

APPLICATION OF RELATIONSHIP MARKETING IN NON-PROFIT ORGANISATIONS INVOLVED IN THE PROVISION OF SPORT AND RECREATIONAL SERVICES

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ABSTRACT

The marketing literature of the past decade contains many articles dealing with strategies and tactics by means of which organisations could enhance and increase the duration of their interaction with customers. The concept of relationship marketing was born from this need for long-term interaction with customers. A variety of factors have over time contributed to a need for marketing in non-profit organisations, such as non-profit sports clubs and recreation centres at local and school levels, to offset the decrease in income and membership many of these organisations experienced.

Key words: Non-profit organisations; Relationship marketing; Sports clubs; Recreation centres.

INTRODUCTION

The marketing literature of the past decade is saturated with strategies and tactics by means of which organisations could enhance and increase the duration of their interaction with customers (Blois, 1996; Christy, Oliver & Penn, 1996; Grönroos, 1997). The concept of relationship marketing was born from this need for a long-term interaction with customers. The emphasis in relationship marketing is on establishing and maintaining long-term relationships with a view to ensuring loyalty to the organisation. The unique characteristics of non-profit organisations – such as amateur sports clubs and public recreation centres – make such organisations fertile ground for the application of relationship marketing principles (McCort, 1994: 54-55). Relationship marketing offers benefits including the fostering of a long-term committed relationship between the various stakeholders and a non-profit organisation offers the building of membership confidence and a sense of ownership to members in the mission of the club. Some of the principles underlying relationship marketing are especially meaningful for the retention of membership and volunteer workers. Many established non-profit sports clubs have reached a stage of maturity in their life cycle and are experiencing dwindling resources and a decline in membership numbers. For a club in this position, the focus should be to maintain and build sound relationships with its existing members and other stakeholders, rather than to aggressively promote efforts to try and recruit new members and locate other resources.

PROBLEM STATEMENT

Over a period of time a variety of factors have contributed to a need for marketing non-profit organisations – such as non-profit amateur sports clubs and public recreation centres at local and school level – to offset the decrease in income and membership many of these organisations experienced. Since 1994, with the advent of post-apartheid South Africa, the areas of focus of local governments have changed dramatically and the needs of previously disadvantaged communities have become a top priority. Hilliard & Msaseni (2000: 66) stress the importance of strategies in the post-1994 dispensation for improving service delivery by South African authorities to millions of previously excluded and disadvantaged persons. In order to put its macro-economic programmes (known as RDP and GEAR) into operation the government has released a number of white papers on transforming the public service to make it more efficient, effective and economical (National Department of Sport and Recreation, 1998). The White Paper on “Getting the nation to play” by the Department of Sport and Recreation states that sport continues to be short-changed with regard to the allocation of state funds (National Department of Sport and Recreation, 1998). Comparing funds requested versus funds paid out by the National Department of Sport and Recreation in 1997, these amount to a deficit of approximately R88m for sport alone in that particular year. In 1997 80% of the total (R600m) sports sponsorships went to 20% of the National Federations alone, which in turn means that the less popular and underfunded disciplines cannot rely on this source of income (National Department of Sport and Recreation, 1998). The aforementioned White Paper on Sport also emphasises the lack of a strategic vision and policy for the development of sport and recreation in this country. Nel (1996) emphasises the importance of a shift from a reactive approach to a strategic approach by local authorities to respond to the changes in the external environment. Marketing principles form the foundation of such an approach.

The new Municipal Systems Act agreed to on 14 November 2000 and promulgated in 2001 underlines the shortage of funds for public services. It spells out clearly that the available funds for services to the public could in the first place only support the operational and maintenance cost of those services (Local Government: Municipal Systems Act, 2000). This law does not make provision for any financial support over and above the very basic needs of service organisations, such as sports and recreation clubs. Therefore, clubs need to generate their own funds for apparatus, transport, clothing, coaches, management and the like. According to the Act, communities with low-income levels may expect some support in the form of low tariffs and some form of direct or cross subsidies. This presents a challenge to the traditional sports clubs from the pre-1994 era to become almost self-sustainable in order to survive. The White Paper on Municipal Service Partnerships states that it has been conservatively estimated that the total cumulative backlog of services in general amounts to between R47 billion and R53 billion with an annual backlog of R10.6 billion (Government Gazette, 2000: 9). This underlines that sports clubs in particular cannot in future rely on local municipalities for financial support. Neither are there positive spin-offs in the recent consumer spending patterns in South Africa for non-profit sports clubs and recreational centres. There are indications that some of the money previously spent on attending or taking part in sport or recreational activities, have now found their way to National Lottery tickets and the casinos that have established all over the country (Ligthelm, Wilsenach & Mashigo, 2000). To address the problem of funding and sustainability of non-profit sports clubs, the nature and importance of relationship marketing as a possible means to alleviate this problem is addressed.

