

Non-profit organization's innovative donor management-the identification of salient factors that drive donor loyalty

Innovative
donor
management

93

Gilroy Hughdonald Middleton
*Faculty of Management and Social Sciences, University of Belize,
Belmopan, Belize, and*

Hyoung Tark Lee
*Department of Business Administration,
Keimyung University College of Business Administration,
Daegu, Republic of Korea*

Received 16 January 2020
Revised 26 January 2020
Accepted 31 January 2020

Abstract

Purpose – This study aims to progress knowledge by developing and analyzing an integrated model of behavioral loyalty enhancement related to non-profit organization (NPO) donation. To achieve this aim, the study examines the influences of three variables of donor loyalty, namely, attitude toward beneficiaries, trust and self-esteem in one integrated model. Additionally, to compare the extent to which each variable affects donor loyalty, mediating effects are suggested.

Design/methodology/approach – Data from 245 Korean donors are used to investigate the proposed conceptual model using structural equation modeling with AMOS.

Findings – Findings from the study demonstrate that trust has the highest mediating influence on the intention to continue donation. Similarly, the findings reveal that self-esteem has the highest mediating influence on positive word-of-mouth (PWOM). However, the study findings suggest that attitudes toward beneficiaries are not significant predictors of both intentions to continue donating and PWOM.

Research limitations/implications – The impact of trust on the intention to continue donating is more important than that of self-esteem and attitude toward the beneficiary.

Practical implications – Similarly, the impact of trust and self-esteem on positive WOM is more important than that of attitude toward beneficiary.

Social implications – With this research, NPOs can make more budget from personal donation efficiently.

Originality/value – The findings of this research provide evidence that there are three important components relative to donation, namely, donor, NPO and beneficiary, and propose an integrated model which is composed of these three key components.

Keywords Trust, WOM, Innovative donor management, Attitude towards beneficiaries, Intention to continue donation, Self-esteem, Non-profit organization marketing

Paper type Research paper



© Gilroy Hughdonald Middleton and Hyoung Tark Lee. Published in *Asia Pacific Journal of Innovation and Entrepreneurship*. Published by Emerald Publishing Limited. This article is published under the Creative Commons Attribution (CC BY 4.0) licence. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this licence may be seen at <http://creativecommons.org/licenses/by/4.0/legalcode>

Asia Pacific Journal of Innovation
and Entrepreneurship
Vol. 14 No. 1, 2020
pp. 93-106
Emerald Publishing Limited
e-ISSN: 2398-7812
p-ISSN: 2071-1395
DOI 10.1108/APJIE-01-2020-0010

Introduction

The persistent upsurges in the number of non-profit organizations (NPO), coupled with the growing requirement of the provision of services by NPOs have brought in their trail some challenges in donor acquisition and management (Sargeant and Lee, 2002). Hence, to attenuate these challenges, innovation has become a defining necessity for most NPOs (Fyvie and Ager, 1999). The prominence of innovation in the activities of NPOs rests on the assumption that, in finding new and alternative tactics to conventional models of development, donors world-wide have made the same requirement for funding of NPOs (Freudenberger, 1994; Fyvie and Ager, 1999).

These changes have increased interest on the part of marketing researchers relative to the role of innovation and entrepreneurship in NPOs (Kim, 2018; Shin *et al.*, 2017; Svensson and Bengtsson, 2010). This interest in NPOs is consistent with the strategic profit marketing literature that assigns an important role to innovation (Kerin, 1992; Liu and Hong, 2017). Accordingly, to be successful in this aggressive environment, researchers recommend that NPOs focus on the relationships with current donors (Sagawa, 2001). To this end, Burnett (1992) argues for relational fundraising to promote the need to manage donor relationship individually (Sargeant, 1999). Despite these contentions on relational fundraising, research on NPO donor loyalty appears to be very limited in the extant literature (Sargeant and Woodliffe, 2007). Webb *et al.* (2000) contend that a comprehensive framework of the donation process is necessary to guide research directed at presenting superior descriptions and prognosis of donor giving in different age groups, cultures, subcultures and other groups.

This research focuses on the donor's relationships with three components in donation, namely, self, beneficiary and organization. For instance, NPO research that focuses on self-esteem (Michalski and Helmig, 2008) of the donor emphasizes the donor-focused aspect of the donation. Similarly, NPO research that focuses on altruism hinges on the donors' attitudes toward the beneficiaries and accentuates the beneficiaries' aspect of the donation process. Additionally, NPO research that focuses on the trust (Sargeant and Lee, 2002) between the donors and the NPO underscores the organization-focused aspect of the donation process.

Each of these three areas is relevant in NPO marketing; however, there appears to be no consolidated model that can be the basis of an integrated marketing judgment. Consequently, in filling these gaps, this research sets out to progress knowledge by establishing the NPO marketing model which can serve as a working framework for NPO marketers in determining the priority of marketing activities to achieve maximum efficiency of limited marketing budget execution and in implementing marketing activities to enhance donation-related behaviors.

