Marketing in Chinese Foundations in Beijing, People’s Republic of China: Status, Challenges and Areas of Improvement

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Statement of Originality

This dissertation contains no material that has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. I give consent to the final version of my dissertation being made available worldwide when deposited in the University’s Digital Repository, subject to the provisions of the Copyright Act 1968.

Signed:
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Abstract

While non-profit organisations (NPOs) in the People’s Republic of China (PRC), including the Chinese Foundations have realised that marketing can increase competitiveness and help mobilise resources, many challenges exist that keep them from successfully implementing marketing strategies. This qualitative study identifies Chinese Foundations’ current level of understanding and practices in marketing, factors affecting these practices, key challenges they face in the implementation as well as areas for improvement. In attempting this, selected National Chinese Foundations in Beijing were interviewed. This research shows that most of the Chinese Foundations interviewed are doing marketing activities of some sort. Currently, their perception of marketing is associated to promotion and fundraising. Moreover, sixty per cent of the Chinese Foundations are organisation-centred and forty per cent are customer-centred. Like many NPOs, the Foundations face internal challenges such as limited capacity and lack of marketing strategies, and lack of knowledge of who the customers are. The Foundations also face external challenges that are related to funding competition and tax-free government policy. With respect to these challenges, the most important areas for improved marketing include organisational marketing training, improved networking, and market research. Results from this study add to the knowledge on marketing in Chinese Foundations and present potential benefits to a number of groups including the existing and future Chinese NPOs, the government agency in charge of the administration of the NPOS, as well as researchers in PRC and internationally. Future research should seek to understand marketing understanding and practices in other areas of PRC such as Hangzhou and Kunming, and other areas where Foundations are located. In addition, evaluation of the marketing strategies that could be generalised for NPOs in PRC is recommended for future research.
Chapter 1. Introduction

1.1 Introduction
The purpose of this research project “Marketing in Chinese Foundations in Beijing, People’s Republic of China: Status, Challenges and Areas of Improvement” is to increase the knowledge and understanding on marketing in Chinese non-profit organisations (NPOs), particularly Foundations in Beijing, People’s Republic of China (PRC). To achieve this aim, the researcher investigated the perceptions on the concept, adoption and application of marketing in selected Foundations, the challenges they face in relation to marketing (internal and external) and the dominant marketing factors based on the components of the expanded marketing mix (price, product, place, promotion, people, process and physical evidences). Additionally, the project elicits ideas on which areas in the marketing of Chinese Foundations need improvement as well as how these areas could be improved according to the participating Foundations.

1.2 Study Background
This section provides the background to this research. It presents the topic area of the research and introduces the research context of the study.

1.2.1 Topic Area
The topic area of the proposed research project is “marketing in NPOs”. Under this topic area are the marketing concepts, strategies in NPOs based on the components of the expanded marketing mix, existing challenges in the implementation of marketing both internal and external, and the areas of improvements in marketing and how it could be done.

1.2.2 Context – the Research Setting
This research is conducted in the setting of PRC. The concept of NPOs in PRC was introduced from western countries about three decades ago (Li, 2011). Since then, most of NPOs have been under the Chinese government. PRC’s population increase and economic development has been accompanied with an increase in social problems (Huang, You & Zong, 2006). Hence, NPOs were established to cater a wide range of social services (Huang et al., 2006). Chinese NPOs in particular, rely on government
funding to operate towards fulfilling their missions (Xiaoguang, Li & Gang, 2011). However, even with this government subsidy, most NPOs have inadequate funding for operation. Chinese scholars have therefore suggested marketing as a means of sourcing additional funding (Qing, 2006).

There are three types of Chinese registered NPOs that are accepted and recognised generally by the authorities and societies in PRC. These are the foundation, civil non-enterprise and social groups. Of these three types, the Foundations have shown a rapid increase in the past decades (Xiaoguang et al., 2011). Regulated by 1998 Rule on Foundation Administration by the State Council, Foundations have played a key role in collecting social funds, satisfying charity needs, cultivating charity cultures, and integrating social forces into charity enterprises, and these organisations became one of the most important and thriving elements in China’s Civil Society (Xiaoguang et al., 2011). In 1999, the Ministry of Civil Affairs became fully responsible for Foundation registration administration. In 2000, the old Rule on Foundation Administration was revised which was passed by the State Council in 2004. The New Regulations differentiated Non-Public Offering Foundations (NPOFs) from Public Offering Foundations (POFs), created new channels for individuals or private enterprises to build Foundations, and therefore effectively attracting social groups to participate in charity activities. POFs refer to those that rely on public funds to conduct public charity activities. NPOFs refer to those that depend on returns from their investment activities and/or the founders’ continued funds to perform their mission. In 2011, POFs were slightly more than NPOFs.

Foundations in PRC are classified according to its level of registration which includes national and local levels. National Foundations refer to those registered under the Ministry of Civil Affairs of PRC. Local Foundations are those registered at the provincial-level departments of Civil Affairs. The national Foundations increased at a relatively steady rate while the local Foundations have increased more rapidly. Foundations have been working in their usual operating areas and have developed new functions according to the increase and evolution of new areas of social needs. The Foundations initially focused on education-related areas, social services, communication and cultural affairs and anti-poverty issues. But later in the 1990s,
Foundations expanded to areas such as animal protection, religious affairs and human resource advancement. Hence, presently, Foundations are operating in areas of education, communication, arts and cultural affairs, services for disabled persons, children, women and senior citizens, international affairs, social services, medical assistance and health issues, sports-related affairs, anti-poverty, public affairs, natural sciences, employment, environmental issues, community development, agricultural matters, social sciences, mental health, voluntary services, public security, legal matters, disaster-related issues, human rights, animal protection, religious affairs, human resource advancement, and youth entrepreneurship.

Registered Foundations in PRC are located in many provinces. Beijing, the capital of PRC (situated at the northern part of China as shown in Figure 1) is one of the major cities where most of the registered Foundations are located. Beijing is one of the world’s most populated cities with total population of 18.93 million (Invest Beijing International, 2013), where two hundred and ninety of the country’s some two thousand and ninety-four registered Foundations are located as reported by China Foundation Centre in 2011 (Xiaoguang et al., 2011). With this, the number of NPOFs (172) is more than the number of POFs which is 118.

![Figure 1.1: Location of Beijing, PRC](source: China Intercontinental Digital Publisher (2013))
The study of marketing in NPOs in the setting of Chinese Foundations, particularly in Beijing, PRC is therefore appropriate. Specifically, studying the current understanding and practices of the Chinese Foundations is the focus of this research.

1.3 Research Objectives
This section presents the objectives of the research, discussion of the research problem and the primary research questions.

1.3.1 Research Aim
The aim of this study is to understand the current status of marketing in NPOs in PRC, specifically the Chinese Foundations in Beijing. In order to achieve this aim, the definition of marketing, expanded marketing mix, challenges that might affect marketing, and areas of improvement of marketing in Chinese Foundations in Beijing, PRC are discussed and investigated in this study.

1.3.2 Discussion of the Research Problem
NPOs respond to social needs and are service-oriented in fulfilling their mission (Kotler, 1979). The social services rendered by NPOs include but are not limited to child services and day care; child welfare; family services; youth services and youth welfare; services for people with disabilities; services for the elderly; and self-help and other personal social services (Kong & Prior, 2008). NPOs depend on private donations, government funding, and grants (Li & Wang, 2002). However, a wide range of NPOs in the world have felt the impact of rising costs, decreasing revenues, declining memberships, severe public and private competition, changing donor attitudes, and largely decreasing financial resources (Dolnicar & Lazarevski, 2009). Therefore, there has been a growing need to adopt concepts that will ease decreasing resources (Wang & Yu, 2004; Andreasen, Goodstein, & Wilson, 2005; Berkeley, 2006).

Since the 1970s, NPOs in some of the countries in the world have started adopting approaches which are used by profit sectors such as marketing (Kotler, 1979). Marketing has become an important part of operations for financial sustainability and to make NPOs as visible as for-profit organisations (Yorke, 1993). Several studies have examined the adoption, state and success of marketing of NPOs in developed countries
such as Australia, the United Kingdom (UK), and United States (e.g. Gonzalez, Vijand, & Casielles, 2002; Sargeant, Foreman & Liao, 2002; Andreasen & Kotler, 2003; Bissel, 2003; Kara, Spillan & De Shields, 2004; Marcedo & Pinho, 2006; Dolnicar & Lazarevski, 2009; Brady, Brace-Govan, Brennan & Conduit, 2010; Gbadeyan, 2010; Mano, 2010). However, few studies have been conducted in developing countries, for instance in PRC (Qing, 2006; Song & Xing, 2008; Liu, 2010).

Despite recognition by Chinese NPOs that marketing could increase competitiveness and help mobilise resources, staff members lack marketing knowledge and awareness of successful marketing strategies (Qing, 2006). Thus, understanding the current status of marketing in Chinese NPOs including the adoption, strategies being used, challenges and areas of improvement is an initial step in achieving success in marketing.

1.3.3 Primary Research Questions
The following are the questions that this study aims to answer in view of the problem on marketing in NPOs in Chinese Foundations in Beijing, PRC.

Research Question 1: How is marketing viewed by Chinese Foundations?

Research Question 2: How is marketing in view of the expanded marketing mix applied in Chinese Foundations?

Research Question 3: How do internal and external challenges affect marketing in Chinese Foundations?

Research Question 4: What are the areas of improvement in marketing in Chinese Foundations and how do they envisage addressing them?

1.4 Justification and Importance of the Research
This section discusses the importance (contribution to knowledge and practice) and justification of the research and provides an introduction to ethical implications of the research.
1.4.1 Contribution to Knowledge

As indicated in 1.3.2, research studies on the status of marketing in NPOs in the context of developing countries are under-researched. The concentration of most of this research is in developed countries such as Australia, UK and US. Developing countries such as PRC are yet to be investigated. Therefore, this research adds to the knowledge and available resources on marketing in NPOs in PRC, specifically on Chinese Foundations in Beijing. This study also serves as to the researcher’s knowledge, the first to give a valuable input to the existing market strategies of Chinese Foundations in PRC. Results from this study presents potential benefits to a number of groups that include the existing and future Chinese Foundations and NPOs as a whole, the government or State Council of PRC as well as the Ministry of Civil Affairs, and researchers focusing on NPOs not only in PRC but also in other countries.

1.4.2 Contribution to Practice

Foundations in Beijing, PRC could benefit from recommendations of this study on improving their marketing efforts so as to meet their goals more effectively. This study identifies marketing success factors based on the expanded marketing mix from which Chinese Foundations all over the country could learn from. It could help Foundations improve their existing practices and avoid those that do not add value to marketing in their organisations. This will enable them to better perform in their service area and be able to compete not only nationwide but also worldwide. Also, Chinese Foundations planning to give services to local communities could build from this study and learn from the experiences of the participants in this research.

Moreover, the Chinese Foundations in Beijing who participated in this research can also benefit from its results. They can improve their existing practices through the analysis and recommendations of this study. Then, the Foundations can further improve their visibility and financial sustainability as well as extend their services in the global market.

On the government side, the State Council, the policy making body on the “Rules and Regulation on Foundations”, can better understand the status of Chinese Foundations in the country. Results from this study can assist them to build and/or improve their
system such that they can effectively serve the country while working synergistically with the Foundations in addressing the social issues. Specifically, the Ministry of Civil Affairs, who is now directly in charge of the administration and registration of NPOs including Foundations can liaise necessary amendments or additions to the “Rules and Regulation on Foundations” that can better assist the development of Foundations.

1.4.3 Ethics Implications
Confidential information was acquired during the data collection process. To ensure compliance with ethics in research, the University of Newcastle, through the Human Research Ethics Committee (HREC), rigorously assessed and approved the research. The approval number was H-2012-0046.

During the data collection process, participants were provided with a participant’s information statement and consent letter to ensure their voluntary engagement in the interviews. To acknowledge the risks and privacy, each participant was requested to sign a consent letter in Chinese language that was prepared by the researcher. Appointments on when to conduct the interviews were also made prior to the interviews. The account on how the study was conducted is elaborated in Chapter 3.

1.5 Outline of the Dissertation
The dissertation is structured into five chapters as follows:
Chapter 1: Introduction
Chapter 2: Literature review
Chapter 3: Research methodology
Chapter 4: Findings
Chapter 5: Discussions and conclusions

Chapter 1 firstly introduces the study background that includes the context of the study. Secondly, it introduces the research objectives consisting of the research aim, discussion of the research problem and the primary research questions. Thirdly, it includes a discussion of justification and importance of the research by enumerating its contribution to the body of knowledge and practice. Lastly, it introduces the ethics implication and the outline of the study.
Chapter 2 provides a review of literature that identifies the research problem and scope. This chapter is divided into the studies on definition and adoption of marketing concept in NPOs, the challenges faced by NPOs in general, the marketing strategies according to the expanded marketing mix and the marketing tools for improvement of marketing in NPOs.

Chapter 3 presents a detailed account on the methodology of the study that includes a review of methodologies, research paradigms and methods, and their advantages and disadvantages. It also presents the selected research design, methods and their justification and limitations. Lastly, it discusses the ethics implications and how they were addressed through an ethics application to the HREC of the University of Newcastle.

Chapter 4 presents the results of the research. It includes results on Chinese Foundations’ understanding of marketing concept and their current practices, the status of marketing in view of the expanded marketing mix, internal and external challenges that affect marketing, and areas of improvement of marketing in Chinese Foundations in Beijing, PRC.

Chapter 5 presents the discussion of the results indicated in the previous chapter and the overall conclusions of the study as well as future research endeavours.

1.6 Limitations of the Research
One limitation of this study is related to the geographical coverage of the research. PRC is a large country where rapidly increasing number of international and Chinese NPOs work. Beijing was selected as a study area as it hosts more than fifty percent of registered Chinese Foundations aside from being the capital and one of the major cities in PRC. Additionally, the Chinese Foundations being considered are whose main office is located in Beijing, while not necessary just operating in the location of their office. The scope of the research project is intended to be conducted with Chinese National Foundations duly registered with the government.
Another limitation of this study is related to the process of data collection. The research project adopts a qualitative research design which follows an individual, semi-structured, in-depth interview. The interviews are limited with participants who are currently working and are knowledgeable in the operations of Chinese Foundations. The interview appointments are limited to requirements set in the recruitment of which the location and schedule of the interview depends on the personal preferences of the participants. Additionally, the language used for the semi-structured interview is Chinese which was transcribed and translated to English that may have the possibility of misunderstanding and mistranslation. It might result to possibility of biases on the side of the researcher and inaccuracy in responses on the side of the interviewees. This is turn might affect overall validity of the results of the study. The limitations in the methods and how it was tackled in the study process are thoroughly discussed in Chapter 3.

1.7 Summary
This chapter outlined the background of the study that gives an overview of the topic area of the research and on what context the study applies the research problem which is focused on marketing in NPOs in developing countries, and the specific research questions that this study seeks to answer. The purpose of this research project is to increase available knowledge and understanding on marketing in Chinese NPOs. The study aims to understand the current status of marketing in NPOs in PRC, specifically the Chinese Foundations in Beijing. Specific research questions are presented and discussed in section 1.3.3. Towards, answering the research questions, four main areas under marketing in Chinese Foundations are investigated in this study including the concept, adoption and application of marketing in selected Foundations; the challenges they face in relation to marketing (internal and external); the dominant marketing factors based on the components of the expanded marketing mix; as well as the areas in the marketing of Chinese Foundations that need improvement and how these areas could be improved according to the participating Foundations.

The research project adopts a qualitative research design, following an individual, semi-structured, in-depth interview. The interviews are limited to participants who are currently working and are knowledgeable in the operations of Chinese Foundations in
Beijing. A limitation of this study is related to the geographical coverage of the research and the process of data collection. These limitations and how it was tackled to reduce possibility of bias and its overall impact to the results of the study is presented and discussed in Chapter 3.

Contributions of this study to both knowledge and practice are also discussed in this chapter. This research adds to the knowledge and available resources on marketing in NPOs in PRC, specifically on Chinese Foundations in Beijing. This study also presents existing market strategies of Chinese Foundations in PRC. Results from this study can benefit a number of groups that include the existing and future Chinese Foundations and NPOs in PRC as a whole, the government or State Council of PRC as well as the Ministry of Civil Affairs, and researchers focusing on NPOs not only in PRC but also in other countries.
Chapter 2. Literature Review

2.1 Introduction
As presented in the previous chapter, the main purpose of this research is to increase the knowledge and understanding on marketing in NPOs, particularly Chinese Foundations in Beijing, PRC. In order to achieve this aim, the researcher investigated the concept, adoption and application of marketing; the marketing factors based on the components of the expanded marketing mix (price, product, place, promotion, people, process and physical evidences); the challenges NPOs face in relation to marketing; and areas of improvement. In this regard, this chapter presents key themes which formed the basis of this qualitative study. Specific themes identified are the basis for the empirical study of the research questions as presented in Chapter 1.

Details include the concept and adoption of marketing in NPOs in general as discussed in section 2.2. This is followed by exploring the components of marketing in NPOs based on the expanded marketing mix presented in section 2.3. The challenges faced by NPOs are presented in section 2.4. Then the activities that are found to help improve sustainability and/or visibility of NPOs are explored in section 2.5. The chapter then finishes with a conclusion that highlights the research problem that this study seeks to address.

2.2 Concept and Adoption of Marketing in Non-profit Organisations
NPO is referred to as “any organisation without a financial objective under private control that aims to generate a social benefit for a specific sector of society” (Gonzalez, et al., 2002, p. 56). NPO’s definition differs according to the geographical location. For example, definitions as stated in Li (2011, p. 1) include that of NPOs in Central and Eastern Europe, PRC in Asia and Western Europe. NPOs in Central and Eastern Europe mainly cover all formally organised groups of citizen action and institutionalised participation in society that are, self-governing, voluntary and non-profit. Similarly, NPOs in Western Europe are international and national organisations that are located in Western countries but operate internationally or in foreign countries and in the fields of human rights, humanitarian aid and environmental protection. In Asia, PRC in
particular, NPOs generally refer to various social organisations, foundations, private non-profit making organisations and grassroots non-government organisations (NGOs).

The main roles of NPOs are to mobilise resources in the form of either funds and/or volunteers; form programmes for the social cause; and allot available resources to beneficiaries; all of which are driven by the organisation’s goal to coordinate and monitor voluntary activities and programmes towards certain social cause (Balabanis, Stables, & Phillips, 1997). NPOs are grounded to the high moral aspirations embedded in their mission (Bruce, 1995). However, a wide range of NPOs in the world have felt the impact of rising costs, decreasing revenues, declining memberships, severe public and private competition, changing donor attitudes, and largely decreasing financial resources (Wang & Yu, 2004). Therefore, there has been a growing need to adopt concepts that will ease decreasing resources such as marketing (Andreasen et al., 2005; Foreman, 2005; Berkeley, 2006).

Marketing was originally known as a business concept in the area of sales and industrial management, but its application now extends to NPOs. It is defined as a “set of processes for generating, communicating, and conveying values to customers, and for managing customer relationships in means that could benefit both the organisation and its stakeholders” (The American Marketing Association, cited in Gbadeyan, 2010). Marketing is a mix of product, price, place and promotion, widely known as the marketing mix. A recent expansion of the marketing mix had been by Lovelock, Patterson and Walker (2007) who added people, process, and physical evidence (tangible cues) as he argued that the marketing mix is inadequate.

2.2.1 Concept of Marketing in Non-profit Organisations
Marketing plays a significant role in NPOs; Kotler and Levy (1969) claimed that all organisations are doing marketing whether they know it or not, hence NPOs and other sectors at large need to understand it. Since the 1970s, NPOs in some of the countries in the world have started adopting marketing approaches (Kotler, 1979). Marketing has become an important part of operations for financial sustainability and to make NPOs as visible as for-profit organizations (Yorke, 1993).
A classical yet still relevant definition that had been associated with NPOs for decades was from Kotler and Andreasen (1991). They categorise NPOs according to marketing mindset as customer-centred and organisation-centred. NPOs that are customer-centred serve and satisfy the needs and wants of their beneficiaries within the budget limit. Customer-centred NPOs conduct research to know the needs of their customers (donors and beneficiaries), define competition broadly and utilise the marketing mix. Customer-centredness in NPOs is the same as the application of marketing concept or market orientation. Organisation-centred NPOs however, promote their mission through advertising and fundraising, with little focus on beneficiaries (Kotler & Andreasen, 1991). Exchange is NPOs’ centre of operation which includes economic costs; sacrifices of ideas, time and energy; and customers’ psycho-social benefits. The role of marketing is to facilitate satisfying exchanges (Balabanis et al., 1997).

Bruce (1995) found that almost all participants in their study saw marketing as promotion, selling, or public relation. Still other NPOs saw the importance of marketing in looking for opportunities in the marketplace as well as define themselves in relation to competition. Moreover, studies in Europe specifically in Czech Republic for example indicated that managers of NPOs in spite of their awareness and interest in marketing, most of them have little appreciation of its real meaning (Bulla & Starr-Glass, 2006). Many NPOs associate marketing with business firms and a negative connotation, while some NPOs accept marketing as a means of promoting their mission.

The development of marketing in NPOs has been a transfer of practices from the business sector where characteristics and problems are similar. Earlier literature indicated that in US for instance, characteristics and problems in business sector and NPOs have similarities, while a British study focussed on their dissimilarities (Octon, 1993). In the British case, it was suggested that dissimilarities be looked at as means to improve the marketing concept, activities and management extended in a broader context which includes NPOs.

Most NPOs use “organisation-centred” marketing. Some indications were beliefs that their product (mission) makes customers (donors and beneficiaries) automatically choose them. Because of this, they ignored the issues on their price and design, and
consumer research is not practiced although this is appreciated by many. NPOs had a mixed history of applying market segmentation. However, most NPOs failed due to the following reasons as enumerated by Bulla & Starr-Glass (2006). First is lack of clear understanding of the composition and characteristics of their markets. This is primarily because of inadequate efforts in conducting marketing research. Second is lack of funding. There was a notion that NPOs should be more professional in conducting their dealings in order for them to secure funds from private sectors. Third is a broader range of beneficiaries is more effective to generate interest and participation.

Marketing is related to environment and economic contexts. In many ways, marketing has been used in promotion of NPOs’ missions (Bulla & Starr-Glass, 2006; Khare, 2011; Mano, 2010). However, a recent and similar study conducted by Dolnicar and Lazarevski (2009) on NPOs from the UK, US and Australia which are different in various aspects such as taxation structure, regulation, accounting and reporting requirements have shown that NPOs in these countries are facing increasing market pressures than the rules and regulations to NPOs. This is in agreement on the conclusion derived by Bulla and Starr-Glass (2006). Additionally, lack of understanding on marketing principles makes NPOs focus on sales and promotion. Second, few staff members of the sampled NPOs have an experience and training in marketing. This perhaps explains the first observation.

Dolnicar and Lazarevski (2009) proposed that NPOs’ weaknesses to reaching their full potential through marketing are as follows: (1) the perception of many NPOs that they could not fully take control of marketing mix, therefore focus on promotion; and (2) NPOs look at marketing as bad, hence they do not make a full use of strategies and tools. Dolnicar and Lazarevski (2009) suggested that obstacles and reasons why many NPOs do not accept marketing practices would be an interesting qualitative study.

2.2.2. The Adoption of Marketing by Non-profit Organisations

Studies show that NPOs have been adopting marketing concept and tools as they emerge and grow bigger, to advance their operations and increase their efficiency (Andreasen et al., 2005). Marketing in NPOs takes into consideration: a) who is the group aimed at; b) the characteristics of the group aimed at; and c) the services offered
to funders reciprocating what they have given (Hansler, 1984). Marketing can bring together the aspirations of NPOs and donors. Moreover, marketing does not only look at the benefits of the organisations but also looks at the individuals working in the organisation and to the partners that fund the organisation (Du, Hou & Huang, 2008). Other opportunities for adopting marketing in NPOs include managing public relations, advertising, and incorporating volunteer activities into a total marketing plan, so as to increase the organisations’ productivity and visibility. Moreover, the concepts of identity positioning; visibility programme; interaction with target audiences; a set of bold initiatives; employee orientation programmes; employee quality teams; creative task force; volunteer steering committee; and fundraising campaign can be adopted as marketing practices. The combination of all the above components should work together (Lauer, 1995).

