

Insights on NGO brand equity: a donor-based brand equity model

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Abstract

Purpose – The growth in the number of nongovernmental organizations (NGOs) worldwide has led to increased competition for donations. A stronger NGO brand equity will make donors more attracted to an organization, compelling them to increase both their donations and their commitment. The goal of this study is to propose a novel donor-based brand equity model. The present study takes into consideration the special characteristics that donors confer to NGOs—specific examples of nonprofit organizations (NPOs) that demand higher moral capital. The suggested framework considers the donor's perspective of NGO brand equity and identifies new dimensions: familiarity (recall, brand strength and brand identification), associations (authenticity, reputation and differentiation) and commitment (attitudinal, emotional) by building on previous NPOs and consumer-based brand equity models.

Design/methodology/approach – Based on the analysis of the literature, the authors propose an NGO donor-based brand equity model, which the authors test with a convenience sample of 137 individuals through partial least squares structural equation modeling.

Findings – The results of this study demonstrate the positive effects of brand reputation, brand differentiation, brand identification and brand commitment on donor-based brand equity.

Practical implications – The novel proposed model will help NGO managers better understand the sources of brand equity from the donor's perspective and more efficiently manage their resources and activities to strengthen their NGO's brand equity.

Originality/value – This paper provides a novel, multidimensional NGO donor-based brand equity model that is oriented to the specific characteristics of NGOs; this orientation distinguishes it from previous NPOs and commercial brand equity models.

Keywords Brand equity, Donors, Nonprofit, NGO, NPO, Charities

Paper type Research paper

1. Introduction

Nongovernmental organizations (NGOs) are a key element in today's society. Their relevance is reflected in the number of these organizations, their millions of beneficiaries worldwide, the employment they generate and the volunteers they mobilize. According to nonprofitaction.org, there are 10 million nonprofit organizations (NPOs) and NGOs globally. The yearbook of International Organizations 2020/2021 suggests that approximately 1,200 new NGOs are added each year. This steady growth in the number of NGOs makes fundraising the main stumbling block in their survival and development ([Ha et al., 2022](#)). With this objective in mind, a growing number of NGOs are developing a more strategic approach to build their brands to create a greater social impact ([Kylander and Stone, 2012](#)) because a stronger NGO brand will make donors feel more captivated, causing them to increase their donations and their loyalty to the organization. [Napoli \(2006\)](#) validated that

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brand-oriented organizations perform better because they are more sensitive to their stakeholders' needs, which influences people's attitudes toward charity and donation.

In the growing "NGO market", attracting and maintaining donors is an ongoing, critical concern for NGOs (Michel and Rieunier, 2012). NGOs need to differentiate themselves from other NGOs and strengthen their bonds with donors by facilitating their identification with the organization's social objective and, therefore, triggering their intention to donate (Sargeant *et al.*, 2008; Gregory *et al.*, 2020; Wymer *et al.*, 2021). However, the literature on NGO brand management is sparse. One reason for this scarcity is that researchers tend to use the term NPO as an umbrella label for any nonprofit organization, including NGOs. However, we contend that the sources of NGO and NPO brand equity may differ.

An NPO is based on the premise that no net profits from donations or other income from business activities or membership fees will benefit any individual within it. This is common for all NPOs, including NGOs, as well as other NPOs, such as clubs or cultural associations, whose nature differs significantly from that of an NGO. For example, organizations such as the National Academy of Fine Arts, Finnish Defense Forces (FDF) Military Driving School, Red Cross, Save the Children or World Vision are all categorized as NPOs; thus, no distinction on their sources of brand equity has been made in the literature (Venable *et al.*, 2005; Voeth and Herbst, 2008; Laidler-Kylander and Simonin, 2009; Juntunen *et al.*, 2013; Boenigk and Becker, 2016; Gregory *et al.*, 2020). However, superficially, one can easily observe the difference in the nature of the FDF Military Driving School NPO and the NGO Save the Children, for example.

Vakil (1997) describes NGOs as self-governing, private, not-for-profit organizations that are geared toward improving the quality of life of disadvantaged people. This definition is based on Salamon and Anheier (1992) NPO taxonomy, where they indicate that NGOs are a subgroup of NPOs whose most relevant differentiating elements are the type of causes that they address. NGOs are value-based organizations (Stride, 2006) that address social causes such as equality, environmental and animal protection, human rights and empowerment, in turn, influencing socially responsible behaviors in firms (Martínez *et al.*, 2016; Wenqi *et al.*, 2022).

Therefore, NGOs can be described as prosocial organizations known for promoting different moral objectives, such as humanitarian aid and welfare causes or freedom, justice and equal rights. This definition provides NGOs with some characteristics that separate them from other NPOs from a donor's perspective. The most relevant distinction is that donors demand higher moral capital and social legitimacy from NGOs (Kane, 2001) than from NPOs that are focused on other, nonmoral objectives, such as preserving art or maintaining private schools or sport clubs.

According to Kane (2001, p. 10), moral capital is "a resource that can be employed for legitimating some persons, positions, and offices and for delegitimizing others, for mobilizing support and for disarming opposition, for creating and exploiting political opportunities that otherwise would not exist." Since moral capital is core in NGO activity, the management of an NGO brand should be conducted accordingly (Jones *et al.*, 2007). NGO donors must identify with the organizational values represented by an NGO's brand to provide donations (Keller *et al.*, 2009), as the congruence between an individual's moral values and emotions and an NGO's moral objectives influence a donor's support for the NGO (Wymer *et al.*, 2021; Goenka and van Osselaer, 2019).