Literature review and hypothesis development

Relationship between attitude toward beneficiaries and intention to continue donating

Prior research has underscored that an individual's attitude toward beneficiaries is significantly related to donation performance (Webb *et al.*, 2000). Donors who possess a positive attitude toward beneficiaries take the perspectives of the beneficiaries. To this end, Sundaram *et al.* (1998) reckon that donation intentions and communication of donation experiences with others are a function of altruistic motivation. Consequently, this research argues that a donor driven by attitude toward beneficiaries via the framework of altruism will provide help to beneficiaries and therefore will continue to donate. Based on the preceding discussion, the following hypothesis is submitted:

H1. The attitude toward beneficiaries positively affects the intention to continue donating.

Relationship between attitude toward beneficiaries and positive word-of-mouth

Positive word-of-mouth (PWOM) communication is connected to the attitude of a donor toward beneficiaries (Webb *et al.*, 2000). Their attitude and action toward donors are based on empathy-induced altruistic motivation. These altruistic motives are related to a link to society, the mission or the NPO (Carrera *et al.*, 2018). They are motivated with the perception that the beneficiaries deserve the assistance and those initiatives are worthwhile (Sargeant and Lee, 2002). The donors believe that beneficiaries require more help than their donations and will require people around them to join in the important social responsibilities they practice. Based on the foregoing, it is convenient to posit that a donor motivated by attitude toward beneficiaries via the framework of altruism would want to provide serious help to the beneficiaries, and therefore will provide PWOM. Accordingly, the following hypothesis is advanced:

H2. The attitude toward beneficiaries positively affects PWOM intention.

Relationship between trust and intention to continue donating

Prior to donating to an NPO, the donor asks questions such as: can the institution achieve its goals well? Is the institution operating honestly? Given these forms of uncertainty, the donor usually makes judgments relative to the donation based on the trustworthiness of the institution concerned. This lends credence to prior research that has suggested that trust is indispensable in attaining long-term loyalty of the donor (Garbarino and Johnson, 1999). Similarly, Saxton (1995) asserts that higher levels of trust in NPOs significantly influence donation decisions. Issues about trust and commitment are popular in the relationship marketing literature (Morgan and Hunt, 1994). Undoubtedly, the continuing donation is well known as a kind of behavioral intention that is a key outcome variable of commitment. For instance, Burt and Dunham (2009) found a considerable influence of trust toward donation intent and quantity of donation in the NPO context. To this end, the donors' level of donation activity is significantly related to their degree of trust (Sargeant and Hudson, 2008). This research maintains that donors' intention to continue donating, to a larger extent, is influenced by their levels of trust in the recipient. Based on the foregoing discussion, the following hypothesis is proposed:

H3. Trust in the NPO positively affects the intention to continue donating.

Relationship between trust and positive word-of-mouth

Evidence in the extant literature highlights the fact that trust affects PWOM intention (Sui and Baloglu, 2003). Individuals who experience excellent bonds with organizations are more likely to promote the organizations, and this is usually done via PWOM activity (Reynolds and Beatty, 1999). This research, therefore, postulates that trust is a prerequisite for PWOM. The theoretical relevance of this assertion is anchored on the premise that a donor can only recommend the company to others if he or she can trust it. Similarly, the fact that a donor trusts an NPO means that he or she shares in the vision the NPO is pursuing. Accordingly, the NPO's donors want people around them to participate in the NPO to help

achieve the vision they seek. Based on the foregoing prior research, the following hypothesis is formulated:

H4. The trust in the NPO positively affects the PWOM intention.

Relationship between self-esteem and intention to continue donating

The emotion of pride associated with self-esteem positively influences purchase intention toward items or services portraying personal interest, such as being a member of a group (Griskevicius *et al.*, 2010). Important motivations for donating are recognition, self-esteem, prestige and successfully obtaining greater contributions (Sargeant, 1999; Sargeant *et al.*, 2004). To this end, Wallace *et al.* (2017) intimate that self-esteem is a precursor of donation behavior. As a result of the inherent advantages provided, high self-esteem is viewed as an important driver of donation in the voluntary sector (Sargeant *et al.*, 2004). This study argues that the self-esteem the donor gains through interacting with the NPO influences his/her intention to continue donating. Hence, the following hypothesis is set based on the prior research above:

H5. The self-esteem a donor has as a result of their interaction with the NPO positively affects the donor's continued donation intention.

Relationship between self-esteem and positive word-of-mouth

The personal significance of an NPO to a donor is a precursor for donors with high self-esteem to carryout PWOM communication on behalf of an NPO. Highly self-esteemed donors assert themselves in carrying out PWOM communication on behalf of an NPO on social media platforms because of the importance they place on the NPO (Wallace *et al.*, 2017). The enhancement of self-image via presenting themselves reflects donors' need to communicate their positive charity involvement through PWOM communication on behalf of an NPO (Sundaram *et al.*, 1998). This assertion underscores the position that in their bid to feel good, donors who have higher self-esteem carry out PWOM communication for an NPO (Wallace *et al.*, 2017). Consequently, it is reasonable to argue that donors with a focus on getting self-esteem through their interaction with NPOs are influenced to engage in PWOM. Thus, the following hypothesis is proposed:

H6. The self-esteem a donor has as a result of their interaction with the NPO positively affects the donor's PWOM intention.

