ROGARE
the fundraising think tank

SUSTAINABLE PHILANTHROPY WITH PLYMOUTH UNIVERSITY

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VOLUME 1

Review of Theory from Relationship Marketing

RELATIONSHIP FUNDRAISING

WHERE DO WE GO FROM HERE?

ADRIAN SARGEANT

Relationship Fundraising: where do we go from here?

- **Volume 1 – review of theory from relationship marketing**
- Volume 2 – review of theory from social psychology
- Volume 3 – trends and challenges identified by practitioners
- Volume 4 – summary report

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Foreword

Jay Love, founder and ceo, Bloomerang

Bloomerang is extremely proud to be the co-sponsor of Rogare's first relationship fundraising project. Being able to fund breakthrough research, which impacts the core concepts of fundraising, is a golden opportunity we embraced to the fullest.

A key reason for our pride is the fact that Bloomerang's mission is to improve donor retention in the nonprofit world, which is why we built our product based on best practices from leading fundraising experts.

Donor retention is all about building relationships. With his breakthrough book *Relationship Fundraising*, Ken Burnett put a spotlight on why donor retention is vital to fundraising success and how to impact retention rates going forward. He paved the way by articulating the methods on how to build long-term relationships.

There could not be a more perfect primer to revisit in order to provide modern and solid advice to fundraisers all over the world on improving donor retention.

All of us at Bloomerang cannot wait to see if Ken's methods have truly stood the test of time, or if new relationship-building concepts emerge. Either outcome could be game changing for the nonprofit world, and the four volumes of this review provide the foundation for planning relationship fundraising's next stage of development.

Ross Miller, chief operations office, Pursuant

The fundamentals of human relationships have not changed much since Ken Burnett coined the idea of Relationship Fundraising in 1992, but in the subsequent two decades technology has made an unprecedented impact on how those relationships are first formed. When the opportunity arose to re-examine the principles of relationship fundraising with fresh perspective, Pursuant could not have been more excited to co-sponsor Rogare's discoveries. As a company dedicated to innovation in the nonprofit space, what better way to shore up that commitment than for Pursuant to support such groundbreaking work?

Fundraising principles are still fundamentally about people connecting with people. However, the relational dimension of our work continues to become more complex as our respective bases of support grow.

The challenges facing fundraisers today require us to think differently in our approach to a practice that is both an art and a science. How we find, begin, manage, and grow those relationships can seem like an impossible task at times. Compiling the collective expertise of senior practitioners in relationship management and social psychology, this study seeks to join what we've always known about the nature of human relationships with fresh insights from the science of how we make decisions.

We must continue to discover and implement the very best disciplines if we hope to improve as effective fundraisers today, and in the future. We at Pursuant are confident that the results of this study offer tangible and actionable observations about how these principles have evolved.

About this project

This literature review forms part of a project that has been conducted by Rogare – the fundraising think tank at Plymouth University's Centre for Sustainable Philanthropy – to review and refashion relationship fundraising. It should be read in conjunction with the sister review into relevant theory from social psychology (MacQuillin, Sargeant and Shang 2016).

Since Ken Burnett outlined the principles of relationship fundraising in his 1992 book *Relationship Fundraising*, the idea has spread throughout the fundraising community to become, at least in the English-speaking world, one of the dominant modes of thought about fundraising.

Yet there is still little agreement among practitioners about what relationship fundraising actually is, and what a relationship approach might practically mean for the way in which we steward our relationships with donors. Fundraisers certainly have a general sense of what it might mean as a guiding philosophy, but little idea of the theories, tools, and frameworks that could be guiding their approach, nor the results that might be achieved if they did so.

Our project aims to review and refashion relationship fundraising by incorporating ideas from psychology and relationship marketing to provide its theoretical foundation.

The project has six stages:

1. Canvass the views of senior practitioners on the advisory panel on the definition, scope and current success of relationship fundraising techniques.

2. Collate evidence of what is currently considered best practice and collect case studies of success.

3. Conduct a review of the domain of 'relationship management' in psychology and social psychology to identify theories, frameworks and ideas that might be used to inform fundraising practice.

4. Conduct a review of the academic and practitioner literature to identify theories, frameworks and ideas from the domain of relationship marketing that might be applied to fundraising.

5. Based on the two literature reviews, assess the views of senior practitioners on the project's advisory panel about the direction that relationship fundraising will take in the future and the challenges it must overcome.

6. Compile a final report that summarizes the learning from steps one to five and outlines the future direction that relationship fundraising might take.

We are enormously grateful for the support of Bloomerang and Pursuant, who have jointly funded this review.

What is relationship marketing?

Unfortunately, 'relationship marketing' has proven to be as controversial in many commercial organizations as 'relationship fundraising' has been in the nonprofit domain. As long ago as 1996, Francis Buttle noted that relationship marketing "is a term which has yet to acquire uncontested status and meaning" (Buttle 1996, p13) and little seems to have changed in the intervening years. Authors continue to disagree as to what comprises relationship marketing activity, what distinguishes it from other forms of commercial marketing activity and the categories of customer to whom relationship marketing might meaningfully be applied.

The following definitions are illustrative of that debate. Variously, relationship marketing is:

> *"Attracting, maintaining and – in multi-service organizations – enhancing customer relationships."*
>
> (Berry 1983, p25)

> *"Marketing seen as relationships, networks and interaction."*
>
> (Gummesson 1994, p2)

> *"All marketing activities directed towards establishing, developing and maintaining successful relational exchanges."*
>
> (Morgan and Hunt 1994, p23)

> *"The identification, specification, initiation, maintenance and (where appropriate) dissolution of long term relationships with key customers and other parties, through mutual exchange, fulfilment of promises and adherence to relationship norms in order to satisfy the objectives and enhance the experience of the parties concerned."*
>
> (O'Malley et al 1997, p542)

Although these definitions are obviously very distinctive they do contain a number of common strands. Almost all definitions imply a longer term focus on customers and indeed, wider stakeholders who may be party to, or involved in, the exchange. They also imply a two-way flow of information to ensure that appropriately desirable benefits are delivered to both parties. In most definitions there is also a sense of the primacy of the customer and a belief that they should not be exploited for short-term gain or profit. It is interesting to note though, that the respect embodied in many of these definitions when describing how customers and their data will be treated, is not necessarily a perspective embraced by all protagonists. For Shultz, for example:

> *"Relationship marketing …. requires a two-way flow of information. This does not mean that the customer has to give you this information willingly, or even knowingly"*
>
> (Schultz 1993, p28)

Similarly, Sheth and Parvatiyar (1995) see relationship marketing only in terms of its purpose and are less concerned with the process itself. They see relationship marketing as *"enhancing marketing productivity by achieving efficiency and effectiveness."*

Palmer and Mayer (1996) summarise this early literature on relationship marketing by suggesting that it can be categorized in terms of three principle orientations.