Taking these considerations into account, we have reviewed the NPO literature through the lens of the most popularly accepted valid and comprehensive brand equity model (Aaker, 1991, 1996; Keller, 1993; Yoo and Donthu, 2001). Having identified the currently studied dimensions of the NPO brand equity model, we propose a new brand equity model for NGOs based on certain particularities.

Our research thus makes two important contributions to the literature. First, it contributes to the NPO literature by filling a gap in NGO brand equity research and proposing a new,

specific brand equity model. Second, our results can help NGO managers better understand their sources of brand equity from a donor's perspective and thus more efficiently manage their resources and activities to strengthen their brand equity.

This paper is structured as follows: First, we present the conceptual background of our study and a narrative review of the NPO brand equity dimensions that have been tested in the literature to provide a reference for the development of our model. Second, we present our NGO donor-based brand equity model and hypothesis. Third, we describe our research method and results. Finally, we discuss our findings and present our conclusions, as well as some future research opportunities.

2. Conceptual background

The brand equity models used in the NPO literature are rooted in consumer-based brand equity models and in the dimensions of brand awareness, brand personality and brand image (Faircloth, 2005; Juntunen *et al.*, 2013; Kashif *et al.*, 2018). However, important dimensions of consumer-based equity models such as perceived quality and loyalty are rarely discussed in the context of NPOs and donor-based brand equity models.

Faircloth (2005) was the first author to develop an NPO brand equity model from volunteers' and donors' perspectives. He proposed a nonprofit brand equity model on the dimensions of brand personality, brand image and brand awareness (recall and recognition). Interestingly, and in contrast to his expectations, he found a negative effect of brand awareness on the brand equity construct, suggesting that recall and recognition of an NPO is not enough to build brand equity, i.e. if the NPO has a negative image, the impact of brand awareness on its brand equity will be negative. Therefore, there is a need to enhance the measurement of brand awareness to properly reflect brand context (Romaniuk *et al.*, 2017).

Concerning the varying spectrum of internal and external NPO stakeholders, Juntunen *et al.* (2013) examined brand equity cocreation in the Finnish Defense Forces (FDF) military driving school, a representation of a nonprofit organization. They measured the impact of brand image and brand awareness on cocreated nonprofit brand equity. Their results validated their positive effect.

In a novel attempt to expand NPO brand equity dimensions, Boenigk and Becker (2016) conceptualized a nonprofit brand equity index from a stakeholder-based perspective with three dimensions: brand awareness, brand trust and brand commitment. Based on this model, they developed a brand equity index for 40 select German NPOs. However, this study did not consider how overall brand equity influences donor intention. Kashif *et al.* (2018) is the only study to adopt a more holistic approach to a donor brand equity model, investigating the moderating effect of brand credibility on the brand equity dimensions; however, albeit in a very specific cultural context, i.e. Islamic religion in Pakistan, they find mixed results.

In summary, the literature on NPO brand equity is sparse and inconclusive, as it presents some controversies and limitations in its empirical results. Moreover, the extant research models omit dimensions that have been shown in the consumer literature to impact brand equity, such as the dimensions of loyalty or perceived quality (Aaker, 1991; Yoo and Donthu, 2001). Nor do the dimensions included in these constructs consider the influence that an NGO's moral objectives may have on the construction of its brand equity.

Therefore, we propose a theoretical model of donor-based brand equity based on the particularities that NGOs present by discussing the classical consumer-based brand equity model and proposing several hypotheses to adapt it to the NGO donor context.

2.1 Brand awareness

Most brand equity models include brand awareness as an antecedent of brand equity, measuring the recall or recognition necessary for brand consideration in consumer

decision-making processes. Keller (1993) suggested that brand awareness is related to the strength of a brand node or trace in memory, reflected in consumers' ability to identify a brand under different conditions.

The importance of brand awareness stems from mere recognition and signal theory (Erdem and Swait, 1998), which posits that brand awareness might be sufficient for triggering consumer choice, either as an impulse or simply as a signal of quality. In the NPO literature, most authors support this view, and thus recall and recognition are the most common approaches to a brand awareness construct.

However, we contend that conceptualizations that define brand awareness as solely brand recall/recognition have limited applicability in the NGO/NPO domain; mere brand recognition is not enough for donors. It is therefore necessary to consider a broader dimension of the traditional brand awareness concept, such as the concept of *brand familiarity*, to incorporate a facet of knowledge magnitude (Keller, 2003) and to determine brand prominence in donor memory (Wymer *et al.*, 2016; Gregory *et al.*, 2020).

The concept of familiarity has been very broadly defined in the literature. While Paço *et al.* (2014) found no significant relationship between NPO familiarity and the intention to donate; Dogan *et al.* (2021) found that familiarity has a positive effect on the intention to donate. This difference may stem from what is included in their measurements of brand familiarity, i.e. whether it is just perceived general knowledge or is closely related to NPO performance.