Relationship between shared values and attitude toward beneficiaries

Personalized norms or internalized values are established as the basis of helping behavior. Individuals' feelings about assisting are influenced by their personal norms (Webb *et al.*, 2000). To this end, Bendapudi *et al.* (1996) stress that an NPO may use shared values along with attitudes in the development of a relationship with the donors and the beneficiaries. In effect, values are viewed as possible drivers of attitudes and choices (Webb *et al.*, 2000). Additionally, attitude toward beneficiaries may assist in comprehending the bond between values and charitable action (Webb *et al.*, 2000). Based on the preceding discussion, it can be argued that shared value influences the attitude toward the beneficiaries and hence, the following hypothesis was formulated:

H7. The shared value positively affects the attitude toward the beneficiaries.

Relationship between shared values and trust

Shared values aid in the growth of trust (Morgan and Hunt, 1994). Holdford and White (1997) in agreeing with this assertion notes that trust is increased by shared values, which intensifies the apparent ability of donors to forecast the NPO's drive and action. Researchers have concluded that if an NPO succeeds in sharing their values with donors, they can earn the donors' trust to carry out their duties (Mukherjee and Nath, 2007). Furthermore, a mutual development exists between trust and shared values, with shared values assisting to form a relationship constructed on trust and trust aiding to sustain and communicate those values (Barber, 1983). Consequently, the following hypothesis is formulated based on the prior research above:

H8. The shared value positively affects trust.

Relationship between shared values and self-esteem

The extant literature highlights the fact that shared values lead to positive psychological changes (Leary, 1999). Behavior is influenced by values, which are the foundation of the self-definition of identity (Fombelle et al., 2012). Organizational identification by an individual is thus enhanced by organizational shared values with the individual (Fombelle et al., 2012). The fundamental query of the identity theory is based on how people choose roles and why people choose roles from an available group of choices (Michalski and Helmig, 2008). As a result of the shared values of the donor and the NPO, the donor selects and then identifies with the role of being a donor, symbolizing the why of identity theory. Similarly, as a result of the organization reinforcing the shared values via their activities, the donor's self-esteem is enhanced and the role of being a donor becomes salient in the hierarchy of the donor's identities, depicting the how of identity theory (Michalski and Helmig, 2008). Hence, it stands to reason that the shared value will influence self-esteem relative to being a donor. Consequently, the following hypothesis suggested:

H9. The shared value positively affects self-esteem in reference to being a donor.

Relationship between role competence and trust

The performance of the organization refers to the degree to which a possible supporter is trusting and will be motivated by the degree to which they think the NPO has proven it will use contributions prudently (Tonkiss and Passey, 1999). Thus, the level of competence perceived by the donor positively influences the level of trust earned by the NPO. Trust in an NPO is based on the NPO's perceived role competence. Role competence presents information in which the level of trust given to NPOs may be enhanced (Sargeant and Lee, 2002). Although role competence focuses on the potential to perform, trust focuses on the extent of potential performance. Consequently, role competence precedes and influences trust. The following hypothesis is advanced based on the preceding argument:

H10. The role competence increases trust.

Relationship between familiarity and attitude toward beneficiaries

A major reason that drives altruistic behavior is a feeling of compassion for a needy group of individuals or situations (Carrera *et al.*, 2018). The level of the perceived need and familiarity with a situation is comparative to the level of a person's altruistic emotion accompanied by the emotion being satisfied (Bendapudi *et al.*, 1996). Donors that portray attitude to beneficiaries experience a personal connection with the recipients of their supported organizations. These donors are of the opinion that the recipients deserve the assistance they get and that the recipients or issues are important (Sargeant and Lee, 2002). Additionally, for a giver to have empathy toward the impacted group, the donor may need to be familiar with the said group. Hence, it can be argued that familiarity is a precursor to a donor's attitude toward beneficiaries. Thus, the following hypothesis is formulated based on the prior discussion:

H11. The familiarity with the NPO positively affects attitude toward the beneficiaries.

Relationship between familiarity and trust

Familiarity is conceptualized as a dyadic antecedent in relation to trust (Sargeant and Lee, 2002). The focus of familiarity is the comprehension of the present behavior of other individuals, whereas the emphasis of trust is on the beliefs about the future behavior of other individuals. In effect, familiarity and trust balance each other as complexity reducing processes. Although uncertainty is attenuated by familiarity via the development of structure, the same is decreased by trust via allowing individuals to maintain reasonably fair expectations about other individual's positive future behavior (Gefen, 2000). Familiarity is necessary for the development of trust. This claim highlights Alsaghier *et al.'s* (2009) assertion that familiarity is a prerequisite of trust. Likewise, in lending support to the foregoing, Sargeant and Lee (2002) intimate that familiarity with NPOs is related to the donor's trust in the recipient organization. Hence, it can be suggested that the trust the donor reposes in the NPO is influenced by familiarity with the latter. The following hypothesis is formulated based on the discussion above:

H12. Familiarity positively affects the donor's trust regarding being a donor.

Relationship between esteem identity and self-esteem

Social communication discourses give behavioral indications that are understood through a self-perception procedure to provide deductions about identity worth. With this process, increased dedication to an identity provides additional positive evaluations. The self-enhancement drive leads to optimistically prejudiced self-evaluation. Individuals assign greater importance to identities for which the related general personal attitude is complimentary (Laverie *et al.*, 2002). The personal appraisal of the identity performance of being a donor, esteem identity, guides donors to select and identify the role of being a donor among its many identities, symbolizing the why of identity theory. As a result of the donor's self-enhancement of their esteem identity via the self-esteem mechanism, the role of being a donor becomes salient in the hierarchy of the donor's identities, signifying the how of identity theory. Based on the foregoing it is safe to posit that:

H13. The esteem identity of the donor positively affects their self-esteem about being a donor.