1. **A tactical level** – where relationship marketing is defined in terms of techniques. These might include sales promotion activity and loyalty schemes designed to stimulate purchase and re-purchase.

2. **A strategic level** – where the purpose is to design marketing that will create deeper bonds between the producer and the customer. The desire to form a relationship now drives how the organization identifies potential customers, gets to know them, keeps in touch with them, tries to ensure that they get what they want from the organization and checks that they do indeed acquire this benefit. Naturally, as Stone et al (1996, p676) point out, *"all this depends on the effort being worthwhile to the organization concerned".*

3. **A philosophical level** – where the organization shifts its whole perspective on how to approach its markets, based on the primacy of the customer and the quality of the relationship that can be developed between them and the organization. Rather than derive value from products and services, value is derived directly from the existence and nature of the relationship itself. As Gronroos (1996, p12) notes *"a true transition towards a relationship strategy requires a focus on competences and resources in the relationship. The relationship itself becomes the focus of the marketing."*

It is interesting to note that in their admittedly exploratory research Palmer and Mayer (1996) found that only the latter of these three categories of activity was positively associated with their measures of firm performance. Tactical and strategic perspectives were determined to be negatively correlated with performance.

A history of relationship marketing

So where did the notion of relationship marketing come from? From the 1970s an alternative approach to marketing based on the establishment and management of customer relationships emerged from two streams of thought emanating from Scandinavia and Northern Europe. The first was created by the Nordic School of Service Marketing, which analysed both management and marketing from a service perspective (Berry and Parasuraman 1993). The second was created by the IMP (Industrial Marketing and Purchasing) group which took a network and interaction approach to understanding industrial processes (Hakansson 1982). The common strand to both these perspectives echoes the 'philosophical' implementation of relationship marketing identified by Palmer and Mayer above. Both groups saw marketing as an issue for firms to handle holistically, rather than as a distinct business function. They also agreed that such marketing needed to be built by leveraging relationships rather than stimulating a series of transactions.

Historically it is important to realize that relationship marketing developed out of the study of business-to-business (BTB) marketing contexts. Early researchers realized than in these domains, price appeared to have much less significance in the securing of contracts than they imagined. Rather, buyers preferred suppliers that they had had past dealings with, since they knew how those firms operated and could presumably trust them to deliver. Early service researchers also got to that point, recognising that in their domain service customers did not simply evaluate individual transactions but considered the experience from previous interactions too. It seemed in aggregate that the quality of supplier relationships was more important than the cost of the product or service *per se* and they sought to explain exchange by reference to relationship variables (e.g. Anderson and Narus 1990; Berry 1983; Hakansson 1982).

Fundraisers equating relationship fundraising with relationship marketing therefore need to understand that the concept they are adopting was originally developed, not in a parallel form of consumer marketing, but rather in the business to business domain where buyers and sellers were both genuinely active in the establishment of the relationship and both believed that the partnership with the other party was genuinely important (Ford 1980; Turnbull 1979; Zeithaml et al 1983).

In the early 1980s consumer marketers felt that these characteristics did not reflect their domain. It was instead seen as conceptually and contextually distinct. In business to consumer markets (BTC), businesses often had many thousands of customers and were dealing with individuals who had only basic product related needs that might be satisfied by the organization.

It wasn't until the late 1980s when Dwyer et al (1987, p12) proposed that consumer markets might also benefit from *"attention to conditions that foster relational bonds leading to reliable repeat business"*. It was suggested that the tools and techniques of direct marketing could facilitate such relationships but in reality they were hampered by the technology available at that time (Goldberg 1988). It wasn't until the 1990s when massive improvements in database technologies took place and barriers to access (such as price) began to lower making it possible for many businesses to maintain better records and begin to personalize interactions with their customers (Blattberg and Deighton 1991; Treacy and Wieserma 1993). New technology also made it possible to identify the most important customers on a database, calculate their lifetime value (LTV) and to identify and exploit potential cross-sell or up-sell opportunities (e.g. Reicheld and Sasser 1990). In short, much of consumer marketing began to undergo a transformation away from a focus on transactions to a focus on relationships, as Table 1 indicates.

Table 1: Comparison of Transactional and Relational Approaches

	Transactional	Relational
Focus	Single sales	Customer retention
Key Measures	Immediate ROI, revenue, response rate	Lifetime value
Timescale	Short-term	Long-term
Orientation	Purchase	Relationship
Customer Service	Little Emphasis	Major Emphasis

At around the time that Ken Burnett (1992) was writing his now seminal *Relationship Fundraising* text, a similar transition towards a focus on relationships was therefore being articulated in business to consumer marketing. Regis McKenna (1991, p68) prophesised a fundamental transformation in the practice of marketing *"from manipulation of the customer to genuine customer involvement; from telling and selling to communicating and sharing knowledge; from last in line function to corporate-credibility champion"*.

This new approach eschewed traditional mass communications and the manipulation of customers which it was argued had led to very narrow conceptualizations and operationalizations of the marketing function. Indeed, McKinsey practitioners described this as "marketing's mid life crisis" (Payne 1995) and in their view this explained the downsizing of many marketing departments and trimming of marketing budgets. They argued that to recognize its full potential marketing needed to be seen as the discipline that truly understood customer needs and led the charge in focusing the entire organization around satisfying them. Rather than being a "last in line function" with little corporate influence, marketing needed to be at the centre of the organization with its philosophy at the core of the firm's operations.

In the early 1990s though, not all authors were supportive of applying the concept to consumer markets. The potential difficulties associated with developing relationships with many thousands of customers and the limited nature of the interactions that could take place between them and the organization posed significant challenges. There were difficulties too, in that it was recognized that some consumers might not welcome the use of what might be seen as intrusive technologies (Barnes 1994, Gronroos 1994, 1995, Hogg et al 1993).

The tipping point occurred in 1995, when Sheth and Parvitiyar (1995b) argued that there was increasing evidence (from a surge in the uptake of loyalty programs) that consumers were indeed desiring of relationships with business organizations. It seemed that customers were prepared to engage in 'monogamous' relationships in return for an enhanced set of relationship benefits and thus more fully embracing relationship marketing was the obvious response. With few exceptions, leading marketing professionals and academicians *"began to accept relationship marketing as the latest gospel and began spreading it faithfully as loyal disciples"* (Petrof 1997, p26).

Post 1995 we therefore witnessed an explosion of work which attempted to identify the motivation of consumers and businesses to engage in business-to-consumer relationships (BCRs), the situations where it was feasible to engage in such relationships, and the processes and techniques that could be employed to develop them. (Bennett 1996, Bhattacharya et al 1995, Buttle 1996, Pine et al 1995.)