In adopting a marketing approach, the NPO should use the following process: research market desires, needs and existing competition; design the services that addresses the needs of the market identified in the prior step; promote the services by advertisements, publicity, publications, or special events; and evaluate the success of the promotion based on market response to determine whether to re-visit service design (Akchin, 2001; Siri, 1996). This approach is called marketing research (Kolb, 2008a & b). Moreover, a low-cost and high-impact ways for NPOs in applying marketing is equally beneficial. These can include a) maximising use of resource available; b) persistence; c) seeking marketing professionals, and d) developing and implementing a marketing plan (Gibb, 2000). Moreover, marketing is done to meet the needs of both individuals and the organisation, hence, is not simply selling to consumers as in the business concept. NPOs are even more constrained on their products because this form part with the mission. An operative marketing plan should contain both the organisation’s mission and the beneficiaries needs (Kolb, 2008a & b).

With the adoption of marketing in NPOs, researchers have done studies on its application in different aspects. Some studies are on market orientation as well as marketing tools in NPOs (Gonzalez et al., 2002; Andreasen & Kotler, 2003; Kara et al., 2004; Marcedo & Pinho, 2006; Sargeant et al., 2002). In addition, several studies focussed on evaluation of marketing strategies, tools and strategies adopted in NPOs
(Li, 2003; Gbadeyan, 2010; Mano, 2010) which include market segmentation, product positioning, customer-centred approaches to marketing (Dolnicar & Lazarevski, 2009), advertising and communicating to funders (Mano, 2010); branding and strategic market planning (Chiagouris, 2005), cause-related marketing (Bissel, 2003).

More and more NPOs are beginning to enlist marketing professionals to manage their promotion and advertisement activities (Bissel, 2003). Branding, in particular, has become an important part of NPOs’ organisational strategic planning (Chiagouris, 2005). In addition, a change from a marketing strategy of organisation-centred to customer-centred gives NPOs chances to become more viable in the market at the same time improve their performance based on their organisational goals (Dolnicar & Lazarevski, 2009). Evaluating the effects of marketing activities to the performance of an NPO is in line with some actors such as communicating the anticipations of donors to different stakeholders involved in the organisation’s mission (Mano, 2010).

2.3 The Expanded Marketing Mix in the Context of Non-profit Organisations
Marketing consists of a mix of elements. Lovelock, et al. (2007) added the elements of people, process, and physical evidence to the marketing mix as he argued that the 4 elements are inadequate. These seven elements (shown in Figure 2) are known as the expanded marketing mix. The following sections discuss the elements of expanded marketing mix in the context of NPOs.

![Figure 2.1: The Expanded Marketing Mix](source: Adapted from Lovelock et al. (2007))
2.3.1 Product

In the perspective of NPOs, products are directly linked with their mission (Ford, 1993). Products can be viewed as important as the existence of the organisation itself which is often based on the provision of services. These services are done by neither the government sector nor the private sector (Octon, 1993). These products are normally the reason for donors to provide support in terms of financial provision or voluntary services. They are in the form of work, or mission of the NPOs. The products are bought by the donors, volunteers, full-time staff of the organisations, beneficiaries, etc. NPOs’ products are fixed in their form and perhaps all those individuals who form the different markets have a definite knowledge why the organisation exists. This is perhaps the reason why most marketing efforts of NPOs are limited to the application of sales or advertising skills (Ford, 1993). Nonetheless, the organisation should understand the importance of knowing the needs and wants of potential customers and adjusting the product to satisfy these needs and wants (Kolb 2008a & b).

One of the conflicting issues with respect to the products offered by NPOs is between the demand of the beneficiaries and the fulfilment of the mission of the organisation (Ford, 1993). Conventional marketing literature would see this issue between the product and being customer-oriented. NPOs having the fixed product can lead into product arrogance. However, it is suggested earlier that NPOs by nature are product-oriented. They exist to provide a specific product which they believe should be provided. When their product is no longer required they theoretically should cease to exist. In fact, NPOs do respond to their markets. Similarly there are cases of continued existence after their initial purpose has largely been achieved. Nevertheless, the process of change is likely to be more gradual than in a commercial organisation. It will be influenced firstly by the overwhelming commitment to the existing product demonstrated by the organisation. Secondly, it will be mediated by its great belief in the "rightness" of its product for the market it serves. The second issue is different NPOs having the same mission creates competition between organisations in acquiring funds from donors and volunteers (Ford, 1993). Third is the confusion and conflict on the services provided to the beneficiaries. Lastly, since shared needs cannot be discerned easily, donor market segmentation becomes a difficult area (Octon, 1993).
2.3.2 Price

Price can be in different form such as membership fee, payment for service (which could be monetary or time), and acceptance of certain ideals by a volunteer that match opportunity and resources to work for a certain objective that can bring fulfilment to the person (Ford, 1993). However, with the issue of increasing costs not matching their growth, NPOs are abstaining from charging monetarily for their rendered services as this goes to the mission of the organisation (Ford, 1993).

Pricing has a different perspective. The amount of donations normally depends on the preference of the donors; as such prices cannot be set by the organisation. In situations like these, it is more appropriate to divide the market by donation potential such as organisations, individuals and the public (Octon, 1993). It is important to communicate the benefit in exchange with the funding. Additionally, justifying the expenses and making it public can be easily understood by many. Moreover, pricing policies can be treated in commercial terms if there are excess on the funding that requires the NPOs to invest it to other services (Octon, 1993). However, there are potential donors who are willing to remunerate a service that an NPO normally provides for free. NPOs can be more self-reliant whenever this situation is at hand (Kolb, 2008a & b).

2.3.3 Place

Place or distribution, is the physical site where the services are available. The location should be acceptable which is normally dictated by its accessibility and the condition (this can involve safety and security) of the neighbourhood. Most often times this is limited by the required and availability of funding (Ford 1993). Many different marketing activities can be made if the location is strategically identified. These include collection of donations in public places, visibility, and easy access for meetings (Kolb, 2008a & b). However, the emphasis on place seems inadequate. Some of the suggestions are attention to facilities presently available and usage of such premises to give better access to the organisation, might accord the distribution functions proper role in the marketing mix. The place might require voluntary personnel in order to oversee resources both financial and volunteers (Octon, 1993).
2.3.4 Promotion
Promotion is attributed to be the most visible element of marketing in NPOs. This is most often associated with fundraising and advertising. One of the obstacles is to level its effort at the use of resources for the more commercial types of promotion (Ford, 1993).

In NPOs, promotion has a dual role. It must be educational and persuasive (Octon, 1993). Varied techniques such as personal selling, leaflets and posters that indicate the mission of the organisation are used. Two considerations in the messages a promotion conveys are sensitivity and effective delivery, and the medium used. NPOs may find obstacles in the selection of medium in order to reach out to the possible beneficiaries. New promotional channels may be media not those which are used by unconventional fashion (Octon, 1993). Some elements of effective promotional programme involves identifying financial and volunteer needs, mapping the potential sources, planning, incentives for implementation and management which involves proper coordination and control on the fundraising activity. However, there are issues that need to be addressed when it comes to promotion according to Ford (1993). First, people’s impression to the NPOs is normally established through the medium of promotion. Secondly, the NPOs should understand that they are actually showcasing themselves to the public at large. Thus, it is important that the organisation carefully and clearly conveys its mission rather than just raising funds to carry out its services.

Promotion requires a great deal of time, talent and treasure to effectively communicate a message. This should be combined with a full understanding of the culture of the audience in order to be appealing that would lead for the public to buy-in to the idea (Kolb, 2008a, 2008b).

2.3.5 People
Every NPO has many partner individuals and/or organisations to work with, and keeping the relationship working out is important. NPOs have a wide variety of customers often named in different ways such as clients, donors, volunteer workers, advocates, trustees, local community and many others (Bruce, 1995). For better understanding of who the customers of the NPOs are, Bruce (1994) proposed a
framework of customer presentation according to marketing in NPOs. The customers are divided into groups including beneficiaries, supporters, stakeholders and regulators with examples as shown in Table 2.1. In the table, an example of the customers in NPOs is shown and it should be noted that the details under each of the group may vary across countries. Direct beneficiaries are the group of people/individuals that are the main target for the services provided. Intermediary customers are also identified within each of the four groups. Supporters are mainly the donors and other volunteers who help in mobilising resources for the organisation. Regulators are those involved in the area of government for instance who are in charge of the registration of the NPO.

Table 2.1: Customers of Non-profit Organisations

<table>
<thead>
<tr>
<th>Beneficiaries</th>
<th>Supporters</th>
<th>Stakeholders</th>
<th>Regulators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Clients</td>
<td>Donors</td>
<td>Staff</td>
<td>Charity Commission</td>
</tr>
<tr>
<td></td>
<td>Students</td>
<td>Volunteer fundraisers</td>
<td>Government Inspectors</td>
</tr>
<tr>
<td></td>
<td>Patients</td>
<td>Volunteer workers</td>
<td>Committee/board members</td>
</tr>
<tr>
<td></td>
<td>Users Publics</td>
<td>Purchasers</td>
<td>Tax Authority</td>
</tr>
<tr>
<td></td>
<td>Members</td>
<td>Advocates</td>
<td>Local community</td>
</tr>
<tr>
<td></td>
<td>Audience Patrons</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intermediary</td>
<td>Government referrers</td>
<td>Church leaders</td>
<td>MPs/Congressmen</td>
</tr>
<tr>
<td></td>
<td>Government purchasers</td>
<td>Company chief executive officers</td>
<td>Union representatives</td>
</tr>
<tr>
<td></td>
<td>Committee providers</td>
<td>Purchasing cartels</td>
<td>Board leaders</td>
</tr>
<tr>
<td></td>
<td>Family purchasers and referrers</td>
<td>Advocate leaders and influencers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non-profit referrers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Policy makers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Decision makers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Bruce, 1995

Bruce (1995) classified NPO customers into two groups: the end customers and intermediary customers. The end customers may include advocates, clients, committee members, donors, local government inspectors, local community, patients, patrons, trustees, volunteer workers. While intermediary customers are those involved in the
process but are not the main customer group such as government agencies. With this two groups, Bruce preferred the term “beneficiary” to represent customers of NPOs. While others determine who the customer and clients are through indicating stating the difference between the NPO market for customers and for resources (Kara et al., 2004; Padanyi & Gainer, 2004). And from here, various marketing strategies differ according to different audiences (Dolnicar & Lazarevski, 2009).

Identification of standard term for the main group of customer has been difficult for researchers (Bruce, 1995). Some researchers prefer to use term “clients” (e.g. Rados, 1981). Although this term is fine with social welfare charities, it is not for other organisations such as educational and religious organisations. The term preferred by Bruce (1995) and Gonzalez et al. (2002) is “beneficiary” as the word signifies those who receive a benefit from NPOs services. This term is also used in this study to signify the customers of the NPOs as it is from the root word “benefits”.

Delivery of services, most often times needs interaction between the organisations manpower and the customers at large which influence beneficiaries’ satisfaction in the quality of rendered services. NPOs know better through the person they knew from the organisation than the organisation itself especially in the relational environment. The beneficiaries often heavily associate the organisation to the people working in it. The relationship between the organisation and the beneficiaries sometimes develops to the extent that the person delivering the service becomes inseparable from the service. The subjective nature of the customers paves the way to their lasting support to the organisations product (Lovelock et al., 2007).

On the side of the organisations, human resource management issues are important in delivering high quality services as well as in promoting the organisation. Establishing a customer-oriented culture throughout the organisation can help achieve a sustainable competitive advantage. The people element of marketing mix also includes the management and beneficiaries of the organisation. Service fulfilment is influenced by beneficiaries’ behaviour (Lovelock et al., 2007). The donors and the beneficiaries are very important aspect in the mission of the NPOs. It is therefore important that the management determine the right customer mix and considers how to manage the
beneficiaries’ behaviour in order to avoid conflict and enhance the experience in dealing with donors and beneficiaries. In order to do so, getting the people to do the job is a strong point for the organisation. This process starts by hiring the right people. This entails, however, a high degree of competition among best applicants. There is a need to intensify selection process in order to get the right people for a given job. After getting them on board, it is always ideal to build their capacity through extensive training (Lovelock et al., 2007).

The training covers building and improvement of knowledge and skills on the organisations culture, mission and strategy, interpersonal and technical skills, as well as on the product. Most specifically, empowering the front liners, and building high-performance service delivery teams is of utmost importance (Lovelock et al., 2007). The right people should be doing the right services, at the right place, at the right purposes. Otherwise, they will find themselves not suited in the assigned work. For instance, NPOs in Australia, UK and US have to train their staff in marketing as studies shows that only one fifth of their workforce has experience and trained in marketing (Dolnicar & Lazarevski, 2009). Lastly, motivate and engage the people in the organisation by introducing strategies such as giving bonus, job content, feedback and recognition as well as rewards pay (Lovelock et al., 2007).

A gap exists on the adequacy of marketing knowledge on the people working in NPOs worldwide. Thus, there is a need to map the changes in the NPOs’ mentality of marketing and professionalisation (Dolnicar & Lazarevski, 2009). This area perhaps is primarily influenced by people who are working in the organisation.

2.3.6 Physical Evidence
Physical evidence addresses the tangible components of services according to Lovelock et al. (2007). If there is no tangible goods, indications of the service quality could be the source. Although this element has been intended in the subject of service marketing, this is undoubtedly evident in NPOs operations. The products of NPOs are coupled with tangible products. For example, NPOs working on water and sanitation may provide facilities such as toilets and water systems. The qualities of such facilities are appreciated by most beneficiaries. Similar examples can be cited such as facilities for
disaster management like siren for early warning and dikes for mitigation. These examples of physical evidences and other visible cues substantively give an impression to beneficiaries on the quality of services. The physical appearance of staff can be considered as tangible cues. Volunteers are often dismayed by the bad impressions they get from staff of the organisations. Additionally, promotional materials, invoices and written correspondences all provide some tangible evidence that shows organisations’ professionalism. These evidences should be taken seriously with extreme care as they influence beneficiaries’ impression of the organisation (Lovelock et al., 2007).

2.3.7 Process
The process often is measured by its efficiency and effectiveness (Lovelock et al., 2007). Often NPOs are suggested to observe the way they deal with donors and volunteers in order to ensure in-flows of funding. Any failure in the process creates a considerable frustration. In worse cases, donors, partners and beneficiaries vent their anger to the employees and organisations. Having a poor process within or without of the organisation makes difficulty on the side of staff towards performing their tasks well which results poor delivery of services (Lovelock et al., 2007).

2.3.8 Summary
The expanded marketing mix, which indicates the components of marketing, is reviewed in this section in the context of NPOs. The expanded marketing mix include product, price, place, promotion, people, physical evidence and process each of these which are summarised in Table 2.2.

Products of NPOs are linked to their mission and services. Price that could be in different forms such as membership fee and payment of service should be transparent to donors and customers of NPOs. Place, which is the location of the NPO’s service is an important factor and should be accessible, visible and safe for customers and donors alike. Promotion activities that include advertising, fundraising and other activities should be done according to the needs of the customers. The people involved in marketing activities include the right ones, and the NPOs’ staff should be trained, motivated and engaged on marketing activities, as well as identifying customers and establishing customer-oriented culture in the organisation is equally important. Physical
evidences or the tangible’ components of NPOs’ services helps in its visibility. The process in NPOs that include how they deal with donors and volunteers should be clear within and without the organisation.

**Table 2.2: Summary of the Marketing Strategies**

<table>
<thead>
<tr>
<th>Marketing Mix</th>
<th>Element to be Considered/Included</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product</strong></td>
<td>services directly link to organisation’s mission</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>different forms: membership fee, payment for service, commensuration of volunteer needs; justifying and transparency of expenses made by the organisations, communicate price to donors and customers</td>
</tr>
<tr>
<td><strong>Place</strong></td>
<td>location of services should be accessible and visible to customers, safe</td>
</tr>
<tr>
<td><strong>Promotion</strong></td>
<td>activities time-associated with advertising and fundraising; tools such as personal selling, leaflets and posters that indicate the mission of the organisation; use mediums according to needs of customers</td>
</tr>
<tr>
<td><strong>People</strong></td>
<td>getting the right staff for each marketing activities; train, motivate and engage staff on marketing activities, identifying customers and establishing customer-oriented culture in the organisation; communicating to donors</td>
</tr>
<tr>
<td><strong>Physical evidence</strong></td>
<td>tangible’ components of services: promotional materials, invoices and written correspondences; staff professionalism</td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td>deal with donors and volunteers in order to ensure in-flows of funding; clear process within and without the organisation</td>
</tr>
</tbody>
</table>

Source: Developed in the context of NPOs according to the framework in Lovelock et al. (2007)

**2.4. Challenges that Affect Marketing in Non-profit Organisations**

The challenges faced by NPOs are related to its characteristics as well as to the environment where it operates (Bulla & Starr-Glass, 2006). The characteristics of NPOs include non-profit objectives, several partners and stakeholders involved with in many cases are competitive-collaborative relationships, as well as equilibrium between the mission and financial needs (Andreasen & Kotler, 2003). In terms of organisational structure, NPOs are usually not centralised, have little formal hierarchy, and have its culture formed on the decision of its employees, all these characteristics of which permit self-governance, flexibility, and enhancement of capacities in the organisation (Laidler-Kylander & Simonin, 2009). On the other hand, NPOs have more collaboration required in order to cope with the great demand of social services in the society which also makes management relatively complex (Laidler-Kylander & Simonin, 2009).
NPOs pay attention to at least the donors and the beneficiaries who have an influence in the decision making of NPOs (Yu & Liao, 2002). The donor normally relies on the NPO’s ability to deliver the products/services successfully regardless of the beneficiaries’ satisfaction. The satisfaction of beneficiaries from the services provided by NPOs is seen in the long run rather than immediately attained (Yu & Liao, 2002).

The challenges related to the environment where NPOs operate are on competition and the government policies on their operation. There is an increasing competition locally and internationally due to continuous increase of NPOs over the years. With this increase in the number, competition among NPOs and with other sectors also increases, and NPOs with limited resources continue to struggle over smaller funding budgets (Andreasen et al., 2005). In addition, NPOs are challenged by the changes in economic, legal and political landscape (Bulla & Starr-Glass, 2006). In order for NPOs to survive, they should be aware of non-market forces for instance the government policy (Sargeant et al., 2005). NPOs which are funded by the government have a tendency of more control from institution compared with culture in the organisational to keep the organisation from performance gaps (Mano, 2010).

2.5. Activities towards Improvement of Marketing in Non-profit Organisations
This section explores specific marketing activities and tools in NPOs that are shown to help increase visibility and sustainability of NPOs. These specific marketing activities that are being done by NPOs in order to meet the challenges they face specially on funding while performing their missions are reviewed here. These include organisational performance, fundraising (on mobilising resources), networking and branding (on products and services).

2.5.1 Marketing and Performance in Non-profit Organisations
The relationship between marketing and performance is significant. Marketing success can be affected by organisational size (Mano, 2010) which is dependent on the type of stakeholder. The size of the organisation affects the performance when marketing is done towards public stakeholders, while negatively affected when done towards private stakeholders. For instance in the case of Israel where NPOs are financially supported by the public: performance is defined according to the size of the organisation. Therefore,
the larger the groups that are covered by the NPOs services, the bigger the institutional and financial support they receive (Mano, 2010). NPOs in France have a similar situation with Israel in terms of funding where they don’t have any concern on funding whatsoever but they need to invest on marketing in order to attract volunteers instead of financial returns (Khare, 2011). Mano (2010) articulated that as funding from the donors increases, institutional control over organisational practices increases.

Market orientation may impact an organisation’s performance (Brady et al., 2010). Market-orientation includes factors such as donor and competitor orientation and marketing personnel (Zhou, et al., 2010). The effects of these factors were investigated by Brady et al. (2010) where the study was aimed at understanding the current state of market orientation and how it is related to fundraising performance among NPOs in Australia. The advertising and fundraising activities are generally included in the marketing aspect of NPOs. This study focussed on how fundraising affects the performance of NPOs which adds value and evaluate fundraising in a deeper way. The study indicates that a customer-centred market orientation improves fundraising performance of which there are few fundraising options available for improving the performance in NPOs. Additionally, having a knowledge-generating system that evaluates the organisation's performance will enhance outcomes by learning from successes and failures of the organisations. Lastly, in spite of strong relationship of the organisational size and performance in fundraising, there exist vital factors that can help small organisations improve their performance.

Khare (2011) observed in his study on differences and success factors of NPOs marketing practices in the US and France that the American websites have a stronger market orientation compared to France which is heavily funded by the government. The websites include request for donation are omnipresent, rewards, addresses the needs of all including those in needs, more sophisticated that puts an emphasis on emotional appeals in its communications as illustrated with the large number of real people pictures and includes connectivity to social media portals. This can be influenced by various factors such as trained staff on marketing and by communicating stakeholders’ expectations, which makes marketing effective.
Evaluating success in implementing marketing strategies has been a subject in research (e.g. Brady et al., 2010; Mano, 2010; Khare, 2011) as discussed above. So as to evaluate marketing success in NPOs, some of the gaps that relate marketing and organisational performance consider the objective and apparent performance on detailed strategies of their marketing goals (Mano, 2010); confirmation of the expectation of the concern public on the marketing tools such as web sites, understanding on how much marketing is being considered by the executives in decision making and web design (Khare, 2011); and the processes effects whatever the organisational culture and when compared to types of NPOs (Brady et al., 2010). In addition towards preventing gaps in performance, the needs of NPOs must be indicated both in quantity and quality of the services they provide (Mano, 2010). Thus, NPOs should identify and carefully analyse the factors that yield positive effects on performance (Mano, 2010). Knowing that these factors can turn out into either positive or negative effects, the differences among the marketing goals should be clear with that of strategies.

2.5.2 Fundraising
Fundraising is one of the key activities of NPOs in order to continue their service operations to achieve their missions (Li & Wang, 2002). This is especially important for the survival and development of NPOs. In the fundraising process, there are various things to consider such as a need to uphold the organisation’s mission, therefore, the organisation should consider the interests of donors seriously; strengthen self-construction and self-service capability; and improve the level of self-regulation. Additionally, the NPOs should pay attention to the funding targets; ways and means that should encompass the principle of beneficiary orientation to the fundraising activities. Moreover, in general, fundraising activities rely on “support group”. NPOs should have their own "support group" that includes NPOs’ members, sponsors, volunteers, beneficiaries, experts and scholars, media and government agencies.

NPOs have many fundraising sources, one of which is donation. Donations are from individuals or organisations who transfer their own property or ownership to others as an act of charity, which is seen as noble and worthy of praising behaviour in the moral evaluation system (Li & Wang, 2002). In general, two cases of donation include a) the friendship donations or such a people-friendly attitude to make a donation where a
benefit for the donor’s side is not a must; b) contributions with interest compensation gifts, that is, to the interests of the donor, the donation is given for the reputation to be built up. In such a form of donation, the NPO has got the appropriate resources, while the donors get the corresponding financial compensation - a donation that is becoming a common form in contemporary society (Yu & Liao, 2002).

