



BRANDING IN THE NOT-FOR-PROFIT SECTOR?

A Practical Guide for Not-For-Profit Executives and Managers

For Achieving a Competitive Advantage Through the Branding Process



EXECUTIVE SUMMARY

The landscape for not-for-profit organizations is changing. Competition is increasing as funds continue to be cut. Donors are beginning to take a more active role in the giving process. They are increasingly seeking organizations that are efficient and have values similar to their own. These trends have put increased pressure on organizations to establish “a name” for themselves in order to attract the much-needed funds required to expand and operate.

Branding, a word emerging in the not-for-profit sector, may just be the key differentiating factor to help hospitals and other NPO’s achieve the success and recognition desired in this increasingly competitive environment. Many NPO’s have turned a blind eye to the strategic process of branding. But NPO’s that have recognized its power and incorporate it into all processes have seen tremendous returns.

Branding is about managing two key factors. On the business side, what message is to be conveyed; and on the consumer side, how it is perceived. If these two factors can be aligned with the strategy and vision, a brand will emerge from the organization and provide the returns and loyalty required to compete in the not-for-profit sector.

The following paper looks at branding in the not-for-profit sector and the current and emerging trends that are making branding an essential component of any business plan. This document will allow managers to understand the importance of not only creating a brand, but also of communicating it to the many stakeholders involved in any organization. As well, four case studies are presented in order to bring branding principles and practices to life.

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BRANDING IN THE NOT-FOR-PROFIT SECTOR

Branding is a much talked about phenomenon, and while widely practiced in business, not-for-profit organizations (NPO's) have been slow to pick up the concept. But, what is branding and how can we successfully use it as a tool? Chuck Weinberg defines branding as "the development and maintenance of an encapsulated identity".¹ If this is the case, then the process of branding incorporates the consistent communication to employees, customers and other stakeholders (through logos, ads, and other communication vehicles) of who and what the organization is and does in a message that reflects the needs of the target audience.

People construct reputations of firms on the basis of information provided from both internal and external sources. When making investment, career and product choices, corporate stakeholders use the reputation of a firm to guide their decisions. In a variety of studies, favourable reputations of firms have been found to give a company the ability to charge premium prices (Klein and Leffler, 1981; Milgram and Roberts, 1986), attract better applicants (Stigler, 1962), enhance access to capital markets (Beatty and Ritter, 1986) and attract investors (Milgram and Roberts, 1986).² As well, a branded product can be used to minimize the search for information; acting as a heuristic for consumers when finding information.

A brand is a company's most valuable asset and can affect an organization's growth opportunities. It is not just the development of a name or logo, but a construct that should be aligned with the (marketing) strategy of an organization, followed by the consistent communication of this strategy throughout the whole branding process. This consistency builds trust by creating a recognizable name that helps to influence a customer's preference, and strengthen the bottom line.

What does this mean for NPO's? Marketing these organizations is a challenging endeavour. While the process is still the same as when marketing a product, the idea is very different as you exit the tangible realm and enter the world of intangibles where perception plays an even greater role. In particular, social marketing is becoming one of the most significant areas of focus in both developed and less developed countries. While little research data is available for the Canadian market, a UK study on the use of branding in the not-for-profit sector found that many organizations were not making efficient use of branding techniques.³ While we can't apply the same conclusions to Canada, it is recognized as an increasing phenomenon amongst Canadian NPO's; and if they haven't recognized it yet, they eventually will, due to the many current and emerging trends that are making it an essential part of business.

¹ Nyp, Gary, "The (New) Art of Being Understood," (27 January 2000) *Front and Centre*, Canadian Centre for Philanthropy, 7, 1-3. Retrieved 3 February 2002 from the World Wide Web: http://www.ccp.ca/information/management/marketing/fc_jan001.htm

² Ibid

³ Bennett, R., and Helen Gabriel (2000), "Charity Affiliation as a determinant of product purchase decisions," *Journal of Product and Brand Management*, 9, 255-270.

