case studies are planned to be conducted are part of the wider study that aims to explore the type of positioning strategy used by the General Welfare and Social Care charities from amongst the top 500 charitable organizations in the UK. It also aims to identify and explain the factors that influence the case organizations' choice of their positioning strategies. While the study serves an academic research purpose, the implications of the study and its findings could provide useful information on the important concept of positioning and its strategic relevance to charitable organizations in an increasingly competitive and uncertain external operating environment. The charities involved in the case studies will also benefit from feedback about their strategic planning and positioning from the researcher.

Case Study Duration in Rescue Care

The actual case study is proposed to start from the end of March 2005 (actual dates/time will be scheduled and confirmed in due course). The data collection in Rescue Care will take place at the charity's head office and if possible at one other site (branch office). Essentially, the case study involves data collection within the organization, e.g. 5-6 interviews, a group discussion with other staff, and a site visit to one of Rescue Care's branch offices. The interviews and group discussion will be tape recorded mainly to aid transcription and with the agreement of participants. Confidentiality of information is strictly observed in this study.

Key areas for in-depth investigation

There are three main areas that the case study aims to explore:

- (1) **Process:** How does the positioning strategy evolve/develop in the charity? What role does positioning play in the strategic (marketing) planning process in the case organization? And why?

- (2) **People:** Who are the target audiences, key decision makers and key stakeholders (external and internal) in the positioning strategy development process?
- (3) **Priorities:** Which are the key influencing factors on the choice/type of positioning strategy in the case study organization? And why?

Access to data sources and scheduled dates for the case study

A combination of data sources is proposed. The activities below are tentatively suggested to be conducted from end March 2005 but the final dates/times will be subject to mutual agreement.

- ✚ 1. In-depth semi structured interviews with key informants from different levels of strategic/marketing decision-makers and implementers to get their different perspectives as to how they view the charity's positioning, why this is so; the strategy planning process and their role/influence in the positioning strategy development process.

Duration is about 1 hour for each interview (may be scheduled within 1 day)
 - Interview with the Head of Corporate Planning?
 - Interview with the Head of External Affairs/PR?
 - Interview with Head of Communications?
 - Interview with Head/Manager in charge of Research?
 - Interview with Manager/Office in charge of Operations/Services?

(please note that the above persons suggested will be confirmed or changed after discussion with the coordinator)
- ✚ 2. Focus group discussion – with operational staff, for example communications, fundraising, servicing departments to reveal broader issues that are not evident from the individual interviews. Duration is about 1 hour for a group discussion. (can be scheduled within 1 day)
- ✚ 3. A separate half-day for a site visit to one of the branch offices, and to talk to the manager/person in charge about their perceptions of the charity's positioning at the branch level. To arrange for access to the site visit and meetings there with the help of Rescue Care.
 - To interview the manager or person in charge on site.
- ✚ 4. To be given copies of corporate documents.(e.g. organization's historical milestones, organizational chart showing marketing/PR/fundraising responsibility, annual report, corporate planning and strategy reports, strategy development process, marketing planning and research reports if any, publicity and other communication materials etc. to provide secondary data as a means to complement the data gathered from the in-depth interviews, group discussion and site visit.

Coordinator from Rescue Care

It would be helpful for me if a coordinator and key contact person from the Charity be assigned to work with me to schedule the charity's managers/officers and activities in as in Points 1-4 above for the case study. I would like to propose *Ms YYY* as the coordinator from Rescue Care.

There could be the possibility of further reviews or repeat discussions with some of the interviewees or coordinator after the initial series of interviews in March 2005 as follow-up or clarifications on the areas of investigation in the case study. These would be confined to the very minimum as not to disrupt the organization's work routine.

I look forward very much in working with Rescue Care in this case study.

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Date: 4 February 2005

Appendix: 9

List of case study interviewees
(titles only)

LIST OF CASE STUDY INTERVIEWEES (POSITIONS ONLY)

Case #1 – Children Homes

Chairman, Board of Trustees, London
Chief Executive
Head of Fundraising
Head of PR/Communications
House Management Coordinator, Cambridge
Finance and Administration staff
Fundraising staff
House Manager, London

Case #2 – Community Care

Chief Executive, Newcastle
Development Director
Grants Director
Marketing/Public Relations Manager
Development Managers
Grants Managers
Local Authority Representative
Project Co-ordinator, Gateshead

Case #3 – Rescue Service

Head of External Communications, Poole
Acting Head of Fundraising and Communications
Corporate Planning Manager
Information and Research Manager
Operations Officer
Beach Lifeguarding Officer
Training and Education Officer
Supporter Relations Officer
Regional Manager, London
Regional Manager, Manchester

Case #4 – Drugs Care

Development Director, London
Head of Fundraising
Area Manager
Branch Service Officer, Walsall

Appendix: 10

Journal Articles and Working
Papers authored by this
researcher supporting and
resulting from this study

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***STRATEGIC MARKETING PLANNING AND POSITIONING IN
VOLUNTARY NON-PROFIT ORGANIZATIONS: EMPIRICAL
FINDINGS AND IMPLICATIONS FOR BRITISH CHARITABLE
ORGANIZATIONS***

by
Celine Chew

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May 2005

ISBN NO: 1 85449 601 8

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Strategic Marketing Planning and Positioning in Voluntary Non-Profit Organizations: Empirical Findings and Implications for British Charitable Organizations

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Abstract

This paper presents the results of an exploratory study, which examines the extent of strategic marketing planning and positioning in voluntary non-profit organizations (VNPOs) in the UK. The emerging non-profit marketing/positioning literature suggests that organizations adopt particular positioning strategies to differentiate themselves in increasingly competitive operating environments. However, the literature lacks adequate theoretical/conceptual frameworks and empirical studies to guide positioning research in the non-profit context and to inform charity management practice. The current study seeks to address some of these gaps. The study findings are based on a postal survey questionnaire mailed to a final sample of 95 General Welfare and Social Care charitable organizations in Britain. The response rate was 54 per cent. The empirical findings reveal that charitable organizations undertake strategic marketing planning and positioning activities extensively in their organizations. The choice of the charity's positioning strategy is influenced by a combination of external environmental factors, increasing competition, the charity mission, availability of organization resources, and needs of key stakeholders, in particular dominant funders. Whilst charities need to give more attention to their strategic positioning activities, the findings suggest major challenges for charity managers in developing their organizations' positionings and to ensure that this is communicated consistently to various stakeholders over time.

Key words: Strategic Marketing Planning, Positioning Strategies, Charities, Voluntary Sector, Non-profit Organizations, United Kingdom.

Strategic Marketing Planning and Positioning in Voluntary Non-Profit Organizations: Empirical Findings and Implications for British Charitable Organizations

Introduction

The voluntary sector in the UK has experienced dramatic changes over the last decade, in particular since the recessionary years of the early 1990s, both in structural landscape and in the wider external environment within which they operate. VNPOs¹, including charitable organizations, are facing increasingly competitive and challenging operating environments in the new millennium. As reported by the National Council for Voluntary Organizations (NCVO), the impact on the voluntary sector over the short and medium term future will continue to stem primarily from political-regulatory and socio-economic drivers (NCVO, 2003; 2004a). The evolution of the UK Government's policy of partnership and contracting of public services delivery over the past decade represents one of the key drivers of change in the voluntary sector (Wilding, 2003). Indeed, a major component of the strategic review of the voluntary sector by the government in September 2002 was proposals to strengthen the 'Compact' on relations between the public and voluntary sectors in shaping policy and delivery of public services (Strategy Unit, HM Cabinet Office, 2002). These external drivers are creating new challenges for VNPOs in resource attraction, resource allocation and in managing new patterns of relationships with public and private sector organizations (Deakin, 2001). They have put enormous pressures on VNPOs, including charitable organizations, to manage their operations to effectively satisfy both their short-term survival needs and their longer-term strategic positioning. Additionally, VNPOs that are increasingly involved in public services delivery need to think of (or rethink) their strategic positioning (NCVO, 2004a).

This author has argued elsewhere (see Chew, 2003) that charitable organizations in the UK are facing a changed competitive landscape in terms of the nature and intensity of competition for financial and other key organizational resources compared to past decades. Several authors have observed that the last decade has seen the emergence of explicit competitive strategies pursued by charities, in particular in the area of fundraising (for example, Saxton, 1996; Abdy and Barclay, 2001). Kendall and Knapp (1996, p. 253) describe the changing competitive landscape

¹ Whilst it has been acknowledged by several authors that there is no commonly accepted concept or definition of the UK voluntary sector (e.g. Lane et al., 1994; Kendall and Knapp, 1995; 1996; Courtney, 2002), this paper adopts the term "Voluntary Non-Profit Organizations" or VNPOs to denote non-profit organizations in the UK. Osborne (1996a,b; 1997; 1998) suggests that the continued use of the voluntary concept maintains the link between organizations in the non-profit sector and their underlying conceptual principle of voluntarism. This term draws insights on the definitional work of Salamon and Anheier (1992), and the concept of voluntarism described by Bourdillon (1945). Furthermore, the definition of VNPO is broad enough to include a wide range of truly voluntary organizations such as charities, whilst excluding those organizations that do not derive income from voluntarism. Therefore, the use of the term and definition of VNPO herein are appropriate for the purpose of this paper, which focuses on voluntary organizations in general, and which encompasses the characteristics of UK charitable organizations.

in the UK voluntary sector as the “new competitive climate”. Sargeant (1995) highlights that the growing competition is partly caused by the increasing number of charities entering the sector due to the withdrawal of direct public funding in many activities previously undertaken by the government (such as in healthcare and education, and increasingly in social care). 7,000 new charities are registered each year with the Charity Commission since the mid 1990s (Charity Commission Facts and Figures, 1997 to 2003). Moreover, as argued by Sargeant (*ibid*), the charity market is increasingly fragmented with a handful of very large charities dominating the market in terms of marketing expenditures. These larger and better resourced charities tend to lead in terms of fund-raising and use of marketing strategies, and have been able to attract more funds to the detriment of smaller charities. The adoption of successful marketing strategies by larger and well established charities, including positioning/repositioning themselves in the marketplace, has in part, encouraged other charities to become more marketing orientated.² The blurring of the boundaries between voluntary, public and private sectors is likely to increase competition for resources further (NCVO, 2004a).

The concept of positioning was popularized during the 1960s and 1970s in private sector marketing with pioneers such as Alpert and Gatty (1969) and Trout and Ries (1972). However, since the 1990s positioning strategies are increasingly considered by non-profit organizations, in particular by charitable organizations, to distinguish themselves in increasingly competitive and challenging operating environments. Contemporary charity marketing literature illustrates increasing cases of positioning by charitable organizations (e.g. Wray, 1994; Bruce, 1998; Kennedy, 1998; Maple, 2003). These cases perhaps reflect the growing recognition by charities of the important role of positioning in the charity’s strategic marketing planning, in particular, in more challenging and competitive environments. However, the extant positioning literature is largely normative and the cases cited tend to be anecdotal or are post-hoc descriptions. There remain lack of theoretical/conceptual frameworks to guide positioning research and to inform management practice in VNPOs/charities. Furthermore, there is little empirical research to-date to understand the complexity of developing positioning strategies, the factors that could influence the positioning decisions of charitable organizations, and how these might differ compared to their for-profit counterparts. This paper aims to address some of these gaps.

This paper is presented in five sections. The first section provides an overview of positioning and argues for its strategic relevance to charitable organizations in an increasingly competitive and challenging external environment. The second section reviews the conceptual framework based on earlier work by this author (see Chew, 2003). Section three outlines the survey methodology. The key findings are presented in section four with a discussion on the

² The extent to which British charities have adopted market orientation in their organizations remains inconclusive. For example, Balabanis, Stables and Phillips’s (1997) empirical study shows a low adoption rate of market orientation among the top 200 British charitable organizations; whilst Liao, Foreman and Sargeant (2001) argue that the traditional construct of market orientation used for commercial firms should be modified to reflect a wider societal orientation for use in the non-profit marketing context.

implications of the findings for charitable organizations in section five. This paper concludes with directions for future research.

Strategic Relevance of Positioning in Charitable Organizations

A review of the non-profit marketing literature reveals that several authors support the usefulness of positioning in charitable organizations in an increasingly competitive and challenging operating environment (e.g. Wray, 1994; Saxton, 1996; Bruce, 1998; Kennedy, 1999). Although much of this literature tends to describe the concept of positioning in similar ways as found in the commercial marketing literature, a growing number of charity marketing authors have acknowledged the need for adaptation in the types of positioning strategies and approaches to develop the charities' distinctiveness in the marketplace (for example, Wray, 1994; Saxton, 1996; Bruce, 1998). Several authors have argued that positioning plays a key role in the strategy development process in non-profit organizations (e.g. Lovelock and Weinberg, 1989; Kotler and Andreasen, 1996; Hudson, 2002; Andreasen and Kotler, 2003). Hudson (2002, p. 135) observes that as the market for charity funding becomes more competitive, organizations are comparing themselves with others receiving funds from the same sources. He (ibid) argues that business techniques including the use of strategic positioning are becoming increasingly appropriate for use by charitable organizations to develop their distinctiveness when compared to competitors. Bruce (1998) argues that most cases of positioning by UK charities are done unconsciously rather than consciously. It is this lack of attention to positioning in the charity sector generally and within sub-sectors in specific that could pose major longer-term problems.

Strategic positioning is defined in this paper as a managerial process within the organization to develop an organization level positioning strategy that aims to effectively distinguish the organization from other service providers (Chew, 2003). Hooley et al (2004) caution that positioning may occur at three distinct levels: the organization level, product/service level, and brand level. Several authors have argued that a positioning strategy is a key component of the strategic marketing planning process (Kotler and Andreasen, 1996; Hooley et al., 1998; 2001), and is aligned with organizational goals/objectives, internal resource capabilities and external market opportunities (Lovelock and Weinberg, 1989; Lovelock et al., 1996). The positioning strategy comprises of three major inter-related components: the choice of target audience(s), the choice of generic (main) positioning strategy, and the choice of positioning dimensions that the organization uses to distinguishing itself and to support its generic positioning strategy (Hooley et al., 1998; Chew, 2003). The positioning strategy provides the framework upon which to build and coordinate the elements of the marketing mix to implement the positioning strategy (Lovelock and Weinberg, 1989; Lovelock et al., 1996), and to communicate the desired position to target audiences. Positioning at the organization level is therefore distinct from but provides direction for positioning at the other levels.

This author has suggested four key developments that have elevated the strategic relevance of positioning in VNPOs/charities over the past decade (see Chew, 2003). The most important driver is the impact of external environmental changes on competitive intensity among VNPOs/charities, and between these organizations and counterparts in the private and public sector for the right to provide the service their mission suggest they should (Sargeant, 1999). This trend is increasingly prevalent in public services delivery in the UK. The NVCO (2004a) suggests that the UK Government policies favouring widening participation with citizens and giving them greater choice in public services will lead to increase in competition between providers and between sectors in the country. Additionally, private sector firms are also increasingly forming partnerships with charitable organizations in marketing collaborations and cause-related marketing (Abdy and Barclay, 2000; 2001). Further, indirect or 'generic' competition can come from organizations offering different products/services that provide similar benefits that satisfy some basic desire(s) of clients/users/beneficiaries or donors/funders (Lovelock and Weinberg, 1989; Andreasen and Kotler, 2003).

The second reason is the increasing pressure on charitable organizations to search for new/continuing income and income sources. Charitable organizations face special pressures because of their dependence on external funding and use of limited resources. One of the top management priority cited by charity managers is maintaining funding in the new millennium (NCVO Third Sector Foresight, 1999), in particular for voluntary income when government income is increasing as a proportion of the funding mix (CAF/NCVO Inside Research, 2003). As observed by Bruce (1999), the rapidly increasing number of charities each year vying for a slower growing pot of voluntary income in the marketplace has made raising and maintaining income more difficult, and achieving long term financial stability much harder (Frumkin and Kim, 2001). This situation has forced many non-profit organizations to either cut back the scope of their activities or to search for new revenue sources, for example, by increasing product/service-derived revenues (fee-based activities) and fundraising activities (Kotler and Andreasen, 1996).