Since its widespread acceptance relationship marketing has been credited with increased customer cooperation, a marked reduction in new product failures (because of the enhanced dialogue with customers), increased purchases, and decreased customer defection (Morgan and Hunt 1994, Gummesson 1999). From a customer's perspective the benefits were felt to include no longer having to accept mass produced products/services, no longer being subject to manipulative marketing techniques, and, in the case of BTB, the advent of genuine commercial partnerships with their suppliers.

The relationship analogy

So what were early advocates of the relationship approach actually proposing? In his seminal paper, Theodore Levitt made the case for the adoption of a marriage analogy to help illustrate the kind of strategy an organization might adopt. He argued that *"the sale merely consummates the courtship"* after which *"the marriage begins"* (Levitt 1983, p111). From his perspective companies had hitherto been engaging in a series of *"one night stands"* (ibid, p111) with consumers and failing to inculcate mutually beneficial and enduring long-term relationships. He argued that to reduce the risk of failed relationships, their nature *"should be understood and their management be planned for in advance of the marriage itself"* (ibid, p115). He also advocated that the seller be cognisant of the tendency for relationships to entropy (i.e. for a deterioration in sensitivity and attentiveness to occur) and that to avoid this they be candid, communicate frequently and build trust with their partner.

His approach was grounded in the Christian marriage analogy, where relationships are seen as contractual, freely entered into and monogamous (i.e. exclusive) and his ideas seemed to gain early traction (Kotler 1991 and Sheth and Parvatiyar 1995a). Other researchers explored the analogy in greater detail with Dwyer et al (1987), mapping out five stages of relationship development.

1. **Awareness** – where both parties recognise that the other might be a feasible partner
2. **Exploration** – a search phase when obligations, benefits, burdens and the possibility of exchange is considered
3. **Expansion** – when the increasingly interdependent partners seek and obtain further benefits from their relationship
4. **Commitment** – when the partners either implicitly or explicitly pledge to continue the relationship
5. **Dissolution** – when one or both parties decide to terminate the relationship.

Interestingly, other authors have mapped out very similar perspectives (see Table 2). The utility claimed by these authors for their frameworks is that the challenges and difficulties for the marketer and, in

Table 2: Perspectives on Relationship Development

Dwyer et al 1987	Ford 1980	Wilson 1995	From Levitt 1983
Awareness	Pre-relationship stage	Search & selection	Meeting
Exploration	Early stage	Defining purpose	Going out
Expansion	Development stage	Boundary definition	Going steady
Commitment	Long term stage	Creating value	Marriage
Dissolution	Final stage	Hybrid stability	Divorce

parallel, the customer, will be different at each stage. This leads Hunt (1994) to contend that in developing successful relationships one needs to:

- Choose one's partner carefully
- Structure the partnership carefully
- Devote genuine time and resources to developing the relationship
- Maintain open lines of communication
- Establish and maintain trust between the parties.

This has since been echoed by the wider literature where the marriage analogy has teased marketers with the need to establish: mutual goals, dialogue in communication, high levels of trust and a high level of effort devoted to working at the relationship.

An alternative perspective

So by the 1990s the marriage analogy was widely seen as compelling and led to the consideration of a swathe of strategies and tactics designed to foster the resulting "relationships".

There are though, a number of difficulties with this approach. Putting aside the fact that Levitt conveniently ignored the high failure rate of marriage as an institution in Western societies, there was also an implicit assumption that consumers might actually be desiring of entering "freely" into relationships. O'Malley (1999) found that consumers simply do not buy the analogy. Rather they are fully aware of the motives of organizations using detailed marketing information about them from extensive consumer databases to sell them products and services. At no point do consumers confuse the relationships they have with friends and loved ones with the kinds of relationships they have with their suppliers (O'Malley and Tynan 1999). They continue to trade with particular suppliers who use their personal data to get the nature of the offer right, but they do not regard this false intimacy as an interpersonal relationship. Contrary to the relationship marketing literature which sees the interaction as driven by trust, commitment and shared values (e.g. Morgan and Hunt) it is actually seen as being driven by convenience and self-interest.

> *"This is not a marriage but a commercially motivated series of exchanges with customers which depend upon getting the offer right and delivering mutual benefit."*
>
> (O'Malley and Tynan 2001, p243)

Many authors now challenge the very idea that Business Consumer Relationships (BCRs) exist (Hibbard and Iacobucci 1998, Moller and Halinen 1998 and O'Malley and Tynan 1998). It is increasingly recognized that marketing may have been swept away on a tidal wave of euphoria without ever really considering whether the metaphor was an appropriate one or reflecting adequately on the notion that this was indeed, only a metaphor.

> *"When faced with the suggestion that consumers have relationships with organizations we immediately attribute notions of trust, commitment and mutuality to that relationship. Essentially this has occurred because the relationship is a metaphoric one. However, the metaphor is so strong, so accessible, so beguiling that we have lost sight of its metaphoric values and treat it as though it really exists."*
>
> (O'Malley and Tynan 2001, p244)

There has certainly been a tendency to assume that relationships exist and similarly that these will exhibit high levels of trust, commitment, mutuality, satisfaction and co-operation (Dwyer et al 1987, Morgan and Hunt 1994). The use of these constructs, all from social exchange theory, is justified by the assumption that BCRs are similar to BBRs (business-to-business relationships), which in turn are similar to interpersonal relationships (O'Malley and Tynan 1998). However, this assumption is tenuous at best given the significant structural and contextual differences between the two domains, including the relative importance of the relationship from both parties' perspectives, the nature of the interaction and the relative size of buyers and sellers (Gruen 1995).

From this perspective it has been argued that marketers have spent too much time trying to understand fictitious relationships and too little time on understanding good marketing practice. Perhaps all that is necessary is an understanding of what customers might need from an organization, what kind of dialogue might be important to them, what values the organization might help them espouse and how (through our offering in its entirety) we make people feel. In short, marketers should be concerned with how to treat their customers fairly, sincerely, effectively and efficiently. This is what contemporary customers are saying they want from those who supply their needs.

The perceived failure or mindless ubiquity of the marriage analogy, together with a lack of robust theory (Gummesson 1987) or robust empirical evidence that relationships work in the BTC market, have led to the field of relationship marketing experiencing something of its own mid-life crisis (Sheth 1998) that has yet to be resolved. As O'Malley and Tynan (2001, p240) note *"while most marketers will agree on the nature and content of transactional marketing, the kind of marketing we do not want to practice, there is far less consensus on the core elements of RM, the kind of marketing we do want to practice".*

Little wonder then that fundraising practitioners lured by the practices of their commercial counterparts into the practice of relationship marketing are now expressing many of the same concerns as their for-profit peers.