Therefore, we contend that for an NGO, it is necessary for a donor to exhibit a deeper knowledge of its objectives. Hence, we propose a new brand *familiarity* construct that includes whether NGO donors recognize a brand, to what extent they know what the brand does and whether they recognize and approve of the NGO's moral mission. Thus, our brand familiarity construct includes a *recall* and *recognition* dimension (Aaker, 1991; Boenigk and Becker, 2016; Yoo *et al.*, 2000), a *brand strength* dimension and a brand *identification* dimension (Wymer *et al.*, 2016; Gregory *et al.*, 2020), allowing us to determine not only whether an NGO's brand is recognized but also to what extent a donor is familiar with its purpose (Sargeant and Lee, 2002; Wymer *et al.*, 2016).

Thus, we postulate the following hypothesis.

- H1. There is a positive relationship between NGO *brand familiarity* and donor-based brand equity.

2.2 Brand associations

Brand associations are perceptions that are linked in memory to a brand and are broadly clustered by product, organization, symbol and personality associations (Aaker, 1991) or as the brand attributes, brand benefits and brand attitudes that form the brand's image (Keller, 1993).

Brand associations are relevant for an NGO because they allow donors to distinguish its brand from those of other NGOs and to establish a donation preference (Venable *et al.*, 2005; Voeth and Herbst, 2008). For NGOs, as they are value-based organizations (Stride, 2006), their brand associations serve as figurative lenses that facilitate their differentiation through their identity and moral objectives, which, in turn, influence donor attitudes. Sargeant and Woodliffe (2007) state that people often choose to donate to organizations that represent how they would like to see themselves, allowing them to improve their identity via donation, as it helps demonstrate—both to themselves and their community—that they are connected to certain values. Accordingly, NGO donors must morally identify with an NGO's brand values to commit to this organization and provide donations (Keller *et al.*, 2009).

Thus, for an NGO, the relevant elements of brand association concern the connection that a donor establishes with the moral objectives of the NGO and the image that the donor projects by being associated with it.

Therefore, we posit that for an NGO, specific associations are necessary to establish its degree of differentiation and to reflect the connection that a donor establishes with its moral objectives. Thus, we propose three dimensions: *brand authenticity*, *brand differentiation* and *brand reputation*.

Brand authenticity (Akbar and Wymer, 2017) measures the degree to which an organization is perceived as the archetypal example of its category and stands out from similar organizations for its original value. *Brand differentiation* (Wymer *et al.*, 2016) validates whether a donor recognizes the personality or distinctive characteristics of an NGO that allow its differentiation from its competitors. Finally, *brand reputation* implies a value assessment of the organization, i.e. what the organization does and how it acts over time (Balmer, 1998; Bennett and Gabriel, 2003); thus, it is clearly related to the evaluation of an NGO's values and moral objectives.

Hence, in contrast to other NPO brand associations, for an NGO, we focus on the associations related to core values and how they impact a donor's identification with the NGOs' moral objectives. By doing so, we overcome the limitation of existing discrete associations in the literature concerning specific organizations, which are difficult to validate in organizations other than the one for which they were designed.

As a result, we posit the following hypothesis.

H2. There is a positive relationship between *brand associations (authenticity, differentiation and reputation)* and donor-based brand equity.

2.3 Brand commitment

Despite the relevance of brand loyalty to consumer-based brand equity (Aaker, 1991; Oliver, 1997; Yoo and Donthu, 2001), few studies have addressed the issue of brand loyalty in the context of NPOs. One reason for this might be that since donors can simultaneously donate to many NPOs/NGOs, the behavioral measure of loyalty might not be relevant in the NPO context. In addition, donors can donate to an NGO out of a sense of urgency in humanitarian situations without feeling attached to its long-term objective(s) or cause(s) (Gregory *et al.*, 2020). Therefore, the attitudinal dimension of the loyalty construct seems more salient than the behavioral dimension in the context of NPOs or NGOs.

In the NPO literature, we have identified the concept of brand "commitment" *in lieu* of "loyalty" (Sargeant and Woodliffe, 2007; Boenigk and Becker, 2016). Brand commitment reflects a person's attitudes and behaviors toward an organization that are based on a strong belief and acceptance of the organization's goals. Similarly, Sargeant and Lee (2004) believe that when stakeholders become emotionally attached to an NPO brand, they form a relationship with it and develop a sense of commitment that could be assimilated into brand loyalty. A high level of psychological involvement with an NGO will make a donor consider his or her support of the organization a highly vital activity. In the same way, donors who show a low sense of involvement with an NPO are more likely to switch organizations (Bennett, 2009).

When people support NGOs, they do so to act in accordance with their own values and to be true to their own image (Wymer and Akbar, 2019). If the moral objectives an NGO advocates fit a donor's values, he or she will consider donating. If a donor does not have an affinity with the cause(s) and moral values that an organization supports, regardless of its importance in society, it is likely that he or she will not make a donation, except in sporadic emergency situations (Sargeant and Woodliffe, 2007; Gregory *et al.*, 2020; Wymer *et al.*, 2021). Therefore, brand commitment appears to be a more accurate dimension than brand loyalty concerning both NPOs and NGOs. Hence, we propose a brand commitment construct, replacing Aaker's (1991) loyalty dimension by measuring a donor's *attitudinal* commitment (Boenigk and Becker, 2016) and *emotional* commitment to an NGO, which implies the donor's greater identification with the NGO (Boenigk and Helming, 2013). Therefore, we posit the following:

H3. There is a positive relationship between *brand commitment* and donor-based brand equity.

Thus, we propose a novel donor-based brand equity model adapted to the particular characteristics of NGOs. The proposed model is depicted in Figure 1.