The third reason is the impact of labour and skill resources dependency on positional advantage of charitable organizations. The NCVO (2002) reports that VNPOs face shortages of skills in management, strategic use of information technology and strategic planning. Increasingly, charitable organizations are also at risk of losing their competitive advantage for its traditional flexible working practices as private and public sector counterparts catch up in the promotion of work-life balance (NCVO, 2004a). VNPOs compete for employees working for wages and other employment benefits similar to private and public sector organizations. In addition, many VNPO rely heavily on volunteers that may range from trustees or directors to people helping with various operational activities.

The fourth reason is that the increasingly competitive operating environment in the charity sector has created greater product/service categories offered, and that are arguably targeted

at the same audiences (users/beneficiaries or donors/funders). This has led to a proliferation of mass media advertisements and other forms of promotional activities in different communication channels to promote the charities' causes and offerings. The pressure is increasing for charities to 'limit' the target audiences and segments to which they can effectively reach and respond to. However, charities lack clearly defined positions in the market, therefore making it hard for them to differentiate their mission/cause and message from other organizations targeting similar audiences (Hibbert, 1995; Bruce, 1998). This paper therefore argues that effective positioning at the organization level can provide VNPOs/charities with a strategic platform upon which to develop clearer and more targeted communication messages and other marketing mix strategies to promote the organizations' strengths and distinctiveness to their target audiences more effectively (Trout and Ries, 1972; Ries and Trout, 1980; Lovelock and Weinberg, 1989; Kotler and Andreasen, 1996; Andreasen and Kotler, 2003).

Conceptual Framework

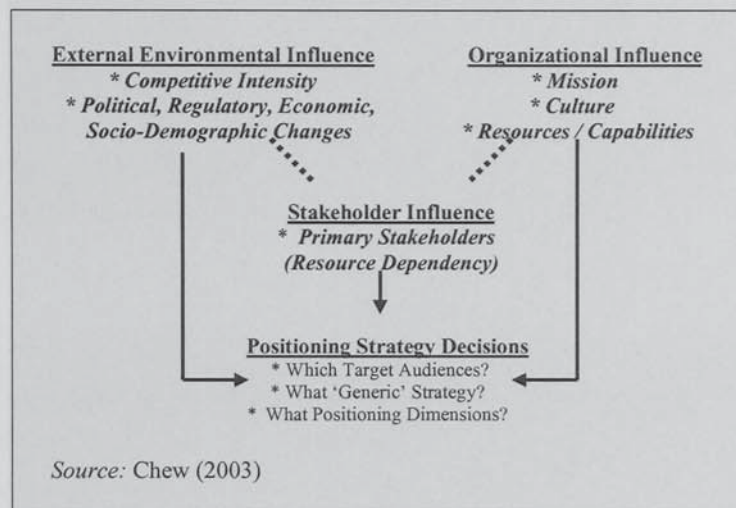
The conceptual framework proposed for this study is shown in Figure 1. It is based on an earlier article by this author (see Chew, 2003), which draws insights from three broad theoretical perspectives on the forces shaping strategy development/positioning in organizations: [1] Industry Forces/ Market Orientation Perspective (Porter, 1980; 1985; Hooley et al., 1998; 2001); [2] Resource-Based View (Wernerfelt, 1984; Grant, 1991; Barney, 1991; Amit and Schoemaker, 1993; Peteraf, 1994); and [3] Stakeholder Theory and Resource-Dependence Perspective (Freeman, 1984; Bryson, 1995; Pfeffer and Salancik, 1978; Clarkson, 1995; Mitchell et al., 1997).

The conceptual framework depicts positioning strategy as a *key strategic outcome* of the strategy development phase of the strategic marketing planning process (Kotler and Andreasen, 1996; Hooley et al., 1998; Andreasen and Kotler, 2003; Hooley et al., 2004). Strategic Marketing Planning (SMP) is defined for the purpose of this study as planning for the organization-wide response to its external environment, target audiences and market opportunities, and which is aligned with the organization's mission, goals, internal strengths and resources (Hannagan, 1992; Kotler and Andreasen, 1996; Andreasen and Kotler, 2003; Meek and Meek, 2003). Several authors have argued that strategic marketing planning takes place within the context of corporate planning (Gardner and Thomas, 1985; Schendel, 1985; Hannagan, 1992; Meek and Meek 2003). Kotler (1980a) is one of the earliest authors to argue that marketing activity takes on its strategic nature and becomes strategic marketing when it is linked to the strategic management process.

The resultant positioning strategy provides a useful platform for implementing and communicating the desired position to target audiences via more detailed marketing mix strategies (Lovelock and Weinberg, 1989; Lovelock et al., 1996). The positioning strategy decisions are conceptualised as comprising of three interrelated components: choice of target audiences/segments to serve, choice of generic positioning strategy, and positioning dimensions to

differentiate the organization/offerings from other service providers. Possible factors that could influence the choice of positioning strategy decisions in charitable organizations are proposed to come from influences in the external environment, within the organization, and from primary stakeholders, in particular, those that the VNPO/charity depends for critical resources for its survival.

Figure 1: CONCEPTUAL FRAMEWORK FOR EXAMINING THE KEY FACTORS INFLUENCING POSITIONING STRATEGY DECISIONS IN VOLUNTARY NON-PROFIT/CHARITABLE ORGANIZATIONS



Porter (1980) advocates one of three generic or main strategic competitive positions for commercial organizations – [1] lower-cost positioning (where the organization is able to provide competitively lower prices of its services/products because of its cost efficient operations and accessibility to low cost resources), [2] differentiation positioning (where the organization establishes some positively distinctive features in the organization and/or its product/service that meet the needs of its target audiences, are valued by them, and which are difficult to imitate or challenge), [3] focus positioning (where the organization establishes its uniqueness by focusing on serving a particular niche – a user group, geographic market or service/product exceptionally well). The non-profit/charity marketing literature reveals attempts to describe these generic positioning strategies for non-profit organizations. Whilst several non-profit marketing authors recognize the strategic importance of positioning, they offer conflicting arguments as to the extent to which the generic positioning strategies are directly applicable to the VNPO/charity marketing context (McLeish, 1995; Kotler and Andreasen, 1996; Saxton, 1996; Bruce, 1998). For example, Bruce (1998, p. 44) suggests that focus (or niche) positioning strategies are used by the majority of charitable organizations but not low-cost positioning, while McLeish (1995, p.218) argues that differentiation positioning is valuable to non-profit organizations. Saxton (1996) on the other hand supports the use of differentiation and focus strategies with various sub-categories of these for charities.

The non-profit marketing literature, however, suggests a range of positioning dimensions upon which VNPOs/charities could differentiate themselves and support their generic positioning strategy. Positioning dimensions are identified in this study as key differentiators based on major organizational strengths of the VNPO/charity and which can provide long-term strategic advantages (Chew, 2003; Chew, 2004). These comprise of a unique combination of quality service, superior service benefits, product-features specialist, innovation, customisation or specialisation, responsiveness, speed to market and low-price (see for example, Lovelock and Weinberg, 1989; McLeish, 1995; Saxton, 1996; Bruce 1998; Andreasen and Kotler, 2003). Additionally, positioning dimensions require appropriate resource availability and support to create and sustain competitive advantage for effective strategic positioning over time. Therefore, different decisions of positioning dimensions will draw heavily on the capabilities and assets available to the organization in different ways (Hooley et al., 1998; 2001).

Methodology

This study uses a self-administered postal survey questionnaire to gather data from a purposive sample of General Welfare and Social Care (GWSC) charitable organizations from among the top 500 fundraising charities in Britain (Charities Aid Foundation, Charity Trends, 2003). A purposive sample is commonly used in exploratory research (Remenyi et al., 1998; Saunders et al., 2000), where the main purpose is to select a sample for a particular purpose in mind rather than to produce statistical generalization of the findings. Additionally, the exploratory survey serves as a basis for further in-depth investigations using case studies in the next phase of the research by this author (Stake, 1995; 2000). The GWSC sector is chosen because of four main reasons: [1] the sector's increasing public profile in delivering social care/public services in the country; [2] its influence and contribution to policy making in the social care and community development in national and regional levels, [3] its significance in terms of income generated and workforce employed, and [4] the inherent heterogeneity of the charities that operate within this sector could provide interesting findings about their positioning activities.

Survey Stages

The survey was carried out in six stages from January 2004 to August 2004. Literature on survey methodology and questionnaire design was extensively used, such as Dillman, (1978); Foddy (1993); Robson (1993); Fink, (1995a,b); Bruner and Hensel (1996); deVaus, (1996); Gill and Johnson (1997); Saunders et al., (2000). Exploratory discussions were conducted with five charity practitioners and academic experts to identify key issues in the design of the survey questionnaire and to guide the development of the preliminary conceptual framework. Pre-testing of the survey questionnaire was carried out in February 2004. Comments about the content, layout and 'language' of the questionnaire were obtained from a panel comprising of three academic experts

in marketing/non-profit sector, five charity marketing practitioners, and five senior doctoral research students who are involved in marketing/charity sector studies. Pre-testing using a panel of experts aims to establish content validity (Mitchell, 1996) and enable necessary amendments before pilot testing (Saunders et al., 2000). Revisions were made on the final draft of the questionnaire and the covering letter for the pilot study stage. Ten randomly selected charities (seven in the GWSC sector and three from other charity sectors) among the Charities Aid Foundation's top 500 fundraising charities (Charity Trends, 2003) were contacted by phone/email and were invited to participate in the survey. Fink (1995b) recommends that the minimum number of cases for a questionnaire pilot study is ten, while Saunders et al. (2000) argue that the pilot test should be conducted with a group of respondents that is as similar as possible to the final population in the sample. A telephone script was used to ensure consistency in communication with potential respondents. In addition, pilot study respondents were asked to complete a short feedback form (Bell, 1999), which aims to provide inputs on the clarity and layout of the questionnaire, clarity of the covering letter, and the difficulties that the respondents may face in completing the questionnaire. The pilot study, therefore, aims to enhance face validity of the survey instrument, i.e. the questionnaire (ibid).

No significant problems were faced by the pilot study respondents in completing the questionnaire as instructed. The time taken to complete the questionnaire ranged between 10 minutes to 15 minutes. On reviewing the comments from respondents, it was decided that no changes were required for the questionnaire and only slight revisions were needed to enhance the clarity of the covering letter. The length of the questionnaire (six A4 pages) was retained as this fell within the acceptable range for postal questionnaires (Saunders et al., 2000, p. 300). As there were no changes made to the piloted questionnaire it was decided to include respondents from the seven GWSC charities in the pilot study to the total final respondents in the survey questionnaire. This approach has been similarly used in previous empirical research e.g. Bennett and Gabriel's (1998) study on direct marketing managers in a sample of top 250 fundraising charities in UK. They included the 50 pre-test respondents in the final response rate in that study.

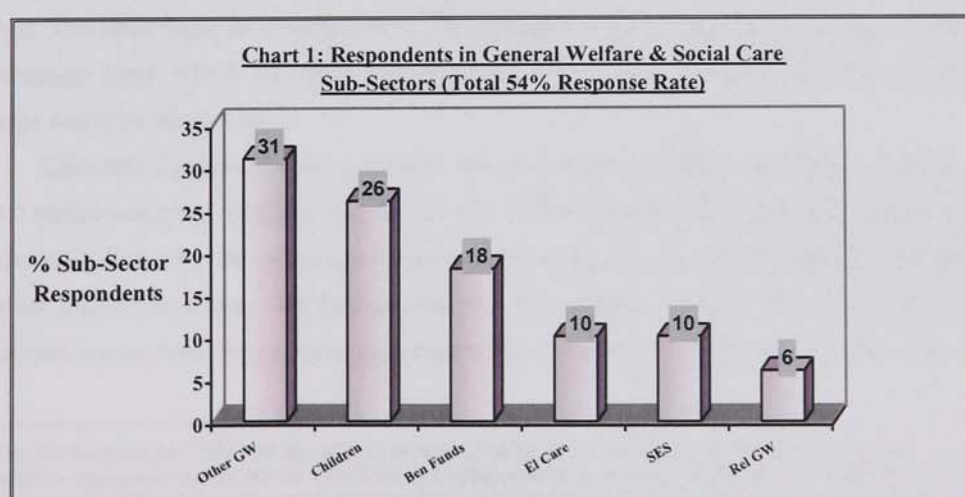
The postal questionnaire³ was mailed to a final sample of 95 GWSC charities between April and July 2004. From the outset, techniques for raising the questionnaire response rate were followed (e.g. Foddy, 1993; Fink, 1995a,b; Jobber and O'Rielly, 1996; deVaus, 1996; Bell, 1999; Saunders et al., 2000). Additionally, the questionnaire was printed as an eight-page booklet in warm green colour. This aimed to provide a professional appearance and to raise the perceived importance of the study. The covering letters were printed on good quality paper with Aston Business School logo, and a freepost reply envelope was enclosed in each outbound mail. Respondents were promised a copy of the survey results as an incentive for their participation.

³ The full survey questionnaire used in the study is available from this author on request.

Respondents

The response rate achieved was 54 per cent, which is a good response rate when compared to that reported in other postal questionnaire surveys conducted on the top 500 charities in UK. (e.g. Sargeant, 1995; Balabanis et al., 1997; Hankinson, 2002). Time and budget constraints prevented further follow-up on non-respondents after four attempts to contact them. Reasons for non-responses were analyzed and did not pose significant non-response bias (Hoinville et al., 1978). The common reasons given by non-respondents were no time to participate, against organization policy to participate in surveys, the person in charge was away or on leave for an extended period of time. Additionally, the mean values of the responses received from the earliest one-third of the replies were compared with the final one-third, with no meaningful significant differences becoming evident.

Respondents were from all the six sub-sectors of the General Welfare and Social Care (GWSC) sample as shown in Chart 1. The sub-sectoral classification follows that used by the Charities Aid Foundation (Charity Trends, 2003) and Mintel (2001) for the top 500 UK fundraising charities. The General Welfare and Social Care Sector comprises of six sub-sectors: Other General Welfare (Other GW), Children, Benevolent Funds (Ben Funds), Elderly Care (El Care), Service Ex-Service (SES) and Religious General Welfare (Rel GW). Respondents were of different sizes both in terms of average total annual income and number of paid staff. 37 per cent of respondents generated an annual income of over £10 million; 51 per cent generated income of between £1 million and £10 million and 12 per cent generated income of below £1 million. Over 50 per cent of the total income of 68 per cent of respondents came from voluntary sources; while less than 15 per cent of respondents received more than 50 per cent of their total income from government sources.



The survey questionnaire was completed by persons knowledgeable in the planning and/or the implementation of marketing and positioning activities in their organizations. Their positions

included Heads of Department and Senior Managers/Managers (of Marketing, Communication or Public Relations), Directors (of Marketing, Communication, Public Relations, Fundraising or Development), Chief Executives, and other positions such as Coordinators, Administrators and Controllers.