WHY BRAND THE NOT-FOR-PROFIT SECTOR Philanthropists' Needs

With the increased cutbacks, many NPO's (such as hospital foundations) are under increasing pressure to attract and retain loyal donors.⁴ It is estimated that 25% to 30% of funds for capital building and renovation will have to come from non-government sources; and with the increasing competition amongst NPO's, it will become even more difficult to capture a share of these dollars.⁵

According to Ross Gregor, Chair of Ketchum Canada Inc. (a company that raises funds for NPO's), one of the most important challenges facing fundraisers is the increasing level of scrutiny they will face. With so many organizations to choose from, donors are increasingly searching for organizations that accountable for their actions. Therefore, there is an increasing need to focus communication about fundraising on quality and availability of care, as well as accountability and efficiency.

In a 2000 Canadian study on the face of NPO's, it was found that health-related organizations received the highest number of individual donations (41%) but only obtained 20% of the total amount of money donated (this is up from 17% in 1997). One reason for this could be the increasing negative perception of NPO's. For example, of the reasons cited for not donating more, 47% said they didn't like the way in which requests were made (in 1997 the number was 41%). Furthermore, up from 40% in 1997, 46% didn't donate more because they didn't think the money would be used efficiently. However, one of the more interesting findings is that an increasing number don't donate because they find it hard to find a cause worth supporting. This number was at 21% in 2000, up 4% from three years earlier. Even more interesting, of the people who did donate, 15% in 2000 (10% in 1997) said they didn't donate more because it was hard to find a cause worth supporting. As well, many respondents said they didn't donate or donate more because they didn't know where to make a contribution.⁶

This data indicates that the lack of communication between NPO and consumer is negatively affecting our NPO's. There are people who want to give but lack the required information in order to make a donation. However, there is one tried and true method to combat these challenges, and that is to invest more money in brand-building programs. Branding will establish a reputation in the marketplace and will consistently communicate to and address the

⁴ Webb, Deborah J. and Corliss L. Green and Thomal G. Brashear (2000), "Development and Validation of Scales to Measure Attitudes Influencing Monetary Donation to Charitable Organizations," *Journal of the Academy of Marketing Science*, 28, 299-309

⁵ Stewart, J. (1997), "Move to More Corporate Health Care System May Affect Hospital Donations," *Canadian Medical Association Journal*, 157, 189-190.

⁶ Statistics Canada. "National Survey of Giving Volunteering and Participating," 2000. (Catalogue No.71-542-XIE) Retrieved 26 February 2002 from the World Wide Web <http://www.nsgvp.org/n-2000hr-ca.htm>

concerns of potential donors. But who are these people that we communicate to? The following section addresses the pertinent stakeholders in the branding process.

STAKEHOLDERS INVOLVED IN THE BRANDING PROCESS

Branding to Philanthropists

With the growing need to attract donors there is an increasing need to communicate the brand to these stakeholders. In study after study researchers document the need for a “fit” of needs and values between donor and recipient in order to increase donations.⁷ Establishing a brand and communicating it through the branding process can help attract these much-needed funds. Donors go through a cost/benefit analysis when determining which social cause they will take an active interest in. It is the same as when a consumer is evaluating a product. They look at their familiarity with the charity, its efficiency (the amount spent on helping the end beneficiary vs. the amount spent on administration and fundraising), and its perceived effectiveness in terms of meeting goals. Therefore, generating awareness for the brand and developing one that is aligned with the needs of the philanthropic community should be a top priority for NPO managers.

Familiarity with brands creates trust in NPO’s which has been shown to lead to higher evaluations and donations. Topps (1996) found that the most powerful brand values affecting donations were trust, rationality and sympathy.⁸ Furthermore, in a survey of the charity brand values most likely to stimulate donations, it was discovered that four main factors contributed to people’s perceptions of NPO’s: Emotive altruism – caring, passion, sympathetic; Efficiency – uses assets wisely, professional, can get things done; Trust – reliable, honest; Modernity – energetic innovative and progressive.⁹ Appealing to these qualities and demonstrating the NPO’s ability to satisfy the needs of donors is likely to provide a more favourable image for the organization and subsequently increase funding.

