

University of Economics, Prague

International Business – Central European Business Realities



**Analysis of the Marketing Activities
of the INEX-SDA Non-profit Organization**

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Scholar year: 2015/2016

Declaration

I hereby declare that I am the sole author of the Thesis entitled “Analysis of the Marketing Activities of the INEX-SDA Non-profit Organization”. I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

In Prague on

Signature

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Acknowledgement

I hereby wish to express my appreciation and gratitude to the supervisor of my Thesis, Gina Cook Ph.D., who provided me with excellent guidance. Furthermore, I would like to extend my sincere thanks to the non-profit organization INEX-SDA for the cooperation on the Thesis. Finally, I am also grateful to my family and friends who supported me throughout my studies. This accomplishment would not have been possible without them.

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List of Abbreviations

CSR	Corporate Social Responsibility
CZK	Czech crowns
EU	European Union
GDP	Gross Domestic Product
GLEN	Global Education Network of Young Europeans
ICNPO	International Classification of Non-profit Organizations
IJGD	Internationale Jugendgemeinschaftsdienste
MYSA	Mathare Youth Sports Association
NGO	Non-governmental organization
NPI	Non-profit institutions
PR	Public Relations
RGBI	Reichsgesetzblatt
TV	Television
USA	United States of America
USP	Unique Selling Proposition
VALS	Values and Lifestyles
YEGD	Young Europeans for Global Development
YMCA	Young Men's Christian Association
YWCA	Young Women's Christian Association

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Introduction

Non-profit organizations are an integral part of the Czech economy and important partner for the government, since they fulfil various functions and offer services that the state would otherwise not be able to secure. As well as for commercial businesses, it is essential for non-profits to inform stakeholders about their mission and current activities, together with offered products and services. In today's economic environment, NGOs face increasing competition not only from other similar organizations, but also from for-profit oriented companies. They are, therefore, forced to adopt entrepreneurial marketing techniques in order to succeed. However, they have to be much more inventive due to limited financial budgets and, usually with that connected low number of staff and time constraints. Despite these issues, it is important to realize that effective marketing tactics can significantly contribute to the prosperity of a particular organization.

The aim of this Master Thesis is to analyze the non-governmental, non-profit organization INEX-SDA including its marketing strategies, to interpret the results based on marketing theory and to suggest possible improvements that could lead to better public awareness of the chosen organization. As such, this work contributes to the area of marketing of non-profit organizations and its specifics. Particularly, it demonstrates how theoretical marketing principles can be applied in practice, shown on a concrete institution from the Czech Republic.

In the first part of the Thesis, the reader obtains information about the general theoretical frameworks which will be subsequently implemented in the analysis. These include namely vision and mission statement, SWOT analysis, segmentation, targeting and positioning, marketing mix and fundraising. Nevertheless, it is important to point out that there are numerous specifics regarding marketing activities of non-profit organizations. In this chapter, the author offers their brief summary based on a review of the appropriate literature, which creates a basis for the following analysis. This topic has been investigated from the theoretical point of view by numerous authors. These include well-known international experts such as P. Kotler and T. Hannagan who have examined the characteristics of marketing in the non-profit sector in recent years. The author also consulted various Czech publications documenting the field of study, including “Marketing of Non-profit

Organizations” by R. Bačuvčík (2011) or “Fundraising for Non-profit Organizations” by P. Boukal (2013).

To be able to understand the activities of one particular organization and make suitable suggestions, it is important to get an idea about the whole marketplace. For this reason, the next chapter is devoted to the definition and characteristics of the non-profit sector in the Czech Republic. This section is included also with the aim to provide readers from different cultural backgrounds a brief insight into the topic, as it is, for the most part, related specifically to the Czech non-profit environment. This chapter further extends the whole theoretical framework based on literature review.

The remainder of the Master Thesis focuses on the marketing analysis of the INEX-SDA organization itself. The NGO is introduced to the reader and the theoretical context from the first chapter is put into practice. For the most part, the findings are based on primary research, i.e. author's professional working experience from the organization, and direct contact and cooperation with its PR and other managers. In addition, internal documents such as e.g. “Strategy of the organization INEX-SDA for the period 2015-2016” are used for the analysis. The methodology in this chapter therefore consists mainly of qualitative organizational research, concretely participant observation.

Further primary research, together with an overall evaluation of the marketing activities, is presented in the last section. Quantitative research investigating brand awareness within the target group of INEX-SDA is introduced and descriptive statistical methods are applied in order to evaluate its outcomes. A survey was chosen as suitable research methodology, using questionnaires as the data collection method. Its results as well as the author's overall personal assessment and recommendations are intended to serve the organization to encourage the progress in its marketing activities.

1 Marketing Theory in the Non-Profit Sector and its Specifics

First of all, it is important to realize that marketing is an integral part of activities of non-profits, even though one might think that this field is especially the domain of commercial businesses. While some of the NGOs are more than familiar with marketing processes and take advantage of using them as a tool for strategic growth, a lot of them still stay aside. It is indispensable to create a linkage not only between the organization and its users, but also with the fundraisers. Thus, marketing decisions have the power to create a border between successful and unsuccessful organizations.¹ This chapter explains the key characteristics of marketing in the non-profit sector.

1.1 Vision and Mission Statement

Even though the four expressions vision, mission, objectives and strategies might sound very similar to each other, it is necessary to distinguish between them clearly. The first term – *vision* – can be described as final state, typically in relation to issues in the society that the NGO operating in this concrete field desires to achieve. It is supposed to give an answer to the question “How the world or society should look like in the future” and thus is, unfortunately, in many cases not very realistic in the short-term. Moreover, it is not unique for a particular NGO; in other words, it is often shared by more of them. Regardless these facts, it is still important to define the vision, since it helps the employees to identify themselves with the organization and shapes its position in the social system and non-profit sector.²

Mission states, in comparison to the vision more specifically, “*to whom, in which way and with which goal*”³ the NGO provides its assistance. It is, however, still quite broad, as it does not include exact numbers or precise target market.⁴ Such a statement should

¹ The paragraph is based on: Radim Bačuvčík, *Marketing neziskových organizací* (Zlín: VeRBuM, 2011), 16-17.

² The paragraph is based on: Ibid., 78; Jiří Novotný and Martin Lukeš, *Success Factors And Volunteerism In Non-profit Organizations in the Czech Republic* (Praha: University of Economics, Oeconomica, 2009), 37.

³ Bačuvčík, *Marketing neziskových organizací*, 78.

⁴ T. J Hannagan, *Marketing for the Non-profit Sector* (London: Macmillan, 1992), 35.

be characterized as “*feasible, motivating and distinctive, but not restrictive*”⁵. It gives us a rough idea about current activities and future course of the organization.⁶

1.2 SWOT Analysis

SWOT analysis is a method used to identify and evaluate internal and external environmental factors influencing concrete organization and its position and success in the market. It can be applied by non-profit organizations in a similar way as by commercial businesses and helps both of them to summarize the bright and dark sides related to their activities and to take further possible actions with the aim of improving their functioning. The abbreviation “SWOT” represents strengths (S) and weaknesses (W) as the internal aspects, together with opportunities (O) and threats (T) as the external ones. The particular findings can be listed in bullet points in a form of 2x2 table in order to keep the assessment and potential comparisons with competition simple.

Scheme 1: SWOT analysis 2x2 matrix

	Positive	Negative
Internal	Strengths	Weaknesses
External	Opportunities	Threats

SWOT

Source: Author's creation

The *strengths* of businesses generally comprise for instance skilled workforce, good location, well-known logo and brand name, good reputation, high-quality products, excellent customer services, lower prices in comparison to the competitors, ownership of various patents, modern headquarters or equipment and many others. These are the factors that any company or association should take advantage of and should focus on them adequately. Concretely non-profit organizations can benefit for example from advertising campaigns

⁵ Ibid.

⁶ Ibid.

that have a strong appeal to people or from good connections with different medias that give them in some cases space to advertise their mission free of charge.⁷ Those NGOs that pursue their activities or are present abroad might see their strength in experience and knowledge about concrete countries or regions.⁸

On the other hand, the marketing *weaknesses* might, in general, include unknown brand name among the target customers or bad reputation, high costs and prices, products with low quality or inappropriate location of the business. Unfortunately, not all of them can be always corrected by the companies or various organizations, like for example in the case of NGOs that may not have possibility to use advertisement on TV, because its cost is commonly too high.⁹ However, some of the weaknesses can be usually addressed. If a non-profit organization lacks experience in marketing field, it can simply train its staff or hire more qualified employees.¹⁰

The *opportunities* of a certain business can be defined as “*an area of buyer need and interest that a company has high probability of profitably satisfying*”¹¹ and “*good marketing is the art of finding, developing and profiting from these opportunities*.”¹² In other words, business opportunities might lie in unsatisfied consumer needs, but, however, also for instance in additional or innovative distribution networks, possibility to access new markets after removing trade barriers, new technologies or decreasing cost of the product. When having a look at non-profits, many opportunities, not only in the area of marketing, can be found in constantly increasing importance of internet media, where their advertisements can be placed and the costs are not that high in comparison to other channels.¹³ There exists even possibility to advertise on internet free of charge. As an illustration can serve “Google Ad Grants”, which is a program developed by Google Inc. that supports NGOs when presenting their mission on the internet.¹⁴ Furthermore, non-profit organizations might be oriented only at one specific group of donors

⁷ Evangelia K. Blery, Efstathia Katseli and Nertilda Tsara, "Marketing for a Non-profit Organization", *International Review on Public and Nonprofit Marketing* 7, no. 1 (2010): 57-68, doi:10.1007/s12208-010-0049-2.

⁸ Hannagan, *Marketing for the Non-profit Sector*, 88-89.

⁹ Blery et al., *Marketing for a Non-profit Organization*, 64-65.

¹⁰ Hannagan, *Marketing for the Non-profit Sector*, 89.

¹¹ Philip Kotler and Kevin Keller, *Marketing Management*, 14th ed. (Upper Saddle River, N.J.: Pearson Prentice Hall, 2012), 48.

¹² Ibid.

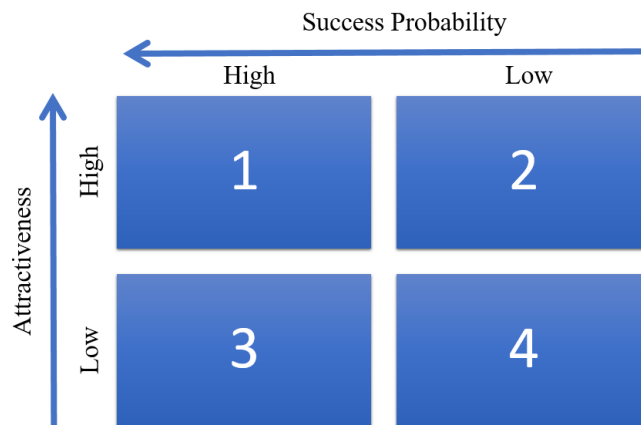
¹³ Blery et al., *Marketing for a Non-profit Organization*, 64.

¹⁴ "Grants for Nonprofit Organizations | Google Ad Grants – Google", *Google.com*, accessed March 31, 2016, <https://www.google.com/grants/>.

and conducting marketing research or collecting ideas of other comparable NGOs can help them with identifying other potential fundraisers or either with finding additional areas of opportunities.¹⁵

A so-called opportunity matrix can be developed for further detailed analysis. The upper-left corner represents opportunities that have high attractiveness and chances for success and thus can be evaluated as the best environmental opportunities that the organization should take into account when developing new marketing strategies. On the contrary, the bottom-right corner stands for those opportunities that are recently not relevant. The factors in the remaining two cells should be checked occasionally in the case that there would be change in their potential.¹⁶

Scheme 2: Opportunity matrix



Source: Author's creation, based on Kotler and Keller, *Marketing Management*, 49.

A *threat* to a company or organization “is a challenge posed by an unfavorable trend or development.”¹⁷ Not only commercial businesses, but also non-profits are exposed to the risk of entry of potential competitors into the market which creates one of the biggest challenges. Organizations in the private sector can overtake the role of those active in the public sector and the opposite, which might happen for example in the areas of education, healthcare or even free time activities. Another threat is economic crises which often lead to reduced government spending.¹⁸ Recession might also cause existential problems to companies that are key sponsors of NGOs and that can, as a result, cut down

¹⁵ Hannagan, *Marketing for the Non-profit Sector*, 90.

¹⁶ The paragraph is based on: Kotler and Keller, *Marketing Management*, 49.

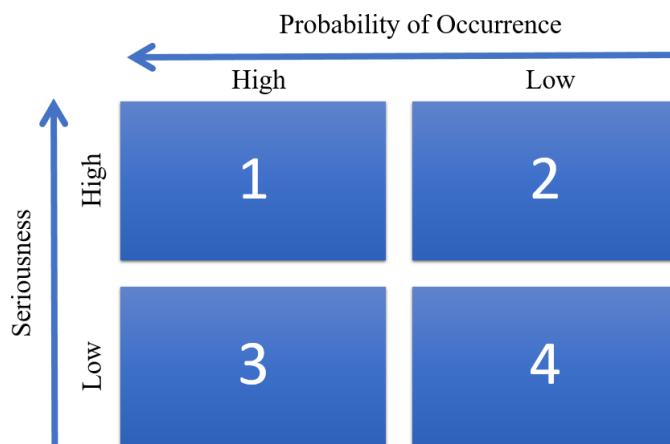
¹⁷ Ibid.

¹⁸ The preceding text is based on: Hannagan, *Marketing for the Non-profit Sector*, 90.

or even cancel fully their support. Also the donors from the general public are usually not willing to support incentives of non-profits in the same extent in such period of time and can tend more to their own savings. For instance, the director of Czech non-profit organization “Maltéžská pomoc¹⁹”, which concentrates on help to families, elderly and handicapped people, stated that the support from companies and private donors was, during the crisis in 2009, approximately four times lower than in the previous year.²⁰ Such a situation can endanger functioning of any concrete non-profit organization or its presence in the market. Nevertheless, even though the recent economic crisis caused financial struggles in the non-profit sector in the Czech Republic,²¹ the overall number of NGOs did not decline.²² Other threats might be also changes in the law, taxation or even change of the political system.

Similarly, also in the case of threats, a 2x2 matrix can be created and attention should be given mainly to the upper-left cell which includes factors that could have serious consequences for the organization.²³

Scheme 3: Threat matrix



Source: Author's creation, based on Kotler and Keller, *Marketing Management*, 49.

¹⁹ "Pomoc lidem v nouzi – Maltéžská Pomoc", *Maltezskapomoc.cz*, accessed July 29, 2016, <http://www.maltezskapomoc.cz/>.

²⁰ Česká televize, "Finanční krize tíží i neziskové organizace", *ČT24*, accessed March 30, 2016, <http://www.ceskatelevize.cz/ct24/ekonomika/1400611-financni-krize-tizi-i-neziskove-organizace>.

²¹ *Zpráva o stavu neziskového sektoru v České republice v roce 2010*, pdf, (Neziskovky.cz, 2011), http://www.neziskovky.cz/data/Zprava_o_stavu_NS_2010txt11805.pdf.

²² Pavol Frič, *Občanská společnost a definice NNO, vývoj, stav a trendy.*, pdf, (Vláda.cz), http://www.vlada.cz/assets/ppov/rnno/dokumenty/studie_fric_pro_web.pdf.

²³ Kotler and Keller, *Marketing Management*, 49.

1.3 Segmentation, Targeting and Positioning

Segmentation is one of the fundamental tools needed when creating successful marketing strategy. Different consumers vary in their needs and that is the reason why also the approach to them should be adjusted. Applying the same marketing tactics to all users would automatically mean overlooking their diversity, that is present mainly in international markets, and which can consequently lead to failure of the organization's marketers. Conversely, it is not possible to adjust the style to every individual person, as this would require huge financial resources. Thus, based on various geographic, demographic, socioeconomic, psychographic or behavioral criteria like gender, age, income, values and life-styles (VALS) or purchasing behavior, the market is usually divided into several potential groups (segments) according to their common needs. The 2x2 matrix shown below defines the criteria as a combination of objective measures which can be easily verified, inferred measures which refer to state of mind, general elements that are not attached to concrete purchase and specific elements which represent particular exchange.²⁴

Scheme 4: Segmentation criteria

	General	Specific
Objective	Age Gender Level of income Social class Place of residence	Usually purchased quantity Brand preference Loyalty
Inferred	Personality Values Life-styles	Beliefs Perceptions Desired benefits

Source: Author's creation, based on Kotler and Andreasen, *Strategic Marketing for Nonprofit Organizations*, 172.

²⁴ The paragraph is based on: Philip Kotler and Alan R Andreasen, *Strategic Marketing for Nonprofit Organizations* (Englewood Cliffs, N.J.: Prentice-Hall, 1991); Hana Machková, Petr Král and Markéta Lhotáková, *International Marketing: Theory, Practices and New Trends* (Prague: Oeconomica, 2010).

The next step is so-called “*targeting*”, the goal of which is to determine how the potential segments should be approached. There are three methods:

- *Undifferentiated / Standardized strategy* basically means targeting mass audience with one marketing mix and omitting the differences between certain segments. This “common approach” results in lower costs comprising marketing research, product development or cost of media. The segments that are not reached are afterwards overtaken by the competitors. Such a tactic is commonly implemented in the case of a homogeneous market;
- *Differentiated strategy* is used by organizations that focus on two or more target groups and in this way cover wider market as well as encourage the customer to identify himself/herself easier with the product or services. This is often employed after either the first or third way are applied;
- *Concentrated marketing* refers to strategy that aims one segment or so-called “niche market”. On one hand, this method allows to concentrate on needs of one concrete group of customers, but on the other hand, the size of the market is very small. This strategy should be adopted if the organization lacks resources.²⁵

For the defined target markets, the organization should create various products and offers that are perceived specifically in the minds of the consumers.²⁶ This act is called “*positioning*” and can be characterized as “*designing the organization's image and value offer so that the organization's customers understand and appreciate what the organization stands for in relation to its competitors.*”²⁷ Typically, a concrete non-profit usually presents itself to the public using single image which should be clearly differentiated from the competitors.²⁸

²⁵ The preceding text is based on: Kotler and Andreasen, *Strategic Marketing for Nonprofit Organizations*, 195-198; Machková et al., *International Marketing: Theory, Practices and New Trends*, 86-87.

²⁶ Kotler and Keller, *Marketing Management*, 10.

²⁷ Kotler and Andreasen, *Strategic Marketing for Nonprofit Organizations*, 205.

²⁸ Ibid.

1.4 Marketing Mix of Non-commercial Products

The traditional marketing mix can be described as different marketing activities that help to achieve marketing strategy of an organization. The marketing mix, also commonly called “the four Ps”, consists of four following elements:

- Product / Service;
- Price / Fee;
- Promotion;
- Place.²⁹

In other words, it is formed as balanced combination of the right products or services offered by the organization to the user at the right price, with appropriate promotion and through the right distribution channels. The correct mixture should satisfy the consumer not only now, but at any later date and therefore should be changed if necessary in order to remain competitive. However, changing one of the elements might lead to change in any of the others, for example improving the product or service can result in increase of its price.³⁰ Possible components of each “P” are shown in the following scheme:

Scheme 5: Marketing mix components



Source: Author's creation, based on Hannagan, *Marketing for the Non-profit Sector*, 95; Kotler and Keller, *Marketing Management*, 25.

²⁹ The paragraph is based on: Hannagan, *Marketing for the Non-profit Sector*, 94-101.

³⁰ The paragraph is based on: Ibid.

There are several specifics regarding non-profit organizations. The emphasis is in many cases not given on price, but more on the service and its quality. The service is then expected to be provided even if for free or at very low price. Also the reputation of the organizations is mostly based on word-of-mouth.³¹

1.4.1 Product / Services

Product is the first and most crucial part of the whole marketing mix. Under the term one may probably imagine physical objects like manufactured goods, however, it comprises also services, concrete locations, people, different organizations or particular ideas. The goal of NGOs is to offer mainly services and to sell their mission and ideas, more likely than any tangible products.³²

There are basically four main characteristics of services that not only non-profits should be aware of:

- *Intangibility* means that no transfer of ownership of tangibles takes place when providing services. The user is not able to see, touch, hear or taste them and has to believe the particular NGO regarding the quality of the outcome. Providing more detailed information via websites, catalogues or leaflets might give more concrete picture of the benefits, which subsequently increases the tangibility. The quality that is in result perceived by the consumer is largely based on his/her previous expectations;
- *Inseparability* implies that the service cannot be isolated from the people that are providing it. For example, it is not possible to provide educational services without professors and healthcare services without doctors and nurses. This results in strong reliance on *people*, which is fifth variable sometimes added to the marketing mix;
- The third characteristic of services is also connected with people. The quality depends strongly on individual's performance and is therefore changing. This is referred to as *variability* of services as they might not be the same when provided by different people. High quality level in an organization should be ensured through

³¹ The paragraph is based on: Hannagan, *Marketing for the Non-profit Sector*, 94-101.

³² The paragraph is based on: Ibid., Blery et al., *Marketing for a Non-profit Organization*, 57.

selection of qualified employees with appropriate characteristics, regular staff trainings and early detection of potential discrepancies;

- *Perishability* indicates that it is not possible to store the services for future consumption. The supply has to meet the demand, in other words, both - the provider and the user – have to be present. This practically means that there are high requirements on appointment systems and procedures in any organization offering services.³³

Today's competitive environment requires also from non-profit organizations to offer special benefits and value added to the core services that distinguish them from the rivals. Also according to the fact, that the image of NGOs is largely based on personal experience and subsequent recommendations, building up unique selling proposition (USP) seems to be necessary. Offering original and inventive peripheral services increases consumer's satisfaction and promotes the organization through word-of mouth, which on top of that encourages the donors to make contributions rather regularly than just at odd times. Introducing new services may generate income, but at the same time one must consider the level of investment into these innovations and plan the budget carefully.³⁴

1.4.2 Price / Fee

First thing that is important to realize when having a look at *price* is that it plays a significant role not only in the profit sector, but also regarding non-profits. One might think that when the services of NGOs are provided for free or require only small fees, no strategic planning in this area is necessary, though, the costs have to be always taken into account. The full price is not demanded because the possibility to use such services should be given to wide public regardless individual's financial situation. This reflects current concerns of the society, which may, however, change over time.³⁵

Price in the non-profit sector is harder to define in comparison to prices of commercial businesses. It can be described as follows: “*it is the amount of money that the user pays*

³³ The previous text is based on: Hannagan, *Marketing for the Non-profit Sector*, 104-105.

