



# Value creation and the role of the donor in supporter-led fundraising

Rogare praxis paper #3

• Donor experience

Katie Mitchell

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**ROGARE**  
THE FUNDRAISING THINK TANK

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# Foreword



Claire Routley

You are reading the third in Rogare's series of praxis papers – written by fundraisers for fundraisers – which has been authored by Katie Mitchell, interim head of supporter engagement at British charity Mind.

'Praxis' means turning theory into action, which is a key component of what we aim to do at Rogare. Each of our praxis papers takes the ideas that a practising fundraiser has devised during recent study at either Master's or PhD level, and recommends how other fundraisers could apply this in their practice.

So you can have confidence in the recommendations, there is a traffic light system, which is explained in the box on this page (and any time you see a word in the text in bold, it has an entry in the glossary on p15).

Katie's praxis paper summarises the work she did for her Master's in Business Administration at Aston University, in which she considered how services marketing theory can be applied in fundraising.

For sure, there are differences between the services delivered by charities to donors than with services provided by businesses to customers. But Katie maintains there are enough similarities for strategies developed in the commercial sector to be deployed by charities to improve donors' experiences, increase satisfaction, drive trust and improve the chances of donors carrying on giving.

The key part of Katie's thesis is that fundraisers can help create value for donors in how donors conduct their own fundraising efforts.

Katie's paper joins our growing series of praxis papers, sitting alongside Dr Lucy Lowthian's exploration of the psychological well-being factors driving legacy gifts

(from 2021) and last year's look into how charities can overcome donors' 'silent resistance' to engage them in taboo social problems, by David Harrison.

We're now looking for the fourth paper for this series. If you have research you would like to turn into a paper in this series, please submit your idea via our website here – <https://www.rogare.net/praxis-papers>.

Finally, thanks are again due to Jess Burgess and Nigel Harris, fellow members of the Rogare praxis paper editorial panel, for reviewing this paper to help ensure it was the right format for publication in this series. 🍷

## Dr Claire Routley

- Head of gifts in wills consultancy, Legacy Voice
- Rogare Council member and editor of the Rogare praxis paper series.

## Traffic light system for recommendations

**Green** The recommendation is supported by a body of evidence. The author tested this in their research or it builds on/incorporates other research where this recommendation was tested.

**Amber** The recommendation is strongly implied by the research and the theory behind it, even though the author might not have tested this idea. In this case, we could recommend that practitioners could try this out, for example, in split tests.

**Red** The recommendation is highly speculative, perhaps because it's come from a discipline outside of fundraising but has never been tested in a fundraising context, or it is a stretch of the theory to get to this recommendation.



## 1

# Introduction – customer experience and charities

It is now widely recognised that the way a donor feels about their experience of supporting their chosen charity is crucial to the future of the charitable sector. As recruitment of new donors becomes increasingly difficult and expensive, retaining existing donors is vital. Not only that, poor experiences alienate donors and reduce trust in charities.

In the for-profit context, the importance of the customer experience has been recognised for some time. Studies in the not-for-profit context have also identified the positive link between donor satisfaction and loyalty. Adrian Sargeant's study in 2001 found that donors who were 'very satisfied' with the quality of the service provided were twice as likely to give a second or subsequent gift as those who were 'satisfied' (Sargeant 2001).

The academic discipline of services marketing seeks to understand how firms can use customer experience to gain competitive advantage. In my research for

*'Despite differences between charities and businesses, I argue that charities that fundraise from the general public are in fact offering a product to their donors that has the same unique characteristics as commercial services.'*

6

my Master's in Business Administration (MBA) at Aston University, I sought to understand whether the principles of services marketing developed for business could be applied to the supporter experience in the charity sector.

In my research, I argued that because the 'services' delivered by charities to donors were so similar in nature to the services delivered in the for-profit context, the theories developed by services marketing academics could be applied to the activity of fundraisers.

I also argued that despite the differences between charities and businesses, charities deliver service encounters to donors and therefore the literature on how customers evaluate services is relevant to fundraisers.

My study explored whether the concepts in the academic literature about services marketing could be applied to fundraising. I interviewed fundraisers at four hospices in England to:

- Explore fundraisers' perceptions of 'value' created by and for donors
- Understand fundraisers' perceptions of the role of the donor in supporter-led and community fundraising.
- Explore how fundraisers can apply these concepts to improve the supporter experience.

In this paper I outline how the services marketing theory can be applied by fundraisers to increase donor satisfaction, drive loyalty and ultimately increase giving. 6

**Katie Mitchell**

- Head of supporter engagement, Mind.