Measures

Two Likert-style summated rating scales were developed for the purpose of this study to measure the extent of strategic marketing planning (SMP) and positioning strategy (PS) activities carried out in the sample. Scale questions are often used to collect attitude and belief data: the most common approach is the Likert-style rating (summated rating) scale (Foddy, 1993). As there was lack of similar existing measures in the charity marketing context, the type of SMP and PS activities and the terminology developed in the questionnaire were drawn from the non-profit strategic marketing literature (e.g. Lovelock and Weinberg, 1989; Kotler and Andreasen, 1996; Sargeant, 1999; Andreasen and Kotler, 2003) and subsequently adapted for the charity marketing context in this study. For example, this study distinguishes between market research and segmentation activities that are aimed at two main target audiences/stakeholders of charities, i.e. service users/clients/beneficiaries and funders/donors. In addition, the SMP scale specifically includes Developing Fundraising Plans and Communication Plans as these two activities were highlighted by discussants during the survey exploratory discussions and are cited by several authors as part of the marketing planning activities in VNPOs/charities (e.g. Kotler and Andreasen, 1996; Bruce, 1998; Andreasen and Kotler, 2003; Sargeant, 2005).

In order to provide some measure of validity to the scales, feedback from charity practitioners and academic experts during the exploratory discussions/pre-testing stages were obtained to assess the appropriateness of the items in the scales for use in the charity marketing context. The SMP Scale is a composite of thirteen items of key marketing planning activities at the strategic level, while the PS Scale comprises of six items depicting the key positioning strategic activities for this study.

Each activity (item) on the scale was measured using a 10-point⁴ response format ranging from 1 (small extent) to 10 (large extent). Andrews (1984) suggests that labeling all categories of a scale rather than only the end categories produces data of poorer quality. Techniques to improve the summated rating scales were followed (ibid, p. 170), which included a filter score of zero (0) to indicate non-activity for an item, and respondents were able to look over the whole range of

⁴ Kardes and Kalyanaram (1992) use an 11-point summated rating scale (0 to 10) to provide an idea about the certainty with which a respondent can accurately reflect his/her evaluation of three different brands. The reported reliability of alphas was higher than .93 for each brand. Results of several studies on reliability and validity of rating scales with different number of categories suggest that results are best with at least seven categories (Foddy, 1993), e.g. Andrews (1984) investigated the validity of data produced by rating scales ranging from 2 to 20+ categories in large scale surveys and concludes that the 'construct validity' of rating data goes up as the number of categories increases. Matell and Jacoby (1972) found that the percentage of 'uncertain' responses goes down as the number of categories goes up.

items before responding. Internal reliability of both scales was measured by correlating responses to each question in the questionnaire with those of other questions in the questionnaire (Mitchell, 1996).

Findings and Discussion

Perception of competition among charitable organizations

This study defines competitive intensity as the degree to which charitable organizations compete for financial and other organizational resources in the sector/sub-sector within which they operate (Chew, 2004). The findings reveal that 90 per cent of respondents perceived moderately high and high current competitive intensity, and 82 per cent expected the current competitive intensity to increase over the next five years. Respondents cited their main competitors as other charities providing similar services in the sector/sub-sector that they operate in, private sector organizations providing similar services, and voluntary sector organizations other than charities. A small minority of respondents perceived their main competitor to be central government (5.8 per cent) and local government (1.9 per cent) agencies despite receiving funding from this source.. The findings in this study also suggest that the intensity of competition perceived by respondents could be sub-sector specific. For example, the larger proportion of respondents in the sub-sectors of Children (80 per cent), Other General Welfare (51 per cent) and Elderly Care (100 per cent) viewed the competitive intensity in their operating environment as high compared to the other sub-sectors. On the other hand, low competitive intensity was cited by a proportionately higher percentage of respondents (22 per cent) in the Benevolent Funds sub-sector compared to all other sub-sectors in the study. There was also significant correlation between the perceived current level of competitive intensity and the change in competitive intensity over the next five years. Pearson correlation and Spearman's Rho for non-parametric correlation were both significant at the 0.01 levels (see Appendix I). In other words, respondents who perceived the current level of competitive intensity in their sub-sectors as high or moderately high would tend to also perceive a high or moderately high increase in the competitive intensity in the future.

The above findings provide empirical evidence that charities acknowledge the presence of competition for crucial organizational resources, and support previous studies and reports (e.g. Sargeant, 1995; Bruce, 1999; NCVO, 2003; 2004; Bennett, 2003) that suggest increasing competition for funding among charities in the UK. Several authors have observed that certain charitable organizations are traditionally uncomfortable about the notion of competition (e.g. Balabanis et al., 1997; Hibbert, 1995; Bruce, 1998). Whilst internal resistance could exist within charities, Bennett's (2003) study into the competitive analysis practices of British charities concludes that the presence of anti-competitive attitudes among employees did not appear to affect the charity's competitive actions/strategies. Additionally, government as a competitor of VNPOs has been rejected by some authors who argue that the relationship between government

and voluntary sector is essentially symbiotic (Kendall and Knapp, 1996 p. 2), and should not be seen as alternatives in competition with each other in welfare provision (e.g. Kramer, 1981; Salamon, 1987 cited in Taylor, 1992). Gidron et al., (1992, p. 9), however, acknowledge that the UK's government-VNPOs relationship has not been static, but has changed significantly over time reflecting the evolution of social policy. They further argue that the cooperation-conflict relationship between government and VNPOs can be more appropriately explained at three levels of analyses: sector, function and individual organizational levels. Elements of conflict exist as do cooperation at the different levels of analyses.

Extent of Strategic Marketing Planning in Charities

Box 1 shows the thirteen SMP activities and the mean and standard deviation for each of the activities of respondents as a group. The extent of each SMP activity was measured on a score of 1 (minimum) to 10 (maximum). The total mean score of the thirteen activities was 6.38. This suggests that the extent of SMP is moderately undertaken by respondents as a group. The findings also suggest that marketing planning and decision-making are undertaken at a more strategic level rather than at a tactical level as was concluded in some earlier studies in the 1990s, e.g. Cousins (1990) study into the marketing planning of non-profit organizations found that marketing planning in non-profit/charitable organizations was more tactical than strategic when compared to counterparts in the private and public sector sectors in the UK.

Box 1: Extent of Thirteen Strategic Marketing Planning Activities by GWSC respondents (10 point scale: 1= small extent 10= large extent)

	Mean	Std Dev
• Segmentation of Donors/Funders	7.41	1.88
• Developing Communication Plans and Actions	7.25	2.28
• Developing Fundraising Plans and Actions	7.18	2.63
• Segmentation of User/Clients/Beneficiaries	7.02	2.17
• Setting Marketing Objectives in line with mission and goals of the organization	6.98	2.13
• Allocating marketing and other resources to support and implement marketing plans and objectives	6.56	2.59
• Internal Level and Resources Analysis	6.51	2.19
• Monitoring marketing performance vs. plans	6.47	2.33
• External Environmental Analysis	6.16	2.39
• Identifying Charity's Positioning Dimensions	5.84	2.65
• Market Research and Analysis on Users/Clients	5.59	2.71
• Market Research and Analysis on Donor/Funders	5.27	2.76
• Competitor Monitoring and Analysis	4.72	2.34

In particular, this study finds that Segmentation of Donors/Funders scored the highest mean of 7.41. This suggests that charitable organizations have increased their efforts in this activity to support their fundraising programmes compared to the mid 1990s, e.g. Sargeant (1995) found that there was a low level of sophistication in the use of market segmentation approaches on donor markets among the top fundraising charities in the UK. However, Competitor Monitoring and Analysis had the lowest mean score of 4.72, which reinforces earlier studies that non-profit

organizations (including charities) in the UK tend to pay less attention to competitor monitoring and analysis than other marketing planning activities, or compared to private sector organizations. Cousins's (1990) study into the marketing planning of non-profit organizations also found that non-profit organizations tend to pay little attention to competitor monitoring compared to private sector organizations, and many use informal methods of market research to stay in touch with customer needs. In a more recent study of 143 top British charities, Bennett (2003) found that while the intensity of competition for the donor market had increased significantly since the mid 1990s and that charities appear to take competitor analysis more seriously, the level of resources dedicated to competitor analysis remain low.

The mean score for Identifying the Charity's Positioning Dimensions activity in the study was 5.84, which was below the total mean score of all thirteen activities. This activity score provides an early indication that positioning is undertaken as part of the overall SMP process but the extent to which respondents undertook that activity was not as high as other marketing planning activities. Cronbach's Coefficient Alpha of the SMP scale is .843 and indicates good internal reliability.

Extent of Positioning Strategy activities in Charities

This study reveals that positioning strategy (PS) activities are undertaken by charitable organizations to distinguish themselves from other service providers. The positioning activities comprise of three major components: the choice of target audience(s), the choice of generic (main) positioning strategy, and the choice of positioning dimensions that the organization uses to distinguishing itself and to support its generic positioning strategy. The study finds that PS activities are moderately undertaken by the respondents. The extent was measured on a score of 1 (minimum) to 10 (maximum) for six PS activities. The total mean score of the six PS decisions was 6.64. Box 2 shows the positioning strategy activities, their mean scores and standard deviations. Selection of Donor/Funder had the highest mean score of 7.49; while Selection of Positioning Strategy that best differentiates the charity from other providers had the lowest mean score of 5.76.

**Box 2: Extent of Six Positioning Strategy Activities
by GWSC respondents (10 point scale: 1=small extent, 10=large extent)**

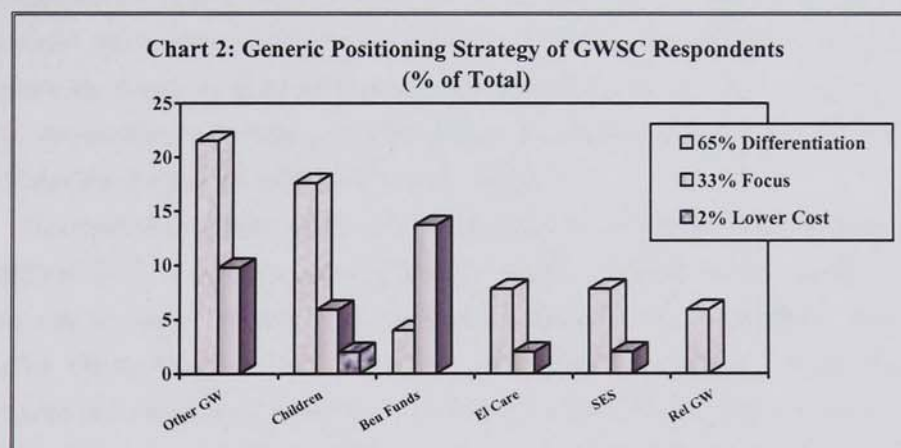
	Mean	Std Dev
• Selection of Donor/Funder to target	7.49	2.07
• Selection of User/Client/Beneficiary to Serve	7.06	2.97
• Selection of Positioning Strategy that can best be supported by the Charity's existing resources and capabilities	6.80	2.44
• Selection of Positioning Strategy that best fits the Charity's mission/culture	6.70	2.65
• Selection of Positioning Dimensions to use to distinguish Charity from other providers	6.04	2.76
• Selection of Positioning Strategy that best differentiates the Charity from other providers	5.76	2.80

There appears to be two groups of target audience for positioning by respondents: [1] the user/client/beneficiary and [2] the donor/funder. These two activities had the highest and second highest mean scores respectively among the six positioning strategy activities. Cronbach's Coefficient Alpha of the scale is .8082 and indicates good internal reliability.

Another interesting finding is that there was significant correlation between the total mean of SMP scores and the total mean of PS scores. Pearson Correlation and Spearman's Rho for non-parametric correlation were both significant at the 0.01 levels (See Appendix I). Respondents who scored high in the SMP scale tend to also score high in the PS scale. In other words, GWSC charities that undertake strategic planning activities more extensively tend to also carry out positioning activities extensively.

Generic Positioning Strategy

Chart 2 shows the generic (main) positioning strategies used by respondents. The majority of respondents cited differentiation positioning (65 per cent) and focus positioning (33 per cent) as their generic positioning strategy. Only one respondent cited lower-cost positioning as its main positioning strategy. This finding supports the assertion by some authors that differentiation and focus positioning strategies are more appropriate for non-profit organizations (McLeish, 1995; Saxton, 1996; Bruce, 1998).



A higher proportion of respondents (78 per cent) within the Benevolent Funds sub-sector claim to use focus positioning in contrast to respondents in other sub-sectors where the majority use differentiation positioning as their preferred generic positioning strategy. This finding reflects the common notion that many Benevolent Funds are founded to serve the interests of a particular group of members/beneficiaries in a particular trade or industry. A focus approach could be a perceived strength of Benevolent Funds that seek to be very selective in their choice of both target users/clients/beneficiaries and target donors/funders. On the other hand, these narrow markets could also be a perceived weakness in times of changing operating environments in the trade/industry or geographic location that they exist in. Bruce (1998) suggests that a lower-cost

positioning strategy is difficult to apply in charitable organizations as it requires the organization to be a dominant player or occupy a monopoly position in the sector/sub-sector. At the same time, the inherent resource dependency of many charities on external resource providers suggests that sustaining a low-cost leadership position is often difficult, if not impossible over the long term.

Positioning Dimensions

Respondents supported their generic positioning strategy with a variety of positioning dimensions. Kotler and Andreasen (1996) distinguish between broad positioning and specific positioning dimensions for non-profit organizations. Broad positioning dimensions are similar to Porter's (1980) generic strategies. Within each broad positioning there are specific dimensions that the non-profit organization can choose as appropriate bases for the differentiation or focus positioning strategies.

The positioning dimensions most frequently cited by respondents were the charity's mission (63 per cent), specialization in serving the needs of particular target users/beneficiaries (55 per cent) or in providing particular types of services/products (45 per cent), quality in delivery of service or product quality (45 per cent), wide range of services/products offered (30 per cent), strong supporting/ancillary services (22 per cent), and the charity's network/branch offices (14 per cent). The minority of respondents mentioned low cost of operations (10 per cent) and competitive low prices of services/products (4 per cent). The findings suggest that charitable organizations use a range of positioning dimensions to distinguish themselves. Some of these dimensions are similar to those advocated in the marketing literature such as quality service, superior service/product benefits, specialist services (Lovelock and Weinberg, 1989; McLeish, 1995; Kotler and Andreasen, 1996; Hooley et al., 1998).

However, other dimensions cited by respondents do not appear to be sub-sector specific nor conform fully to textbook prescriptions. A notable exception is the charity's mission. Mission was the most frequently cited positioning dimension by respondents. Zineldin and Bredenlow (2001) show that vision, mission (or purpose) and strategic positioning of an organization are interrelated. However, in identifying reasons for the organization's existence and what it does, the mission could either guide or constrain positioning strategy choices. Another positioning dimension that was cited by 14 per cent of respondents was the unique relationships with central or local government agencies. Among this group of respondents 42 per cent received at least half of their annual income from government sources of funding. This finding perhaps reflects the evolution of the UK government's policy of partnership and contracting of public services delivery over the past decade (Wilding, 2003). An impetus for the increasing visibility of the voluntary sector since the later part of the 1990s has arguably been the UK Government's encouragement and support in the form of tax concessions, regulations, and direct financial funding (Home Office Strategy Unit Report, September 2002). The NCVO

(2004b) reports that government funding amounted to almost £7.7 billion or 37 per cent of the total annual income of 'general charities' in 2001-02, up from 35 per cent in the 2000-01 period. The current UK government's emphasis on outsourcing public services delivery, in particular for social care and local community development, is expected to increase over the medium term. The NCVO (2004a) observes that the voluntary sector is becoming increasingly dependent on contract income from statutory sources as the government expands the role of the voluntary sector in public services delivery. Contract income from statutory sources has increased in absolute terms in 2001-02 despite the overall fall in total income from the previous year (NCVO, 2004b, p.84). In such a climate, strategic relationships between central and local statutory organizations and those VNPOs/charities that deliver key public services could be an increasing trend in the future. Appendix II summarises the positioning dimensions cited by respondents in the GWSC sub-sectors.