³⁴ The paragraph is based on: Ibid., 106-109; S. M Jha, *Marketing Non-profit Organisations* (Mumbai: Himalaya Pub. House, 2009), 35-36.

³⁵ The paragraph is based on: Hannagan, *Marketing for the Non-profit Sector*, 127-128.

*for services of non-profit organization and that usually does not cover all the costs.*³⁶”

The remaining costs are covered (or, to put it differently, the price is also paid) by donors, specifically by either public administration or commercial companies. The state support of non-profits takes place in the form of subsidies. The organizations help subsequently the public with solving problems that could otherwise result in alternative expenditures. This can be namely reduction of poverty, which might, if not solved, cause higher criminality. Nevertheless, also companies avoid in this way implicit costs like for example competitive disadvantage if not being engaged in CSR activities. In addition to it, for volunteers the price can be expressed in form of effort and time that they invest into the activities. *“Generally, it is necessary to consider price in non-profit and social marketing more likely as centrally determined social values rather than value for the customer.”*³⁷

Many factors have to be considered before the final price is set. It should always reflect the marketing objectives and the strategies chosen in order to achieve them. For instance, if the organization wants to attract more users and gain greater market share, the prices should be stated at a lower level. This is referred to as “price penetration policy”. Conversely, if high initial research and development costs have to be covered, also the price will be higher, which is called “price skimming policy”. Moreover, positioning of the services has to be taken into account as well. In particular cases the non-profit organizations should focus more on the image of high quality and according to that charge higher prices.³⁸ The users might sometimes not appreciate enough the services where the majority of costs is covered by donors, because they do not have to pay for it on their own.³⁹ In fact, many NGOs determine the price through “cost-plus” method, which is simply adding certain mark-up percentage to the costs.⁴⁰

1.4.3 Place

Place refers to the *“way how the product gets to the customer.”*⁴¹ Physical goods have to be delivered, services provided and social behaviors communicated so that the final

³⁶ Bačuvčík, *Marketing neziskových organizací*, 86.

³⁷ The paragraph is based on: Ibid.

³⁸ The preceding text is based on: Hannagan, *Marketing for the Non-profit Sector*, 127-143.

³⁹ Bačuvčík, *Marketing neziskových organizací*, 86.

⁴⁰ Hannagan, *Marketing for the Non-profit Sector*, 130.

⁴¹ Bačuvčík, *Marketing neziskových organizací*, 87.

exchange can be carried out and business transaction concluded between the buyer and seller. One point often overlooked is that this component of marketing mix includes not only physical locations like stores or offices, but also the entire distribution channel consisting, among others, of salespeople and independent intermediaries comprising wholesalers and retailers. Though, non-profits are often underfunded and understaffed to be able to afford expensive and complex channel of distribution. Instead of that have to find efficient ways to decrease such costs and therefore search for assistance of other organizations or individuals and have to think thoroughly about e.g. number of locations, building and its equipment.⁴²

There is often no stable and concrete physical location for providing services of NGOs, but commonly five main types of places, that are stated below, can be distinguished:

- Building of the organization – e.g. theatre, hospital or church;
- Place belonging to the consumer – for instance his / her household when providing day-care social services;
- Working place of the consumer;
- Outdoor – for example street-work for drug addicted;
- No concrete location – e.g. working with various communities.⁴³

1.4.4 Promotion

Promotion can be described as way of communication of a company or organization with different target audiences like customers, donors, own employees, other organizations, general public and also government. Public should be informed about the existence and mission of non-profits, customers about the products and services, employees about the policy of the organization and career opportunities, thus different groups require different information.⁴⁴

⁴² The preceding text is based on: Hannagan, *Marketing for the Non-profit Sector*, 144-153. Kotler and Andreasen, *Strategic Marketing for Nonprofit Organizations*, 481-482.

⁴³ The paragraph is based on: Bačuvčík, *Marketing neziskových organizací*, 87.

⁴⁴ The paragraph is based on: Hannagan, *Marketing for the Non-profit Sector*, 154-156.

The main goal of promotion is primarily to achieve the positive image of an organization, which can be done via the “communication mix” and its following five tools:

- *Advertising* is way of communication that is in most cases paid and that should increase awareness of wide public and build positive attitude towards the NGO. The most common advertising media are in general TV, magazines and newspapers, radio, billboards or movies;
- *Direct marketing* allows targeting concrete individuals and encourages them to immediate response. It consists for instance of direct mail (message sent by post), catalogues and leaflets, emailing, telemarketing and online advertising like banners;
- *Sales promotion* should persuade the buyer to purchase and includes free gifts or trials, discounts, coupons, bonuses or point-of-purchase media like displays in retail stores;
- *Public relations (PR)* can be described as dialog with above mentioned target audiences. It should help the mutual understanding and lead to higher awareness and positive attitudes towards the organization. PR can be realized in the form of publicity (marketing messages in mass media requiring no payment) or media relations (press releases, press conferences, interviews and other events);
- *Personal selling* can be characterized with individual approach and thus also with higher effectiveness. It comprises for example personal selling in terrain or various exhibitions and fairs.⁴⁵

Non-profit organizations can choose from a great variety of advertising media, but are usually limited by their budget. They, therefore, very often use the possibility of some advertising agencies to promote themselves for lower price or without any charge. Such campaigns are also called “pro bono” campaigns, which means “for good causes”, and are pursued on the initiative of the agencies themselves with the goal to show their creativity. Promotion can be also realized through cooperation with commercial businesses or volunteers and students. The most frequent ways of advertising are direct and event marketing, internet media and public relations.⁴⁶

⁴⁵ The preceding text is based on: Machková et al., *International Marketing: Theory, Practices and New Trends*, 164-181.

⁴⁶ The paragraph is based on: Bačuvčík, *Marketing neziskových organizací*, 87-88.

Nevertheless, PR is, among all, the main method used by non-profit organizations, especially because it helps to build relationship with more groups at the same time. Its aim is to influence the opinion of the majority of public about the necessity of existence of an NGO when solving concrete issues in the society, which should lead to its general support and increased financial contributions. In effect, various actual and controversial matters are brought into discussion among the citizens and awareness of them is raised. Additionally, part of public relations is also distribution of information about the NGO itself, its activities, results or success via press releases and direct mails. Other reasons for pursuing PR might be e.g. recruitment of volunteers, fund-raising campaign or just simply giving thanks to donors.⁴⁷

We can distinguish between ten forms of public relations activities with different groups as follows:

- *Media relations* are the most important for NGOs, because press enables them to transmit message to wide public and, as already mentioned above, in many cases is this service offered for free;
- *Community relations* refer to exchange of information with citizens within smaller areas like regions or villages;
- *Minority relations* can be described as communication and mutual relationship with minorities, which are often the users of non-profits and whose interests are protected by them;
- *Employee relations* are established between the organization and its internal public, i.e. employees, volunteers and other members;
- *Government relations* can be classified as first stage of fundraising, but at the same time include informing specific authorities, lobbying before new laws are enforced, as well as initiation of common projects;
- *Investor relations* are fully equivalent to fundraising activities;
- *Industry relations* represent cooperation with entities (e.g. other non-profits or companies) that are active in similar area. The image of the whole non-profit sector is therefore very important, as sometimes more organizations join their forces when working on various projects together;

⁴⁷ The paragraph is based on: Ibid., 92-107.

- If an organization offers internships or projects and thus searches for students that would like to take part, it can take advantage of *university relations*. These can be also mutually beneficial if concrete analysis is needed, which the students can work on and use it as their dissertation or for other study purposes;
- *Celebrity relations* mean support of in the society well-known, popular or in the field erudite person that represents or in different ways endorses the organization or its services. Despite many positives, such relationship is very risky if one side of the relationship becomes part of a scandal or gets into troubles and which is subsequently publicized in the media. Situation like this can destroy the image of both participants in the relationship;
- The term “*public affairs*” is used to describe cooperation of commercial businesses and NGOs in the area of promotion. As lot of companies are nowadays engaged in corporate philanthropy (in other words corporate social responsibility) and want to promote it, working together with non-profits seems to be favorable for them.⁴⁸

1.5 Fundraising

The expression “*fundraising*” was used for the first time in 1940s in the United States as an umbrella term for activities including collection of financial and other sources needed by a non-profit organization to provide generally beneficial services via various projects and to ensure its functioning.⁴⁹ Commercial businesses are usually financed by charging profit margin or have the possibility to issue debentures, though, non-profits often have to rely on sources coming from international institutions, state or donors.⁵⁰ From research conducted in 2006 among 230 organizations in the Czech Republic, it followed that only 15.6 % of them are not involved in fundraising activities.⁵¹

Fundraising is a task under the competencies of a “*fundraiser*” which can be either person working as an internal employee or an outsourced external specialist for financial resources. The first mentioned option is typical for Czech Republic. Nonetheless, such a specific position is often not created at all in the case of smaller organizations, where taking care

⁴⁸ The preceding text is based on: Ibid., 92-94.

⁴⁹ Petr Boukal, *Fundraising pro neziskové organizace* (Praha: Grada, 2013), 32.

⁵⁰ Kotler and Andreasen, *Strategic Marketing for Nonprofit Organizations*, 279.

⁵¹ Novotný and Lukeš, *Success Factors and Volunteerism in Non-profit Organizations in the Czech Republic*, 76.

of finances can be the responsibility of the director, project manager, board of directors or even all its employees.⁵²

Every organization should be able to define the goal of its current fundraising activities and according to that adjust the procedures. The purpose might be perhaps finding solution for problematic financial situation and thus pursuing crisis financial management, further development of NGO and its projects, decreasing the dependence on concrete donors and their diversification or securing stable sources of funding and sustainability.⁵³

There exist multiple sources of financial funds available. Very frequently occurs financing from public sources like local and regional funds, funds of ministries or number of state and European Union funds.⁵⁴ In the programming period 2014-2020, Czech Republic obtained approximately 24 billion from the EU structural and investment funds, which should be used, among others, for environmental protection, social inclusion, reduction of poverty and improvements in educational system.⁵⁵ Non-profit organizations have possibility to apply for this money for their projects; however, very detailed accompanying documentation is needed.⁵⁶ Common is also support from individual donors, which sometimes requires certain level of emotionality when trying to persuade them to contribute⁵⁷ and which often leads to discussions about where is the border of appropriate campaigns. In addition, funds can be also raised through cooperation with for-profit companies⁵⁸, membership fees⁵⁹, foundations⁶⁰ or through own activities like sale of own products and services.⁶¹

⁵² The paragraph is based on: Boukal, *Fundraising pro neziskové organizace*, 37-40.

⁵³ The paragraph is based on: Ibid., 47-48.

⁵⁴ Ibid., 177-197.

⁵⁵ *European Funds 2014-2020: Simply for People.*, pdf (Prague: Ministry of Regional Development CZ – National Coordination Authority, 2015), http://www.strukturalni-fondy.cz/getmedia/6105601a-ff61-4b76-8c30-501d8764abc4/publikace-ROADSHOW_AJ_v03.pdf?ext=.pdf.

⁵⁶ Boukal, *Fundraising pro neziskové organizace*, 179.

⁵⁷ Ibid., 76.

⁵⁸ Ibid., 109-123.

⁵⁹ Ibid., 152.

⁶⁰ Ibid., 129-145.

⁶¹ Ibid., 151-155.

Organizations should not be orientated only on collection of financial sources, but should use also the chance to obtain non-financial support. Such help can be provided in a form of:

- Tangible assets – e.g. for-profit company provides furniture, computers or other equipment to an NGO for free;
- Rights – e.g. NGO gets possibility to place logo on certain websites, in newspapers or magazine;
- Information – e.g. creation of methodical materials;
- Workforce – e.g. firms involved in CSR activities offering own employees opportunity to work as volunteers in non-profits and paying for their performance;
- Services – e.g. company offering tax advisory to an NGO.⁶²

⁶² The preceding text is based on: Ibid., 34-37.

2 Non-Profit Organizations in the Czech Republic

2.1 NGOs and Volunteering in the Past

The roots of providing organized help to others in Czech Republic can be found primarily in the Middle Ages, when religion had a strong position and played an important role in connecting the society and taking care of other people's needs. First foundations were established during this era and charitable activities focused mainly on lending a hand to old, poor or disabled inhabitants. However, the function of the Catholic Church was weakened as a result of Hussite Wars in the beginning of 15th century, which led to secularization in this area. Throughout this time, certain social and religious functions were partly fulfilled also by guilds. Nevertheless, the Catholic religion gained back its dominance after the Battle of White Mountain in 1620 and subsequently influenced mainly educational sphere.⁶³

Later on, during the Age of Enlightenment, the state and public administration took the main position regarding decisions about charitable matters. This was comprised of, for instance, monitoring economic activities of foundations or making decisions about the school system. Lot of with church connected organizations were dissolved.⁶⁴

The civil society started to develop significantly during the National Revival, the main objective of which was to revive the Czech national identity. A great variety of civic foundations and associations were voluntarily established for the purpose of enrichment of the culture. Their number grew to thousands and at the end of 19th century exceeded 10 000⁶⁵, which was the most in the whole Austro-Hungarian Monarchy. The functioning of such organizations was defined in "Gesetz über das Vereinsrecht; RGBI. 134/1867⁶⁶".

⁶³ The paragraph is based on: Pavol Frič, *Giving and Volunteering in the Czech Republic*, pdf, 1st ed. (Prague: AGNES and NROS,

2001), https://www.researchgate.net/publication/40346192_Drcovstv_a_dobrovolnictv_v_esk_republice__%28vsledky_v_zkumu_NROS_a_Agnes%29_; Pavol Frič and Rochdi Goulli, *Neziskový sektor v České republice: výsledky mezinárodního srovnávacího projektu John Hopkins University (shrnutí)*., pdf, 1st ed. (Prague: NROS, 2000), https://www.researchgate.net/publication/40392803_Neziskov_sektor_v_R__vsledky_mezinrodnho_srovnvacho_projekt_u_Johns_Hopkins_University_; Pavol Frič et al., *Defining the Nonprofit Sector: the Czech Republic*, pdf (Baltimore: The Johns Hopkins Institute for Policy Studies, 1998), http://ccss.jhu.edu/wp-content/uploads/downloads/2011/08/Czech_CNP_WP27_1998.pdf.

⁶⁴ The paragraph is based on: Frič, *Neziskový sektor v České republice: výsledky mezinárodního srovnávacího projektu John Hopkins University (shrnutí)*, 10.

⁶⁵ Frič, *Giving and Volunteering in the Czech Republic*, 9.

⁶⁶ Bundeskanzleramt Österreich, "RIS – NL00008078 – Normenliste Des Verwaltungsgerichtshofes", *Ris.Bka.Gv.At*, 2016, <https://www.ris.bka.gv.at/Dokument.wxe?Abfrage=Normenliste&Dokumentnummer=NL00008078>

The role of the church in the nonprofit sector was further weakened with the proceeding modernization and industrialization.⁶⁷

Time of existence of the First Czechoslovak Republic (1918-1938) can be considered as especially successful for further development and internationalization of nonprofit organizations.⁶⁸ Great variety of them came originally from western countries like England or United States, e.g. “Young Men's Christian Association” (YMCA) and “Young Women's Christian Association” (YWCA), Boy Scouts (predecessor of Czech organization “Junák”) or Rotary International (in Czech Republic also known as “Rotary klub”).⁶⁹ More than half of such associations were in property of municipalities and lot of them were established with strong support of government, for instance the Czechoslovak Red Cross. Core activities of many of them were oriented chiefly on education and free time of youth, social problems and poverty.⁷⁰

On the contrary, during the Second World War, the development changed dramatically. A lot of organizations were taken and transformed to serve the purposes of the fascist regime, forbidden or were functioning underground or in exile.⁷¹ We can bring up an example of “Sokol”, Czech sport movement for young generation, whose members took part in anti-Nazi resistance movement and more than 3000 of them were executed.⁷² Even though the nonprofit sector was to some extent restored after the war, it was, unfortunately, not for a long time.⁷³

In February 1948, the communists took power after the Czechoslovak coup d'état, which finally resulted in 40 years lasting totalitarian regime. Democratic freedoms were suppressed and activities of civil society were censored by the state, so that it could be guaranteed that

⁶⁷ The paragraph is based on: Miroslav Pospíšil, *History of the Czech Non-profit Sector*, pdf, 1st ed. (Brno: CVNS, 2009), http://cvns.econ.muni.cz/prenos_souboru/is/soubory/web/97-scan2-history-cz-update09.pdf; Frič, *Giving and Volunteering in the Czech republic*, 9.

⁶⁸ Pospíšil, *History of the Czech Non-profit Sector*, 2-3.

⁶⁹ Frič, *Neziskový sektor v České republice: výsledky mezinárodního srovnávacího projektu John Hopkins University (shrnutí)*, 11; Pospíšil, *History of the Czech Non-profit Sector*, 3; “Projděte se 100letou historií skautingu”, *Skaut.cz*, 2016, <http://www.skaut.cz/skauting/o-skautingu/historie>; “O Rotary | Rotary”, *Rotary2240.org*, 2016, <https://www.rotary2240.org/district-2240/cs/o-rotary/>.

⁷⁰ The preceding text is based on: Pospíšil, *History of the Czech Non-profit Sector*, 3; Frič, *Giving And Volunteering in the Czech Republic*, 9.

⁷¹ Frič et al., *Defining the Nonprofit Sector: the Czech Republic*, 4; Frič, *Giving and Volunteering in the Czech Republic*, 9.

⁷² Michal Burian, *Vzdělávatelské listy*, September/ October 2014, <http://www.sokol.eu/priloha/9391/vl-8-rijen.pdf>.

⁷³ Frič, *Neziskový sektor v České republice: Výsledky mezinárodního srovnávacího projektu John Hopkins University (shrnutí)*, 11.

they are in line with socialistic ideology. Under those circumstances, the nonprofit sector could not expand independently.

As one of the main objectives of socialistic philosophy was elimination of private property, the property of voluntary organizations was confiscated as well.⁷⁴ Furthermore, the regime tried to get rid of political opponents and for this reason some of the existing societies were abolished, comprising also previously mentioned “Junák”, “Sokol” or “YMCA”, which were seen as too bourgeois, were promoting democratic ideas or were connected with the church. Also some people that were active in these organizations and were thinking too democratically were seen as a threat to the regime and were therefore persecuted or imprisoned.⁷⁵

However, it is important to realize that activities in the nonprofit area were not abolished in general, but had to correspond with the ideals and propaganda of the socialistic state and were founded or transformed to serve this purpose.⁷⁶ “Voluntary social organizations” were during this period part of the so-called “National Front”,⁷⁷ which was initially established as coalition of political parties ruling the country after World War II and later on was fully controlled by the communists. Its members were not only purely politically oriented associations,⁷⁸ but also for instance youth organizations like “Pioneer” or “Jiskry”, which should enable the regime to influence opinions of children and young people more easily.

Participation was expected in order to show interest in building socialism and in supporting socialistic society. If the five-year economic plan was not fulfilled, people were expected to help “voluntarily” on different brigades organized for instance by schools or factories. As an ideal was perceived men contributing to the society either financially or in the form of work without any payment.⁷⁹

On the other hand, later on nonparticipating could be understood as resistance to the establishment and could lead to persecutions like e.g. impossibility to be promoted

⁷⁴ Frič, *Giving and Volunteering in the Czech Republic*, 9.

⁷⁵ The preceding text is based on: Frič, *Defining the Nonprofit Sector: The Czech Republic*, 4-5; Burian, *Vzdělávací listy*, 4; “Projděte se 100letou historií skautingu”

⁷⁶ Frič, *Giving and Volunteering in the Czech Republic*, 9.

⁷⁷ Frič, *Defining the Nonprofit Sector: the Czech Republic*, 4.

⁷⁸ Ibid.

⁷⁹ The paragraph is based on: Frič, *Giving and Volunteering in the Czech Republic*, 9-10.

or even losing the job or prohibiting children to study at a certain university. Helping others was therefore, in many cases, not voluntary and sometimes there were not even any economic reasons for it. Therefore, such a system of punishment and reward could not work forever, as philanthropy started to be more or less compulsory. Socialism created for its purposes a modified form of “volunteering” that differs from the meaning of the term nowadays. However, the reputation of volunteering was harmed.⁸⁰

2.2 Nonprofit Sector Nowadays

2.2.1 New Era – Development after the Velvet Revolution

After the Velvet Revolution, a new era regarding the development of nonprofit organizations began. The society and economy was transforming, the number of nonprofit organizations was growing and the sector started to gain back trust of public that was lost during the period of socialism. Two years after the revolution, the number of NGOs was approximately 40⁸¹ times higher; the liberal politics of the state and support of civil society coming from the new government helped this process.⁸²

One of the most important steps made by the government was adoption of Act No. 83/1990 coll., which enabled the citizens to create associations. The Council for Foundations was established to give advices when proceeding in reformation of the sector. Furthermore, the so-called Foundation Investment Fund was created and part of the money of privatized companies should be transferred to this fund in order to help the organizations financially. They became independent, in other words did not belong to the state anymore. Also many associations alongside with donors from abroad started to be active in the market.⁸³

However, as the process of economic transformation in Central and Eastern European countries in the 1990s was quite unique and complicated, there were no clear steps or rules

⁸⁰ The paragraph is based on: Frič, *Giving and Volunteering in the Czech Republic*, 9-10.; Frič, *Defining the Nonprofit Sector: the Czech Republic*, 4-5.