> *"So I've been rather perplexed over the last couple of months to realise that some took [relationship fundraising] all a bit too literally over the years, leaving the fundraising sector with something of an identity crisis, and perhaps even a crisis of confidence. Isn't it all about the money? Aren't we fundraisers, which means raising funds?"*
>
> (Sherrington 2014)

Of course, the position of fundraisers as nonprofit marketers is a little different. Not only do they face the complexity of trying to establish relationships with individuals who may neither need, nor desire a relationship with them, they must further contend with the problem that many see them only as a conduit to impact on a third party or cause.

> *"There's not one organisation I give to – and there are a couple I've been doing that for over 25 years – where I'd say I had a relationship with them. They might wish for that, but they can dream on. Because they still mess up my data, irritate me from time to time, decide that as a monthly donor giving no cash I might as well be stripped out of the newsletter cycle (why waste the money, right?). Sometimes I feel I support in spite of them. Because it's not them I support, it's the cause."*
>
> (Sherrington 2014)

In some circumstances the relationship may thus be perceived as a relationship with the cause, experienced through contact with multiple individuals or agencies that together comprise their experience of an issue or their selected response to it. The relationship, if it exists at all, thus exists at a much higher level of complexity and abstraction.

Perhaps most damningly Hibbard and Iacobucci (1998) conducted a meta-theoretical analysis of 10 years of literature and concluded there was no empirical evidence to suggest that BCRs exist. They found evidence that the customer continues to be viewed as a passive, rather than an active participant in the relationship. Furthermore relationship marketing in direct marketing can be counter-productive as what businesses regard as intimacy, many consumers regard as intrusive. Privacy emerged as a key issues in the 1990s (Milne et al 1996; Nowak and Phelps 1995) and is perhaps of even greater significance today.

Although relationship marketing has been perceived as less manipulative than traditional marketing mix approaches (Sheth and Parvitayar 1995a) approaches to implementation seem more reflective of the goals of direct marketing rather than philosophy of relationship marketing. Thus organizational profit, segmentation and customer manipulation remain paramount, running contrary to notion of mutual benefit and relationship enhancement. Customers can be either active partners or passive targets but they cannot be both. Although practitioners espouse the desire to adopt the former perspective, their actions seem only to indicate the latter.

In sum there is precious little evidence in consumer markets that firms are adopting a perspective based on the philosophy of relationship marketing and there is similarly no evidence that consumers are desiring of any kind of relationship, much less the committed marriage originally envisaged by Levitt.

Relationship marketing in consumer markets

When might it make sense?

Other academic thinkers have suggested that perhaps this conclusion is too generic and that the broad perspective adopted by researchers looking for evidence of relationships neglects the nuances of many markets. Rather than dismiss the concept out of hand a more constructive approach might be to examine when and in what circumstances a relationship marketing approach might be expected to flourish. Perhaps it may be suited to some consumer environments and not others.

Relationship marketing was initially considered inappropriate in consumer markets because of the anonymity of the marketplace and the lack of interpersonal interaction. The latter is particularly problematic as relationships are presumed to develop as a result of regular contact, preferably face-to-face (Rowe and Bares 1998). Relationships are also unlikely to emerge in situations where products/services are generic and where price or accessibility are major issues (Palmer 1995).

Summarising the relationship marketing literature it seems that markets that could be "relationship friendly" would include situations where:

1. The organization provides important, variable or complex services or products.
2. Involvement in the product category is high and there is uncertainty associated with the purchase.
3. Products are luxury items such as clothes, perfume, cosmetics and fine wine; and purchases are expressive because of their closeness to the consumer.
4. Organizations can enhance social bonds by offering customers a sense of identification with the firm.
5. There is a need for regular maintenance or repair and thus regular contact with a supplier.
6. Customer lifetime value is substantial and where the products/services are high involvement – as in financial services.
7. The product can be significantly differentiated or customized.

Of all seven items, it may be argued that points (4) and (7) might offer the greatest potential for fundraising. Where nonprofits allow donors to significantly tailor the nature of the interaction or experience with the organization there may be greater opportunity to enhance the shared value that derives from the experience.

Similarly, while most fundraisers routinely focus on the needs of their beneficiaries, relatively few focus on the needs of their supporters. Those that do tend to focus on the volume and nature of communications and how vividly they depict need and provide feedback on its satisfaction. Very few practitioners give serious consideration to how their communications make donors feel. Thinking through the concepts of identity and social identity and how these might add genuine value for supporters is a logical and highly significant next step.

Point (2) also warrants consideration because if relationship marketing is better suited to high involvement situations, an approach to the segmentation of a nonprofit database is thereby suggested. It may be that relationship marketing may be better suited to a particular class of donor who are more engaged with the cause.

Involvement, in the literature, is seen as arising from the level of value afforded by a particular product or service. This value might be utilitarian value, sign value (the ability to signal something about the self to others) and hedonic or pleasure value (Mittal and Lee 1989). When involvement is low relationship marketing is generally regarded as ineffective (Gronroos 1995). Gordon et al (1998), for example, find that relationship approaches are effective only with high involvement consumers. Unfortunately involvement cannot be equated directly with the nature of the product, or in the nonprofit context the nature of the cause. Would that life were that simple. Rather the literature tells us that different kinds of people react to causes in different ways and can thus experience different levels of involvement. In the first study of its kind Gordon et al (1998), for example, found that culture and gender may also influence response.

Fundamentally though, while the list above is intuitive, it is exactly that, intuitive. Little supportive evidence has been provided and the categories are therefore highly speculative (Christy et al 1996, Palmer 1995, Pine et al 1995, Shani and Chalasani 1992).

What does seem key, drawing on the marriage analogy, is that for relationship marketing to be appropriate there be a genuine desire on the part of both organizations and consumers to engage in a relationships. For organizations the motive is clear and can be distilled as enlightened self-interest because relationship marketing reduces costs (by enhancing loyalty), reduces price sensitivity, creates opportunities for upsell and cross sell and erects enhanced barriers to exit (Beaton and Beaton 1995, Christy et al 1996). For consumers, however, the motive may be less obvious since the purchase of many products or services from a particular supplier is inconsequential for many consumers and many plausible alternatives exist (Gruen 1995). Sheth and Parvatiyar (1995a) argue that consumers will engage only if doing so assists in the attainment of goals and delivers them superior value (Bagozzi 1995, Christy et al 1996, Peterson 1995). This is a further argument in support of nonprofits giving greater consideration to what donors take from the exchange and thus the value derived by the donor not only by the beneficiary. While many donors would eschew the notion of deriving tangible ‘benefit’ from their giving, looking for ways to enhance the psychological value that accrues from giving seems the very least that a partner interested in a relationship might consider.