Key factors influencing the choice of Positioning Strategy/dimensions

The study findings reveal that the respondents' choice of generic positioning strategy and differentiating dimensions is influenced by factors that are both external and internal to their organizations. Box 3 shows the top five influential factors most cited by respondents. The charity's mission was cited by the majority of respondents as the most important factor that could influence their choice of positioning strategy. Mission appears to play a crucial role in the charitable organization's positioning as it acts as both a major positioning differentiator and a primary influencer in the positioning strategy choice.

Box 3: Top Five Most Cited Influential Factors on Positioning Strategy Choice by GWSC Respondents

	% cited
<i>Mission</i>	82
<i>Needs of Users/Clients/Beneficiaries</i>	78
<i>External Environmental Factors</i>	69
<i>Availability of Organizational Resources</i>	69
<i>Needs of Donors/Funders</i>	53

The choice of positioning strategy was also influenced by the needs of two major groups of target audiences: users/clients/beneficiaries and donors/funders. External environmental factors, such as shifts or changes in socio-demographic, economic, political, regulatory and technology environments, and internal organizational factors, such as availability of organizational resources are both cited by respondents as among the top five most important influencing factors.

Other organizational factors cited by respondents include preference of trustees/board members (38 per cent), the organization culture (31 per cent), and needs of various groups of volunteers (10 per cent). Another interesting external factor was the influence of competitors' actions on the charitable organization's strategic direction. 29 per cent of respondents cited

actions of other charities in the same sector/sub-sector and 8 per cent cited actions of VNPOs other than charities as important factors influencing their choice of positioning strategy. Government funding agencies (central or local) were considered by 16 per cent of respondents as influencing their strategic positioning choice. These respondents derived at least 30 per cent of their annual income from government funding, with two thirds receiving above 65 per cent of their funding from statutory sources. Appendix III shows the major factors that influence positioning strategy choice as cited by GWSC respondents.

Implications

Scholars have noted a lack of empirical studies on positioning in organizations other than commercial ones. Hooley et al., (2001) in arguing for the key role that positioning plays in shaping marketing strategy observe that further theoretical and empirical research is needed to explore more fully the applicability of the positioning concept in different organizational and market contexts. A central finding of this empirical study that charitable organizations in the non-profit context undertake strategic marketing planning and positioning activities fairly extensively in their organizations is thus especially interesting. At the same time, however, the findings suggest that these activities in charitable organizations do not fully conform to contemporary marketing textbooks prescriptions. Emerging from these preliminary conclusions are five inter-related themes, which have important research and managerial implications for VNPOs in general and charitable organizations in specific.

Firstly, a positioning strategy comprises of several related decisions/activities. It is a key outcome of the strategy development phase in the strategic marketing planning process (Lovelock & Weinberg, 1989; Kotler and Andreasen, 1996; Hooley et al, 1998; Hooley et al., 2001; Andreasen and Kotler, 2003). Hudson (2002) argues that non-profit organizations should routinely undertake formal strategic reviews, which incorporate five key elements or activities: external review, internal review, strategic position (positioning) review, identification of key strategic issues, and strategic choice. The outcome of the external review and internal review is the *strategic position* of the organization. It sets the organization or its service offering in its environmental context. This study reveals that respondents undertake some form of external and internal analyses as part of the wider strategic marketing planning activities. However, the findings suggest that there is a need for charitable organizations to fully understand the impact of external environmental factors and internal organizational factors on positioning strategy decisions. On the one hand, the majority of respondents perceive high levels of competition from other charities, VNPOs and private sector organizations for financial and other organizational resources. On the other hand, they tend to emphasize less on certain strategic planning activities, such as competitor monitoring and analysis, market research, and identifying the positioning dimensions that could distinguish their organizations from other providers. These activities

should be given more attention by charitable organizations as part of the overall strategic marketing planning process and when developing positioning strategies.

Secondly, the findings reveal that charitable organizations adopt generic positioning strategies as advocated by Porter (1980), and utilize a range of positioning dimensions to distinguish themselves from other organizations in the same sector or sub-sector. This finding supports the assertion by several authors that certain generic positioning and dimensions are more appropriate for charitable organizations (e.g. McLeish, 1995; Saxton, 1996; Bruce, 1998; Sargeant, 1999). It is less clear from this exploratory study why charitable organizations adopt a particular positioning strategy and/or dimensions, or how they select the positioning dimensions in the first place. The key challenge for strategic marketing planning in charitable organizations is to understand how different positioning dimensions can serve as strategic bases upon which the positioning strategy draws its advantage. The positioning dimensions reflect the key strengths of the organization, which need to be supported by organizational resources and capabilities to be sustainable over a period of time.

Thirdly, there are strong indications that the findings on factors that influence the choice of positioning strategy broadly conform to this author's proposed conceptual framework for VNPOs/charitable organizations. However, the factors cited by respondents are more varied, and relationships among the factors could be more complex than depicted in the conceptual framework. The influencing factors cited by respondents comprise of a combination of external environmental and internal organizational factors, some of which are not commonly cited in the commercial marketing literature. These include the charity's mission, the needs of two distinct groups of primary stakeholders – users/beneficiaries and donors/funders, interests of Board of Trustees, needs of volunteers, and influence from government agency funders. The charity's mission is the most important distinguishing feature in the charity's positioning strategy revealed in the study. Mission is also cited as the top factor that influences the choice of the charity's positioning strategy. Whilst mission is important in any organization, many charities' mission statements are arguably broadly defined and are often not constructed for appropriate use to guide strategic positioning. Strategic positions are also not static over time (Lovelock and Weinberg, 1989; Hooley et al., 1998), and could require repositioning at either the organization level or at the product/brand level. A key challenge for VNPOs/charitable organizations is to find ways to effectively operationalise their mission to reflect their positional strengths/advantages, and to guide the design, implementation and communication of their positioning strategies. Regular reviews of the mission statement would be essential to reflect the organization's changing strategic positioning over time as it adapts to external environmental changes and internal organizational needs.

Fourthly, some authors have argued that charitable organizations require separate organizational structures or processes to manage their resource attraction and resource allocation functions to effectively serve the different needs and expectations of the target audiences (e.g. Mason, 1984; Leat, 1995a;). This study finds that there are two main groups of target audience towards which respondents direct their positioning efforts/resources: [1] the users/clients/beneficiaries and [2] the donors/funders. The finding suggests that charitable organizations would need to develop dual positioning strategies – one aimed at users of services and another aimed at donors/funders who provide essential financial resources to enable fulfilment of their missions. However, in doing so they would need to be concerned about the impact of different positioning strategies on the consistency of their communication messages about the organization's position to different target audiences.

Fifthly, the greater the dependency on a major or a few key external stakeholders for resources (in particular, for funding), the greater will be the influence of those stakeholders on the strategic choices of the VNPO/charity (Saxon-Harold, 1990; Bryson, 1995). Given that charitable organizations are highly resource dependent on external parties for financial, human and other organizational resources, it is imperative that they build long-term relationships with resource providers, including government (central and local) in order to sustain their strategic positions over time. However, this could be a challenging task for many charitable organizations in particular smaller and less well resource-endowed charities. Implicit in the development of a positioning strategy is the realization that the use of different positioning dimensions will draw heavily on the assets and capabilities that are available to the organization. For instance, a differentiation positioning based on superior services will require good customer relationship management processes and skills; or a low cost position will require good cost procurement system and cost control capabilities (Hooley, Broderick, and Moller 1998). As highlighted by Zineldin and Bredenlow (2001), the choice of a particular positioning strategy will necessarily constrain the organization because it closes off certain options. While positioning of an organization may evolve over time, the initial choice of determining the strategic position of the organization would make future significant shifts in positioning difficult to achieve. Any change in positioning therefore needs to be sustainable for that change in position to succeed (ibid, p. 498). A major implication for charity managers is the potential influence of one or more dominant funding providers including government on their strategic choices and actions (Leat, 1995b).

Conclusion and Directions for Future Research

This paper has presented the findings of an exploratory study, which sought to map the positioning activities of British VNPOs/charitable organizations within the strategy marketing planning framework. Additionally, it has sought to meet the call from scholars for more theoretical and empirical research on positioning in different organizational contexts. The results indicate that charitable organizations had begun to undertake marketing planning and positioning at a more strategic level rather than at the operational or tactical levels as reported in previous studies. Certain activities are however undertaken more extensively than other activities within the definition of the study. More importantly, charitable organizations acknowledge that they are in competition, and they perceive the current competitive intensity for financial and other organizational resources to increase in the foreseeable future. A combination of external environmental factors, organizational factors and key stakeholders appear to influence the choice of the charity's positioning strategy and positioning dimensions.

The findings in this study provide empirical support that contemporary marketing practices are increasingly being *adapted* for use in the VNPO/charity marketing context. Additionally, they also paint a more complex picture of the strategic positioning activities in charitable organizations compared to what contemporary marketing literature advocates. Because of the exploratory nature of this study, it would be necessary to investigate in more depth the process of developing a positioning strategy in the non-profit context in order to gain a better understanding of the relationships between various external and internal factors on positioning strategy choices and the potential directions (positive or negative) of the factors' influences. At the same time, whilst the study findings were not aimed at establishing statistical generalization, it would be useful for the methodology and findings to be tested on VNPOs/charitable organizations in other sectors/sub-sectors. Future research should also explore the key role that the charity's mission plays in strategic positioning in the non-profit context. In addition, more detailed study is needed to fully understand the various dimensions adopted by non-profit organizations, and whether the dimensions complement or contradict each other. The dimension of particular interest is the unique relationship between central and local statutory organizations and those VNPOs/charitable organizations that increasingly deliver key public services. It might be relevant to explore the effects of the different roles that government could play, such as funder, policy maker and legitimizer, and how these roles could influence the strategic positioning choices of VNPOs/charitable organizations. This author's on-going research attempts to address further some of these key emerging issues in positioning theory and practice in the non-profit context.

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Appendix I

Bivariate Correlations between Competitive Intensity and Change in Intensity

Table I/1 Correlations between Competitive Intensity and Change in Competitive intensity for financial and other resources over next five years		Competitive Intensity in the charity sector/sub-sector for financial and other resources	Change in Competitive Intensity over next 5 years
Competitive Intensity in the charity sector/sub-sector for financial and other resources	Pearson Correlation	1	.445 **
	Sig. (2-tailed)	.	.001
	N	51	51
Change in Competitive Intensity over next 5 years	Pearson Correlation	.445**	1
	Sig. (2-tailed)	.001	.
	N	51	51

Table I/2 Nonparametric Correlations between Competitive Intensity and Change in Competitive Intensity over next five years			Competitive Intensity in the charity sector/sub-sector for financial and other resources	Change in Competitive Intensity over next 5 years
Spearman's Rho	Competitive Intensity in the charity sector for financial and other resources	Correlation Coefficient	1.000	.435 **
		Sig. (2-tailed)	.	.001
		N	51	51
	Change in Competitive Intensity over the next 5 years	Correlation Coefficient	.435**	1.000
		Sig. (2-tailed)	.001	.
		N	51	51

** Correlations are significant at the 0.01 level (2-tailed)

Bivariate Correlations between SMP scale and PS scale

Table I/3 Correlations between Total Sum Mean of Marketing Planning (SMP) Scale and Total Sum Mean of Positioning Strategy (PS) Activities Scale		Total Sum Mean of SMP Scale SMP1 to SMP13	Total Sum Mean of PS Scale PS1 to PS6
Total Sum Mean of Strategic Marketing Planning Scale Items SMP1 to SMP13	Pearson Correlation	1	.521 **
	Sig. (2-tailed)	.	.000
	N	51	51
Total Sum Mean of Positioning Strategy Scale Items PS1 to PS6	Pearson Correlation	.521**	1
	Sig. (2-tailed)	.000	.
	N	51	51

Table I/4 Nonparametric Correlations between Total Sum Mean of Strategic Marketing Planning (SMP) Scale and Total Sum Mean of Positioning Strategy (PS) Activities Scale			Total Sum Mean of SMP Scale SMP1 to SMP13	Total Sum Mean of PS Scale PS1 to PS6
Spearman's Rho	Total Sum Mean of Strategic Marketing Planning Scale Items SMP1 to SMP13	Correlation Coefficient	1.000	.455 **
		Sig. (2-tailed)	.	.001
		N	51	51
	Total Sum Mean of Positioning Strategy Scale Items PS1 to PS6	Correlation Coefficient	.455**	1.000
		Sig. (2-tailed)	.001	.
		N	51	51

** Correlations are significant at the 0.01 level (2-tailed)

Appendix II: Positioning Dimensions used by General Welfare and Social Care Sub-Sector Respondents

Positioning Dimensions (ways in which respondents distinguish their organization) (in descending order of usage)	Table II: Positioning Dimensions in General Welfare & Social Care Sub-Sectors						
	Other Gen Wef (n=16)	Children (n=13)	Ben Funds (n=9)	Elderly Care (n=5)	Service/ Ex-Serv (n=5)	Rel GenWef (n=3)	Total N=51 No. & %
We are different based on our organization's mission	11 (35%)	8 (25%)	5 (16%)	3 (9%)	2 (6%)	3 (9%)	32 (63%)
We specialize in serving the needs of particular user/client segments or in particular geographic segments	9 (32%)	6 (21%)	7 (25%)	2 (7%)	1 (4%)	3 (11%)	28 (55%)
We specialize in providing particular types of services/products to our customers (user/client/beneficiary)	8 (35%)	7 (30%)	2 (9%)	3 (13%)	1 (4%)	2 (9%)	23 (45%)
We are different based on the quality in which we deliver our services	8 (35%)	7 (30%)	4 (17%)	1 (4%)	2 (8%)	1 (2%)	23 (45%)
We are different based on the quality of the services/products offered	7 (39%)	6 (33%)	2 (11%)	3 (17%)	-	-	18 (35%)
We are different based on the wide range of services/product available	7 (47%)	3 (20%)	2 (13%)	1 (7%)	1 (7%)	1 (7%)	15 (30%)
We are different based on the degree of support/ancillary services that we provide	5 (46%)	3 (27%)	1 (9%)	-	2 (18%)	-	11 (22%)
We are different based on our network of branch offices	1 (14%)	1 (14%)	1 (14%)	-	3 (43%)	1 (14%)	7 (14%)
We are different based on our unique relationship with central and/or local government agency/branch	2 (29%)	1 (13%)	-	2 (29%)	2 (29%)	-	7 (14%)
We are different based on our low-cost of operations	2 (40%)	3 (60%)	-	-	-	-	5 (10%)
We are different based on the competitively low prices of services/products that we offer	2 (100%)	-	-	-	-	-	2 (4%)
Notes: Totals do not add up to 100% because respondents in each sub-sector can choose more than one positioning dimension, but not necessarily all of them. Cells with no figures mean that no respondent in that sub-sector selected that particular dimension.							

