

Relationship Management

Social Capital and Networks

Teck Y. Eng: Professor of Marketing

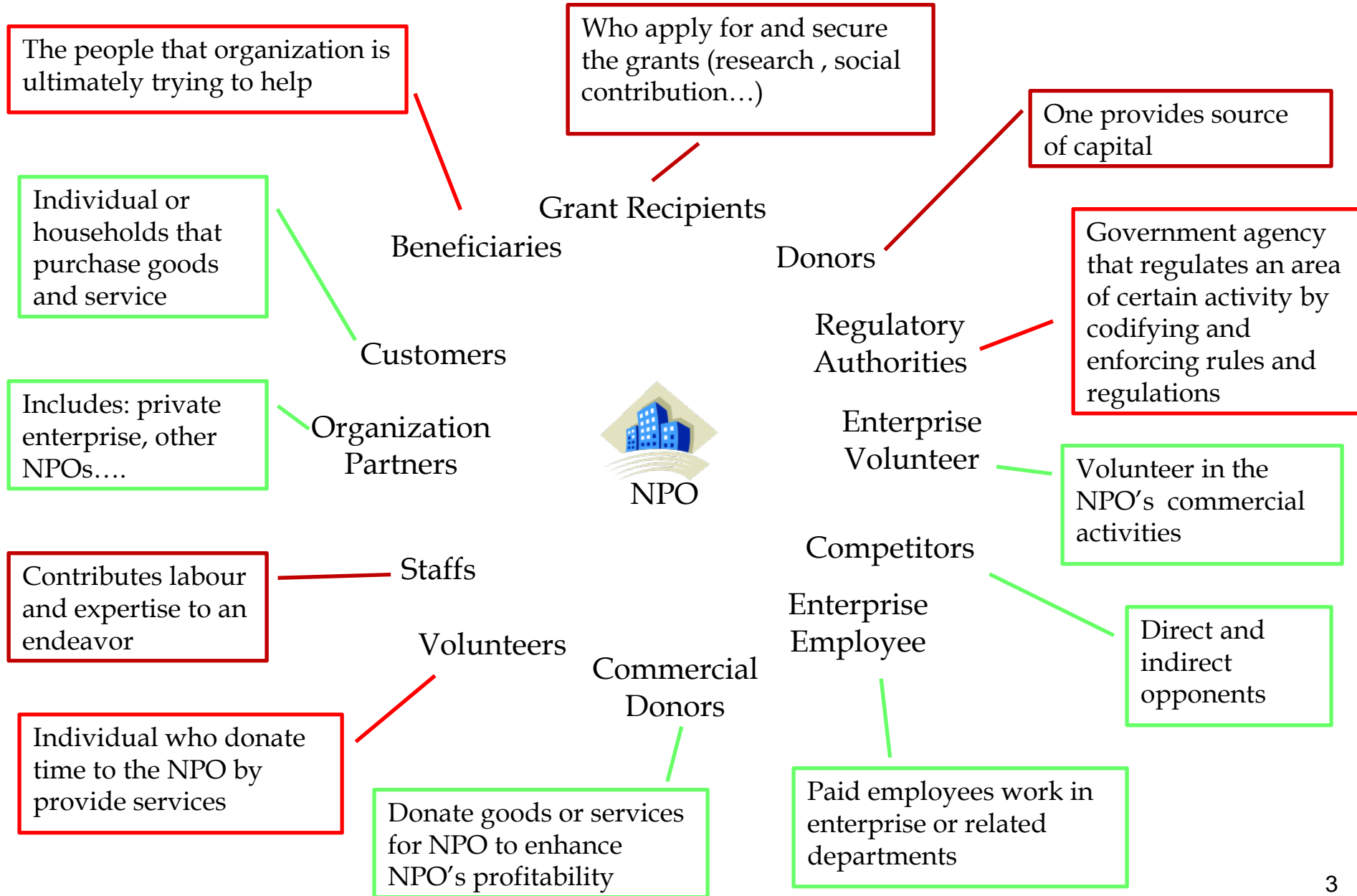
Dr Gordon Liu: Senior Lecturer in Entrepreneurship