⁸¹ Pospíšil, *History of the Czech Non-Profit Sector*, 5.

⁸² The paragraph is based on: Frič, *Giving and Volunteering in the Czech Republic*, 11; Frič, *Defining the Nonprofit Sector: the Czech Republic*, 5; Pospíšil, *History of the Czech Non-Profit Sector*, 5-11.

⁸³ The paragraph is based on: Frič, *Defining the Nonprofit Sector: the Czech Republic*, 5; Czech Ministry of Foreign Affairs, "Non-profit Sector", *Czech.cz*, 2016, <http://www.czech.cz/en/Business/Economic-facts/Non-profit-sector>; Pospíšil, *History of the Czech Non-profit Sector*, 8.

to follow and Czechs had to learn – with assistance of foreign countries – how to manage the nonprofit sector. During the term of office of Václav Klaus as Prime Minister the state did not play a significantly active role and hesitated regarding the distribution of money from the Fund and acceptance of further new laws. The situation turned in the second half of the 1990s when the Council to the Government for NGOs was highly involved in the negotiations between the government and the nonprofit sector, which resulted in distribution of the funds (2 billion CZK) and adoption of new laws. In 2000, the Czech Republic was divided into 14 regions that partly took control over NGOs. The position of the non-profit sector was strengthened after it proved to be effective in helping resolve problems connected with the floods in Czech Republic in 1997 and 2002. Moreover, the membership in European Union brought lot of benefits, such as raising funds.⁸⁴

2.2.2 Role and Position of NGOs in the National Economy

Firstly, to be able to proceed further with our analysis, the definition of today's non-profit organization should be stated. The term “non-profit” is in some cases understood in a wrong way, as people might think that such organizations do not create profit at all, when in fact, profit can be generated like in regular companies if it is reused for activities of the organization. To put it differently, the profit exists, but is not distributed to founders, owners or other representatives of the organization. The expression “not for profit” fits the main purpose of their existence and the definition, as they should foremost benefit and provide assistance to society.⁸⁵

The nonprofit sector has a specific position in the national economy and there are several theories that specify the sectors of the national economy according to different criteria. One well-known and generally accepted theory is that of Swedish economist V.A. Pestoff, in which the division of a national economy into sectors is illustrated on a triangle. These are state, community, market and associations, as shown in the scheme on the next page. Also “mixed institutions” that cannot be categorized into any of these four groups appear in the graph as grey triangles.⁸⁶

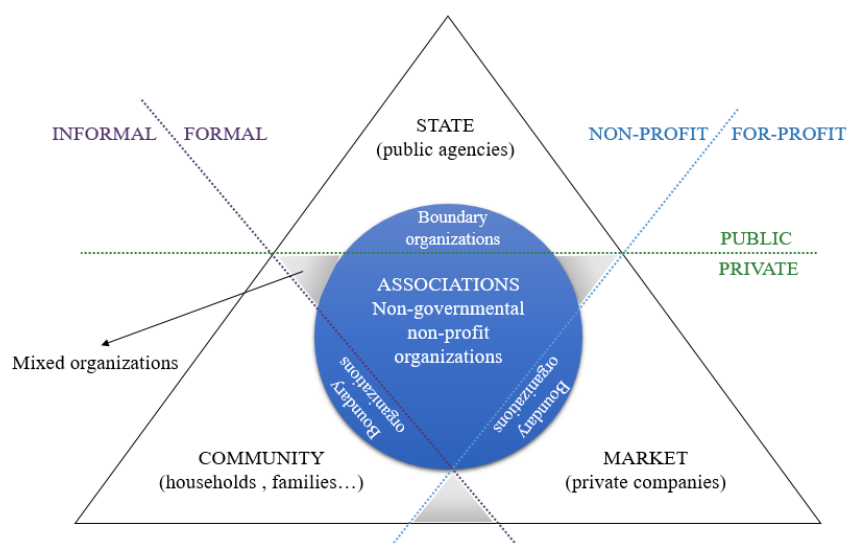
⁸⁴ The paragraph is based on: Pospíšil, *History of the Czech Non-profit Sector*, 5-11; “Non-profit Sector”.

⁸⁵ The paragraph is based on: Petr Vít, *Praktický právní průvodce pro neziskové organizace* (Prague: Grada, 2015), 10.

⁸⁶ The paragraph is based on: Tomáš Rosenmeyer, *Soukromý neziskový sektor*, pdf, 1st ed. (Brno: CVNS, 2005).

The three lines illustrate various criteria taken into account in the case of Czech Republic. It is considered whether the entity was founded in order to generate profit or to serve other interests, which divides the triangle into “not for profit” and “for profit” sections. Another criterion considers who is the founder or owner of the organization, namely if it belongs to the public or private sector. Finally, the theory takes into consideration whether the entity is a legal person or not, dividing the triangle into formal and informal segments.⁸⁷

Scheme 6: Pestoff's triangle of sectors of the national economy



Source: Author's creation, based on Rosenmeyer, *Soukromý neziskový sektor*, 1.

Based on this model, the NGOs – that are also considered in this paper – can be clearly defined as nonprofit, formal and private entities, situated in this model in the small triangle placed in the middle of the circle. We come across various names that are used when talking about this part of the national economy, for example private nonprofit sector, non-governmental nonprofit organizations (NGOs), third sector, civic sector, independent or voluntary sector. All of them are accentuating different attributes. “Independent sector” emphasizes independence of the government and “civic sector” relation to civic society.⁸⁸

The rests of the circle in the scheme are so-called boundary organizations connected more with the state (e.g. public universities), community (e.g. homeowner's associations) or the market (e.g. co-operatives). Moreover, it is important to notice that NGOs are only part of the whole nonprofit sector, as there are also communities, for instance households,

⁸⁷ The paragraph is based on: Ibid.

⁸⁸ The paragraph is based on: Ibid.

and state organizations that were not established with the aim to generate profit, such as The Czech Academy of Sciences, Czech Television or Czech National Bank.⁸⁹

Nonprofit organizations are not accidentally placed in the middle of the scheme. This demonstrates their connection with other parts of the economy and their significant role in supporting them. Various situations when the government is not able to react soon enough or sufficiently to provide help that is needed occur repeatedly. The NGOs then partly overtake its role. One of the situations when they played a major role in Czech Republic were the previously mentioned floods in Czech Republic, which was the case when they provided help to citizens and reacted faster and more flexibly than the government itself.⁹⁰

The role of the nonprofit sector in the economy can be demonstrated also on statistical data. As illustrated in the table below, there are almost 130 000 nonprofit institutions in the Czech Republic nowadays and more than 100 000 inhabitants are employees in these organizations, which are not negligible numbers. Based on this data, it can be stated that the nonprofit sector has quite significant power regarding the number of employees; however, the share on GDP remains low.

Table 1: Nonprofit institutions in the Czech economy in 2013

INDICATOR	FIGURE*
Number of organizations	127347
Number of employees	104830
Share of employees of NI on total employees (%)	2,09
Share of NI on GDP (%)	1,77

*Data from Czech Statistical Office include also some boundary organizations (e.g. public universities)

Source: Author's creation, based on "Satellite Account of Non-profit Institutions"

⁸⁹ The paragraph is based on: Ibid.

⁹⁰ The paragraph is based on: Pospíšil, *History of the Czech Non-profit Sector*, 9-10; Mendelova univerzita v Brně, "Členění národního hospodářství (dle Pestoffa)", *Is.mendelu.cz*, 2016, http://is.mendelu.cz/eknihovna/opory/zobraz_cast.pl?cast=58901; Martina Fojtů, "Povodně z roku 1997 vyškolily samosprávu.", *Online.muni.cz*, 2013, <https://www.online.muni.cz/tema/3724-povodne-z-roku-1997-vyskolily-samospravu#.Vnr-jzZdE2x>.

2.2.3 Types of NGOs and their Classification

One of the classifications of NGOs is according to their *function or type of activity* in the society. These differ according to various theories, but the main ones are service, advocacy, expressive, community building, charitable, philanthropic, and innovative. The service function means providing services in the spheres where the state or the market failed to do so. These can be services for which the people in need are not able to pay and which need to deliver high expertise, quality and trust, like e.g. assistance to old or disabled citizens. The advocacy role is connected with enforcement of law and defense of rights of citizens or groups of citizens like e.g. woman or children. The goal is predominantly to change the policy and application of law and thus help the society to increase the standard of living and enforcing its interests. This means in practice informing and mobilizing the public, bringing up controversial issues and controlling work of state bodies. Very close to the advocacy function is expressive function, which is related to manifestation and communication of interests, values, traditions, opinions or ideas. It can be also described as “value guardian” function, which is stressing the engagement and leadership of civic society. Community building means connecting people, creating groups of people with same interests or issues and their integration to society. Charitable function helps to reduce the social differences and struggles with the “opening scissors”. In other words, one of the functions of NGOs is reallocation of money in the society. Philanthropic function are actions done in order to support functioning and development of NGOs, different centers and institutions. The last task of nonprofit organizations is innovation that is searching of innovative solutions of problems in the society and coming up with new services, products, processes or market niches.⁹¹ All the above mentioned functions are summarized in Table 2.

⁹¹ The paragraph is based on: Frič, *Neziskový sektor v České republice: výsledky mezinárodního srovnávacího projektu John Hopkins University (shrnutí)*, 7-8; Centrum pro výzkum neziskového sektoru, *Neziskové organizace a jejich funkce v demokratické společnosti* (Brno: Společnost pro studium neziskového sektoru, 2009), http://cvns.econ.muni.cz/prenos_souboru/is/soubory/web/102-scan9-no-a-jejich-funkce.pdf.

Table 2: Functions of non-profit organizations

FUNCTION	DEFINITION
Service	Offering services
Advocacy	Enforcement and application of law
Expressive	Emphasis on engagement of civic society
Community Building	Connecting people
Charitable	Reduction of social differences
Philanthropic	Supporting development of NGOs
Innovative	Innovative solutions of problems in the society

Source: Author's creation, based on Centrum pro výzkum neziskového sektoru, *Neziskové organizace a jejich funkce v demokratické společnosti*, 4-10.

NGOs in Czech Republic provide assistance in many areas like social services (e.g. help to disabled or old people), natural catastrophes, environmental issues or preservation of cultural heritage. The *areas of activities* of nonprofit sector generally are very wide and therefore are divided according to International Classification of Non-Profit Organizations (ICNPO) into 12 groups, shown in the following table. Such classification enables better comparison between states.⁹²

⁹² The paragraph is based on: Frič, *Neziskový sektor v České republice: výsledky mezinárodního srovnávacího projektu John Hopkins University (shrnutí)*, 8-9; United Nations, *Handbook on Non-profit Institutions in the System of National Accounts* (New York: United Nations Publication, 2003), http://unstats.un.org/unsd/publication/seriesf/seriesf_91e.pdf, 31.

Table 3: International classification of non-profit organizations

GROUP	EXAMPLES
1. Culture and Recreation	theatre, museum, zoo, library
2. Education and Research	primary, secondary and higher education
3. Health	hospitals, rehabilitation centers
4. Social Services	services to old and handicapped people
5. Environment	environmental and ecological associations
6. Development and Housing	community associations
7. Law, Advocacy and Politics	civic and advocacy organizations
8. Philanthropic Intermediaries and Voluntarism Promotion	grant making foundations
9. International Activities	exchange programs, disaster and relief organizations
10. Religion	religious congregations and associations
11. Business and Professional Associations – Unions	labor unions
12. Not Elsewhere Classified	-

Source: Author's creation, based United Nations, *Handbook on Non-profit Institutions in the System of National Accounts*, 31.

Another division of NGOs is according to the *level of serving public interests*. Two types of organizations are included in this category – publicly beneficial and mutually beneficial. The first type means that the association's target group is wide public. On the other hand, the mutually beneficial NGOs concentrate primarily on needs of their members, which have something in common, e.g. age, hobbies or even the same disability.⁹³

Furthermore, it is possible to classify different types of nonprofit organizations according to their *legal form*, which will be discussed in the next chapter more in detail.

⁹³ The paragraph is based on: Frič, *Neziskový sektor v České republice: výsledky mezinárodního srovnávacího projektu John Hopkins University (shrnutí)*, 7.

2.2.4 Legislation

In *legal terms* and according to the newest regulations are NGOs in Czech Republic divided into three main groups:

- Corporations (Associations, Interest Associations of Legal Entities, Social Cooperatives);
- Foundations and Endowment Funds;
- Institutes (Institutes and Public Benefit Organizations).⁹⁴

The legal base for nonprofits is New Civil Code – Act No. 89/2012 coll., which came into effect in the beginning of 2014 and brought changes into the area of private law. It replaced the Old Civil Code – Act No. 40/1964 coll. and belongs currently to the most important legal regulations in Czech Republic.⁹⁵

The Act No. 83/1990 coll., previously mentioned as an Act coming into effect after the Velvet Revolution, does not exist anymore. Therefore, also the form of “Civic Associations” was replaced by so called “Registered Associations” mentioned in New Civil Act. Associations can be founded by at least three people and the right to do so is stated in Charter of Fundamental Rights and Freedoms. The main goal is help and protection of its members, but can be both, publicly and mutually beneficial.⁹⁶

Also rules for functioning of Foundations and Foundation Funds were previously stated in Act No. 227/1997 coll. which was replaced by the new civil law. This enables the Foundation Funds to broaden their activities.⁹⁷ *“The purpose of foundation can be publicly beneficial, if it is based on supporting common good, and voluntary, if it is based on supporting specific circle of people.”*⁹⁸

Civil Act also defines new types of legal entities, such as “Institutes”. These are not based on membership, but have employees that are providing publicly beneficial services. Public

⁹⁴ The preceding text is based on: Petr Vít, *Praktický právní průvodce pro neziskové organizace* (Prague: Grada, 2015), 46.

⁹⁵ The paragraph is based on: Ibid., 14.

⁹⁶ The paragraph is based on: Ibid., 46-62; “NEZISKOVKY – Co to je neziskový sektor – Neziskovky v ČR – Fakta”, *Neziskovky.cz*, 2016, http://www.neziskovky.cz/clanky/511_538/fakta_neziskovky-v/.

⁹⁷ The preceding text is based on: “NEZISKOVKY – Co to je neziskový sektor – Neziskovky v ČR – Fakta”

⁹⁸ New Civil Code, Act No. 89/2012 coll., § 306, <https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=74907&fulltext=ob~C4~8Dansk~C3~BD~20z~C3~A1kon~C3~ADk&rpp=15#local-content>.

Benefit Organizations still exist and can continue in their activities according to the old Act No. 248/1995 coll. Nevertheless, it is no longer possible to establish new Public Benefit Organizations. These have to take legal form of Institute or Social Cooperative.⁹⁹

For the nonprofit sector is also important Business Corporate Act – Act No. 90/2012 which defines the Social Cooperatives. Their main purpose is integration of people to society through providing services in areas like working opportunities, education or social and healthcare services.¹⁰⁰

2.2.5 Volunteering

An integral part of today's nonprofit sector are voluntary activities. Volunteering can be defined as non-obligatory work, carried out without getting payment or any other reward for providing such services and delivering variety of benefits to the society. However, a volunteer – a natural person carrying out voluntary services – can get reward in form of offered food, accommodation or payment for transportation costs.¹⁰¹ Voluntary activities are one of the forms of providing active help, initiative and contributing to the society. They are nowadays in many cases mutually beneficial, as there are different organizations offering programs including also travelling, meeting new people and learning languages. The term “Voluntourism” is used for connection between volunteering and travelling.

Voluntary services comprise help in areas like environment, education, healthcare, culture and many others. “*Voluntary service is activity by which the volunteer provides:*

- *help to unemployed people, socially weak people, disabled, seniors, members of national minorities, immigrants, people after term of imprisonment, drug addicted, people suffering from domestic violence, as well as help by taking care about children, youth and families in their free time;*
- *help by natural, ecological and humanitarian catastrophes, by protection and improvement of environment, help by preservation of cultural heritage...;*

⁹⁹ "NEZISKOVKY – Co to je neziskový sektor – Neziskovky v ČR – Fakta"

¹⁰⁰ The paragraph is based on: Vít, Praktický právní průvodce pro neziskové organizace, 91-94; "NEZISKOVKY – Co to je neziskový sektor – Neziskovky v ČR – Fakta"

¹⁰¹ Vít, Praktický právní průvodce pro neziskové organizace, 139-142.

- *help by realization of development programs within the scope of operations, projects and programs of international organizations...*¹⁰²”

Volunteering is defined in the Act about Voluntary Services – Act No. 198/2002 col., which differs between “*sending*” and “*receiving*” organization. The task of the *sending organization* is for instance to select the volunteers – for projects in Czech Republic older than 15 years and for projects abroad older than 18 years – and to sign agreements with them. Such publicly beneficial organization must be legal person with seat in the Czech Republic and must be accredited by Ministry of the Interior. It is also obligatory for the sending institution to arrange for every volunteer basic liability insurance in case he would unintentionally cause damage or damage would be caused to him. The second organization is called “*receiving organization*” which is natural or legal person to which is the voluntary service provided. Both organizations sign an agreement regarding the circumstances of the voluntary project and concerning e.g. accommodation, food, working tools or working time.¹⁰³

When taking into account available statistical data, in Czech economy were in 2013 more than 25 000 registered volunteers working in nonprofit institutions.¹⁰⁴ The number of hours volunteered was approximately 43.5 million.¹⁰⁵

2.2.6 Perception of NGOs and Volunteering in Society

Many negative legacies of totalitarian regime could be seen in the civil society as well as in the nonprofit sector in Czech Republic mainly in 1990s. These include in particular skepticism regarding the opportunities to make change in public policy, ability to show own initiative and propose changes, the fact that nonprofit sector is subordinate to the state and relying on the state to take care.¹⁰⁶ All this slowed down the growth of NGOs after

¹⁰² Act About Voluntary Services, Act No. 198/2002 col., § 2, <https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=53459&fulltext=dobrovolnick~C3~A9~20slu~C5~BEb~C4~9B&rpp=15#local-content>.

¹⁰³ The paragraph is based on: Vít, Praktický právní průvodce pro neziskové organizace, 139-142; Act About Voluntary Services, Act No. 198/2002 col., <https://portal.gov.cz/app/zakony/zakonPar.jsp?idBiblio=53459&fulltext=dobrovolnick~C3~A9~20slu~C5~BEb~C4~9B&rpp=15#local-content>.

¹⁰⁴ "Satellite Account Of Non-Profit Institutions"

¹⁰⁵ Czech Statistical Office, *Number of Hours Volunteered in NPIs*, excel document, 1st ed. (Prague: Czech Statistical Office, 2015), http://apl.czso.cz/pll/rocenka/rocnkavyber.satelit_cas?mylang=EN&co=supl.

¹⁰⁶ The preceding text is based on: Pospíšil, *History of the Czech Non-profit Sector*, 7.

the Velvet Revolution.¹⁰⁷ Also the knowledge about the sector was not sufficient, as one of studies, carried out in Czech Republic at the turn of the century, showed that “30% of respondents don’t know a lot of – even have not ever heard of – any non-profit organizations¹⁰⁸”. This implies that the awareness of publicly beneficial institutions in general was very low. Other research revealed, that only 24 % of the people asked had the opinion that supporting nonprofits might be important for the society.¹⁰⁹

However, the overall situation started to change gradually.¹¹⁰ More current investigation, carried out in 2010, showed that almost 90 % of respondents donated to a civil society organization and 37 % of them were involved in voluntary work. The main argument explaining non-participation in civic activities was lack of time and money rather than no interest of the respondents.¹¹¹ The reason for noticeable change in perception of NGOs by the society is not only its transformation in new democratic circumstances, but also involvement of the institutions in various marketing activities which bring attention of public. These comprise e.g. cooperation with celebrities, broad range of events or publishing results of successful projects on websites.¹¹²

¹⁰⁷ Frič, *Neziskový sektor v České republice: výsledky mezinárodního srovnávacího projektu John Hopkins University (shrnutí)*, 13.

¹⁰⁸ Frič, *Giving and Volunteering in the Czech Republic*, 14.

¹⁰⁹ Pospíšil, *History of the Czech Non-Profit Sector*, 21.

¹¹⁰ Ibid.

¹¹¹ The preceding text is based on: Jiří Navrátil and Miroslav Pospíšil, *Dreams of Civil Society Twenty Years After: the case of the Czech Republic*, pdf, 1st ed. (Brno: Centre for Nonprofit Sector Research and Department of Political Science, Masaryk University), accessed 4 June 2016,

<http://c.ymcdn.com/sites/www.istr.org/resource/resmgr/wp2012/dreamcivilsoc.pdf>, 12-13.

¹¹² The preceding text is based on: Pospíšil, *History of the Czech Non-profit Sector*, 22.

3 Marketing Analysis of INEX-SDA Non-Profit Organization

3.1 Introduction of the Organization

INEX-SDA, z.s. is Czech non-profit non-governmental organization and one of those that were established in the newly restored democratic environment after the Velvet Revolution, concretely in 1991.¹¹³ The abbreviation SDA stands for “sdružení dobrovolných aktivit”, which in translation means “association for voluntary activities” and which distinguishes this organization from Czech travelling agency with similar brand name – CK INEX.

The main sphere of activity of INEX-SDA is preparation, arranging and mediation of international voluntary workcamps with numerous specializations like e.g. protection of environment, construction of monuments and historical buildings, work with children, elderly or disabled people, help to refugees, education or art. For more than 10 years it officially functions in this area as a *sending organization* according to the previously mentioned Act about Voluntary Services – Act No. 198/2002 col.¹¹⁴ Nowadays it has connections in 70 countries worldwide, to which it sends approximately 750 Czech volunteers per year.¹¹⁵ At the same time, the organization gives possibility to 300 volunteers from abroad to take part in workcamps in the Czech Republic.¹¹⁶ In addition to that, it also organizes various educational projects and trainings.