## 2

# An introduction to services marketing concepts

## 2.1 What are services?

In the core services marketing literature, **services** are defined as 'deeds, processes and performances' (Wilson et al. 2016, p. 5) and have five unique characteristics that distinguish them from physical products that we can buy, take home, and that we can touch and see:

1. While services vary on a spectrum of intangibility, they are nonetheless essentially intangible: we cannot see or touch them; we can only experience them.
2. The consumption of services cannot be separated from their production, this is called inseparability and is a key characteristic of services. For example, a hairdresser provides a service. While we can obviously see and touch the result of our experience of having our hair cut, the experience of being in the salon and having a haircut is intangible. We cannot separate having a haircut from the action of the hairdresser cutting our hair, and therefore we consume the service at the same time that it is produced by the hairdresser. The moment of production and consumption is inseparable. This is different to physical products, such as food products, which are produced and then consumed by the customer at a later date.
3. The nature of services means that there is high variability in the delivery of the service, both deliberately to satisfy the customer and unintentionally due to the inseparable nature of their production with consumption. In the hairdressing example, the service the hairdresser delivers will vary depending on how they are feeling, their relationship with the customer, and any number of other variables.
4. Services cannot be stored - in the same way that physical products can - in preparation for periods of high demand, nor can unused capacity be sold at a later date: this is called perishability.
5. Finally, services cannot be owned. Buyers are buying a process or a performance rather than a physical product that can be owned (Bitner and Brown 2008; Martin 1999; Ordanini and Parasuraman 2011).

Despite the differences between charities and businesses, in my research I argued that charities that fundraise from the general public are in fact offering a product to their donors that has the same unique characteristics as services of intangibility, inseparability, variability, perishability and ownership.



The consumption of services are 'inseparable' from their production: The experience of having a haircut is consumed at the same time that it is produced. Photo by engin akurt on Unsplash.

## 2.2 Customer satisfaction

In the for-profit context, strategies to improve customer experience aim to improve **customer satisfaction**. To understand customer satisfaction we must begin with an understanding of the way in which customers evaluate their experience of a service.

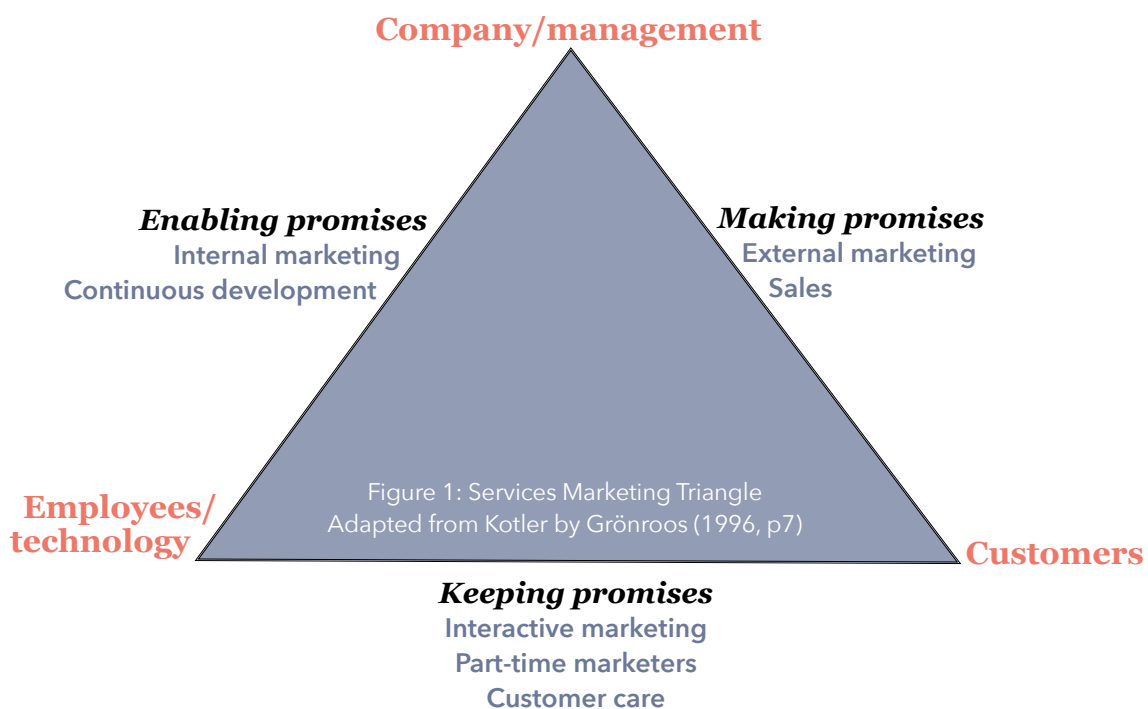
In her influential article in 1990, Mary Jo Bitner described service encounters. Service encounters are the moment at which the customer comes into contact with a service (Shostack 1985, cited in Bitner 1990), and form the basis of the customer experience (Parasuraman, Zeithaml and Berry 1985). Satisfaction with the service encounter is formed by comparing the customers' expectations of what will take place during the service encounter with their perceptions of the actual service encounter (Hoffman and Bateson, 2006). This **expectancy disconfirmation model** is derived from Oliver's (1980) Expectation Confirmation Theory. As the customer experiences a series of service encounters over time, their expectations and perceptions of service quality are influenced by the actions of the firm, and their satisfaction or dissatisfaction is determined.

Customers of a for-profit firm are purchasing a product or service and can assess whether or not it has met their expectations. Firms conduct market research to understand the expectations of their customers and measure whether those expectations have been met.

Dr Christian Grönroos is an academic focused on service and relationship marketing. He argues that marketing cannot be separated from overall management, as all business decisions must be made in consideration of the impact on the customer. This is because, in the **expectancy disconfirmation model**, customer satisfaction is based on the fulfilment of promises, and the marketing function must be integrated with all business functions to ensure that promises are fulfilled.