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Managing the dilemma of conflicting stakeholder needs

- Social goals and corporate legitimacy – implications for stakeholders
- Social enterprise and networks – sources for value creation and implications for CRM
- Balancing the hybrid of relationships through marketing communications

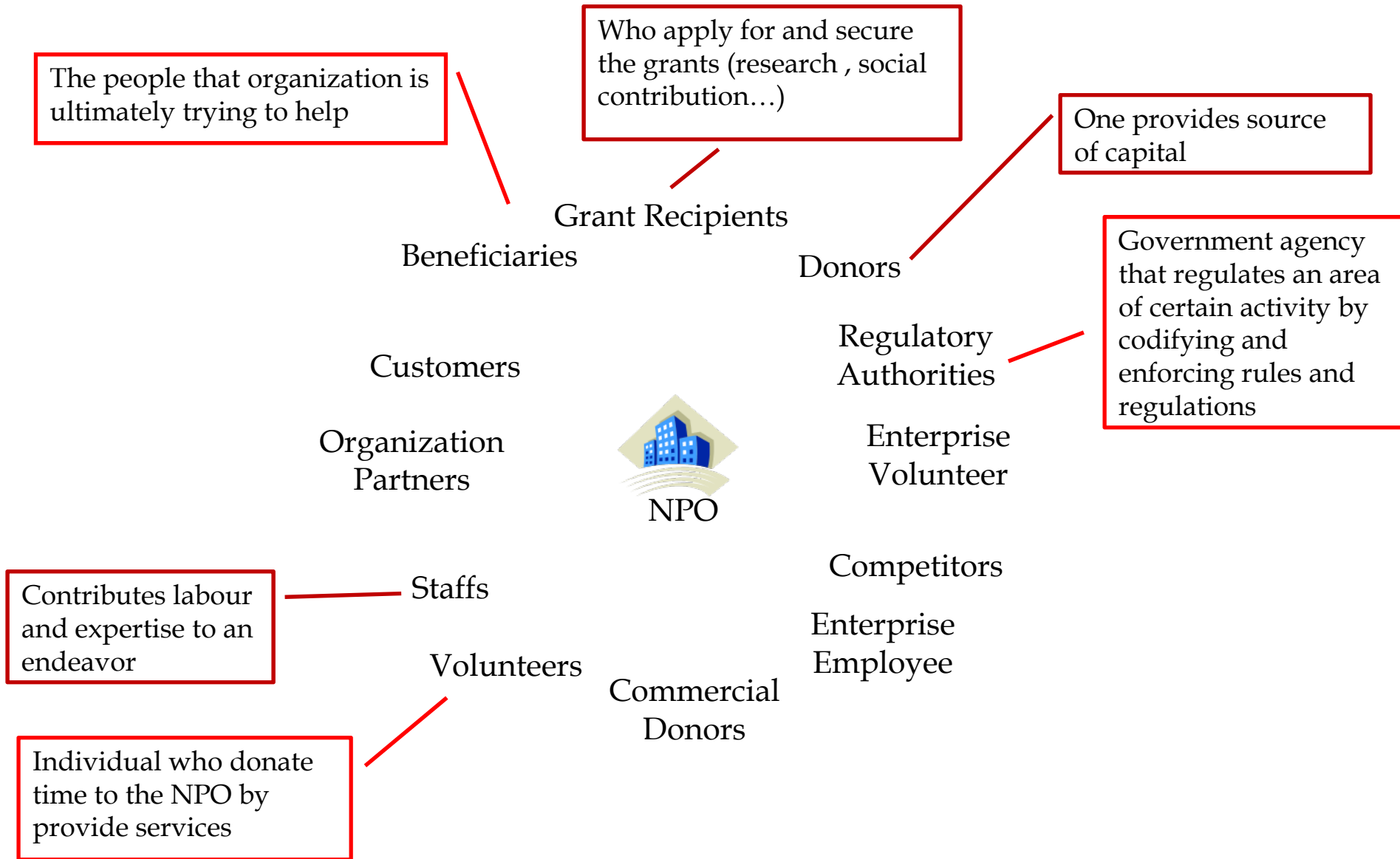
Nonprofit Stakeholders



Social Stakeholders

- As those who influence or affect, or are influenced or affected by, the NPO's engagement in social activities (traditional activities)
- Demands: provide social service, operation independently, raise fund for private donors.....