Having a favourable image can produce the “halo effect.” This is where people not familiar with the organization will associate positive qualities to its offerings based on preconceived notions obtained from communication materials and other external variables. Take, for example, the Heart and Stroke Foundation. While most of us don’t know how the organization is run, we most likely assume that they are efficient, credible and respectable because of its annual “Heart and Stroke Foundation Lottery”- a campaign that is highly visible to the general public. If given a choice between supporting this lottery or another less well known one, it is more likely that someone would give to the Heart and Stroke Foundation based on its sheer visibility and built up associations. This is backed up by research showing that individual familiarity with NPO’s (from direct or indirect exposure) contributes to the formation of an image, which might be

⁷ Webb, Green and Brashear, 2000; Hankinson, Philippa (2001), “Brand Orientation in the Top 500 Fundraising Charities in the UK,” *Journal of Product and Brand Management*, 10, 346-360.

⁸ Harvey, James W. (1990), “Benefit Segmentation for Fund Raisers,” *Journal of the Academy of Marketing Science*, 18, 77-86.

⁹ Bennett and Gabriel (2000)

strong enough to influence a decision to donate or not.¹⁰ Even universities try and attract donors using image appeals. For example, Waterloo stresses its high ranking in MacLean's annual university issue when going to donors.

People want to be associated with winning organizations and whether real or not, it is the manager's job to convey a positive image that appeals to the needs of the donors in order to gain a share of their funds. Whether it is NPO's or health care, a strong brand differentiates an organization, makes selection easier, generates awareness, aids in the development of partnerships and alliances and helps build strong relationships with stakeholders. To shield against the negative effects of the current state of NPO's and the rising trends affecting its future, branding will continue to be important as these organizations try and combat the increasing competition in the marketplace.

Brand to Employees

Branding can act as a valuable tool to help recruit and retain employee. It is believed that a mutual "fit" between company values and personal values would attract the appropriate type of person for the job.¹¹ Furthermore, research shows that career satisfaction is related to the perception that a person gets as much out of his/her lives work as he/she puts in. Therefore, branding is essential to not only attracting, but also retaining employees. Employees need to understand the brand, and in essence, become brand ambassadors for it. All tasks need to be performed with the brand identity, mission and vision in mind so that consumers can live the brand through the employees.

¹⁰ Bennett, R., and Helen Gabriel (2000), "Charity Affiliation as a determinant of product purchase decisions," *Journal of Product and Brand Management*, 9, 255-270.

¹¹ Hankinson, Philippa (2001)

WHAT WE CAN DO

Now that we know that a brand is a strategic resource that generate trust in and loyalty to the organization- what can we do? With the need to attract capital, an understanding of the stakeholders' decision process and the qualities they look for in an organization will be important in defining a value proposition that communicates the brand. The challenge for NPO's, is that, in most cases, they lack a tangible product. However, when done correctly, branding and the resulting brand image can exert a powerful influence on consumers' perceptions and behaviours, resulting in significant returns.

In order to invest in brand building it is important for managers to understand the role the brand is playing in the organization. Management should look at how the brand is perceived by consumers, competitors, employees and other stakeholders, and use that knowledge when establishing a position in the marketplace. Furthermore, a unique selling proposition needs to be determined and communicated consistently and seamlessly, both internally and externally.

True brand integration requires all employees to carry out the mission and vision throughout their daily activities so that the brand essence is filtered through to the consumer. Given that employees are the key point of contact with consumer's tools such as identity manuals need to be created for staff in order to effectively live out the brand.

No brand strategy is complete without the consistent and seamless implementation of a brand to all stakeholders, through all planned mediums. While the vision and strategy comes from the top, the whole business system needs to be aligned with the brand promise. The organization's culture, strategic planning and program development need to be created with the "brand" in mind so that stakeholders are continuously reinforced with a streamlined message.

Furthermore, when looking at NPO's, the shotgun approach may not be the best way to attract and retain donors, requiring managers to segment stakeholders based on needs. One study conducted a cluster analysis of data from major philanthropic donors and identified seven philanthropic styles reflecting the motivations people had for making charitable donations. For some, personal and internal reasons were major contributors to donation behaviour, for others, more pragmatic and external factors prevailed.¹² Therefore, appealing to consumers' needs is just as important in the not-for-profit sector as it is in the tangible realm. While the qualities they seek may be somewhat different, the decision process is the same (see Appendix A for trends in donation behaviour which can assist in the development of segmentation and communications development).