OBJECTIVES AND STRUCTURE OF THE ARTICLE

The primary objective of this article is to explore some of the possibilities for the application of the concept of relationship marketing by non-profit organisations, such as the typical South African non-profit sports clubs and recreation centres. The study is conceptual and theoretical in its approach. In this article the emphasis will be on non-profit sports clubs, but the principles discussed and suggestions offered could equally be applied to non-profit recreation centres. This approach or orientation to marketing offers various benefits to the provision of sports and recreational services, especially in their endeavours for resources. As indicated in the problem statement section, it has become necessary to follow a different approach since local governments and other bodies that previously sponsored these organisations from local tax money, have recently faced serious funding cutbacks (Local Government: Municipal Systems Act, 2000). Secondary objectives are to identify areas and activities which these organisations could investigate and exploit for their own benefit as part of a relationship marketing strategy.

The first section of this article deals with the concept of relationship marketing as found and applied in the business world. The next section deals with the diversity of relationships encountered and stakeholder groups involved in relationship marketing. The components of relationship marketing and their relevance for non-profit organisations then follow. The article ends off with some suggestions for the application of relationship marketing in non-profit sports and recreational organisations.

A BRIEF OVERVIEW OF THE CONCEPT OF RELATIONSHIP MARKETING AS FOUND AND APPLIED IN THE BUSINESS WORLD

Marketing has become progressively more concerned with the development and maintenance of mutually satisfying long-term relationships with customers. Relationship marketing focuses on developing and maintaining a continuous relationship between buyers and sellers (which entails not only recruiting, but also maintaining customers) and other parties in the marketplace, so that the objectives of the parties involved are met. These relationships are frequently, but not necessarily always, both long term and dynamic (Boedeker, 1996: 106-107). Relationship marketing covers a wide range of different parties involved with a business organisation; some being internal and others external to the business organisation. Business organisations should thus shift their focus from the individual transaction to the building of relationships (Silver & Laine, 1996: 228). A successful enduring relationship with a customer cannot be easily imitated by competitors and as such it offer a unique and sustained competitive advantage.

A definition of relationship marketing that includes the diverse viewpoints of various authors, is that relationship marketing includes all the activities necessary to identify, establish, maintain and enhance profitable relationships with internal and external customers and other stakeholders so that the objectives of all parties involved are met through mutual exchanges and the making, enabling and keeping of promises (Harker, 1999: 13-20). Relationship marketing fits the provision of programmes and services very well. These are regarded as major elements of the sports and recreation product provided by non-profit organisations.

The growth in relationship marketing could be ascribed to the potential long-term financial benefits it offers. In terms of economics, relationship marketing is based on two economic arguments. The first argument states that it is more expensive to win a new customer than it is

to retain an existing one. The second argument states that the longer the relationship between a business organisation and a customer lasts, the more profitable the relationship for the business organisation becomes (Egan, 2000). Traditionally marketing focused on the recruitment of an ever increasing number of customers, with less emphasis on the retention of existing customers. In contrast relationship marketing focuses on the retention of existing customers. In some industries it has been known for a considerable time that it is between five and 10 times as expensive to win a new customer than it is to retain an existing one (Rosenberg & Czepiel, 1984: 45-51). Although the cost of retaining a customer would differ between industries, the message is clear: Recruiting new customers could be extremely expensive.

The second argument mentioned above, namely increased profits from long-term relationships, has led to the development of the concept of the "lifetime value" of a customer. The sales value and the profit earned from a single sale form the focus in a transaction-orientated view of the customer. On the other hand, a relationship-orientated view of the consumer takes into account the income and profit to be earned over a long-term relationship with such a customer and studies suggest that business organisations should endeavour to improve their customer-retention performance (Reichheld & Sasser, 1990: 105-111).

The long-term objective of relationship marketing is thus to increase customer loyalty. A loyal customer does not only entail direct profits for a business organisation; a loyal customer also acts as a spokesperson and advocate for the relevant organisation. Figure 1 illustrates the relationship marketing ladder of customer loyalty. New clients or customers are – and will always be – very important to the future of any business organisation. A balance is, therefore, needed between the efforts directed towards maintaining existing and recruiting new customers. The same argument is also directly applicable to a non-profit sports club. The relationship marketing ladder of customer loyalty in Figure 1 illustrates this point. In order to change a prospective customer into an advocate for a business organisation, it is necessary to replace customer satisfaction with customer delight; in other words, exceeding the expectations of a customer. This will lead to the best form of marketing, namely that done by customers (Payne, 1993: 34). In the context of a sports club, for example, a satisfied member, manager, administrator or other stakeholder could be a potential spokesperson for the sports club whenever the occasion arises.