Even in the commercial world relationship benefits have been considered as both tangible and intangible. Tangible in the sense of the concrete benefits offered by tools such as discounts and loyalty club membership (Christy et al 1996) and intangible in the sense of the social benefits that might derive from relationship participation (Berry 1995, Bagozzi 1995). In another parallel with the fundraising context, commercial marketers have also been chastised for focusing too intensely on the former and failing to consider how they make people feel.

> *“Although intangible or emotive rewards are identified as central to marketing relationships these have received little attention in the literature. Indeed the terms loyalty and retention may be obscuring understanding of BCRs and alternative terms already evident in the literature including … ‘emotion’ (Bagozzi, 1995) should be employed.”*
>
> (O’Malley and Tynan 1998, p805)

A further perspective on when relationship marketing should be employed is offered by Gummesson. He argues that *"not all relationships are important to all companies all the time … some marketing is best handled as transaction marketing"* Gummesson (1994, p15). Indeed he advocates a portfolio approach based on a consideration of lifetime value. *"Establish which relationship portfolio is essential to your specific business and make sure it is handled skilfully"* (p15). He is not alone. Other authors have warned that investing in some segments inappropriately is expensive and may not, in fact, provide the expected benefits (Reinartz and Kumar 2000; Payne and Holt 2001). Even Berry (1995) acknowledges that for a given product, relationship marketing may only be appropriate for use with some, but not all, customers.

In the fundraising context, it is possible that we need to consider the adoption of a similar approach, where we identify donor segments where it is appropriate to adopt a relationship perspective and segments where a more transactional perspective might be more effective. The domain of major gift philanthropy would appear to meet many of the criteria for implementation outlined above, but there may also be additional groups of donors who meet many of the criteria for inclusion.

Components of a relationship

Much of the extant research on relationship marketing has focused on the dimensions of a relationship that should be managed to develop the strength of relationship bonds and desired consequential behaviours. This implies a much deeper level of analysis than would typically be applied to marketing techniques.

> *"To the manager, understanding the process of making relationships work is superior to developing simply a laundry list of antecedents of important outcomes"*
>
> (Morgan and Hunt 1994, pp31-32)

Knowing that X or Y might stimulate an action is thus much less powerful than understanding why this might be the case and the intervening relationship variables. The nature and quality of this relationship will then mediate the impact of an organization's communications, products and services on a consumer.

Fundamentally though, customers should be aware of a relationship being initiated from the outset if they are to meaningfully participate. As Thomas (1976, p19) notes: *"The marketing task is to explore with potential clients mutually profitable solutions to a problem and a felt and displayed acceptance of the client's right to decision."* For relationships to develop, many authors have argued that genuine adaptation must occur in the product or service. Real adaptation occurs only when one party in a relationship alters its processes to accommodate the other party (Hakansson 1982). Although many organizations might use the language of relationships they may not have adapted their processes using their database merely as an enabling technology – database building rather than relationship building.

Hallen et al (1991) suggest that adaptation behaviour should vary over the life of the relationship. Initially it will be a means to develop trust while in later stages it will be employed to solidify the relationship. It should also be noted that in a practical sense adaptation requires an understanding of acceptable privacy thresholds – moving to the creation of customer friendly databases rather than user-friendly databases.

Once a relationship has been established, the impact of all the activities an organization might initiate are seen as being mediated through the quality of that relationship

A common perspective on relationship quality is depicted in Figure 1.

Figure 1: Model of Relationship Quality

We will now discuss each of the dimensions of this model in turn.

Trust

As has already been highlighted, trust is considered to lie at the heart of relationships. Berry (1995) for example, argues that trust is the single biggest tool of a marketing organization. Anderson and Weitz (1992, p20) define it as "one party believing that its needs will be fulfilled in the future by actions taken by the other party". Successive studies have demonstrated its utility in driving customer retention, either directly or indirectly through either satisfaction or commitment. Trust is built by the trusted party being seen to exercise good judgement (Gabarro 1987, Kennedy et al 2001), demonstrating role competence (Morgan and Hunt 1994; Kennedy et al 2001) adherence to a desired set of principles, perhaps a Code of Practice (McFall 1987) and by delivering a good quality service (Kennedy et al 2001) possibly through high quality interaction with front line employees (Reichheld 1993; Sirdesmukh et al 2002).

Good communication is seen as key to the fostering of trust. The content of communications must evolve throughout the lifetime of a relationship with early communications designed to establish the rules of the relationship and to develop trust (Wilson 1995). As Thomas (1976, p19) notes, *"the marketing communicator's task is clearly one of understanding every aspect of his organization's output, value and goal system and orchestrating its trustworthiness"* (Thomas 1976, p19.) This requires full disclosure of purpose and meaning and that any mistakes be acknowledged as soon as discovered. It also requires that customer specific information be seen as being treated as confidential. The more trustworthy an organization is seen to be – the more likely that consumer will have positive attitudes to the ideas and invitations they put forward (Hovland et al 1953, Moorman et al 1992).

In the nonprofit context Sargeant and Lee (2004) have demonstrated that levels of trust drive giving behavior albeit that its impact is mediated by commitment. More recent work in the nonprofit context by MacMillan et al (2005) confirms the relationship between trust and commitment although suggests that this relationship is in turn mediated by 'non-material benefits'. This they define as "the belief that the nonprofit is making efficient use of its funds and having a positive impact on people for whom the funds were intended" (p810). Their model also stresses the significance of 'shared values' and 'communication' which both have the capacity to build trust. For Morgan and Hunt (1994), communication was originally conceptualised as having three dimensions namely frequency, relevance and timeliness. MacMillan et al extend this by considering, in addition, informing, listening and the quality of staff interactions.

So in the fundraising context trust may be viewed as a driver of donor loyalty and it, in turn, may be enhanced by:

1. Communicating the impacts achieved on the beneficiary group.
2. Honoring the promises, or rather, being seen to honor the promises made to donors about how their money will be used.
3. Being seen to exhibit good judgement and hence communicating the rationale for decisions taken by the organization in respect of its overall direction and/or the services offered to beneficiaries.
4. Making it clear what values the organization espouses, so communicating not only the content of service provision to beneficiaries, but also the style, manner or ethos, underpinning that delivery.
5. Ensuring that communications match donor expectations in respect of content, frequency and quality.

6. Ensuring that the organization engages in two-way conversation, engaging donors in a dialogue about the service that they can expect as supporters of the organization and the service that will be delivered to beneficiaries.
7. Ensuring that donor (customer) facing members of staff are trained in customer service procedures and have the requisite knowledge and skills to deal with enquiries effectively, promptly and courteously.

Commitment

Commitment is closely linked to the concept of loyalty (Liljander and Strandvik 1993) and as such might be considered to be the desired outcome of relationship building in consumer markets. However, if the consumer is unaware that a relationship is being developed and has not explicitly co-operated in the process then there can be no evidence of commitment on his/her part.