By building a reputation based on qualities sought, NPO's can achieve that favourable first impression and attract the "new" health care consumer and donor. In the end, the final goal is to achieve loyalty and top of mind awareness amongst all stakeholders. You want people to see your organization as the only solution to their problem. This can only be achieved by focusing on the key benefit(s) stakeholders will receive in order to ease the decision making process.

¹² Rytting, Marvin, and Roger Ware and Russ Prince and Karen M. File (1994), "Psychological type and philanthropic styles," *Journal of Psychological Type*, 30, 3-9.

A name is not just a name anymore. It is a build up of associations that when managed carefully can add significant value to an organization. NPO's are not immune to this concept. People don't just give to a company, they give to what it believes in, what it stands for; and the more similar an organization is to its audience, the more affiliated they will become with the brand and the more donations they are likely to give.

The following case studies will put this theory into perspective. From brand architecture to consistent communication, the following organizations have implemented strategic branding principles. As you will see, the results are quite amazing as to what the power of a brand can achieve in terms of monetary and non-monetary returns.

CASE STUDIES

Case 1: Hamilton Health Sciences¹³

In 1996, the Hamilton Civic Hospitals and the Chedoke-McMaster Hospitals voluntarily merged to become the Hamilton Health Science Corporation (HHSC). In 1997, the separate hospital foundations merged to form the Hamilton Health Sciences Foundation (HHSF). The hospital was gaining the reputation as being “mis-managed” due to its continuous deficits (in 1999 it was estimated to be at \$38.9 million). It wanted to change this image amongst the various stakeholders. Previously when people thought of HHS, images of “corporate,” “bureaucratic,” and “inefficiency” were brought to the forefront. The management wanted to change this image so that people would link HHS with health care and science, not “corporation.” It wanted to be known as a caring hospital to people in Hamilton and beyond, so the HHSC set out to re-brand itself in an effort to gain employee, community and donor acceptance.

In 1999 the branding campaign was launched. Corporation was dropped from the name, and a new logo, connoting caring as opposed to corporate, was developed. While each hospital would maintain its own image, HHS would act as the “parent” brand and the other hospitals would act as “sub-brands.” The communication developed was seamless and flawless. Advertisements were put in the papers, and on city transit, all in an effort to change its image and attract employees and funds. The ads really connected with the people of Hamilton as they could all relate to the messages HHS was sending. For example, ads depicting the Hamilton Tiger-Cats read: “What’s it Like to Tackle Health Care? Well, it’s a Heck of a Lot Tougher Than the Argos.” To compliment the launch of this campaign-some may call it a marketers dream-the Tiger Cats had a 35-28 win over the Toronto Argonauts in the same week the campaign was launched.

Communication programs were also given to employees to assist in creating and enforcing the new image. While HHS is still trying to get employee buy-in, the change, like in any other business, will be slow.

In 2000, the new symbol was adopted by the HHSF. Funding increased by 20% with much of it being attributed to its “new” image in the market place. Furthermore, in a satisfaction survey, 65% were supportive of a tax levy, a number that would have been difficult to achieve in previous years.

While circumstances required the campaign to end, the branding has continued. To further gain a competitive advantage, HHS wants each hospital to be affiliated with a particular area. For example, Hamilton General with Cardiac Care, and Henderson General with Cancer. This type of relationship provides the opportunity for increased funding as donors search for affiliations with hospitals and foundations.

The challenge now, says Mike Farrell, VP of Communications and Development for the foundation, is “to make sure we don’t lose the softer side of health care.” According to Mr.

¹³ Farrell, Mike, Vice President, Communications and Development, interviewed by Candace Steinberg, 16 January 2002, Hamilton, ON (905) 522-3863.

Farrell, key reasons for giving are: belief in the mission; the foundation's ability to manage a gift; previous relationship (patient or family member was a patient); and reputation.