Appendix III: Key Factors Influencing Choice of Positioning Strategy in General Welfare and Social Care Sub-Sector Respondents

Most Influential Factors on Choice of Positioning Strategy (in descending order of importance)	Table III: Responses on Top 5 Factors Influencing Choice of Positioning Strategy in General Welfare & Social Care Sub-Sectors						
	Other Gen Wef (n=16)	Children (n=13)	Ben Funds (n= 9)	Elderly Care (n=5)	Service/ Ex-Serv (n=5)	Rel Gen Wef (n=3)	Total N=51 No. & %
My organization's mission	11 (69%)	11 (85%)	8 (89%)	4 (80%)	5 (100%)	3 (100%)	42 (82%)
The needs of various groups of target users/clients/beneficiaries targeted	14 (88%)	9 (76%)	8 (89%)	5 (100%)	2 (40%)	2 (67%)	40 (78%)
My organization's available resources (financial, human, physical)	12 (75%)	10 (77%)	6 (67%)	1 (20%)	4 (80%)	2 (67%)	35 (69%)
External Environmental Factors (political, regulatory, economic, social, technology, demographics)	11 (69%)	9 (69%)	6 (67%)	4 (80%)	3 (60%)	1 (33%)	34 (67%)
The needs of various groups of target donors/funders	9 (56%)	9 (69%)	4 (44%)	2 (40%)	2 (40%)	1 (33%)	27 (53%)
Preference of Trustees/Board members	4 (25%)	6 (46%)	6 (67%)	1 (20%)	-	2 (67%)	19 (38%)
My organization's culture	4 (25%)	5 (38%)	2 (22%)	2 (40%)	2 (40%)	1 (33%)	16 (31%)
Actions of other charitable organizations in the same sector/sub-sector	5 (31%)	1 (8%)	3 (33%)	2 (40%)	2 (40%)	2 (67%)	15 (29%)
Government (central or local) funding agency	5 (31%)	1 (8%)	1 (11%)	-	-	1 (33%)	8 (16%)
The needs of various other groups of volunteers	2 (12%)	1 (8%)	-	1 (20%)	1 (20%)	-	5 (10%)
Actions of Voluntary organizations other than charities	1 (6%)	3 (23%)	-	-	-	-	4 (8%)
One or more dominant non-government funding organization(s)	2 (12%)	-	-	1 (20%)	1 (20%)	-	4 (8%)
<i>Note: Totals do not add up to 100% because respondents select 5 factors that they think are most important in influencing their choice of positioning strategy and dimensions. Cells with no figures mean that no respondent in that sub-sector selected that particular factor as among the 5 most important.</i>							

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Exploring strategic positioning in UK Voluntary and Non-Profit Organizations: Lessons from two cases of British Charitable Organizations that provide public services

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July 2006

ISBN No: 1 85449 683 2

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Abstract

This paper explores the positioning strategies adopted by two British charitable organizations (COs) that deliver public services, and identifies key factors that have influenced the choice of positioning strategies. The UK voluntary sector operates in an arguably enabling policy context. Yet, the wider external environmental influences have posed major challenges for Voluntary and Non-Profit Organizations (VNPOs) in general and charities in particular (Chew 2003, 2005; NCVO 2004a). This paper aims to contribute to the current lack of empirical research on how voluntary sector organizations have responded in terms of their strategic positioning to the changing political, economic, social and competitive landscape. The two cases are contrasting in terms of their dependency on statutory versus voluntary sources of funding, size, current strategic position and overall perception of competition in their respective sub-sectors. The findings demonstrate that COs have begun to position themselves strategically within the changing operating environments, both at the sub-sector level and in the wider voluntary sector. The process of strategic positioning in COs appears more emergent than pre-planned. A combination of competitive and co-operative/collaborative motive drove the adoption of a particular positioning strategy. This was augmented by a complex combination of external environmental and internal organizational influences, some of which appeared to be unique for COs. These findings underscore the need to develop theoretical and conceptual models specific to non-profit organizations, such as VNPOs and charities. Emerging lessons from the experiences of the case organizations in this study provide guidance to non-profit managers in planning and implementing strategic positioning in their organizations.

Key words: Strategic positioning, Charities, Public Service, United Kingdom, Voluntary Non-Profit Organizations.

Exploring strategic positioning in UK Voluntary and Non-Profit Organizations: Lessons from two cases of British Charitable Organizations that provide public services

Introduction

Voluntary and non-profit organizations (VNPOs) in the UK, in particular charitable organizations (COs), are increasingly propelled onto the forefront of public service policy development and delivery (National Council for Voluntary Organizations, NCVO 2004a). The Association of Chief Executives of Voluntary Organizations in the UK (ACEVO) reported in 2005 that many charities were ready to deliver large scale public services with more charities will take on this role in the future (SocietyGuardian, July 2005). The changing policy context and other external environmental drivers in the socio-economic, technological and competitive landscape have continued to put pressures on charitable organizations to manage their operations to effectively satisfy both their short-term survival needs and their longer-term strategic positioning (Chew 2005, 2006).

This paper reopens a noted paucity of empirical research on how COs have strategically positioned themselves in a changing external operating environment and policy context. It explores the positioning strategies adopted by two British COs that deliver public services in distinct ways, and investigates the factors that influenced the choice of their positioning strategies. The paper builds on earlier work by Chew (2003, 2005), which identified several emerging themes in the external environment and organizational factors impacting on positioning strategies of COs. The two cases explored in this paper are contrasting in terms of their dependency on statutory versus voluntary sources of funding, size, current strategic position and overall perception of competition in their respective sub-sectors. In exploring the positioning strategies of the two cases, this paper also aims to compare the case organizations' responses to recent UK government initiatives aimed at engaging the sector to deliver more public services. This has been done by providing what is proclaimed to be a more enabling political environment and by increasing statutory funding for public services delivery (HM Treasury, 2002; Strategic Unit, 2002).

Section one of the paper summarises the changing policy context and external environment that COs operate in, and argues for the importance of strategic positioning by VNPOs in general and charitable organizations in particular within this shifting context. Section two introduces the concept of strategic positioning and identifies the research questions that guide the case studies.

These are based on emerging themes from previous research by this author. Section three presents the methodology and the two case organizations. The key findings, which highlight the similarities and differences between the two cases, are presented in section four. The paper concludes with a discussion on lessons learned from the experiences of COs' in evolving strategic positioning in a changing external environment and policy context. The evaluation of the cases studies provides new evidence on how charitable organizations have positioned themselves strategically both at their respective sub-sector levels and at the wider voluntary-public-private sector interface. It also raises some wider theoretical concerns regarding both the content and applicability of strategic positioning in relation to the sector.

Policy Context and External Environmental Influences

As part of the 'Modernising Government' agenda to reforming the public services in the UK (Cabinet Office, 1999), the Labour government has increasingly sought ways to provide more choice for delivering of public services in partnership with private and voluntary sectors. This modernization agenda entails the change in relationship between the state and voluntary sector, and this is particularly evident in the enlarging role that VNPOs/charities can play in delivering public services (NCVO, 2005). NCVO (2004b) reports that 37 % of the total annual income of general charities¹ came from statutory sources (grants and contract income) in 2001-02, compared to 27 % a decade ago. Statutory funding among the top 500 COs in Britain comprised 42 % of the top 500 charities' annual new income in 2001-02 (CAF, 2004).

It was partly because of profound changes like these that the UK government undertook a strategic review of charities and the wider not-for-profit sector (Strategic Unit, 2002). Outcomes of this review included proposals to strengthen the 'Compact' governing formal relations between the public and voluntary sectors in both policy design and public service delivery (Osborne, 2002; Osborne and McLaughlin, 2004). McLaughlin (2004) suggests that the 2002 Treasury's 'Cross Cutting Review' on the role of the voluntary sector in public services delivery establishes a distinctive voluntary sector modernisation agenda. This offers, she argues, an opportunity for VNPOs to rethink their strategic position within this changing policy context even while it poses a threat to the sector's distinctive competences.

¹ General charities are defined by NCVO as registered charities but exclude those considered part of the government apparatus, financial institutions considered to be part of the corporate sector, and organizations that deliver only private benefit. An estimated 153,000 general charities were registered in the UK as at 2002. (NCVO Voluntary Sector Almanac 2004, pp 17 & 29)

However, delivering services that are for 'public benefit' is not new to COs. NCVO argues that many of the activities that are now classed as public services were set up by VNPOs or charities to fill unmet needs long before the state decided to play a greater role in public welfare provision (Blackmore et al., 2005). The boundaries between what is considered public and private goods/services blur where the same services are to be found in different sectors in different societies that are in varying stages of development (Flynn 2002, p.13).

In light of the current changing policy context for COs in delivery of public services, the Charity Commission issued a policy statement on the role of charities. It advises that delivering public services is a key governance and management issue for COs (see Box 1). The issue can be put succinctly: engaging with government in service provision should be done in a manner that does not compromise the charity's mission, its independence and financial position (Charity Commission, 2005).

Box 1: Charities and Public Services Delivery

*Charities have always undertaken activities that are commonly regarded as "public services", and charities often pre-dated and pre-empted statutory provision.
For example, highway maintenance, primary education and hospitals were all originally provided by charities. Lifeboat rescue services and hospice care are still provided by charities. Public perception of what government should provide change over time, as do relative levels of provision by the charitable and public sectors...
...Delivering public services may not be appropriate for many charities; trustees must make informed decisions about whether to engage in service delivery.*

Charity Commission, June 2005

The wider external environmental influences have also posed major challenges for the management of VNPOs in general and charities in particular. Chew (2005) has shown elsewhere that COs in the UK perceive greater competition from a growing number² of charities and other VNPOs for resources in the new millennium compared to past decades. These external pressures have persuaded a growing number of COs to embark on 'professionalisation' of management practices, including the use of strategic planning, marketing planning and positioning. These are designed to help them address the problems of raising and maintaining funding, to compete with other charities and arguably with organizations in the private and public sectors (Chew, 2005). NCVO (2004b) suggests that those VNPOs, including charities in the UK, that are increasingly

² There were over 180,000 registered charities in the UK at the end of 2004 (including general charities and their subsidiaries). 6,000 to 7,000 new charities were registered each year with the Charity Commission from the mid 1990s (Facts and Figures 1997 to 2004, Charity Commission 2004).

involved in public services delivery need to review their strategic positions within the changing political, economic and social landscape. Against this backdrop of external pressures and changing policy context, a number of larger charities have embarked on positioning/re-positioning strategies to distinguish themselves in more challenging and competitive environments. The next section reviews the concept of strategic positioning and presents the research themes/questions for this study.

Strategic Positioning in Charitable Organizations

The concept of positioning was popularized during the 1960s and 1970s in private sector marketing with pioneers such as Alpert and Gatty (1969), and Trout and Ries (1972). However, it was only until the 1990s that cases of positioning by COs, in particular larger charities, had begun to be discussed in the non-profit marketing/strategy literature (for example Wray, 1994; Saxton, 1996; Bruce, 1998; Kennedy, 1998; Maple, 2003). Bruce (1998) argues that most cases of positioning by UK charities are done unconsciously rather than consciously. It is this lack of attention to positioning in the charity sector generally and within sub-sectors in specific that could pose major longer-term problems.

The extant literature reveals a variety of definitions for the concept of strategic positioning for both commercial and non-profit organizations. Chew (2003) provides a detailed review of the various perspectives of this concept. However, there remains no single universally accepted definition of positioning (Kalafatis et al., 2000; Attia, 2004). Several authors have argued that a positioning strategy is a key component of the strategic marketing planning process for non-profit organizations in a similar way as for commercial ones (for example Kotler and Andreasen, 1996; Lovelock and Weinberg, 1989). A positioning strategy is the outcome of the strategic marketing planning process and is aligned with organizational goals/objectives, internal resource capabilities and external market opportunities (Lovelock et al., 1996; Hooley et al., 1998b; 2001). The process of strategic positioning helps to create the position of the organization and its offerings in the marketplace (Kotler, 1994). On the other hand, Hudson (2002) suggests that the non-profit organization's strategic position is an outcome of a formal strategic review of its external environmental trends and internal organizational strengths. Identifying the organization's strategic position is therefore an important component of the non-profit strategic planning process at the organizational level (ibid, p.127).

The positioning strategy comprises of three major inter-related components: the choice of target audience(s), the choice of generic or core positioning strategy, and the choice of positioning

dimensions through which the organization seeks to distinguish itself in support of its generic positioning strategy (Hooley et al., 1998a; Chew, 2003). Porter (1980) advocates 'Differentiation Positioning', 'Focus Positioning' and 'Low-cost leadership' as three generic positioning strategies for private sector (commercial) organizations. Organizations adopting differentiation positioning establish some positively distinctive ways in which their offerings meet the needs of their target audiences, and are demonstrably valued by them. Focus or niche positioning is focusing on serving a particular group of users/beneficiaries, geographic area, or providing a type of service better than other providers of similar service. Low cost leadership is where the organization leads the market by setting low prices (Porter 1980). Differentiation and Focus positioning strategies have been argued to be more appropriate for non-profit organizations/COs (for example Bruce, 1998; McLeish, 1995). The positioning strategy may also provide the vehicle through which to communicate the organization's desired strategic position to external and internal audiences. Positioning at the organization level is therefore distinct from but provides direction for positioning at the other levels.

Exploratory research by Chew (2005; 2006) provided an early attempt to empirically map the extent of positioning activities in a sample of British General Welfare and Social Care³ (GWSC) charities. The findings revealed that GWSC charities as a group had begun to undertake positioning activities at a more strategic level in arguably increasingly challenging and competitive environments. Emerging from that exploratory survey findings were several implications that provide the base for further in-depth investigation using case studies. The case studies in this paper set out to address three main research themes with associated research questions. These are:

- **Process:** How was strategic positioning developed in the case organizations? Are there similarities or differences between the cases on process and mechanism, and what are the reasons for these?
- **Strategy:** What were the components of the case organizations' current positioning strategy? Why were these adopted? Are there similarities or differences between the cases, and what are the reasons for these? Has the positioning strategy changed since inception? What prompted or caused that change, if any?

³ This study uses the Charities Aid Foundation's (Charity Trends, 2003) classification of six general welfare and social care sub-sectors, namely Other General Welfare, Children, Benevolent Funds, Elderly Care, Service Ex-Service, and Religious General Welfare. This study chose this sector as its focus because of the high proportion of COs in this sector involved in the delivery of public services in the UK.

- **Influencing Factors:** What were the key factors that had influenced the case organizations' choice of positioning strategy? Which factors were considered more important and how have these factors affected the organization's strategic position? Are there similarities or differences between the cases in the influencing factors, and what are the reasons for these?

The next section presents the case study methodology and introduces the case organizations.

Methodology

The two case organizations explored in this paper were part of a larger study⁴ on a sample of British GWSC charities. An inductive research strategy was used to gather empirical data to address the emerging themes generated from the earlier exploratory survey. Multiple sources of data were employed in each case to provide triangulation of perspectives within and across cases, and this evidence was then mapped against data collected from the earlier survey phase to enhance reliability and external validity of findings⁵ (Denzin, 1978; Jick, 1979; Yin, 2003). Table 1 shows the data sources utilized in the case studies to address the research themes and answer the related questions.

An iterative process of case study data collection and analysis was utilized. Preparation for the case studies included a pre-testing and selection stage among twelve case study candidates that had indicated, during the prior survey, an interest in participating in the case study. A case study protocol was used to guide data collection and to provide consistency between the various sources of data used, thereby enhancing reliability (Yin, 2003, p. 67). An interpretive approach was adopted, which allowed data to be initially coded along key themes that emerged from the semi-structured interviews, then re-analysed and interpreted as further data was gathered in each case and across cases. Analytic comparison was then used to analyse sets of data according to the key themes across cases (Neuman, 2006, p. 471).

⁴ The two cases are part of four case studies conducted by this author in 2005. The cases studies followed from an exploratory survey, which was carried out from April-July 2004 among the top 113 fundraising charities in the General Welfare & Social Care sub-sectors (Charities Aid Foundation, 2003) and that had indicated their interest in participating in the case studies.

⁵ See for example Osborne (1998) *Voluntary organizations and innovation in Public Service* (pp. 77-80) on reliability and validity by triangulation of data within case organizations (data triangulation) and between methods used to collect data at different stages of the research (methodological triangulation).