Based on the studies by Li & Wang (2002) and Yu & Liao (2002), the following are important considerations in achieving successful fundraising efforts. First, is to maintain a good reputation and enhance services. NPOs, with effective services in the community to have widespread impact, could transform the good reputation to intangible assets such as getting support from government and donors. Also, since funds are coming from donors and government, social responsibility for better use of funds and resources is necessary for maintaining credibility in the society. Second is to establish good relationship with partners. NPOs should maintain a close relationship with donors, supporters, government and other partners in order to maintain support from them. Partners should be informed of the progress of the NPOs activities. Third is fundraising objective must be targeted. In order to attract many donations, NPOs can provide a variety of good projects, so that donors can choose which to support. With this, conducting a survey to understand what people desires to support and why they donate is important. Fourth is to pay attention to media publicity and advertising. The media and the formation of public opinion often have a strong influence to people in the society. NPOs should strengthen donor’s database management, and invest in public relations and consulting on fundraising. Fifth is to be flexible in the use of various fundraising methods. There are many kinds of fundraising methods, such as selling of charity, advertising and using media reports for visibility, fundraising performances, and professional fundraising, sharing-profit fundraising, market fundraising and charging of reasonable fee for delivery of services, and co-fundraising or joint-fundraising. A successful method of fundraising will not always work at all times. It is important to know how to adapt and learn to create and introduce new fundraising model to obtain new fundraising results. Objectives and ways of fundraising are constantly subject to change based on the economy and social development. Sixth, is to continue to mobilise volunteers to participate. NPOs mobilise volunteers to participate in activities in solving public welfare problems effectively. From a development point
of view, there is a trend that more and more NPOs increasingly dependent on volunteers’ involvement. In addition to spiritual encouragement to volunteers, NPOs should pay attention to material compensation, in order to encourage and support more people to participate in voluntary works.

Lastly, one of the issues that were investigated in fundraising of NPOs is the relationship of fundraising fees against the fundraising efforts. A finding in a recent study in the US is that investment on using professional fundraising agents has a significant effect on how efficient the fundraising efforts are (Marudas & Jacobs, 2010). Additionally, professional fundraising services substantially improve efficiency in fundraising, both in the health and education sector. The study offers proofs that are useful to the professional fundraising service providers and the managers of NPOs. The result of the study is useful for managers in NPOs for incorporating the results into their decisions on hiring professional fundraising agents or not (Marudas & Jacobs, 2010). However, the same authors suggested that this study can be extended in other countries to test whether or not there is a similar effect on fundraising performance.

2.5.3 Networking

In marketing, different kinds of stakeholders and their expectations must be taken into account when defining performance. Mano (2010) evaluated the effect of not communicating stakeholders’ expectations through marketing results in not satisfying the target. When managers of NPOs are not successful in capturing stakeholders’ definitions of performance, marketing is not effective and may even result to decreased support for organisational goals. The relationship between variables including the organisational context, environment and marketing was evaluated using a correlation analysis. A three step regression analysis was also done and the result showed relative effects of each set of variables. The findings showed that marketing practices have a differential effect on public/private stakeholders. The effect of marketing on performance increases to public stakeholders, but decreases to private stakeholders. These results suggested that properly communicating funders’ expectations results to effective use of marketing in NPOs. This study examined why marketing has not been successful in improving NPOs’ performance. Particularly on the results of the article, it was highlighted that professional approach to marketing is very important in NPOs. In
carrying this out, a diversity of stakeholders in expectations and definitions of performance is also crucial.

2.5.4 Branding
Branding is an essential marketing tool that is used to distinguish an organisation's product in the marketplace. Branding approaches as cited in Graham, Harker, Harker, and Tuck (1994), are made by the organisation, for the product, in order to place and categorise the brand with positive impact in the product/services provided so as to gain customers; make the organisation known through the brand; and escalate cost-effectiveness. Convincing brand is more important to NPOs when compared to profit organisations since NPOs lack the resources to get their messages out through the media; thereby, making branding one of the key priorities. In addition, having a known brand may create activities that could generate income while guaranteeing social programmes (Chiagouris, 2005).

The most significant components for a successful brand for NPOs include the mission, unique selling style, personality, uniqueness of graphics used, and developed measurement (Chiagouris, 2005). In support to this idea, Fogel (2007) mentioned that focus of the brand should be on beliefs, feelings, images, and values of the target clients since success in NPOs are driven by the emotional connection and brand experience. In addition to this, Hassay and Peloza (2009), while acknowledging the significance and role of branding in NPOs, conducted a study aimed at extending the concept of brand community by exploring relationship marketing. Hassay and Peloza (2009) presented an example of how branding can be utilised by NPOs in order to both increase supporter loyalty and provide services that meet organisational goals. Moreover, branding can also be explored as a factor in evaluating marketing performance for NPOs in future studies.

2.6 Summary
NPOs have unique characteristics in fulfilling its mission such as being responsive to social needs, and service-oriented (Kotler, 1979). Due to increasing social needs and number of NPOs nowadays, with increasing market pressures such as higher operating costs, funding competition, and diminishing financial resources, NPOs have been
adopting marketing concepts to be able to attain their mission (Wang & Yu, 2004; Andreasen et al., 2005; Berkeley, 2006). Marketing, as with the definition of NPOs are linked to and shaped by economic and environmental contexts.

The use of marketing strategies on promotion of NPOs’ missions, have been found effective (Bulla & Starr-Glass, 2006). However, lack of understanding on the real marketing principles has made NPOs focus their marketing activities on fundraising and promotion (Dolnicar & Lazarevski, 2009). In order to reach the full potential of marketing, a good understanding on the principle in the context of corresponding region or country is necessary (Dolnicar & Lazarevski, 2009). In line with this, research studies on marketing in NPOs have been conducted in developed countries including Australia, UK, and US (e.g. Gonzalez, et al., 2002; Sargeant et al., 2002; Andreasen & Kotler, 2003; Bissel, 2003; Kara et al., 2004; Marcedo & Pinho, 2006; Dolnicar & Lazarevski, 2009; Brady et al., 2010; Gbadeyan, 2010; Mano, 2010). Nonetheless, few studies had been done in the context of developing countries that include PRC (e.g. Qing, 2006; Song & Xing, 2008; Zhou et al., 2009; Liu, 2010). Although Chinese NPOs have realised that marketing could increase competitiveness and help mobilise resources, NPOs staff members lack marketing knowledge. In particular, NPOs lack awareness of successful marketing strategies (Qing, 2006). Research areas that could be explored in the context of PRC are 1) current status on the adoption of established marketing concept, marketing strategies and management skills in NPOs, and 2) the challenges and opportunities in the area of marketing.

In the PRC, the concept of NPOs was introduced from western countries about three decades ago (Qing, 2006). Since then, most Chinese NPOs have belonged to the Chinese government. As social concerns in the country arose parallel to economic development, the number of NPOs continued to increase (Li, 2011). There are three types of NPOs in PRC that have been accepted and recognised by the government and society: foundations, civil non-enterprises and social groups (Qing, 2006). The living environment of NPOs that includes Foundations is increasingly fluid as the number of NPOs continues to increase (Huang et al., 2006). Additionally, promoting the development of PRC’s various types of NPOs also intensify the competition for donations. Foundation and for-profit organisations face the same pressures of cost and
competitors (Huang et al., 2006). Due to continuous change in the environment, it is important that NPOs strive to improve and win the support and cooperation of the public (Huang et al., 2006). NPOs’ products are mostly service-oriented as a result. NPO cannot adopt the same market strategies of the for-profit sector because of the high social/public pressures that NPOs face (Yu & Liao, 2002).

Li and Wang (2002) shows that many NPOs in PRC lack the funds and resources to provide the services required of them. Therefore, a handful of Chinese scholars have suggested marketing as a means of improving visibility and competition while able to fulfil NPOs missions (Qing, 2006). In addition, the concept of branding is very much relevant in China. For instance, the Hope Project - China Children and Teenagers’ fund has become a marketing model of Foundations in PRC (Huang et al., 2006).

This review of the literature regarding marketing in NPOs was conducted to inform the development of the research questions that this research seeks to answer as mentioned in 1.3.3. Chapter 3 describes the methodology for undertaking the research in order to seek answers to these questions.
Chapter 3. Methodology

3.1 Introduction

This chapter presents the methodology of conducting this research aiming to understand the current status of marketing in NPOs in the context of PRC, specifically the Chinese Foundations in Beijing. This study utilises a qualitative approach which adopts the interpretivism epistemological as well as constructionism ontological considerations. The semi-structured in-depth individual interview is employed for the collection of data.

This chapter provides an explanation and justification of the selected research methodology. The research design and implementation, structure and conduct of semi-structured interviews, and the recruitment and selection of participants are also discussed. The limitation of the methods identified as well as the ethical implications and measures that were undertaken to address identified limitations are also presented and discussed. The succeeding chapter explains the procedure of data analysis used in this study.

3.2 Selection and Justification of Research Methodology

This section discusses the justification of selecting the qualitative research methodology. The research paradigm is interpretivism which is based on the view regarding the difference between people and the natural sciences objects and hence entails the researcher to capture social actions’ subjective meaning. Moreover, the method of data collection (individual semi-structured interview), as well as the data source, are also discussed in this section.

3.2.1 Description, Theory, Philosophical Considerations of Methodologies in Marketing Research

The theory, epistemological and ontological considerations of the two main methodologies, the quantitative and qualitative, that have been used in marketing research in NPOs are discussed in the following sections. The theories used in quantitative and qualitative research are deductive and inductive, respectively. For epistemological consideration, positivism is utilised in quantitative research while interpretivism for qualitative research. For ontological consideration, quantitative
method utilises objectivism while qualitative method uses constructionism. Each of these are presented and discussed in the following sections.

3.2.1.1 Description and Theory

There are two main methodologies used in marketing research, the qualitative and quantitative approaches. Quantitative research is designed “to tell the researcher how much, how often, how many, how often things happen, when and who, while qualitative research is designed to tell the researcher how (process) and why (meaning) things happen as they do” (Cooper & Schindler, 2011, p.160). The main difference between these two research strategies include their orientation to theory’s role in research: that is the use of deductive in quantitative research and inductive in qualitative research (Bryman & Bell, 2007). In deductive theory orientation, a hypothesis is deduced on the basis of what is already known about a certain subject and the theory behind that subject. The hypothesis is then subjected to empirical search. While in inductive theory orientation, implications of the findings in the particular subject are inferred.

3.2.1.2 Epistemological and Ontological Considerations

Understanding the philosophy in marketing research including the epistemological and ontological can seriously affect the quality of research, and they are central to the notion of research design. Particularly, understanding the philosophy being considered in research can help researcher (a) clarify research designs; (b) determine which design will work; (c) determine and develop designs that will be outside the experience and (d) recommend research designs according to restrictions of various structure of subjects (Easterby-Smith, Thorpe & Jackson, 2008).

Epistemology is the theory of knowledge. It concerns the question “what is or should be regarded as acceptable knowledge in a subject being studied” (Bryman & Bell, 2007, p.16). For epistemological consideration, natural science model, in particular positivism is used in quantitative research while interpretivism is used for qualitative research. In positivism, the idea is that despite the existence of social world externally, its properties needs to be measured by objective methods and not by subjective inference by sensation, reflection or intuition. The philosophical assumptions of positivism are independence, value-freedom, causality, hypothesis and reduction, operationalisation,
reductionism, generalization and cross sectional analysis. These assumptions are elaborated by Easterby-Smith et al. (2008). On the other hand, interpretivism is a term that consumes the writers’ outlooks on criticising the scientific model application to social world research influenced by different intellectual traditions. It is based on the view that takes into consideration the difference between people and the objects of the natural sciences and therefore entails the researcher to capture social action’s subjective meaning (Bryman & Bell, 2007).

Ontology as discussed by Bryman & Bell (2007) is concerned with the “nature of social entities” (p.22). For ontological consideration, quantitative method utilises objectivism while qualitative method uses constructionism. In objectivism, the meaning of social phenomena exists independently from its actors. This means that social phenomena and the classes used in daily speech is independent from the people who talks. On the other hand, constructionism, also referred to as constructivism, emphasizes that social phenomenon and their meanings are related to the social actors. The idea of constructionism then, focus on the conducts of people of what the world is, by sharing their experiences with others through a language medium. This approach is referred to as interpretative method. Constructionism is the idea that “reality is determined by people rather than by objective and external factors” (p. 24). Hence the work of the researcher is not to collect facts and determine a pattern of how things occur, but to emphasise how people give meaning on their experiences. Therefore focusing on what people feel and think, and how these are communicated. Understanding and explaining the differences on people’s experiences, is therefore the main aim of this kind of ontological position.

3.2.2 Quantitative and Qualitative Methodology in Non-profit Organisations Marketing Research

The two main methodologies used in marketing research as mentioned in 3.2.1 are the qualitative and quantitative approaches. Main distinctions between these methodologies are on the research theory utilised, the epistemological and ontological considerations as discussed in sections 3.2.1.1. and 3.2.1.2. Further to this information, the following sections present more details regarding the two methodologies in terms of data collection process.
3.2.2.1 Quantitative Methodology

Marketing research uses both quantitative and qualitative methods. Quantitative research is utilised in testing of theory, where the researcher needs to keep distance from the research to avoid bias in understanding through detailed description (Marshall, 1996). One objective is the quantitative presentation of events or opinions, called frequency of response. Once a quantitative survey or field observation or experiment is started, it is quickly common knowledge among a research sponsor’s competitors. Although the data might not be known, the areas of inquiry often can be determined (Cooper & Schindler, 2011). The methodology has been used in researches in marketing in NPOs. Examples of studies and their detailed methodologies are summarised in Table 3.1. As indicated in the table, a lot of researchers in marketing in NPOs use the quantitative approach.

For instance, studies focusing on the market orientation theme are that of Balabanis et al. (1997); Vazquez et al. (2001); Kara et al. (2004); Padanyi and Gainer (2004); Zhou et al. (2009); Modi and Mishra (2010); and Hashim and Abu Bakar (2011). Other studies that have used the quantitative research methodology are that of Morris et al. (2007), Chew (2005), Cano and Sams (2009), Dolnicar and Lazarevski (2009), Mano (2010) and Brady et al. (2011). Most of these studies used the survey method with response rates ranging from fourteen per cent to ninety-seven per cent.
<table>
<thead>
<tr>
<th>Author/s</th>
<th>Research theme</th>
<th>Method of data collection and analysis</th>
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</table>
| Balabanis et al. (1997) | Adoption of marketing concept in NPOs | *Survey method*: personal interviews to British charities  
*Participants*: five charities for trial questionnaire and fifty eight charities for the final sampling  
*Response rate*: 29% (58 out of 200 organisations) |
*Sampling*: General Managers or CEOs of 705 NPOs in Toronto and Montreal  
*Response rate*: 21.2% (138 out of 650)  
*Data Analysis*: A structural equation modelling approach |
| Vazquez et al. (2001) | Market orientation | *Survey method*: survey by post  
*Participants*: single interviewee from 779 Foundations  
*Response rate*: 24.52% (191 Foundations responded to the survey) |
*Sampling*: executive directors of NPO  
*Response rate*: 14.8%  
*Data analysis*: structural equation modelling |
*Participants*: Executive Directors or General Managers of NPOs in Greater Toronto and Montreal Area  
*Response rate*: 31% (559 out of 1805 organisations)  
*Data analysis*: structural equation model approach |
<p>| Chew (2005) | Strategic marketing planning | <em>Survey method</em>: self-administered postal survey questionnaire |</p>
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<tr>
<th>Author/s</th>
<th>Research theme</th>
<th>Method of data collection and analysis</th>
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</table>
| Morris, Coombes, Schindehutte, and Allen (2007) | Market orientation of NPOs                                                     | **Survey method**: IRS form accomplishment & cross-sectional survey research  
**Participants**: CEOs/managing directors of NPOs  
**Response rate**: 21% (145 out of 685)  
**Data analysis**: exploratory analysis; confirmatory factor analysis; structural equations methodology |
| Zhou et al. (2009)       | Measure of market orientation and organisational antecedents                   | **Survey Method**: Survey administered to national sample of management personnel  
**Participants**: blood collection centres in China  
**Response rate**: 93.6% (791 out of 845)  
**Data analysis**: Statistical analysis such as correlation; structural equation modelling approach |
| Cano and Sams (2009)     | Role of emotions in successful delivery of social services                    | **Survey Method**: mailed survey questionnaire  
**Participants**: 2,500 frontline social service personnel  
**Response rate**: 24.4% (611 returned surveys)  
**Data Analysis**: SAS statistical software; ANOVA analysis |
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<tr>
<th>Author/s</th>
<th>Research theme</th>
<th>Method of data collection and analysis</th>
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<tbody>
<tr>
<td>Lazarevski (2009)</td>
<td>Marketing</td>
<td><strong>Survey Method:</strong> internet survey</td>
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<tr>
<td></td>
<td></td>
<td><strong>Participants:</strong> 140 managers of NPOs in UK (36), USA (33), &amp; Australia</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(67) <strong>Response rate:</strong> 97%</td>
</tr>
<tr>
<td>Mano (2010)</td>
<td>Communicating stakeholders’ expectations through</td>
<td><strong>Survey Method:</strong> Survey method</td>
</tr>
<tr>
<td></td>
<td>marketing</td>
<td><strong>Participants:</strong> 255 managers of NPOs</td>
</tr>
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<td></td>
<td></td>
<td><strong>Response rate:</strong> 62% (135 out of 255)</td>
</tr>
<tr>
<td>Modi and Mishra (2010)</td>
<td>Market orientation and their performance outcomes</td>
<td><strong>Survey Method:</strong> survey questionnaires in likert-type statements</td>
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<td></td>
<td></td>
<td><strong>Participants:</strong> Institute of Rural Management, Anand’s (IRMA) designated</td>
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<tr>
<td></td>
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<td>NPOs <strong>Response rate:</strong> 107 out of the directory</td>
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<td></td>
<td></td>
<td><strong>Data analysis:</strong> principal axis factoring with oblique rotation</td>
</tr>
<tr>
<td>Brady et al. (2011)</td>
<td>Fundraising and marketing activities</td>
<td><strong>Survey Method:</strong> computer-aided telephone interview</td>
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<tr>
<td></td>
<td></td>
<td><strong>Participants:</strong> 401</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Data analysis:</strong> statistical analysis</td>
</tr>
<tr>
<td>Hashim and Abu Bakar (2011)</td>
<td>Customer-defined market orientation antecedents and outcomes in NPOs</td>
<td><strong>Survey Method:</strong> questionnaire</td>
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<tr>
<td></td>
<td></td>
<td><strong>Participants:</strong> students enrolled from education public higher education</td>
</tr>
<tr>
<td></td>
<td></td>
<td>in Malaysia <strong>Response rate:</strong> 70% (211 out of 300)</td>
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<tr>
<td></td>
<td></td>
<td><strong>Data Analysis:</strong> exploratory factor analysis and varimax rotation</td>
</tr>
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</table>
3.2.2.2 Qualitative Methodology

Qualitative methods allow the researcher to obtain the intricate details related to the experience, feelings, and perceptions that are hard to obtain when using other research methodologies (Strauss & Corbin, 1998). Qualitative research method is used when the study concerns “why?” to the research subject and when it is not needed to generalise study results. This method is preferred when the study is focused on drawing participants’ perceptions or beliefs in a particular subject matter (Marshall, 1996). At the heart of the qualitative process are the researcher –and his or her experience – framing and interpreting data. During the data collection process, the researcher act as either a participant observer or facilitator.

Qualitative methods are utilised during the research data collection and analysis stages. The individual in depth and focus group interview methods are generally used. The advantages of these methods are due to low costs while getting important information (Milena, Dainora & Alin, 2008). Interviews can either be unstructured interviews, semi-structured interview, or structured interview (Cooper & Schindler, 2011). In unstructured interviews, discussion which usually starts with participant narratives, are done without ready order of topic or questions. In semi-structured interview, the discussions usually begin with few ready questions and then flow with participant thoughts and ideas and interviewer’s probing questions. In structured interview, an interview guide like a questionnaire is usually utilised to make discussion flow into drawing participants’ thoughts, however, questions are kept open-ended. Structured interviews allow comparability of answers from participants since variability in questions are removed thereby answers are assumed to reflect reality. Most research are conducted using the unstructured or semi-structured interviews since they depend on making discussion between the interviewer and participant, hence needs the ability of the interviewer to be more creative and skilful in deriving variety and more data required for the scope of the study (Bansal & Corley, 2012).

Sample sizes for qualitative research differ according to the technique used but are usually less when compared to that of quantitative data. Sample size may need two or three focus groups or a number of participants for individual in depth interviews (Overlien, Aronsson & Hyden, 2005). Qualitative research involves nonprobability
sampling, which is a subjective process of selecting population element which have a known chance of being selected and there is no need to have a statistically representative sample (Miller & Salkind, 2002). Common types of nonprobability sampling are convenience sampling, purposive and snowball. Convenience sampling is done where readily identified individuals are selected as study participants. Purposive sampling is done where participants are selected according to their characteristics such as their experiences that are appropriate for the needs of the research. Snowball sampling is done where participants recommend others who have the attitudes, characteristics, or experiences appropriate to the study needs.

Many interviews are done face-to-face because of the actual observance of verbal and nonverbal attitudes of participants. An interview, however, can be conducted by phone or online. These approaches of interviewing offer the chance to do more interviews within the same period of data collection at low cost as it save the travel expenses and fees of moving either trained interviewers to participants and/or bringing participants to neutral place (Cooper & Schindler, 2011). Conducting interviews in participants’ home or office where they are more comfortable should increase the quality of the interview. Also, depending on the group from which participants are drawn, there may not be enough numbers to conduct the group interviews. In this case the use of phone or online techniques is appropriate.

Qualitative technique in research has been used in the case of marketing in NPOs, summarised in Table 3.2. Kotler (1979) used case studies to analyse the strategies for introducing marketing into NPOs.

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<tr>
<th>Author</th>
<th>Research Theme</th>
<th>Method of Data Collection and Analysis</th>
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<tr>
<td>Kotler (1979)</td>
<td>Strategies for introducing marketing in NPOs</td>
<td>Case studies</td>
</tr>
<tr>
<td>Ojiambo (1994)</td>
<td>Application of marketing principles in NPOs</td>
<td>Secondary data analysis</td>
</tr>
<tr>
<td>Clarke and Mount (2000)</td>
<td>Marketing exchange theory in NPOs</td>
<td>Secondary data Analysis</td>
</tr>
<tr>
<td>Liao et al. (2001)</td>
<td>Measurement of market constructs for NPOs</td>
<td>Secondary data analysis</td>
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<tr>
<td>Warnaby and</td>
<td>marketing-oriented approach adopted in NPOs</td>
<td>Secondary data analysis</td>
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<tr>
<td>Author(s) (Year)</td>
<td>Topic</td>
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<td>Finney (2005)</td>
<td>Nature of marketing in NPOs</td>
<td>Semi-structured interviews with senior self-designated marketing managers in NPOs in Prague</td>
</tr>
<tr>
<td>Bulla and Star-Glass (2006)</td>
<td>Key marketing issues in NPOs</td>
<td>Focus group &amp; key informant interviews</td>
</tr>
<tr>
<td>Kong and Prior (2008)</td>
<td>IC tool for NPOs</td>
<td>Systematic research</td>
</tr>
<tr>
<td>Laidler-Kylander and Simonin (2009)</td>
<td>Brand equity for international NPOs</td>
<td>focus groups; grounded theory development by case studies; system dynamics approach; and constant comparison analysis</td>
</tr>
<tr>
<td>Torres (2010)</td>
<td>Branding and communications strategy</td>
<td>Secondary data analysis and case study</td>
</tr>
<tr>
<td>Conaty (2012)</td>
<td>Characteristics and organisational attributes of hybrid NPO</td>
<td>Case study</td>
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model for international NPOs involved in advocacy, development, and relief work by utilising grounded theory development and systems dynamics approach. Torres (2010) examined branding and communications strategy of NPOs through secondary data analysis and case study. Conaty (2012) explored the characteristics and organisational attributes of hybrid NPO through a case study.