The relationship marketing literature suggests that relationship commitment is a further driver of loyalty (Bendapudi and Berry 1997, Morgan and Hunt 1994). Moorman et al (1993) define this as a desire to maintain a relationship, while Dwyer et al (1987) regard it as a pledge of continuity between two parties. What these definitions have in common is sense of 'stickiness'…*"that keeps customers loyal to a brand of company even when satisfaction may be low"* (Gustafsson et al 2005, p211). It differs from satisfaction in that satisfaction is an amalgam of past experience, whereas commitment is a forward-looking construct.

It is now generally accepted that relationship commitment comprises two dimensions. Gililand and Bello's (2002) helpful summary of commitment conceptualizations reveals that a majority of studies include an affective component (a strong and emotional attachment – i.e. 'I really care about the future of this organization') and a component specific to relationship marketing called 'calculative commitment' (Kumar et al, 1995; Geyskens et al, 1996; Gililand and Bello, 2002). This is simply an intention to maintain a relationship that develops because of a conscious evaluation of the costs and benefits of continuing it. In the for-profit context this would normally include an evaluation of the costs of switching supplier. There are risks inherent in doing this because, for example, their performance might not live up to expectations and individuals have to spend time learning how to use a new variant of the product or service.

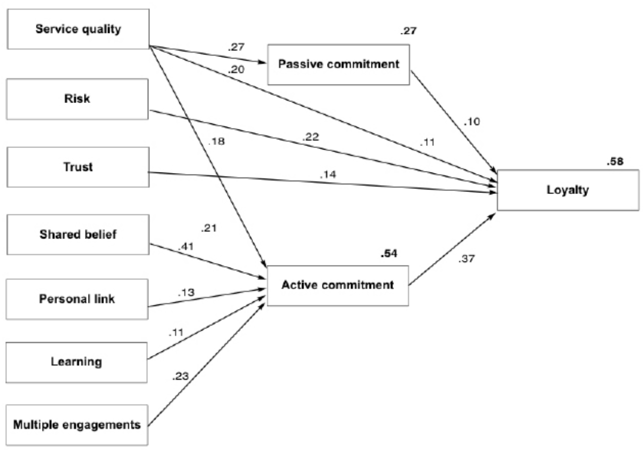
The reader will appreciate that this latter construct is probably of less relevance to the fundraising context where the costs of switching one's philanthropy are typically negligible. The notable exception here is the realm of planned giving, but the role of commitment in this context remains to be researched.

Indeed, only one study has specifically addressed the issue of donor commitment and while Sargeant and Woodliffe (2007) support a two dimensional model, they replace the calculative component with what they term 'passive commitment.' The Sargeant and Woodliffe model is depicted in Figure 2. In their study a significant number of individuals "felt it was the right thing to do" to continue their support, "but had no real passion for either the nature of the cause or the work of the organization" (p53). Indeed some supporters, particularly regular givers (sustainers), were found to be continuing their giving only because they had "not gotten around to cancelling" or had actually forgotten they were still giving.

By contrast, Sargeant and Woodliffe label the affective component of commitment as 'active' commitment, which they define as a genuine passion for the future of the organization and the work it is trying to achieve. The literature suggests that this 'active' commitment may be developed by enhancing trust (Sargeant and Lee 2004), enhancing the number and quality of two-way interactions (Sargeant 2001 and

Sargeant and Woodliffe 2007) and by the development of shared values (Swasy 1979, Sargeant and Woodliffe 2007). Other drivers include the concept of risk which the authors define as the extent to which a donor believes that harm will accrue to the beneficiary group were they to withdraw or cancel their gift and trust, in the sense of trusting the organization to have the impacts that it promised it would have on the beneficiary group or cause. Finally, the authors conclude that the extent to which individuals believe that they have deepened their knowledge of the organization through the communications they receive will also impact positively on commitment. The authors term this latter concept 'learning' and argue that it serves to reinforce the importance of planning 'donor journeys' rather than simply a series of 'one-off' campaigns. The full model that the authors develop is depicted in Figure 2.

Figure 2: Sargeant and Woodliffe model



Satisfaction

Johnson and Fornell (1991) define customer satisfaction as a customer's overall evaluation of the performance of an offering to date. It is now well established that satisfaction has a strong positive effect on loyalty intentions in a wide variety of product and service contexts (Fornell et al 1996; Mittal and Kamakura 2001). Satisfaction is viewed as the consequence of a comparison between expectations and overall evaluations of delivered service quality (Gustafsson et al 2005). In other words, people compare what they expected to get with what was actually delivered. They only experience satisfaction when their expectations are either met or surpassed. Recent work by Mittal and Kamakura (2001) has shown that the nature of the satisfaction-retention relationship can vary by customer characteristics such as demographics. For some people, the issue of satisfaction with the quality of service received is a more important determinant of loyalty than for others.

These studies suggest that in the context of fundraising, donor satisfaction with the quality of the service they are provided with (as donors) would drive subsequent loyalty, but that the strength of this impact may vary by the profile of the donors in question. The position for nonprofits, however, is further complicated by the agency role that they play and it is probable that both donor service quality and the perceived quality of service delivered to the beneficiary group may be at issue, since it may be argued that donors are in fact purchasing both. Empirical work has so far failed to address this issue and the nature of these interrelationships.

In the first study to address donor satisfaction Sargeant (2001) identified a positive correlation with loyalty, donors indicating that they were 'very satisfied' with the quality of service provided being twice as likely to offer a second or subsequent gift than those who identified themselves as merely satisfied. More recent work by Sargeant et al (2001) and Sargeant and Woodliffe (2005) has confirmed this relationship, while in the latter case simultaneously identifying a link between satisfaction and commitment to the organization. Work by Bennett and Barkensjo (2005) similarly provides support that there is a significant and positive relationship between satisfaction with the quality of relationship marketing activity (in this case, relationship fundraising) and the donor's future intentions and behavior, particularly the likely duration of the relationship and the levels of donation offered.

Despite the weight of evidence that it is the single biggest driver of loyalty, few nonprofits actually measure and track levels of donor satisfaction over time (Sargeant and Jay 2004, Burk 2004). That said, a number of major charities are now measuring and tracking donor satisfaction, with a handful constructing supporter satisfaction indices that can be fed into their organizational reporting systems (e.g. a balanced scorecard). Managers are thus now being rewarded for changes in the level of aggregate satisfaction expressed. Given the foregoing analysis, this would seem a long overdue practice.

Relationship models

Two perspectives on the nature of relationships have already been alluded to above. As one might expect, given the dominance of the relationship marketing paradigm, there have though been many other attempts to tease apart its dimensions. The model developed by Morgan and Hunt (1994) is now widely regarded as seminal.