Methods

Data collection and sample selection

Data was collected through an online survey from September 5 to September 15, 2017. Out of the 250 questionnaires distributed, 245 were used because five had anomalies and had to be withdrawn. In effect, the final useable data represented a response rate of 98 per cent. The average donation duration of the respondents was 5.48 years. The demographic profile of the respondents is represented in [Table I](#). In terms of gender, the respondents were approximately equally distributed (49.8 per cent males and 50.2 per cent females). Profiling of the respondents shows that the majority were educated and at the undergraduate level (74.7 per cent), followed by the graduate level (18.4 per cent), high school level (6.5 per cent) and below middle school (0.4 per cent). The results further reveal that majority of the respondents (36.1 per cent) were between the ages of 40 and 49 years, 26.5 per cent are

Category	N	(%)
<i>Gender</i>		
Male	122	49.8
Female	123	50.2
<i>Income</i>		
Approximately \$25,000	11	4.5
\$25,000-\$50,000	63	25.7
\$50,000-80,000	102	41.6
\$80,000-100,000	47	19.2
Approximately \$100,000	22	9.0
<i>Religion</i>		
Christianity	67	27.3
Catholicism	33	13.5
Buddhism	36	14.7
Other	1	0.4
No religion	108	44.1
<i>Age (years)</i>		
20-29	34	13.9
30-39	65	26.5
40-49	86	35.1
more than 50	60	24.5
<i>Donation money</i>		
\$10-\$19	91	37.1
\$20-\$29	54	22.0
\$30-\$39	56	22.9
approximately \$40	44	18.0
<i>Education</i>		
Middle school	1	0.4
High school	16	6.5
Undergraduate	183	74.7
Graduate school	45	18.4

Foreign aid	Children	Neighbor	Religion	Environmental	Politic	Educational	Disease	etc.	Total
103	71	32	8	10	6	4	2	9	245
42.0	29.0	13.0	3.3	4.1	2.5	1.6	0.8	3.7	Percentage

Table I.
Demographics

between the ages of 30 and 39 years, 24 per cent were at least 50 years, whereas 13.9 per cent were between the ages of 20 and 29 years. In terms of religion, the data further showed that a majority (44.1 per cent) did not have a religion, followed by Christianity (27.3 per cent), Buddhism (14.7 per cent), Catholicism (13.5 per cent) and others (0.4 per cent). Relative to annual income, a majority (41.6 per cent) of the respondents had an annual income falling between \$50,000 and \$80,000, followed by 25.7 per cent with income falling between \$25,000 and \$50,000 and then 4.5 per cent having income less than \$25,000. With respect to an average monthly donation, 37.1 per cent donate between \$10 and \$19, followed by 22.9 per cent donating between \$30 and \$39, 22.0 per cent donating between \$20 and \$29, whereas 18 per cent donate from \$40 upwards. Relative to NPO preferences, 42 per cent of the respondents prefer to donate to foreign aid, 29 per cent prefer to assist children, 13 per cent prefer to assist in their neighborhood, 4.15 per cent prefer to assist environmental NPOs, 3.3 per cent prefer to contribute to religious NPOs, 2.5 per cent prefer to contribute to political NPOs, 1.6 per cent prefer to assist educational NPOs and 0.8 per cent prefer to assist NPOs that focus on diseases. This is represented in [Table I](#).

Measures

To assess the various hypotheses developed in the current study, a quantitative survey approach making use of structured questionnaires was imposed on the empirical data to enable actual measures to be estimated for the responses acquired from the sample. Constructs in the questionnaire encompassed measures on the attitude toward beneficiaries, intention to continue donating, PWOM intention, trust in the NPO, self-esteem, shared value, attitude toward the beneficiaries, competence, familiarity with the NPO and esteem identity. Apart from the demographic variables, all other variables were evaluated via seven-point Likert type scales. All directional variables (dependent and independent variables) were operationalized with reflective measures.

Additionally, the study used reliable and valid measures from previous works to ensure content validity. The measures were adapted from previous literature and refined to fit the current research. The measurement items were all refined via adopting scale generation and purification approaches proffered by prior researchers ([De Vellis, 2003](#)) basically through confirmatory factor analysis (CFA). In addition, to assess the various hypotheses in this research, the structural equation modeling technique was used. [Bagozzi and Yi \(1988\)](#) contend that this technique is an ideal approach based on the fact that it allows researchers to control for measurement error and offers information on the level of fitness of the model ([Byrne, 2013](#)). All the measures were analyzed for reliability and validity following the guidelines proffered by [Anderson and Gerbing \(1988\)](#). First, the evidence of within-construct validity and reliability of the measures is described below ([Table II](#)).

As can be gleaned from [Table II](#) above, Cronbach's alpha values of all measures were higher than 0.70, demonstrating adequate internal consistency ([Bagozzi and Yi, 1988](#)). Similarly, convergent validity was established with the value of CFA loadings and standard errors. All loadings were significant (t -values > 1.96). Additionally, convergent validity was established by comparing the root average variance extracted (AVE) values between pairs of constructs with their squared phi correlations. In all the cases, the AVE values were greater than the squared phi correlations linked with each pair of constructs, depicting the discriminant validity of the variables ([Fornell and Larcker, 1981](#)). [Table III](#) presents the results of the discriminant validity (meaning the variables are distinct from each other) as it portrays inter-construct correlations with the shared AVE.