This means that declarations and guarantees made in external marketing and during the sales process must match the actual service delivered by the employees and technology employed by the firm and, in turn, management must provide the training, support and infrastructure to ensure this is possible. This ensures that the **value** the customer experiences meets or exceeds their expectations.

Figure 1 demonstrates this services marketing triangle. In this model, the expectations created by the promises a company makes in its external marketing and sales processes must be consistent with the actual experience delivered to customers by the company's employees, technology, and processes. The company's management must ensure that systems and training for staff enable them to deliver the level of service promised in their external communications. ❶



## 2.3 Donor satisfaction

In contrast to the for-profit context, charities deliver a service to beneficiaries that generates a social impact, and the beneficiary is not expected to pay for the **value** they receive. Unlike in business, the creation of value for the consumer does not generate profit for the charity. It is the donor who makes a gift of money to the charity to fund the services provided to the beneficiary. They are not, however, the recipient of the service and so they cannot evaluate whether their expectations of the service have been met.

This does not mean that value created for the beneficiary does not affect donor satisfaction. Adrian Sargeant and Stephen Lee (2004) argue that the perceived efficacy of the organisation has a positive impact on donor satisfaction, and it can be argued that there is therefore an interrelationship between effectiveness of the charity in creating social impact and its ability to raise money to support its work.

This is supported by another study by Shabbir, Paliawadana and Thwaites (2007), whose framework for understanding donor perceptions of the quality of the relationship with charities suggests that **relationship benefits** and satisfaction must exist for high quality relationships to occur. In their study, relationship benefits and satisfaction are described as separate but interdependent variables. Relationship benefits are described as the knowledge or feeling that somebody has benefited from the donation and this contributes to the donor's satisfaction, which is described as the sense of 'feeling good' that their relationship with the charity generates.

Similarly, Rogare's 2016 review of the social psychology theory underpinning relationship fundraising considered donor satisfaction to be the extent to which the relationship with the charity

fulfils donors' psychological needs, such as a sense of identity and belonging (Sargeant, MacQuillin and Shang 2016).

This interrelationship means that the external promises made by charities about the impact they will make with the donations they receive must reflect the organisation's ability to deliver that impact to ensure donor satisfaction. Therefore, the different types of **services** delivered to charities' different customers (donors and beneficiaries) are arguably interdependent because more effective services to beneficiaries result in a better experience for donors, but they are not directly related in the way the services marketing literature describes for businesses.

Services marketing theory distinguishes between customer satisfaction and service quality (Wilson et al. 2010). As shown in Figure 2, customer satisfaction is dependent on a number of factors, whereas service quality looks specifically at the elements of the service.

This is important because while an assessment of a charities' product or impact can be made by its beneficiaries, charities also deliver service encounters to their donors. Based on their own experiences, donors will have expectations of how they will interact with their chosen charity and will evaluate how the charity interacts with them to determine whether they are satisfied with the experience or not. The **expectancy disconfirmation model** can be applied to these interactions and the quality of these **service encounters** will have an impact on donor satisfaction and the value they create for the donor.

In s3 I look at how the quality of the interactions with the customer can be as important to the creation of value as the efficacy of the product itself. ❸

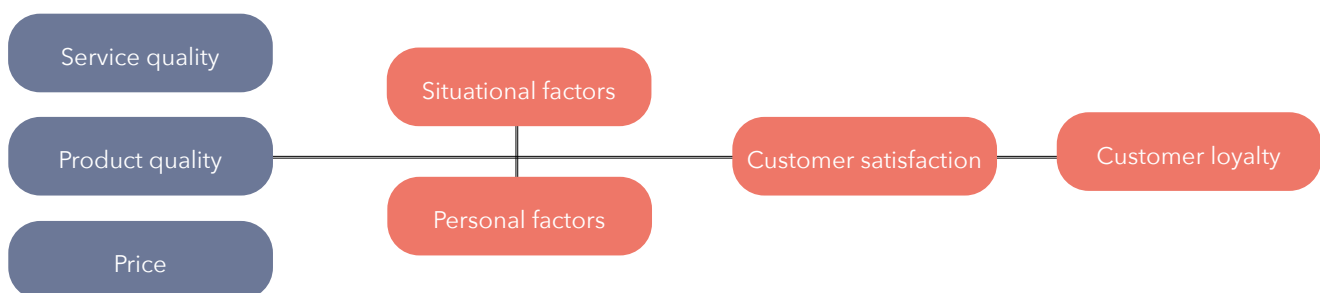


Figure 2: The quality-satisfaction link (Wilson et al. 2010, p71)



## 3

# The concept of ‘value’ and perceptions of how it is created

Marketing theory encourages marketers to define the difference their product will make to customers in their everyday lives, rather than the features of a product (Hooley et al. 2012). This ‘difference’ or the ‘**value**’ for the customer might be, for example, the peace of mind provided by life insurance, or the experience of eating at a restaurant.

There is a school of thought that argues that in fact all value creation happens as a result of the services products provide (Vargo and Lusch 2004). It is the solution provided to the consumer that creates value, and therefore all marketers, whether their product is a tangible item such as a drill or a service such as a luxury holiday, must also consider the service their product is providing to the consumer.