There are clearly many parallels with the perspectives we produce above. Trust and commitment (influenced by factors such as shared values and communications) lie at the core of their model and drive a number of key relationship behaviours, notably loyalty.

What is interesting in this model are the hypotheses that consumers engage in a form of cognitive calculus in assessing the value they derive from the relationship (assessing the benefits they get and the costs they would incur through termination). The prediction that relationship benefits and termination costs drive commitment has its origins in exchange theory (Blau 1964, Chadwick-Jones, 1976).

The dimension of shared values is a concept shared with Sargeant and Woodliffe (2005) and is derived from social psychological theory of attraction based on similarity (Berscheid 1985). People who share the values espoused by an organization will be more likely to be desirous of a relationship.

Morgan and Hunt’s model has proven highly influential over the years with many authors attempting to adapt and extend it to other contexts. MacMillan et al (2005) for example, attempt to adapt the model specifically to the nonprofit domain.

In the MacMillan model non-opportunistic behaviour was found to be the strongest determinant of trust. This they define as the belief that the nonprofit will keep its commitments and not take advantage of the funder in the future. From our perspective it is possible that the reason for the high level of association is a degree of conceptual confusion with trust, in that their definition would seem to cut across that domain. Putting that difficulty aside, the model highlights the primacy of non-material benefits, echoing an earlier component of our literature review. MacMillan et al define these as feelings and beliefs, namely that the non-profit organisation will use resources efficiently and have a positive impact on the cause. This is similar to the concept of operational competence proposed by Sirdeshmukh et al (2002)

It will by now be clear just how similar academic perspectives of marketing relationships are, with many concepts appearing here already having been introduced by other authors. The difference here is the explicit consideration of the dyad and antecedents and consequences that relate to this facet of the buyer-seller relationship.

Other emerging factors

More recently, academic attention has switched to other factors that might impact on relationships, embellishing some of the components highlighted in the models appearing above. A further model proposed by Palmatier et al (2006) raises the notion of similarity between the parties to the relationship. This was originally conceptualized in terms of demographics and values, but it isn't a huge conceptual leap to examine the fit between the organization and one or more of a supporter's identities. Does support of an organization allow a supporter to articulate their sense of who they are i.e. one or more of their identities?

Identification and Identity

Originally developed in social psychology and organizational behavior, the concept of identification is defined as a *"feeling of oneness with the object of identification or as self-definition in terms of that object"* (Shamir 1992 p 310). Through the process of identification an identity is formed (Stets and Burke 2000) and thus when a person identifies with an organization, he or she perceives a sense of connectedness with it and defines him or herself in terms of it (Mael and Ashforth 1992, p104). As an example, they might thus see themselves as a Greenpeace supporter, or an environmental campaigner, or a 'responsible person' when it comes to taking care of the environment. Unsurprisingly, studies have consistently shown that higher levels of identification lead to higher levels of loyalty to the organization (Adler and Adler 1987) and more supportive behaviors on the part of consumers (Scott and Lane 2000). Researchers working in the domain of marketing have now shown that identification is a critical concept in driving loyalty in both membership (Bhattarcharya et al 1995) and non-membership contexts (Scott and Lane 2000, Bhattacharya and Sen 2003).

Identity theory and social identity theory posit that people have several different identities. Moreover people have a distinct identity in each network of relationships as they occupy various positions and play roles (Burke 2000). Each identity has a varying degree of self-relevance, so they are hypothesized to be organized hierarchically, with those higher in the hierarchy being more likely to evoke identity related behaviours (Burke 2000). In addition identities sometimes compete (Bhattacharya et al 1995 p54) so *"identification is not simply a bilateral relationship between a person and an organization, isolated from other organizations, but a process in a competitive arena"*. Identity theory seeks to explore how and why people select between possible alternatives.

For Arnett et al (2003) how salient an identity might be is critical to success of relationship marketing activity. They argue that this will be particularly the case in scenarios where one of the partners to the exchange receives substantial social benefits.

They go on to argue that their perspective may be particularly relevant to the nonprofit context where while some economic rewards may be offered (including tax breaks and benefits) there may be many additional social rewards that include emotional satisfaction, spiritual values and the sharing of humanitarian ideals (Arnett et al 2003). As Blau (1968 p455) notes *"the most important benefits involved in a social exchange do not have any material value on which an exact price can be put at all, as exemplified by social approval and respect"*. Social rewards may therefore command greater value than economic rewards.

The authors argue that consumers will be more likely to be induced into relationships that are consistent with their sense of who they are, or who they want to be. Equally, if they embrace a relationship and enact identity related behaviours this further validates and confirms a person's status as a member of an identity group and reflects positively on their self esteem (Callero 1985). The process then becomes self-reinforcing as the more involved they become the more they tend to identify with an organization (Serpe and Stryker 1987). As they participate in activities they develop a more salient identity related to the institution. That is, their related identities are confirmed through participation in organizational activities and as a result the salience for that identity is reinforced (Burke 2000). As Callero concludes (1985, p205) it is through action that role identities are realized and validated. Similarly Arnett (2003, p100) argue that "organizations can improve relationship marketing success by strengthening the ties between their organizations and the identities that people find important."

Exploring the role of identity in donor relationships would therefore seem a potentially fruitful avenue for research and professional testing.

Gratitude

Other key concepts raised in the literature include the notion of gratitude. Raggio et al (2014) for example, suggest that gratitude is a fundamental component of buyer-seller relationships. They define it as *"the emotion that arises when an individual perceives that an exchange partner (benefactor) has intentionally acted to improve the beneficiary's well-being"* (p48). It would seem a relevant construct in the context of giving since Emmons and Tsang (2004) indicate that gratitude motivates people to behave prosocially. Feelings of gratitude and their expression act to build trust and forge long-term relationships (Bartlett and DeSteno 2006). Expressions of gratitude tend to bond people together (Fredrickson 2004). Interestingly, it appears that even where gratitude is only felt (i.e. not expressed) those feelings of gratitude can increase the likelihood of future interactions (Bartlett and DeSteno 2006). It also seems that expressions of gratitude promote pro-social behavioural intentions even among those who did not participate in the campaign for which they were being thanked (Raggio and Folse 2007, 2011).

It is important to note that gratitude is not reciprocity, which the literature regards as synonymous with a score-keeping mentality (Cropanzano and Mitchell 2005).

Conclusions

In conducting this review it was interesting to note that relationship marketing appears to be going through exactly the same mid-life crisis as relationship fundraising. Despite the initial euphoria, marketers are now cognisant of the fact that the reality falls well short of the rhetoric and that the promised patterns of performance have largely failed to materialise. There is remarkably little evidence that relationship marketing approaches work within the context of consumer marketing and ironically, what evidence does exist seems more likely to be drawn from the non-profit domain. It must be remembered that relationship marketing was initially hypothesised to work in BTB markets where both buyers and sellers would be consciously and actively desirous of building enduring market relationships because of the benefits (in risk reduction, lack of switching costs etc) that they might offer.