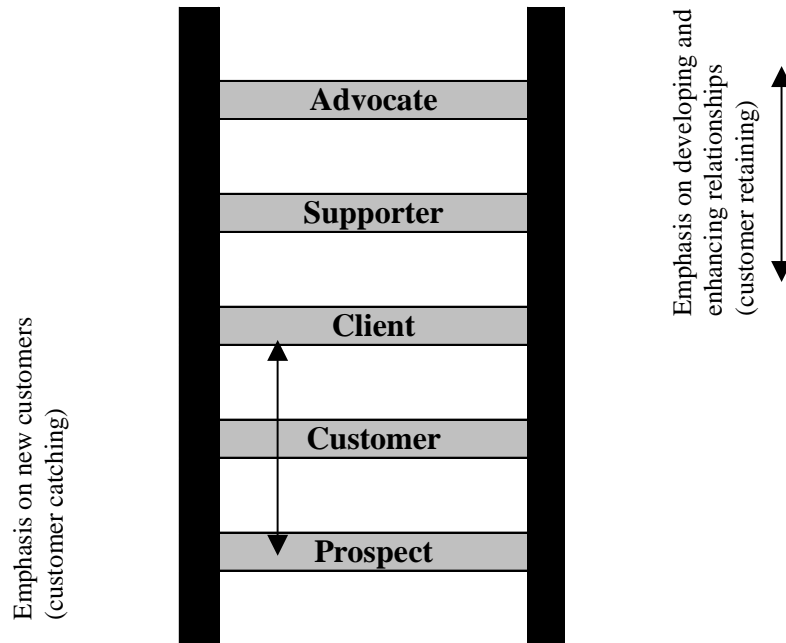


FIGURE 1. THE RELATIONSHIP MARKETING LADDER OF CUSTOMER LOYALTY (Payne, 1993: 33)

THE EXTENT AND DIVERSITY OF RELATIONSHIPS IN RELATIONSHIP MARKETING

Relationships between customers and suppliers form the basis for marketing (Gummesson, 1999: 6). A great deal of everyday marketing takes place via an impersonal exchange through mass promotion and mass distribution where the manufacturer and/or the retailer may even be totally anonymous to the consumer, who in turn becomes a mere statistic. In contrast, the prime focus of relationship marketing is on the individual or the individual organisation. In relationship marketing the focus is also on like-minded people, called affinity groups. The group members share a common interest, namely that they want a relationship with a supplier, its products and/or services and even with each other. Golfers, environmentalists and computer freaks are examples in this respect. These groups in turn form communities (Gummesson, 1999: 6). The common interest shared by members and the sense of belonging of members, result in non-profit sports clubs and groups with very specific recreational interests being prime examples in this respect. The focus of relationship marketing though extends much further than internal and external customers. Morgan and Hunt (1994), in their seminal work on relationship marketing, identified 10 relationships between a business organisation

and its stakeholders. Gummesson (1999) went even further and stated that 30 relationships exist between a business organisation, the market and society. Gummesson (1999: 20-23) groups the 30 relationships into the following four types:

- Classic market relationships.
- Special market relationships.
- Mega relationships.
- Nano relationships.

The relevance and applicability of the above-mentioned four relationships to non-profit sports clubs are alluded to in a later paragraph. The stakeholder groups, with whom a typical non-profit sports club could have relationships, are dealt with in the following paragraph.

STAKEHOLDER GROUPS OF A NON-PROFIT SPORTS CLUB

If a sports club wishes to consider the potential offered by the typical relationships found in this environment it should develop a clear picture of all the typical stakeholder groups with whom it interacts. Figure 2 is a schematic presentation of the typical stakeholder groups with whom a non-profit sports club could enter into relationships. The two-way arrows in Figure 2 illustrate the two-way interaction between a non-profit organisation and typical stakeholder groups.

The relationships between a non-profit sports club and its stakeholders, as illustrated in Figure 2, could also be grouped in accordance with the work of Gummesson (1999: 20-23).

- The classic market relationships include relationships with:
 - Donors: organisations/people who provide money, equipment, etc.
 - Sponsors: organisations/people who donate money, equipment, etc. in exchange for exposure by the non-profit sports club
 - Volunteers: people who undertake voluntary coaching, managing, secretarial and administrative work
 - Players/ members
 - Suppliers: organisations/people who supply items such as fertiliser, cold drinks, sport equipment, etc. to the non-profit sports club
 - Competing non-profit sports clubs
- Special market relationships include the following relationships: Ex-players, and also previous coaches, administrators and members.
- Mega relationships would include relationships with stakeholders such as: General public, spectators, the local authority, public media, pressure groups, national/provincial sport codes and referee/umpire associations.
- Nano relationships refer to the relationships with stakeholders, such as full-time staff.

It is important to keep in mind in respect of the four groups of relationships that they all interact and affect all these relationships in some way. Van der Merwe (1993) uses the Russian doll as a metaphor to explain the relationships found in relationship marketing.

THE COMPONENTS OF RELATIONSHIP MARKETING AND THE RELEVANCE OF RELATIONSHIP MARKETING FOR NON-PROFIT SPORTS CLUBS

The components of relationship marketing, which will ensure that the promises made are fulfilled mutually, are identified as concern, commitment, trust and satisfaction (Morgan & Hunt, 1994 : 20-38; Gruen, 1995: 447-469; Egan, 2000).