In this way, marketers of the drill should not focus on the specific features of the product, but on the feeling of satisfaction the customer might feel on completing their DIY project.

## 3.1 The creation of value

With his focus on service and relationship marketing, Dr Christian Grönroos argues that in a world where firms can produce very similar products, it is not just the quality of the actual outcome or product that is important, but also the quality of the customers’ interaction with the firm (Grönroos, 1994).

Traditional marketing imagines customers as passive recipients of marketing activity, but in marketing **services** it is important that a relationship marketing model in which value is co-created and perceived by the consumer, rather than distributed by the firm, should be the focus of marketing strategy (Grönroos 1994).

If value is the degree to which the customer perceives themselves to be better or worse off (Grönroos and Voima 2013), it is not the firm that creates value of which the consumer is a passive recipient, but it is the consumer that generates value. Their use of the product or service, their possession of material resources and the change to their state of mind facilitated by the firm results in the creation of value (ibid).

Without the participation of the customer, value is only potential value, waiting to be experienced by the customer. **Value** cannot be created by the firm alone, and therefore customers are always co-creators of value (Vargo and Lusch 2016). It is this model of ‘value-in-use’ that my research used in its application to fundraising.

Sargeant and Lee (2002) propose that there are four reasons why people donate to charities:

- they associate strongly with the cause
- they believe it is essential to society
- they are giving in memory of a loved one
- they feel it is their obligation.

This project does not attempt to define what constitutes ‘**value**’ for the donor, but to ascertain whether the concept of ‘value-in-use’ can be applied to fundraising. I tested whether a concept of ‘value’ that is described in the literature as subjective and based on the ideas and experiences of donors (Grönroos and Voima 2013; Helkkula et al. 2017) could apply to fundraising. I sought to understand the implications of this concept of value for charities as they attempt to improve donor satisfaction. ⑥



### 3.2 Fundraisers' perception of value as subjective, individual experience

In my interviews with fundraisers at four hospices in England we explored what supporters and donors gained from fundraising for their organisation, to determine how fundraisers perceived the value created by their organisations and by donors. The purpose of this discussion was to establish whether the subjective nature of value proposed by the literature matched the experiences and perceptions of fundraisers in their work with donors and supporters.

Four themes emerged:

1. fundraising as part of grieving
2. gaining a sense of belonging with the organisation
3. experiencing a sense of pride or achievement of a challenge
4. fundraising to experience the event itself.

In the hospice context, the fundraisers interviewed asserted that those people who raised money for the organisation were often those people who had direct or indirect experience of the end-of-life care provided by the organisation. They were raising money in memory of a friend or family member who had died while receiving hospice care.

All the interviewees described fundraising as a part of the bereavement process, and variously asserted that fundraising offered supporters the opportunity to give something back to the organisation that had cared for them, ensuring the care they or their family member had received would be available to others.

For example, one interviewee spoke about offering a way for people to say 'thank you' for the care they had received, and another described how people move from being a recipient of care to thinking about caring for others in the future. Interviewees also perceived that supporters gained a sense of a challenge achieved.

They spoke of a sense of pride in what had been accomplished and a feeling that taking on something that was difficult or challenging helped supporters cope with the struggle their loved ones were facing as patients of the hospice.

All the interviewees identified that the experience of the event itself was an important element of the value gained by supporters. For the third hospice this was particularly important as their supporters were a

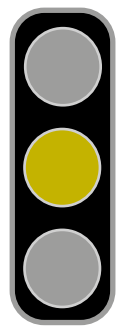
different cohort to the friends and family of the hospice patients.

For these supporters it is the experience of the event that is the value created.

These themes support the concept of **value** discussed in the literature that defines value as the subjective, individual experience defined and created by the customer (Helkkula et al. 2017). In the literature this is called the 'phenomenological' nature of value. All the interviewees identified the phenomenological nature of the value gained by supporters. ❸

#### How fundraisers can create value

The research supports the literature showing that value created by supporters of community and supporter-led fundraising is subjective, based on their own experiences, knowledge and ideas (Grönroos 1994; Helkkula et al. 2017). Therefore, the role of the fundraiser in the co-creation of value requires a skill set that includes coaching and facilitation.



To enhance donor satisfaction and co-create value, the interactions between the supporter and the fundraiser must seek to empower the supporter to create the value they are seeking. In their interactions with supporters, fundraisers should seek to understand what the supporter wants to achieve or gain from their fundraising. Most importantly, this requires a culture that regards the fundraiser not as someone who creates and delivers value to the supporter but acts to facilitate the supporter's creation of value.

This might be in the form of practical advice for the supporter to organise their fundraising, it might be in demonstrating the impact of their donation, or by building a relationship with the donor to help them feel part of a team or wider movement of people.

What the research demonstrates is that fundraisers need to be able to help the supporter identify what they want to gain from their experience of fundraising, and then use their skills and resources to empower the supporter.