Construct	Indicator	S. Estimate	t-value	alpha	AVE	CR
Shared value	Sha_Val_1	0.92	22.25	0.92	0.81	0.93
	Sha_Val_2	0.87	20.07			
	Sha_Val_3	0.90				
Role competence	Rol_Comp_1	0.85	13.91	0.85	0.66	0.85
	Rol_Comp_2	0.83	13.56			
	Rol_Comp_3	0.77				
Knowledge	Knowl_1	0.87	15.60	0.89	0.89	0.76
	Knowl_2	0.90	16.12			
	Knowl_3	0.80				
Esteem identity	esteem_2	0.94	18.65	0.87	0.72	0.88
	esteem_3	0.85				
	esteem_4	0.74	13.54			
Trust	trust_1	0.88	19.85	0.92	0.79	0.92
	trust_2	0.89				
	trust_3	0.89	20.23			
Attitude beneficiaries	Atti_Bene_1	0.71	12.03	0.84	0.64	0.84
	Atti_Bene_2	0.89				
	Atti_Bene_3	0.80	13.81			
Self-esteem	Self_Est_1	0.89		0.91	0.78	0.91
	Self_Est_2	0.91	20.83			
	Self_Est_3	0.85	18.20			
Continue	Cont_Don_int_1	0.75		0.91	0.77	0.91
	Cont_Don_int_3	0.94	15.58			
	Cont_Don_int_4	0.94	15.57			
PWOM	PWOM_1	0.83		0.85	0.65	0.85
	PWOM_2	0.85	15.31			
	PWOM_3	0.73	12.61			

Note: CMIN = 526.210; df = 286; CMIN/df = 1.840; RMR = 0.072; GFI = 0.860; NFI = 0.911; TLI = 0.947; CFI = 0.957; RMSEA = 0.059

Table II.
CFA

Variable	SV	RC	KN	EI	TR	AB	SE	CD	PW
SV	0.90								
RC	0.75	0.81							
KN	0.62	0.68	0.94						
EI	0.34	0.27	0.34	0.85					
TR	0.62	0.72	0.68	0.38	0.89				
AB	0.47	0.54	0.55	0.22	0.56	0.80			
SE	0.58	0.49	0.57	0.67	0.54	0.42	0.88		
CD	0.58	0.55	0.57	0.27	0.66	0.48	0.53	0.88	
PW	0.52	0.53	0.54	0.45	0.59	0.38	0.64	0.68	0.81

Notes: SV = Shared value; RC = Role competence; KN = Knowledge; EI = Esteem identity; TR = Trust; AB = Attitude toward beneficiary; SE = Self-esteem; CD = Continue to donation Intention; PW = Positive word-of-mouth intention. Diagonal values are root AVE

Table III.
Correlation matrix

Hypothesis tests

Table IV presents the parameter estimates which shows the final results that explain the study outcomes in line with the hypothesis advanced in the study. The indices for model fitness shows proof of a good model fit and that the data fits our conceptual model

Consequence	Antecedents	Estimate	S.E.	<i>t</i> -value	<i>p</i> -value	H	Results
TR	← SV	0.02	0.10	0.22	0.82	<i>H1</i>	Not supported
TR	← RC	0.53	0.17	4.22	0.00	<i>H2</i>	Supported
TR	← KN	0.35	0.10	4.09	0.00	<i>H3</i>	Supported
AB	← SV	0.26	0.07	3.21	0.00	<i>H4</i>	Supported
AB	← KN	0.44	0.08	5.21	0.00	<i>H5</i>	Supported
SE	← SV	0.42	0.06	8.48	0.00	<i>H6</i>	Supported
SE	← EI	0.61	0.05	11.30	0.00	<i>H7</i>	Supported
CD	← TR	0.54	0.06	6.80	0.00	<i>H8</i>	Supported
CD	← AB	0.07	0.07	0.97	0.33	<i>H9</i>	Not supported
CD	← SE	0.26	0.05	4.35	0.00	<i>H10</i>	Supported
PW	← TR	0.47	0.08	5.96	0.00	<i>H11</i>	Supported
PW	← AB	-0.07	0.09	-0.95	0.34	<i>H12</i>	Not supported
PW	← SE	0.50	0.06	7.68	0.00	<i>H13</i>	Supported

Notes: CMIN = 453.219; df = 292; CMIN/df = 1.552; RMR = 0.080; GFI = 0.879; NFI = 0.923; TLI=0.962; CFI = 0.971; RMSEA = 0.048. *SV = Shared value; RC = Role competence; KN = Knowledge; EI = Esteem identity; TR = Trust; AB = Attitude toward beneficiary; SE = Self-esteem; CD = Continue to donation intention; PW = Positive word-of-mouth intention; RG = Religion

Table IV.
Hypotheses test

[$\chi^2(292) = 453.219, \chi^2/df = 1.552; RMR = 0.080; GFI = 0.879; NFI = 0.923; TLI = 0.962; CFI = 0.971; RMSEA = 0.048$].