Since 2014, INEX-SDA has according to the New Civil Code the form of “Registered Association”¹¹⁷, which is noted in the Public Register and stated behind the name as the abbreviation z.s., coming from the Czech term “zapsaný spolek”. It can be characterized as quite small non-profit organization, which has currently 12 employees working full-time, or part-time, 2 long-term volunteers and 4 interns that change every 4 months. The organizational structure comprises the Board and the Controlling Committee as the two main organs. Furthermore, it is divided into two main sections – Volunteering and Educational. The organizational chart can be found in Appendix 1.

¹¹³ "O nás", *Inexsda.cz*, 2016, <https://www.inexsda.cz/cs/o-nas>.

¹¹⁴ INEX-SDA, *Výroční zpráva za rok 2014 – Annual Report 2014* (Prague: INEX-SDA, 2015), https://www.inexsda.cz/system/attachments/files/000/000/333/original/INEX-SDA_vyrocní_zpráva_2014_V06_pokorekturach_FINAL.pdf?1441114881, 4.

¹¹⁵ "INEX-SDA", *Inexsda.cz*, 2016, <https://www.inexsda.cz/>.

¹¹⁶ INEX-SDA, *Výroční zpráva za rok 2014*, 12.

¹¹⁷ INEX-SDA, *Výroční zpráva za rok 2014*, 4.

INEX-SDA is member of several international networks of organizations that are engaged in volunteering or other non-profit activities. Without these connections it would not be possible to offer any projects and send the volunteers abroad.¹¹⁸ These Czech and international associations complemented with their brief description are noted in the table below.

Table 4: International networks and platforms

Organization	Brief Description
Czech Council of Children and Youth	Organization that reached almost 100 members and that supports quality life of children and youth in the Czech Republic
Alliance of European Voluntary Service Organizations	International NGO facilitating cooperation between its 50 member organizations from 29 countries
Service Civil International	Partner organization supporting development of volunteering
Coordinating Committee for International Voluntary Service	Organization promoting volunteering movement and having official connections with UNESCO
Czech Forum for Development Cooperation (FoRS)	Czech platform comprising 32 members
Czechia against Poverty	Czech brand in network Global Call to Action against Poverty
Business for Society	Companies have possibility to help NGOs and pursue CSR activities via this platform
ASA Program	Learning and training program with roots in Germany

Sources: Author's creation, based on "Jsme Členem"

3.2 Vision and Mission Statement

The vision of INEX-SDA is:

- *“tolerant and open-minded society which respects cultural differences and honors the principles of sustainable development;*
- *international and intercultural cooperation based on principle of equal approach, mutual respect and understanding;*
- *active and responsible citizens that are interested in the surrounding world and are devoted to publicly beneficial activities regardless direct financial benefit¹¹⁹”*

¹¹⁸ "Otázky a odpovědi", *Inexsda.cz*, 2016, <https://www.inexsda.cz/cs/clanek/faq-workcampy>.

¹¹⁹ "O nás"

The mission is “*to support via voluntary projects, educational programmes and campaigns the development of tolerant and open-minded society and active and responsible approach to the surrounding world not only in the Czech Republic, but all over the world.*”¹²⁰

Both the vision and mission statement are publicized on the organization's website and thus are publicly available. This allows the employees, customers, donors, commercial companies and other individuals or institutions with whom the organization needs to communicate to understand them and to identify with them.¹²¹

3.3 SWOT Analysis

The non-profit organization INEX-SDA uses SWOT analysis as a method to identify the factors influencing its success in the market and thus belongs to economic entities that apply theoretical frameworks into practice. The document “Strategy of the Organization for the Period 2015-2016”¹²² clearly defines the internal aspects – strengths and weaknesses.

The *strong points*, according to the organization, are:

- Long-established organization with good reputation;
- Membership in international networks of volunteering organizations;
- Clear vision;
- Know-how and experience in the field;
- High quality of the projects and positive feedback from abroad;
- Wide offer of projects;
- Relatively big target market;
- Openness regarding innovative ideas and projects;
- Reliable employees willing to solve potential problems and dedicated to their work;
- Flexibility regarding the working environment and organizational culture.¹²³

Further strengths are for instance good location of the main office in the Prague city center, representation of the organization also in the Moravian region (office in Brno), relatively

¹²⁰ Ibid.

¹²¹ Bačuvčík, *Marketing neziskových organizací*, 78.

¹²² INEX-SDA, *Strategie organizace INEX-SDA na období 2015-2016*, 2015.

¹²³ The preceding text is based on: Ibid., 4.

low prices, variety in communicational tools and the fact that the organization is small and therefore can apply new ideas quickly, as the process of gaining approval is simplified.

Moreover, INEX-SDA specifies following *weaknesses*:

- Employees working on separate projects – lack of team cooperation and insufficient communication among employees;
- Deficiencies in PR activities and with that connected low awareness;
- Insufficient representation in the regions of Czech Republic regarding primarily promotional activities;
- Lack of direct contact with the volunteers.¹²⁴

The *opportunities*, as the external factors influencing the organization, might be assessed as follows:

- Growing emphasis on connecting formal and non-formal education;
- Possibility to approach new target groups;
- Opportunity to turn new customers into repeat customers;
- Expansion of internet and social media;
- Further development of promotional activities;
- Increase awareness of general public;
- Building new relationships with other NGOs and commercial companies;
- Encouraging professional growth of employees in the organization;
- Closer cooperation with volunteers and other sympathizers of the organization and use of their potential;
- Possibility to find new ways and sources of financing and their diversification;
- Constantly higher emphasis of individuals and companies on pro-environmental and socially responsible behavior in the Czech Republic;
- Increasing demand for travelling abroad connected with getting to know other cultures and gathering experiences.

¹²⁴ The preceding text is based on: Ibid.

In contrast, the factors that might potentially *threaten* the organization can be described as:

- Current security situation (or its perception in the media) in the world and with that connected lower demand in general;
- Economic crisis and subsequent decrease in financing from external sources;
- Political decisions leading to restrictions in public financing of non-profits or increased taxes;
- Unfavorable legislative changes;
- Decrease in number of people willing to volunteer in this type of projects and thus decreasing demand;
- Different preferences of consumers and many similar opportunities available for the target group;
- Slightly decreasing number of students in last years;
- Competition among similar organizations regarding prices or various fees;
- Expansion of current competitors or entry of new ones.

INEX-SDA faces *competition* not only from other non-profits, but also from various commercial businesses with similar activities. The main competitors include:

- DUHA – TROCHU JINAK¹²⁵ is the name of an international program that was created by Czech non-profit organization DUHA. It functions as sending and receiving organization regarding voluntary workcamps, as well as INEX-SDA does. It can be therefore characterized as direct competitor;
- TAMJDEM¹²⁶ – This project was in the past also organized under umbrella of the organization DUHA. However, since 2013, it operates as independent organization and besides short-term voluntary projects abroad and in the Czech Republic offers so called “European Voluntary Service” program;
- HESTIA¹²⁷ – This NGO was established in 1993 and has numerous partners including public institutions, companies and foundations. HESTIA creates competition towards analyzed organization only partially, as their activities do not fully overlap. It concentrates mainly on volunteering programmes

¹²⁵ Trochujinak, 2016, <http://www.trochujinak.cz/>.

¹²⁶ Tamjdem.cz, 2016, <http://www.tamjdem.cz/cs/>.

¹²⁷ "Vše o dobrovolnictví, dobrovolnicích a dobrovolnických programech | HESTIA", Hest.cz, 2016, <http://www.hest.cz/cs-CZ/>.

in the Czech Republic and for Czech citizens, while INEX-SDA focuses mainly on international volunteering, both, abroad and in the Czech Republic. INEX-SDA presents the organization Hestia as its partner on the official website¹²⁸ and also states: “*We are not building up the position of expert in Czech volunteering (competition to Hestia).*”¹²⁹

- AIESEC¹³⁰ – The student non-profit organization AIESEC is currently present in 126 countries and at the same time represented at 2400 universities. It offers 3 main programmes for youth and students – “Global Citizen” (volunteering in foreign countries), “Global Talent” (internships abroad) and “Future Talent” (membership program). It cooperates with variety of commercial companies like consulting company KPMG or magazine Forbes;
- YMCA ČR¹³¹ – This organization arranges different programmes for children and youth not only in the Czech Republic, but also volunteering projects abroad. One of them is “European Voluntary Service”;
- YFU¹³² – Youth for Understanding is non-profit organization that brings up Czech high-school students opportunity to study abroad (outbound programmes) and foreign high-school students to study in the Czech Republic (inbound programmes). The participants live with host families;
- IAESTE¹³³ – This international NGO is oriented primarily on internships for youth studying technological programmes and therefore builds connections mainly with universities with similar focus like e.g. Czech Technical University in Prague or University of Chemistry and Technology in Prague;
- STUDENT AGENCY¹³⁴, STUDYLINE¹³⁵, INTACT¹³⁶, CZECH-US¹³⁷ and other commercial agencies offering working experience, study programmes or language

¹²⁸ "Dárci a partneři", *Inexsda.cz*, 2016, <https://www.inexsda.cz/cs/clanek/darci-a-partneri>.

¹²⁹ INEX-SDA, *Strategie organizace INEX-SDA na období 2015-2016*, 5.

¹³⁰ "AIESEC ČR | Mezinárodní studentská organizace", *Aiesec.cz*, 2016, <http://aiesec.cz/>.

¹³¹ *Ymca.cz*, 2016, <http://www.ymca.cz/>.

¹³² "Studium v zahraničí a studijní pobyty pro středoškoláky – YFU Česká republika", *Yfu.cz*, 2016, <http://www.yfu.cz/>.

¹³³ "IAESTE Česká republika", *Iaeste.cz*, 2016, <http://www.iaeste.cz/>.

¹³⁴ "STUDENT AGENCY |", *Studentagency.cz*, 2016, <https://www.studentagency.cz/>.

¹³⁵ STUDYLINE s.r.o., "Studium v zahraničí | Studyline.cz", *Studyline.cz*, 2016, <http://www.studyline.cz/>.

¹³⁶ "INTACT – Jazykové kurzy v zahraničí", *INTACT.CZ*, 2016, <http://www.intact.cz/>.

¹³⁷ "Práce, studium a jazykové kurzy v zahraničí | Czech-Us", *Czech-Us*, 2016, <http://czech-us.cz/>.

courses in foreign countries. Furthermore, organization VOLUNTAIR¹³⁸ concentrating on volunteering abroad appeared in the market.

3.4 Segmentation and Targeting

Firstly, it is important to point out that INEX-SDA does not want to address the general public, but rather wants to concentrate on specific groups of consumers. This allows the organization to choose effective communication tools and adapt the services according to the needs of particular segments. Although almost everyone can take part in activities offered, the organization targets with its programmes especially youth and students, individual volunteers above 30, whole families and handicapped people. The targeting strategy can be assessed as differentiated, as several segments exist for which distinct products are developed.

The main target group can be defined as *youth and students*, since the character of majority of the programmes suits younger generation. Despite the fact that there is no maximum age limit or necessity to have a student status at most of the projects, the volunteers are usually younger than 26. The participation on projects abroad is frequently allowed only after achieving the age of 18; however, there are also several offers for 14-18 years old Czech volunteers.¹³⁹ Furthermore, in 2015 INEX-SDA introduced first international voluntary workcamp for participants from foreign countries that are in the age of 15-17 and would like to visit Czech Republic.¹⁴⁰ According to nowadays high competition on the labor market, one of the main benefits this target group might seek are interesting experiences gained in international environment that would catch attention of potential employers.

INEX-SDA offers also workcamps that are for *volunteers in the age above 30* who would like to join group of older participants. These workcamps are called “senior” and are always for volunteers in specific age range, e.g. 45-75 years old.¹⁴¹ The choice of this type of project is however quite limited in comparison to workcamps for younger participants.

¹³⁸ "Dobrovolnictví v zahraničí – Voluntair", *Voluntair*, 2016, <http://www.voluntair.cz/>.

¹³⁹ The preceding text is based on: "Co je to workcamp", *Inexsda.cz*, 2016, <https://inexsda.cz/cs/clanek/precti-si-co-je-workcamp>.

¹⁴⁰ "První workcamp pro teenagery v ČR.", *Inexsda.Cz*, 2016, <https://www.inexsda.cz/cs/novinka/prvni-teenage-workcamp>.

¹⁴¹ The preceding text is based on: "Otázky a odpovědi"

Whole families have also possibility to take part in voluntary workcamps in foreign countries, even though they have, as well as “senior” projects, peripheral importance in INEX-SDA offer. The participation is opened for any family relatives with children.¹⁴²

In 2014 INEX-SDA introduced campaign “Workcamp for everyone” which concentrates on inclusion of disabled people or people that might be disadvantaged socially like e.g. youth from children's home.¹⁴³ The organization states: “*We believe that everybody should get the opportunity for discovering, learning and gathering experiences via participation in international voluntary project.*”¹⁴⁴

The determination of *lifestyle and values* is similar for all the above mentioned target groups. INEX-SDA primarily targets consumers that are:

- environmentally and socially responsible;
- motivated to contribute to publicly beneficial projects;
- willing and able to sacrifice their free time for a good cause;
- focusing on personal development;
- are able to act actively and responsibly;
- open-minded and tolerant;
- able to understand other people's needs.

In addition, the users of INEX-SDA services usually seek for the same *benefits* like e.g. gaining experiences from abroad, getting to know other cultures and local communities, improving knowledge of foreign language or building connections with people from different countries.

3.5 Marketing Mix

3.5.1 Product

INEX-SDA offers, as it is usually typical for non-profit organizations, services, not tangible products. Their quality is strongly dependent on people that are providing them and at the same time the provider and user have to be present so that the exchange can take

¹⁴² "Otázky a odpovědi"

¹⁴³ INEX-SDA, Výroční zpráva za rok 2014, 8.

¹⁴⁴ "Dobrovolnictví pro všechny", *Inexsda.cz*, 2016, <https://www.inexsda.cz/cs/projekt/dobrovolnictvi-pro-vsechny>.

place. Services of INEX-SDA, that will be presented in this subchapter, correspondingly meet the characteristics of intangibility, inseparability, variability and perishability.

The most sought-after program that is available for volunteers from Czech Republic are *short-term international projects*, also called “workcamps”. In this way INEX-SDA gives the people interested the possibility to take part in 2-3 week long publicly beneficial projects. These are commonly carried out by 5-24 participants and 2 camp-leaders from various countries, who spend the working and free time together. The offer is very wide ranging, as the volunteers can choose from approximately 2000 workcamps taking place in 70 countries all over the world, including the Czech Republic.¹⁴⁵

The work is the most significant part of all projects, as their main purpose is to react best to the needs of local communities. The working time is typically 6 hours a day and 5 days a week, which, however, depends on the nature of every single workcamp. Volunteers have the opportunity to deal with great variety of issues according to their interests, such as:

- Social matters – e.g. taking care about children in refugee camps, providing help to elderly or work with disabled people;
- Environmental protection – working in the nature like e.g. on farms, fields, in the gardens or forests;
- Construction works – for instance renovation of historical buildings or work on archaeological sites;
- Culture and art – e.g. help with organization of various festivals.¹⁴⁶

The choice of right specialization of the workcamp and its location is very important mainly due to the fact that the volunteers have to be motivated to take part in the particular activities and need to possess the desire to help the community in a concrete place. Nevertheless, this type of volunteering can be seen as a sort of exchange, as the participants are not only giving, but can benefit from it and feel enriched with new experiences and knowledge. The INEX-SDA workcamps offer the chance to:

¹⁴⁵ The paragraph is based on: "Co je to workcamp"

¹⁴⁶ The preceding text is based on: Ibid.

- get to know the foreign host country, its culture, inhabitants and specific community during both, working and free time activities;
- build connections with other volunteers from all over the world and discover their culture and habits;
- improve foreign language, as the language used at majority of workcamps is English, German, Spanish or French;
- improve the ability to work in international teams and understand and accept the diversity of the individuals for instance in approach to various working tasks;
- gain self-confidence and become independent and self-sufficient.

Further programmes offered by INEX-SDA are *mid-term* and *long-term voluntary projects*. The basic idea is very similar to the short-term ones described previously, however, as they last longer, they are generally more beneficial for the receiving organization as well as for the volunteer. The length of the mid-term projects ranges from 1 to 3 months and of the long-term projects from 3 to 12 months. During this time the volunteer gains more experience and thus can offer skills of higher quality to the receiver. INEX-SDA makes 200 such programmes available for Czech residents during one year.¹⁴⁷

European Voluntary Service, marked with the abbreviation EVS, is another project focusing especially on sending volunteers to countries located in Europe or at its geographical border. It officially belongs under the EU programme known as Erasmus+, which will be mentioned later in detail. EVS ordinarily lasts from 2 months to 1 year and is opened for volunteers between 17 and 30 years having permanent residence in any EU country, south-eastern European countries, Norway or Iceland. The orientation is comparable with other INEX-SDA projects and so fostering for example environmentally friendly behavior, social inclusion or cultural development. The organization supports the participants with training before the departure and with assistance during their stay in the foreign country.¹⁴⁸

As pointed out before, besides sending volunteers abroad INEX-SDA concentrates also on their receiving from other countries for similar *workcamps organized in the territory of Czech Republic*. These are available for 7-16 participants from various countries

¹⁴⁷ The paragraph is based on: INEX-SDA, Výroční zpráva za rok 2014, 9; "Středně a dlouhodobé projekty v zahraničí", *Inexsda.cz*, 2016, <https://inexsda.cz/cs/clanek/stredne-a-dlouhodobé-projekty-v-zahranici>.

¹⁴⁸ The paragraph is based on: INEX-SDA, Výroční zpráva za rok 2014, 10; "Evropská Dobrovolná Služba", *Inexsda.cz*, 2016, <https://www.inexsda.cz/cs/projekt/evropska-dobrovolna-sluzba-1>.

worldwide, including Czechs, and last 2-3 weeks. They are divided into four following groups based on their focus:

- *“Countryside development and support of local communities;*
- *Maintenance of historical sights;*
- *Social and cultural projects;*
- *Ecological projects¹⁴⁹”.*

In connection with just mentioned workcamps taking place in the Czech Republic arises further possibility for Czech volunteers to get involved, since the group of participants always has to be coordinated by 2-3 *camp-leaders*. They function as mediators that are in charge not only for communication with the volunteers, local organization and INEX-SDA, but also for communication with media. Hence, the camp-leaders should be experienced volunteers with knowledge of English and Czech. INEX-SDA offers them apart from basic training and coverage of basic financial expenses during the whole programme also the chance to overtake responsibility and to improve organizational skills in international environment.

Furthermore, INEX-SDA organizes activities and events encouraging *global development education*, which brings the public the opportunity to become aware of issues in certain countries. This is done mainly via three following programmes:

- *Global Education Network of Young Europeans (GLEN)* is a project that lasts altogether one year and consists of three educational courses, internship in an NGO either in South America, Africa or Asia and following presentations or other activities of the participants with the aim to interpret their experiences to the public. The network itself is composed of ten EU organizations that have connections with approximately sixty partner organizations operating in the countries where the volunteers do their internships.¹⁵⁰ The vision of GLEN is *“a world in which people reflect on the realities of the globalized world and their own role in it...”*

¹⁴⁹ The preceding text is based on: INEX-SDA, Výroční zpráva za rok 2014, 12-15; "Vedení workcampu", *Inexsda.cz*, 2016, <https://www.inexsda.cz/cs/clanek/vedeni-workcampu>.

¹⁵⁰ The preceding text is based on: INEX-SDA, Výroční zpráva za rok 2014, 16; "Glen", *Inexsda.cz*, 2016, <https://www.inexsda.cz/cs/projekt/glen>.

and the mission that it tries to sell is “to create spaces for people and organizations to learn and develop their potential as global actors...”¹⁵¹;

- *Football for Development* is a programme that links together sport tournaments with education about recent global issues and social inclusion and takes place in the Czech Republic every year during spring and summer period. Football is in this case used as a means for connecting Czech youth, including socially disadvantaged kids, and Kenyan visitors from organization Mathare Youth Sports Association (MYSA), that would otherwise have never had met and talked to each other.¹⁵²;
- *Young Europeans for Global Development (YEGD)* was a project that was underway in 2013 and 2014 and whose goal was, first and foremost, to educate youth about global matters, to present and exchange the experiences of volunteers, organizations and other people engaged in volunteering and, possibly, to inspire young citizens to get involved. This was carried out via various trainings, international conferences, seminars and other gatherings. Moreover, the so called Volunteers Club was further supported in the scope of the YEGD programme.¹⁵³

The *Volunteers Club* was founded in 2011 and is still functioning as a means for meeting other volunteers, master new skills and apply own concepts and ideas. Volunteers form project groups and in this way have possibility to work on own projects and gain knowledge in areas like leadership, management, public promotion or fundraising. The project “Border Crossing”, that is encouraging discussion about immigration crisis, or project “Corporate Social Responsibility”, attempting to inspire companies how to make business considerate to the environment and society, can serve as examples.¹⁵⁴

¹⁵¹ "GLEN | Global Education Network Of Young Europeans", *Glen-Europe.org*, 2016, <http://glen-europe.org/>.

¹⁵² The preceding text is based on: INEX-SDA, Výroční zpráva za rok 2014, 18.

¹⁵³ The preceding text is based on: "Young Europeans For Global Development". *Inexsda.cz*, 2016, <https://www.inexsda.cz/cs/projekt/young-europeans-for-global-development>; INEX-SDA, Výroční zpráva za rok 2014, 20; INEX-SDA, *Výroční zpráva za rok 2013 – Annual Report 2013* (Prague: INEX-SDA, 2014), https://www.inexsda.cz/system/attachments/files/000/000/016/original/INEX_Vyrocní_zpráva_2013.pdf?1423153368.