It can be seen that there is congruence between what the literature states and what is practiced in the real world. When HHS set out to re-brand itself it used this knowledge of donation behaviour in order to initiate a calculated attempt to change its image and reputation in an effort to increase donations. The new logo has a softer touch to it where as the other one connotes more of a "rigid," "inflexible" personality (see below). Also, while consistency in image is important, sometimes it is strategically better to maintain the essence of the brand (the who you are factor) and at the same time create or keep some point of differentiation. For example, the Children's Hospital logo was kept the same because of the community's strong affiliation with the hospital. However, at the site it is clear that it is part of HHS, but for communication purposes it was decided to keep it separate because of the significant equity built into that brand.

It is important to remember that a logo is not enough. It is a feeling and an image that needs to be felt both inside and outside the organization in order for the true magic of branding to work.

To understand how they use their new brand when communicating to employees and outside stakeholders, log on to their web site at www.hamiltonhealthsciences.ca. You will be able to see how the re-branding strategy is incorporated into their external communications, mission and vision statement, and different businesses, all in an effort to attract various stakeholders.

Previous Logo



Re-branded Logo



Foundation Logo



Children's Hospital



Case 2: St. Joseph's Hospital System¹⁴

Part of the strategic decision process with branding is how the “brand architecture” will be laid out. For example, will the brand have more value if it is unconnected to the parent brand? Or would it be more appropriate to have many “sub-brands” with the parent brand as the endorser? It’s

like the difference between Proctor and Gamble (P&G) and General Electric (GE). Proctor and Gamble doesn’t directly associate the company with its products. While many people know it makes Tide, P&G tries to keep its brands separate from its corporate identity. However, GE is GE whatever business it is in. Whether it is GE Appliances or GE Capital, the parent brand always dominates the sub-brands. There is not necessarily a right or wrong answer as to how the businesses will be connected. The decision depends on the organizations strategic goals and how it wants to be perceived in the marketplace.

NPO’s are not immune to this type of strategic thinking. The St. Joseph’s Health Care System (SJHCS) is one of the largest corporations in Canada devoted to health care, offering a diversified number of health and social services through its affiliated hospitals. The SJHCS has established itself as the “parent brand” with each affiliated hospital having a distinct, yet related identity. Its strengths lay in its efforts to not only maintain a common mission and vision (adjusted for individual identity) but to communicate it to all stakeholders and across all communication medians.

"St. Joseph's Healthcare's graphic identity system is an essential tool for doing business in today's world. To do its job, our logo must be appropriate, distinctive, and memorable. It must also be consistent and unvarying, wherever it appears. Only by maintaining uniformity in all applications can our corporate identity achieve reliable recognition."

www.stjosham.on.ca

This is a statement from the introduction of its Corporate Identity Manual. You can see the commitment St. Joseph's has in terms of maintaining consistency in its image and communicating it to all stakeholders.

The development of the branding for the St. Joseph's Health Care System was the result of a strategic decision to keep each hospital affiliated with the system but to also separate them in order to maintain their unique identities in their respective communities. This is the type of planning and thinking that should go into any re-branding effort if maximum returns are to be achieved. As will be mentioned in the next case on the St. Joseph's Hospital Foundation in Brantford, keeping the foundations affiliated with specific hospitals has helped to achieve significant returns in each community, particularly in Brantford.

¹⁴ Guest, Brian, Executive Director of St. Joseph's Health System, interviewed by Candace Steinberg, 12 February 2002, Hamilton, ON (905) 528 4753.



Case 3: St. Joseph's Lifecare Foundation¹⁵

In May of 1998, the Health Services Restructuring Commission deemed the closure of the St. Joseph Hospital in Brantford. The St. Joseph Hospital Foundation (SJHF), which has always had a positive identity in the community, faced a tough decision since its only benefactor would be closing. With the ruling by the HSRC it recognized the need to develop positive communication pieces to help sustain its image and make its affiliation with the community stronger. St. Joseph's didn't want the community to think that it was abandoning the hospital or other stakeholders and needed to communicate to its public that it was still committed to the community. The foundation had to separate itself from being the funding body for the hospital and wanted to communicate its expanded fundraising scope. The president of the Foundation recognized that...

“They had to deliver messages that consistently supported their commitment to St. Joseph's Hospital and the community.”