Table 1: Research methods and data collection sources employed in the cross-sectional case studies

Research Themes	Related Research Questions	Methods/Data Sources
1. PROCESS Process of developing positioning strategy	1a. Was there a formal process of developing the positioning strategy? 1b. If so, was this part of the strategic marketing planning process or other forms of planning?	* Semi-structured interviews with organizational leaders, strategy planners, key decision makers, marketing managers * Documents (where available) * Site visit to branch/regional office (where permitted)
2. STRATEGY Components of current positioning strategy Changes to positioning strategy	2a. What was distinctive about the strategic position of the charity? 2b. What was the generic (core) positioning of the charity? 2c. What were the positioning dimensions 2d. Had the current positioning strategy changed from inception? 2e. What prompted/caused that change, if any?	* Semi-structured interviews with organizational leaders, strategy planners, key decision makers, marketing managers * Group discussions with operational staff/volunteers (where available) * Documents (where available) * Within-case survey on service users (where permitted)
3. INFLUENCING FACTORS Key factors that influence the choice of positioning strategy	3a. What were factors that influenced the core positioning and in what ways? 3b. What were factors that influenced the positioning dimensions and in what ways?	* Semi-structured interviews with organizational leaders, strategy planners, key decision makers, marketing managers * Documents (where available)

The two cases in the current paper are located in the 'Other General Welfare' sub-sector (CAF, 2003). They were selected based on contrasting characteristics of age, size, ratio of statutory and voluntary income to total annual income, and types of services provided. This allowed for comparison of findings between the case organizational contexts, while offering some degree of generalisability in the findings in the sub-sector that they operate in.

Anonymity and confidentiality were guaranteed to the case organizations. They are therefore referred to under the pseudonyms 'Drugs Care' and 'Rescue Service'.

- Drugs Care is a comparatively 'younger' charity that was set up 37 years ago as a voluntary membership association aimed at providing drugs treatment services to adult misusers. Over the years, its core service had expanded to include alcohol treatment services, which reflected increasing public concerns on alcohol misuse and government

policies directed at tackling this social problem in the country. The charity had increasingly delivered these public services mainly under contracts to local and central government funders/agencies. It relied heavily on statutory sources of income, which amounted to over 95 per cent of its total income in 2003.

- Rescue Service is a national charity that delivers emergency sea search and rescue services to the public for over 180 years. Voluntary income had been and remains the largest proportion of its total annual income. In 2003, this proportion was over 90 per cent. Since 2000 it had begun to expand its core service into delivering rescue services on beaches under contracts to local authorities in certain parts of England. However, the proportion of statutory income was relatively small at less than one per cent of total income in 2003.

Table 2 presents the key features of the two case organizations.

Table 2: Key Features of the Case Studies Organizations



(Source: Data extracted from case organizations' Annual Reports, other organizational documents, semi-structured interviews with key respondents in March and June 2005; CAF, Charity Trends 2003)

⁶ Charities Aid Foundation's publication, Charity Trends, produces an annual listing of the top 500 fundraising registered charities in Britain according to their total annual voluntary income. The publication tracks the income and expenditure performance of the top 500 fundraising charities and highlights trends in their income generation activities. The rankings for 2002 were published in Charity Trends 2003.

Key Findings

The key findings presented in this section are organised according to the three main research themes, and aim to answer the related research questions within each theme as shown in Table 1. For each research theme, salient points from the findings in both cases are drawn out, and particular areas of similarities and differences in the cases are highlighted.

Theme 1 - Process of strategic positioning

This first theme explored the organizational processes used in establishing strategic position and developing the positioning strategy. It appears that a formal process was used in both cases to develop the charity's organization-wide corporate strategy. This formalized process had evolved over time as the organizations grew and became more established themselves in their particular areas of service provision. However, in both cases, the process of identifying and developing the organization's strategic position had only begun recently. Positioning emerged from the corporate strategy rather than developed separately or as part of a conscious and deliberate strategic marketing planning process as advocated by, for example, Lovelock and Weinberg (1979), Kotler and Andreasen (1996) and Hooley et al. (1998b). Although both cases had set up dedicated marketing functions within their organizations, the marketing function appeared to play only an operational role in the strategic positioning process. They were tasked to communicate the charity's positioning messages to various audiences once these had been defined by senior management and approved by the Board of Trustees. As the cases were being constructed, Drugs Care was restructuring the marketing function and developing a new marketing strategy within its overall corporate plan. Rescue Service had an established central fundraising and communications department that coordinated all marketing-related activities in various regions in the charity. These differences in the maturity of the marketing function within the two organizations are underscored in the following quotations from senior managers.

'The core strategic positioning of the charity has evolved rather than being a conscious decision over the first 175 years of the charity's life. However, over the last 5 years since 1999/2000, the charity carried out a vision and values exercise – whereby key stakeholders were consulted as to what they thought the vision and values of the charity should be. The resultant Vision and Values Statement now appears in a variety of external and internal corporate communications materials. The vision and values have remained largely unchanged since 1999/2000 but are revisited annually as part of the 5-year corporate business planning process.'

(Information and Research Manager, Rescue Service)

'The organization's position has been communicated and reinforced in different ways. Materials and messages about the organization's position and strengths are consistently communicated through different channels – leaflets, posters, website, public presentations, and even our branch offices walls are painted in corporate colours – yellow and black'.

(Head of Fundraising, Drugs Care)

Furthermore, conscious efforts to develop more formalised longer term strategic plans and identify the charity's strategic position had been prompted by certain critical 'trigger events', which became particularly significant for both cases over the past decade. As the organizations grew larger and became more established, a more conscious process of reviewing their strategic position was deemed necessary. The current Chief Executives⁷ who brought strategic management thinking into the organizations' planning approach led the strategic reviews in both cases. In addition, changes in the wider external economic, socio-demographic and political environments since the late 1990s had intensified pressures on the operations of the charities in their respective areas of service provision. These external forces had resulted in increased competition for voluntary income and statutory funding, and in changing relationships with key stakeholders. A more proactive and deliberate approach to the case organizations' strategic planning and management was therefore being pursued.

'I think it would be around the time that our current Chief Executive arrived that a more conscious process of reviewing our corporate position began. The planning process has happened mostly organically for us and I think for most other charities. The growth period for us was fast and quite unplanned – then when we get to a certain size/stage we need to consolidate and review our positioning. So, it has sort of emerged for us.' (Head of Fundraising, Drugs Care)

'The main motivation behind the charity's long term strategic plan was the then Board of Trustee's realization that the future environment is becoming more uncertain and the past 10-15 years of unprecedented growth of the charity will not repeat themselves in the future. At that time, the charity's free reserves levels were high and the management was considering various new initiatives to develop for the future.' (Information and Research Manager, Rescue Service)

Figures 2 and 3 trace the key stages in developing the corporate strategy and identifying the positioning strategy components in the two case organizations. The use of diagrammatic representation is intended to clarify what could be in reality a halting and uneven process of strategy development. It must therefore be acknowledged that a degree of post-hoc rationalisation is inherent in interviewees in their depiction of this process.

⁷ The 'current' Chief Executives remained in office in both the case studies at the time of completion of the data collection in June 2005. The Chief Executive of Drugs Care announced his retirement in February 2006.

Figure 2: Drugs Care - Process stages of developing Corporate Plan 2006-2009
(incorporating strategic positioning of the organisation)



(References: Corporate Plan 2003-2006; Interviews on Strategy Development Process Framework with Development Director/Branch Service Officer and Head of Fundraising in March 2005)

Figure 3: Rescue Service - Process stages of developing Corporate Strategic Plan 2004-2024
(incorporating identifying strategic positioning of the organization)



(References: Corporate Strategic Plan 2004-2024; 5-year Business Plan 2004-2008; Interviews on Positioning Strategy Development process with Corporate Planning Manager, Info and Research Manager, Beach Lifeguarding Officer in March 2005; Interview with Regional Manager, Manchester in June 2005)

Theme 2 - Current Positioning Strategy

This second theme has two strands to it. It first explores the components of the case organizations' current positioning strategy and its distinctiveness. It then appraises changes to the positioning strategy and the reasons that had prompted those changes in the case organizations. Table 3 summarises the key findings for this theme from each case and compares these findings across the two case organizations.

Distinctiveness of strategic position

In both cases, the charity's stated mission or purpose sought to identify the distinctiveness of the organization and the primary target audience that it serves. Despite their contrasting histories and features, both organizations had developed a strong sense of mission, vision and values, which were communicated openly in various publications to external and internal audiences. They provide the key direction for the organization's core positioning (how to be distinctive) and guidance on developing the positioning dimensions (how to differentiate the organization from other charities/providers in their sub-sector and other charities/VNPOs in the wider voluntary sector). The interviewees suggest, though, significant distinctions in the use or value of their core position.

'Our core strategic position it to remain focused on our mission (purpose) but remain flexible about the approaches in treatment services to meet changing needs.'

(Branch Service Manager, Drugs Care)

'The core position – its purpose is the main selling proposition – people are attached to the charity because of this single emotive purpose.'

(Acting Head of Central FR and Communications, Rescue Service)

In the case of Drugs Care, the core position was used principally to manage the service provision, albeit with the accent on flexibility. In Rescue Service's case, the accent placed by the interviewee was on communication and functionality.

Components of current positioning strategy

Positioning strategy is operationalised in this paper as comprising of three inter-related components: the generic or core position; the key target audiences; and positioning dimensions with which to distinguish the charity from other providers/charities (Chew, 2003; 2005). Table 3 uses these three indicators to compare the components of the positioning strategy between the two cases. They are discussed in further detail below.

- ***Generic or core positioning***

The core positioning provides the broad positioning stance of the organization, and isolates the core business of the organization (Porter, 1980). Drugs Care's core position is Focus Positioning. It serves a particular niche segment of drugs and alcohol mis-users, mainly through projects contracted by local and central government or supported by corporate sponsors. It has delivered drug treatment services to this primary target audience since its inception. It had developed skilled expertise in this area over a relatively short history to become one of the leading providers of substance treatment services in the current government's 10-year Drugs Strategy. This history provides substance to the charity's mission statement.

A leading UK charity working solely in the drugs and alcohol treatment service.
(Drugs Care Corporate statement about the organization in the charity's website, April 2005)

The emphasis placed on the key term 'solely' underscores an apparent determination to maintain a focus on the core competence.

On the other hand, Rescue Service's core position is Differentiation Positioning. It currently provides emergency sea search and rescue services to a wide spectrum of sea and beach users across the coasts of the UK and Republic of Ireland. It has grown to be the largest independent provider of lifeboat sea rescue service in terms of size, capital intensive hardware and technology, and staffed mostly by volunteers. It has the largest coverage of lifeboat stations and branch offices in the country, which provides an integrated emergency service synchronised with government coast guards/other maritime organizations for sea and beach rescue.

'The charity is now a leading independent lifeboat service providing sea search and rescue services nationally/internationally from the coasts across UK and Northern Ireland – not only concentrated on southwest area of England.' (Beach Lifeguarding Officer, Rescue Service)

Here, the charity's emphasis is on providing its services to anyone who could be at risk at sea, and not focussed on a particular geographic area or group of potential beneficiary.

- ***Key target audiences***

The positioning strategies in both case organizations appear to target two prime groups of stakeholders. Users who benefitted directly from the services delivered by the organizations

are categorised as the primary target audience. The other audience comprised of a number of different parties, such as external funders and other organizations that provide resources or supporting services for the organization. These external stakeholders are categorized as secondary target audience. Government (local or central) was regarded by interviewees in both cases as a major external stakeholder, albeit in different ways.

In Drugs Care, statutory funders including local commissioners in Drug Action Teams or Drug and Alcohol Teams were cited by interviewees as important external stakeholders. This was because they awarded the contracts and approved the standards of service delivered by the charity in the contracts/projects that government funds. Other secondary target audiences included the National Health Service (NHS), Criminal Justice System (CJS), local Primary Care Trusts (PCTs), hospitals and other partner organizations. In Rescue Service, government maritime agencies, notably the Maritime and Coastguards Agency and the Irish Coastguards who coordinated national sea rescue, and local authorities who funded contracts for beach lifeguarding services were cited by interviewees as important external stakeholders in support for its service delivery to the primary target audience. The case organizations had developed various marketing approaches to communicate the charity's position to both groups of key target audiences over time.

'We have been involved and referred to by government bodies for our standpoint or viewpoints. I think that has certainly helped us professionally – it would be nice to be part of an organization that has a certain amount of respect and credibility amongst professional and statutory bodies and communities in general'. (Branch Service Manager, Drugs Care)

'We have very close and excellent liaison with the Coast Guards. We have regular meetings from the very highest level, director level, and chief executive level, through working relationships with this office and in the divisions. They meet up with the Coast Guards every few months for operational meetings. We couldn't have one without the other really'.

(Operations Officer, Rescue Service)

- ***Positioning Dimensions***

Positioning dimensions are operationalised in this study as key differentiators based on major organizational strengths that are distinctive of the charity, and which provide long-term strategic advantages (Chew, 2003; 2005). Differentiators are the specific instruments through which the organization distinguish itself from other providers. However, they require appropriate supporting resources if they are to sustain the core position over time (Hooley et al., 1998a; 2001). The common positioning dimensions in the two cases comprised of a unique combination of quality service delivered to users/beneficiaries and specialized expertise (human or technical) in their respective services.

‘Our leadership position guarantees a certain level of expertise and professionalism, which enables staff to deliver services to various specifications. National standards and quality of services are consistently adhered to but we also have the flexibility/ability to tailor our services to meet local needs of clients’. (Development Director, Drugs Care)

‘Our core competency is the wealth of knowledge, skills and information within the people and the organization. Our history and our war years connection can be strengths in one way. The skills in our organization include technical people, training people and marketing people. We use scientific methods to analyse our business problems, market research agencies etc. We are also able to attract a wealth of knowledgeable people to serve our cause’.

(Supporter Relations Staff, Rescue Service)

The interviewees clearly identified the dimensions that were unique to their case organization. For instance, Drugs Care considered its strong government funding and close working relationship with statutory and other partner organizations as key strengths in supporting its core position. On the other hand, Rescue Service's strong volunteer ethos and its ability to provide the largest independent all year round emergency rescue service at sea and beaches were cited by interviewees as its unique positioning dimensions. The charity had developed a ‘Concept of Operations’ statement as part of its current long-term corporate strategic plan that defines the charity’s core competences. The ‘Concept of Operations’ was the charity’s way of operationalising its mission within the scope of the corporate strategy.

‘Our Concept of Operations define three key ways that we deliver our mission – we deliver it by running efficient lifeboat and lifeguard services, and accident prevention. We run an independent world-class and strategically located fleet of lifeboats provided by trained and competent people. That’s our core competences.’ (Acting Head of Central FR and Communications)

Table 3: Cross Case Analysis and Comparison Research Theme 2: Current Positioning Strategy Components of Case Organizations		
	Drugs Care	Rescue Service
What is the core position of the charity?	Focus Positioning (niche service working with wide network of statutory and other partner organizations to deliver services to particular clients across England and Scotland)	Differentiation Positioning (unique service with capital-intensive operations needed to provide nation-wide coverage in the UK and Rep of Ireland)
Who are the key target audiences for the positioning strategy in the charity?	Primary audience - Drug and alcohol misusers receiving services - Children and families of drug and alcohol misusers who are at risk Secondary audience - Statutory funders - Partner organizations - Voluntary donors	Primary audience - Sea and beach users receiving potential lifesaving services Secondary audience - Voluntary Donors - Local authorities for contracts for beach rescue - Government coast guards - Partner organizations for sea/beach rescue
What are the key positioning dimensions that support the core positioning strategy of the charity? (the distinctiveness of the charity that reflects its current key strengths)	* A leading (expertise) provider in particular services to a specified users in England and Scotland * Quality standards of service delivery to users * Strong government funding and working relationships with statutory, health, social and other voluntary organizations * Focussed mission steadfastly oriented to drug treatment regimes?	* Leader (size, capital-intensive hardware and technology, specialized expertise) in providing a unique service to potential users * Largest coverage of branches/stations providing an integrated service with statutory/other maritime organizations across the coasts of UK and Republic of Ireland * Quality standards of service delivery to users * Strong volunteer ethos * Focussed mission

Changes to Positioning Strategy

What factors appeared to cause significant change to the case study organizations' positioning strategy? All interviewees at head office and in the branch/regional office in both case organizations were in agreement that the core position of their charities, as reflected in the mission and core values, had remained largely unchanged since inception. Drugs Care continued to provide drugs treatment service to substance misusers, while Rescue Service remained committed to providing emergency search and rescue service to anyone who is at risk at sea.