¹⁵⁴ The paragraph is based on: "Dobrovolnický klub INEX-SDA", *INEX-SDA*, 2016, <https://www.inexsda.cz/cs/dok>; Ondřej Bradáč, *Dobrovolnický klub INEX-SDA: základní filosofie vzdělávacího projektu*, pdf, 1st ed. (INEX-SDA, 2016), https://www.inexsda.cz/system/attachments/files/000/000/140/original/MANU%C3%81L_DOKU_I_Filosofie_DoKu_jako_vzd%C4%9B%C3%A1vac%C3%ADho_projektu.pdf?1424964876; INEX-SDA, Výroční zpráva za rok 2014, 21.

3.5.2 Price / Fee

The initial price of the programmes offered by the non-profit organization INEX-SDA is kept at a relatively low level, as the services should not be limited by the financial possibilities of the volunteers and should be accessible and, which will be mentioned later on, as the projects are to a quite large extent funded by different sponsors, donors and from state subsidies. The price level differs according to the programme chosen by the volunteer.

To be able to take part in a workcamp abroad, the payment of registration fee is demanded. Its specific amount depends on the factors like final destination, length of the programme and whether the volunteer participates for the first time or repeatedly in a given year. The prices for all short-term, mid-term and long-term workcamps are clearly stated in the following table.

Table 5: Prices of workcamps

Length of the workcamp	Destination	Number of workcamps absolved in a year	Price (CZK)
Short-term	Europe, USA, Canada, Armenia, Australia, Japan, South Korea, Russia and Turkey	1st workcamp	2200
		More than one workcamp	1100
	Global Volunteering Cycle	1st workcamp	2500
		More than one workcamp	1100
	Czech Republic	1st workcamp	500
Mid-term	Europe, USA, Canada, Armenia, Australia, China, Japan, South Korea, Russia, Taiwan, Turkey	1st workcamp	2200
	Global Volunteering Cycle	1st workcamp	2500
Long-term	Europe, USA, Canada, Armenia, Australia, China, Japan, South Korea, Russia, Taiwan, Turkey	1st workcamp	3000
	Global Volunteering Cycle	1st workcamp	3300

Source: Author's creation, based on "Co je to workcamp"; INEX-SDA, *Na MTV / LTV projekt do zahraničí s INEX-SDA*, 2.

The table shows that the price increases when the participation on the project is longer and when taking part on a workcamp included in so called Global Volunteering Cycle. This Cycle includes countries of Central and South America, Africa, Asia, Oceania and the Near East – except China, Japan, South Korea, Russia, Taiwan and Turkey. Its price is always 300 CZK higher, which is a fee for compulsory meeting before leaving with the goal

to inform about volunteering in the countries of the Global South. Each stated sum also includes 200 CZK administration fee which cannot be returned in the case the volunteer is for any reason not accepted by the receiving organization on chosen workcamp. INEX-SDA funds with the amount of 200 CZK the health insurance for participants of mid-term and long-term workcamps that is already subtracted from the final prices.¹⁵⁵

Although the registration fee paid to the organization seems not to be large amount of money, the volunteers have to take into account further additional expenditures connected with the travelling. These are for example transportation costs to the final destination that can be quite high when considering travelling by plane to distant locations. Supposing the air travel, INEX-SDA offers discount for the handling charge when buying the flight tickets via company Orbix.¹⁵⁶ The accommodation and food are always provided by the partner organization for free; however, the volunteers should always take their own money for free time activities. Furthermore, every participant has to take out obligatory health and liability insurance, which creates another expense. Important is also vaccination and visa when travelling to certain countries.¹⁵⁷

3.5.3 Place

The main seat of INEX-SDA is located in the center of Prague, where the offices of the director, financial and PR managers and other employees are located. This place serves, primarily, for administrative tasks connected with coordination of workcamps, sending and receiving volunteers, organization of projects and meetings and for informational gatherings and trainings of volunteers and camp-leaders. The next three branches are located in Brno, Kostecké Horky and Tvarožná Lhota. However, these are financially independent and function, among others, as educational and free-time activities centers.¹⁵⁸

¹⁵⁵ The paragraph is based on: "Co je to workcamp"; INEX-SDA, *Na MTV / LTV projekt do zahraničí s INEX-SDA*, pdf, 1st ed. (INEX-SDA, 2016), https://inexsda.cz/system/attachments/files/000/000/079/original/Na_MTV_LTV_do_zahrani%C4%8D%C3%AD_web_NEW.pdf?1424104037.

¹⁵⁶ *Letenky od společnosti ORBIX pro dobrovolníky INEX-SDA se slevou*, pdf, 1st ed. (INEX-SDA), accessed 5 June 2016.

¹⁵⁷ The preceding text is based on: "Otázky a odpovědi"

¹⁵⁸ The paragraph is based on: INEX-SDA, *Výroční zpráva za rok 2014*, 4-5.

To understand the whole distribution channel, one must realize that the core service, which is the workcamp or other programme itself, is always provided in cooperation with other organizations and partners. The position of INEX-SDA in it differs according to the fact if it *sends* Czech volunteers for projects abroad or *receives* volunteers from foreign countries for projects organized in the Czech Republic.

In the first case, INEX-SDA, functioning as *sending institution*, uses connections with particular organization abroad. This can be, among 140¹⁵⁹ others, for example organization “Internationale Jugendgemeinschaftsdienste¹⁶⁰” (IJGD) or “Open Houses¹⁶¹”, which are German NGOs concerned with volunteering activities. Such local organization has usually further connections with local partner, also called host, which can be either municipal authority, smaller NGO in the region, semi-budgetary organization or sometimes also other legal or natural person.¹⁶² The host is very close to the local community or even part of it and thus is interested in solving certain problems regarding the region or concrete locality. Therefore, decides to organize publicly beneficial project oriented on environmental, social and other issues and in this way also encourage international exchange between the volunteers and the community, educate the people involved, support social events in the place and get the public and media interested.¹⁶³ Given these facts, the role of INEX-SDA in this process is mainly to transfer information and arrange contact between the volunteers and the partner organization and to carry out administrative tasks like e.g. signing the agreements with the participants. The entire process is illustrated in the following scheme.

¹⁵⁹ "Co je to workcamp"

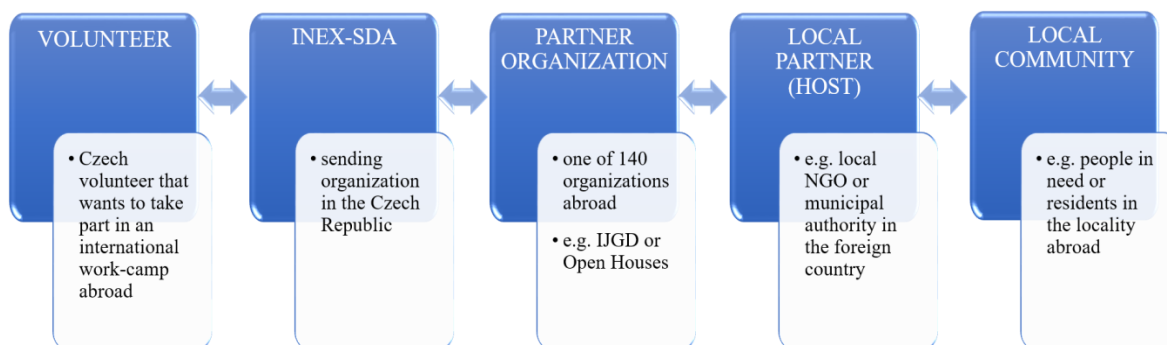
¹⁶⁰ "Startseite – Ijgd | Internationale Jugendgemeinschaftsdienste | Workcamps, FSJ, FÖJ, Freiwilligendienste", *Ijgd.de*, 2016, <http://www.ijgd.de/>.

¹⁶¹ "Open Houses – Startseite", *Openhouses.de*, 2016, <http://www.openhouses.de/>.

¹⁶² Renata Míchalová et al., *Zrealizuj workcamp ve svém městě*, pdf, 1st ed. (INEX-SDA, 2016), https://www.inexsda.cz/system/attachments/files/000/000/593/original/INEX_2016_workcamp_manual_CZ_web.pdf?1459759616, 10.

¹⁶³ Renata Míchalová et al., *Zrealizuj workcamp ve svém městě*, 7.

Scheme 7: Process of sending volunteers abroad



Source: Author's creation

The contact between INEX-SDA and the volunteer who decided to take part in any of the programmes offered usually takes place via direct means like e-mail, phone or personal visit in the Prague office. These communication channels are kept rather simple, as it is typical for non-profit organizations to decrease costs related to distribution as much as possible. The organization developed its own online registration system placed on its website, where the target customers can find the offer of all workcamps with their description and through which INEX-SDA receives the application forms. In this way the volunteers can easily filter the programmes depending on the desired length, location and specialization. Its illustration is presented in Appendix 2.

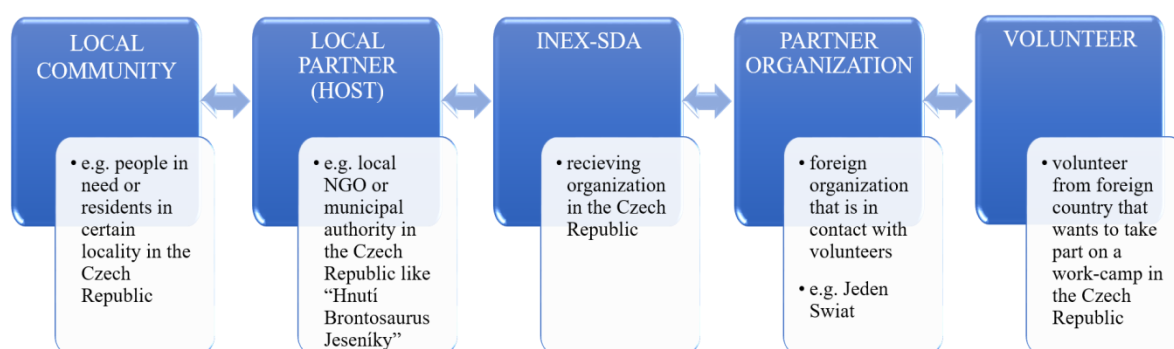
After sending the application via the online system, payment of the registration fee has to be carried out. INEX-SDA offers next to the possibility to pay in cash in the main office in Prague also the option to pay by bank transfer, which makes the purchase more comfortable and simple.

The situation looks very similar in the case when the organization *receives the volunteers* from abroad; nevertheless, its position in the network changes. INEX-SDA, identically, builds on the connections with partner organizations and various institutions abroad, which offer the volunteers in their country the possibility to take part in a project in the Czech Republic. This can be local NGO, like e.g. Polish public benefit organization “Jeden Świat¹⁶⁴”. INEX-SDA then accepts the volunteers for workcamps arranged by the hosts in the Czech Republic and further provides this local partner with necessary assistance. This

¹⁶⁴ "Integrujące Stowarzyszenie Jeden Świat Im. Prof. Zbigniewa Religi W Białymstoku", *Jedenswiat.Org*, 2016, <http://jedenswiat.org/>.

support comprises for instance consultations about the goal and content of the project, sending information to volunteers, arranging health and liability insurance for all the participants, choice and training of the camp-leaders as well as promotion of the project itself.¹⁶⁵ The local partners, with which INEX-SDA cooperates, include around thirty entities in the Czech Republic, among them for example non-profit organization Hnutí Brontosaurus Jeseníky, Civic Center Holešov, citizen's association Eurosolar.cz or municipality Dýšina.¹⁶⁶ The reversed process, together with the position of INEX-SDA in it, is presented in the scheme below.

Scheme 8: Process of receiving volunteers from abroad



Source: Author's creation

It is important to notice, that based on the fact that the programmes are organized in various countries and in connection with various local partners and communities, there is no concrete and stable physical location for providing the core service and its utilization by the target user.

3.5.4 Promotion

The organization uses different communicational means in order to approach the target audiences and inform them, among others, about its mission, current activities and the services it is offering. At the same time, however, it has to be pointed out that the choice of the media promoting INEX-SDA has to be consistent with available financial resources and should be adjusted according to existing limitations in the budget.

¹⁶⁵ The preceding text is based on: Renata Michalová et.al, Zrealizuj workcamp ve svém městě, 11.

¹⁶⁶ "Dárci a partneři". *Inexsda.cz*, 2016. <https://www.inexsda.cz/cs/clanek/darci-a-partneri>.

Recent study of European Commission shows, that the access of households to internet in the Czech Republic increased between 2009 and 2014 by more than 20 %.¹⁶⁷ INEX-SDA is aware of the still growing importance of *internet media* in the Czech Republic and thus is using the possibility to present itself via organizational website and social media like Facebook, Twitter and YouTube. New internet site, including the previously mentioned database and online registration system for the projects, was created in 2014 in order to provide relevant and complete information along with appropriate design. In this way *“INEX-SDA tries to be more seen and heard by wide public and among its own volunteers...¹⁶⁸”*.

Promotion on internet benefits the organization on a number of counts. Firstly, youth and students, the main target group of INEX-SDA, are using internet very frequently. According to EU statistics, 94 % of the population aged between 16-24 are regular internet users.¹⁶⁹ Secondly, it is way how the organization can approach large number of potential customers and, on top of that, with very low costs. For example, the Facebook page, which can be created without any fees, is gradually approaching 6000 followers of the organization in total.¹⁷⁰ Another aspect is time. INEX-SDA is small NGO regarding the number of staff and therefore has to look for time effective marketing tools. Information presented on organizational website are more long-lasting for instance in comparison to advertisements in daily newspapers and, furthermore, posting news about current events via social media is not time intensive.

As already stated, *public relations (PR)* is generally the most frequent way of advertising a non-profit organization. This fact applies also in the case of INEX-SDA. The organization has its own PR manager, who is responsible for this area and works part-time. For certain media campaigns, like e.g. seasonal Football for Development, INEX-SDA hires interns. The main PR tools applied to promote not only the NGO itself, but also local partners, sponsors and the concept of volunteering in general are press releases, press conferences, presentations, exhibitions, fairs and other events.

¹⁶⁷ "Information Society Statistics – Households And Individuals – Statistics Explained", *Ec.europa.eu*, 2016, http://ec.europa.eu/eurostat/statistics-explained/index.php/Information_society_statistics_-_households_and_individuals.

¹⁶⁸ INEX-SDA, Výroční zpráva za rok 2014, 3.

¹⁶⁹ "Archive:Internet Use Statistics - Individuals - Statistics Explained", *Ec.europa.eu*, 2013, http://ec.europa.eu/eurostat/statistics-explained/index.php/Archive:Internet_use_statistics_-_individuals.

¹⁷⁰ *INEX-Sdružení dobrovolných aktivit*, accessed 26 April 2016, <https://www.facebook.com/inexsda/>.

The aim of *press releases* is next to letting the public know about upcoming events also promotion of individual workcamps. Before the start of each workcamp organized in the Czech Republic it is the task of the camp-leaders to create press release and to contact media in the locality where the particular project takes place. These are commonly more easily approachable regional media, like local radio or newspapers, however, it can be also media covering the whole country. The press release itself is usually sent to them by e-mail and should involve information about:

- goal of the project, its specialization and content of the work;
- venue and exact dates of the project;
- participants, e.g. their total number, age and nationality;
- INEX-SDA, local organization, donor and other partners;
- contact information for INEX-SDA, camp-leaders and local partner.

Subsequently, if the media becomes interested in the topic, the visit of the project by the pressmen, who conduct interviews with the volunteers, camp-leaders and local partner, is arranged. In this way INEX-SDA already publicized its activities for example in Czech regional newspapers “Karlovarský deník” or local radio “Český rozhlas Olomouc”.

This method brings several advantages. Next to the fact that it promotes all the parties involved at the same time, it also allows to exchange the information with local inhabitants and thus build up *community relations*. Furthermore, it brings the volunteers opportunity to gain experience in communication with media. An example of INEX-SDA press release is enclosed in Appendix 3.

INEX-SDA also organizes various *conferences*, which further enable to connect the organization and its public. As an example can serve press conference traditionally arranged in order to support the project Football for Development. In this case INEX-SDA regularly joins forces with sport *celebrities* like for instance former national football team member Tomáš Ujfaluši, who is the official patron of the campaign, or football players David Rozehnal and Costa Nhamoinesu.¹⁷¹ An illustrative photo can be found on the next page. Other recently organized events were e.g. conference “Overstep Fence”, which was

¹⁷¹ "Akční měsíc kampaně fotbal pro rozvoj přinese do šesti regionů České republiky fair play fotbalové zápasy i globální témata: Česko proti chudobě", *Ceskoprotichudobe.cz*, 2014, <http://www.ceskoprotichudobe.cz/?id=15&idc=993&tema=9>.

oriented on volunteering in the Czech Republic and in Island,¹⁷² and conference “Connect your Municipality, Organization and Public via International Volunteering”, which concentrated on mutual cooperation of these subjects.¹⁷³

Photo 1: Celebration relations of INEX-SDA: Former national football team member Tomáš Ujfaluši supporting project Football for Development



Source: INEX-SDA, *Výroční zpráva INEX-SDA 2011 – Annual Report 2011*, 23.

Another example of relations of INEX-SDA with famous personalities is visit of one of the international workcamps by the former Czech president Václav Havel. This project was organized in the year 2002 in the north-east part of the Czech Republic.¹⁷⁴ An illustrative photo is shown on the next page.

¹⁷² "Konference o mezinárodním dobrovolnictví "Překročme plot"", *Inexsda.cz*, 2015, <https://www.inexsda.cz/cs/novinka/prekrocme-plot>.

¹⁷³ "Konference o mezinárodním dobrovolnictví v Plzni", *Inexsda.cz*, 2014, <https://www.inexsda.cz/cs/novinka/79>.

¹⁷⁴ The preceding text is based on: INEX-SDA, *Cesta světem*, 2015, https://www.inexsda.cz/system/attachments/files/000/000/393/original/inex_zpravodaj_2015_NAHLED_08.pdf?1449141593, 35.

Photo 2: Václav Havel visiting international workcamp



Source: INEX-SDA, *Cesta Světem*, 35.

In view of the fact that to the target customers belong mainly students, INEX-SDA focuses on building up *university relations* as well. In 2012 arranged *exhibitions* of photos called “Volunteer in the Czech Republic” displayed in university buildings in Prague, Brno, Olomouc and Plzeň.¹⁷⁵ One of these exhibitions was also organized on University of Economics, Prague. The pictures should give the visitors an insight into volunteering activities and international workcamps. Such exhibitions have the advantage of being direct face-to-face media which build on the idea “seeing is believing”.¹⁷⁶ Furthermore, INEX-SDA presents itself on various fairs taking place at different universities in the Czech Republic. These include for instance “Begin with Non-Profit¹⁷⁷” at Czech University of Life Sciences Prague or fair “Chance¹⁷⁸” at University of Economics, Prague. Another fair, which is aimed at general public and NGO representatives, is called “NGO Market”.¹⁷⁹ Presentation of INEX-SDA at some of the fairs requires payment.

Many activities spreading the idea of volunteering in the public are organized by the previously mentioned Volunteers Club. One of its projects recently evolving is “INEX in HK” with the main goal to raise awareness about volunteering and INEX-SDA

¹⁷⁵ “Výstava dobrovolníkem v ČR přiblíží svět workcampů na půdě vysokých škol – Články o dobrovolnictví | Dobrovolnik.cz”, *Dobrovolnik.cz*, 2012,

<http://www.dobrovolnik.cz/clanky/vystava-dobrovolnikem-v-cr-priblizi-svet-workcampu-na-pude-vysokych-skol/>.

¹⁷⁶ Narasimha Reddi, *Effective Public Relations And Media Strategy*, 2nd ed. (Delhi: PHI Learning Private Limited, 2014), 471-472.

¹⁷⁷ “Zapojené organizace – začni s neziskovkou”, *Zacnisneziskovkou.cz*, 2016, <http://www.zacnisneziskovkou.cz/zapojene-organizace>.

¹⁷⁸ “Veletrh Šance » Nezmeškej workcampovou sezonu 2016!”, *Sance.vse.cz*, 2016, <http://sance.vse.cz/blog/nezmeskej-workcampovou-sezonu-2016/>.

¹⁷⁹ “2016: Forum 2000”, *Forum2000.cz*, 2016, <http://www.forum2000.cz/cz/projekty/ngomarket/2016/>.

in the Czech city Hradec Králové, since the organization and the programmes it offers are still not well known in this area.¹⁸⁰ Another project called “For One Day” brings the opportunity to take part in one-day volunteering activities and helps to promote NGOs in Czech Republic and connect them with the public.¹⁸¹

Next to the internet communication tool and public relations, INEX-SDA is also quite widely using certain means of *direct marketing*. All people interested have the possibility to subscribe for newsletter sent monthly via e-mail and like this to stay informed about new offers, events and job vacancies.¹⁸² Furthermore, it gets printed numerous informational leaflets, brochures, manuals and posters, which are usually offered to both, potential and experienced volunteers, during various events arranged by the organization. As will be mentioned in the subsequent chapter, the registration fees collected from the volunteers are used to finance these promotional and instructional materials as well.¹⁸³ Besides them, INEX-SDA annually publishes its own magazine called “Journey through the World¹⁸⁴”, where it reports about its activities and volunteer's experiences and which publication is supported from different sources depending on current grant applications, involving e.g. support by the European Commission. The picture on the next page shows how the design of the magazine changed over time.

¹⁸⁰“Inex v HK”, *Inexsda.cz*, 2015, <https://www.inexsda.cz/cs/clanek/inex-v-hk-2015>.

¹⁸¹ “Na den”, *Inexsda.cz*, 2014, <https://www.inexsda.cz/cs/clanek/na-den>.

¹⁸² “Média/Ke stažení”, *Inexsda.cz*, 2016, <https://www.inexsda.cz/cs/clanek/vyrocní-zpravy-tiskove-zpravy-loga>.