Relationship marketing's very essence is an outward approach, concern for the welfare of its members and supporters. Relationship marketers typically endeavour to meet or exceed the expectations of its members and supporters, so they may experience satisfaction or even pride and delight. Successful non-profit sports clubs are those that satisfy the needs of their diverse stakeholders the best (Berrett, 1993; Pitts & Stotlar, 1996; Milne & McDonald, 1998; Shank, 1999). The relationship commitment is seen as the foundation of relationship marketing and is defined as an exchange partner believing that an ongoing relationship with another is so important, as to warrant maximum efforts at maintaining this. In other words, the committed party believes the relationship is worth working on to ensure that it endures indefinitely. Parties identify commitment among exchange partners as the key to achieving valuable outcomes for themselves, and they endeavour to develop and maintain this valuable attribute in their relationships. It is safe to assume

that younger members in a non-profit sports club may look for outcomes such as good facilities, coaching and the opportunity to succeed in his or her playing career. Older members, on the other hand, will most likely have different needs, such as the opportunity to coach, socialise, manage or to hold an office bearing position. The core benefits of these positions are typically recognition, self worth, socialisation and a need to belong.

Marketing as such is based on the exchange principle and trust when parties have confidence in the reliability and integrity of their exchange partners. A non-profit sports club should thus not only care for players, older members and supporters for as long as such people could make a direct contribution in some way. Relationship marketing emphasises that relationships should extend beyond this. Trust is also a major determinant of relationship commitment. Satisfaction, on the other hand, is a prerequisite for a lasting relationship since marketing in general is based on the exchange principle. The club renders a service such as fields, nets, playing surfaces, indoor facilities, coaching, first aid and league fixtures in exchange for loyalty, support, physical effort, membership fees, volunteer work and donations (Crompton & Lamb, 1986).

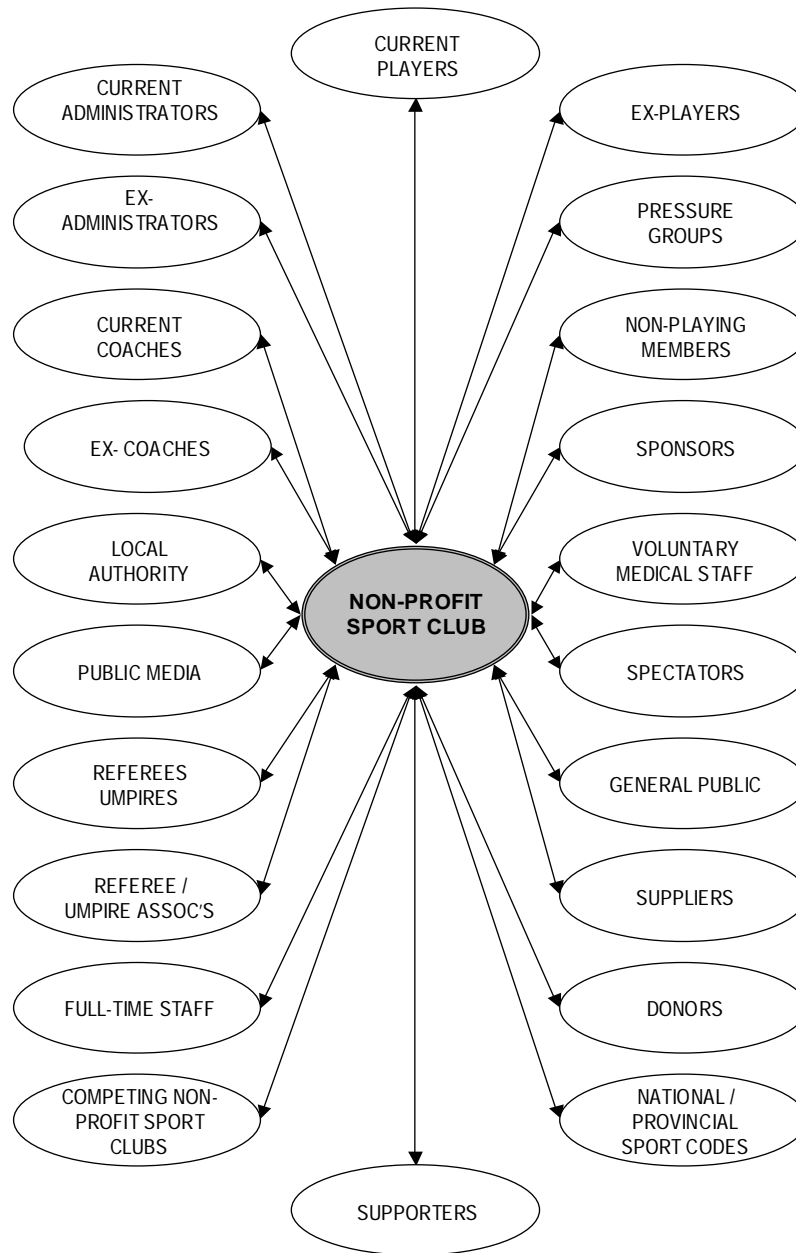


FIGURE 2. TYPICAL STAKEHOLDERS OF A NON-PROFIT SPORTS CLUB

The economic arguments underlying the application of relationship marketing in the business domain could also apply to non-profit sports clubs. Firstly, it is certainly more expensive to win a new loyal club member, donor or volunteer than it is to retain an existing one.