3. Methodology

3.1 Research approach and sample

We developed a questionnaire to be distributed online in a random convenience sample. It started with a filter question to check if respondents worked for an NGO to prevent response bias. The first part of the questionnaire aimed to measure the different dimensions of the donor-brand equity model we proposed. The scales used to assess the constructs were adapted from multi-item scales validated in previous research and measured on a five-point Likert scale (5 = “strongly agree”, 1 = “strongly disagree”). Table 2 presents these items by construct and the sources of the scales. The last part of the questionnaire included sociodemographic questions (age, gender, education and professional situation). The questionnaire concerned NGOs dedicated to a childhood cause, and the respondents had to answer the questions while considering the organization they were the most familiar with.

Accordingly, our data were collected through an online survey distributed through social media and e-mail. The survey was activated in May 2022 and received 137 responses. The final sample was composed of 131 respondents, as questionnaires with invalid answers were excluded. Table 1 includes a description of the sample’s characteristics.

3.2 Measurement of variables

All the scales used in our study demonstrated excellent statistical validity. Table 2 shows the measurement scales and questions used in the study and included in the questionnaire. We followed the double translation protocol: the original scales (in English) were translated into Spanish and then back into English to report their results.

4. Results

4.1 Individual reliability of the indicators

Before carrying out our evaluation of the reliability and validity of the measurement model, we analyzed the individual reliability of each of the items included in the scales to eliminate

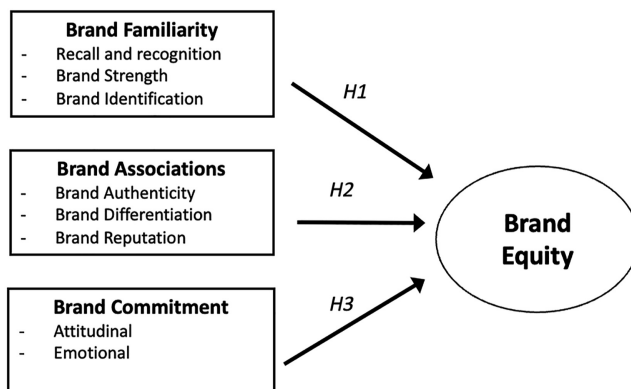


Figure 1. Donor-based brand equity conceptual model

Table 1.
Sample
characterization

Category	Count	Percentage (%)
<i>Gender</i>		
Female	75	57.3%
Male	53	40.5%
Not indicated	3	2.3%
<i>Age</i>		
18–24	66	50.4%
25–34	20	15.3%
35–49	15	11.5%
50–65	30	22.9%
<i>Education</i>		
Bachelor's Degree	80	61.1%
Master's Degree	41	31.3%
Secondary	7	5.3%
Primary	3	2.3%
<i>Occupation</i>		
Employed, working for others	48	36.6%
Employed, working as freelancer	18	13.7%
Student	52	39.7%
Other situations	13	9.9%

those indicators that did not represent the same construct or were redundant. We used the criterion proposed by [Hair et al. \(2012\)](#), i.e. to accept an indicator as part of a construct, and it must have a factorial load equal to or greater than 0.7. This indicates that more than 50% of the variance in the observed variable (item communality) is shared by the latent construct. After eliminating low-loadings items, we analyzed the correlations of the indicators with their respective constructs and with the rest of the constructs. We performed factorial analysis with IBM SPSS Statistics Version 28.0 to assign the items according to the statistical methods and verified each of them in the context of the study and the dimensions we wanted to measure. Next, the brand familiarity construct was formed with five items belonging to recall and recognition (RR3) and brand strength (BS1, BS2, BS3 and BS4). The items related to brand identification were grouped under the construct of brand association, composed of nine items related to brand reputation and differentiation (BI1, BI2, BD1, BD4, BD5, BR1, BR2, BR3 and BR4). Any authenticity items were eliminated as redundant. For the brand commitment dimension, only BCE2 and BCE5 were removed due to low loadings. Our final donor-based brand equity measurement model is shown in [Figure 2](#).

4.2 Construct reliability and validity

To assess the unidimensionality of the reflective scales of the constructs, we used Cronbach's alpha coefficients, which provide an estimate of reliability based on indicator correlations. As shown in [Table 3](#), the coefficients of all the measurement constructs were greater than 0.7, as suggested by [Nunnally \(1978\)](#). We also evaluated composite reliability (CR) with the criterion that this coefficient must be greater than 0.7 ([Werts et al., 1974](#)). CR is considered the best indicator to test the measure of the latent unidimensionality of a scale, especially in works that use partial least squares (PLS). As we verified, the CR values of the four proposed scales were greater than 0.8.