¹⁸³ “Otázky a odpovědi”

¹⁸⁴ INEX-SDA, Cesta světem.

Photo 3: Design of the magazine “Journey through the World”



Source: INEX-SDA, *Cesta světem*, 36.

3.6 Fundraising Activities

Pursuing fundraising activities is essential for non-profit organization INEX-SDA since the majority of services it offers require support from external financial sources. The communication strategies should be therefore in line with the goals set up regarding fundraising matters and should support them.

Considering the fact, that INEX-SDA is smaller non-profit organization, there is currently no working position created concretely for this particular area. In charge of the tasks connected with raising the funds is therefore the director together with other employees. According to the strategy 2015/2016 this working capacity is aimed to be equivalent to half-time job – 40 % of all fundraising activities should be carried out by the director and remaining 60 % by the employees or, alternatively, by external specialists. However, the position of fundraiser is planned to be created in the future.¹⁸⁵

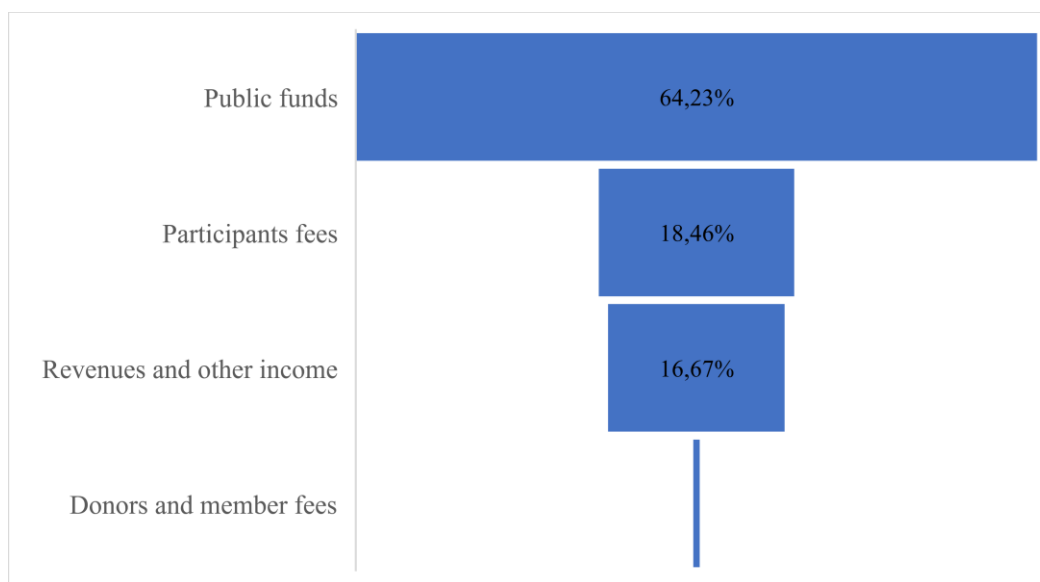
¹⁸⁵ INEX-SDA, *Strategie organizace INEX-SDA na období 2015-2016*, 3.

The organization offers variety of activities and programmes, which also requires multiple sources of financing. The strategic goal is to support every project from at least three different sources.¹⁸⁶ All current financial funds of INEX-SDA come from:

- Public finance;
- Fees obtained from the participants;
- Revenues and other income;
- Member fees and gifts;
- Others.¹⁸⁷

The below presented funnel chart illustrates the proportion of funding by its source in 2014. At first glance it is obvious that most of the financing comes from public funds, as it accounts for almost 65 % of the whole support received by INEX-SDA. The proportions of participant fees and revenues and other income were quite similar, at 18,5 % and 16,7 % respectively. The least important for fundraising of the organization were individual gifts and member fees, which achieved only 2 %. All financial sources will be further analyzed in detail.

Graph 1: Proportion of funding by its source in 2014



Source: Author's creation, based on data from annual report of INEX-SDA 2014

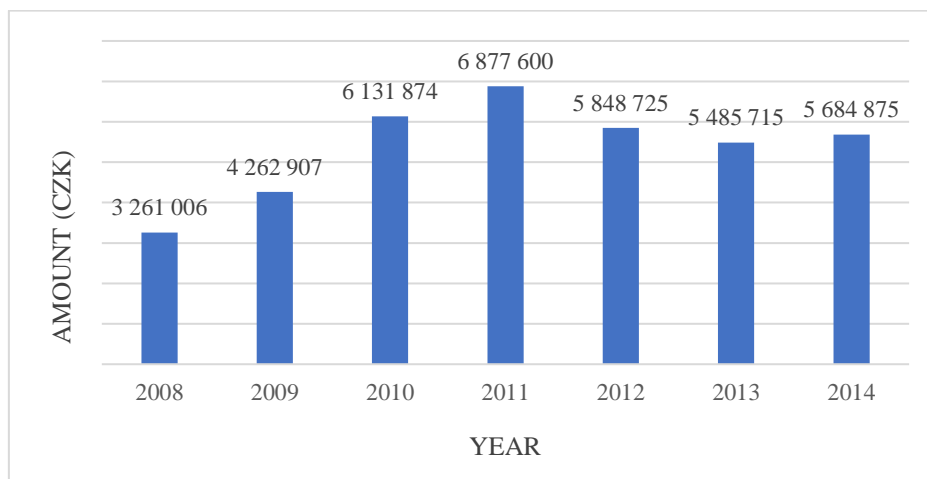
¹⁸⁶ Ibid., 8.

¹⁸⁷ The preceding text is based on: INEX-SDA, Výroční zpráva za rok 2014, 28.

3.6.1 Public Funds

Public funds represent financing of the organization obtained from the Czech government and European Union.¹⁸⁸ Following graph indicates, that the amount of money remains almost constant since 2008 and reached the maximum of 6 877 600 CZK in 2011, which was the so called “European Year of Volunteering”.

Graph 2: Amount of public funding from Czech government and European funds



Source: Author's creation, based on data from annual reports of INEX-SDA 2008-2014

The grants from Czech government come from three different institutions. One of them is Czech Development Agency, which belongs under Ministry of Foreign Affairs and which funded e.g. projects Football for Development or GLEN. Second institution supporting projects of INEX-SDA is Ministry of Education, Youth and Sports. Furthermore, guarantee of high quality of the services, together with official support provides accreditation from the Ministry of the Interior. Organizations accredited in the area of volunteering, including INEX-SDA, have in this way possibility to apply for grants.¹⁸⁹

The grants received directly from the European Union were in 2014 used for financing two different projects – Young Europeans for Global Development and European Voluntary Service. The second one is part of nowadays quite well known Erasmus+ programme, whose aim is to support the Europe 2020 growth strategy concentrated primarily on development

¹⁸⁸ INEX-SDA, Výroční zpráva za rok 2014, 28.

¹⁸⁹ The paragraph is based on: INEX-SDA, Výroční zpráva za rok 2014, 28; "Akreditace – Ministerstvo vnitra České republiky", *Mvcr.cz*, 2016, <http://www.mvcr.cz/clanek/dobrovolnicka-sluzba-akreditace.aspx?q=Y2hudW09Mg%3d%3d>.

in areas like sustainability, social inclusion, education and employment.¹⁹⁰ It therefore provides assistance to organizations that promote and encourage international mobility and in this way help people to gain new knowledge and experiences.¹⁹¹

The communication of INEX-SDA towards Czech government or European Union takes place via different applications for grants. This type of communication is generally very formal and has to follow specific rules. The applications have to contain for instance detailed description of the project or budget and time planning.¹⁹² As the non-profits generally try to achieve long-term financing,¹⁹³ also INEX-SDA has set an objective to get in the future support from public institutions that would secure the organization and its projects for longer period of time.¹⁹⁴

3.6.2 Participant Fees

As mentioned previously, the participation in workcamps abroad is subject to payment of registration fee, which creates the initial price for the customer and at the same time one of the main financial streams for the organization. The following graph shows, that the amount of money in the last years fluctuates between 1,5 and 2 million CZK.

¹⁹⁰ "Europe 2020 – EU-Wide Headline Targets For Economic Growth – European Commission", *Ec.europa.eu*, 2016, http://ec.europa.eu/europe2020/targets/eu-targets/index_en.htm.

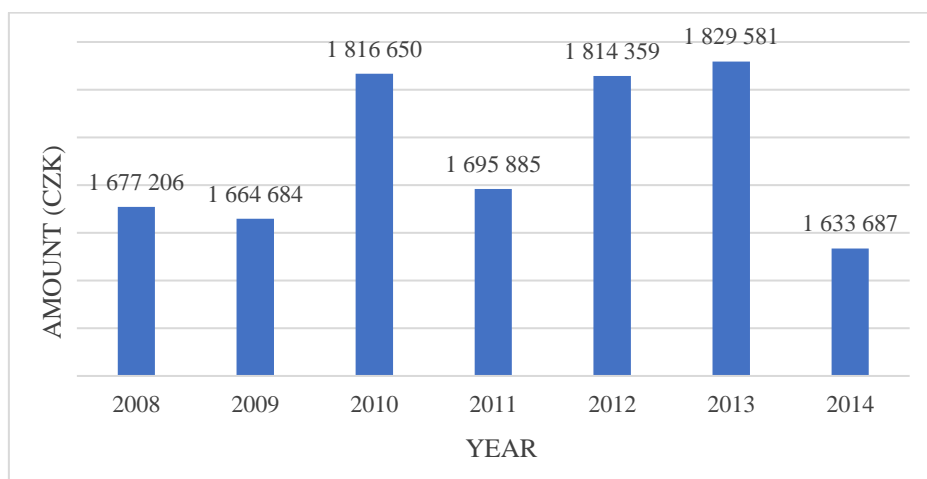
¹⁹¹ "Erasmus+ – European Commission", *Erasmus+*, 2016, http://ec.europa.eu/programmes/erasmus-plus/organisations_en.

¹⁹² BAČUVČÍK, Marketing neziskových organizací, 124.

¹⁹³ *Ibid.*, 128.

¹⁹⁴ INEX-SDA, Strategie organizace INEX-SDA na období 2015-2016, 3.

Graph 3: Amount of money obtained from participant fees



Source: Author's creation, based on data from annual reports of INEX-SDA 2008-2014

The money obtained from the registration fees is used for financing the activities related to organization of workcamps in foreign countries and in the Czech Republic as well. In the first place, INEX-SDA needs to have access to organizations abroad and build connections with them, in order to be able to create sufficiently wide offer and deliver good services to volunteers, and therefore has to pay for membership in international networks of organizations that are participating in volunteering. Next to the expenditures connected with running the office, like e.g. wages or cost of utilities is this money spent also for promotional tools, such as printed materials or internet site.¹⁹⁵

3.6.3 Revenues and Other Income

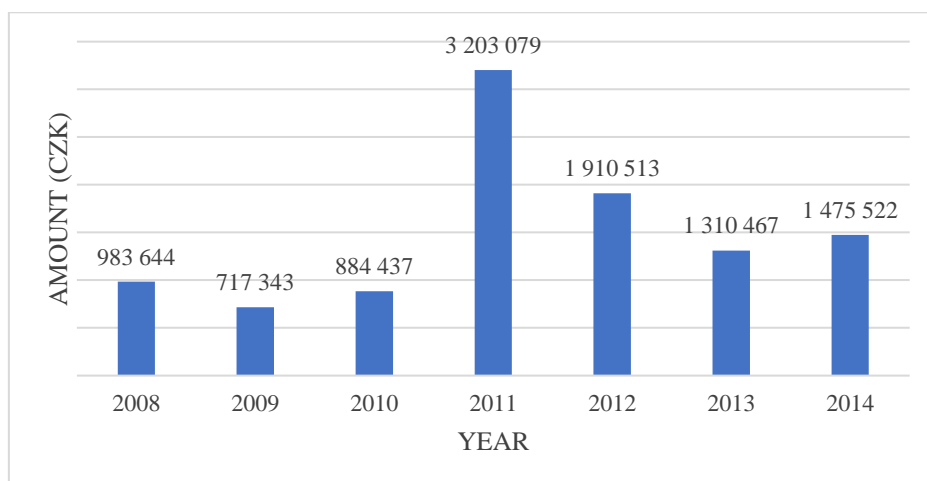
The section “revenues and other income” includes particularly these items:

- Revenues obtained from provided services – e.g. provided training courses or rented rooms and facilities serving for accommodation and trainings;
- Sale of property;
- Partner organizations and other entities covering expenses of volunteers - e.g. company Johnson Controls Inc.;

¹⁹⁵ "Otázky a odpovědi"

- Money obtained to cover training Centre expenditures;
- Income from organization of European Voluntary Service;
- Profit based on exchange rates and interests.¹⁹⁶

Graph 4: Revenues and other income



Source: Author's creation, based on data from annual reports of INEX-SDA 2008-2014

The above depicted graph shows the amounts of money obtained between the years 2008 and 2014. The maximum was achieved in 2011 and reaches 3 200 000 CZK. In 2014 was the amount nearly 1,5 million CZK, from which approximately half accounts for support from Johnson Controls Inc.,¹⁹⁷ which is an American company active in automotive and construction industry and one of the main partners of INEX-SDA.

For some concrete projects can be financing from partners like commercial companies question of their existence. Workcamps taking place in the Czech Republic are funded by local organizations, which, though, very often need further financing. As an example can serve workcamp arranged by local NGO “Hnutí Brontosaurus Jeseníky”. The chairman of this local organization confirmed that “*thanks to the financial contribution of American*

¹⁹⁶ The preceding text is based on: INEX-SDA, *Výroční zpráva 2008 – Annual Report 2008* (Prague: INEX-SDA, 2009), 24-29; INEX-SDA, *Výroční zpráva 2009 – Annual Report 2009* (Prague: INEX-SDA, 2010), 29-34; INEX-SDA, *Výroční zpráva INEX-SDA 2010 – Annual Report 2010* (Prague: INEX-SDA, 2011), 26-31; INEX-SDA, *Výroční zpráva INEX-SDA 2011 – Annual Report 2011* (Prague: INEX-SDA, 2012), 29-34; INEX-SDA, *Výroční zpráva INEX-SDA 2012 – Annual Report 2012* (Prague: INEX-SDA, 2013), https://www.inexsda.cz/system/attachments/files/000/000/017/original/INEX_Vyrocní_zpráva_2012.pdf?1423153395, 27-31; INEX-SDA, *Výroční zpráva za rok 2013*, 27-31; INEX-SDA, *Výroční zpráva za rok 2014*, 26-30.

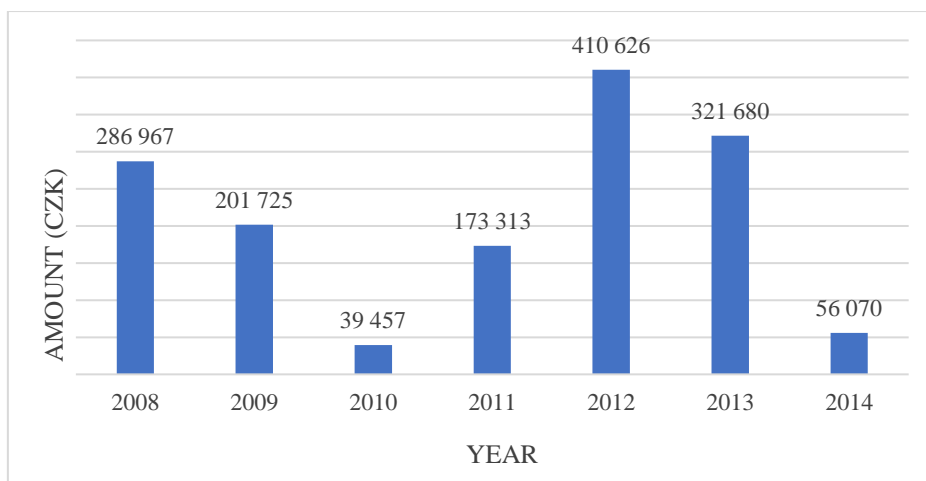
¹⁹⁷ INEX-SDA, *Výroční zpráva za rok 2014*, 28.

company Johnson Controls is the workcamp one of the very few projects that are not loss-making.¹⁹⁸”

3.6.4 Member Fees and Gifts

The last two sources of funding are *member fees and gifts*. As can be seen in the graph depicted below, this type of financing is quite negligible relative to the ones previously mentioned. In 2014 was the amount of the money obtained very low in comparison to other periods.

Graph 5: Amount of money obtained from member fees and gifts



Source: Author's creation, based on data from annual reports of INEX-SDA 2008-2014

Membership is a way how any natural and legal person can get the opportunity to be involved in the decision making process of the organization. Though, there are certain conditions to be fulfilled to become a member:

- The attitudes of the person should be in line with goals of INEX-SDA;
- The Board has to agree with the appointment of the new member;
- The member should be interested in taking part in the General Assembly, which is organized every year;
- Payment of 300 CZK fee on the INEX-SDA bank account or in cash is necessary to be appointed officially.¹⁹⁹

¹⁹⁸ Tomáš Hradil, Financing of a workcamp in the Czech Republic, interview by author, via phone, 2016.

¹⁹⁹ The preceding text is based on: "Staň se součástí INEX-SDA", *Inexsda.cz*, accessed 5 June 2016, <https://www.inexsda.cz/cs/clanek/stan-se-soucasti-inexu>.

The donors of INEX-SDA can become not only commercial businesses or foundations, but also individuals from the general public. All of them can decide to help with their *gifts* to fund concrete project, contribute in form of smaller regular payments or provide their services.²⁰⁰

INEX-SDA addresses its potential contributors on the official website, where it provides also information about the payment details. Nevertheless, especially consumers who like shopping online might find it convenient to donate via web-portal GIVT.CZ, where they have a possibility to choose from hundreds of online shops and in this way support their favorite non-profit organization. The financial contribution consists of more than half of the fee that the particular e-shop pays to GIVT in exchange for bringing the customer. The buyer, thus, does not have to pay any money on top of the purchased good.²⁰¹

²⁰⁰ "Staňte se podporovateli", *Inexsda.cz*, accessed 5 April 2016, <https://www.inexsda.cz/cs/clanek/podpor-nas-finacne-nebo-jinak>.

²⁰¹ The paragraph is based on: "Givt – Klikni a pomáhej", *Givt*, accessed 5 December 2016, <https://givt.cz/jak-to-funguje>; "Staňte se podporovateli".

4 Research and Overall Assessment

The aim of the following chapter is to provide the reader with information regarding brand awareness of the non-profit organization INEX-SDA. The findings are based on data collected through primary research. Furthermore, an evaluation of the results, overall assessment of the marketing activities of the organization and recommendations are included in this chapter.

4.1 Brand Awareness Research

As mentioned in the second chapter, there is large number of non-profits in the Czech Republic, and thus also many competitors in the market. It is therefore essential to focus on creation of a strong brand and its awareness, which is a powerful tool not only for fundraising, but also for instance for building trust in a particular NGO.²⁰²

4.1.1 Research Statement and Objectives

The following research was conducted with the aim to investigate how familiar is the target group with the INEX-SDA non-profit organization. It intends to find out whether potential users of the services of INEX-SDA have ever heard of the organization, if they are able to connect it correctly with the type of services it offers or any concrete programs, which other similar non-profits come to their mind and what are the communication channels that create awareness.

The respondents who were selected for the purpose of this research were students from Czech Republic, which, as mentioned in the previous chapter, create the main target group of the organization. The results are based on data collected from 172 university students within the time period May and June 2016.

²⁰²Philippa Hankinson, "Brand Orientation In Charity Organisations: Qualitative Research Into Key Charity Sectors", *International Journal Of Nonprofit And Voluntary Sector Marketing* 5, no. 3 (2000): 207-219, doi:10.1002/nvsm.114.

4.1.2 Research Methodology

The research methodology chosen for this research project is a *survey*, which comprises *questionnaires* as the data collection method. This methodology fits adequately the research statement and its objectives.

The questionnaire includes altogether 16 opened and closed questions. At the beginning, it comprises three questions regarding the university and the age and gender of the respondents. The first one helps not only to identify which concrete universities the respondents study at, but furthermore helps to filter out those that are not students at all. The next 13 questions concentrate on the brand awareness itself. Firstly, the students are asked to recall any non-profit organizations that bring Czech students opportunity to take part on various programs abroad, like for instance workcamps, internships, educational programs, volunteering, etc. This is also called brand recall or spontaneous awareness. In the next two questions, the respondents were offered concrete organizations and were supposed to tick those they know and used their services. This method is called brand recognition. Further follow concrete questions about brand awareness of INEX-SDA like e.g. where the respondents heard about the NGO for the first time, how often they heard other people talking about it, if they noticed any kind of promotion or if they are able to recall the logo and any of the services that the organization offers. The whole questionnaire can be found in Appendix 4.

Altogether 187 questionnaires were collected, from which 15 were excluded from the sample frame for their irrelevance (e.g. because the respondents were not university students). The evaluation of results is therefore based on 172 relevant questionnaires. To be able to achieve a big population sample, three ways of collecting data were selected. The first method was the so-called Paper Assisted Personal Interview (PAPI) method, which implies that the interviews were conducted personally with students at different universities. Via this method, 69 relevant questionnaires were collected. The data were also gathered by the use of two online methods. An electronic questionnaire in Czech language was created on the web portal [survio.com](https://www.surveymonkey.com) which offers an online survey software. The link was subsequently publicized on social media network. 88 relevant questionnaires were collected via this webpage. Another electronic version in a word document was created and posted via social networks and e-mail. Altogether 15 questionnaires gathered in this way

are included in following evaluation of results. Concrete numbers of questionnaires according to the ways of collection of data are summarized in the table below.