Out of the 13 hypotheses proposed, 10 were supported. The research findings did not support *H1* that states that shared value will positively affect NPO trust ($t = 0.22$). Similarly, the findings failed to support *H9* that states that attitude toward beneficiary will affect intention to continue donating ($t = 0.97$). The study findings also failed to support *H12* that states that attitude toward the beneficiary will affect PWOM ($t = -0.95$). Although not hypothesized, the relative impacts of key mediators on consequence variables were compared. The results indicate that the effect of organizational trust on the intention to continue donating is bigger than those of self-esteem and attitude toward beneficiary on the intention to continue donating (trust → self-esteem, attitude toward beneficiary). Furthermore, the effects of organizational trust and self-esteem on PWOM appeared to be greater than those of attitude toward beneficiary on the PWOM (trust, self-esteem → attitude toward beneficiary) (Table V).

Model	Constrained path	χ^2	delta χ^2	Results	
Free model		453.13			
Constrained model	TR → CD	SE → CD	459.12	5.99	$p < 0.05$
	TR → CD	AB → CD	463.04	9.91	$p < 0.05$
	SE → CD	AB → CD	455.79	2.66	N.S.
	TR → PW	SE → PW	453.27	0.14	N.S.
	TR → PW	AB → PW	466.49	13.36	$p < 0.05$
	SE → PW	AB → PW	476.52	23.39	$p < 0.05$

Table V.
Additional analysis

Notes: TR = Trust; AB = Attitude toward beneficiary; SE = Self-esteem; CD = Continue to donation intention; PW = Positive word-of-mouth intention

Discussion and conclusion

Summary

This study commenced with the principal aim of developing an integrated model of NPO donation-related behaviors. To achieve this aim, the study examined the influence of three key mediating variables of donor loyalty, namely, attitude toward beneficiaries, trust and self-esteem, in one integrative model. The empirical results are summarized as follows:

The research findings reveal that attitude toward beneficiary is influenced by shared value and familiarity. Similarly, the donor's self-esteem is affected by shared value and esteem identity. Furthermore, the findings indicate that NPO trust is affected by role competence and familiarity but not by shared value. Even though the majority of prior research has posited that shared value increases trust, this research finds no significant evidence that shared value affects trust. Rather, the study finds that trust and self-esteem have significant impacts on the intention to continue donating to the NPO, and PWOM intention as hypothesized. Nonetheless, the study finds that attitude toward the beneficiary has no significant impact on both intention to continue donating and PWOM intention. These results are different and depart from previous research outcomes.

Even though not hypothesized, comparisons of the effect sizes were conducted. The results indicate that the effect of the intention to continue donating on trust is bigger than those of self-esteem and attitude toward the beneficiary. Likewise, the effects on PWOM of trust and self-esteem are bigger than that of attitude toward beneficiary.

Implications

In the current research, we highlight that there are three components relative to donation, namely, donor, NPO and beneficiary, and as well as propose an integrated model that encapsulates these three components in one model. Because there has been no integrated model to serve as a basis for comparing the relative effects, it has been impossible to answer the question "which marketing activity should be carried out in NPO marketing?" The academic implication of this research is that it provides a basis for future researchers who may attempt answering that question. The managerial implications of this research can be viewed from the following perspectives: first, the study finds that role competence and familiarity increase trust but shared value does not. This outcome can be premised on the contention that there are a lot of NPOs who pursue similar values, as well as NPOs with whom donors could share value. In effect, value sharing with donors is not enough grounds to become a trustworthy NPO. It could, however, mean that value sharing may be a necessary but not a sufficient condition to be trusted by donors. Consequently, marketers should be mindful of the fact that if they want to acquire donors' trust, value sharing may not be enough; there is the need to focus on building and developing an appealing role competence of the NPO and creating more familiarity between the donor and the NPO.

Second, this research demonstrates that attitude toward the beneficiary has no significant effect on donation-related behaviors in NPOs when it is considered with trust and self-esteem. It may be the fact that many other NPOs were found to help similar beneficiaries. So even though donors decide to help specific beneficiaries whom an NPO introduces, they have many alternative NPOs to donate their money for the beneficiaries. In effect, what this outcome suggests is that explaining to donors that a certain beneficiary requires help may not always result in improving their willingness to donate to the organization. NPO marketers have to be wary of the fact that they are marketers of an organization with lots of competing organizations. Hence, if they want to raise more money for their organization to do more, their focus should be on building the trust and self-esteem of the NPO than attitude toward beneficiary.

Third, the exploratory comparison of the relative impacts of the mediators on the donation-related behaviors in this research provides NPO researchers and marketers with some interesting insights. Although the impact of trust on the intention to continue donating is bigger than those of self-esteem and attitude toward beneficiary, the impacts of trust and self-esteem on PWOM are also bigger than that of attitude toward beneficiary.

Based on these outcomes, the priorities of marketing objectives should be along the following lines: first, secure the trust of donors by showing the organization's role competence and familiarity on the organizational management (e.g. sending brochures to donors containing the organization's performances and transparent accounting reports regularly). Second, making the donor proud of him/herself as a donor to an NPO which is undertaking valuable activities (e.g. donor-centered advertisement). Third, it is recommended that in explaining the situation of the beneficiary, the joint efforts of NPOs with similar goals should be harnessed rather than individual NPOs to ensure marketing efficiency (e.g. cooperative advertising).