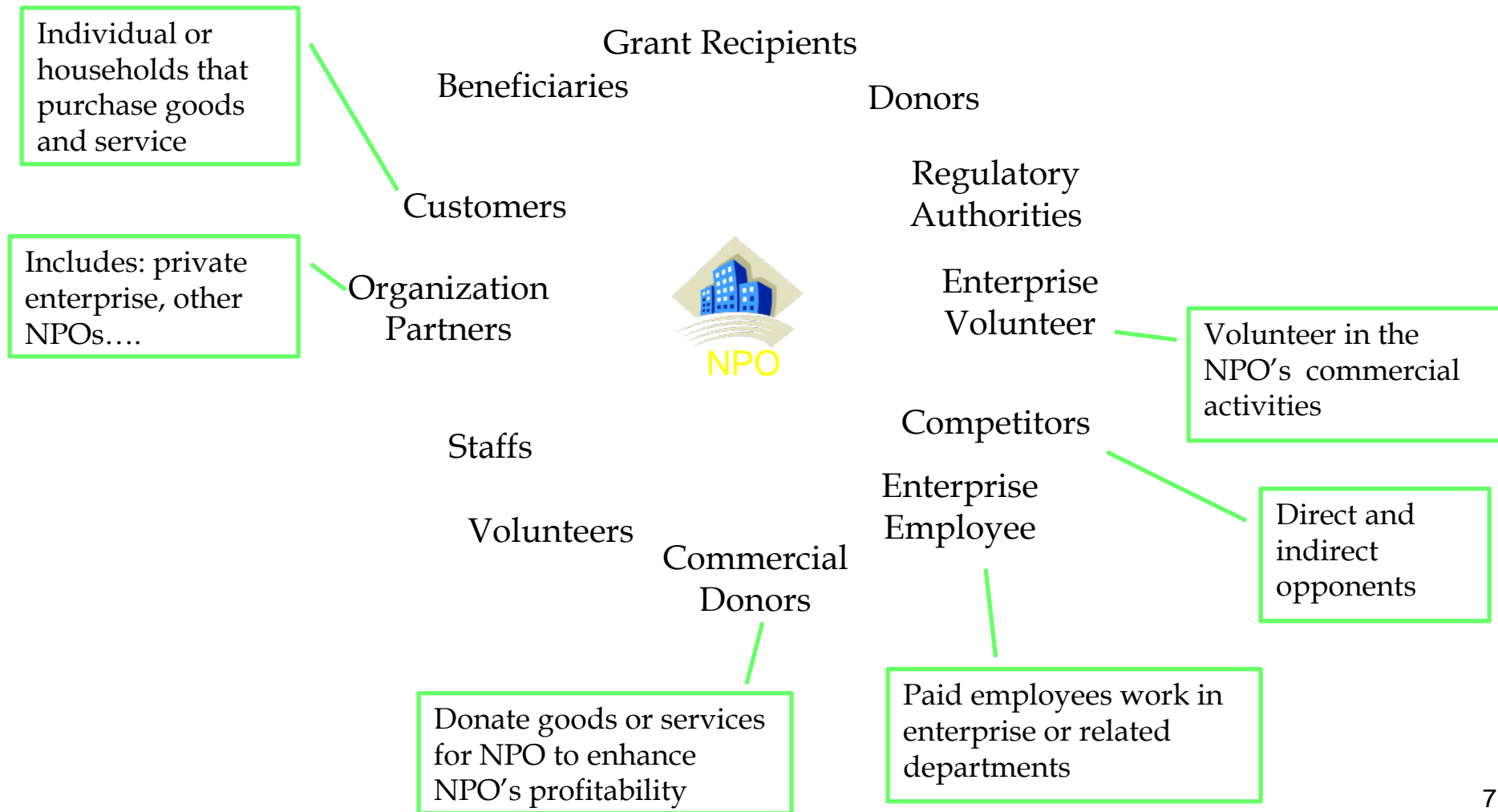
Nonprofit Stakeholders



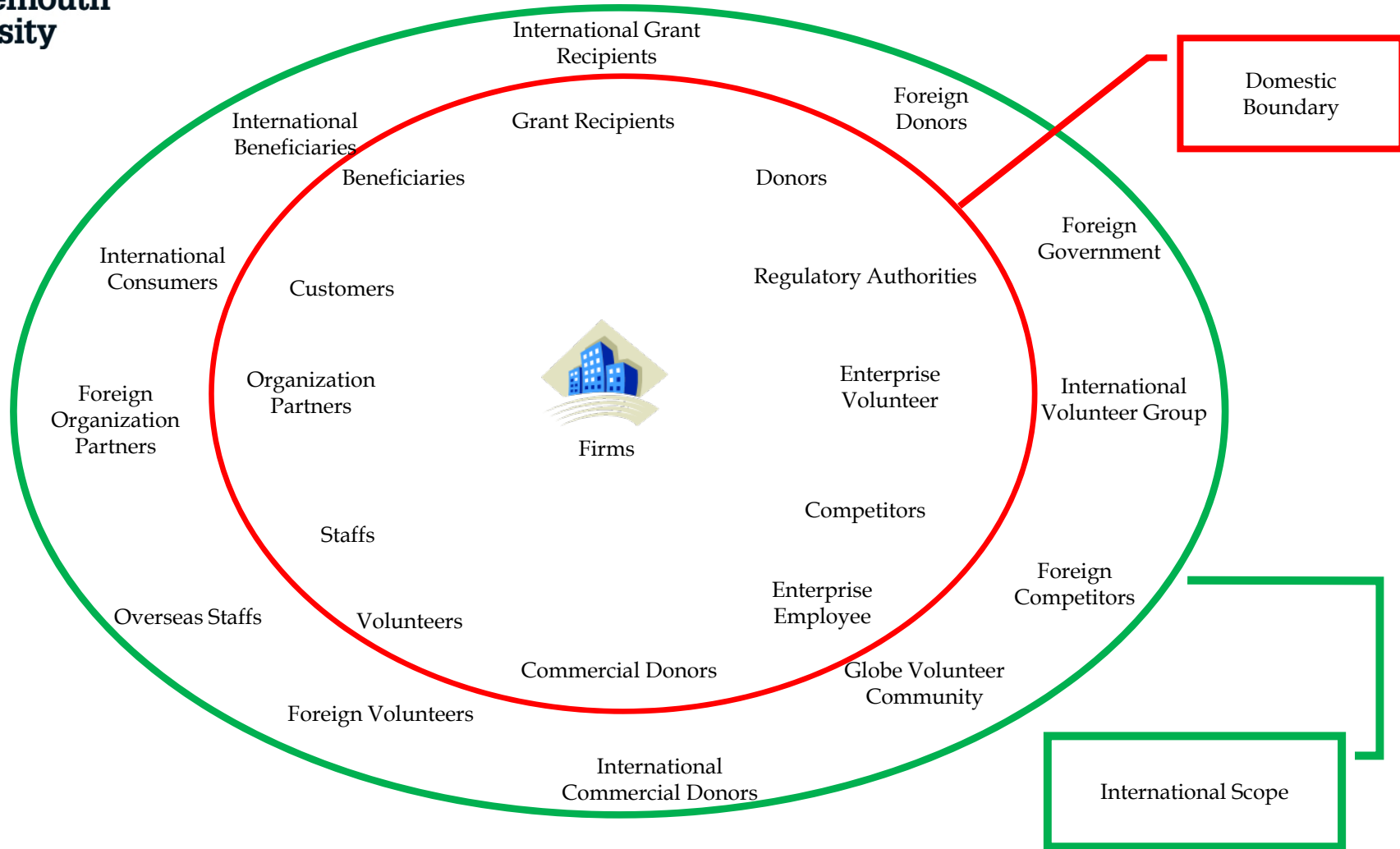
Commercial Stakeholders

- Stakeholders who have been affected by NPO's decision of conducting commercial activities
- Demands: become more enterprise like; conduct commercial activities; co-operate with private sector.....

Commercial Stakeholders



Stakeholder Map



Corporate Legitimacy

Legitimacy Gap:

- Lack of correspondence between how society believes an organization should act and how it is seen to act.
- A legitimacy gap may appear when:
 - An NPO or the media discloses information about the NPO that changes (for the worse) how society perceives it
 - Society's expectations changes
 - A NPO fails to show (through disclosure) how it is complying with society's expectations.

Commercial
Stakeholders

Social
Stakeholders

*CRM,
Integrated Marketing
and Communication
Strategy*

Social Enterprise

- Social capital – personal ties and inter-organisational relationships providing access to knowledge and markets
- Social entrepreneurship – creative and innovative ways of value creation
- Networks – relational assets, market-based assets and intellectual assets
- CRM – managing relationships to achieve mutual goals often through both formal governance mechanisms and trust-based relationship management

Network Effects

