



Module 1

Difference between Non-profit and For-profit communication

Introduction to the module



Module 1:
difference between
Non-Profit and
For-Profit
communication

Increasing the communication ability of an NGOs has to be strictly connected to the awareness of which kind of communication strategy is the best for non-profit and for-profit communication.

In order to better identify the two categories another point to consider is the thin line between non-profit communications and marketing: there are a lot of tasks that can be performed by either a marketing or communication professional. Identifying the best communication strategy for your organisation can help the NGO spreading its aims and results to better attract beneficiaries and stakeholders.

Any kind of organisation has to catch the attention of its stakeholders. Non-profit organisations face competition just like business companies; they compete against other service providers but also against people's passivity. Non-profit organisations have to make strategic decisions about the resources and tools used to reach their goals.

In a non-profit organisation the aim of developing and reinforcing the communication strategy is strictly connected to the effectiveness of its actions.

Setting strategic goals is an important asset to communicators. A good communication strategy needs to emphasize how effectively a social organisation strives for its vision and delivers on its mission. Decisions on how, why and what to communicate need to be support the organisation to achieve its goals and objectives.

In this module we will discover the differences between non-profit and for-profit organisations that are essential to consider when designing a communication strategy; and the elements that a non-profit organisation has to evaluate when it comes to communication.



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Differences between for Non-profit and For-profit organisations

Non-profit and for-profit organisations have different missions, target audiences, and problem solving strategies. In order to design tailor-made communication strategies, it is essential to be aware of those differences.

1. Purpose

While for-profit organisations may have a variety of goals, their primary mission is to generate profit and develop effective products and services that are valuable to consumers. A non-profit organisation is dedicated to promote a social cause or to advocate a particular standpoint, for example about human rights and environmental needs, poverty, education, etc. The activities and services of the organisation strive to solve important, potentially life-threatening problems and issues. Therefore, success for non-profits is measured based on whether the organisation accomplishes its philanthropic mission.

2. Funding

One of the most important aspects of running an organisation is establishing a consistent method for funding projects and management activities. For-profit organisations tend to fund their initial efforts through bank loans, local investors and revenue generated from sales. Non-profits often take a different approach by seeking out private donations of time and money, corporate sponsorships and government grants, among others. Crowdfunding, a form of web fundraising, lately has also become a popular method of funding for non-profit organisations.





3. Diversity of Audience

For-profit companies can have a much more defined target audience than that of a non-profit. In a for-profit organisation the company seeks to reach and establish a relationship with consumers who will purchase their products/services to help to generate revenue.

Rather than delivering a product or service directly, non-profits are typically approaching their audiences with a message about a product, service or action. Non-profits must reach a more diverse audience which can include volunteers, donors, corporate sponsors, and the general public.

Due to this broad audience, non-profits must carefully consider the interests of each segment of their audience.

4. Leadership

The executive leadership of a for-profit company is typically quite clear. Whether it's a privately held small-business or a large corporation with boards and stakeholders, leadership responsibilities are distributed amongst a selected group of individuals.

Non-profit organisations tend to be led and directed by a board of directors who guide the future of the organisation without possessing direct financial ownership. While not concerned as much with financial success, the leadership does have to balance financial concerns alongside with social and/or environmental issues. In this case, leadership meeting agendas tend to include a wide array of topics such as funding for upcoming projects, social and political concerns linked to their mission, organisational performance, fundraising and potential community concerns that need assistance.





5. Organisational Culture

The differences in mission can lead for-profit and non-profit organisations to establish two distinctly different organisational cultures. Due to the goal of financial gain, the culture within for-profit organisations tends to focus on finances and business metrics and employees are also encouraged to be innovative with the creation of new products and markets.

The culture within a non-profit organisation is often more community-oriented, as employees are often asked to address and solve problems that have little financial incentive. With this community-oriented culture, it's common to see employees of non-profit organisations advocating for the organisation outside their work schedule.

6. Taxation

Typically, non-profits are able to provide their services as a public good without rendering a portion of their earnings back to the government. Likewise, individuals and companies donating to these organisations are able to write off their contributions as tax-deductible. For-profit companies are not able to benefit from tax exemptions and must pay taxes as the law requires. Of course, each organisation depends on the laws of its Country.

7. Staff

The workforce of a non-profit organisation can be totally different than that of a for-profit organisation. While a for-profit organisation will consist mostly of paid employees and interns, a non-profit typically relies heavily on volunteer staff. This element links up with many other aspects of a non-profit company, as these volunteers will also frequently be on the front line representing the non-profit organisation's mission to potential future donors.





Non-profit communication

For the design of an efficient communication strategy it is important to evaluate opportunities and obstacles that can arise in the area of general communication and in that of marketing.

We consider general communication as an activity that informs, manages and interacts with already existing stakeholders and beneficiaries. Marketing is a communication activity with the aim of attracting new donors, collaborators, other stakeholders and beneficiaries.

Some of the following elements can be moved from one category to another, their use and management depends on the choice of the organisation and on the specific aim of the activity.

General communication:

- Internal communication strategy
- Narrative to communicate mission/vision/values
- Content writing/editing/proofing/publishing
- Social media management/blog content editing
- Communication with stakeholders and beneficiaries/Community management
- Public Relations management





Marketing:

- Technology analysis and implementation
- Identification of digital trends and opportunities
- Website and Social Media advertising/Community building
- Search engine marketing
- Creation of printed materials (flyers/promotional materials)

Some examples that can be considered as general communication or marketing, depending on the goal of the activity:

Event promotion: It is a marketing activity if you want new potential stakeholders to attend the event. It can be considered as general communication if you only want current supporters to attend.

E-mail campaigns: What do you want to communicate via e-mail? If it is a series of e-mails encouraging people to get engaged in your mission and if the result of this outreach activity is tracked and measured, that can be considered as marketing. If the e-mails are simply providing narratives to communicate important information related to the organisation, that is a more general communication activity.

In the following modules we will explore the specificities of non-profit communication and marketing.