3.2.2.3 Methods of Data Collection
In qualitative research, there are different types of data collection approaches. Focus most utilised approaches are focus groups and in-depth interviews (Milena et al., 2008). In focus group interviews, perceptions and thoughts of chosen group of individuals on a subject matter under study are drawn. Focus group interviews then produces relevant and important information particularly when the group participants represent small groups of interest. On the other hand, in-depth interview designed to draw individual participant’s view regarding the subject being studied. This approach allow for development of significant knowledge on the research subject (Harrison, Beatty, Reynolds & Noble, 2012). In this approach, the interviewing style of the researcher is based on the objective to learn as much from the participant regarding the subject being studied. In-depth interview is an effective approach of letting participants share their personal experiences, feelings, and opinions (Schmidt, 2009). The results taken from using these two qualitative data collection methods differ depending on the subject being studied.

In general, for in-depth interviews, participants are more open, comfortable to bring out their personal feelings, perspectives and thoughts on the subject being investigated. While in focus group interviews, the participants contribute depending on their personality (Milena et al., 2008). Hence, it is important that the researcher facilitates the interview in such a way that the important topics are talked about and ideas from all typed of participants are drawn (Calder, 1977).

Several individual in-depth interviews are used in research. This includes grounded theory, ethnography, and case study, among others. Grounded theory symbolises a method to systematically develop theory from the data that is collected through scientific method (Bryman & Bell, 2007). It is used to develop new theory valuable in
the study area being investigated (Zarif, 2012). The new theory is developed from the set of data which can be further tested for its effectiveness. Grounded theory approach is beneficial because it aids development of generalisable empirical study (Zarif, 2012).

Ethnographic research is “derived from social and cultural anthropology whereby a researcher is required to spend considerable time in the field, and study the phenomenon within its social and cultural context” (Iacono, Brown & Holtham, 2009, p. 41). Although the main advantage of this is its depth and hence could derive rich insight on the subject being studied, using this approach is much time consuming.

Case study is an approach in research where in depth understanding of a subject in the context according to how it is designed (Bryman & Bell, 2007). In this approach, focus is on contextual conditions which are considered as important to the subject being studied. This approach can be used to gather information from practitioners, make theories out of it and use it to test something else. However, in this approach, several sources of data and collection strategies are needed. Hence, collection of data takes time and effort and could produce big amount of data (Iacono et al., 2009). One main disadvantage of this approach is then related to subjectivity in collection of data (Zivkovic, 2012).

3.2.2.4 Data Sources
In this study there are a couple of data sources which are considered primary and secondary data. The primary data is collected by the researcher through interviews. While secondary data is collected from existing literature.

3.2.3 Justification for Choosing Qualitative Approach
Both quantitative and qualitative methodologies are commonly used in marketing research specifically in the context of NPOs. Distinction between these methodologies lies in the theoretical orientation in relation to research, as well as epistemological and ontological considerations as discussed and presented in section 3.2.1. In quantitative research, deductive theoretical orientation, positivism and objectivism are utilised. In qualitative research, inductive theoretical orientation, interpretivism and constructionism are considered. In addition, the difference between data collection and
analysis is clear in quantitative method, but in qualitative research, data collection, analysis, interpretation and reporting are usually done in parallel and results from one activity can change the direction of another (Iacono et al., 2009).

Quantitative data are often from interview participants which are reduced to number used for analysis using statistical tools. Since identical data are desired from all participants, evolution of methodology is not acceptable (Marshall, 1996). In qualitative methods, the researcher gets to understand the subject being studied in a way that could not be done in quantitative methods (Bartunek & Seo, 2002). Qualitative method is more suitable when studying social and cultural subjects and has been applied in NPOs marketing research (Marshall, 1996), in this case marketing in NPOs. The motivation in doing qualitative analysis is that, given the human capacity to talk, the object of understanding a phenomenon from the point of view of the actors is largely lost when textual data are quantified (Cohen, 1999). Additionally, it has been suggested in literature that development and utilisation of qualitative methodologies be made to increase sources of insight and discovery into organisational phenomena (Bluhm, Harman, Lee & Mitchell, 2011) such as that of marketing in NPOs. These provide the background of choosing qualitative methodology in this present study.

Although qualitative methodology does not have a good acceptance due to its roots due to its subjectivity and susceptibility to error, and bias in the collection of data and its interpretation, managers are returning to these techniques as it helps provide valuable insights needed for decision-making (Schmidt, 2009). With regards to trustworthiness issue on qualitative data, solutions could include careful use of literature in creating probing questions, comprehensive justification of selected methodology; use of selected methodology in a setting that is according to the way it is designed; selection of interview participants according to the depth of the subject; development of questions showing exceptions to certain rule or theory; careful structuring of data analysis; comparison of data in various contexts and sources; and doing peer-researcher review of results more clarity and insights as well as minimised bias (Cooper & Schindler, 2011).
Given that the methodology chosen for conducting this study is qualitative, the participants were selected using the non-probability purposive sampling and data collection methods used are semi-structured individual in-depth interviews. These methods are justified next. Nonprobability sampling is “arbitrary and subjective procedure in which each population element does not have a known nonzero chance of being included” in which there is no attempt to generate a statistically representative sample (Miller & Salkind, 2002, p.53). The researcher used purposive sampling, a type of non-probability sampling, by choosing the participants based on their characteristics (e.g. position in the organisation) and experiences. Through this, it is believed that the participants could provide valuable insights, inputs and perceptions on the topic area being studied.

Semi-structured individual in-depth interview was used for two reasons. First, it has low cost and provides valuable information (Milena et al., 2008). Although this advantage is shared by other methods such as the focus group interview, in-depth interviews is selected as due to its affectivity in making participants share about their personal opinions and experiences in relation to “marketing” in their organisations. The individual interview also allowed the participants to be confident, calm and are able to freely express their real possible thoughts about the subject (Milena et al., 2008), increasing the quality of the information received from them. Second, the semi-structured was chosen since using this type of interview allows the interviewer to ask more questions in order to gather more data relevant to the “marketing in NPOs” that are not in the interview guidelines (Cohen, 1999). This approach is appropriate to situations where “complex interactions and processes are involved and where there is a concern of imposing restrictive a priori data classification” (Bulla & Star-Glass, 2006, p.134). It is believed that this approach could contribute to the focused exploration of marketing in the context of NPOs.

How these research methods are used in this study is explained in the next section, which covers research design and implementation.
3.3 Research Design and Implementation

This section gives the basic framework, otherwise known as research design, for data collection and analysis. Additionally, the description of the in-depth interviews, recruitment and selection of participants and the conduct of the interview is given in this section.

3.3.1. Overview of the Research Design

The nature of research problem and purpose are important considerations for research design. The nature of the problem is affected by the context and topic of the research. The topic of the research is on marketing in NPOs and the context is in PRC, these discussed in sections 1.2.1. and 1.2.2., respectively. The research steps are summarised below.

Step 1: Identify the marketing concept and the factors that affect marketing in NPOs. This step is undertaken by collecting information relevant to marketing in NPOs. While reviewing existing literature, the main components of marketing (expanded marketing mix) that serve as main factors that can affect marketing in NPOs are identified. In addition, the challenges faced by NPOs in view of marketing as well as the strategies done in order to improve marketing in NPOs were identified.

Step 2: Conduct individual face-to-face semi-structured in-depth interviews. The interview was guided by an interview protocol submitted to the HREC where the main questions are given in Appendix B. Since this study is considered the first of its kind in the context of Beijing, PRC, questions were constructed according to the literature reviewed but flexible enough for probing questions that will help gather data needed for in-depth understanding of the topic area.

Step 3: Analyse data. The results of the in-depth interviews are analysed and clustered based on themes that include concept, adoption and application of marketing in selected Chinese Foundations; the challenges they face in relation to marketing (internal and external); the dominant marketing factors based on the components of the expanded marketing mix; and areas of improvement in marketing. The results are elaborated and expanded by iterating back the cited literature. Results neither affirmed nor negated by
literatures are also reflected in the discussion as additional insight for further research. The detailed data analysis procedure is discussed in Chapter 4.

3.3.2. Structure of Interviews

The semi-structured in-depth individual interview is used to gather primary data in this study as justified in section 3.2.3. Semi-structured interview in particular is flexible enough to achieve the depth and breadth of the topic (Bryman & Bell, 2007). The conduct of the individual in-depth interview differ a bit depending on participants, the level of structure, the location of interview and the number of interviews in the research (Cooper & Schindler, 2011).

3.3.2.1 Recruitment and Selection of Participants

The Chinese Foundations in Beijing, PRC were identified by the researcher for interview. Foundations were selected over other types of NPOs such as civil non-enterprises and social groups due to their rapid increase in numbers in the past decades and their key role in collecting social funds, satisfying charity needs, cultivating charity cultures, and integrating social forces into charity enterprises. Moreover, Foundations became one of the most important and thriving elements in China’s Civil Society (Xiaoguang et al., 2011).

Determining the sample size is one of the challenges in qualitative research. However, the sample size for qualitative research is typically less than that required for quantitative research. There are one hundred forty registered Chinese Foundations in the Ministry of Civil Affairs which are attached to national government agencies in Beijing. Their information such as address and contact numbers are publicly available from the Foundation websites as well as from the official registration information. The researcher used this information as the starting point for the selection of participating Foundations (Dolnicar & Lazarevski, 2009). Ten Chinese Foundations (around seven per cent of the total number of registered national Chinese Foundations) was the predetermined number of Chinese Foundations. The number of sample is considered sufficient enough to cover the aims of the research as this can be considered the first study conducted in the study area (Kolb, 2008 a & b). The sampling was also justified by Kolb (2008 a & b) that few interviews could be done due to the time constraint of the interview.
However, careful selection of interview participants based on their characteristics, such as location and knowledge on the subject of research should be done so that they could give substantial insights during the interview. In qualitative research, a probability sampling approach, either randomly or ensuring a spread of the interview participants is employed in order to make sure that a wide range of interview participants’ characteristics is covered (Bryman & Bell, 2007). A sample study that has used this approach is the study on power relations and secretarial work by Pringle (1988). In addition, random selection of interview participants in qualitative research has been employed by Rafaeli, Dutton, Harquail and Mackie-Lewis (1997). In this study, a sample of 20 was identified from the population of full-time and permanent administrative employees in the organizations covered in the study. Similar to previous studies (e.g. Kotler, 1979, 1982; Akchin, 2001; Dolnicar & Lazarevski, 2009), this current study is limited by the number of samples of Chinese Foundations studied. However, the consistency of data collection method is ensured.

The researcher selected ten Chinese Foundations from the list of registered national Chinese Foundations. Chinese Foundations were selected randomly using the procedure described by Miller & Salkind (2002) where a unique number was assigned to each of the Chinese Foundations then sample items were selected by use of random numbers until the predetermined number of participating Chinese Foundations was completed. After this, the researcher contacted the Chairman or President of the selected Foundations by telephone call. This was done to initially establish contact with the Chinese Foundations and asked their willingness to participate in the interview. Next, the participant information statement was sent to the Chairman/President of the Foundation. The participant information statement (see Appendix A) specifies the inclusion and exclusion criteria of the interviewees such that the participants must be employees working in the Foundations registered with Ministry of Civil Affairs in Beijing who voluntarily participate in the research. The participants who are not working with Foundation registered in Beijing were not invited to participate in the research.

For those who were willing to participate in the research, the researcher made an appointment with them. The researcher asked the participants to choose the location and
time of the interview. The researcher then enumerated some of the criteria with regards to the venue which are (a) a quiet place which is free from distraction; (b) near enough to enable quick access to additional materials that can substantiate the discussion; and (c) enable quick access to relevant people working on the subject.

Prior to the interview, the researcher prepared necessary documents needed for conducting a qualitative research such as the information statement (Appendix A), letter of consent (Appendix B), the interview protocol (Appendix C). The information statement was prepared to invite the Foundations to participate in the study. The letter of consent was prepared for participants to sign once their participation in the study is accepted. The interview protocol was constructed based on interview protocols utilised in studies conducted in other countries such as that of Bulla & Star-Glass (2006); Dolnicar & Lazarevski (2009); Brady et al. (2010); and Mano (2010). All these documents, approved by the HREC (approval number H-2012-0046), were translated into Chinese language for better flow of information. The participants in this research acknowledged the risks and privacy by signing a consent letter prepared by the researcher.

3.3.2.2 Conducting the In-depth Interview
The same consideration regarding the venue, timing and number of participants within the organisation were applied as presented in previous section. The Interview participants chose the time and the meeting place for the interview. An average of one hour per participant was set for the interview.

The conduct of the in-depth interview had three stages as indicated by Kolb (2008a & b). This approach includes opening, questioning and probing, and closing. At this stage, the following points were carried out to ensure sound and healthy discussions. These are building rapport, formal and informal discussion, presenting the objectives and significance of the study and accomplishing proper documentation such as the consent letter. Building rapport was initiated by the researcher even before the actual interview through email and phone calls. Informal discussions were done such as exchange of information about each other most often termed “getting to know each party”. Culture which connects people is important and is readily an element of the interview as the
researcher is also Chinese by nationality. Since the researcher has been staying in Thailand, some topics such as floods in Bangkok in 2011 would be raised for discussion. Then the researcher clearly explained the objectives of the study and its significance, as well as the benefits that the participant’s organisation could get from the results of the study. Information such as ensuring confidentiality of the participant’s details and the information supplied during the interview was articulated by the researcher.

During the questioning and probing stage, the researcher asked questions according to interview protocol indicated in Appendix C. With the semi-structured type of interview, the researcher could pose all series of questions which could lead to obtaining the detailed data that contributed to the analysis of the status of marketing in Foundations in Beijing, PRC.

During the closing stage, the researcher acknowledged the participants of their contributions. Some questions related to the information handling were answered by the researcher. The participants’ privacy and confidentiality was reiterated as indicated in the letters as well as in the interviews.

3.4 Limitations of the Proposed Research Design

Limitations of the proposed research design come from the inherent expectation of a possibility of subjectivity in qualitative method and the limitation of in-depth interview as well as the nature of participants. The quality of data in the qualitative methodology relies on the ability, knowledge, and skills (e.g. language and facilitation) of the researcher. In order to produce valid and reliable results, the researcher thoughtfully ensured that these criteria for judgement of qualitative study were taken into consideration (Mariampolski, 2001). This requires the management of subjectivity, which was done by application of the researcher reflexivity. Researcher reflexivity can avoid subjectivity by being self-reflective about the methods, values, biases, decisions and existence in the research that is being conducted (Elliot, 2005). In achieving this, the researcher ensured that interview protocol is prepared according to theoretical base of the study, and all translations from English to Chinese language and translating results back to English are done by a third person who is proficient of both languages.
On the individual in-depth interview, where the possibility of bias could also occur, skilled facilitation on the part of the researcher was taken into account. The skills that are required of the researcher include the ability to develop rapport with interview participants in order for them to feel comfortable and open during the conversations; keep the conversation within the topic and free-flowing; and probe effectively to gain a deeper understanding of issues brought up by the participants (Given, 2008). The researcher ensured that facilitating the interviews are objective by carefully planning and practicing its conduct according to the objectives of the study and the desired data and information from the participants.

Additional possible source limitation is related to the nature of participants in the research. Given that targeted participants are employees of the organisations, they are responsible of keeping the moral of their organisation which could limit the information that they provide during the interview process. Protection of the privacy of the participants is important in dealing with this limitation. The researcher assured the participants of their privacy in writing the information statement provided to all before their agreement of participation in the research. This was reiterated in the consent form that the participants signed in agreement of their participation.

3.5 Ethics Implication and Data Storage

Ethical considerations were included into the process of this research. The HREC of the University of Newcastle rigorously assessed the content and process of conducting this research project during the proposal stage and with approval number H-2012-0046 according to the National Statement on Ethical Conduct in Human Research, 2007, and the requirements within the University of Newcastle relating to human research.

In order to keep confidentiality of the information gathered from the participating Foundations, the completed interview records will be shredded after the dissertation has been accepted. The hard copies of the information and data from the interviews are locked in a safe place; whereas the electronic data are stored in the researcher’s personal computer which has been set up with password and kept in a safe place.
3.6 Summary

This chapter presented the research design that is employed for this study. The design uses a qualitative data collection method. Purposive non-probability sampling and semi-structured in-depth individual interviews are utilised. In addition, the interview participants selection process as well as the conduct of the interviews were discussed. The potential limitations of this study and the actions made by the researcher to ensure that the limitations are addressed are also presented and discussed. This was done to ensure the reliability and validity of the conclusions made in this qualitative study.
Chapter 4. Findings

4.1 Introduction

Chapter 3 presented details on the methodology that was applied in the research, its limitation, justification and ethical implications. This Chapter includes the procedure of data analysis and the results of the semi-structured in-depth interview on understanding the status of marketing in NPOs specifically Foundations in Beijing, PRC. The researcher sought answers the following research questions:

Research Question 1: How is marketing viewed by Chinese Foundations?

Research Question 2: How is marketing in view of expanded marketing mix applied in Chinese Foundations?

Research Question 3: How do internal and external challenges affect marketing in Chinese Foundations?

Research Question 4: What are the areas of improvement in marketing in Chinese Foundations and how do they envisage addressing them?

The following section presents and empirically discusses the relevant issues of marketing in Chinese Foundations.

4.2 Overview of Procedures for Data Analysis

The interview procedure described in section 4.3.2 was applied and the data collected was analysed using the narrative analysis as mentioned in section 4.3.3. Narrative analysis is where researchers “gather descriptions of actions and events as data that are then used to generate stories” (McCormack, 2004, p. 220). Under the narrative analysis, the thematic analysis model framework was used. Thematic analysis puts emphasis on the content of the information from the interview participants (Riessman, 1993).
4.3 Interviews
The purpose of the in-depth interview was to collect current information on the status, challenges and areas of improvement of marketing in Chinese Foundations in Beijing, PRC. Results were obtained through individual, semi-structured in-depth interviews. This section covers interviewee demographic data, the process of conducting the interviews and a description of how the data from the interviews were analysed.

4.3.1 Interviewee Demographic Data
Seventeen individual in-depth interviews were conducted with the participating Chinese Foundations within an average of one hour per interview. The participants were from the top management of ten Chinese Foundations that were randomly selected from one-hundred forty registered Chinese National Foundations. Simple random selection of the ten predetermined number of Chinese Foundations was done as described in section 3.3.2.1. The participants from nine out of the ten organisations initially identified agreed to be interviewed organisations. Then, the researcher randomly selected another two organisations from the list of registered Chinese National Foundations following the same simple random selection procedure to meet the predetermined number of Chinese Foundations. One accepted the invitation and one declined.

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Year of establishment</th>
<th>Year of operation</th>
<th>No. of employees</th>
<th>Number of projects and programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Projects in 2011</td>
</tr>
<tr>
<td>Foundation 1</td>
<td>2010</td>
<td>2</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Foundation 2</td>
<td>1986</td>
<td>26</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Foundation 3</td>
<td>1984</td>
<td>28</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Foundation 4</td>
<td>1989</td>
<td>23</td>
<td>100</td>
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<tr>
<td>Foundation 5</td>
<td>1989</td>
<td>23</td>
<td>11</td>
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<tr>
<td>Foundation 6</td>
<td>2005</td>
<td>7</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Foundation 7</td>
<td>1989</td>
<td>23</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>Foundation 8</td>
<td>2007</td>
<td>5</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Foundation 9</td>
<td>2007</td>
<td>5</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Foundation 10</td>
<td>2007</td>
<td>5</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>
After the Heads of the Foundations accepted the invitation to participate in the interviews, they were encouraged to allow participation of a maximum of 3 representatives of the Foundations. This was indicated in the information sheet (see Appendix A). As part of the interview protocol the following information were taken into account such as the age (year of establishment), the size (no. of employees) as well as the number of projects and/or programmes for some of the Foundations are indicated in Table 4.1. One-half of the Foundations were established during the middle of 1980s and the remaining from 2005 up to 2010. The Chinese Foundations having a number of employees ranging from 5-20, 21-50 and 51-100 are 40 percent, 30 percent and 30 percent, respectively. Most of the Foundations that have been established during the middle of 1980s have the most number of employees. However, this is not applicable to some of the Chinese Foundations.

4.3.2 Interviews Conduct
The interview was guided by the interview protocol that was discussed in Chapter 3 and indicated in Appendix C. The interview participants were asked to respond to questions towards the aim of investigating the current situation on marketing from the organisation demographics and their perception of marketing, marketing strategies in view of the expanded marketing mix, the internal and external challenges and the areas of improvement. The measures for the areas of improvement that the participants were asked of are more on their future aspirations.

In conducting the interview, first the objectives of the study which was also indicated in the participant information statement (presented in Appendix A), was reiterated by the researcher. This was done to introduce the background and scope of the information that the researcher seeks to gather from the participants. For all the four major themes that this study investigates, a series of open-ended questions were used as the central data-gathering method based from the interview protocol (Appendix C). The interaction of the researcher and participant was in a narrative-style of conversation with the researcher guiding the participant in a free-flow unfolding of his or her thoughts and feelings during the course of the conversation.
4.3.3 Interview Data Analysis

Data from the interviews were initially taken through handwritten notes in Chinese language. The researcher transcribed the data into Microsoft Word file grouped into themes and are based on the format of the interview protocol. The themes include concept, adoption and application of marketing in the Chinese Foundations; the internal and external challenges they face in relation to marketing; the dominant marketing factors based on the components of the expanded marketing mix; and areas of improvement in marketing. The transcriptions were translated into English which was immediately reviewed by a third person who is proficient in both languages to ensure accuracies of the translation. After checking the translations, the researcher conducted the first round of analysis.

In the first round of analysis, the researcher chose sections of interview transcripts that are informative and important for further analysis. The chosen sections of transcripts were transferred to an Excel spreadsheet verbatim. In doing this, removing data that are valid was minimised to make sure that the database is complete enough for the next round of analysis. Next, coding was done by transferring the data into new spreadsheets, one for each of the research themes. Each spreadsheet was set up to have the interview questions in columns and the participants by rows. The data in each cell were then critically analysed to identify key ideas.

The second round of coding involved examination of these key ideas and identify deeper meaning of the data. The results were again transferred into a new worksheet with additional columns for similarities and dissimilarities. This process was repeated until insights of the interview participants based on the themes are identified according to literature (Riessman, 1993). This helped the researcher in interpreting the result.

Significant narratives under each of the themes that were identified as a result of the procedure above are included in the corresponding sections. Some of the results presented in the following sections are shown in tables and figures.
4.4 Findings on the Views of Chinese Foundations in Marketing

This section presents the results of the interview with the objective to address the research question “How is marketing viewed by Chinese Foundations?”

4.4.1 Definition of Marketing

In order to understand how Chinese Foundations view marketing, a fundamental question was asked to the participants that is, “How do you define marketing?”

Some of the interviewed Chinese Foundations see the concept of marketing only relevant to profit organisations. They have indicated that marketing are methods and strategies that organisations do to fulfil their objectives while maximising their profits. In line with this, some indicated that marketing is just doing business.

- *Organisations use marketing as methods and strategies to fulfil their objectives in order to make the biggest profits (Interviewee 1).*

- *Marketing is just doing business and commercialisation of products (Interviewee 2).*

- *Doing marketing is for profit while we do our activities without making profits. Our understanding of marketing is just working and selling (Interviewee 5).*

Some of the Chinese Foundations were aware that marketing had started to be popular in their sector. They perceive marketing as activities on promotion and/or fundraising that could help in building public awareness on the problems that their target beneficiaries face. Public awareness therefore builds a platform in raising resources and volunteers to help in addressing the problem. Other Chinese Foundations mentioned promoting such as demonstrating plays for instruction and education on certain social issue of concern. Also, Chinese Foundations try to publicly promote their organisation with information that includes what their core competition, core values, services, projects and milestones are. As such, a national public fair for instance is done every year as a platform for both donors and implementing agencies to be acquainted and see potential areas of collaboration.
Marketing is related to building credibility and raising public awareness, and plays a role on making demonstration and instruction. Although marketing has started to be popular in Chinese public organisations, our projects are just for demonstration and promotion... We would like to increase awareness about the problem that beneficiaries are facing so that people who will know about their problems could donate and work for them as volunteers (Interviewee 3).

