



## NPOs MANAGERS' INTENTION TO FORM CAUSE RELATED MARKETING ALLIANCES IN THE DR CONGO

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### Abstract

Cause related marketing (CRM) alliance has been investigated in most advanced countries. Large part of the literature is consumer-oriented, with a few related to for-profit organizations (FPOs) perspectives and very little is known about non-profit organizations (NPOs) managers' attitudes and intentions about forming CRM alliance, especially in developing countries such as the DR Congo. Using semi-structured elite interviews with ten (10) well-known NPOs managers; this study assessed their attitudes and intentions toward forming CRM alliance. Results demonstrate that although NPOs' managers favorable attitude toward CRM practice, their intention toward forming CRM alliance still ambivalent. Larger NPOs managers showed reluctance in comparison with small NPOs receiving fund only from the local government and donors. Company ethical behavior, company product/service, company image and reputation, duration of alliance and the campaign, donation proportion, NPOs control over the sales and legal framework were the most mentioned concerns before forming such alliance. Another concern was international partners' perception of such alliance considering Congolese firms unethical behaviors, mainly for the NPOs receiving funding from international partners.

**Keywords:** CRM alliance, NPOs managers, attitude, intention, DR Congo

### Introduction

Nowadays cause-related marketing has become an effective tool for both FPOs and NPOs in developed and emerging countries. Majority of compa

nies are promoting their CSR activities through social alliances with NPOs which are in search of funding (Runte et al., 2009; Liu and Ko, 2011). This paper seeks to understand NPOs managers'

attitude and intention toward forming a social alliance with FPOs in developing countries such as the DR Congo. Therefore, this study tries to answer the following questions: what factors influence NPOs managers' acceptance of social alliance? Are they favorable for such alliance considering Congolese marketplace.

### Statement of the Problem

Since CRM is a negotiated social alliance between at least one FPO and one NPO, both parts have their own preferences and criteria before entering the alliance. Liu and Ko (2011) named these preferences as "alliance conditions". The scarce studies focusing on alliance formation between NPOs and FPOs mentioned three to four variables that drive the choice. These are: collective strength, inter-partner conflicts, interdependencies (Das and Teng, 2002) and institutional legitimacy (Liu and Ko, 2011). In addition, Liu and Ko (2011) mentioned three factors conditioning this type of alliance, namely trust, commitment and capabilities. The majority of these studies have been conducted in developed countries where CRM is largely adopted and well known; less is known about developing countries where CRM is unknown but most recommended to alleviate population poverty and solve several social issues. This study adds new insight to the existing literature by providing NPOs' managers attitude and intention toward forming social alliance with FPOs in a country facing countless social issues.

### *Role And Funding Of NPOs In The DR Congo*

NPOs contribute in a large proportion to solve humanitarian and various

social issues in the DR Congo, where poverty has multiple consequences. Local NPOs or NGOs are assisted by international NGOs, especially in the Eastern DRC (Mowjee, 2008) where armed conflicts still present. And the main sources of funds are consortiums of partners (Mowjee, 2008) included Congolese government in a very little ratio. The large financial support is from UN agencies and various western agencies, such UNICEF, OCHA, UNDP, DfID, Oxfam, GIZ, USAID, CTB, FAO, to mention a few.

However, local NPOs always work in a resource-poor environment, where partnership with INGOs is quite tough to handle for several reasons mentioned by Mowjee (2008). Therefore, although international partners' efforts to assist the local NGOs, there still a lack of real fund system and source. Several authors urge firms to participate and cooperate with NPOs in the same way as in other countries to show their commitment to the social well-being of populations while looking to increase sales and profit. And one best way to do so is to form alliances with NPOs through cause-related marketing.

### Research Objective And Methodology

This study's objective was to gather qualitative insights from NPOs' managers about cause-related marketing alliance, mainly their attitudes, opinions, perceptions and intentions to form CRM alliances in the context of DR Congo. The study focuses on addressing the above mentioned questions rather than testing hypotheses. Therefore, in order to collect useful information for such research, semi-structured elite interviews are best-suited. This type of interview allows the researcher to gather in-

formation from the key decision makers in a field; it allows the researcher to understand how decisions are made in a given organization (Blumberg et al., 2005).