To evaluate the measurement model, we followed [Hair et al. \(2019\)](#), assessing convergent validity, discriminant validity and construct reliability. For the reliability of the measurements, we followed [Fornell and Larcker \(1981\)](#), i.e. both the Cronbach's alpha and

Constructs, items and sources

Brand Familiarity

Recall and Recognition (based on Yoo et al. (2000) based on Rossiter and Percy, 1987)

- RR1 I recognize the NGO brand as soon as I see it
- RR2 I consider that the NGO is well known
- RR3 I know what the NGO does

Brand Strength (based on Wymer et al., 2016)

- BS1 I am well informed about the NGO activities
- BS2 I am knowledgeable about the work that the NGO does in its projects
- BS3 I understand the purpose of the NGO
- BS4 I could describe the NGO activities to others

Brand Identification (based on Wymer et al., 2016)

- BI1 I like the NGO
- BI2 I have a positive impression when I think of NGO
- BI3 I feel that the NGO represents values that are important to me
- BI4 I identify with the values of the NGO

Brand Associations

Brand authenticity (based on Akbar and Wymer, 2017)

- BAU1 NGO is unique
- BAU2 NGO is true to itself
- BAU3 NGO stands out from other organizations devoted to the same cause
- BAU4 NGO is the best of all those dedicated to the same cause

Brand differentiation (based on Wymer et al., 2016)

- BD1 The work that NGO does in its cause is impressive
- BD2 No organization is as good as NGO in the cause it addresses
- BD3 NGO is extraordinary compared with other NGOs working for the same cause
- BD4 NGO has a genuine personality
- BD5 The work that the NGO does for its cause is interesting to me

Brand Reputation (based on Bennett and Gabriel, 2003)

- BR1 NGO is highly recognized
- BR2 NGO has great achievements at work for its cause
- BR3 NGO has a good reputation
- BR4 I admire NGO

Brand Commitment

Attitudinal (based on Boenigk and Becker (2016) based on Sargeant and Lee, 2004)

- BCA1 I feel committed to the NGO
- BCA2 My intention is to maintain my relationship with the NGO indefinitely
- BCA3 I feel satisfied with the relationship I have with the NGO
- BCA4 I like to maintain a relationship with the NGO

Emotional (based on Boenigk and Helming (2013) based on Mael and Blake (1992)

- BCE1 When someone criticizes NGO, I feel it as something personal
- BCE2 I am interested in what others think about NGO
- BCE3 I consider myself part of the NGO
- BCE4 I am pleased to hear praise about the NGO
- BCE5 I would be ashamed if bad practices were published about the work of the NGO

Brand Equity

Intention to donate (based on Hou et al. (2009) based on Sampath and Henley (2007) and Yoo et al. (2000)

- ID1 I definitively will donate to the NGO
- ID2 It is likely that I donate to the NGO instead of other NGOs that are devoted to the same cause
- ID3 It is likely that I will donate to the NGO in the future
- ID4 I will recommend family and friends to donate to the NGO
- ID5 It is likely that I will continue donating to the NGO in the future
- ID6 It is likely that I recommend the NGO instead of other NGOs that are dedicated to the same cause
- ID7 For me it makes more sense to donate to the NGO than to other NGOs that are dedicated to the same cause

Table 2. Measurement scales

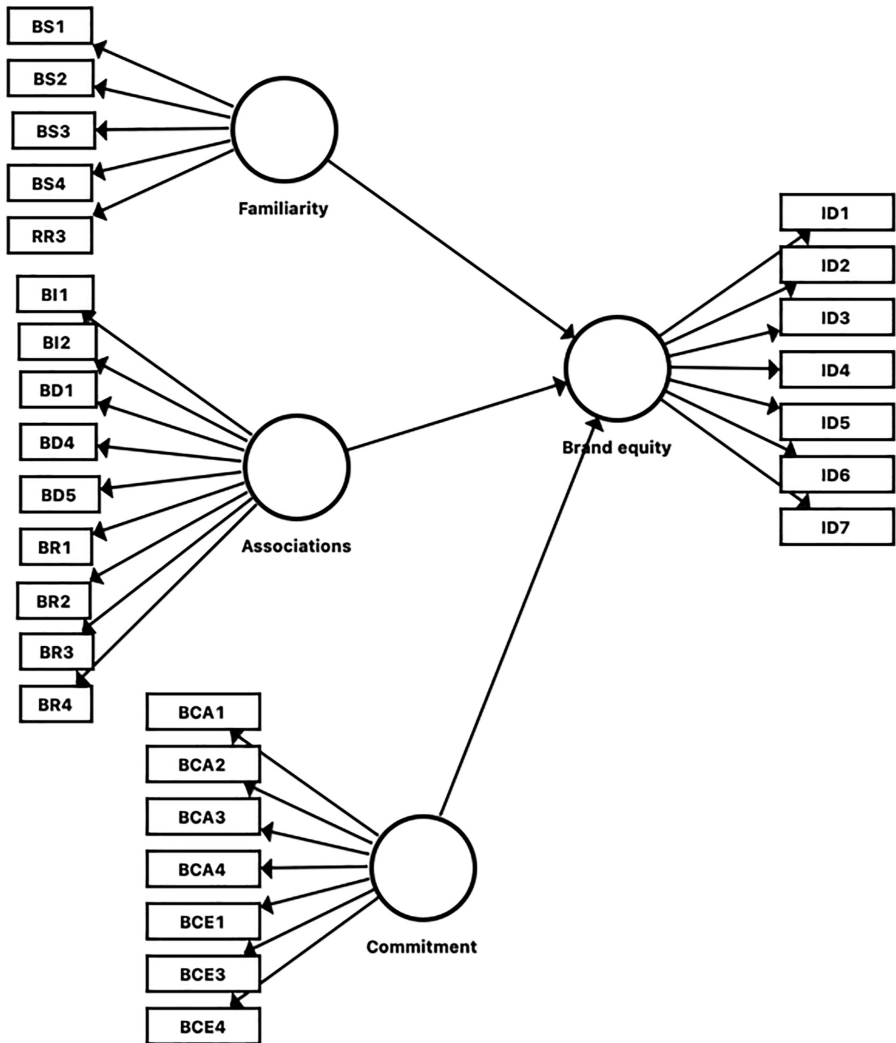


Figure 2.
Donor-based brand
equity
measurement model

composite reliability (see [Table 3](#)) values needed to be larger than 0.7. Concerning convergent validity, we used two measures to assess it: average variance extracted (AVE) and the correlation of each indicator with its construct. The coefficients of the AVE of each of the measurement constructs were larger than 0.5, entailing high convergent validity ([Fornell and Larcker, 1981](#)). To check the correlation of each of the indicators with its construct, we used factor loadings. All of them were greater than 0.7, indicating that each set of indicators represented the same underlying construct (see [Table 4](#)).