The Foundation got donors and all its stakeholders involved in the transformation of the Foundation. SJHF changed to St. Joseph's Lifecare Foundation and instead of closing down by 2000, as mandated by the HSRC, it polled Health Care professionals to identify unmet needs in the community so that the Foundation could continue to grow and support other health care facilities. With the information provided, the “Community Needs and Assessment Study” was constructed to identify community health care needs. Hospice care was mentioned as number one – the same idea the professionals came up with- and so plans are underway to open up a “Life Care Centre” for the elderly.

Part of the foundation's success can be attributed to its adherence to the number one rule of branding – consistency through all communications. In March 1999, the Foundation embarked on the “We're in it for life Campaign.” Communication included:

- Sending mailers to households
- Creating links to the St. Joseph's Health System and Foundation
- Developing a newsletter
- Setting up a phone line – 751-LIFE
- Setting up an advisory board
- Holding various events in line with the new theme to communicate new strategy
- Developing advertisements for print, billboard
- Developing a script for stakeholders so that everyone was communicating the same message – even volunteers

¹⁵ Consorti, Olga, President and CEO of St. Joseph's Lifecare Foundation and Patti McCleister, Community Relations Co-ordinator of St. Joseph's Lifecare Foundation, interviewed by Candace Steinberg, 13 March 2002, Brantford, ON (905) 7751-7096.

The marketing communications programme was developed so that the target audience could identify positively and personally with the SJLF in their new role and current situation. Key messages they wanted to express:

- To reiterate continued support for St. Joseph Hospital’s equipment and research needs;
- To emphasize its newly expanded role to fill unmet health care needs in the community that are in line with the mission;
- To reconfirm that all money raised in the past and future would stay in Brantford and Brant County;
- To commit to the community that their new role would be to keep the foundation’s goals in line with the spirit and mission of the Sister’s of St. Joseph of Hamilton, in the community.

A positioning statement was developed considering issues such as:

- How it wanted to be perceived by its donors and community
- How could it add value in the minds of supporters and the community

In 1980, the SJHF created the “Share the Vision” capital campaign, raising \$4.2 million over a five-year period and securing 1400 donors. By fiscal year end April 1998, it raised a record \$800,000 through its Annual Giving Program.

While the hospital is currently closed, plans are under way to develop a new “Life Care Centre,” which will be both publicly and privately funded. Given this, it might be surprising to note that its donor base has increased significantly along with the amount of donations. Recently, its most successful appeal was completed. The “Angel’s of Christmas” campaign raised an amount exceeding the foundations goals and achieved a response rate of 3.75%, an excellent number for a “bulk unaddressed mailing.” Furthermore, personal appeals achieved a responses rate of 35.1% raising on average over \$1,200 per person (see chart below). When both the personal and bulk figures are combined you can see that the average donation and total donations has been increasing over the years (despite the hospitals closure). Also pay attention to the years prior to 1999, when the annual campaign was done jointly with the Brantford General Hospital. For example, the amount raised in 1998, was less than that in 2001. Furthermore, the SJLF received a percentage of that figure, making the contribution significantly less. While there is not a measurement of what percentage has come from its “brand equity,” the fact that it has strategically and emotionally connected with its donors through its communications is most likely one contributing factor.

	Angels 2001	Angels 2000	Angels 1999	Tree 1998	Tree 1997	Tree 1996
# pieces mailed	43,864	44,817	45,985	45,131	45,000	45,000
# donations	1,219	1,433	1,010	1,536	1,473	1,027
Gross Total	\$140,536	\$109,505	\$80,193	\$127,158	\$97,716	\$89,031
Average Gift	\$115.29	\$76.42	\$79.40	\$82.78	\$66.34	\$86.69
Rate of Respons	2.80%	3.20%	2.20%	3.40%	3%	2%

Source: SJHF Angles of Christmas campaign results

One determination of success for foundations is the number of new donors and for the 1999, 2000 and 2001 Christmas appeal, 19.9%, 27.1 and 37% were new donors- a significant increase over prior years.