For this purpose, we contacted 35 NPOs' managers by emails and mobile numbers found from an online repository. However, only 15 of them responded favorably to further communication, and finally only 10 were available to participate in the research. Besides, we got several delivery failure email feedbacks; and we couldn't find other means to contact them. However, among those who responded, the most targeted NPOs and well-known, with large geographic coverage were included. Three of these NPOs belong to religious organizations (present in several countries); one is a representation of an international organization and six are local NPOs.

Each interview was starting with explaining the aim of the study and confidentiality of the interview was guaranteed to respondents. At this stage, most of the interviewees interacted by asking some questions for further clarification. The first part of the interview consisted to collect information about NPO activities, the year of creation, source of funds and different partners, and operational challenges. The second part was related to knowledge and attitudes toward CRM and their intentions to form CRM alliance.

Due to the limited resources and lack of sophisticated equipment, the researcher was directly taking note and was repeating each answer to confirm with the respondent. Any appropriate change was made straight after the respondent noticed something wrong or amended his answer. After finishing all

the interviews, the next stage consisted on grouping answers question by question. A summary of answers was then made to eliminate repeated words and ideas.

As per the agreement about privacy and confidentiality, this study will not display any NPO information in any of its parts.

### Findings

This paper's findings will be presented in two parts: the first part covers NPOs' activities, source of funding, partners, and operational challenges. The second part is related to CRM practice, including answers related to CRM knowledge, managers' attitude toward CRM alliance, their intention to form such alliance once suggested to them, and possible recommendations for such partnership.

Most of NPOs contacted are charities and humanitarian organizations, with diversified sectors of intervention (agriculture, health, education, nutrition) and target audience (children, widows, unemployed youth, orphans, street children, abandoned children, etc.). The largest NPOs (4) receive financial support from international partners (UN agencies, International NPOs, and other partners from USA and Europe mainly). Only one uses to collect funds from public using volunteers, street and in shop collection. All of them receive funds from the Congolese government through specific agencies. In addition, all the NPOs undertake various profit-oriented activities; and they earn revenues from services they provide through hospitals, schools, hotels, garages, etc. The most important aspect is that none of them mentioned

cause-related marketing or FPOs as source of funding.

The most mentioned operational challenges are insufficient funding, shrinking of government funding, access to international financial support, lack of support from local community, lack of support from firms (sponsoring, patronage...), and legal framework which is not suitable to NPOs. As for the questions related to CRM, the following results were obtained:

Only one NPO manager recognized this type of campaign as a source of funding for their USA partner. And he already participated in such activities in the USA and obtained part of the funds from their US partner. But he never heard about CRM in the DR Congo. The nine others never heard about such campaign. However, some of them mentioned a similar cooperation between a large telecom company and a football team. And they stated that it was not successful. Football team's managers complained about deception from the telecom company. One of them mentioned: X Company had sold SIM cards for Y football team, but never gave something back to the team. The opening ceremony was shown on the TV, but where funds went still unknown. Four of them mentioned exactly the same story, nevertheless no additional details were provided about what happened exactly.

Furthermore, one NPO manager added that this company instead of supporting Congolese teams as promised is supporting another well-known African country's football teams; he confirmed that this news was released on a well-known media of that country. This is considered as exploitation of the Congolese consumers for the benefit of

their country of origin.

As for attitude, all the NPOs managers claimed that CRM campaign was a very good initiative; they like such campaign. However, in the context of the Congo they fear reliability of firms. Congolese firms do not always respect contract's clauses, claimed one manager reminding the researcher to remember the story of the mobile company and the football team. Therefore, they estimated that it is risky to accept such alliance since Congolese firms may not be able to keep their promise even if it is mentioned in a written contract. Four managers claimed there is no chance to win in court even you complain, considering the level of corruption in the Congolese judicial system.

In addition, the majority of managers worried about the transparency and motives for firms to engage in such alliance. This leads to skepticism among managers. One of them clearly mentioned: knowing Congolese firms behaviors, they can just use us to increase their sales without any satisfying result; it is very hard to control or monitor sales revenues from the campaign. Five others also argued in the same way. As for the trust, another manager claimed: even if we trust them, it doesn't exclude control. Another manager estimated that: firms' managers will never allow us to control the revenues from CRM sales; hence it is quite difficult to accept such alliance. In the same line, other managers estimate that it is necessary to understand the CRM mechanism (how it works and how to solve any conflicts resulting from the alliance) before engaging in such cooperation. It is also better to know the legal framework related to such alliances in the DR Congo. One manager indicated: it is necessary to

analyze the ins and outs of such partnership; is it allowed by Congolese law or not and what if one party can't deliver its promise.