However, interviewees were in agreement that their organization had changed structurally and operationally to support their core mission/purpose over time. In both cases, these changes were necessitated because of a combination of external environmental and internal organizational factors.

Drugs Care had changed in several ways as a result of evolving government policies and strategies in tackling drugs and alcohol misuse, increasing public awareness of drugs misuse as a larger

social problem (in particular, among young people), and other environmental developments over the past decade. The structural and operational changes made by the charity in response to these external developments can be categorized into three key areas:

[1] change in organizational form – from an association of parents and reliance on volunteers to an organization that emphasizes a professionally trained and paid workforce for its service delivery. The charity's corporate name was also changed since 1998 from its founding name to its present appellation in order to more accurately reflect what the organization has become and what it plans to do in the future.

[2] the main source of funding grew increasingly from statutory sources rather than from voluntary income. The charity continued to base its work on charitable values of caring for people who are dependent on drug and alcohol misuse. Yet, it is now funded largely from government sources and works in close partnership with central and local government agencies to deliver a range of treatment services across the country. 92 per cent of total income came from statutory funded-projects/services for periods 2002/3 and 2003/4. This proportion had increased to 95 per cent in 2004-05 (Drugs Care annual reports 2004 and 2005).

[3] change in the type of treatment services, quality and procedural standards of operations. There had been increasing efforts to 'professionalise' the charity's approach to delivering services, evidenced in improving service quality standards, providing customized training for staff, and establishing performance targets. These had partly been necessitated by service requirements of the contracts that it delivered for government. While the charity was specialised in drug treatment in the early years, it had latterly expanded its expertise to include treatment for alcohol misuse as a direct response to the Government's Alcohol Strategy. Furthermore, in response to increasing evidence of children at risk due to parents' or carers' drug or alcohol problem⁸, the charity's primary target audience had also recently expanded to include children and young people. The organization's geographic coverage had grown rapidly in response to increasing demand for its services. By April 2005, it operated over 70 treatment services delivered in 46 locations across the UK.

⁸ The charity's Annual Report for 2004-05 cited a study by Government Strategy Unit indicating that 10,000 children of heroin users in the UK are placed in care.

‘Our position as an organization has changed structurally and operationally over the years. Overall, the organization is more sophisticated and professional today with more paid staff dealing with different aspects of treatment services, and less dependent on volunteers like in the early years when it was more of a membership association charity’.
(Development Director, Drugs Care)

In the case of the Rescue Service, its organizational structure, processes and resources were all realigned over the years. These changes were needed to enable the charity to continue delivering rescue services to meet the changing demands of sea users and to retain relevant its funding attractiveness, meet shifts in supporters/volunteers’ demographics and economic uncertainty affecting fundraising income. The charity’s long range strategic plan was developed in 2004 to enable effective implementation of its mission within available resources over the next 20 years. Three major strategic and operational changes made over the past six years had significantly impacted on its positioning dimensions.

[1] expansion of core service. The charity had expanded its sea rescue to include preventative activities related to sea and beach safety from the late 1990s, and beach lifeguarding from 2000. Historically, the charity had been engaged in rescuing commercial fishermen in certain coastal parts of the country. By 2005, the charity operated 233 lifeboat stations along the coastlines of the UK and Republic of Ireland (Rescue Service Annual Report 2004). These changes were part of the charity’s strategic approach to adapt to changing patterns of sea users and to reach new and potentially younger target audience/supporters. As the charity grew larger and societal needs changed, it became increasingly difficult to maintain its geographic spread of lifeboat stations across the country, and to operate its year round sea rescue services mainly through volunteers and voluntary income.

However, there were implications arising from the expansion into beach lifeguarding services for the strategic position of the charity. There is currently no legal obligation for British local authorities to provide lifeguarding services on beaches in their area. The beach lifeguarding services of Rescue Service were provided on contract to local authorities using mostly paid staff. These changes conflict directly with the core values of the charity, i.e. to remain funded by voluntary sources of income, and had created tensions within the organization in preserving its strong volunteer ethos.

‘The pure volunteer ethos in the charity’s core values has been challenged somewhat over the years because of the increasing use of paid lifeboat crews, and has been eroded by beach lifeguards who are mostly paid staff.’ (Beach Lifeguarding Officer, Rescue Service)

[2] realignment of strategic resources. Because of the capital intensive nature of its sea rescue operations, the charity increasingly needed to balance between being an effective provider (to provide lifestations and lifeboats everywhere that were needed/demanded) and an efficient provider (to provide such services only where it was cost efficient to do so) in order to support its mission and core position over the long term.

[3] communicating its strategic position to wider audiences. The charity had developed more 'professional' marketing approaches to communicate the charity's key position and core competences to wider groups of target audiences. The marketing function conducted market research to monitor external audiences' perception of the charity's position over time. These activities had helped to promote greater awareness of the charity to new audiences and ultimately, assisted in raising voluntary income.

'There has been a positive change in the way the organization communicates to external parties and volunteers about its plans, strategies and gives clearer guidelines for volunteers to work with. Over the past 2 years since 2003, the Fundraising and Communications department has produced a standard guideline for external communications – to guide staff and volunteers to communicate consistent messages about the charity's mission, vision, values, its core services and results achieved, which are essentially communicating to external audiences the charity's key position and its core competences'. (Regional Manager, Rescue Service)

Theme 3 - Factors influencing Choice of Positioning Strategy

The third research theme examines the factors that influenced the positioning strategy in the two case organizations. What factors were common in both cases? What factors were particular to each case? How have these factors affected the positioning strategy?

Table 4 summarises the principal and lesser factors cited by interviewees in the case studies that had influenced their charity's core positioning and the positioning dimensions. Principal factors are defined here as those cited by 50% or more of interviewees, while lesser factors were those that were cited by less than 50% of interviewees in the respective case organizations. For the purpose of clarity in reporting, the effect of a principal or lesser factor on the core positioning was assigned 'X' or 'x' respectively. The effect of a principal or lesser factor on the positioning dimension was assigned 'Y' or 'y' respectively. The utilization of principal and lesser factors in this paper was to distinguish the degree of concurrence among the interviewees for each factor.

Table 4: CROSS CASE ANALYSIS AND COMPARISON Research Theme 3: Key Factors That Influence The Choice of Positioning Strategy			
What are the key factors influencing positioning strategy in the case organizations? X and x = affect core position (CP) Y and y = affect positioning dimensions (PD) X and Y = Principal factor if responses $\geq 50\%$ x and y = Lesser factor if responses $< 50\%$	Drugs Care (Case 1)	Rescue Service (Case 2)	Frequency of responses from case interviewees
Government (<i>funder, policy maker, legitimizer</i>)	XY	Y	Case 1 = 100% on CP and PD Case 2 = 57% on PD
Needs of Users	X	x	Case 1 = 67% on CP Case 2 = 29% on CP
Needs of Donors (<i>non-statutory</i>)	-	x	Case 1 = nil Case 2 = 29% on CP
Needs of Volunteers	-	x	Case 1 = nil Case 2 = 14% on CP
Trustees/Chief Executive of the organization	y	y	Case 1 = 33% on PD Case 2 = 29% on PD
Organizational Resources (<i>include availability of Funds, skills and capabilities</i>)	XY	Y	Case 1 = 67% on CP, 100% on PD Case 2 = 86% on PD
Organization size (<i>size and number of branch offices, number of staff, total income and assets</i>)	y	y	Case 1 = 33% on PD Case 2 = 14% on PD
Organizational Culture	X	-	Case 1 = 100% on CP Case 2 = nil
Competition (<i>non-statutory</i>)	Y	Y	Case 1 = 67% on PD Case 2 = 57% on PD
Other External Environmental Factors (<i>other than government/political e.g. shifts in social-demography, economic, technology, international developments, media influence</i>)	xy	XY	Case 1 = 33% on CP, 33% on PD Case 2 = 86% on CP, 69% on PD
Mission of the organization	x	x	Case 1 = 33% cited as major strength Case 2 = 43% cited as major strength

Table 4 indicates that several factors were cited by interviewees in both cases as having influenced the core positioning and positioning dimensions in varying degrees. Taken together they could imply strength of agreement or common perception of interviewees. Factors that have shaped the core positioning (X and x effects) of the charities were government influence, external environmental factors other than government and/or political forces, mission of the organization, and needs of users/clients/beneficiaries. Factors that had affected the positioning dimensions (Y and y effects) were availability of organizational resources, and actions of non-statutory competitors.

Each of these factors is explained below using specific experiences of the two cases to illustrate the relationship between these influences and the organization's strategic position.

- *Government as funder, provider of service contracts, policy maker or legitimizer*

The most frequently cited factor in both case organizations was government. Relationships between the case organizations and government had been shaped by different circumstances. These differences mean that the relationship between government and the case organizations' positioning strategy works through was in subtle and different ways.

For instance, in Drugs Care all interviewees cited government and the current political environment as major influences on both the charity's core position and its positioning dimensions. Government played multiple roles, as funder, policy maker and legitimizer for the CO's continuing work in drugs and alcohol treatment services. As the pre-eminent national policy maker on substance misuse, central government provided an enabling policy context within which the issue misuse had increasingly become important. Government was also a dominant funder for the charity's service contracts, which had seen dramatic increases since the launch of the National Drug and Alcohol Strategy in 1998. As stated, the charity had responded in several ways to this evolving policy context. Whilst the charity's mission/purpose remained unchanged since its inception, the majority of work that the charity undertook came increasingly from statutory contracts/projects/programmes. Growth in income and clients throughput was rapid vices since then. Annual income grew nearly six fold from £3.4 million in 1997-98 to £16.8 million in 2003-04 (Charity Commission, 2004). The increasing emphasis on statutory projects and income had directly influenced the types of services that the organization delivered, its user-base, and consequently the pace of organizational growth and the nature of its workforce. However, uncertainty in future government policies towards drug and alcohol treatment in the country after the 10-years Drug Strategy ends in 2008 could impact on the methods and types of service offered in the future.

'The government holds the key to how funding will be spent on different public services including the areas of drug treatment to be provided now and in the future. This policy and funding influence affect the types of services that the charity provides. Government holds the key to the 'safe'. They decide where and how money in this area is going to be spent. These have a waterfall effect on us.'

(Branch Service Manager, Drugs Care)

On the other hand, there was mixed response from interviewees in Rescue Service as to government's influence and the political environment on the charity's strategic position. 57 per cent of the interviewees cited government or political factors as key. Yet, interviewees also commented that future policy on who should provide and fund national sea rescue and beach lifeguarding could exert greater influence on operations rather than broad policy. Government

was considered as an important partner in the charity's network of integrated sea and beach rescue service, and had legitimized the charity's role in providing this public service.

'Government does not influence the charity's core positioning, but only operational issues, for example, funding through local authorities for beach lifeguarding services, legitimizing the charity's role for this public service, and statutory requirements for search and rescue training qualifications that it provides to its crew and volunteers.' (Beach Lifeguarding Officer, Rescue Service)

However, since 2000 the charity had begun to offer beach lifeguarding service as part of its long-term expansion strategy. In that context, government was increasingly perceived as a funder and provider of public service contracts.

- ***External environmental factors (other than government/political influences)***

The second most frequently cited factor was external environmental influences, other than government. Public attitudes towards drug addiction and the influence of media coverage on government policy on substance misuse were cited by a third of interviewees in Drugs Care as affecting the charity's core position and positioning dimensions over time.

'The media is very influential in reinforcing or changing public's perception/view about the charity, about what it is doing or should be doing, about the topic of drug treatment in general or society's beliefs and attitudes toward substance misuse and people with substance problems. These factors have both an influence on the charity's position and the need to change the positioning dimensions to support any change over time.' (Head of Fundraising, Drugs Care)

Rescue Service, on the other hand, depended heavily on voluntary income from individuals and firms rather than on government funding. Two thirds of interviewees considered shifts in economic and socio-demographic factors in the external environment as affecting the core position of the charity and the resource base (funding and volunteers) of the organization. External environmental factors indirectly affect an organization's ability to maintain its current strategic position.

'A key factor that could influence how the charity's mission is delivered is economic/demographic factor – its influence in particular on the legacy income generation. We depend heavily on legacy income. This is our main strength in the short term – we have an aging funding base which may enable us to at least maintain our current voluntary income.' (Regional Manager, Rescue Service)

- ***Mission***

As stated above, interviewees felt that their charity's mission was the foundation of the organization's core position. Both case organizations have very focussed missions but they were flexible in providing a wide range of services to cater to changing needs of service users.

However, only 33% and 43% of interviewees in Drugs Care and Rescue Service respectively cited mission as a major influence in guiding the choice and change of strategic positioning of the charity over time. This seemed to conflict with interviewees' assertion that the mission enabled the charity to differentiate itself from other charities/providers in the sub-sector.

- ***Needs of users/beneficiaries***

Two thirds of interviewees in Drugs Care cited user needs as a major factor that influenced the core position/mission of the charity. Shifts in the needs of service users direct the types of drugs treatment that the organization needs to develop and the availability of resources to support the delivery of these services. On the other hand, only 29% of interviewees in Rescue Service cited needs of sea users as the charity's primary target audience as an influence on its core position. The contrast in response could be explained by the different nature of services that the two charities provide and how these were being funded.

"The needs of our clients/users are very important – feedback from them could influence or question the commissioning of projects that the charity undertakes, and could affect our funding from the sponsors." (Development Director, Drugs Care)

'Needs and patterns of demand of sea users are crucial and will influence our positioning if there are major shifts in these trends.' (Corporate Planning Manager, Rescue Service)

- ***Availability of Organizational Resources***

Availability of adequate resources (especially funding, a skilled workforce, and technical competences) was cited by all interviewees in Drugs Care and 86% in Rescue Service as necessary to sustain organizational strength and to support core positioning strategy. Managing the cost of delivering services effectively ensured quality service standards within the amount of funding available for their services.

'The ability of the organization to provide what it does now if government funding and partnership with other statutory departments and health/social agencies were unavailable is a major concern.'
(Branch Service Manager, Drugs Care)

'We require resources – financial, skills and technical resources to support the charity's core positioning; to maintain the lifeboats, lifestations and the overall charity's operations. Our operations are capital intensive and running costs are very high. Technical innovation and competence are also needed to run the fleet of boats and ensure lifeguarding services are delivered professionally.' (Information and Research Manager, Rescue Service)

- ***Competition (non-statutory sources)***

Interviewees in both cases were in general agreement that competitive intensity had increased since the 1990s. However, the sources of competition were different in the two cases, which reflected the nature of services each provide and their origins. For instance, 67% of interviewees in Drugs Care cited competition for financial and other organizational resources as influencing the quality of services, while operating costs had risen in pursuit of quality standards. Competitive intensity was perceived as very high for both funding and government service contracts in this charity. Consequently, competitive pressures have a direct impact on quality, innovation and expertise in drug and alcohol treatment. All of these are among the positioning dimensions that the organization has developed to distinguish itself from other providers.

‘Competition enables the charity to develop a strong corporate position of providing high quality services that are supported by policies and procedures designed around client-focussed services. When we deliver the service, we need to achieve what we are going to achieve – because it affects the well being of the clients, the perception of the community in terms of the reputation of the organization, and the organization’s security at the end of the day.’