- Inter-connectedness of relationships – both direct and indirect relationships have implications for non-profit core mission
- Network opportunities – strength of relationships and leverage potential
- Variety, stability and change – dynamic approach to managing networks
- Relationships could be assets as well as liabilities – commitment to core mission

Key Considerations

- Socially or commercially driven?
- How does one prioritise stakeholders (social, non profit, commercial)?
- What are their basic needs and wants?
- What are they wanting from the organisation?
- How can these needs and wants be managed in the short, medium and long term?



Bournemouth
University

Mission Statement - Communication

- Main form of communication to all your stakeholders
- Core and peripheral messages from the mission statement
- Need to consider what we you communicating, how you are communicating and the media you choose to communicate
- The various stakeholders require differing degrees of communication, relationship management and involvement
- There is a complex array of relationships that are linked to non profit organisations managing them is just as important as marketing to them

Marketing Planning and Management (Piercy and Morgan)



Marketing Activity

- 4 key dimensions need to be considered and understood in relationship management:
 - Economic/social/environment and network dimensions
 - These dimensions have to be integrated with marketing activity
 - Marketing activity needs to communicate:
 - Tangible/intangible benefits
 - Psychological satisfactions
 - Perpetuate and transfer values and organisational culture to different parts of society or networks
 - Need to be 'of value' to your customers and stakeholders

- Different Roles of Marketing in managing stakeholder expectations/needs/wants:
- DRIP
 - To provide information
 - To be persuasive
 - To reinforce – reassure/remind
 - To differentiate stakeholders and groups

- **TRANSACTIONAL**

- To coordinate actions
- To promote the efficient use of resources
- To direct developments (Charities directional development)

- **AFFILIATION**

- To provide identification
- To motivate personnel
- To promote and coordinate activities with peripheral stakeholders

- Oxfam – ‘working towards an end to poverty worldwide’
- Oxfam. What springs to mind? Charity shops and second-hand clothes? They’re part of the picture. But think bigger. Much bigger.
- Oxfam – balancing the needs of its stakeholders.....
 - Charity work, trade, private sector, working with businesses, retailing, campaigning – public policy, innovation, creativity, formation of partnerships.....
- *The underlying message is always present*

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