While the new centre will not be up for a few years, part of its success will depend on the smooth integration between the culture, staff and people of St. Joseph's and John Noble Home's (its partner in this initiative). St. Joseph's is already including its partner in the development of the new "Life Centres" name and other strategic decisions. This type of inclusion lends empowerment and involvement – two common themes for gaining buy-in.

Key Success Factors of Re-Branding Effort

- Empowered donors, patients, staff and the community in the decision process for the future of SJLF
- Developed communication pieces such as newsletters and programs to offer donors more personal attention
- Held events and sent newsletters to staff, patient, volunteer and doctors to get buy-in for its new direction
- Seamless communication from strategy to execution, using "multi-layer" advertising to get its message across
- Consistently use mission, vision and values to drive all strategic decisions

One of the most important success factors is whether strategic decisions are rooted in sound research practices. When you brand something, it should be with your customers and other stakeholders in mind. Therefore, developing a positioning statement, program or any type of communication should be based on research from the customer. Part of the future success of the new "Lifecare Centre" will be because the community was involved in the whole process. For example, when it polled influential people in the Brantford community regarding whether or not the new centre should have its own logo/name, the majority of respondents said yes. This type of information signals an affinity for the brand, and to act counter to this response (which it is not) would affect the brand image. When you get people involved, particularly important stakeholders, the "brand" becomes a part of them and their affiliation becomes stronger resulting in increased revenue, recognition, and donors.

Case 4: St. Joseph's Villa¹⁶

Founded in 1879 as the House of Providence, the St. Joseph's Villa, located in Hamilton, Ontario is recognized as a leader in Canada for its care of the elderly. The Villa provides care for 378 residents as well as offering an outpatient service. In partnership with the local Rotary Club, the Villa offers a respite program where family members can bring in their loved ones to stay at the Villa, relieving stress for both the caregiver and patient. The Villa also hosts a day program for almost 200 seniors in the community. For seniors who can live independently there is St. Joseph's Estates, which is located on the grounds and provides easy access to the many amenities the Villa offers.

In 1999 St. Joseph's became the first long-term care facility in North America and the first Health Care Facility in Canada to receive ISO Certification. A designation awarded to companies following strict quality guidelines; and in the Villa's case, quality care.

Presented by the Honourable Hilary Weston, Lieutenant Governor of Ontario and in partnership with the Fraser Institute, in 1999 the Villa was the recipient of the Donner Canadian Foundation Award for Excellence in the Delivery of Social Services. In both 1999 and 2000 the Villa received the Donner Award for Excellence in Services to Seniors. As well, for the fourth consecutive year, the Hamilton Spectator's Readers' Choice Award for being the "Best Retirement and Long-Term Care Facility" was handed to the Villa. Furthermore, it was the first long-term care facility to obtain additional funding from the government for its new facility. Also, in 2000 the Canadian Council of Health Services Accreditation, accredited the Villa.

Success like this does not happen by chance but by the continuous monitoring of its quality standards and resident care. For over 16 years the Villa has used an extensive Quality Management system and is currently switching to a Continuous Quality Improvement (CQI) process. For the Villa, the success of these programs lay not in the systems themselves but in managements desire to train employees to incorporate these philosophies into their work, so that residents receive the best quality care.

The achievements of the Villa are the direct result of its need to continuously re-evaluate and improve services. Like the St. Joseph's Lifecare Foundation, the Villa seeks input from residents and family members when developing and reforming services. Currently, researchers at the Villa are developing a measurement tool that will help pinpoint what quality means to individual stakeholders so that services can be refined and patients can receive individualized care.

One endeavour, where success has yet to be measured, is the development of "neighbourhoods" in its new facility where residents will be able to determine what will be in their core living space while also having access to services such as a beauty salon, a pool, restaurants and coffee shops. The development of this idea was the direct result of talking to both seniors and employees and identifying gaps in the current services offered so that improvements could be made and quality of life and work could be enhanced. Therefore, gaps on both the residents and staff side were

¹⁶ O'Krafka, Paul, CEO of St. Joseph's Villa, interviewed by Candace Steinberg on 3 April 2002, Hamilton, ON (905) 627-3541.

evaluated and a package of services will be provided based on the needs of both parties. This is all part of its “holistic” approach to health care which sees generations of families coming back to the Villa for consistent quality care.