(Branch Service Manager, Drugs Care)

Competitive intensity had also affected the way in which Rescue Service had sought to differentiate itself and attract funding for service delivery. 57% of interviewees cited increasing competition for voluntary donations for lifeboat services, and more recently for beach lifeguarding contracts from local authorities. Competitive intensity was less widely felt in the Rescue Service compared to Drugs Service, although it had influenced the charity’s need to adapt to the changing external environment and stay relevant.

‘We have been grappling with this issue over the past 5 years. The outcome has been the expansion of our services to beach lifeguarding. The organization has moved into a different market. It has moved because of funding restraints rather than a change in its mission (or core positioning). Whilst significant funding is gained from our branches, we know that branches are in decline. We are finding it difficult to attract a younger volunteer and fundraising population.’

(Regional Manager, Rescue Service)

- ***Board of Trustees/Chief Executive***

The influences of a strong Chief Executive and Board of Trustees have been highlighted in the process of developing positioning strategy were noted earlier. 33% and 29% of interviewees in Drugs Care and Rescue Service respectively mentioned that their Board of Trustees approved major strategic decisions. The Chief Executive, in particular, guided the initiation and implementation of major strategic directions/plans of the charity. The senior team therefore

exerts much influence the charity's strategic positioning, and any changes to corporate plans and strategies have to be approved by them.

'Strong leadership shapes the corporate culture. A leadership change, especially a new Chief Executive, will affect the types of corporate strategies pursued, and could affect the charity's positioning. Our current CE is very mission-orientated.' (Head of Fundraising, Drugs Care)

'The Trustees must approve whatever changes in positioning or other strategic decisions that management proposes.' (Operations Officer, Rescue Service)

- ***Size of organization***

A minority of interviewees in both cases cited organizational size, decentralization policy and market territory as influencing factors. 33% of interviewees in Drugs Care and 14% in Rescue Service cited this factor as affecting the ability of the organization to maintain its strategic position over time.

'As we get bigger, our size could affect our strategic position. We have huge numbers of services to deliver in each area and it could be that we want to decentralise some of these services. It would be an internal organizational factor, in terms of effective use of resources in delivering our services to support our mission. Funding new types of services will affect the capacity and infrastructure of the organization to meet these requirements. When we are a large organization, we need to decide if we want to undertake some government contracts or not. For example, in the Prisons tendering system the commissioners decided stringent forms of paying out of services and will impose sanctions on us if we don't deliver the required standards.' (Development Director, Drugs Care)

'We are currently the biggest and the best in providing lifeboat rescue services. We need to maintain our position, to maintain the coastal cover we've got, and to ensure that it actually meets or satisfies the needs of what we think this will be tomorrow. But, maintaining our lifeboat's strategic position is enormously difficult. What will the pattern of demand from sea users in the future? Should we provide lifeboats everywhere? Or should we stop the services due to lack of demand in some coastal areas in future?' (Corporate Planning Manager, Rescue Service)

Factors particular to single case organizations

Having identified the influencing factors that were cited by both case organizations, we now turn our attention to those factors that were cited in only one case and attempt to explain these peculiarities. As shown in Table 3, there are three factors cited by interviewees: organization culture, needs of donors and needs of volunteers. Each of these factors is examined below.

- ***Organization Culture***

Schein (1992) defines corporate culture as a set of basic assumptions, which are invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration. Culture has also been considered as what the organization

is: a set of shared assumptions and understandings about organizational functioning (Despande and Webster, 1989). These set the internal context within which strategic decisions are made (Webster 1994). In terms of strategic positioning, culture has been classified as a source of sustainable competitive advantage in commercial organizations (Amit and Schoemaker 1993). It takes time, skill and capital to develop (Dierickx and Cool, 1989), where these investments are irreversible (Peteraf, 1993), and hence difficult to imitate. Culture was cited only in Drugs Care by all interviewees as strongly influencing its core position. They perceived that senior leadership change in the charity had affected its core positioning direction. The current Chief Executive was instrumental in shaping the leadership position of the organization. He was credited with 'inspirational' leadership and mission-focussed strategies. This leadership had shaped a strong organizational culture that was results-orientated and competitive in nature. This had influenced the organization's ability and competence in adapting to an increasingly competitive external environment and to organizational adaptability. However, the Chief Executive would be retiring in 2006 and this had generated some concern about the way forward for the organization.

'The organizational culture is a key factor – our ethos is results-orientated and we have a competitive culture. We aim to do things well. Management provides an enabling and learning environment with a 'can-do' attitude. We have a passionate work force with good teamwork, integrity and openness to change.' (Development Director, Drugs Care)

- *Needs of donors and needs of volunteers*

Conversely, interviewees in Rescue Service cited the needs of voluntary donors and volunteers as influencing its positioning dimensions. In contrast to Drugs Care, Rescue Service depended on voluntary donations for over 90% of its income (see Table 1), and relied on 95% of volunteers to operate its lifeboat services and to run its fundraising branches and guilds across the country (Rescue Service, Annual Report 2004). Maintaining the charity's volunteer ethos was therefore one of the six core values of the charity. However, it was noted above that the charity's strategic decision to expand into beach lifeguarding had started to erode its pure volunteer ethos. Unlike lifeboat crews, the majority of beach lifeguards in the charity were paid staff. Interviewees were concerned about the charity's ability to retain its volunteer base and ethos in the future, given an increasingly challenging external environment and internal organizational changes.

‘The volunteer ethos is part of the charity’s core positioning. Without the volunteers we will not be who we are, and without them this will affect our strategic position or direction. But, the supporter base is the older generation. Here is a challenge for our fundraising, especially if you couple that with a change in demographics, and the fact that people who are our traditional supporters (donors and volunteers) and who identify with our values aren’t going to be around for long.’

(Information and Research Manager, Rescue Services)

Discussion

Chew (2005; 2006) observed that British COs had begun to undertake strategic positioning to differentiate themselves in an increasingly challenging external operating environment. While there were similarities, there were also several distinctions between the positioning strategies of COs and those advocated in the strategy/marketing literature. The current examination of the strategic positioning experiences of two cases of COs delivering public services has provided further empirical evidence that deepens these earlier findings. This paper has revealed that COs are capable of adapting to changing operating environments, in particular, an evolving policy context, by positioning themselves in uniquely differentiated ways. However, the consequences of this positioning have ramifications on their mission, core values and relationships with other organizations in the public, voluntary and private sectors. The discussion offers five emerging lessons from the case studies and discusses the managerial implications for COs that are embarking on positioning strategy, whether in the GWSC charity sub-sectors or in the wider voluntary sector.

First, this paper has demonstrated that both case organizations’ positioning strategies were firmly embedded in the corporate planning process. Within this, marketing played a role in communicating the charity’s position to its various key audiences. Drugs Care’s core positioning was Focus Positioning, while Rescue Service’s core positioning was Differentiation Positioning. Furthermore, the positioning strategy of both cases had not been the result of a deliberate or pre-planned process but had emerged from actions taken in response to external environmental influences and internal organizational change. Mintzberg and Waters (1978) suggest that Porter’s (1980) differentiation positioning strategy tended to be more emergent in nature. This study found little evidence to suggest that the emergent positioning strategies of charitable organizations were more or less effective than deliberate ones in enabling the organizations to achieve desired goals. Mintzberg (1978) argues that both emergent and deliberate strategies are capable of becoming realized ones. A positioning strategy can therefore be pre-determined and implemented through a plan of action or it can be reached through a pattern of behaviour (Mintzberg, 1995, p. 17). In other words, either approaches to developing a positioning strategy can help the CO reach its desired objectives. Additionally, as shown in both the case studies, emergent positioning strategies

have stimulated organizational learning, which paved the way for more deliberate approaches to strategy development (Mintzberg and Waters, 1985). Further research is required to examine this area.

Second, the literature suggests (Andreasen and Kotler, 2003; Lovelock and Weinberg, 1989) that positioning strategy is a key outcome of the strategic marketing planning process in a non-profit organization. This assertion is based on the premise that positioning is used for competitive reasons commonly advocated in commercial marketing literature. Although there are different schools of thought on the notion of VNPOs/charities adopting competitive strategies (for example, Herman, 1994; Courtney, 2002; Saxon-Harrold, 1990; Balabanis et al., 1997; Hibbert, 1995), there is little evidence in this study to suggest that positioning strategies in COs were created or pursued for purely competitive motives. Two possible explanations are offered. Different charities are arguably at different stages of organizational development, thus exhibiting varying degrees of orientation towards strategic management and marketing practice. Both case studies identified a critical 'trigger' event that had initiated more pro-active strategic planning activities in the organizations. The arrival of a new leader who brought a strategic orientation into the charity's planning philosophy was one such 'trigger'. Another plausible reason is the contextual difference between charities and other non-profit/commercial organizations, which managers ignore at their peril.

The case studies have demonstrated that COs do indeed adopt generic positioning strategies, such as differentiation and focus positioning (Porter, 1980). However, the drivers behind this are multiple and differ from the often singular purpose of gaining competitive advantage attributed to commercial organizations. Mintzberg et al. (1995) argue that position can be "a niche...that is occupied to avoid competition." (ibid, p.8). Positioning in this context concerns developing co-operative or emphasise collaborative relationships with other organizations in the environment, even with would-be competitors. This difference in motivation is evident in the present case studies. Although both charities perceived varying degrees of competitive intensity in their sub-sectors for funding and other needed resources, they have developed idiosyncratic positioning dimensions that reflect their key strengths over time. One common positioning dimension cited in both cases was the close working relationship with statutory, voluntary and private sector organizations in pursuance of their mission (core position). Both case organizations have adapted to external environmental pressures (an evolving policy context, competition for income streams for investible funds, socio-demographic shifts and innovation) by making structural, operational and resource adjustments.

Third, government (local or central) was cited as a key factor in shaping the CO's positioning strategy. This author has suggested elsewhere (see Chew, 2005) that VNPOs' resource dependency on external parties makes it imperative that they build long-term relationships with resource providers, including central and local governments. This study has demonstrated that the degree of government influence on the CO's strategic positioning differs depending on the perceived role that government plays in the relationship with the charity (whether as funder, policy maker or legitimizer). Influence would also depend on the nature of the services provided by the charity, the degree to which the organization leaders engage with government as a partner in delivery of public services, and its actions to maintain independence and strategic autonomy. A major concern here (Leat, 1995b; NCVO, 2004b) is the potential influence of government as a dominant funder on COs' strategic choices and independence as part of the wider voluntary sector. The case studies suggest a complex set of dependencies. As long as they remained focussed on their mission, they were able to work with various local/central government agencies as partners despite their funding and public service contract dependencies. This study suggests that government's influence was not so much as a competitor for organizational resources but as its policy maker and legitimizer. The case organizations had also to contend with other strategic effects from this influence, such as the difficulty of raising funds from voluntary sources and financial vulnerability in the long term.

Fourth, the need to make strategic choices in order to adapt to changing external environmental pressures could create tension between the COs' economic survival and core values. Osborne (1998, p. 16) argues that the defining characteristic of VNPOs is the 'voluntary value' that they hold. For charities, this means that they should show some form of 'public benefit', such as participation of volunteers in service delivery, fundraising or distinct management of the organization. In an effort to be strategically effective and efficient, the case organizations in this paper have embarked on strategies that had eroded their volunteer ethos in varying degrees. By realigning their strategic positions over time, the charities had become highly professional with increasing number of paid staff. This means for Drugs Care, that "[we] are a business now, but a non-profit making one". In Rescue Service, the strategic realignment of its organizational structure, core service and resource allocation had begun to erode its legacy and volunteering. That ethos was seen as a key strength that differentiated it from other charities delivering similar services. The erosion of that core value could affect the way it generated voluntary donations in the future. Is preserving the volunteer ethos important for charities? The answer would depend, in part, on the strategic changes that charity leaders effect in their organizations and how entrenched the core values are.

Fifth, and most important, the CO's mission/purpose appears to function as a major influence on its strategic direction. This study has revealed that mission plays a crucial role in strategic positioning because it acts as both a positioning differentiator and as a primary influence on choice of positioning strategy. This finding reinforces earlier work by this author (see Chew, 2005), which suggests that the charity's mission was the most important distinguishing feature in the charity's positioning strategy. However, other research suggests that a fundamental challenge for non-profit organizations compared to commercial organizations is the tension between mission and the needs/demands of external stakeholders (Lovelock and Weinberg, 1989; Hudson, 2002). The two primary external stakeholders identified in this study were service users/ beneficiaries and resources providers/funders. NCVO (2004b) cautions that VNPOs that deliver public services risk mission drift in their search for funding. Has this happened to the case study charities appraised here? This current research has found little evidence of mission drift. Both the case organizations had maintained their core positions, which were guided by their mission, despite changes in structural and operational dimensions of their organizations over time. They have embarked on strategic positioning without straying from the charity's mission (its core position). They have done so by developing key strengths and core competences that were unique to their organizations, including building new or strengthening well-established collaborative links with the public, private and wider voluntary sectors.

Conclusions

A major contribution of this paper is to provide emerging empirical evidence of the positioning activities of VNPOs. The findings support the achievement of a new level of understanding of the use of strategic positioning in VNPOs in general and COs in particular. The study explored three research themes and answered associated research questions through an in-depth examination of two contrasting COs that deliver public services in their respective ways. The use of case studies in this paper was appropriate in not only enabling detailed exploration of the extent of strategic positioning activities in charitable organizations within their sub-sectoral contexts, but also in facilitating theory building in strategy development in VNPOs. British charities have had a long history in demonstrating their resilience to uncertain and often turbulent external environmental conditions in the past. Lessons have emerged during the economic recession of the early 1990s, which revealed that COs in the UK have coped by implementing internal organizational restructuring (Wilson, 1994), and by using more professional managerial techniques in their operations (Leat, 1995a). However, it had also been observed that many charities continue to manage their organizations for the short-term rather than planning for long-term sustainability (Taylor-Gooby, 1994; Wilson, 1994).

This paper has shown that COs evaluated here had indeed begun to develop longer-term strategies. In particular, they have positioned themselves strategically and quite differently within changing operating environments, both at the sub-sector level and the wider voluntary sector. The case studies highlight three key areas where positioning activities in VNPOs/COs appear distinct from those advocated in the extant strategy literature. These are:

- the process of developing strategic positioning is more emergent than pre-planned in nature.
- the driving force for adopting a particular positioning strategy appears to be a combination of competitive and cooperative/collaborative motives.
- the key factors that influence the choice of positioning strategy are a complex combination of external environmental and internal organizational influences, some of which appear to be unique to COs.

These findings reinforce the need to develop theoretical and conceptual models that can better accommodate the specific contexts of non-profit organizations, such as VNPOs and charities. Furthermore, emerging lessons from the case organizations' experiences in this study provide guidance to non-profit managers in planning and implementing strategic positioning in their organizations.

At the same time, it must be acknowledged that this study has opened up further questions that could pave the way for future research. Research could be conducted on VNPOs and COs in different sub-sectors in order to provide a more comprehensive picture of the extent of positioning activities undertaken by non-profit organizations in different contexts. Quantitative research could also be carried out to validate the findings in this study, in particular, to explore the causal connectiveness more robustly on the key factors that could influence the positioning strategy of VNPOs. The methodology used in the current study was based on comparative cross-sectional case studies. This approach provided a snapshot view of the issues to be examined. Future research could consider longitudinal study into the process of developing positioning strategy in VNPOs in order to examine the critical 'trigger' events that catalyse non-linear shifts in strategy and culture, and the effects of influencing factors on strategic relationships between COs and the public/private sectors in more detail.

Acknowledgement

This working paper is based on an earlier version presented at the Tenth International Research Symposium on Public Management (IRSPM X), 6-8 April, 2006 in Glasgow Caledonian University, Glasgow, Scotland. The author would like to thank Dr Paul Davis for reviewing the paper, and Professor Stephen Osborne for encouraging its submission.

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