Marketing is raising public awareness and trying to identify needs in the society. Marketing is also finding donors who want to support public affairs and development... Our organisation initiated conducting a yearly national public fair serving as a platform for both donors and implementing agencies to come together and establish cooperation (Interviewee 6).

Marketing is to understand others needs and also ourselves, and then cooperate very well...try to promote our organisation and make public recognise us including our brand, service and projects....Even if we have never mentioned the word marketing, we have talked about product and selling (Interviewee 7).

Doing more activities to promote concepts and then influence external environment... (Interviewee 9).

Marketing is promoting our programmes (Interviewee 10).

Some Foundations see marketing as a combination of selling out their (products/services) with promotion. The process of selling should incorporate the service/product (e.g. technology) with meeting the demands of stakeholders, donors and beneficiaries.

Set up the organisation’s core competition and promote the organisation’s core values. It is selling with promotion (Interviewee 4).

Marketing is to successfully promote our concepts and make more people know and accept them. It is a process of increasing market share to fulfil the
organisation’s goal with matching sources at a certain time and scope... (Interviewee 8).

4.4.2. Existing Marketing Strategies and Tools

As a follow up to the question as indicated in the section above, another question that was asked to the participants is “What are the current marketing strategies and tools your organisation has?”

The Chinese Foundations mentioned their marketing strategies. These include cooperative projects, special funding, tailor-made public projects for donors, building staff capacity on marketing, establishing connection with relevant committees and associations, developing projects based on needs of donors, utilisation of personal contacts to promote the organisation and work with partners, use project implementation as an avenue to promote the foundation’s products and services, creation of plan aimed at understanding the needs of the customers, advertising the organisations beliefs, platform and technology to internet customers, and organising marketing events through special department.

Cooperative projects, special funding, tailor-made public projects for donors (Interviewee 1).

Increase the reputation of our projects and our foundation (Interviewee 3).

We established connection with relevant committees and associations that have a number of members. We develop projects based on the needs of the donors (Interviewee 5).

We also work with our partners by personal contacts and encourage them to help promote our organisation (Interviewee 7).

Based on our project implementation, we promote our organisation. We also make strategic plan through understanding other foundations and customers (Interviewee 8).
We promote our mission, programmes and technology to internet customers... (Interviewee 9).

We have a department connected outside the organisation and plan a big forum once a year (Interviewee 10).

The marketing tools that the participating Foundations which include how many of them use such tools are indicated are presented in Figure 4.1. The tools include pamphlets used by 8 Foundations; videos used by 7 Foundations; websites used by 5 Foundations; posters used by 4 Foundations; newsletter, news articles and media reports used by 7 Foundations; promotional books and magazine used by 4 Foundations; computer applications such as Microsoft PowerPoint and Weibo similar application with Facebook which is used by 2 Foundations; big events which involve celebrities and well as intentional visits to their donors used by 4 Foundations. Aside from these tools the Chinese Foundations do promotion through their leaders and networks of partners. Marketing tools such as slogan and banner are also important for the Chinese Foundations.

Figure 4.1: Marketing Tools Used by the Chinese Foundations

Most of the Foundations associate marketing on promotion of their product/services as can be seen in the marketing tools and strategies that they have indicated.
We published a booklet about the foundation. We have promotional plans and communication strategies... The relevant organisation have regulated that as a foundation we cannot do business, so we cannot make marketing (Interviewee 2).

We used Internet and media as our marketing tools. Normally through those who are familiar with us... also through media and news issuing (Interviewee 5).

We used Love Ambassadors to present us and our projects/concepts through inviting various famous people such as movie stars and social celebrities. We also established volunteers’ team including media persons (Interviewee 6).

We used Internet such as Chinese block, website and media, as well as we published monthly newsletter and various books. In addition we conducted meetings, workshop, seminar, online activities, video and communication (Interviewee 8).

We invested to produce a movie and advertised in television (Interviewee 9).

While the earlier presented shows that the Foundations associate marketing with promotion, some of the Foundations presented here below associate marketing with fundraising.

We had fundraising plans and establish a responsible system to make fundraising. We also established special funding (Interviewee 1).

We made very good communication with our partners. We have been efficiently communicating to donors so they involve more for stronger cooperation and support (Interviewee 7).
4.4.3. Foundations’ Marketing Mind-set

In order to understand the marketing mind-set of the Chinese Foundations, the question “Do you conduct marketing research that is to know the market needs? For those Foundations who do marketing research, they were further asked how often they do the research.

Some of the Foundations indicated that they do marketing research. Marketing research at the project level is carried out by the people within the Foundation, promotion department or external professional organisation depending on the requirement of the research. The Foundations have different frequencies in conducting their marketing research activities from every six months, once a year to once every more than a year.

"We conducted some research with provincial and city foundations for disabled people based on the project. Normally we do it at least once a year (Interviewee 3)."

"Yes, we are doing the research. We do it at least once a year. It can be a basis for decision-making. Sometimes our own staff member does it; sometimes we hire a professional organisation to do the research (Interviewee 4)."

"We did it once in more than a year for each project. We do not do it for the whole foundation. Our own staff member does it and not by other professional organisations (Interviewee 6)."

"Normally we do research before designing and planning a new project. We have a budget allocation to do it from the service fee. Also we have done it by sharing cost with donors (Interviewee 7)."

"Our promotion department does some research so as to know and understand our organisation as well as to know the comments for the improvement of the organisation. Most were done by our staff. Normally we make researches on pre-project activities. We also did a research on our organisations development strategies. In 2009, we invited a professional organisation to conduct the"
research for us. Small researches are done by our own staff. We conduct research every 6 months by using block, media, or workshop. We also do it every two to five years based on projects (Interviewee 8).

*We just did marketing research for selected projects before implementation. In the future, we will invite professional marketing research organisations to conduct for us (Interviewee 9).*

Some of the Foundations do not do marketing research since they do not have knowledge about it or they lack staff to conduct the research.

*We have never done marketing research, but plan to do such. At least we should do research before designing and implementing projects. We will do it ourselves or invite professional organisations to conduct for us in the future (Interviewee 1).*

*We have never done it. We do not have time and personnel to perform the research (Interviewee 2).*

*We have never done such research (Interviewee 5).*

*No, we have not done it (Interviewee 10).*

### 4.5 Findings on the Application of Marketing in View of the Expanded Marketing Mix

The research question “How is marketing applied in their organisation in view of expanded marketing mix?” were investigated in the context of the expanded marketing mix including price, product, place, promotion, people, process and physical evidences.

In order to elicit the current components of marketing that the Chinese Foundations are implementing, the researcher asked “What are the components of marketing that is present in your foundation?” Generally, current components of marketing indicated by the Foundations are advertising, public relations, activity of image building, as well as
the relationship with clients; transparency in the organisation such as reporting to the customers, donors and stakeholders in a way is important as this will make the beneficiaries feel important with their needs when receiving donation and assistance; image building and positioning, organisational culture, and spreading the ideas and values of the organisation; building an incentive system; public participation, brand awareness, charisma; personal contact plays a very important role which based on an institutional contact; innovation is very important; and strategic planning.

The question above was then followed by probing questions that were pointing specifically towards each of the components of the expanded marketing mix. The results are presented in the following sections.

4.5.1 Product

The first component of the expanded marketing mix that was investigated is with regards to product. The question asked of the interview participants was “What are the products or services that you have? Their responses are as follows:

Support and participation in disaster relief, poverty reduction and sponsoring handicapped, relieve the impoverished or handicapped children, orphans, the elderly and other disadvantaged groups. We also help with the education and teacher training in the least developed regions; push forward the charity and education progress in PRC (Interviewee 1).

Our organisation’s work scope is for elderly through conducting activities such as a project called a “big classroom for a happy elderly life”. We also support 300 elderly institutes around the country (Interviewee 2).

We focus on the needs of disabled people with seven scopes of work that include helping them to listen, walk, see, get education, help those who are poor, help them get information, and so on (Interviewee 3).

We focus on poor people areas and provide assistance such as development of the society (Interviewee 4).
Our scope is related to youth which include the areas of disaster relief, fundraising, other activities for youth, study on youth and development of NGOs, praise excellent youth collectively and individually. In doing this, we cooperate with other Chinese groups overseas, international youth organisations and NPOs (Interviewee 5).

We develop and conduct projects for the youth. An example of activities is providing kitchen facilities, and train cooks in order to provide nutrition to students (Interviewee 6).

Institutional capacity support, disaster relief, research, talent support, education for children whose farmer parents are working in cities, and support NGOs development are the focus of our work (Interviewee 7).

We assist on urgent needs of society such as emergency response (Interviewee 8).

Main scope of our work is for poverty alleviation. We also did disaster relief, community education, organised retired teachers to work in rural areas, and support young university students of Hong Kong, Taiwan and Macao to visit mainland China in order for them to understand mainland China (Interviewee 9).

4.5.2 Promotion
The second component of expanded marketing mix is promotion. The participants were asked to answer “How are you promoting your Foundation or your products/services?”

The Chinese Foundations identified the following promotional tools that they use for marketing purposes: pamphlets, newsletter, news articles and media reports, promotional videos, books and magazines, computer applications such as Microsoft PowerPoint and Weibo, as well as websites. Additional marketing strategies that were identified include organising big events that involve celebrities and intentional visits to donors. Moreover, some of the Foundations also promote their organisation through their leaders and networks of partners.
We have pamphlet, videos, and website (only in Chinese which will later be developed to have English language as we may make overseas fundraising activities). We have some public relations activities, and also attended seminars, workshops and meetings (Interviewee 1).

We only have booklet for our promotional material (Interviewee 2).

We had pamphlet, videos, public advertising, posters as well as we paid visits to our customers and stakeholders (Interviewee 3).

We had all these pamphlets and other advertising activities. We also did poster and invited movie stars as our image ambassadors in our promotional activities (Interviewee 4).

We had pamphlet, videos, public relations, advertising and Chinese language website (Interviewee 6).

We had pamphlet, videos (but limited), website (English and Chinese languages), posters. We also had some PowerPoint presentations for promoting our Foundation. We conduct a big event annually. We also deal with our crisis of public relations (Interviewee 7).

We used our monthly newsletter, project outcome documents, pamphlet, videos, and books to promote our organisation. We used newsletters, website, logo, and slogan to meet demands and support local NGOs… (Interviewee 8).

We produced pamphlet, videos and we also invested to produce TV movies. We also wrote articles and books to prompt our concepts, Foundation and projects (Interviewee 9).

We had pamphlet, videos, media reports, Weibo, and website (Interviewee 10).
4.5.3 Place

The third component of expanded marketing mix is the place. The participants were asked “Do you consider your place (office location, service facilities) as a strategy that improves your marketing?” The participating Foundations have indicated the advantages and disadvantages of their office locations.

*Our office is located in the diplomatic condominium which is at the centre of Beijing. It is a safe area and it is easy to locate. However, the office rental fee is high and is not easy to come in as there are several embassies in the area, which means that there is a high level of security. With this, all people are requested to show identification card and register at the gate office before going inside. The current location was selected for the purpose of having a good image. Although it is not convenient and the accessibility is not good for our customers and stakeholders, we did not have any other choice location where we could move (Interviewee 2).*

*We have three mother national government agencies to control us. So, we need to set our office at lease close to one of the three agencies, as we need to deal with them sometimes. Based on the Foundation Management Regulation, we need to work this way (Interviewee 5).*

*Yes, we consider our office location as highly strategic that has improved our marketing. Now our office is located in a five star hotel, which is very convenient. It can make people recognise our Foundation as a strong organisation (Interviewee 6).*

*Selecting a suitable location as the Foundation’s office is very important. We could not select a place which is far away from centre of the city, and also one which is too luxurious. The location of our office as well as our office facilities is not bad. The location is near the subway, which is very convenient. The part we bought is with a good price. Putting our headquarters in Beijing will be easy for us to contact relevant government agencies, media and academic institutions (Interviewee 8).*
Yes, our office location and service facilities are highly strategic to improve our marketing. We also have an office located in Beijing (Interviewee 9).

Our office is comfortable and located in an expensive building, which can show that we are professional, powerful and dynamic (Interviewee 10).

Some of the Foundations do not see the bearing of office location to the status of the Foundation.

Yes, the location is important, but privacy of the office is important, too. Therefore, we do not treat this issue as important to our strategy (Interviewee 7).

Yes, the location is important a bit, but has no influence to our Foundation’s status (Interviewee 4).

4.5.4 Price

The fourth component of the expanded marketing mix is the price. The question that was asked by the researcher to the interview participants was “Are your fees (professional), cost of materials competitive enough with other organisations?”

The government in PRC set a legal standard of 10% management fee from the programmes/projects that are supported by government grants. With this policy, some of the Foundations indicated that they are still competitive with other Foundations in terms of compensation. However, the Foundations could not hire additional high level individuals to work with them.

We only receive 10% management fee from the programmes/projects. We provided technical assistance for 300 elderly care centres in the country. We just received a cost which is used for making plaques for the elderly care centres. Our price is not competitive enough when compared to other organisations. Most of our people are retired government officials, and receive
very low salary. Also, we could not hire high level people from outside as we do not have enough funding to support (Interview 2).

Our cost of materials is competitive enough with other organisations. We only charged 10% of the projects although it’s not enough for staff salary. We do not need social costs. We attracted customers, partners and donors through our products and services (Interviewee 7).

Some organisations indicated that they aspire to operate at low cost and they are more focussed to help the target beneficiaries of their services.

Yes, our cost and fees are competitive enough with other organisations (Interviewee 4).

We have never compared our fees with that of other organisations. But, we are aware of a Foundation having management fees which are very low. We need to learn from them (Interviewee 3).

Our cost and fee are not high which is competitive enough with other organisations. We focus more on needs and help those grass-root NGOs as well (Interviewee 6).

Our fees and cost of materials are competitive enough with other organisations (Interviewee 9).

Yes, we have a strong competitive position in terms of our cost (Interviewee 10).

However, some of the Foundations are not aware of their competitors and the price that they have.

We do not know this. It seems we do not have competitors (Interviewee 5).
It’s hard to compare our fees with other Foundations. We will consider cost of people when we invest for a project, and we always keep the cost at a rational level. Our staff salary is just at the right level, not the highest but also not the lowest. We do not make fundraising and we also do not charge certain amount for our staff’s time. We only have cost for manpower. Our management cost is only 6% which is lower than that indicated in the regulation (should not be over 10%). So, from this point of view, our organisation is efficient in terms of delivering services (Interviewee 8).

4.5.5 People

The fifth component of the expanded marketing mix is people. In order to understand the primary stakeholders in relation to marketing in Chinese Foundations, the participants were asked: “Who are the individuals/institutions that you are partnering with such as funding institutions, recipients, other partners, and staff members?”

Some Foundations understand customers as either beneficiaries or donors which can be recognised as domestic and international. They can also be individuals or organisations. Beneficiaries identified include children, elderly, disabled persons, disaster affected people, grassroots, youth who are poor and residents in rural areas, education sector. Donors include domestic and international organisations/enterprises, donors and individual persons. On the other hand, Stakeholders are those who are working with enterprises and people who donate to the Foundation, enterprises and those people who have hearts to love, government, donors, enterprises, implementing agencies, NGOs, and beneficiaries as well.

We have to consider what are the needs and concerns of government and our top management. For example, we would consider our host government agency’s current work focus to invest funding to support. Also, we have to consider our future (Interviewee 9).

We worked with different groups such as enterprises, individual persons, government, elderly care centres/institutes. We have had 300 private care centres in the country that are under our professional guidance. We help them to
communicate with relevant government agencies without any financial compensation (Interviewee 2).

We are part of government actually, for instance, we have personnel quota which is given by the government. But we also have some staff members who are hired from outside so they are not included in the quota... As for those partners, we worked with those who work in the same service area as ours (Interviewee 3).

We worked with private education institutions, product quality check agencies (e.g., national check centre) and shower heater companies, etc. (Interviewee 5).

Our Foundation had some international cooperation. We have been working with a private Foundation based in other countries..... The source of funding is from famous enterprises which focus on youth...We learned from other organisation through sending a staff to join their activity, in order to try using our provincial Foundation as a platform to form a strong and united group to work together (Interviewee 7).

We had partners such as POFs. We had many projects but did not have enough manpower to do the projects. So we need more partners. We have had experts to design projects and to make marketing research before designing projects (Interviewee 9).

In general, the participating Foundations work with some if not all of the people or groups as summarised in Table 4.2. The table was compiled based on the framework by Bruce (1994) as presented in section 2.3.5. Beneficiaries identified include a wide range of education institutions (public or private), children, elderly, disabled persons, disaster affected people, grassroots, and youth who are poor and residents in rural areas. Identified supporters are donors/funding agencies, individuals (friends, people who understand and donate funds for the cause), and volunteers and other organisations working on the same cause. Stakeholders include staff members of the organisation,
products/services quality check organisations and consultants. The government is identified as the regulator.

<table>
<thead>
<tr>
<th>Beneficiaries</th>
<th>Supporters</th>
<th>Stakeholders</th>
<th>Regulators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education institutions (public or private)</td>
<td>Donors/funding agencies</td>
<td>Staff members of the organisation</td>
<td>Government</td>
</tr>
<tr>
<td>Children</td>
<td>Individuals (friends, people who understand and donate funds for the cause)</td>
<td>Products/services quality check organisations</td>
<td>Consultants</td>
</tr>
<tr>
<td>Elderly</td>
<td>Volunteers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disabled persons</td>
<td>Other organisations working on the same cause</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disaster affected people</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grassroots</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>poor youth in rural areas</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.5.6 Physical Evidence
The sixth component of the expanded marketing mix is physical evidence. In order to solicit the data from the interview participants, the researcher then asked them to describe their service environment and atmosphere as a physical evidence for marketing.

*We felt very good. Now, the government and external environment to Foundations have improved a lot (Interviewee 1).*

*Our working environment is always in rural area which is hard for us sometimes. Our office environment is good but we have a small space (Interviewee 7).*

*Our working and service environment and atmosphere are good, and relaxing. Our Foundation is a decent organisation (Interviewee 8).*
Our working environment is good and advanced which may be a main stream for charity in the future (Interviewee 9).

However, with all of the improvements on the working environment, people from the organisation want more improvements. It is recognised that the pressure at work is still huge. Their partners also add to the pressure that they are experiencing, as they think that Foundations are weak. As an NPOF, a Foundation mentioned about the uncertainty of their future. Moreover, for organisations who are working at rural areas they indicated that there is a certain degree of difficulty some of the time.

Our working environment is very comfortable, but our working pressure is also very high. As a public and non-profit Foundation we are in uncertain situation. Our partners also give us pressure, as they think that we are not so strong (Interviewee 10).

4.5.7 Process
The last and seventh component of the expanded marketing mix is the process. The researcher asked about the processes of Chinese Foundations in carrying out their tasks focussed on marketing. The question was “What are your basic processes in carrying out your services (service production)?” followed by “Are there any other factors that you consider in your marketing?”

The participating Foundations have indicated the process that they have in operation. For instance, the Foundations who have indicated the whole process of operation are presented below:

Normally, we first look for and contact potential donors, individual persons, and beneficiaries. Our process usually starts with design of programmes and activities, followed by raising of funds, development and implementation of programmes and projects, evaluation of programmes and projects implemented, and reporting to donors. During the initial stage of planning, we discuss our ideas with donors or recommend our ideas to relevant organisations. In the
implementation of projects, we even sometimes invite donors to participate (Interviewee 1).

First of all, we usually develop the project, and then mobilise resources (funds and volunteers) while looking for partners, then, finally sign agreements with donors. After receipt of funding, we begin to implement the project (e.g. send money or materials to beneficiaries). After completing the project, we evaluate the project and sometimes need to work with provincial and city level Foundations (Interviewee 3).

Our process is the government’s way to work and manage the Foundation. First, we design projects, then, coordinate implementation with relevant agencies by contacting leaders of the Foundation. After implementation, we do not evaluate each project, but once a year, we summarise in a report what we have done for all projects. There are national government agencies controlling us. So, we need to be located close to at least one of the three agencies, as we need to deal with them sometimes. Based on the Foundation Management Regulation, we need to work in this way (Interviewee 5).

We start to research on relevant areas of need in the society, design products or provide ideas, and then support implementing agencies to develop and conduct the projects. Also, there are some organisations looking out for our cooperation and support. We supported disaster relief’s activities and personnel before and now we started to support local NGOs as well social recovery and reconstruction after disasters. It has been changed. Now we issue bills of the projects, and find cooperative/implementing organisations to conduct the projects (Interviewee 8).

Our basic process is presented here. First, based on our seven scopes of work we look for a suitable partner who should be good and effective. After which, we design activities, and then we invest funds. Before we needed to look for partners, now those potential partners came to look for us. For example, there is
a trend on environment protection, so we went to look for partners to design and to implement relevant projects (Interviewee 9).

Normally our process include finding an interesting social issue (e.g. disaster management), then consulting and discussing with our partners, followed by developing a project and issuing of bill to try to get funding support by organising workshop. We also had some cooperation with Times. Then the project is implemented (Interviewee 10).

4.5.8 Summary of the Expanded Marketing Mix

The above sections presented the expanded marketing mix in the context of the Chinese Foundations who participated in this study. Table 4.3 presents these components. The mission, goals and objectives of the Foundations serve as their products and services. The Foundations promotion is done personally through printed, digital and electronic, as well as online materials. The Foundations’ criteria for choosing their place (geographical location) are due to their target groups, accessibility, practicality and safety, as well as branding and convenience. The people involved in the Foundations are categorised as beneficiaries, supporters, regulators and other stakeholders. The major categories that the Chinese Foundations recognise to cover the physical evidences are the acceptance and ease of relationship through the government, and the enabling atmosphere of the working environment. The process involve in their marketing is relevant to their project cycle.

Table 4.3: Summary of the Expanded Marketing Mix in Chinese Foundations

<table>
<thead>
<tr>
<th>Components of expanded marketing mix</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>Mission, goals and objectives serves as Chinese Foundations products and services</td>
</tr>
<tr>
<td>Promotion</td>
<td>Chinese Foundations promotion is done personally, through printed materials, digital and electronic materials and online materials</td>
</tr>
<tr>
<td>Place</td>
<td>Chinese Foundations criteria for choosing their geographical location are due to their target groups, accessibility, practicality and safety, and branding and convenience.</td>
</tr>
</tbody>
</table>
4.6 Findings on the Challenges that Affect Marketing in Chinese Foundations

This section indicates the results from the information provided by the Foundations to address the third research question: How do internal and external challenges affect marketing in Chinese Foundations? This section includes the results on the internal and external challenges that were revealed by the participants.

4.6.1 Internal Challenges

The first question under the challenges was “What are the internal challenges?” The participants were asked to identify the challenges while the researcher then elicited more experiences, insight, and realities from the participants.

One internal challenge identified is the inefficiency of the organisation’s system related marketing. Additionally, some of the Foundations lack marketing strategies such as on fundraising and/or advertising. While some Foundations depend only on funds donated by partners within their circle of friends, this could not be sustainable. The lack of staff capacity on marketing is identified. Also, some Foundations mentioned the lack of capability to communicate the Foundation’s performance to other organisations so as to let their Foundation be known and can gain support either financially or voluntarily. Some Foundations also mentioned the lack of management team’s ability to lead the organisation towards identifying customer’s needs rather than just on what the organisation wants to do.
In our organisation, nobody worked with Foundation before except recent staff members who joined. We need to increase staff members’ capability to perform, and motivate them to contribute significantly towards attaining the goals of the organisation. In addition, the organisation’s system needs to be improved so that it will become efficient (Interviewee 1).

In our Foundation, we do not have marketing strategies. Also, what we are doing is just implementing our programmes/projects. All funding are from our own circle of friends which could not be sustainable (Interviewee 6).

Our fundraising process is always through our Chairman’s circle of friends. We need to train our staff to mobilise resources and keep existing donors supporting us (Interviewee 10).