Limitations and further research

Akin to all empirical researches, this research brings in its trail, some limitations, providing new opportunities for further research. First, because an online survey approach was adopted, it is necessary to compare the outcomes of this research with a face-to-face approach to ascertain any occurrence of biasness on the part of online respondents. Second, this research was conducted in Korea and hence, there is a need for similar research to be replicated in other cultures, because donations are influenced by culture (Ng *et al.*, 2011).

Further, this study develops an integrated model to serve as a base for comparing donation components. The following should be considered in future studies: first, to derive the optimal strategy for the target donor, it is necessary to verify the effects of various control variables such as age, sex, duration of donation and the culture of respondents (Ng *et al.*, 2011).

Second, if the relationship between the variables is analyzed by groups according to the target beneficiaries of the NPO such as domestic children then the NPO will be able to establish a marketing strategy well-suited for its characteristics.

References

- Alsaghier, H., Ford, M., Nguyen, A. and Hexel, R. (2009), "Conceptualizing citizen's trust in E-government: application of Q methodology", *Electronic Journal of E-Government*, Vol. 7 No. 4, pp. 295-310.
- Anderson, E. and Gerbing, D.W. (1988), "Structural equation modeling in practice: a review and recommended two-step approach", *Psychological Bulletin*, Vol. 103 No. 3, pp. 411-423.
- Bagozzi, R.P. and Yi, Y. (1988), "On the evaluation of structural equation models", *Journal of the Academy of Marketing Science*, Vol. 16 No. 1, pp. 74-94.
- Barber, B. (1983), *The Logic and Limits of Trust*, Rutgers University Press New Brunswick, NJ.
- Bendapudi, N., Singh, S.N. and Bendapudi, V. (1996), "Enhancing helping behavior: an integrative framework for promotion planning", *Journal of Marketing*, Vol. 60 No. 3, pp. 33-49.
- Burnett, K. (1992), *Relationship Fundraising*, White Lion Press, London.
- Burt, C.D.B. and Dunham, A.H. (2009), "Trust generated by aid agency web page design", *International Journal of Nonprofit and Voluntary Sector Marketing*, Vol. 14 No. 2, pp. 125-136.
- Byrne, B.M. (2013), *Structural Equation Modeling with Mplus: Basic Concepts, Applications, and Programming*, Routledge, New York, NY.
- Carrera, J.S., Brown, P., Brody, J.G. and Morello-Frosch, R. (2018), "Research altruism as motivation for participation in community-centered environmental health research", *Social Science and Medicine*, Vol. 196, pp. 175-181.

- De Vellis, R.F. (2003), *Scale Development Theory and Applications*, 2nd ed., Vol. 26, Sage Publications, Thousand Oaks, CA.
- Fombelle, P., Jarvis, C., Ward, J. and Ostrom, L. (2012), "Leveraging customers' multiple identities: identity synergy as a driver of organizational identification", *Journal of the Academy of Marketing Science*, Vol. 39 No. 5, pp. 1-18.
- Fornell, C. and Larcker, D.F. (1981), "Structural equation models with unobservable variables and measurement error: algebra and statistics", *Journal of Marketing Research*, Vol. 18 No. 1, pp. 39-50.
- Freudenberger, K.S. (1994), "New technology for rural women: paradoxes of sustainability", *Development in Practice*, Vol. 4 No. 1, pp. 13-22.
- Fyvie, C. and Ager, A. (1999), "NGOs and innovation: organizational characteristics and constraints in development assistance work in the Gambia", *World Development*, Vol. 27 No. 8, pp. 1383-1395.
- Garbarino, E. and Johnson, M.S. (1999), "The different roles of satisfaction, trust, and commitment in customer relationships", *Journal of Marketing*, Vol. 63 No. 2, pp. 70-87.
- Gefen, D. (2000), "E-commerce: the role of familiarity and trust", *Omega*, Vol. 28 No. 6, pp. 725-737.
- Griskevicius, V., Shiota, M.N. and Nowlis, S.M. (2010), "The many shades of rose-colored glasses: an evolutionary approach to the influence of different positive emotions", *Journal of Consumer Research*, Vol. 37 No. 2, pp. 238-250.
- Holdford, D. and White, J. (1997), "Testing commitment-trust theory in relationships between pharmacy schools and students", *American Journal of Pharmaceutical Education*, Vol. 61, pp. 250-256.
- Kerin, R.A. (1992), "Marketing's contribution to the strategy dialogue revisited", *Journal of the Academy of Marketing Science*, Vol. 20 No. 4, pp. 331-334.
- Kim, H. (2018), "Efficiency analysis for nonprofit organizations using DEA: focused on humanitarian assistance organizations in South Korea", *Asia Pacific Journal of Innovation and Entrepreneurship*, Vol. 12 No. 2, pp. 165-180.
- Laverie, R., Kleine, R.E., III and Kleine, S.S. (2002), "A reexamination and extension of Kleine, Kleine, and Kernan's social identity model of mundane consumption: the mediating role of the appraisal process", *Journal of Consumer Research*, Vol. 28 No. 4, pp. 659-699.
- Leary, M.R. (1999), "Making sense of self-esteem", *Current Directions in Psychological Science*, Vol. 8 No. 1, pp. 32-35.
- Liu, C. and Hong, J. (2017), "Strategies and service innovations of Haitao business in the Chinese market: a comparative case study of amazon.cn vs gmarket.co.kr", *Asia Pacific Journal of Innovation and Entrepreneurship*, Vol. 10 No. 1, pp. 101-121.
- Michalski, S. and Helmig, B. (2008), "What do we know about the identity salience model of relationship marketing success? A review of the literature", *Journal of Relationship Marketing*, Vol. 7 No. 1, pp. 45-63.
- Morgan, R.M. and Hunt, S.D. (1994), "The commitment-trust theory of relationship marketing", *Journal of Marketing*, Vol. 58 No. 3, pp. 20-38.
- Mukherjee, A. and Nath, P. (2007), "Role of electronic trust in online retailing: a re-examination of the commitment-trust theory", *European Journal of Marketing*, Vol. 41 Nos 9/10, pp. 1173-1202.
- Ng, S., David, M.E. and Dagger, T.S. (2011), "Generating positive word-of-mouth in the service experience", *Managing Service Quality: An International Journal*, Vol. 21 No. 2, pp. 133-151.
- Reynolds, K. and Beatty, S. (1999), "Customer benefits and company consequences of customer-salesperson relationship in retailing", *Journal of Retailing*, Vol. 75 No. 1, pp. 11-13.
- Sagawa, S. (2001), "New value partnerships: the lessons of Denny's/save the children partnership for building high-yielding cross-sector alliances", *International Journal of Nonprofit and Voluntary Sector Marketing*, Vol. 6 No. 3, pp. 199-214.
- Sargeant, A. (1999), "Charitable giving: towards a model of donor behavior", *Journal of Marketing Management*, Vol. 15 No. 4, pp. 215-238.