To assess the discriminant validity, we followed [Fornell and Larcker's \(1981\)](#) criterion (see [Table 5](#)) and the Heterotrait-Monotrait (HTMT) ratio criterion (see [Table 6](#)). [Fornell and Larcker \(1981\)](#) suggest using the AVE as a criterion for convergent validity, i.e. a latent variable should share more variance with its assigned indicators than any other latent

Variable	Item	Outer loadings	Cronbach's alpha	rho_A	Composite reliability	Average variance extracted (AVE)
Familiarity	BS1	0.872	0.868	0.877	0.905	0.657
	BS2	0.855				
	BS3	0.752				
	BS4	0.838				
Associations	RR3	0.724	0.927	0.933	0.939	0.631
	B11	0.826				
	B12	0.834				
	BD1	0.759				
	BD4	0.751				
	BD5	0.841				
	BR1	0.748				
	BR2	0.761				
	BR3	0.796				
	BR4	0.829				
Commitment	BCA1	0.864	0.916	0.926	0.933	0.667
	BCA2	0.894				
	BCA3	0.780				
	BCA4	0.839				
	BCE1	0.756				
	BCE3	0.805				
Brand Equity	BCE4	0.768	0.932	0.936	0.945	0.713
	ID1	0.876				
	ID2	0.839				
	ID3	0.891				
	ID4	0.826				
	ID5	0.866				
	ID6	0.861				
ID7	0.742					

Table 3.
Internal consistency reliability

variable. According to [Henseler et al. \(2015\)](#), all HTMTs should be below 0.90 to establish discriminant validity. The results we obtained for these indicators thus confirmed the discriminant validity of the measurement scales we proposed.

To evaluate the multicollinearity of the indicators, we calculated their variance inflation factor (VIF). All VIF values (Familiarity, 2,186; Associations, 1,902; Commitment, 1,745) were below 3 ([Hair et al., 2019](#)), proving that there is no multicollinearity in this study.

4.3 Assessing the structural model

To estimate the relationships in our structural model, we applied the partial least squares method of structural equation modeling (PLS-SEM) via SmartPLS 3.3.9 software. PLS works efficiently for exploratory purposes and is adequate for relatively small samples and complex models ([Hair et al., 2012](#)). This multivariate analysis technique has been used in previous research on NPOs, which we have previously cited in this article (e.g. [Boenigk and Helming, 2013](#); [Boenigk and Becker, 2016](#); [Kashif et al., 2018](#)).

Figure 3 exhibits our structural model, the inner model path coefficients are marked together with the outer model loadings and the R^2 adjusted values for the dependent variable.

We assessed our structural model by analyzing the determination coefficient indicator R^2 and the standardized path coefficients of each of the constructs to examine the significance of the constructs and their direct and indirect effects. R^2 values of 0.67, 0.33 or 0.19 for endogenous latent variables in the inner path model are described as substantial, moderate or

Table 4.
Item cross loadings

	Familiarity	Associations	Commitment	Brand equity
BS1	0.872	0.442	0.542	0.404
BS2	0.855	0.471	0.650	0.473
BS3	0.752	0.692	0.376	0.437
BS4	0.838	0.572	0.588	0.459
RR3	0.724	0.527	0.344	0.329
BA1	0.595	0.826	0.531	0.550
BA2	0.525	0.834	0.456	0.494
BD1	0.453	0.759	0.504	0.572
BD4	0.577	0.751	0.497	0.558
BD5	0.556	0.841	0.385	0.459
BR1	0.497	0.748	0.267	0.336
BR2	0.541	0.761	0.343	0.440
BR3	0.516	0.796	0.284	0.465
BR4	0.513	0.829	0.551	0.627
BCA1	0.555	0.443	0.864	0.611
BCA2	0.524	0.460	0.894	0.632
BCA3	0.562	0.450	0.780	0.439
BCA4	0.559	0.507	0.839	0.580
BCE1	0.457	0.392	0.756	0.421
BCE3	0.435	0.291	0.805	0.512
BCE4	0.502	0.582	0.768	0.616
ID1	0.488	0.535	0.636	0.876
ID2	0.361	0.520	0.531	0.839
ID3	0.444	0.598	0.595	0.891
ID4	0.466	0.577	0.535	0.826
ID5	0.544	0.542	0.627	0.866
ID6	0.415	0.571	0.547	0.861
ID7	0.360	0.464	0.524	0.742

Table 5.
Fornell and Larcker
(1981) indicators

	Familiarity	Associations	Commitment	Brand equity
Familiarity	0.810			
Associations	0.667	0.795		
Commitment	0.629	0.552	0.817	
Brand Equity	0.525	0.646	0.678	0.844

Table 6.
Heterotrait-Monotrait
ratio criterion for
discriminant
assessment

	Familiarity	Associations	Commitment	Brand equity
Familiarity				
Associations	0.745			
Commitment	0.693	0.574		
Brand Equity	0.573	0.676	0.720	

weak by Chin (1998, p. 323). In our model, the R^2 value was 0.567, indicating an acceptable substantial level of exploratory power.