## 4

# Fundraisers' perception of the role of the supporter in value creation

The theory surrounding the marketing of physical products has regarded the consumer as a passive recipient of the value created by the firm, whereas services marketing theory argues that it is only in creating a solution for the customer that value can be generated, and competitive advantage achieved (Vargo and Lusch 2004). Grönroos (1994) proposes that when firms are able to produce products of a similar quality, it is in fact the firm's interaction with the customer that creates value.

## 4.1 Value creation in the 'customer sphere'

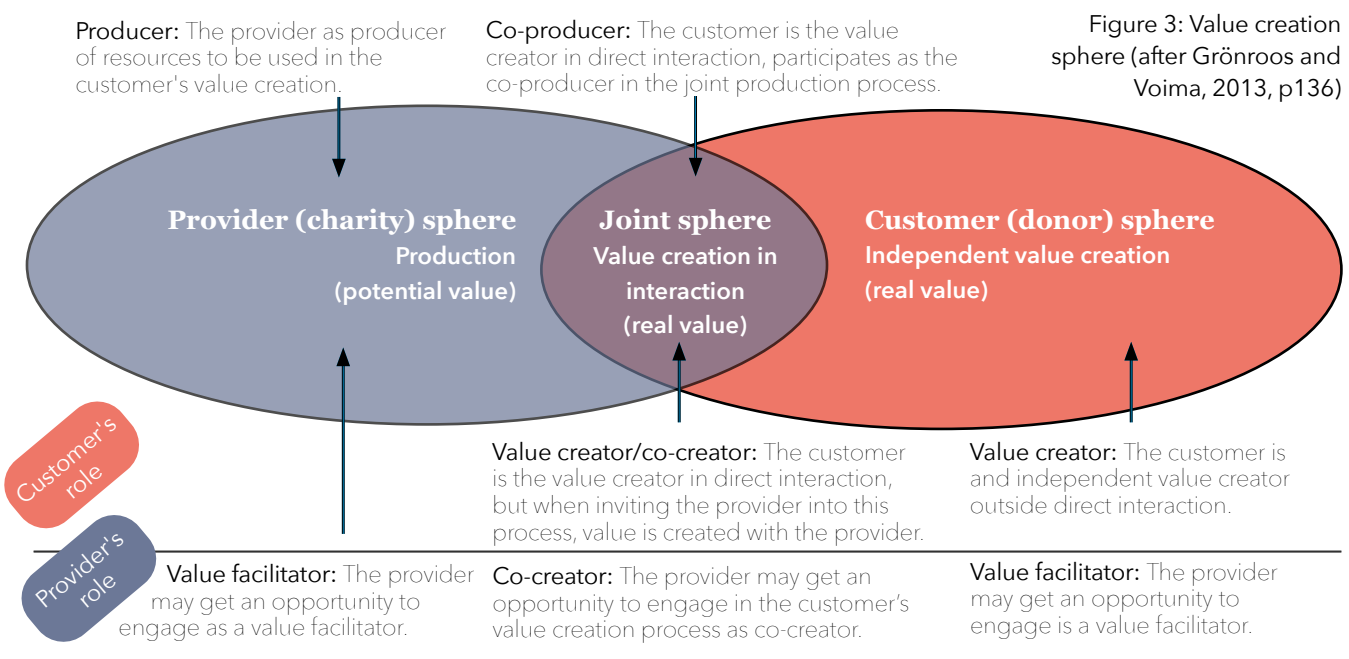
Grönroos and Voima (2013) take the theory of the customer as an active participant in value creation further, showing that the interaction with the firm is only one element of value creation. They define the roles of the firm and the customer in three spheres as shown in Figure 3:

- Customer sphere
- Joint sphere
- Provider sphere.

In the '**customer sphere**' (Grönroos and Voima 2013, p136), the customer creates value outside of their direct interaction with the firm. For example, the customer drives the car and experiences the ability to

get to their destination or just enjoys the experience of driving. This model, applied to supporter-led and community fundraising, shows how the donor is the author of their own experience, facilitated by the charity, in what I am calling the '**donor sphere**'.

In the '**joint sphere**' (ibid) the firm participates in the creation of value, perhaps by providing a clear instruction manual and helpline to enable the customer to use their satellite navigation system and reach their destination. Finally, in the '**provider sphere**' (ibid) the firm produces the resources the customer will use to create value, for example by manufacturing the car. I have termed this the '**charity sphere**'.



## 4.2 The ‘donor sphere’ and supporter-led fundraising

Typically, donors who support a charity through supporter-led fundraising organise their own event or participate in an event and encourage their social network to attend the event or sponsor them to take part. For example, the donor may organise a fundraising dinner. In this case they are in control of the outcome because they not only select the venue, menu and other logistical arrangements, but they invite the guests and engage their social network in support of their aim to raise money for the charity. As such, their experience of fundraising is affected by their own activity organising the event, and this activity happens in what Grönroos and Voima (2013, p136) would call the customer sphere, but I have termed the donor sphere.

If value is the degree to which they feel better or worse off, the success of the donor’s fundraising both in terms of an enjoyable event and the amount of money raised, and its impact on the charity’s mission, will be integral to how they feel about their experience. Many of the factors that affect this are outside of the charity’s control, such as the venue’s ability to provide the right level of service to the donor, or the response of the donor’s social network to their invitation.