- Sargeant, A. and Hudson, J. (2008), "Donor retention: an exploratory study of door-to-door recruits", *International Journal of Nonprofit and Voluntary Sector Marketing*, Vol. 13 No. 1, pp. 89-101.
- Sargeant, A. and Lee, S. (2002), "Individual and contextual antecedents of donor trust in the voluntary sector", *Journal of Marketing Management*, Vol. 18 Nos 7/8, pp. 779-802.
- Sargeant, A. and Woodliffe, L. (2007), "Building donor loyalty: the antecedents and role of commitment in the context of charity giving", *Journal of Nonprofit and Public Sector Marketing*, Vol. 18 No. 2, pp. 47-68.
- Sargeant, A., West, D.C. and Ford, J.B. (2004), "Does perception matter? An empirical analysis of donor behavior", *The Service Industries Journal*, Vol. 24 No. 6, pp. 19-36.
- Saxton, J. (1995), "A strong charity brand comes from strong beliefs and values", *Journal of Brand Management*, Vol. 2 No. 4, pp. 211-220.
- Shin, K., Ge, F. and Qin, P. (2017), "Establishment path and management innovation of mutually beneficial nonprofit organization (MBNPO): a study based on integrated marketing communications (IMC) theory", *Asia Pacific Journal of Innovation and Entrepreneurship*, Vol. 11 No. 1, pp. 90-107.
- Sui, J. and Baloglu, S. (2003), "The role of emotional commitment in relationship marketing: an empirical investigation of a loyalty model for casinos", *Journal of Hospitality and Tourism Research*, Vol. 27 No. 4, pp. 474-488.
- Sundaram, D.S., Mitra, K. and Webster, C. (1998), "Word-of-mouth communications: a motivational analysis", in Alba J.W. and Wesley J. (Eds), *NA – Advances in Consumer Research*, Association for Consumer Research Provo, UT, Vol. 25, 527-531.
- Svensson, P. and Bengtsson, L. (2010), "Users' influence in social service innovations: two Swedish case studies", *Journal of Social Entrepreneurship*, Vol. 1 No. 2, pp. 190-212.
- Tonkiss, F. and Passey, A. (1999), "Trust, confidence and voluntary organizations: between values and institutions", *Sociology*, Vol. 33 No. 2, pp. 257-274.
- Wallace, E., Buil, I. and de Chernatony, L. (2017), "When does 'liking' a charity lead to donation behavior? exploring conspicuous donation behavior on social media platforms", *European Journal of Marketing*, Vol. 51 Nos 11/12, pp. 2002-2029.
- Webb, D.J., Green, C.L. and Brashear, T.G. (2000), "Development and validation of scales to measure attitudes influencing monetary donations to charitable organizations", *Journal of the Academy of Marketing Science*, Vol. 28 No. 2, pp. 299-309.

Further reading

- Sen, S. and Lerman, D. (2007), "Why are you telling me this? An examination into negative consumer reviews on the web", *Journal of Interactive Marketing*, Vol. 21 No. 4, pp. 76-94.
- Williams, M. and Buttle, F. (2014), "Managing negative word-of-mouth: an exploratory study", *Journal of Marketing Management*, Vol. 30 Nos 13/14, pp. 1423-1447.
- Wymer, W. and Rundle-Thiele, S. (2016), "Supporter loyalty: conceptualization, measurement, and outcomes", *Nonprofit and Voluntary Sector Quarterly*, Vol. 45 No. 1, pp. 172-191.

Corresponding author

Hyoung Tark Lee can be contacted at: htlee@kmu.ac.kr

For instructions on how to order reprints of this article, please visit our website:

www.emeraldgrouppublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com