Essentially no marketing activities, such as advertising and promotion, need to be done outside the club to retain such people. As far as the second argument goes, it could be stated that the longer the relationship between a non-profit organisation and the member lasts, the less cost, energy, supervision, etc. is required to convince the current member to make a contribution. Existing stakeholders are usually also more familiar with the history, traditions and values of a non-profit sports club and thus do not need to buy into such aspects from anew. In respect of volunteers, a long-term relationship leads to less training and time necessary to familiarise the volunteer with the club's mission, objectives, policies and procedures. In the case of non-profit sports clubs the permanent long-term members could also be seen in a certain sense as volunteers, since they contribute in many ways to the survival and general administration of the club. Kotler and Andreasen (1996: 282) sum this up by stating that "... With any marketing task, it is usually much easier to market to present members (volunteers) than to new customers (volunteers)." As far as donors to the club are concerned, it is clear why a longer-term relationship favours a non-profit sports club. It has been reported that the more money people give, and more frequently, the more they are likely to give if they receive appeals to do so (Schlegelmilch *et al.*, 1997: 14). It has also been found that donor development is inherently more profitable than donor recruitment and although there are no clear rules in this respect, it is likely that in an established non-profit sports club the ratio between donor recruitment and donor development would be 80:20 in favour of donor development (Sargeant, 1999: 130).

APPLICATION OF RELATIONSHIP MARKETING TO NON-PROFIT SPORTS CLUBS

In a normal profit driven business, the success of the process of resource attraction is clearly linked to the success of resource allocation (Birks & Southan, 1991: 15-20). This is not the situation relating to non-profit sports clubs. From another perspective it may be stated that in the case of a non-profit organisation the product or service could be entirely separate or partly connected to the flow of income (Cousin, 1990: 15-30). The direct exchange that is a characteristic of marketing in the commercial world is absent in the marketing of a non-profit organisation, such as a sports club. The challenge for a non-profit organisation is thus to convert the process of resource allocation into meaningful and tangible evidence to the stakeholder groups that provide resources to the non-profit organisation. Local municipalities have to be seen as one of most important stakeholders. At this point one should emphasise that not all non-profit sports clubs have been reluctant or resistant to the application of marketing principles in their activities. In fact, there are numerous examples where non-profit sports clubs have been excellent in meeting the individual needs of their constituencies for years (Reed, 1996: 6; Massey, 1995: 35-38).

SUGGESTIONS FOR THE APPLICATION OF RELATIONSHIP MARKETING IN NON-PROFIT ORGANISATIONS

It was indicated earlier that sports clubs not only have a number of different stakeholder groups with whom relationships should be formed, but these stakeholder groups are also very diverse. For the purposes of this article the stakeholder groups are divided into three groups. These groups are donors, sponsors, volunteers and other stakeholders.

Donors and sponsors

Apart from money, donations to non-profit sports clubs could assume many forms. Typical donations would include sports equipment such as balls, bats, nets, players' kits, etc. Fertiliser, paint, building materials, soft drinks and alcoholic beverages are but some of the typical other donations non-profit sports clubs receive. Generally speaking individuals and sponsors seldom donate money to a sports club. Instead they would rather donate their time, effort, loyalty, expertise and sometimes resources, such as heavy machinery and transport. Sponsors seek exposure for their brands, etc. and although sponsorships as such fall beyond the scope of this article, the importance of sound relationships with sponsors' needs should never be underestimated. Donors have different motives in giving their money or other resources and it is necessary that a non-profit sports club should understand this. Once this principle is grasped, the non-profit sports club could undertake some well directed actions to satisfy the needs of their donors. One of the issues that has been found to be very important to donors is that they are interested in the impact that their contributions have on the needs of the non-profit organisation (Hobson & Malec, 1996: 79-81). A non-profit sports club should continuously aim to satisfy, involve and inform its donors by providing them with the club's results and any other newsworthy items such as the club's involvement in development actions (Vavra, 1992). Previous evidence suggests that donors who perceive a non-profit organisation as effective and efficient are more likely to invest their time, energy and even money in the relevant organisation (Schlegelmilch, 1988; Harvey 1990). Edmundson (1986: 49) found that a lifelong giving begins when the member perceives a personal link with the club and suggests that younger and more recent members should be given access to as much information as possible about the club and the services it offers to its members and the community.