During the donor’s fundraising, a member of the charity’s fundraising team might meet or talk on the telephone with the donor if that donor contacts the charity to inform them that they are planning to fundraise. In this encounter or series of **service encounters**, the charity and the donor work together to ensure a successful outcome to the donor’s fundraising, in what Grönroos and Voima (2013, p136) call the **joint sphere**.

The charity may introduce the donor to venues that are sympathetic to the charity or have proven to provide a good service to other donors, they may work with them to explore their list of contacts and generate a guest list for the event, or they might provide information about the work of the charity that equips the donor to talk to their network about how their financial support will make a social impact and thus encourage them to take part.

As the facilitator of value creation, the fundraiser, in the provider sphere (ibid) – or what I have termed the **charity sphere** – must focus on providing resources to

enable the donor to generate value both during their interactions with the charity and as an individual or group in the **donor sphere**. In our example, this might mean providing a list of local venues, training staff to have the coaching skills required to support the donor when they come across problems or providing resources and facts about the work of the charity that the donor can pass on to their network.

6 *‘If value is the degree to which they feel better or worse off, the success of the donor’s fundraising both in terms of an enjoyable event and the amount of money raised, and its impact on the charity’s mission, will be integral to how they feel about their experience.’*

## 4.3 Can this model be applied to other types of fundraising?

My research tested whether this model of value creation can be applied to community and supporter-led fundraising. It is more difficult to apply the model to other types of fundraising where the donor’s interactions with the charity are either reduced or not as participative. For example, a regular donor who gives a gift by direct debit to a charity once a month may perceive value in the knowledge that they are creating social impact with their financial contribution, reducing child poverty for example, but they are not co-creating their experience in the same way as described above.

It is a limitation of the model of **customer spheres** that the processes or interactions that lead to co-creation in the **joint sphere** are not well defined and as such it is difficult to apply to situations where customer participation is low. Dong and Sivakumar (2017) suggest a typology of customer participation that helps to make sense of this issue. They distinguish between ‘mandatory customer participation’, ‘replaceable customer participation’ and ‘voluntary customer participation’.

Mandatory customer participation is that which only the customer can perform, and that which must be done in order to deliver the service. In our example of the donor who organises a ball, this is the donation of money to the charity, the sharing of the donor's details with the charity, and the acknowledgement by the charity that the donation has been received.

Replaceable customer participation is activity that can be done either by the customer or by the company; but must be done to ensure the service is delivered. In supporter led fundraising, events can be organised both by the charity and by donors, and as such event organisation is an example of replaceable customer participation.

Voluntary customer participation can be carried out along a continuum of individual customer activity through joint activity to activity carried out by the company/charity itself. It is activity that is not required in order to deliver the service but enhances the service delivered. Going back to the dinner or ball example, the interaction between the charity and the donor to recommend venues, provide resources and support can be categorised as voluntary customer participation, but is integral to the co-creation of value.

My research examined whether and how charities are encouraging donors to increase voluntary customer participation, and thereby enhance the service they experience. If as fundraisers we focus on building relationships with donors through the creation of resources of which the donor is passive recipient, they are participating only at the level of mandatory customer participation by making a financial contribution.

Guo et al. (2017) show that 46 per cent of people asked did not want a relationship with the service provider beyond the actual service, even when they were very satisfied with the service they received. It is, therefore, the actual exchange that is most important.

My research aimed to identify the activities charities currently undertake to maximise voluntary customer participation and improve the experience for the donor while they are fundraising. The effect of increasing the voluntary customer participation activity encouraged by the charity would be an avenue for further research.

## 4.4 Fundraisers' perceptions of the role of the donor in value creation

In the interviews with fundraisers, all the feedback supported the proposition that supporters are active creators of value. This value creation happens both independently of the fundraiser and through interaction with the fundraiser. Essential to the successful creation of value is the participation of the supporter in organising and delivering their fundraising. One interviewee remarked that, if the supporter doesn't have the drive to do their own fundraising, the fundraiser may be able support them and guide them with practical help, but they can't do it for them. And so without the participation of the supporter, the fundraising just doesn't happen.

Interviewees also described interactions that provided both technical support, such as how to set up an online sponsorship page, and psychological support. They talked about the balance between providing guidance without dictating or taking over, and the necessary ability to coach and support the donor.

Interviewees gave examples of tangible resources provided by the charity to help the supporter fundraise. These included branded materials such as t-shirts, running vests and collecting tins. Interviewees were asked what they thought supporters found most useful or valuable about these resources.

Fundraisers did not suggest that the value of the resources was in providing practical help in organising the supporter's fundraising, but that branded materials gave supporters legitimacy and protection from suspicion when approaching others for financial or logistical support. This is consistent with my adaptation of Grönroos and Voima's (2013) model, whereby in the **donor sphere** the resources provided by the fundraiser work together with the psychological and physical resources of the supporter independently of the charity to create value.

In employing the branded materials, the activities of the supporter and the value created are enhanced.

Practical help was sometimes provided to the supporter, usually in the form of a conversation over the telephone or face to face. The value of

these interactions though was thought to be in the personal relationship developed between the fundraiser and the supporter, and this was directly related to the value created for a supporter when they felt a close personal relationship with the team. It was also suggested that tangible resources served as value in exchange: that supporters consciously or unconsciously expected to receive something in return for their contribution to the charity.