One interesting finding is that the Villa does not see the government, as its major customer, which has been a trap for many not-for-profit organizations. Instead it focuses on building community support making the Villa’s voice in government much stronger. As well, the fact the Villa was the recipient of so many awards and has ISO certification gives the Villa a competitive advantage when seeking funds and support.

In fact, obtaining ISO certification has helped increase charitable donations substantially. In one campaign where \$2 million was expected to be raised, the Villa raised more than 300% of that, achieving \$6.2 million in charitable contributions. Furthermore, on five of the major gives where the Villa was trying to raise over 250,000, it was found that the mere mention of ISO Certification and the Fraser Institute sparked interests and made donors want to engage management in conversations. As well, when the media became aware of the Villa’s ISO Certification, the Chair of the Board received more calls than usual and it was the first time the Villa had been mentioned in the Business section of the newspaper (the section corporate donors most likely read).

So what does this say about branding? As we have seen in the other cases, part of the Villa’s success can be attributed to its commitment to its customers and employees, and incorporating their ideas into the services offered. Furthermore, its mission statement of L.O.V.E (Living Our Values Everyday) is used as a tool to guide staffs’, Board members’ and volunteers’ actions and decisions so that the mission is filtered through to the residents and other stakeholders. Enforcing this type of practice makes the affiliation one has with an organization stronger helping to build the brand and reputation.

Receiving ISO certification provides the Villa with an immense competitive advantage. Without mentioning anything else about an organization, ISO adds instant credibility, as it is an internationally recognized certification for quality. Now that we know that donors look for efficiency and effectiveness in the organizations they are giving to, achieving ISO status, which signifies quality and efficiency, is likely to draw in many donors. It should be of no surprise that corporate contributions increased since having ISO status assures corporations that their money will be put to good use. Whether real or not, only the name will tell!

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APPENDIX A: TRENDS IN DONATION BEHAVIOUR

- There has been an increase in the average annual donation of Canadians aged 15 to 24 (from \$79 to \$118) and those age 25 to 34 (from \$159 to \$229) making it important to identify the reasons for donating among various segments.¹⁷
- Married Canadians were more likely to donate (84%); with widowed (77%); divorced (72%); and single (66%) following behind.
- The likelihood of donating and making higher donations increased with education levels. Canadians with a university degree gave the most but their rate of donating decreased to 84% from 90% in 1997. This is consistent with the finding of Harvey (1990) where well educated individuals here more likely to donate higher amounts.
- Not surprising, it was found that 80% of the total value of donations to charitable and not-for-profit organizations in 2000 came from 25% of donors who contributed \$213 or more. Overall, just fewer than 20% of Canadians provided 82% of the total value of donations.
- Specific to the importance of branding is the fact that more donors (18%) were deciding in advance the amount of money they would give and the organizations they would support. Those who decide in advance the amount they would give made up 33% of the total dollar value of donations. Furthermore, 41% in 2000 gave regularly to the same organization. As well, 29% of donors only gave to one type of organization with the other 71% giving to two or more types of organizations.
- Forty-seven percent in 2000 vs. 41% in 1997 reported not liking the way in which requests were made. Given that most donors make their donation decision in response to being asked, the way they are asked can be a critical factor in determining whether a donation will be made and how much they will give. This has significant implications, as it is important to understand your customer and how they respond to varying requests. As well, when trying to get donors, the communication pieces they receive will be the basis on which their first impression of your organization is made; and depending on their propensity to give, will likely make or break their decision to contribute to your organization.
- Another important aspect is to review the communication pieces that bring in the most revenue. For example, door-to-door canvassing accounted for 15% of the total number of donations but brought in less than 5% of the total \$4.9B donated in 2000. Therefore, consideration must be given to the cost-benefit of solicitation method and whether resources would be better used elsewhere. Therefore, on the one hand it is important to determine returns and how money could be better spent and on the other hand, having a good brand and communicating it to the public can be a good source of returns in itself.

¹⁷ Statistics Canada. "National Survey of Giving Volunteering and Participating," 2000. All statistics from this section are from this source