Current volunteers are also one of the best sources of extra donations. This means that the club should endeavour to increase the involvement between the club and the volunteer. Volunteers are more likely to be loyal members than non-volunteers are, and attracting younger individuals into volunteering would certainly increase the likelihood of them becoming loyal members. The management of a club should not view volunteering time as a compensation for donating money, and clubs may even be able to solicit donations from their own volunteers and possibly also from ex-volunteers (Schlegelmilch *et al.*, 1997: 24-25).

Although there are many ways to explain the process of how to develop the relationship with donors, one of the well-known examples in this respect is the classic donor pyramid which illustrates some fairly standard ideas about the relationship between different types of financial contributions and different levels of donor commitment. The donor pyramid is based on the assumption that, for the most part, the degree of a donor's commitment and loyalty is likely to be in direct proportion to the size of her or his contribution; the more committed a donor is to a particular cause, the more the donor is likely to contribute to it. Conversely, the number of supporters contributing at a particular level is likely to vary in inverse proportion to the size of their contribution. In terms of the donor pyramid, a non-profit sports club would probably attract a large number of supporters prepared to make a fairly limited, occasional contribution; fewer would be willing or able to make more regular contributions and commitments and only a small number may be in a position to make a really substantial contribution. The donor pyramid and its components are illustrated in Figure 3. From the perspective of the donor pyramid, donor development involves moving donors as far up the pyramid as they are able and willing to go. The major aim in donor development is the

making-over of legacies. This may be achieved by creating an increasingly individual and regular relationship with donors on the lower levels of the donor pyramid. From the moment of first contact a mixture of support and encouragement should be provided to enable donors to extend their involvement and contributions as far as they are able to do (Open University, 2000: 62-63).

From a relationship marketing viewpoint, the ideal is to maintain donors at level 3 or preferably to move them to levels 1 or 2. To develop loyalty amongst donors, it is imperative to maintain a meaningful dialogue with these donors over time. Donors (particularly high value donors) need to feel that they are appreciated and that "efforts" on the club's behalf have actually made an impact. Moreover they expect that the club would recall their past deeds and understand a little about them as individuals. Thus more successful fundraisers would use every opportunity to develop and extend a dialogue with their donors (Sargeant, 1999: 141).

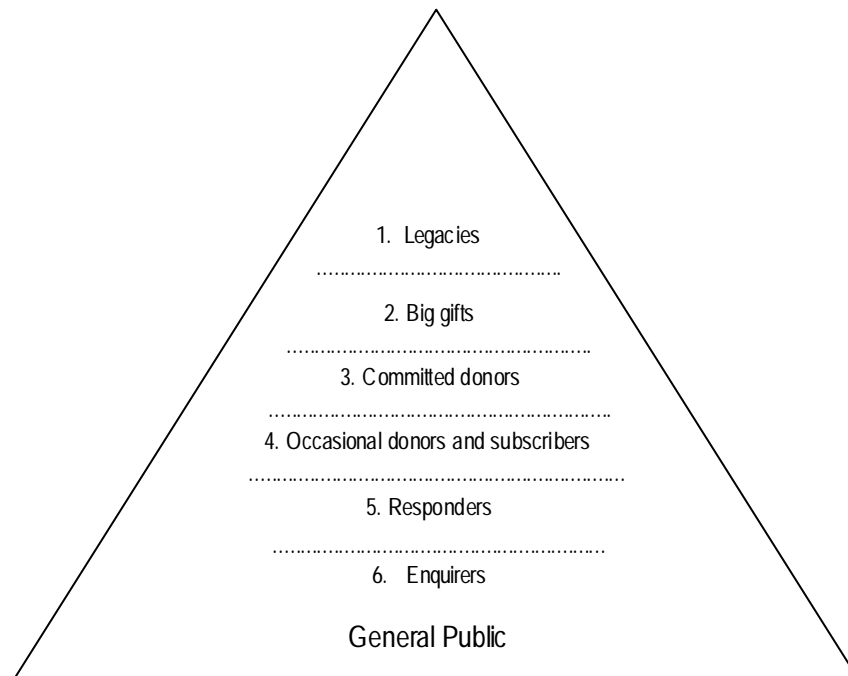


FIGURE 3. THE DONOR PYRAMID (Open University, 2000: 63)

In addition to the above, there are a variety of other ways in which donors may be given recognition or rewarded for their contributions. The following paragraph contains some possibilities in this regard (Warwick 1993: 58-59; Sargeant 1999: 141-142).