We need to quickly adapt to market’s change, conduct personnel training, work planning, strategy and develop policy. We need to consider the market’s needs in the delivery of our services. Our efficiency is not that high, therefore we need to improve professional performance of our staff. We have had a database of external experts and could consider involving them in the organisation (Interviewee 4).

We need to increase staff’s ability and knowledge as well as improve working relationship and abilities of the people (Interviewee 5).

We lack qualified marketing personnel, proper management and treatment to those skilled staff. We need to take good care and encourage our key and skilled personnel so that we could keep them working with us. However, with limited amount of salary provided to the staff according to the government’s regulation, we could not keep highly qualified marketing personnel to work with us (Interviewee 9).

In addition, one of the internal challenges faced by the Foundations is related to the needs of the customers. Table 4.4 shows the Foundations’ level of awareness regarding
the needs of their customers and donors. Half of them are aware of their customers and donors’ needs while the rest are either aware of some of the needs or are not aware at all.

Some of the Foundations know the needs of their customers.

*We understand their needs…(Interviewee 1).*

*We know their needs…. (Interviewee 8).*

<table>
<thead>
<tr>
<th>Table 4.4: Organisational Awareness on the Needs of Customers and Donors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Needs awareness level</td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
<tr>
<td>Low</td>
</tr>
<tr>
<td>Medium</td>
</tr>
<tr>
<td>High</td>
</tr>
</tbody>
</table>

Note: Low = Foundations are not aware of the needs of customers and donors

Medium = Foundations are aware of only some of the needs of customers and donors

High = Foundations are aware of the needs of customers and donors

Some of them are partially aware and some are not aware due to some barriers to communication.

*We do not know it. We need to consider this as a capacity building need. We have to try meeting their needs, as we worry about their complaint to our authority (Interviewee 2).*

*We understand their needs through our projects (Interviewee 3).*

*We know the needs of the enterprise. We tried to meet their needs as long as we do not go against laws and regulations (Interviewee 5).*

*We do not understand the needs of our donors and customers much, as we do not have enough time to study it. However, we will use professional ways and*
tools to investigate and understand their needs in the near future (Interviewee 9).

Actually we do not know clearly about the needs of our donors and customers. We (government, enterprises, foundations) speak three languages which cause us not to understand each other. We would like to know clearly about the needs of our donors and customers.... We need to invite experts to give us lectures (Interviewee 10).

4.6.2 External Challenges

The participants were asked to identify the external challenges by asking “What are the external challenges?” of which the researcher facilitated in order to get more information regarding this aspect. The external challenges faced by the Foundations are related to competition, status and recognition in the society, as well as policy of the government on administration of Foundations.

A source of challenge on marketing in NPOs as identified from the literature presented in section 2.4.2 is competition. Thus, the researcher asked the participants on their awareness and understanding of competition. About sixty percent of the participants indicated that they are aware of the existence of competition among NPOs. Some of these Foundations recognise that without competition, they feel no pressure, which is not good for the growth of the organisation. Some of the Foundations think that competition is an opportunity for cooperation. However, some Foundations think that if they do not compete and do something, they could collapse in the future.

We know that we have competitors. For instance, some Foundations and other organisations are now doing something related to what we are doing. But they cannot compete with us. So it’s not a threat but an opportunity for us. This is because we could work together for the same cause. We could share our professional support to each other and they also could help us deliver services to our target beneficiaries (Interviewee 3).
If we have such competitors, they will become our area of opportunities. Now, more and more Foundations do the same things that we have been doing. They started to understand ideas that we have shared to them before, so the process of communication with them could be easier than before and we could work with them. It also has created a new environment in which more and more people involve in the activities that we have been doing. The competitors for us are threats and opportunities together. It also contributes to raising public awareness on our services which leads to more demand and support for our services (Interviewee 4).

Other organisations see competitors as both a challenge and opportunity.

We cannot avoid competitors. It is an opportunity for us to have competitors. With competitors, we could show the society how good we are. At the same time, we also should provide opportunities to our competitors, as they also need to survive (Interviewee 7).

On the other hand, some of the Foundations are not aware that they have competitors. However, they mentioned that if there are competitors, they are considered a challenge which will push the organisation to perform well. Also, competitors are opportunities that can create more manpower to work for the same cause, and raise public awareness of what they are doing which can lead to creation of more volunteers and donors.

We do not know who our competitors are. If there are, it should be either threats or opportunities. Without competitors, we will feel no pressure, which is not good for us. However, these days, there are too many competitors. If we do not exert much effort, we will collapse in the future. Therefore, competitors for us are both threats and opportunities (Interviewee 2).

We do not have competitors. If there are, it should be a good opportunity for us as it could push us to make our work better... (Interviewee 5).
We do not think we have had competitors. If there are competitors, it may only be in the area of fundraising. Also, if we have competitors, we see it as opportunity for us, as it could boost our ability and also it means more people knows the area where we have been working, which is a good thing (Interviewee 6).

There is no competition at all. We hope more people would join us. If those who work in the area the same as ours perform well, we could learn from them. Therefore, competition is not threat but an opportunity. More competition can force us to improve our performance (Interviewee 8).

Another external challenge is related to the status and lack of recognition in the society. The Foundations if not recognised in the society limits them to get the support and resources that they need in order to effectively and efficiently implement their activities towards meeting their organisational goals.

Outsiders including donors, public and the media do not understand our work. They think of us as another Foundation which negatively affected the Foundation’s reputation in China (Interviewee 1).

More and more Foundations that do not allow fundraising activities started to work in our area. Our programmes/projects need more new concepts (Interviewee 4).

We have too many mother agencies that do not provide professional guidance and also do limited work with us. In addition, outside organisations do not understand us and the society and social environment development is not good…. (Interviewee 5).

The market’s situation is not good now as more and more Foundations joined in the areas in which we have been working. Therefore, it’s difficult for us to raise funds as funding is limited in the country. So we have pressures now (Interviewee 6).
This year a government agency got funding from the central government to support Chinese NGOs. However it has conditions which is getting management fee from the funding to design and implement the projects. Also, if we need to apply for the funding we have to provide our own funding to match that from the government agency for implementing the projects. Moreover, external environment has changed greatly, and Chinese NGOs also have developed quickly. But the funding is still the same as before. Those professional NGOs are our competitors (Interviewee 7).

The demand for charity from society and people outside are getting higher, but we cannot make everybody happy. Almost all of our activities were conducted online, but still a lot of people do not use Internet and people’s levels are also different, which have made our work more difficult (Interviewee 9).

Another area of challenge that the Foundations face is the lack of support from the government.

Enterprises and individual persons who voluntarily donate to us are very rare. We normally need to visit them...We cannot just wait for funding; we need relevant government policy to support us in raising funds (Interviewee 2).

We need more support from government and recognition from the society (Interviewee 3).

The main problem is on policies. For example, current tax policy regulates that tax free is only for donation, but we should pay tax for our investment income which is about 12-13%. It influences development of Foundations, so we cannot grow up to a big Foundation. As for staff salary, based on the current policy, we cannot provide salary per person over two times of local average salary level. In Beijing, it’s about RMB 40,000 annual salary per person averagely, that means we cannot pay staff annual salary per person over RMB100,000. So we cannot get high qualified persons from outside to work with us. The society has changed
so quickly. We are also facing challenges from outside, such as problems with external environment (Interviewee 8).

4.7 Findings in the Areas of Improvement on Marketing in Chinese Foundations

The fourth and last question that this research sought to answer is “What are the areas of improvement in marketing in Chinese Foundations and how do they envisage addressing them?” The areas of improvement were identified from literature with specific strategies that can improve visibility and sustainability in NPOs as presented and discussed in section 2.5. These areas are organisational marketing, resource mobilisation, networking as well as quality of products and services.

4.7.1 Organisational Marketing

The first area of improvement that was investigated was on the organisational marketing. The participants were asked to identify their capacity building needs in the context of organisational marketing.

Some of them indicated the need for improving/strengthening their internal institutional system and their ability to plan which would in turn affect the external environment.

*Internal institutional system needs to be improved and strengthened...We need to increase quality of our projects and to further study and understand various laws and regulations (Interviewee 1).*

*We need to increase our capacity on planning and our staff’s capacity building should include qualification, skill and experience so that we can increase quality of our projects. Strengthen brand awareness, create combination of culture and brand, and promote the organisation’s vision (Interviewee 4).*

Specific areas of capacity building needs include identification of what training they need; improvement of their knowledge on organisational marketing concept and strategies; improvement of skills on branding, networking and promoting the organisation; improvement of the organisations ability to effectively deliver products and services.

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We had trainings on nurses for elderly care centre, finance, which were made by Ministry of Civil Affairs. We need more trainings, but do not know what trainings we need (Interviewee 2).

We need to train our people and our partners and beneficiaries as well (Interviewee 10).

Want to hire young people and experts. Also need to exchange information, conduct workshops, trainings, and invite people from the government to give lectures for elderly (Interviewee 3).

Staff capacity building is needed. We also need to accumulate knowledge personally. Some training courses we attended were not so effective, such as NGO management (Interviewee 5).

We need to strengthen training, document good practices and build negotiation capacity (Interviewee 4).

We need to improve in the area of the marketing mix, strengthen internal capacity and prompt improvement of external environment (Interviewee 7).

Our mission is great, but the capability of our staff is not enough and we need to improve (Interviewee 8).

Also, some organisations’ indicated their need of setting up a marketing department.

Senior management persons should be experts in some areas with love hearts. We have not established marketing development. We did some work in relation to marketing, but we did not mention about marketing. We should consider if we need to set up a marketing department in the future (Interviewee 6).
In order to encourage the staff to perform well, one of the areas they need to improve/increase is the recognition of the contribution of marketing in their Foundation internally. There is a need to improve the evaluation standard within the organisation. It is also desired that relevant government agency could encourage Foundation’s contribution to the society by giving recognition and support.

*We need to increase recognition of the contribution of the foundation internally...We also need to increase staff’s capacity, management process as well as top management’s knowledge and recognition on Foundation’s work and contribution. Also, help and assistance from government is rare. We hope that relevant government agency can hold conferences on Foundations to admire and encourage Foundations’ contribution and works to society (Interviewee 9).*

The summary and number of Foundations (out of 10) which have indicated corresponding capacity building needs are presented in Table 4.5. Each of the Foundations indicated at least one need as shown in the table. One out of ten Foundations indicated training need on identifying capacity building needs. While the same number each indicated the need for training on planning and setting up marketing department. Two each, out of ten indicated their needs for improvement of internal system and on brand awareness. Three Foundations indicated that they need training on understanding policies on marketing, while four indicated staff capacity building need.

**Table 4.5: Capacity Building Needs on Organisational Marketing**

<table>
<thead>
<tr>
<th>Areas of Improvement Identified</th>
<th>No. of participating Foundation/s (each out of 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training on identifying training needs</td>
<td>1</td>
</tr>
<tr>
<td>Training on planning</td>
<td>1</td>
</tr>
<tr>
<td>Setting up marketing department</td>
<td>1</td>
</tr>
<tr>
<td>Improve internal institutional system</td>
<td>2</td>
</tr>
<tr>
<td>Increase knowledge on brand awareness &amp; promotion of organisation</td>
<td>2</td>
</tr>
<tr>
<td>Training on understanding of policies related to marketing</td>
<td>3</td>
</tr>
<tr>
<td>Training for staff on skills building</td>
<td>4</td>
</tr>
</tbody>
</table>
4.7.2 Mobilising Resources

Secondly, the participants were asked of the question “What are your needs for improvement in the area of resource mobilisation putting in mind the components of marketing through the expanded marketing mix?”

For instance, the concept that resource mobilisation is only for funding should be in a broader perspective that includes encouraging in-kind and voluntary contributions.

*We need to change our concepts, as our way of thinking is too limited. We are constrained in funding. We hope to expand service areas and partners (Interviewee 6).*

*We need to open our minds and change our concepts. We need to break down traditional thinking ways (Interviewee 7).*

Second key issue for improvement in mobilising resources is the lack of manpower. Professionals who could deliver strategies on advertising are needed in the Foundations. Also, usually the number of staff in the Foundations in Beijing is not enough to meet the workload.

*The key issue is manpower. We need professional staff. The number of our staff is also not enough. Currently we are facing challenges and we are thinking of how to use our capacity effectively and efficiently (Interviewee 1).*

Third, capacity building on resource mobilisation is also needed. The capability of the Foundations to encourage more donors to support and how to properly and consistently communicate with them in order to keep them supporting should be improved. There is also a need to encourage enterprises to donate in-kind contributions. Enterprises could donate their materials with public price which could compensate their tax.

*We did not give the donors good return and also did not give them feedback. We need to improve in this area of communicating to donors (Interviewee 10).*
We need to increase capacity on social mobilisation and our ability to communicate with government and donors (Interviewee 4).

We need to encourage enterprises to donate materials also. Enterprises want to donate their materials with market price, but the policy request the enterprises to donate their materials with public price which in turn compensate their tax (Interviewee 2).

The area on advertising also needs to be improved. This could be done by improving the brands, advertising in public, and developing new and good programmes which could get more funding. In addition, a strategy of encouraging staff to raise funds by giving quota with certain incentives for job well done is proposed.

We try to fully use our current sources, and other things will be considered in the future. We do not need to mobilise resources as the group will provide funding for us. We also need understanding from both internal and external partners (Interviewee 9).

We need to make public advertising, but we have limited budget. Anyway, we need an integrated plan. For some donations such as food and medicine, we do not have professional persons to handle and sometimes we refuse receiving the project and/or need to recommend it to those professional organisations who could handle it (Interviewee 8).

We need to have brand awareness, develop new and good programmes, which can make us get funding. We need to strengthen promotion of our Foundation. We plan to give fund raising quotation to each of our staff (i.e. set an amount to mobilise per year) and give reward to those who could perform well (Interviewee 3).

The Foundations identified at least one of their specific capacity building needs as summarised in Table 4.6. One out of ten Foundations identified the need for increased number in manpower and capacity; while the same number indicated the needs for
strategic planning and performance in service delivery. Two out of ten Foundations expressed their needs on advertising strategy, and the same number on communication to government and donors. Finally, four out of ten indicated that they need to improve in their concept of resource mobilisation.

Table 4.6: Capacity Building Needs in Mobilising Resources

<table>
<thead>
<tr>
<th>Areas to be improved</th>
<th>No. of Foundations (each out of 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity and number of manpower</td>
<td>1</td>
</tr>
<tr>
<td>Strategic planning</td>
<td>1</td>
</tr>
<tr>
<td>Performance in delivering services</td>
<td>1</td>
</tr>
<tr>
<td>Advertising strategy</td>
<td>2</td>
</tr>
<tr>
<td>Communication with government and donors</td>
<td>2</td>
</tr>
<tr>
<td>Concept on resource mobilisation (funds and partners/volunteers)</td>
<td>4</td>
</tr>
</tbody>
</table>

4.7.3 Networking

On networking, the researcher asked the participants “What are your needs to improve your networking capabilities?”

Most of the Foundations mentioned some specific measures that they could do in order to improve their networking including building and/or improving their image in the society, visitation of Foundations working in similar cause, staying connected with them through constant communication, improving connection/cooperation with well-known organisations, and setting up television programme and improving website.

_We have been learning from other big organisations as it is a good example for us. We need to strengthen connection with them in order to learn and cooperate with them. We also need to strengthen communication with the government directly in charge of our operation in order for us to evaluate whether our positioning/operational activities goes with the regulations (Interviewee 1)._  

_We need to visit similar Foundations, and need to keep contact with them, for example by emails. We want to set up a channel just for our beneficiaries and make our website better (Interviewee 2)._
We need to strengthen connection with relevant organisations for cooperation and guidance. Regarding development of projects we have professionals to make (Interviewee 3).

We need to further support grass-root NGOs’ training as well as standardise our programmes/projects (Interviewee 4).

We do not have any international cooperation. We hope to work with those partners who have the same scope of work. We have tried to discuss about projects with some international organisations but were not successful. We always want to create the Foundation’s website, but it is difficult to create until now. Getting an approval takes a long process and other problems are involved (Interviewee 5).

Actually we have branches in every province, which are our network. Network building is critical for us. Before, we got a high amount of donation through a good network. We also do a network platform and a platform for information management as well as a database. We also connect with similar organisations outside through conducting parties (Interviewee 7).

We need to improve in connecting with relevant organisations and institutes. We always look for universities and other institutes when we need, but do not regularly contact with them (Interviewee 8).

We need to build our image (Interviewee 10).

Moreover, some Foundations indicated that in order to be known in the field, more training and creating standard programmes/project is needed.

Normally we always help other organisations and persons through our funding and platform. So we do not need to improve our networking capabilities. But our capacity is limited to help many organisations and persons (Interviewee 9).
We need to adjust what we have been doing, and we will set up a database to strengthen networking capability (Interviewee 6).

Most of the Foundations (six out of ten) recognise the need to improve in the area of cooperation as indicated in Table 4.7. In addition, other areas such as positioning, image building, implementing, and communicating were identified.

<table>
<thead>
<tr>
<th>Training Needs to Improve Networking Capabilities</th>
<th>No. of Participating Foundations (each out of 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positioning according to government policy</td>
<td>1</td>
</tr>
<tr>
<td>Image building</td>
<td>1</td>
</tr>
<tr>
<td>Implementation skills</td>
<td>1</td>
</tr>
<tr>
<td>Communication skills with organisations who are good examples in the area</td>
<td>3</td>
</tr>
<tr>
<td>Cooperation with other organisations who are well-known in the area</td>
<td>6</td>
</tr>
</tbody>
</table>

**4.7.4 Products and Services**

On the product and services, the participants were asked to identify key capacity building needs in order to improve quality of products and services.

Half of the Foundations identified the need for staff training on marketing concept and strategies. Some of them even allocated funding for such training needs. Moreover, a few Foundations indicated the need to improve more on communicating to donors and customers as this is one way to maintain support from them.

We need to increase ability of our staff. We need to communicate with outside through media and Internet (Interviewee 2).

We need to increase staff’s capacity and have already allocated RMB 5,000 for each staff to participate in training or workshop every year (Interviewee 8).
We need to increase awareness on services and pay attention to provide feedback and report to our donors (Interviewee 10).

Our service should be marketed to those in need. We need to set up our database although we do not have it now. We normally use the data and information issued by an organisation on its website and other channels. They have had a database which we can use. We cannot replace government and also do not want to repeat what the other organisations have been doing. We do not have a marketing department, but our project department serves as a marketing department, as we need to do marketing. So there is a need to train us in marketing (Interviewee 3).

Most of our staff members are young people, and so we need more training to help them. We do not have a plan to train our people to be various experts, although we have created a database of external experts (Interviewee 7).

Some Foundations mentioned about promotion/advertising of their products and services and to make the name of their organisation known through branding. Some Foundations also mentioned that instead of just doing what the organisation wants to do, they want to know the needs in the society and be able to address these needs. One of the identified venues is through access and/or improvement of using database.

We need to recommend and promote our Foundation to overseas Chinese Foundations which can help us in fundraising. The Foundation is named by a person. How to use the name properly is a key issue and should make the Foundation unique (Interviewee 1).

More information should be provided. We are updating our website, which will be completed by the end of May 2012. We need more training for our staff as well as we need to know more about the needs of our partners and customers (Interviewee 4).
In summary, the Foundations identified some capacity building needs for improvement of their products and services as shown in Table 4.8. One out of ten of the Foundations identified each need including promotion and advertising, branding and communication to donors and customers. Two out of ten indicated the need on setting up database, while five out of ten indicated the need for training on marketing strategies.

Table 4.8: Identified Capacity Building Needs for Improvement of Products and Services

<table>
<thead>
<tr>
<th>Capacity building needs</th>
<th>Number of Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoting organisation through communication (media &amp; internet) vis-a-vis advertising</td>
<td>1</td>
</tr>
<tr>
<td>Using company name/branding</td>
<td>1</td>
</tr>
<tr>
<td>Improving communication to donors and customers</td>
<td>1</td>
</tr>
<tr>
<td>Setting up database to address needs of customers</td>
<td>2</td>
</tr>
<tr>
<td>Training on marketing strategies</td>
<td>5</td>
</tr>
</tbody>
</table>

4.8 Summary

This chapter has presented the findings from the semi-structured in-depth individual interviews which were carried out in order to have a better understanding of the current state of marketing in Chinese Foundations in Beijing, PRC. Specifically, data were gathered to gain knowledge in relation to the research questions being addressed in this study. The results of the data analyses showed how the Chinese Foundations view marketing in their organisations. Also, the status, challenges and areas of improvement were identified and described.

The next chapter discusses the significance and implications of these results to the problem being addressed in this study. Some of the theoretical issues are confirmed by cross referencing to existing knowledge as indicated in the literature review chapter. The analysis and discussion provides a better understanding of marketing in Chinese Foundations in Beijing, PRC.
Chapter 5. Discussions and Conclusions

5.1 Introduction
The first chapter introduced the background of the study, research problem identified from the literature review on marketing in NPOs, research questions in the context of Chinese Foundations in Beijing, PRC and the research objectives. The second chapter presented the basis and theoretical foundation of the research problem on marketing in NPOs. The third chapter discussed the different approaches in marketing research, their theoretical and research paradigms thereby, selection of the qualitative methodology which is suited to investigate the questions being addressed in the study. Then the research design and the data collection methods as well as the conduct of interviews were also presented. The fourth chapter presented the results from the semi-structured in-depth individual interviews with participants from Chinese Foundations.

This chapter discusses a deeper analysis of the results presented in the previous chapter. The contributions from this study are explored in the context of literature, the research questions and implications on theory and practice. Additionally, the limitations of the study are also presented and discussed.

5.2. Discussion of Findings
In this section, findings in relation to answering the four research questions are discussed. First, the view of Chinese Foundations on marketing which answers the first research question; then the marketing application in view of expanded marketing mix which answers the second research question; followed by the challenges that affect marketing in Chinese Foundations which answers the third research questions; and the areas of improvements on marketing in Chinese Foundations which answers the fourth question are discussed.

5.2.1 View of Chinese Foundations on Marketing
This section presents detailed discussion of findings that addresses the first research question “How is marketing viewed by Chinese Foundations?”
Proper understanding on the *definition of marketing* is one important aspect of carrying out marketing in any organisation whether it’s a profit organisation or an NPO. The marketing concept in an organisation supports understanding of the beneficiaries, and holds that success of the organisation lies on effective and efficient delivery of services according to the needs and wants of beneficiaries better than any other organisation in that area of service (Padanyi & Gainer, 2004). It is important that the NPOs have adequate understanding of marketing as it is the basis principles such as the marketing mix which is the recognition of available tools to satisfy the needs of beneficiaries (Kotler & Levy, 1969).

Result of this research project indicates that Chinese Foundations define marketing as either relevant to profit organisations which is doing business; or activities on promotion and/or fundraising that could help in building public awareness on the issues that beneficiaries face, and a combination of selling out their products/services with promotion. Thirty per cent of the Foundations indicated that marketing is relevant to profit organisations. This view supports the finding of Bulla & Star-Glass (2006). Moreover, fifty per cent of the Foundations indicated that marketing are activities on promotion and sales, and twenty per cent relates marketing on promotion and/or fundraising. This was also confirmed by the marketing tools that the Chinese Foundations identified which are all advertising and promotional tools. This finding where Chinese Foundations associate marketing with promotion, sales and/or fundraising supports that earlier findings in literature (e.g. Ford, 1993; Octon, 1993; Bruce, 1995; Akchin, 2001; Dolnicar & Lazarevski, 2009). In addition, it was emphasised by some Chinese Foundations that they are promoting their organisation for the purpose of visibility. With this, the Foundations are doing marketing regardless of their awareness which goes along with the claims of Kotler & Levy (1969).