The NPOs that regularly receive funding from international agencies and partners estimated that they should be sure that traditional donors will not disagree. One manager claimed: majority of Congolese firms are not well appreciated by international organizations due to their association with the crimes in the Congo. Thus, cooperating with them may compromise our relationships with our traditional donors or partners. NPOs' managers prefer working with responsible and ethical firms. One manager declared: we are ready to form alliance with whichever company, provide that it has never been cited as unethical corporate. And we have to pay attention to what product will be promoted. We can't work with firms selling alcohol, cigarette, employing children to produce, and any other compromising behaviors. All these companies listed in the UN reports as fueling wars in Congo can't be our partners.

Generally, all the NPOs that receive funds only from government agencies and some local donors expressed favorable intention to participate in such alliance. They hope also to cooperate with international NPOs and agencies for financial support. Whereas the large NPOs managers expressed not only skepticism, they also mentioned several prerequisites before they agree to form such alliance.

#### Discussion and Implications

The results show that NPOs are facing several issues, such as insufficient funding and source of funding; le-

gal framework and lack of support from the local community. This is contrary to what Froelich (1999) mentioned in the USA market, where local community (clients and customers) has become the primary resource providers in the NPO sector, rather than donors or government entities. Moreover, NPOs managers are not familiar with CRM practice. This is probably because FPOs don't implement such marketing strategy and this is possibly the reason they didn't mention CRM as a source of funding for their organizations. Among the sources of funding, profit-oriented activities were cited; an earlier study had predicted that NPOs are both modifying the locus of their dependence and developing alternative sources of key inputs by engaging in commercial activity (Froelich, 1999).

As for their attitude, managers have a favorable attitude toward CRM practice; however, they still skeptical as to their intention to form such alliance, especially for large NPOs receiving funds from international partners. This may be explained by the resource dependence theory (Pfeffer and Salancik cited in Froelich, 1999). For this theory, resource imperative results in the adaptation of organizations to requirements of important resource providers. On the contrary, NPOs receiving funds only from local government and local donors are more eager to form alliance with FPOS, although they mentioned several concerns to solve before they accept to form CRM alliance. The most mentioned concerns are: control over sales and funds generated by the campaign; company ethical behavior, also referred to as social legitimacy conditions in previous research (Liu and Ko, 2011); legal framework governing CRM practice. Evoking trust, NPOs managers would like to trust FPOs, however they estimated that trust

cannot exclude control. Trust has been considered among common relational issues in earlier studies (Liu and Ko, 2011; Heyes and Liu, 2010; Dacin et al. 2007)

Other concerns mentioned by respondents were: alliance duration, donation amount, respect of the contract, FPOs motive to engage in the alliance, firms' products/services, firm image and reputation.

These findings show that it is possible for FPOs and NPOs to collaborate for mutual benefits. All the concerns mentioned by these managers can be addressed and managed in a way to avoid or minimize conflicts.

To sum up, this research provides a clear picture of NPOs managers' attitude and intentions toward forming CRM alliance in a developing country. Although NPOs managers have favorable attitudes toward the strategy their intention to form alliance still ambivalent since they find CRM alliance not reliable in the context of Congolese marketplace. However, all their concerns can be solved through good negotiations. These results have some limitations, e.g., sample selection and sample size, use of cross-sectional data; further research combining several methods is needed. In addition, this study was limited to NPOs managers; there is necessity to assess FPOs managers' opinions as well. Finally, the study covered only one type of CRM, e.g. transactional CRM; further research covering the other types of CRM (joint-promotion and in-kind donation) is recommended.

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- GIZ: Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation)  
NPO: Non-Profit Organization  
FPO: For-profit Organization  
DRC: Democratic Republic of the Congo  
NGO: Non-governmental Organization  
INGO: International NGO  
Oxfam: Oxford Committee for Famine Relief

Abbreviations:

- DfID: UK Department for International Development  
UN: United Nations  
UNICEF: United Nations Children Fund  
UNDP: United Nations Development Programme  
OCHA: UN Office for the Coordination of Humanitarian Affairs  
FAO: Food & Agriculture Organization of UN  
CTB: Cooperation Technique Belge (Belgium Development Agency)