The wholesale transplanting of ideas from the BTB market to the BTC market has been shown to have little to no theoretical foundation and to be predicated largely on one now seminal article by Theodore Levitt. The marriage metaphor he posited has been largely discredited and there is now widespread acceptance that in many market scenarios what is required is not relationship marketing, but rather; good "old fashioned" consumer-focused marketing.

In the non-profit context, Ken Burnett did not have the relationship marketing concept in mind when he wrote his inspirational text. Rather he arrived at the concept independently and in response to what he regarded as widespread and often poor practices. He called on fundraisers to do a better job of communicating and in so doing, building better quality relationships with their supporters. While there may be little evidence that relationship marketing works well in consumer markets, the picture is perhaps a little murkier when one examines the application of relationship fundraising to donor markets. Many of the models we allude to above, including Sargeant and Woodliffe (2007), Arnett et al (2003) and MacMillan et al (2005) were hypothesised, tested and validated in the domain of giving, suggesting that perhaps the concept might offer more utility to fundraisers than it may consumer marketers. Or at least that it might under certain sets of circumstances, the nature of which we elaborate on below.

In the light of our foregoing commentary and analysis we would offer the following observations.

1. Relationship marketing offers an holistic perspective on market relationships. It may therefore be helpful to conceptualize the variety of relationships that an organisation might have that are linked in some way to giving and thus adopt a "total relationship" approach as envisaged by (Gummesson 1999). Relationships could thus be developed with suppliers, other nonprofits and even regulators all with the goal of delivering enhanced value for donors.
2. Equally, earlier in this paper we mapped out seven characteristics of scenarios where a relationship approach might yield more utility than a transactional approach. Key here is the concept of involvement, with higher involvement scenarios more supportive of relationships than those of low involvement. Relationship fundraising might therefore be better suited to the domain of major gifts, where both parties are desirous of a relationship and engage in enhanced social interaction as the cultivation and stewardship processes unfold. Relationship fundraising may also be suited to other non-profit BTB contexts such as corporate fundraising where charities and businesses work alongside each other to achieve a set of mutually agreed goals.

3. In other donor markets, notably the markets for cash and monthly giving, we find little evidence that the criteria we outline above would be met. These contexts have little in common with those where the development of relationships would be either desirable or achievable. Donors certainly require a fundamentally decent standard of care from the charities they support, but perhaps little more. Employing the relationship analogy to deliver that base standard of care seems unnecessary when, as we note above, what is needed is merely good professionally conducted marketing.

However, before we abandon the notion of relationship fundraising in donor markets completely, it is worth noting that while such markets presently do not exhibit the characteristics of markets where it is appropriate to focus on relationships, perhaps there may be ways to develop some *similarity* with them and thus make relationship fundraising more appropriate. If organizations must focus solely on maximising the income that they receive to deliver on their mission, relationship fundraising is in our view an unnecessary and potentially wasteful complexity. But if organizations care not only about what they do for their beneficiaries but focus equally on the value that they can add for their supporters, then the concept may offer more utility. How many fundraisers reflect on how their communications make donors feel and how any relationship they might try and initiate might make them feel? As a sector we seem to have imposed relationships on our donors without giving the first thought to whether they might want one or the benefits it might deliver. Such benefits might be economic, but as we have seen above, they are considerably more likely to be social or psycho-social in nature and reflect, or add value to, various aspects of an individual's sense of self. To practice relationship fundraising, fundraisers need to understand these dynamics.

Viewed from this perspective, engaging in relationship fundraising can be seen as a choice, depending on whom the organization regards as the ultimate beneficiary of its marketing activity. Is it solely the user of a charity's services or are we genuinely interested in the outcomes for our donors as well? We do not (incidentally) seek to imply that either approach is necessarily better, merely that both approaches can offer value and that organizations need to decide whether a relationship or a transactional approach would be better suited to their circumstances or mission. The choice is not one that could or should be made on economic grounds alone. It should be reflective of the wider impact that the organization desires to have on society and its philanthropy.

As we establish above, practicing a relationship approach would require an organization to know not only what donors want to achieve through their giving, but also the conscious and (often) unconscious needs that they have as individuals. The latter requires charities to understand what donors are saying about themselves when they give and thus the aspects of self that the organization could potentially reinforce or add value to. This way of thinking opens up a rich vein of thought where considerable additional "warm glow" might be created for supporters. In thinking in this way the tools and techniques of marketing are not used to raise money *per se*, but rather to market the dimensions of a relationship that will lead to the donation of money. There are echoes here of the literature we reviewed above, where relationship marketing was seen, from a philosophical perspective as focusing on the relationship itself, not its outcomes.

Thinking creatively, in some markets there may also be mileage in using relationship marketing techniques to establish and build a relationship between the donor and the beneficiary. While we noted earlier that many 'consumers' may not want a relationship with an organization, by offering a gift to an individual beneficiary, one might argue that they are indicating that they care about the plight of the focal individual and may therefore be willing to enter a relationship to support them. Relationship marketing may thus be appropriate in circumstances where the organization forges a direct relationship between the two parties and where relationship marketing approaches can be used to add value to that "contact". Many sponsorship products, for example, would appear to meet the criteria necessary for a relationship when viewed in this way. In this scenario, the focus for the fundraiser should not be on techniques, but rather how they might enhance various facets (or specific dimensions) of the relationship.

Of course, for this to happen *internal marketing* becomes a critical issue if the organization is to be well prepared for its new marketing tasks (Gronroos 1994). Bitner (1995), for example, emphasizes the need to manage not only the task of giving and fulfilling promises but also the task of enabling the fulfilment of promises if marketing is to be successful. Similarly, Gummesson (1994) argues that:

> *"An ongoing relationship with customers where customers look for value in the total service offering, requires internal collaboration among functions and departments which are responsible for different elements of the offering, such as the core product itself, advertising the product, delivering the product, taking care of complaints and recovering mistakes and quality faults, maintaining the product billing routines etc."*
>
> (Gronroos 1994, p10)

It is therefore important that the whole organization understands the critical nature of the donor relationship with the beneficiary and play its part in ensuring that all the promises made in respect of that relationship are met and that ways are continually sought to add additional value.

In sum we believe that rather than blindly seek to apply relationship fundraising to every individual donor, fundraisers should critically evaluate each fundraising situation to determine whether a relationship is the best approach. Specifically, the profession needs to identify a set of analogies that might work for different fundraising situations, reflecting the likely motivations of both parties. "Marriage" or even "love" is certainly not suited to every scenario.

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