Table 6: Number of relevant and irrelevant questionnaires according to the data collection methods

Method	Number of Relevant Questionnaires	Number of Irrelevant Questionnaires
Paper Assisted Personal Interview (PAPI)	69	1
Online Method (Survio.com)	88	13
Online Method (Word Document)	15	1
Sum	172	15

Source: Author's creation

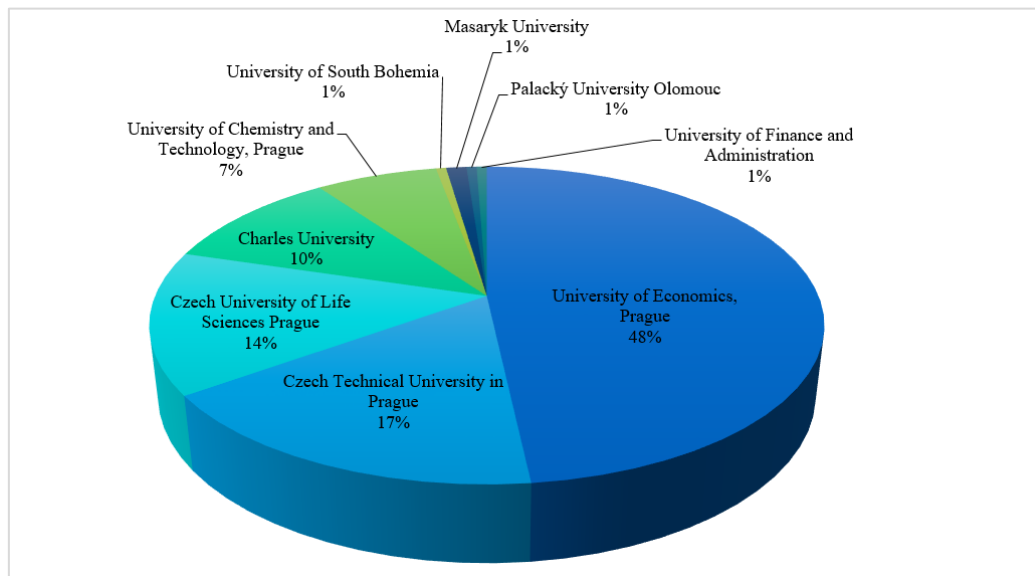
All results from the randomly selected respondents were subsequently transferred into an excel document and summarized in such a way, so that an overall evaluation and interpretation of findings could be undertaken.

Although the online methods make it possible to increase the number of participants in the research, it has also one limitation when willing to investigate brand awareness, and thus, that the respondents might easily search for the information about the organization in internet. Therefore, the PAPI method was selected as one of the main methods for collecting the data, as in this case are the researcher and respondent in direct contact.

4.1.3 Research Results

As mentioned above, the respondents chosen for this survey were university students from the Czech Republic. The following pie chart shows the proportional representation of nine different universities included in the sample. Most of the respondents asked to fill in the questionnaires attend universities in Prague – concretely University of Economics, Prague, Czech Technical University in Prague, Czech University of Life Sciences Prague, Charles University and University of Chemistry and Technology, Prague.

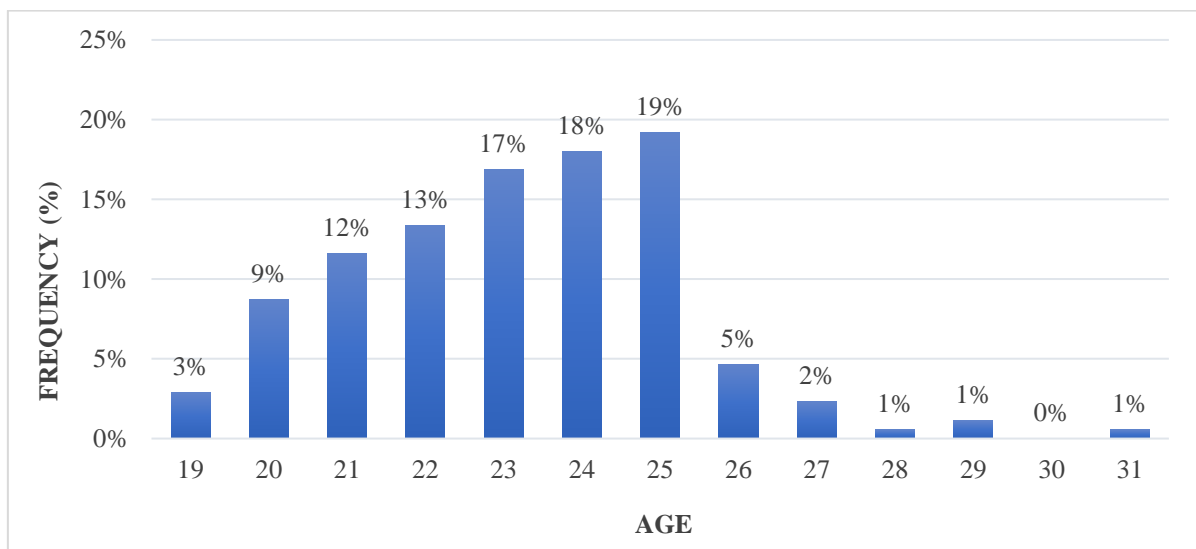
Graph 6: Proportional representation of universities



Source: Author's creation

The second question identifying the demographic profile of respondents concentrates on their age. From the graph below, it becomes clear that the majority (66 %) of the university students were 22 to 25 years old and that the age ranges from 19 to 31.

Graph 7: Age distribution of the respondents

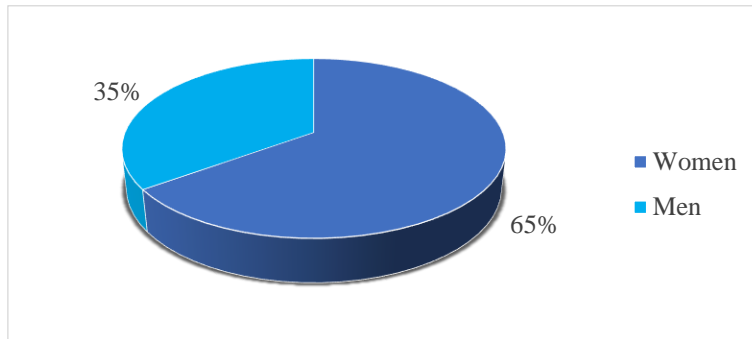


Source: Author's creation

The last demographic question specifies the gender of respondents. Altogether 61 men (35 %) and 111 women (65 %) took part in the survey and their answers are included

in the following data analysis. The proportion of men and women is expressed as a percentage in the following pie chart.

Graph 8: Gender of respondents



Source: Author's creation

In the next question, the respondents were asked to name brands of non-profit organizations which provide Czech students the opportunity to take part in different projects abroad. Approximately one quarter of the respondents did not associate any organization. The top of mind brand, i.e. the one associated the most, was the student organization AIESEC or its program NaStáž.cz, which was mentioned by 37 % of the students. The second most often recalled was the ERASMUS program, which was named by 17 % of the respondents, but which cannot, however, be considered a non-profit organization, as it is an EU student exchange program. The next one recalled the most was the organization IAESTE, which was brought up mainly by students of Czech Technical University in Prague, as it is a non-profit orientated on internships and exchange programs for students focusing on engineering and technology. This NGO was mentioned by 9 % of the respondents in the questionnaires. INEX-SDA ranks as the third most often recalled non-profit organization in the survey, as it was spontaneously associated by 8 % of the university students. The same percentage was achieved by Work & Travel, which is, nevertheless, a type of travelling, rather than concrete organization. Moreover, students also associated with travelling abroad commercial companies like e.g. Student Agency, which appeared in 3 % of the questionnaires, or Czech-us, which was named in 2 % of the questionnaires. Other non-profits that came to mind of the potential customers more than once were:

- BEST²⁰³ – The abbreviation BEST stands for “Board of European Students of Technology”. It is an organization present in multiple European countries and focusing on students attending engineering and technology degrees. It offers, among others, various academic courses and conferences;
- AEGEE²⁰⁴ – The name AEGEE stands for French “Association des États Généraux des Étudiants de l’Europe”. It is a non-governmental non-profit organization connecting students from 40 countries in Europe and promoting intercultural exchange together with non-formal education;
- TAMJDEM – See Chapter 3.3;
- BAKALA FOUNDATION²⁰⁵ – Bakala Foundation brings Czech students an opportunity to receive a scholarship for their studies abroad. Besides that, it offers internships and summer camps;
- BAYHOST²⁰⁶ – Bayhost is a German institution supporting student exchange programs between Bavaria and Central, Eastern and South-Eastern European countries. However, *“Bayhost receives financing from the federal state Bavaria and therefore is classified as governmental organization”²⁰⁷*.

The best ranking non-profit organizations are depicted in the following bar graph. All irrelevant answers (e.g. commercial companies or non-profit organizations not offering student programs abroad) were excluded from the evaluation.

²⁰³ "BEST Prague", *Bestprague.cz*, accessed 5 June 2016, <http://bestprague.cz/>.

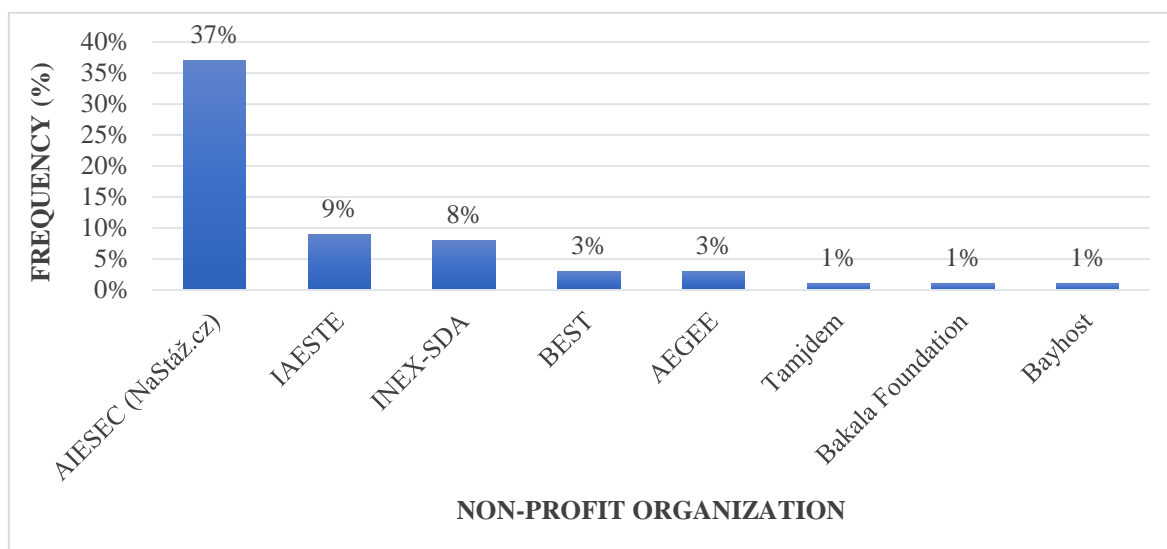
²⁰⁴ "What Is AEGEE?", *AEGEE-Europe | European Students' Forum*, accessed 5 June 2016, <http://www.aegEE.org/about-aegEE/>.

²⁰⁵ "Bakala Foundation", *Bakalafoundation.org*, 2016, <http://Bakalafoundation.org>.

²⁰⁶ Carpovici, Natalia. "About Us – Universität Regensburg". *Uni-Regensburg.De*, 2016. <http://www.uni-regensburg.de/bayhost/english/index.html>.

²⁰⁷ Katrin Döppe, e-mail message to author, 25 July 2016.

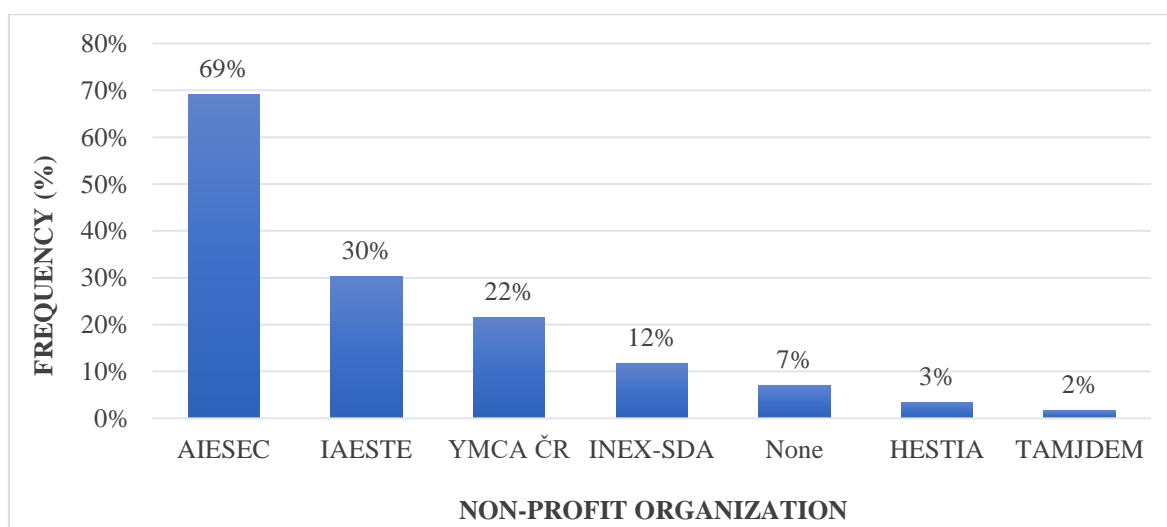
Graph 9: The best ranking non-profit organizations in brand recall



Source: Author's creation

In the following question, the respondents were supposed to tick which of the organizations HESTIA, AIESEC, INEX-SDA, YMCA ČR, TAMJDEM and IAESTE they know. Only 7 % of the students are not familiar with any of the NGO names. As can be seen from the figure below, almost 70 % of the respondents know the brand AIESEC. After AIESEC follow in the ranking organizations IAESTE and YMCA ČR. The percentage of university students that are aware of the brand INEX-SDA achieved 12 %.

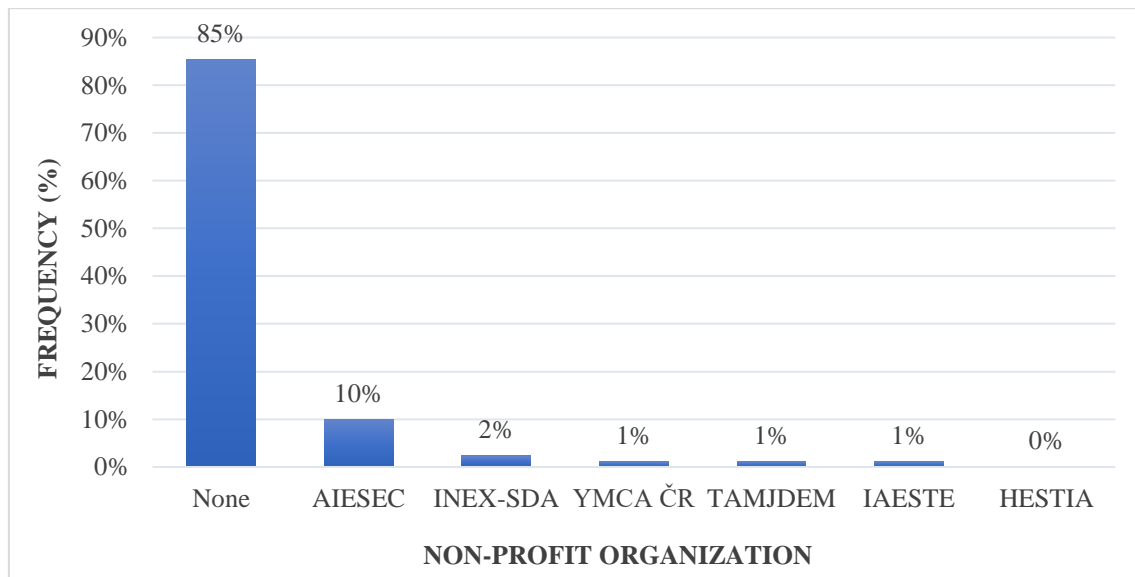
Graph 10: The best ranking non-profit organizations in brand recognition



Source: Author's creation

According to the next question, the majority (85 %) of the students asked did not use the services of any of the above chosen seven NGOs. Altogether, 10 % of the respondents used the services of the organization AIESEC and 2 % of INEX-SDA. The following graph shows what is the percentage of students that used the services of concrete organizations.

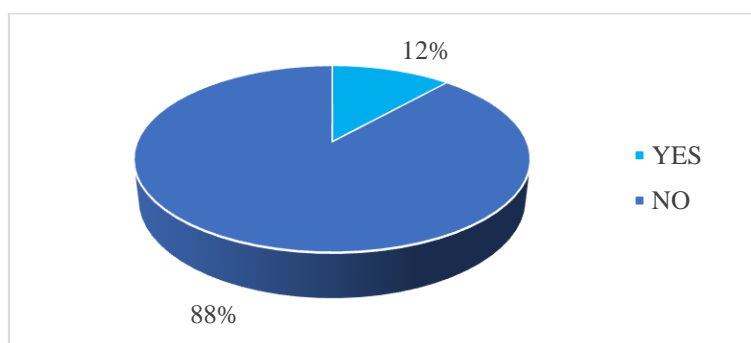
Graph 11: Proportion of students that used services of particular organization



Source: Author's creation

The question “Have you ever heard of the non-profit organization INEX-SDA?” filtered out the respondents that do not know the organization at all. The following questions are therefore aimed only at university students that already heard of INEX-SDA. As mentioned above and shown in the pie chart below, 12 % of them know the brand.

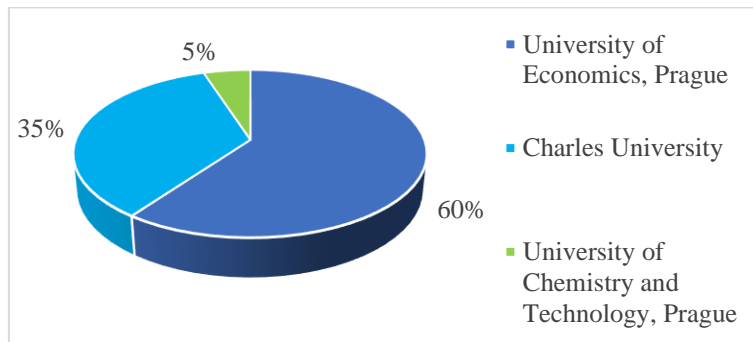
Graph 12: Proportion of respondents aware of the brand INEX-SDA



Source: Author's creation

Furthermore, 60 % of the students that are aware of the organization INEX-SDA study at the University of Economics and 35 % at Charles University. No respondents attending the Czech Technical University in Prague and Czech University of Life Sciences Prague know the organization, despite the fact that altogether one third of all people asked study at these two universities.

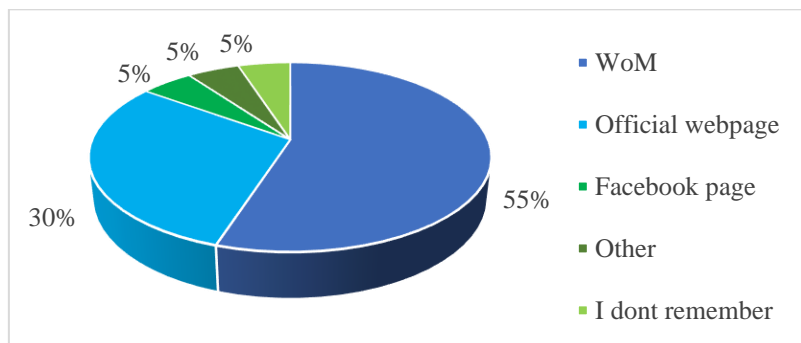
Graph 13: Respondents aware of INEX-SDA according to their university



Source: Author's creation

The respondents were supposed to recall via which communication channel they heard of INEX-SDA for the first time. More than half of them (55 %) got to know it via word of mouth, i.e. their friends, other students, family etc. Approximately one third of the students became aware of it via the official webpage, 5 % via the Facebook page and 5 % on “Veletřh Šance”, which is a job fair organized at the University of Economics, Prague. No student from the sample got to know the organization via radio, newspapers, magazines or exhibitions. The particular communication channels are illustrated in the pie chart below.

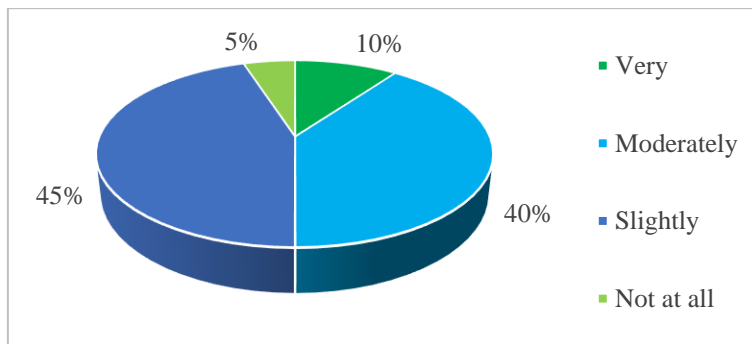
Graph 14: First noticed communication channels



Source: Author's creation

From the survey, it becomes clear that 45 % of the respondents are slightly familiar with INEX-SDA. In addition to it, 40 % of the students stated that they are moderately familiar and 10 % that they are very familiar with the NGO. Only one student is not familiar with the organization at all. The results are summarized in the following figure.

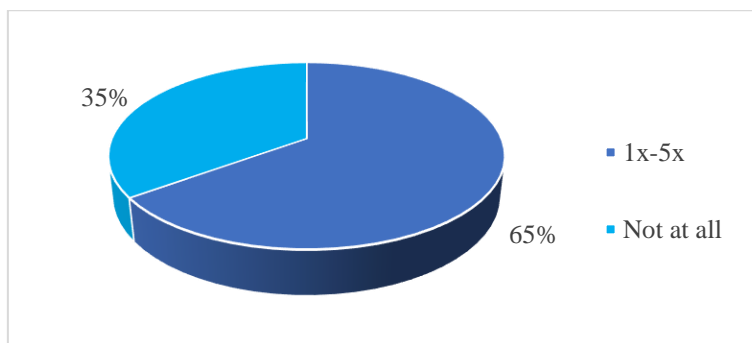
Graph 15: Familiarity of respondents with INEX-SDA



Source: Author's creation

The respondents were also indicating how often they heard other people talking about INEX-SDA in the last year. Approximately two thirds of them stated that 1-5 times and one third did not hear other people talking about the organization at all. The answers are depicted below.