PLS estimates the path model for each bootstrap sample. Bootstrapping analysis with a resampling of 5,000 interactions was used to calculate the t values to assess the effects of the relationships among the hypotheses. Additionally, the PLS results for all bootstrap samples

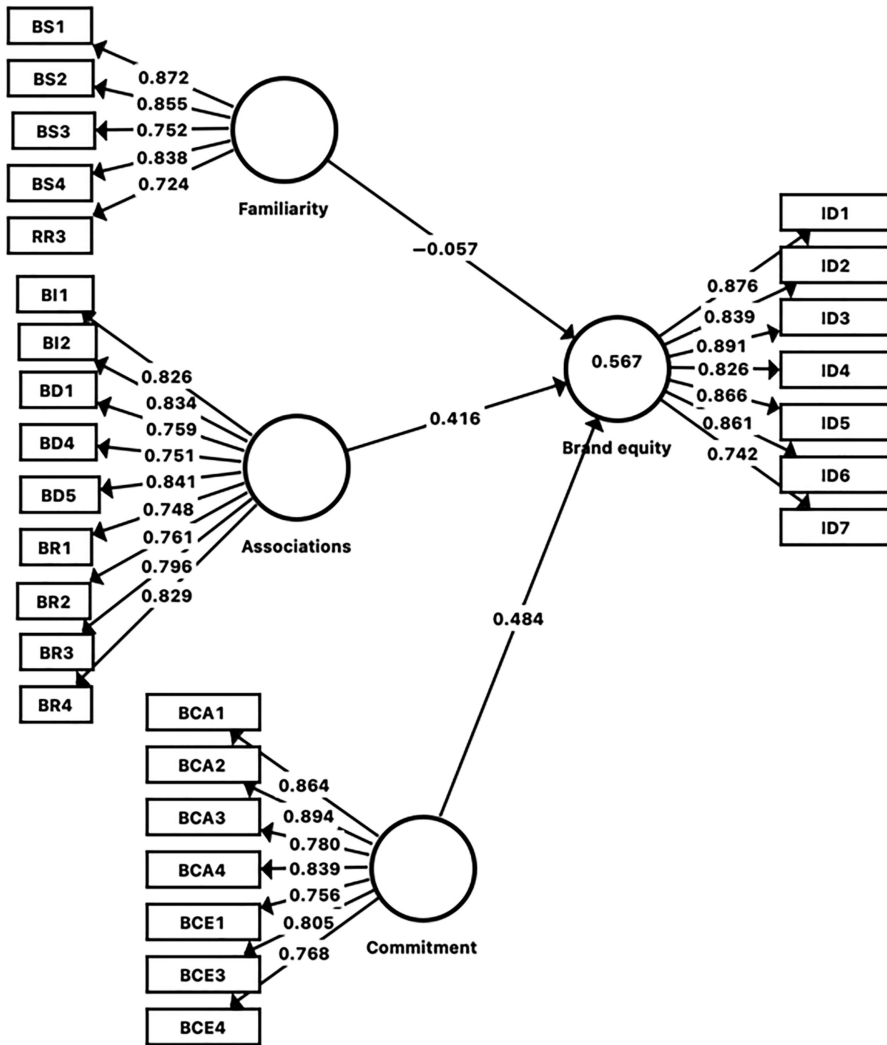


Figure 3. The PLS structural model

provided the mean value and standard error for each path model coefficient. A t value > 1.96 and p value < 0.5 means that the relationship between these 2 variables is significant and has acceptable statistical significance (Chin, 1998). Table 7 presents these results.

Based on the results of our empirical study, our proposed donor-based brand equity construct is statistically valid. The path coefficients, t values and p values have allowed us to accept two of our three hypotheses. Table 8 exhibits a summary of our hypotheses testing.

According to our results, the brand association construct has a robust relationship with brand equity (path coefficient = 0.418, t value = 6.473, p value = 0.000); thus, H2 is confirmed. Similarly, a strong relationship between brand commitment and brand equity was observed (path coefficient = 0.484, t value = 6.374 and p value = 0.000), confirming H3. However, our brand familiarity results did not confirm its influence on brand equity; therefore, H1 is not supported.

5. Discussion

In this study, we have proposed and tested a novel donor-based brand equity model. Our proposal takes into consideration the special characteristics that donors confer to NGOs—specific examples of NPOs that demand higher moral capital. Our suggested framework includes a donor’s perspective of NGO brand equity and identifies new dimensions, building on previously defined NPO and consumer-based brand equity dimensions.

Our results show the positive effects on donor-based brand equity of two dimensions—brand associations related to reputation, differentiation and identification and brand commitment—via the attitudinal and emotional dimensions.

For brand familiarity, the relationship we found was negative, although not significant; therefore, our hypothesis was not supported. This result, however, is similar to those of Faircloth (2005) and Paço *et al.* (2014). As in those studies, NGO familiarity apparently has no influence on donor intention. Faircloth (2005) has suggested that recall and recognition have no influence on a donor; rather, the (positive) degree of knowledge that the donor has of the organization is the main influence. Therefore, we suggest that brand familiarity might exert a necessary although insufficient condition to build brand equity and to activate donor intention.