The *marketing strategies* that were identified by the Chinese Foundations in the study are cooperative projects, special funding, tailor-made public projects for donors, building staff capacity on marketing, establishing connection with relevant committees and associations, developing projects based on needs of enterprise donors, promotion of organisation through personal contacts, use of project implementation as an avenue to promote the Foundation’s products and services, planning for market research, and
advertising. The importance of marketing activities however varies widely based on the nature of the Foundation. POFs mostly appreciate and implement marketing activities compared to NPOFs. This is mainly because the NPOFs are restricted to raise funds from the public and organisations at large and depends only on the enterprise or company that instituted it. While POFs have no restrictions on raising funds to fulfil their objectives, most of the time they do not pay much attention to marketing due to the huge amount of financial support from the government.

Another important aspect of marketing in organisations is marketing research. Andreasen and Kotler (2003) emphasised the adoption of customer-centred marketing mind-set, which implies knowing the needs, perceptions, and wants of the beneficiaries against the organisation-centred mind-set. Dolnicar and Lazarevski (2009) stressed that marketing research is important in understanding the needs of NPOs’ beneficiaries. Chinese Foundations indicated that marketing research has been conducted by some of the Chinese Foundations at a project level and not at an organisational level. Market research is carried out by either the people within the Foundation, promotional department or external professional organisation depending on the requirement of the research. The Foundations that are doing marketing research have a varying frequency in their marketing research activities. Based on the study, the most frequent marketing research that is done through block, media and workshop is every six months. One Foundation does marketing research at least once a year. Other Foundations conduct the research before they design and plan for a new project. Funding is allocated for the service fee for the consultants who do the job, which is normally estimated as one-tenth of the project cost. As a custom, this is sometimes shared equally by the organisation and the donors. The least, however, is done every two or five years based on projects. On the other hand, almost one-third of the participants have not done marketing research because they are not aware of it or there are no personnel to conduct such studies.

5.2.2 Marketing in Chinese Foundations through the Expanded Marketing Mix
This section gives a detailed discussion on the results that addresses the second research question “How is marketing applied in Chinese Foundations in view of expanded marketing mix?” The components of the expanded marketing mix including product,
promotion, place, price, people, physical evidence and process are discussed below in the context of the Chinese Foundations in Beijing.

*Products* of the Chinese Foundations are linked to their mission, goals and objectives. The missions of the Foundations include service to elderly; service to disabled people, public, society through projects, promotion and training; provides advocacy of good practices; capacity building, giving funds and materials, increase public awareness to poor people and areas; provides consultancy, coordination, and free check quality of products based on the need of the society; provides infrastructure such as primary schools, sports garden and give services such as conduct music education; and poverty alleviation. Their products are defined in advance when the organisations were established and could not be changed in relation to the needs of the market. This is however similar to the findings of Dolnicar & Lazarevski (2009).

*Promotion* is attributed to be the most visible element of marketing in NPOs as confirmed in this study results. The promotional tools that the Chinese Foundations in Beijing use for marketing purposes are pamphlets; newsletter, news articles and media reports; promotional videos; books and magazine; computer applications such as Microsoft PowerPoint and Weibo; big events and intentional visits to donors; promotion through their leaders and networks of partners. These answers from the Foundations are the same as what they indicated as their marketing tools and strategies in Section 4.4.2. This indicates then that the Foundations relate marketing to promotion, consistent with the findings in their view of marketing.

*Place* is considered as the area which an organisation is operating or giving it products and services. It should be considered to contribute to possible resource increase (Mano, 2010). The Foundations have identified their place of location based on target groups, accessibility, practicality and safety, as well as status and convenience. Some of the Foundations indicated that they have chosen their office location in order to be close to their target group. On the other hand in consideration of accessibility, practicality and safety, most of the Foundations wanted to be at the centre of Beijing in order to be closer to the donors and beneficiaries such as government agencies, media and academic institutions. Some of them do not consider other factors as long as the office
provides free rental, while others consider access to transportation at a reasonable price. In relation to the third factor of consideration on *status and convenience*, one Foundation which consider their office location as highly strategic for the improvement of their marketing, is located in a luxurious hotel. It also creates an impression that their Foundation is a dynamic, professional, powerful and strong organisation.

*Price* refers to Foundations cost of operation. Some of the Chinese Foundations indicated that they are still competitive of their price despite 10% management fee for government-supported programmes/projects. However, they cannot hire professional marketing staff. This supports the comments of Mano (2010) that internal processes such as professionalisation is affected with the impact of the funding that they get especially when dependent from the government funding. Most all of the Foundations operate at low cost as possible and they are more focussed towards their mission. In addition, about twenty per cent of the Foundations are not aware of the price that they have. Support from the public by the government is an important source for many NPOs.

The *people* who are involved with the Chinese Foundations in general include donors, beneficiaries, and stakeholders. Beneficiaries include children, elderly, disabled persons, disaster affected people, grassroots, youth who are poor and residents in rural areas, as well as education sector. Donors include domestic and international organisations/enterprises, and individual persons. Stakeholders are the staff, volunteers, factories, media, scholars, service institutions, and government. Stakeholders also include those working with enterprises and people who donate to the Foundations, enterprises and those people who have hearts to love, government, donors, enterprises, implementing agencies, NGOs, and beneficiaries as well. Therefore, the customers are given the opportunities to take part as stakeholders in the processes within the Foundations. This is important for the Foundations to be able to perform the activities towards achieving their missions as the needs in the service areas are sometimes great that they require manpower. Determining the right mix of people involved in the organisation is important yet complex. Management of people is one important issue in delivering high quality services as well as in the promoting the organisation (Lovelock,
et al., 2007). Marketing increases legitimacy and visibility and should be addressed towards employees rather than customers (Mano, 2010).

**Physical evidence** is the element of the expanded marketing mix that shows or cause impressions on the organisations quality of products/services. In terms of working environment, the Chinese Foundations indicated that they have a comfortable and good one. However, with all of the improvements on the working environment, people from the Foundations desire to improve more. Some of the Foundations recognise that the pressure to perform the activities is still high. Also, working with partners adds to the pressure and affects the image of the organisation if not properly managed. The Foundations who are working in rural areas have indicated that there is a certain degree of difficulty sometimes. Moreover, some of the Foundations have indicated that their relationship with the government and external environment is improved. The physical appearance and the way staff deal with beneficiaries and other partners can be considered as tangible cues, these however has not been evidently explored in this study. Additionally, promotional materials of the Foundations which have been described in earlier section under promotion, indicates the organisations’ professionalism. Evidences such as the Foundations’ pamphlets, videos, websites and other promotional materials including others that has not been identified in this study should be well taken care as they influence impressions on the quality of the organisation (Lovelock, et al., 2007).

The last component of the expanded marketing mix is **Process**. Most of the Foundations follow a process that include project development, design of programmes and activities, resource mobilisation; implementation; and evaluation and reporting/communication. In the project development stage, a new area of concern is identified according to a social issue usually identified from research. Some of the Foundations do this by consulting and/or discussing with partners. In the design of programmes and activities, a project to support the social cause implementation is developed. In the resource mobilisation, funds are raised and volunteers and/or implementing agencies are scouted. Some Foundations organise workshop in order to raise funds. In the implementation stage, the project is executed to achieve its main goal. In the evaluation stage, results are assessed if it has met the desired goal during the end of every project. Project evaluation, is done
in utmost transparency and publicly particularly on financial report. Normally the Foundations invite third party to evaluate their projects. In the last stage, the results of the project implemented are communicated to the donors and partners.

5.2.3 Challenges that Affect Marketing in Chinese Foundations

This section presents the discussion of findings on the third research question “How do internal and external challenges affect marketing in Chinese Foundation?”

The challenges and issues for marketing in the Foundations consist of internal and external challenges. Internal challenges identified are inefficient system including lack of fundraising and advertising strategy, lack of staff training for efficient marketing performance as well as lack of management team’s training on leading the organisation towards market research (identifying needs of customers). External challenges include competition and status in the society, as well as government regulations on the management of Foundations.

Some Foundations depend on only partners in their circle of friends and do not expand to raise funds from other source while some lack the strategy to raise funds. Also some mentioned the lack of ability to communicate their organisation’s performance to other organisations so as to let the Foundations be popular and gain support either financially or voluntarily. Capacity building for efficient performance is needed for the staff. Also the management team lack training to lead the Foundations towards the customer’s needs rather than just on what the Foundations want to do. In terms of the needs of donors and customers, fifty per cent of the Foundations’ shows a high level of awareness. While the other fifty per cent shows medium to low awareness level.

On the issue that is related to the Foundations’ status in the society, the lack of recognition limits them to get the support and resources that they need in order to effectively and efficiently implement their activities. Most of the Foundations indicated that their organisation is not well-known in the society as well as they need to have new strategies specially related to marketing in order to be widely recognised in the society.
Competition has less relevance to the Foundations except for instance in the case of fundraising that goes with that of Liao et al. (2001). Sixty per cent of the Chinese Foundations are aware of the existence of competition even in Foundations. Some of these Foundations recognise that without competition, there is no pressure which is not good for the Foundations’ growth. Some of these Foundations link competition as an opportunity for cooperation. However, some Foundations think that if they do not compete, it will cause them to collapse in the future. Other Foundations see competition as both a challenge and opportunity. On the other hand, some of the Foundations are not aware that they have competitors, but indicated that if competitors exist, they are considered in a way a challenge and opportunity. Competition is a challenge which can push them towards better performance and an opportunity that can create more volunteers and donors.

Another area of challenge is the limited support from the government. Government’s tax-free policy is only appropriate on donations. So, Foundations that have some investment costs also pay about 12-13% tax. This affects the development of Foundations and limits their growth and development in a way for instance that they have limited funding to hire qualified marketing staff. In addition, the Foundations operate according to the regulations set by the organisation directly in control of them, so it was mentioned by some of them that they could not freely do marketing.

5.2.4 Areas of Improvements on Marketing in Chinese Foundations

This section provides a discussion on the last research question “What are the areas of improvement in marketing in Chinese Foundations and how do they envisage addressing them?” The key areas investigated were organisational marketing, resource mobilisation, networking, and product and services.

On organisational marketing, most of the Foundations indicated the need for training of staff on skills development. This greatest need for improvement is followed by understanding the relevant policies related to marketing. Most of their responses are in line with capacity building of their employees, an indication that they need more understanding on the concept of marketing and how it is implemented in their organisation. In addition, most of the Foundations indicated that they consider to
expands their customers in PRC and beyond. However, some of them have yet to seriously discuss about it. Some of the steps that propose to take in their expansion include updating their marketing concepts, professionalise their dealings, intensify promotion, and increase and plan better and appropriate programmes; increase public awareness; establishes new systems and strengthen personnel training in different areas such as project management; planning and design big projects; and exploring strategies on how to expand the organisations influence to the international community.

On resource mobilisation, the priority is to have deeper knowledge on resource mobilisation, followed by their desire to improve their strategy on advertising and promotion. In addition, the Foundations acknowledge their inadequacy on their skills and they see the need to increase their professional ability. A Foundation also indicated that whenever they have a crisis in the aspect of promotion, they give special attention to this and settle it immediately. This shows that this area of promotion is a priority of some of the Foundations. Promotion requires investment of time, talent and treasure. Combined with full understanding of the customers, the message must be educational and persuasive in order to lead to public acceptance (Kolb, 2008a & b). It is important that the organisation carefully and clearly express its mission not just raising funds (Ford, 1993).

On networking, most of the Chinese Foundations indicated that they need to strengthen their cooperation and connection with other organisations who are good models and are prominent in their service area. This could also limit competition specifically on funding and other resources. Most often times, list of donors and partners could be shared by organisations and also some resources in order to serve in limitless areas of needs in the society. NPOs could recognize appropriate opportunities for collaboration with public and private organisations (Liao et al., 2001). This was followed by improving their communication skills in order to communicate properly with other organisations.

On product and services, fifty per cent of the Foundations indicated that primary capacity building need is on marketing concept and strategies. Twenty per cent indicated the need of building capacity on market research. The remaining Foundations
identified Ten per cent of the Foundations identified promotion, while another ten per cent identified communication to donors and ten per cent identified branding as ways to improve their products and services.

5.3. Implications for Future Research and Practice

This section presents future research implication of this project both to knowledge and practice; specifically, to the academe, the Chinese Foundations and other NPOs and the governments.

5.3.1 Future Research

PRC is a huge country and several initiatives have already been done in the different provinces/cities, for instance, Shenzen (Li, 2011). Similar studies can be undertaken in those places in order to saturate the experiences of Chinese Foundations in the area of marketing. Similar approach can be adopted; however, it is also worthwhile to explore other approach such as quantitative or a mix of the qualitative and quantitative approaches among others.

Further investigation on programme and project level marketing can also be done as the participating Foundations in this study were mentioning more about programmes and projects as their avenue for marketing. In addition, undertaking studies in the context of other groups of NPOs in PRC is also recommended as different organisations have different attributes and carry out their operations in a unique manner.

Lastly, like previous studies (e.g. Kotler, 1979, 1982; Akchin, 2001), this study is limited by the number of Foundations interviewed and does not represent the population of NPOs in the whole PRC. Future research could be done on deriving a truly representative sample for understanding the state of marketing in PRC as a whole. In addition, evaluation of the existing marketing strategies of the Chinese NPOs in relation to the support they have established can be done. In doing this, using a methodology that could help generalise the results is suggested. For instance, result of this study from the demographic information of Foundations in Beijing, PRC including the size and age confirms that Foundations in Beijing have existed since three decades ago and the number continue to increase through the years. Most of the Foundations that had been
established during the middle of 1980s have the most number of employees. However, this is not applicable to some which may be due to factors such as constraints in funds, limited service area of focus, and/or it has been the preference of the leaders of the organisations themselves to have few employees to carry out the goals of the Foundations. Based on the number of projects/programmes that the Foundations have in the recent two-years, it can be seen that forty per cent of the organisation established during the middle 1980s have the highest number of projects. Investigation whether this indicates that the Foundations have established support for resources and are performing well in the service area could be explored.

In another matter, although most of the Foundations use some form of marketing, they missed out focusing on the whole organisational marketing. The organisations that did not evaluate their marketing practices thought that they should implement such exercise at the organisational level not only on project level. The results indicated that some of the participants have marketing strategies existing in their organisations at the project level and recognised the benefit of it. Some of the organisations have marketing strategies in each of their projects. Additionally, they acknowledge they have benefitted much from the strategies. For instance, organising big events, which cultivate better relationship with the government and other partners resulting to raising more support. However, the organisations do not have the necessary manpower and skills to do so. Evaluation of the level of marketing in Chinese Foundations and whether this can be generalised to NPOs as related to their market orientation can be a theme for future research.

5.3.2 Chinese Foundations
One important possibility for improving marketing concept in the Chinese Foundations is encouraging them to adopt customer-centered orientation. In addition, one key thing that the Foundations could to start setting up for instance a marketing department and assign a formally trained staff on marketing who is knowledgeable in the field. Moreover, Chinese Foundations should give equal emphasis on available marketing tools that is the expanded marketing mix. In this way, it can fully achieve marketing potential their Foundations. Moreover, a study that could generalise results of
integrating identified elements of the expanded marketing mix into a marketing plan that will be useful for the NPOs in PRC is recommended for future research.

5.3.3 Government
The government plays an important role in each and every aspect of Chinese Foundations. The policies can either inhibit or strengthen the development of these organisations. In the aspect of marketing for each type of Chinese Foundations in PRC, certain liberty restrictions are in place. Thus, it is recommended that the government can utilise such study as this as a basis in reviewing and improving existing policies. Moreover, the government can also initiate an extensive research in understanding the Chinese Foundations and/or NPOs that they regulate and guide. Then, the government could accordingly increase its support to the Foundations, through the policies set such as on tax.

5.4 Limitations of the Research
The limitations of the research project may be generated from the research design, frame and structure of the interview. The qualitative research design’s subjectivity can be a source of the limitation of the research as indicated in Chapter 3. However, several mitigation measures had been employed in order to address the possibility of bias. In the sampling, random selection of Foundations was done. During the interviews, the researcher applied the principle of reflexivity which advocates a careful understanding on the information by reflecting whether the information is truthful. For example, some of the questions were repetitive in order to extract consistency in their responses. In relation to the structure and framing of the interview questions within the interview protocol, some of the questions were created in tune of “what” in order to make sure that in-depth data is gathered from the participants. The researcher also asked the participants to expound their responses and to narrate their experiences during the interview.

5.5 Overall Conclusions
This study serves as a benchmark in understanding the context of marketing in Chinese Foundations specifically those which are situated in Beijing, PRC. The study gives a broad picture on the status that primarily focuses on the their definition of marketing,
evaluation of their marketing activities/strategies in terms of the elements of expanded marketing mix, challenges that Foundations are facing in carrying out marketing as well as the areas that needs to be improved at present and future on the aspect of marketing in the Chinese Foundations.

One of the main aims of this study is to investigate how the Foundations define or understand marketing in their context. Most Chinese Foundations still demonstrate lack of understanding on the definition of marketing which include understanding that it is relevant to profit organisation. The study shows that the context of the marketing in the Chinese Foundations is commonly associated with promotion and fundraising as shown in the marketing strategies that they have identified. This supports earlier studies such as that of Ford (1993), Octon (1993), Bruce (1995) and Akchin (2001), Dolnicar and Lazarevski (2009). Presently, Foundations have less focus on other aspects of marketing such as improving their products, evaluating their price, understanding the customers (people), improving their process, physical evidences and maximising the use of their place. With this, several training needs were identified so as to reach the full potential of marketing in the respective Foundations.

Additionally, the study shows that marketing mind-set of the Chinese Foundations varies with respect to their registration. NPOFs have shown organisation-centred marketing as described by researchers such as Kotler (1979), Gonzalez et al. (2002), and Andreasen and Kotler (2003). On the other hand, POFs have shown several indications that they have customer-centred marketing. For example, they are carrying out marketing research, in order for them to understand the market needs which serve as their basis in designing programmes and activities.

The Foundations, like other NPOs face challenges regarding operationalising marketing that includes those that are related to the organisational system, structure and/or process; the capacity, performance as well as relationships amongst employees/staff in the organisation, knowing the needs of the customers, recognition in the society, as well as policy of the government on administration of Foundations. In terms of Chinese Foundations’ status in the society, the lack of recognition in the society limits them to get the support and resources that they need in order to effectively and efficiently
implement their activities towards meeting their organisational goals. Another area of challenge is the limited support from the government. Related to these issues, the Foundations need improvements in the areas of understanding/concept of marketing and capacity building.

Significant *tangible outcomes of the marketing activities/strategies* according to the Foundations that were interviewed are increased in number of projects, partners and funding. The knowledge of donors regarding the operations and other relevant matters within the project implementation also increased. For instance, one of the Foundations indicated that more people have started to pay attention to their projects as well as to those organisations that they supported. Furthermore, the scope of work of some Foundations is expanding beyond their core objectives. Thirty per cent of the participants indicated that marketing has aided in the achievement of their organisational objectives; 20 per cent have indicated that it has not, 20 per cent are not sure and the remaining 30 per cent think that they have somehow achieved more than 50 per cent of their objectives. Some Foundations find it difficult to identify the level of achievement due to the absence of indicators/standards to evaluate it. Some of the organisations do not exercise evaluation in a regular basis.

The leaders such as the founders, Board of Trustee (BOT) members, Executive Directors of the Foundations indicated that there is a high level of support coming from them. The support varies from helping in fundraising, giving personal donations, getting more funds through programmes/projects, discussing with enterprises and relevant government agencies, planning and arranging networking activities, providing policy support to the projects, providing more budgets for marketing than before, using networks to introduce the organisation to the Chinese people, helping in inviting senior officers to attend the activities that paves the way for staff to connect to people outside the Foundation, attending big events and build systems, and advocating research from within and without the Foundation to further hasten their marketing capabilities. However, in the previous section, it was mentioned that marketing activities only focused on promoting activities under the projects and programmes of the Foundations.
The organisations do not evaluate the marketing of their organisations. All of them however, indicated that they do project evaluation which is an indication that they cover marketing as part of it. This is not executed in a regular basis. Project evaluation, is done in utmost transparency and publicly particularly on financial report. Normally they invite third party to evaluate their projects. Additionally, they conduct meetings specifically for their projects which include assessment of marketing practices. This is done after the project completion with the participation of individuals coming from local and national.
References


APPENDICES

Appendix A. Participant Information Statement

A.1. Participant Information Statement for the Head of the Chinese Foundation

Information Statement for the Research Project:
Factors Affecting Marketing in Chinese Foundations in Beijing, P.R. China
Document Version 2012.5 ENG; dated 2/05/2012

Dear Madam/Sir,

You are invited to participate in a study that is being conducted by Ms. LingLing Jiang from the University of Newcastle, Australia. Ms. LingLing Jiang is conducting this study as part of her Doctor of Business Administration Degree (DBA) and Dr. Zhidong Li is her research supervisor.

This study will investigate the extent of the understanding of marketing in the context of Chinese Foundations in Beijing, People’s Republic of China. Additionally, it aims to increase the understanding of the factors that affect marketing efforts of Foundations in Beijing. The result of the study will have various benefits such as identifying factors that contributes successful marketing of Chinese foundation in Beijing resulting to improving existing practices. Whilst it may be hoped that this research will allow the government to better understand the state of Chinese Foundations, thereby allowing them to help in building their system on how to effective serve the country by working synergistically with Chinese Foundations in Beijing, PRC. However, the study might create some generalisation which can be either positive or negative in the sight of the Chinese Foundations.

Your organisation has been randomly selected from the list of 140 Chinese Foundations which is registered with Ministry of Civil Affairs of P.R.China as well as being attached to a national government agency in Beijing irrespective of the sectoral scope and firm size due to the limited number of foundations in Beijing. You are chosen to participate
in a one on one interview within your organisation. Your participation in this research is entirely your choice. Whether or not you decide to participate, your decision will not be a disadvantage for you. If you agree to participate, you will be asked to participate in an interview with the researcher which will take a minimum of 30 minutes and a maximum of 1 hour. The researcher will take note during the course of the interview. Additional, we would like to request you to issue an invitation to your colleagues on behalf of the researcher; thereafter, your colleagues can contact the researcher directly if they would like to participate. If you will nominate your colleagues, please choose two of your colleagues who are willing to participate in the same process; If you will not be able to participate for any reasons please choose three of your colleagues instead. We would like to reiterate that their participation is voluntary and that even though they have been nominated, they are not obligated to participate if they don’t want to.

The researcher is interested only in the overall state and factors affecting marketing in Chinese Foundations in Beijing and the researcher is not interested in the specific responses of any particular individual. The confidentiality of your identity and responses is guaranteed as you information will not be directly recorded in the completed interview records nor any other information that could be used to identify you and only the researcher and supervisor will have access to the completed interview records, which will be shredded after the dissertation has been accepted. On completion of the study, the findings may be published in a dissertation and scholarly journal but neither you nor your organisation will be named or be able to be identified from the published report. However, you can access the summary of the research if you may wish so by contacting the researcher and the supervisor. Moreover, in case you want to withdraw any data that you have provided, you can do so by contacting the researcher and supervisor.

Please read this Information Statement and be sure you understand its contents before you consent to participate. If there is anything you do not understand, or if you have questions, please contact the researcher. If you would like to participate, please sign on the attached consent letter. Then please send this letter by email to the researcher at c3094930@uon.edu.au. The researcher will then contact you to arrange a time and place convenient to you for the interview. You can choose the location of your interview.
If you would like further information please contact the researcher by email or mobile phone at +66-890487915, or the researcher’s supervisor Dr. Zhidong Li by email at lizd628@yahoo.com.

Thank you for taking the time to consider this invitation.

Yours sincerely,

Ms. LingLing Jiang, DBA Student

Dr. Zhidong Li, Supervisor

Complaints about this research

This project has been approved by the University’s Human Research Ethics Committee, Approval No. H-2012-0046. Should you have concerns about your rights as a participant in this research, or you have a complaint about the manner in which the research is conducted, it may be given to the researcher, or, if an independent person is preferred, to the Human Research Ethics Officer, Research Office, The Chancellery, The University of Newcastle, University Drive, Callaghan NSW 2308, Australia, telephone +61 (02) 49216333, email Human-Ethics@newcastle.edu.au.
A.2. Participant Information Statement for the Participating Staff of the Chinese Foundation

Information Statement for the Research Project:
Factors Affecting Marketing in Chinese Foundations in Beijing, P.R. China

Document Version 2012.5 ENG; dated 2/05/2012

Dear Madam/Sir,

You are invited to participate in a study that is being conducted by Ms. LingLing Jiang from the University of Newcastle, Australia. Ms. LingLing Jiang is conducting this study as part of her Doctor of Business Administration Degree (DBA) and Dr. Zhidong Li is her research supervisor.