All the interviewees also cited their experience that although they usually held relationships with one supporter, that supporter was in turn part of a wider network of people without whom their fundraising activity could not be successful. Again, this is consistent with the adapted Grönroos and Voima (2013) model, in which value creation occurs in the **donor sphere** when other actors engage with the donor's activities. Importantly, this value creation happens beyond the line of visibility and outside the control of the charity. This has important implications for managers of fundraising who must consider how the tangible resources they provide can enhance the independent and social value creation processes of the supporter.

More problematic however, is the typology of customer participation proposed by Dong and Sivakumar (2017) (see s4.3). All the interviewees struggled to distinguish between activities that were essential to ensure service delivery and those that were not essential but would enhance service delivery. This is because, for service delivery to occur, the donor must raise money through their own activities and donate it to the charity, and although fundraisers could identify that some supporters had better experiences than others, they could not identify the elements of customer participation that created the difference between those experiences.

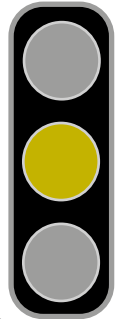
Arguably, all the donor's interactions with the fundraisers excluding the final donation of money are in fact voluntary customer participation activities. To create value for the donor, whether this is the experience of the event they organise or the feeling of giving back, it is the fundraising itself that is mandatory. If this fundraising is organised and delivered by the donor, then interactions with the fundraiser can enhance value but are not essential to value creation. This was not identified by the case study organisations but does have implications for managers. ❸

### How fundraisers can help donors derive value

Fundraisers should provide resources that legitimise the actions of the supporter and communicate the impact the charity is having on the beneficiaries of its services, as the research supports the literature in arguing that this increases value for the supporter (Grönroos 1994; Sargeant and Lee 2004; Shabbir et al. 2007).

Value creation happens outside of the control of the fundraiser (Grönroos and Voima, 2013), so the resources provided must help the supporter to fundraise effectively, enabling them to achieve their aims.

The research would suggest that the provision of branded materials for a fundraising event, for example, can be important in the creation of value. These materials legitimise the activities of the supporter and empower them to achieve their fundraising goals, and therefore enable the supporter to perceive themselves to be better off as a result of their fundraising.



❸

*'The value of fundraisers' interactions with donors... was in the personal relationship developed between the fundraiser and the supporter, and this was directly related to the value created for a supporter when they felt a close personal relationship with the team.'*

## 5

# Conclusion – fundraisers as facilitators of value creation

The aim of this project was to understand whether and how services marketing strategies developed in the for-profit context can be used by nonprofit organisations to improve the donor experience for individual donors, increase donor satisfaction and therefore drive loyalty and increase the likelihood that donors will give again in future.

My research supported the notion of value as being subjective and experienced by the donor. Fundraisers perceived this value variously as a sense of giving back, a feeling of belonging to the organisation or the fundraising team, part of the grieving process and to experience the event or achieve a challenge.

This project did not seek to define the **value** created for the donor but rather show that the value created is subjective and based on the donor's individual ideas and experiences.

In addition, Grönroos and Voima's (2013) model of independent and social value creation was supported by the research. Fundraisers perceived the role of the donor as an active participant in the creation of value, and not a passive recipient of communications or services.

For fundraisers this is important: It means recognising that value creation happens beyond the control of the fundraiser and away from our interactions with the supporter. A skillset that includes coaching and empowering supporters to create value is therefore vital to the donor experience. The role of the fundraiser in empowering supporters maximises their contribution to the creation of value during their interactions with the donor.

This study was exploratory and can therefore be used to develop ideas that can be tested through future research. The first idea to I would suggest should be tested through further research is whether interactions with supporters that empower them to

achieve their goals will increase donor satisfaction.

To increase satisfaction, fundraisers should shift their practice and regard themselves as co-producers or facilitators, enabling supporters to achieve the value they are seeking. The research has shown that value is intrinsic and subjective for the donor, and fundraisers should enable donors to achieve their goals and create value as defined by their own ideas and experiences.

Second, the interviews supported the concept of **value** created autonomously by the donor. Fundraisers identified that resources provided to the donor are used to independently create value in the donor's social circle, beyond the visibility or control of the charity. As such, resources that enabled the supporter to ask their peers and networks to support them and the charity without fear of being questioned or mistrusted in their intentions are important.

Therefore, the second idea to be tested is that resources provided to the supporter should focus on increasing their legitimacy, empowering them to represent the charity to their social networks.

The definition of **value** as unique and personal to each supporter has implications for fundraisers, requiring that we regard ourselves as coaches and facilitators, empowering the supporter to create value. The resources and tools we provide should help supporters create value independently of their interactions with the charity.

This study showed that the theories and concepts developed for services marketing in the for-profit context can be applied to the donor experience, increasing donor satisfaction, loyalty and future income. ●



# Appendix – Glossary

## Customer satisfaction

Customer satisfaction is formed by the customer who compares their expectation of the service they receive with the reality of their experience. Satisfaction occurs when the customer's expectations are met or exceeded.