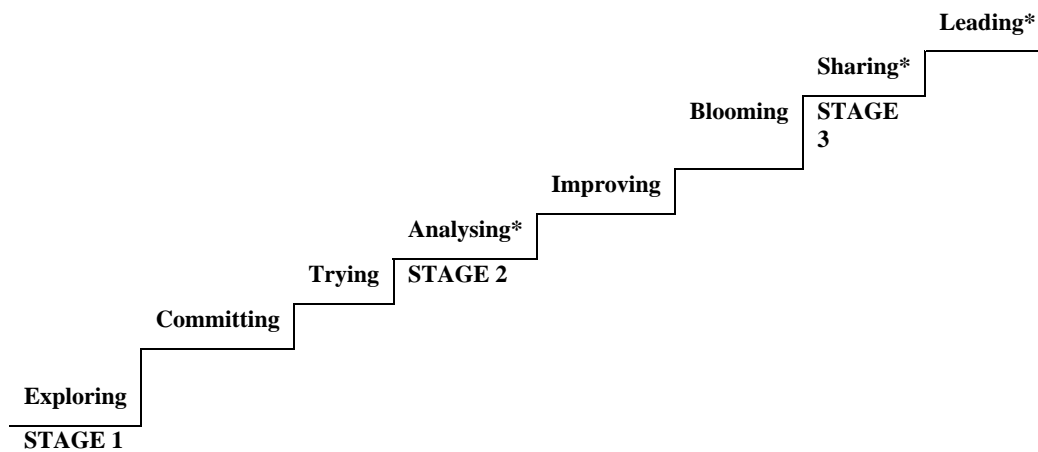
Donors should be thanked as soon as possible for their contributions. Communications with donors should be personalised. Higher value donors should receive uniquely personalised letters or other materials of the club. The most senior staff member of the club should preferably personally also phone high value donors. Newsletters should also be sent to donors;

the purpose of which is to inform donors of how their contributions have been utilised. Such newsletters also serve as useful reminders of the donor's association with the club. Donors should also be invited to special events. Open days, dinners, galas, award presentations and the annual general meeting are all suitable occasions for this purpose. High value donors could be presented with plaques, gifts or certificates of acknowledgement. Such plaques or gifts provide a tangible element to the appreciation shown by the club.

Volunteers

Relationship marketing is very relevant for the management and retention of volunteer workers. Most non-profit sports clubs rely heavily on the inputs of volunteers (Green, 1998). Such volunteers could assist a non-profit sports club in many ways. Coaching and managing of sport teams are most probably the best-known activities that volunteers undertake. However, they also usually attend to a host of other activities. Typical of such activities is secretarial and administrative work; medical, physiotherapy and first aid services; legal and accounting advice; plumbing and electrical work. A volunteer contributes time, expertise or a resource to a club and as such the volunteer has demonstrated his/her commitment to the aim and goal of the club. In return the club has the obligation to cultivate a relationship with that particular volunteer.

The selection and recruitment of volunteers is the beginning of a long-term management task of a club, namely that of supporting and developing volunteers. Many models have been put forward to explain how volunteer involvement in an organisation develops. One such model, illustrated in Figure 4, describes the life cycle of a volunteer. The major task here is to try to ensure that the volunteer achieves a successful life cycle during her/his time with the club (Batsleer *et al.*, 1992: 89-90).



* = Points of renewed commitment

FIGURE 4. LIFE CYCLE OF A VOLUNTEER (Beugen, 1985: 17-19)

Stage 1 of the life cycle is an exploratory stage for volunteers where they are investigating the merit of the club, what they have to offer and whether or not they would be able to get on with the people with whom they will have to work and associate. It is important at this stage for the club's management to give assurance and spend time communicating directly with the

volunteer, exploring expectations, uncertainties and the level of need for information. Because the volunteer may well have second thoughts during this stage, it is important to reassure, explain and persuade such a person that his or her contribution would contribute a great deal to the club.

Stage 2 is a developmental stage for volunteers. Having decided to stay and become involved, volunteers would be introduced to new people and situations which would hopefully exercise their skills and qualities, enabling them to help the club pursue its goals. A learning curve is part of the process. Towards the end of the developmental stage the volunteers' confidence may be such that they begin to feel undervalued and unappreciated. Because volunteers need more intensive support during the exploratory stage, the club may leave volunteers to "get on with it" on their own much more at this stage. Even though this is a sign of trust and respect, it could also lead to a lack of communication between the club and the volunteers. Recognising volunteers' achievements and listening and responding to their personal aspirations for the job they do and the part they play, would go a long way to valuing and affirming such volunteers' participation.

Stage 3 is the mature part of the cycle when volunteers are making a maximum contribution, are happy to carry the responsibility for their particular task/role and perhaps are ready to advance their participation even further. A volunteer at this stage in the cycle may be ready to share skills, such as coaching and experiences, with others or to take on a position of leadership in terms of greater visibility or a training/support role for others. The club's task is to ensure that it draws on the qualities and skills that the volunteer could now offer, otherwise the volunteer may begin to lose interest and motivation.