The strong relationship among the differentiation, identification and reputation variables included under the association construct (path coefficient 0.418) suggests that for an NGO, the values and consistency of the NGO’s activities as well as a donor’s identification with the brand are the most important factors triggering donations, which extends the findings of Michaelidou *et al.* (2015) and Wymer *et al.* (2016) on the perception of NPOs’ moral principles and individual values. Similarly, our results show that a donor’s attitudinal and emotional commitment to an NGO—feeling part of the organization and identifying its values as his or her own—have an important influence on the intention to donate. Since Boenigk and Helming (2013) underline that self-identification has a dynamic character, we suggest that strong emotional and attitudinal commitment may protect an NGO’s brand from the spillover effects of any scandals or any other brand image problems.

6. Conclusions, limitations and future lines of research

Despite some similarities between NPOs and NGOs, there are important differences, such as moral capital, that significantly affect how NGOs operate and how their brands are built. This is the first study to provide a holistic brand equity model for NGOs from the perspective

Table 7.
Structural model results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ((O/STDEV))	p values
Familiarity > Brand equity	-0.060	-0.056	0.112	0.540	0.589
Associations > Brand equity	0.418	0.419	0.065	6.473	0.000
Commitment > Brand equity	0.484	0.483	0.076	6.374	0.000

Table 8.
Summary of hypothesis testing

	Path value	t-value	p values	Decision
Familiarity > Brand equity	-0.060	0.540	0.589	Not supported
Associations > Brand equity	0.418	6.473	0.000	Supported
Commitment > Brand equity	0.484	6.374	0.000	Supported

of donors, building on previous NPO and commercial brand literature. The present research provides a number of theoretical contributions. First, our research has progressed the NGO literature by presenting a donor-based brand equity model comprising novel dimensions that reinforce the importance of considering a donor's evaluation of an NGO's reputation, differentiation and emotional and attitudinal commitment to its values, underscoring the relevance of an NGO's moral capital for attracting donors.

Regarding the dimensions included in the proposed model, we advance the literature on brand association, mostly via our analysis of brand personality and brand image, providing a general dimension that can be generalized to all types of NGOs. Thus, we avoid specific references to the image or personality of a brand and focus on the importance that the moral capital of an NGO has for donors. In this way, our construct assesses donor evaluation via the values and moral objectives of NGOs that are important. Additionally, we extend the conceptualization of the classical brand loyalty dimension in the context of NGOs, proposing a dimension of brand commitment by including not only a behavioral dimension but also an emotional dimension that suggests a deeper level of donor engagement with an NGO and thus true loyalty to it. In a highly competitive context where a donor has several donation options and could support different NGOs, the donor's commitment to an NGO's cause and values will strongly influence his or her present and future support.

The results of our study have relevant managerial and practical implications. Our novel donor-based brand equity model may help NGO managers better understand the sources of brand equity from a donor's perspective and more efficiently manage their resources and activities to strengthen the brand equity of their NGO. In addition, the results of our study have important practical implications that may inform NGO managers on several aspects of NGO brand management.

First, our results indicate that brand familiarity is not an objective to be achieved at any cost since familiarity alone is not a strong source of donor-based brand equity. Therefore, from a management perspective, NGOs should focus on disseminating their values and activities as opposed to relying only on word-of-mouth publicity since the latter will have no effect without the former. Consequently, NGOs should offer targeted communications explaining their values while building their reputation, as these are the pillars of brand equity. Accordingly, any advertising efforts of an NGO's brand should consider this.

Second, our results suggest the importance of an appropriate segmentation strategy since a donor's identification with the moral values of an organization is critical. Therefore, a practical implication is that a specific communication approach for each target group is likely to be more effective than a one-size-fits-all approach. Finally, the importance of emotional commitment in our model may suggest the opportunity to build stronger relationships with donors, i.e. engaging with them to ensure a more recurring flow of donations. NGO managers should also consider this in fundraising campaigns.

6.1 Limitations and future lines of research

As with any study, our research is not exempt from limitations, which open future avenues of research. We tested our proposed brand equity model on NGOs devoted to childhood in Spain. Thus, it would be interesting to replicate our study with NGOs that address different causes in different countries, as cultural factors may affect the results. Given the importance of values and moral perceptions in NGO assessment, future investigations may target cross-cultural representative samples to validate our model and reveal any possible cultural differences.

Regarding the data, we used a convenience sample to test the model. Future research should use a representative sample to generate new insights based on sociodemographic groups. In this model, we did not consider possible moderating effects such as NGO cause, NGO size or whether an NGO is local or international. Since these elements may impact

donor identification with an NGO brand and NGO brand equity, additional studies on those effects are recommended.

Further investigation of the role of brand familiarity in NGO brand equity is recommended as there has yet to be any conclusive results in the literature. We consider that additional research investigating the influence of NGO cause awareness on the formation of NGO brand familiarity is needed. Additionally, we observe a lack of studies on the impact of time and the various available marketing tools on NPO and NGO brand equity. Understanding how advertising, media, promotion and NGO availability affect the formation of brand equity over time is a very promising research avenue. Finally, considering the importance of reputation for NGO brand equity, new lines of research could deepen knowledge of its sources, such as NGO transparency and accountability.

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