## Customer/donor sphere

Terminology coined by Grönroos and Voima (2013) to describe the way in which customers create value outside of their interaction with the firm. This is because the concept of value is intrinsic and subjective to the customer.

## Donor satisfaction

The degree to which a relationship with a charity fulfils donors' psychological needs and makes them 'feel good'.

## Expectancy disconfirmation model

Satisfaction with the service encounter is formed by comparing the customers' expectations of what will take place during the service encounter with their perceptions of the actual service encounter (Hoffman and Bateson, 2006). This expectancy disconfirmation model is derived from Oliver's Expectation Confirmation Theory (1980). Customer satisfaction is formed by the customer who compares their expectation of the service they receive with the reality of their experience. Satisfaction occurs when the customer's expectations are met or exceeded. As the customer experiences a series of service encounters over time, their expectations and perceptions of service quality are influenced by the actions of the firm, and their satisfaction or dissatisfaction is determined.

## Joint sphere

From the model derived by Grönroos and Voima (2013). In the 'joint sphere' (p.136) the firm participates in the creation of value through its interactions with the customer.

## Provider/fundraiser sphere

In the 'provider sphere' from the model derived by Grönroos and Voima (2013) the firm produces the resources the customer will use to create value.

## Relationship benefits

Relationship benefits are described as the knowledge or feeling that somebody has benefited from the donation and this contributes to the donor's satisfaction, which is described as the sense of 'feeling good' that their relationship with the charity generates

## Services

In the core services marketing literature, services are defined as 'deeds, processes and performances' (Wilson et al., 2016 p. 5) and have unique characteristics that distinguish them from physical products that we can buy, take home, and that we can touch and see. While services vary on a spectrum of intangibility, they are essentially intangible: we cannot see or touch them; we can only experience them.

## Service encounter

Service encounters are the moment at which the customer comes into contact with a service (Shostack, 1985, cited in Bitner, 1990). A service encounter is the moment in which the firm interacts with the customer, and a series of service encounters form the basis of customer experience.

## Value

Value is the degree to which a customer feels better or worse off following their interaction with the firm. It is intangible and based on the customer's own unique experience and beliefs.



# Appendix – Methodology

The literature review I conducted as part of my research highlighted the limited research available relating to the concept of value for donors, donor's expectations and measurement of donor satisfaction, the fundraiser's perception of the role of the donor in supporter-led and community fundraising and the employment of customer engagement strategies by fundraisers. This meant there was limited information on which to base a hypothesis, and so it wasn't possible to do the kind of research that tests an existing hypothesis (Silverman, 2010).

I therefore carried out exploratory research, by carrying out interviews at case study organisations. This gave me qualitative, empirical primary data, which I used to develop hypotheses for future research. Using interviews to gather primary data limits the number of organisations that can be included in the research but allows detailed examination of the practices of fundraising teams and an investigation of themes for future research. I conducted interviews at a small sample of three case study organisations. In total six interviews were conducted. This small sample size means that the experiences and perceptions of those interviewed cannot be extrapolated to the entire charity sector or to all supporters and donors. It does, however, allow for hypotheses to be developed that can be tested through further research.

Interviews were used because there was no available naturally occurring data to observe or analyse. The obvious limitation of the interview is that the respondent may be influenced by the questions asked by the interviewer (ibid). However, as the interview was focused on the experiences of the fundraiser, an open-ended interview was more appropriate than observation (ibid).

Ethical issues were considered throughout the study. The risks to the subjects were low, and the purpose of the research and the intended use of the findings was discussed with all the participants so that informed consent could be given. Consent was confirmed in writing. The privacy of all participants will be maintained. This is particularly relevant where information given is commercially sensitive or concerns service users and donors. The interviews asked fundraisers to consider their experiences of working with donors and as such were likely to include information regarding specific individuals (Rule and John 2011).

The results of the case study analysis and donor survey will not be attributed to a particular organisation or individual without their prior consent.

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## Katie Mitchell



**Katie Mitchell** has both led and been a member of fundraising teams since starting out as a community fundraiser around 15 years ago. Her experience showed her that focusing on a high standard of personalised supporter care delivered fundraising growth and, importantly, also delivered happier fundraisers and supporters. While head of fundraising at John Taylor Hospice, she studied for her MBA. Her background in community and supporter-led fundraising at Cancer Research UK and Muscular Dystrophy UK encouraged her to focus her research on how fundraisers can use business strategies to co-create an excellent supporter experience. Katie is currently interim head of supporter engagement at Mind, and a member of Rogare's Critical Fundraising Network.

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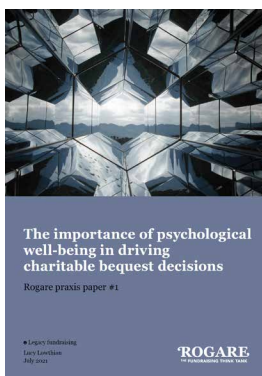
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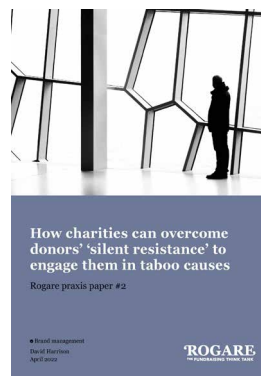
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