The points of renewed commitment, indicated with asterisks in Figure 4, are the prime areas for the application of relationship marketing principles to foster bonds between the volunteer and a club. Six key issues have been identified as issues that could significantly affect the improvement of the quality the volunteer worker experiences in a club. These issues are also important to the internal marketing effort of the club (Terblanche, 2001: 1-14; Schneider, 1988):

- **Membership issues:** These relate to the benefits that a club could offer to a volunteer. Volunteers, such as coaches, typically desire a position that permits self-expression, provides an opportunity for the development of specific abilities and skills, provides a personal challenge and leads to achievements becoming visible.
- **Socialisation issues:** Volunteer sports officials should experience formal and informal socialisation. The formal socialisation process benefits greatly from structured training programmes.
- **Identity issues:** It has been found that when a volunteer coach identifies with a club, it usually results in improved job satisfaction, improved extra role performance and lower turnover.
- **Structural issues:** Many volunteers provide professional services, typically in the medical, counselling or legal fields. Where one should adhere to too many rules and regulations, these professional people may become dissatisfied and frustrated. A promising solution in this regard is to allow the professionals to control themselves with a fellow professional held accountable for the work of the particular unit.

- Interpersonal issues: It is important that clubs attract, select and train interpersonally oriented volunteers.
- Environmental issues: Volunteer workers should be given the opportunity to give advice and input. Ample opportunity should also be provided for volunteers to respond to ideas, to complain or to ask questions. Opportunities for follow-up and interaction need to be created.

Other stakeholders

A typical non-profit sports club has, apart from donors and volunteers, numerous other stakeholders. Figure 2 illustrates this. For the sake of limiting one to the essential, only some of the more prominent stakeholders will be dealt with here.

Non-profit sports clubs exist in the first instance for their members and players. These two groups are the most important stakeholder groups. It is, therefore, important that the needs and wants of these groups are known and their satisfaction pursued as far as possible. If the needs of the players were catered for to a large extent, then it would be found that loyalty-building already started during their playing years and it would be easier to establish a life-long relationship between the person and the club. Especially young players may not earn much whilst they play for a club but as they succeed in life, they may well eventually become a valuable asset to a club. The message is thus clear: invest in players when they are young, stay in touch with them after their playing days by offering programmes and services to them and a life-long relationship would most probably develop in a natural way.

Clubs need politicians to campaign for their causes and politicians need clubs to gain credibility and enhance their image. Close relationships to a certain political group or individual politician could thus provide a strong marketing edge (Gummesson, 1999: 126). This is especially true within local governments. During campaigns promises are made, such as to upgrade or provide facilities, support for recreation programmes and sport clinics, etc. If these "friends" lose power and popularity, however, the intimate relationship could backfire. Clubs should try to be non-political and appeal to everyone, irrespective of political colour. The skill of maintaining relationships with a variety of political parties may lay the groundwork for future support. Lobbying is a powerful tool that pressure groups or politicians could use to build relationships on behalf of a cause or a club. The systematic and goal directed pursuit of an issue by means of lobbying is referred to as "issues management" (Gummesson, 1999: 125). Frequently there is a need for clubs to become involved in political decision processes at an early stage, because the earlier they do so, the better their chances are to influence decision making. Examples in this respect would relate to government wishing to introduce new legislation affecting clubs or where government aims to reduce the financial support of clubs. Clubs should bear in mind that they are not equipped to undertake lobbying; they should rather involve politicians, diplomats and pressure groups to undertake this task on their behalf (Gummesson, 1999: 125).

On a more local level, it is paramount that clubs have sound relationships with local authorities. Local authorities today have more power than before. A positive relationship with a local authority may not only result in say, subsidised rates and taxes, lower rentals for halls or buildings, but it could well result in some direct financial support for the club. The club should invite councillors and senior officials to their open days, annual general meetings and any other worthwhile events. The support received from a local authority should, whenever possible, be acknowledged in reports, annual statements, etcetera.

Relationships with the public media are other important links for a club. Successes achieved, fund raising and other events are newsworthy at times and a club should see to it that such information is passed on to the public media to be published or broadcast. The formats in which different media may require the news topics to be, should be established beforehand.

CONCLUSIONS

Increasingly clubs need to deal with diverse forms and formats of competition. Various reasons – such as the increase in worthwhile causes that warrant support from the public and cutbacks in government funding – could be offered as explanations for the increased competition for resources. The competition amongst clubs for donors and volunteers will undoubtedly increase in the future.

Relationship marketing has successfully been applied by business organisations. In relationship marketing the focus is to develop and maintain long-term relationships with all stakeholders and a further major implication is that marketing activities are the responsibility of every individual in an organisation. The economic arguments underlying the application of relationship marketing in the business domain are undoubtedly also applicable to non-profit sport and public recreation clubs. It is certainly more expensive to win a new donor or volunteer than it is to retain an existing one and the longer the relationship between a club and the donor/volunteer lasts, the less cost, energy and supervision is required to convince the donor/volunteer to make a contribution.

It is essential for non-profit sports clubs to form relationships with their various stakeholders. Non-profit sport clubs should, in terms of priority, pay attention to their donors, sponsors and volunteers. Relationship-building with the abovementioned stakeholders requires a continual support and encouragement of such stakeholders. It is imperative that these stakeholders should feel valued by the non-profit sports club.

By the above means the principles of relationship marketing could be applied with great effect to enable non-profit clubs to manage relationships with its diverse stakeholders and to specifically retain their existing donations and volunteers' support in order to survive and even to prosper.

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