This study will investigate the extent of the understanding of marketing in the context of Chinese Foundations in Beijing, People’s Republic of China. Additionally, it aims to increase the understanding of the factors that affect marketing efforts of the Foundations in Beijing. The result of the study will have various benefits such as identifying factors that contributes successful marketing of Chinese foundation in Beijing resulting to improving existing practices. Whilst it may be hoped that this research will allow the government to better understand the state of Chinese Foundations, thereby allowing them to help in building their system on how to effective serve the country by working synergistically with Chinese Foundations in Beijing, PRC. However, the study might create some generalisation which can be either positive or negative in the sight of the Chinese Foundations.

Your organisation has been randomly selected from the list of 140 Chinese Foundations which is registered with Ministry of Civil Affairs of P.R.China as well as being attached to a national government agency in Beijing irrespective of the sectoral scope and firm size due to the limited number of foundations in Beijing. You volunteered or nominated among 3 other participants to participate in a one on one interview. However, your participation in this research is entirely your choice i.e. you are not obligated to participate if you don’t want to. Whether or not you decide to participate, your decision
will not be a disadvantage for you. If you agree to participate, you will be asked to participate in a meeting with the researcher which will take a minimum of 30 minutes and a maximum of 1 hour. The researcher will take note during the course of the interview.

The confidentiality of your identity and responses is guaranteed as you information will not be directly recorded in the completed interview records or any other information that could be used to identify you and only the researcher and supervisor will have access to the completed interview records, which will be shredded after the dissertation has been accepted. On completion of the study, the findings may be published in a dissertation and scholarly journal but neither you, nor your organisation will be named or be able to be identified from the published report. However, you can access the summary of the research if you may wish so by contacting the researcher and the supervisor. Moreover, in case you want to withdraw any data that you have provided, you can do so by contacting the researcher and supervisor.

Please read this Information Statement and be sure you understand its contents before you consent to participate. If there is anything you do not understand, or if you have questions, please contact the researcher. If you would like to participate, please sign on the attached consent letter. Then please send this letter by email to the researcher at c3094930@uon.edu.au. The researcher will then contact you to arrange a time and place convenient to you for the interview. You can choose the location of your interview.

If you would like further information please contact the researcher by email or telephone phone at +66-890487915, or the researcher’s supervisor Dr. Zhidong Li by email at lizd628@yahoo.com.

Thank you for taking the time to consider this invitation.

Yours sincerely,

Ms. LingLing Jiang, DBA Student
Dr. Zhidong Li, Supervisor
Complaints about this research

This project has been approved by the University’s Human Research Ethics Committee, Approval No. H-2012-0046. Should you have concerns about your rights as a participant in this research, or you have a complaint about the manner in which the research is conducted, it may be given to the researcher, or, if an independent person is preferred, to the Human Research Ethics Officer, Research Office, The Chancellery, The University of Newcastle, University Drive, Callaghan NSW 2308, Australia, telephone +61 (02) 49216333, email Human-Ethics@newcastle.edu.au.
Appendix B. Consent Letter

B.1. Consent Letter for the Head of the Chinese Foundation

Consent Form for the Research Project:
Factors Affecting Marketing in Chinese Foundations in Beijing, P.R. China
Ms. LingLing Jiang
Document Version 2012.5 ENG; dated 2/05/2012

Dear Sir/Madam,

I consent to participate in an interview with the researcher who will record the interview by written note. I also grant permission for relevant members of my organisation to be approached by the researcher regarding their participation in the study. I give my consent freely and I understand that the project will be conducted in accordance with the Information Sheet, copies of which I have retained.

I consent that the researcher and the supervisor are the only people who can access and de-identify the meeting records as needed.

I consent that all of the information collected will remain confidential to the researcher and that all of the information gathered from the interview will be stored securely until the dissertation of the researcher has been accepted.

I understand that my identity should not be revealed without consent to anyone other than the researcher conducting the project. Moreover, that I can withdraw from the project at any time and do not have to give any reason for withdrawing.

Print Name: ________________

Signature: ________________    Date: _____________________
Dear Sir/Madam,

I consent to participate in an interview with the researcher who will record the interview by written note. I understand that the project will be conducted in accordance with the Information Statement, a copy of which I have retained.

I consent that all of the information collected will remain confidential to the researcher and that all of the information gathered from the interview will be stored securely until the dissertation has been accepted.

I understand that my identity should not be revealed without consent to anyone other than the researcher conducting the project. Moreover, that I can withdraw from the project at any time and do not have to give any reason for withdrawing.

Print Name: __________________

Signature: ________________  Date: ______________________
Appendix C. Interview Protocol

A. Organisation Demographic Information 机构基本信息
   o Number of employees 职员数量
   o Number of projects 项目数量
   o Scope of work 工作范围
   o Source of funding 筹资渠道
   o Office and facilities 办公场所和设施
   o Ownership of the organisation 机构归属

Detailed questions: 详细问题:

• What is the name of your organisation?
  你们基金会全称是什么？

• What is the name of your foundation as registered?
  你们基金会注册的全称是什么？

• When did you start this foundation?
  这个基金会何时创办的？

• Who is the founder of your organisation? Which organisation/agency is your foundation attached to, based on your registration? In this question/s the researcher will provide an example.
  基金会的创办者是谁？根据注册的情况，基金会附属于哪个组织或者机构？（调查者就这个问题会举一个例子）

• What type of foundation you belonged to and your marketing background.
  你们是什么类型的基金会？你们的市场营销背景是什么？

• Which organisation you were required to report directly to out of the categories (“United Nations,” “Other international body,” “National non-profit body,” State/Local Government, Board of trustees, Industry group, other and “none of the above)?
  你被要求向超出这些类别的哪个组织直接报告？（联合国，其他国际组织，国家非营利机构，中央/地方政府，董事会，产业群和其他，以及以上都不是）
• What is your position and role in the organisation? (President, Director, staff).
你在家机构的职位和职责是什么？（会长，主任，工作人员）

• How many years have you been working for the organisation?
你在这个机构中工作几年了？

• How many employees are there in your foundation? Probing question: Considering the number of years that you have been operating why number of your employees and are only this much?
你们基金会有多少雇员？探索性问题：你们基金会已经创办多年，为什么雇员只有这么多？

• What are the educational attainments of your employees? Preferably the degree and the corresponding number of employees.
你们的雇员的受教育程度如何？最好提供雇员学历情况及相应的人数。

• What are the sources of funding (government funding, corporate donations, private donations, grants, service fees, revenues from sales, investment income and other sources of funding)?
基金会的资金来源是什么（政府拨款，企业捐款，私人捐款，资助，服务费，销售收入，投资收入和其他资金来源）？

• How many projects do you have this year or last year? Probing question: What is the reason why the number of your projects is (low or high)?
你们今年或者去年有多少项目？探索性问题：为什么你们的项目这么少/多？

• What is your foundation’s scope of work? Probing question: Are you allowed to work other than your scope of work? What are your criteria in expanding your scope? e.g. additional funds.
你们基金会的业务范围是什么？探索性问题：你们可以从事业务范围以外的工作吗？你们拓展工作范围的标准是什么？例如另外的基金。

• Where is your main source of funding? Probing questions: Based on your registration, is your foundation allowed to mobilise resources from public
sources? or otherwise? What are the difficulties that you have experienced
with this kind of registration in terms of your project implementation?
你们主要的资金来源？探索性问题：根据你们的注册情况，你们基金会可以从中公
资源或者其他渠道筹资吗？根据你们注册的这种基金会的背景，你们在项目过程中遇到的困难是什么？
• Do you have other sources of funding? Probing question: If none, how does
the agency which you are under helps you to acquire funding?
你们有其他筹资渠道吗？探索性问题：如果没有，你们的上级机构如何帮助你们筹资？
• What is your level of participation in marketing activities? (e.g. action had
been taken by the organisation to protect their market position against
competitors; use of strong, understandable core messages, marketing,
pricing, diversification, specialisation, improvement of tender writing skills,
offering the best service, developing collaborative relationships with
competitors, competition analysis, and building of reputation.
你们机构在营销活动中采取过哪些措施？例如机构已采取行动保护自
己的市场地位，以打击竞争对手，使用有感染力且容易理解的关键信
息，市场营销，定价策略，多样化手段，专业化，改进标书写作技
巧，提供最好的服务，发展与竞争对手的合作关系，竞争分析，建立
声誉）。
• Does the office building belong to your foundation or your foundation is
renting this office building?
办公场所是你们自有的还是租赁的？
• Other office facilities your foundation has?
你们基金会还有其他办公设施吗？

B.  Marketing Targets and Strategies  市场营销目标和策略
• How do you personally define marketing
你个人认为市场营销是什么？
• Current marketing practices of your organisation.
你们机构现在的市场营销方式
• Marketing strategies.
  市场营销策略

• Target customers and stakeholders.
  目标顾客和利益相关人

• Outcomes of marketing efforts (e.g. increase number of projects and/or number of partners).
  市场营销的成果（例如：增加了项目数量或者增加了合作者）

• Did marketing help your organisation achieve its mission?
  市场营销帮助你的机构达到目标了吗？

• How supportive is your top management on marketing in your organisation?
  你们机构中的高层是如何支持市场营销的？

• What is the most important marketing activity for you? (e.g. fundraising, public relations, and advertising were the top three most important marketing activities).
  什么是你们最重要的市场营销活动？（如筹款，公关，广告是三种最重要的市场营销活动）

• What do you believe marketing contains? (e.g. advertising and public relations and also the activity of image building/positioning).
  你认为市场营销应该包含什么？（如广告，公共关系和形象建设/定位活动）

• Which kind of marketing tools the organisation uses?
  你们机构使用的市场营销手段都有哪些？

• Do you do marketing research?
  你们做市场营销调研吗？

• How frequent do you undertake market research? (e.g. every few years, less than once a year)
  你们多久做一次市场调研？（例如：每隔几年，每年不少于一次）

Detailed questions: 详细问题：

• What are the current marketing practices of your organisation? Probing Questions: How well do you observe these practices? Do you evaluate your practices in a regular manner? What are your insights? Site an example.
  当前的市场营销实践是怎样的？探究问题：你如何观察这些实践？你是否定期评估你的实践？你的见解是什么？举例说明。
你们组织现在的市场营销方式是什么？探索性问题：你们如何组织实施这些市场营销方式？你会定期评估现有的市场营销方式吗？对此你有何见解？请举一个例子。

- Do you have marketing strategies? Probing Questions: If there are, how do you benefit from these? If none, are you planning to carry out this exercise.
- 你们有市场营销策略吗？探索性问题：如果有，你们是如何从中受益的？如果没有，你们计划制定市场营销策略吗？

- Who are your target customers and stakeholders? Probing Questions: Are you planning to expand your customers and stakeholders? What are your considerations in expanding your customers and stakeholders in relation to marketing?
- 你们的目标顾客和利益相关者是谁？探索性问题：你们计划扩大你们的顾客群和利益相关者吗？对于扩大你的顾客群和利益相关者的市场营销策略，你有什么考虑？

- What are the outcomes of your marketing efforts? e.g. increase number of projects and increase number of partners?
- 你们市场营销的效果如何？例如：增加了项目数量或者增加了合作方？

C. Factors that Were Considered in Chinese Foundations Organisational Marketing

影响中国基金会组织市场营销的因素

- Product (thematic areas, services) 产品（主题领域，各项服务）
- Promotion (pamphlet, videos, others) 促销（小册子，视频，其他）
- Place (office location, service facilities) 地点（办公地点，服务设施）
- Price (fees) 价格（费用）
- People (funding institutions, recipients, other partners, staff members) 人员（基金机构，接收人，其他合作者，职员）
- Physical evidence (service environment and atmosphere) 物质的例证（服务环境和氛围）
• Process (service production) 过程（服务生产）

Detailed questions: 详细问题:

• Products: What are the products or services that you have? 产品：你们有什么产品？提供什么服务？
• Promotion: How are you promoting your foundation or your products/services? E.g. pamphlet, videos, others. 促销：你们是如何宣传你们的基金会或者你们的产品和服务的？例如：小册子、视频或其他。
• Place: Do you consider (office location, service facilities) your place as highly strategy that improves your marketing? 地点：你们将你们的场所（办公地点，服务设施）当成是提高市场营销效果的极重要的策略吗？
• Price: Are your fees (professional), cost of materials competitive enough with other organisations? 价格：与其他组织相比，你们的费用（专业人员费用），材料成本有足够的竞争力吗？
• People: Who are the individuals/institutions that you are partnering with such as funding institutions, recipients, other partners, staff members? 人员：与你们合作的个人或者组织是哪些？例如筹资机构，接收人，其他合作者，职员？
• Physical Evidence: Describe your service environment and atmosphere? 物质的例证：描述一下你们的服务环境和服务氛围？
• Process: What is your basic process in carrying out your services (service production). 过程：实施你们服务的基本过程是什么？（服务生产）
  ▪ Probing Questions: Are there any other factors that you consider in your marketing? 探索性问题：在你们的市场营销中，你考虑还有哪些因素？

D. Areas of Improvement for Organisational Marketing in Chinese Foundations 中国基金会组织市场营销需要改善的领域
Organisational marketing 机构市场营销
Resource mobilisation 动员资源
Networking 网络化
Quality of product and service 产品和服务质量

Detailed questions: 详细问题

- What are the capacity building needs of your organisation in order to increase the efforts on organisational marketing? Please identify. (The researcher can site some examples on this to facilitate the discussion.)
  为了改进机构的市场营销的效果，你们机构需要在哪些方面加强能力建设？请指出（为了便于讨论，研究者会就这个问题举几个例子。）

- What are the areas that need to be improved on mobilising your resources? Consider the factors of marketing in answering this question. It is ideal that specific areas should be identified in each factors of marketing. (The researcher can site some examples on this to facilitate the discussion.)
  在调动资源方面需要做哪些改进？在回答这个问题时考虑市场营销的因素。最好在市场营销各个因素中确定具体需要改善的领域。（为了便于讨论，研究者会就这个问题举几个例子。）

- What are your needs to improve your organisation networking capabilities? (The researcher can site some examples on this to facilitate the discussion.)
  在提高建立网络的能力方面需要做哪些改进？（为了便于讨论，研究者会就这个问题举几个例子。）

- What are the capacity building needs of your organisation to improve quality of products and services? (The researcher can site some examples on this to facilitate the discussion.)
  为了提高产品质量和服务质量，你们机构需要进行哪些能力建设？（为了便于讨论，研究者会就这个问题举几个例子。）

E. Challenges of Marketing and Fundraising of Chinese Foundations
中国基金会市场营销和筹款面临的挑战

- Internal and external challenges 内部和外部挑战
• Needs of your donors and customers 你们的捐赠者和顾客的需求
• Competitors 竞争者

Detailed questions: 详细问题

• What are the internal challenges? Please identify. (The researcher can site some examples on this to facilitate the discussion.)
  内部挑战是什么？请指出。（为了便于讨论，研究者会举几个例子。）

• What are the external challenges? Please identify. (The researcher can site some examples on this to facilitate the discussion.)
  外部的挑战是什么？请指出。（为了便于讨论，研究者会举几个例子。）

• Does your organisation understand the needs of your donors and customers? If yes, how do you assess the needs? If no, would you consider this as a capacity building need?
  你们机构了解捐赠者和顾客的需求吗？如果了解的话，你们如何评估他们的需求？如果不了解，你们会考虑把这点作为能力建设的需要吗？

• How do you deal with your competitors? Do you consider them as threats or opportunities? Why do you consider them as threats/opportunities?
  你们如何对待竞争者？你认为竞争者是威胁还是机会？你为什么把他们当成威胁或者机会？

F. Future Improvements of Organisational Marketing of Chinese Foundations
  中国基金会组织市场营销未来的改进

Detailed questions: 详细问题

• Please identify any improvement on your existing organisational marketing with respect to the factors of marketing. (The researcher can site some examples on this to facilitate the discussion.)
  请就影响市场营销的因素列举出你们现有的机构市场营销需要改进的地方。（为了便于讨论，研究者可以举一些例子。）
G. Issues for Relevant Officials of Key Government Agency

询问关键政府机构相关官员的问题

- Number Chinese Foundations 中国基金会的数量
- Government policies on marketing of Chinese Foundations 政府关于中国基金会市场营销的政策
- Government policy and Foundations performance through its NPO marketing policies 通过非政府组织市场营销政策，政府的政策和基金会的表现
- Key factors for marketing Chinese Foundations in China 中国基金会市场营销的关键因素是什么？
- Implementation of marketing strategy in Chinese Foundations 中国基金会市场营销策略的实施

Detailed questions: 详细问题：

- Are many Chinese Foundations using marketing? 很多中国基金会进行市场营销吗?
- Are there any government policies that encourage marketing in Chinese Foundations? If yes, how do these government policies help Foundations’ organisational performance? Do you have any criteria in assessing their performance? 中国政府有没有相关政策鼓励中国基金会进行市场营销？如果有，这些政策是如何帮助基金会提高业绩的？你们有评估基金会业绩的标准吗？
- In your opinion, what are the key successful factors for 1) marketing Chinese Foundations in China? 2) implementing the marketing strategy in Chinese Foundations? Why? 在你看来，中国基金会在中国市场营销成功的关键因素是什么？中国基金会实施营销策略成功的关键因素是什么？为什么？
### Appendix D. Information on the Foundations

#### Appendix D.1. Demographic Information of the Foundations

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Registration of the Foundations with Respect to Fundraising</th>
<th>Year of Establishment</th>
<th>Number of Staff</th>
<th>Sources of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation 1</td>
<td>Non-public fundraising</td>
<td>2010</td>
<td>4</td>
<td>Government, donations (cash and materials) charges management fee (10%), and bank investment</td>
</tr>
<tr>
<td>Foundation 2</td>
<td>Public fundraising</td>
<td>1986</td>
<td>17</td>
<td>Government funding, corporate donations, enterprise donations, personal donations, service fees, investment income, etc.</td>
</tr>
<tr>
<td>Foundation 3</td>
<td>Public fundraising</td>
<td>1984</td>
<td>61</td>
<td>Government funding, corporate donations, private donations, a bit grant from oversea, income from cooperative projects and investment income</td>
</tr>
<tr>
<td>Foundation 4</td>
<td>Public Fundraising</td>
<td>1989</td>
<td>100</td>
<td>Corporate and individual person donations, investment income.</td>
</tr>
<tr>
<td>Foundation 5</td>
<td>Public Fundraising</td>
<td>1989</td>
<td>11</td>
<td>Corporate/enterprises donations, donations from individual persons, service fees and investment such as national debits.</td>
</tr>
<tr>
<td>Foundation 6</td>
<td>Public Fundraising</td>
<td>2005</td>
<td>21</td>
<td>Government funding, donations from enterprises and individual persons, grants, investment income, interest income.</td>
</tr>
<tr>
<td>Foundation 7</td>
<td>Public Fundraising</td>
<td>1989</td>
<td>70</td>
<td>Government funding, donations from enterprises, individual persons, grants, service fees (need to donors agree. normally only 10%), and investment income.</td>
</tr>
<tr>
<td>Foundation 8</td>
<td>Non-public fundraising</td>
<td>2007</td>
<td>13</td>
<td>Donation from enterprise and BOT members, investment income.</td>
</tr>
<tr>
<td>Foundation 9</td>
<td>Non-public fundraising</td>
<td>2007</td>
<td>22</td>
<td>Donation and income of the Corporation.</td>
</tr>
<tr>
<td>Foundation 10</td>
<td>Non-public fundraising</td>
<td>2007</td>
<td>40</td>
<td>Donations from enterprises</td>
</tr>
</tbody>
</table>
Appendix D.2. Position and Number of Years in Service of the Participants in the Interview

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Position of the Participants</th>
<th>Length of Service in the Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vice Secretary-General</td>
<td>2 years and 3 months</td>
</tr>
<tr>
<td>2</td>
<td>Financial controller and Vice President</td>
<td>5 and 9 years respectively</td>
</tr>
<tr>
<td>3</td>
<td>Middle lever officer -- Director</td>
<td>3 years</td>
</tr>
<tr>
<td>4</td>
<td>Branding Director</td>
<td>6 years</td>
</tr>
<tr>
<td>5</td>
<td>Division Director of General Office and Funding of the Foundation</td>
<td>15 years</td>
</tr>
<tr>
<td>6</td>
<td>Vice President and Secretary-General</td>
<td>4 years</td>
</tr>
<tr>
<td>7</td>
<td>Directors</td>
<td>19, 15 and 10 years respectively</td>
</tr>
<tr>
<td>8</td>
<td>Secretary-General and Two Heads of Promotion Department</td>
<td>5, 6 and 5 years respectively</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Vice Secretary-General</td>
<td>5 years</td>
</tr>
<tr>
<td>10</td>
<td>Head of Social Programme and Head of Community Development Programme.</td>
<td>2 years, and 3 months respectively</td>
</tr>
</tbody>
</table>

Appendix D.3. Information on the Place of the Foundations

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Ownership of Office Space</th>
<th>Ownership of Other Office Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rented</td>
<td>None</td>
</tr>
<tr>
<td>2</td>
<td>Rented</td>
<td>None</td>
</tr>
<tr>
<td>3</td>
<td>Owned</td>
<td>None</td>
</tr>
<tr>
<td>4</td>
<td>Owned</td>
<td>None</td>
</tr>
<tr>
<td>5</td>
<td>Rented</td>
<td>None</td>
</tr>
<tr>
<td>6</td>
<td>Rented</td>
<td>Some branch foundations have their own offices.</td>
</tr>
<tr>
<td>7</td>
<td>Rented</td>
<td>Kept original rented office in another area of Beijing</td>
</tr>
<tr>
<td>8</td>
<td>Owned</td>
<td>None</td>
</tr>
<tr>
<td>9</td>
<td>Owned</td>
<td>None</td>
</tr>
<tr>
<td>10</td>
<td>Rented</td>
<td>None</td>
</tr>
</tbody>
</table>
## Appendix D.4. Staff Profile of each Foundation

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Educational Attainment of the Staff in the Participating Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation 1</td>
<td>All are BS graduates and 1 Masters graduate</td>
</tr>
<tr>
<td>Foundation 2</td>
<td>90% employees graduated from university</td>
</tr>
<tr>
<td>Foundation 3</td>
<td>98% graduated from university. 1/3 staff member have Master degrees and one staff is studying for Ph.D.</td>
</tr>
<tr>
<td>Foundation 4</td>
<td>Over 90% graduated from university and among them 30% have Master degrees, and 5% of the staff graduated from college</td>
</tr>
<tr>
<td>Foundation 5</td>
<td>8 graduated from university, and 3 graduated from college</td>
</tr>
<tr>
<td>Foundation 6</td>
<td>90% graduated from college, and among them 20% graduated from university with Master degree</td>
</tr>
<tr>
<td>Foundation 7</td>
<td>95% staff members graduated from university</td>
</tr>
<tr>
<td>Foundation 8</td>
<td>2 staff with PhD degrees, 3 with Master degrees, 6 with Bachelor degrees and 2 graduated from college</td>
</tr>
<tr>
<td>Foundation 9</td>
<td>100% graduated from university, and more than 50% among the staff have Master degrees, and the staff members are 27 years old averagely</td>
</tr>
<tr>
<td>Foundation 10</td>
<td>100% employees graduated from university. 1/3 graduated from universities of other countries and returned to China. The employees are quite young with over 30 years old averagely</td>
</tr>
</tbody>
</table>