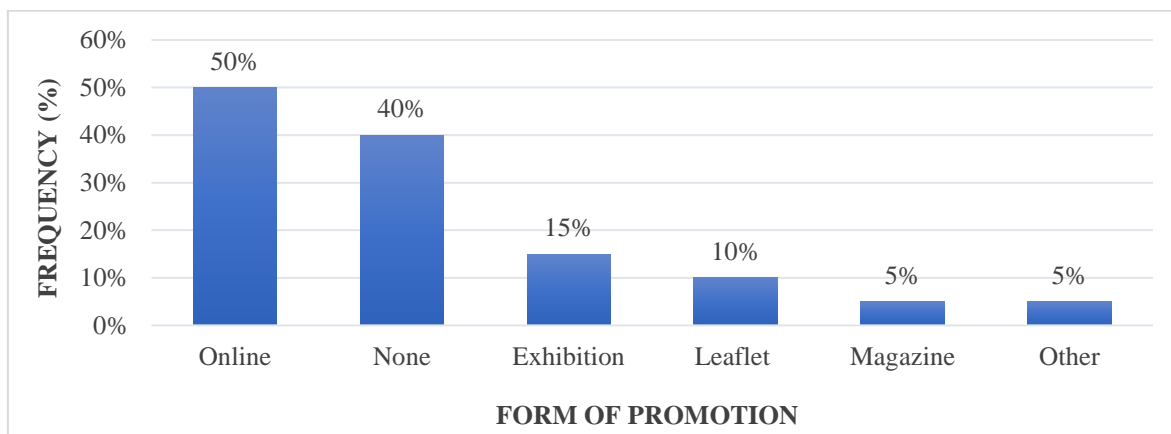
Graph 16: Frequency of people talking about INEX-SDA during the last year



Source: Author's creation

The next bar chart deals with the proportion of respondents that noticed certain kinds of promotion of INEX-SDA in the period of last year. Half of the people asked noticed the online promotion (e.g. official website, Facebook page etc.) of the organization. After that, followed exhibitions, leaflets, magazines and seminars. None of the respondents noticed promotion on the radio or in the newspapers. Besides that, 40 % of respondents stated that they did not come across any promotion of the organization.

Graph 17: Promotion noticed in the last year



Source: Author's creation

Furthermore, the survey concentrated on familiarity with the current logo of INEX-SDA. As illustrated below, during the time of its existence, the logo changed couple of times. The last one was created in 2016 at the occasion of celebration of 25 years from the foundation of the organization.

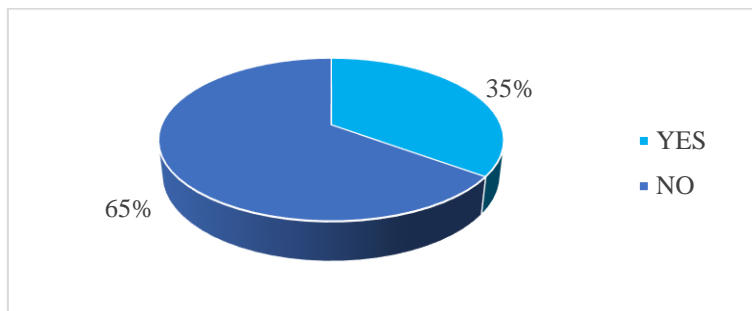
Figure 1: Logo of INEX-SDA



Source: INEX-SDA, *Cesta světem*, 37; "INEX-SDA Bloguje: Na Cestě Ke Stovce!"

Graph 18 demonstrates that more than one third of respondents were able to recall the logo and describe its colors, text and other features. All of them correctly described the blue and yellow color. A majority of the students were also able to recall the blue figure, arrows and the presence of the brand name "inex".

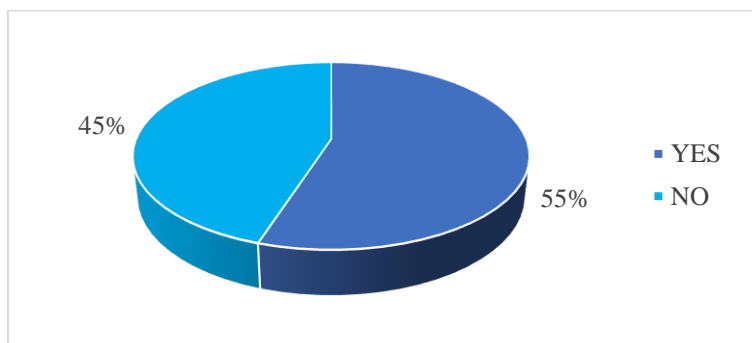
Graph 18: Are you able to recall the logo of INEX-SDA?



Source: Author's creation

The last three questions focused on the services offered by INEX-SDA. Referring to Graph 19, more than half (55 %) of the respondents are able to connect INEX-SDA with concrete projects.

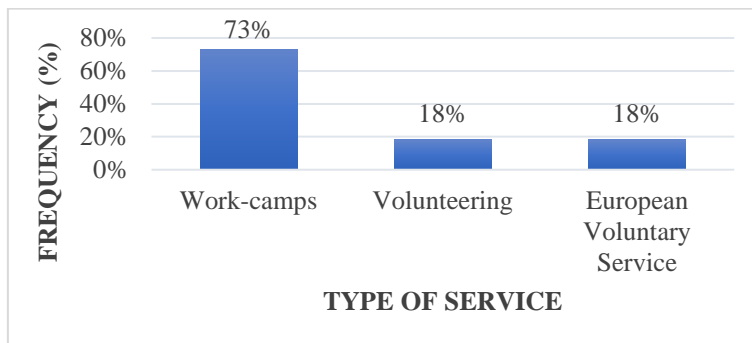
Graph 19: Do you know any of the services INEX-SDA offers?



Source: Author's creation

Approximately 70 % of them associate the NGO with workcamps. The same number of students – almost 20 % – connect the organization with volunteering and European Voluntary Service. It is also associated with development projects and projects focusing on renovation of castles and forests. See the following graph.

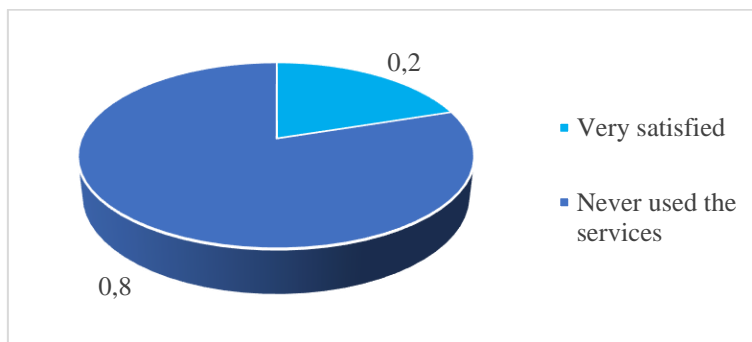
Graph 20: Which of the services of INEX-SDA do you know?



Source: Author's creation

All university students that used the services of INEX-SDA state that they were very satisfied with them. The rest of respondents has never used the services of the organization. The results evaluating satisfaction with INEX-SDA services are displayed in the following pie chart.

Graph 21: Satisfaction with services of INEX-SDA



Source: Author's creation

4.2 Personal Assessment and Recommendations

INEX-SDA can be seen as a well-established and trust-worthy organization in the Czech non-profit sector. It is an NGO with a long tradition, as it was founded not long after the Velvet Revolution, and is among the pioneers of volunteering in the Czech Republic. This implies that it has been present in the market for a longer time than some of its current competitors. It holds a strong position, despite the fact that new organizations and projects offering the possibility to travel abroad as a volunteer occurred during its existence. The importance of marketing, together with the necessity to adapt to the changing environment, should not be underestimated in the future in order to remain successful.

Based on the previous analysis, it can be stated that a great variety of marketing techniques are integrated regarding the activities of the organization. INEX-SDA has clearly specified its vision and mission, which are both publicized on its official website. It also uses SWOT analysis concerning the evaluation of its internal and external environment. Furthermore, it was found that the target groups are clearly defined and that a number of different communication tools are used to approach them. These can be summarized as follows:

- Internet Media – e.g. Facebook page or official webpage;
- Public Relations;
- Press Releases;
- Community Relations;
- Celebrity Relations;
- University Relations;
- Seminars and Conferences;
- Exhibitions;
- Job Fairs;
- Direct Marketing – e.g. newsletter, magazine.

Moreover, INEX-SDA has its own employees and interns that are concerned with public relations of the organization and who develop concrete marketing strategies for the organization. According to one of the latest researches investigating communication of NGOs in the Czech Republic, 96 % of respondents develop PR strategies internally.²⁰⁸ INEX-SDA therefore follows the common approach and does not hire an external specialist. Although the organization does not have a fundraiser, the previous sections have shown that it is able to receive financial support from differentiated sources and to exploit new possibilities like e.g. the web-portal GIVT.CZ. Nevertheless, according to its current strategy “*employment of a fundraiser is a challenge for the future*”²⁰⁹.

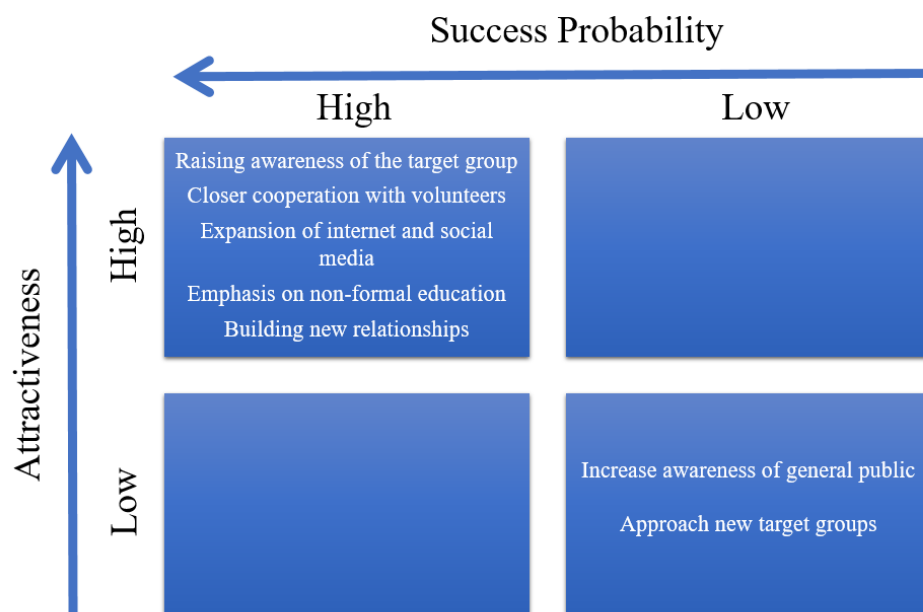
For visual representation of those opportunities that the organization should prioritize and those that currently seem not to be relevant, the reader is referred to the opportunity matrix depicted on the next page.

²⁰⁸ "Neziskovky vidí rezervy v komunikaci", *Neziskovky.cz*, 2016,

<http://www.neziskovky.cz/clanek/2242/602/zpravodajstvi-home/neziskovky-vidi-rezervy-v-komunikaci/>.

²⁰⁹ INEX-SDA, Strategy of the organisation INEX-SDA for the period 2015-2016, 3.

Scheme 9: Opportunity matrix of INEX-SDA



Source: Author's creation

Firstly, INEX-SDA should focus primarily on *increasing awareness within its target group*. Based on previous research results, it ranks as the third most often recalled organization within the target group and altogether 12 % of the respondents know the organization, which can be assessed as quite a satisfactory result, when taking into account that the organization is relatively small concerning the number of employees. However, there is still space for improvements. As the organization states: *“Accomplishing the goals in the area of PR can be determined to be the most problematic. INEX-SDA remains rather unknown brand. We are professionals, but still not enough people know it.”*²¹⁰ The awareness should be raised also in various regions of the Czech Republic. *“Regional branches could help with the promotion.”*²¹¹

Generally, among the most problematic areas regarding communication of Czech NGOs are lack of financial resources and time constraints.²¹² In the case of INEX-SDA, *closer cooperation with volunteers* can be suggested in order to optimize the resources. As mentioned in the SWOT analysis, the organization defines as its weakness *“unsystematic use of the potential of volunteers”*²¹³. In order to involve them in the process

²¹⁰ INEX-SDA, Strategy of the organisation INEX-SDA for the period 2015-2016, 3-4.

²¹¹ Ibid.

²¹² "Neziskovky vidí rezervy v komunikaci"

²¹³ INEX-SDA, Strategy of the organisation INEX-SDA for the period 2015-2016, 4.

and use their potential for PR activities, they are asked to distribute leaflets in the areas of particular universities. However, the organization should focus on raising awareness in this way more than it does recently, i.e. the flyers should be distributed regularly during the whole year and more frequently. As the volunteers have personal experience with the programs, they are also able to answer questions regarding the services offered. Referring to the research, most of the respondents got to know the organization via Word of Mouth or via its official website or Facebook page. These communicational channels, though, do not sufficiently increase awareness about the possibility to participate in this kind of programs abroad without specifically searching for them. The target group should be approached directly so that it is informed about the existence of volunteering itself. Distributing flyers by volunteers therefore seems to be the most effective way of direct and low-cost advertising and the organization. Another challenge is involvement of volunteers after their return from particular project. INEX-SDA can ask them to organize *presentations* and share their experience with public. At the same time, it is still important to work further on *online advertising* and keep up with new trends regarding the use of *social media*.

According to the results from previous brand awareness research, one of the main communication channels via which the respondents got to know INEX-SDA was Word of Mouth. The organization should therefore pay attention to its reputation and satisfaction of volunteers with its services and offered programmes. Therefore, it regularly gathers data obtained from online questionnaires filled in by volunteers coming back from different projects organized abroad. "The evaluation is then analyzed and actively used by further cooperation with partners abroad." It is important to obtain feedback each year the particular project takes place, as the quality of workcamps and thus also the evaluation usually differs based on the skills of individual camp-leaders. INEX-SDA should also in the future continue to gather the data regularly and put emphasis on their appropriate analysis and use in practice.

For accomplishing the goal of raising awareness, it is also crucial to focus on *integrity of promotional activities*. The content of workcamp press releases and subsequent communication with media during the project is in hands of individual camp-leaders. They should be therefore thoroughly informed during particular trainings about how to proceed

uniformly regarding the contact with journalists. One step towards higher integrity regarding press releases was taken by the organization this year. Even though all press releases are still prepared by the camp-leaders, they are sent to the media by the PR coordinator. This approach is, however, very time consuming for the employees.

Moreover, the annual report should be publicized every year in one common style, as it belongs to the main promotional means and communicational tools with stakeholders – e.g. volunteers, individual donors, commercial companies or government.²¹⁴

Furthermore, another opportunity that should be taken into account is growing emphasis on *non-formal education* of students. Therefore, INEX-SDA should concentrate on university relations and clear communication of what are the benefits brought to the students participating in its programs. Based on the research, there is possibility to establish closer cooperation e.g. with Czech Technical University in Prague, Czech University of Life Sciences Prague and University of Chemistry and Technology, Prague. Projects with focus on constructional works or environmental development might fit the interests of their students.

Another opportunity concerns fundraising activities, as it is important to focus further on diversification of financial sources. INEX-SDA might therefore try to address more commercial companies to receive additional financial support for its projects. As also the current strategy suggests, the goal for the near future is to find a company with which it would be possible to *build a long-term relationship*, similar to the one with Johnson Controls Inc..²¹⁵

As illustrated in the lower-right corner of the opportunity matrix, *raising awareness of the general public* together with *approaching new target groups* do not belong to opportunities that should be currently taken into consideration by the organization. INEX-SDA states: “*We are not striving to become known (name, logo, activities) among the wide public, we aim at our target group.*”²¹⁶ The attractiveness of these two opportunities is low, as the organization wants to focus primarily on the target groups and,

²¹⁴ BAČUVČÍK, Marketing neziskových organizací, 99-100.

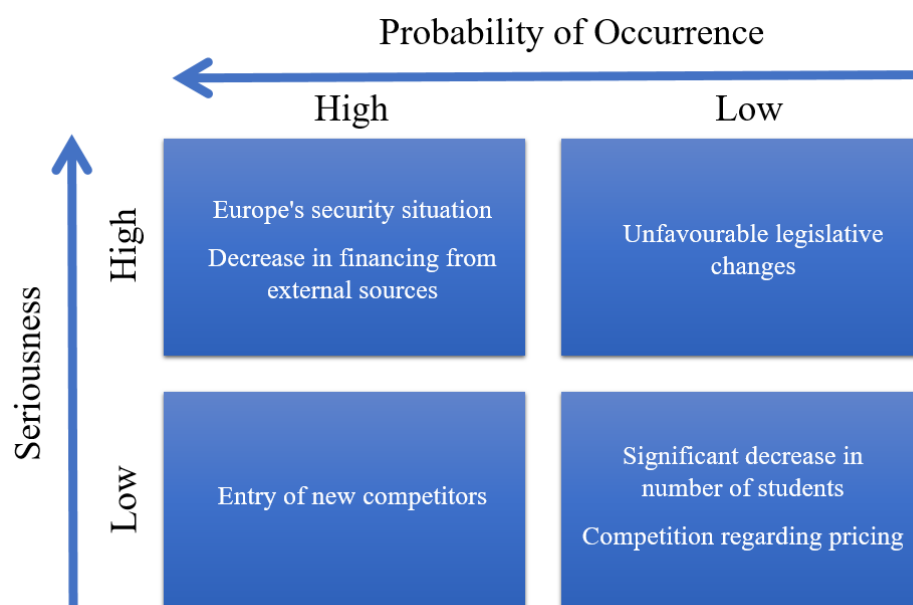
²¹⁵ INEX-SDA, Strategy of the organisation INEX-SDA for the period 2015-2016, 8.

²¹⁶ Ibid., 5.

moreover, it would be difficult to put such goals into practice, as they require considerable financial resources.

For INEX-SDA, it is also important to define which aspects might currently endanger its activities and position in the market. The individual threats are divided according to the probability of occurrence and their seriousness in Scheme 10.

Scheme 10: Threat matrix of INEX-SDA



Source: Author's creation

Among the threats with the highest probability of occurrence and highest seriousness is Europe's security situation. Projects in certain parts of Europe might be endangered because of the recent problems like terrorist attacks and migrant crisis. Another issue is connected with decreased financing from external sources. The programming period regarding EU funds ends in 2020 and thus also e.g. support from Erasmus+ program is, for now, planned only until the end of this decade. *“Non-profit organizations should start preparing for significant or even complete reduction of financial support from European funds after 2020.”²¹⁷*

²¹⁷ Marek Šedivý and Jiří Horecký, "Neziskové organizace by neměly počítat s další podporou z evropských fondů", *Neziskovky.cz*, 2016, http://www.neziskovky.cz/clanek/2191/601/aktuality_homepage/neziskove-organizace-by-nemely-pocitat-s-dalsi-podporou-z-evropskych-fondu/.

As can be seen in the lower-right corner, new competitors are entering the market, however, as the position of INEX-SDA remains stable, it seems not to have serious consequences for the organization. The unfavorable legislative changes, depicted in the upper-right corner, are very unlikely to occur; however, depending on their specifications, they might have the power to hurt particular non-profits or even the whole sector. In addition to it, it is not very probable that the number of students in the Czech Republic would decrease significantly in the near future, so that it would endanger the organization. Based on the Czech Statistical Office data, the number of university students almost doubled in the period 2001-2010 and since then slightly declines.²¹⁸ Another minor threat is also competition between the organizations based on their pricing strategies.

²¹⁸ Czech Statistical Office, *Studenti vysokých škol v ČR* (Prague: Czech Statistical Office), accessed 5 July 2016, https://www.czso.cz/documents/10180/23202203/studenti_a_absolventi_vysokych_skol_v_cr_celkem.pdf/ee3da927-10f1-4393-b685-8f78c260d93f?version=1.1.

Conclusion

The Thesis was set out to analyze the particularities of marketing methods used in the non-profit sector, to provide a detailed insight into practical implementation of the marketing discipline in concrete NGO based in the Czech Republic and to make suggestions for the organization with the goal to raise awareness about it.

As the main purpose of commercial companies is to increase sales and subsequently raise profits, pursuing marketing does not need any justification in their activities. On the other hand, devoting time to marketing might be seen as a burden by many non-profit organizations, because it is not connected directly with the primary purpose of their existence – serving public interests. Nevertheless, it was pointed out that this discipline represents a necessary tool for building linkages with stakeholders, and should be seen as a means to accelerate growth and strengthen the position in the market. The first section of the Thesis has shown that similar models, including e.g. SWOT analysis or marketing mix, can be applied in the case of both types of economic entities – non-profit organizations and commercial businesses. Although this may be true, several differences and characteristics concerning marketing of NGOs were identified.

To put the reader into an overall context, the role of non-profits in the Czech marketplace was introduced. The roots of philanthropic activities within the territory of nowadays Czech Republic with the emphasis on the period after the Velvet Revolution, when the subsequently analyzed organization was established, were briefly mentioned. It is important to realize that the gradual turnover in the perception of NGOs in the society was largely caused by more intensive use of various marketing tools. Moreover, the definition of non-profits, their position in the national economy, functions and classification were stated in order to get an idea about their sphere of activities in the Czech Republic. As can be seen, there is currently a great number of organizations in the country, which implies that favorable conditions for their development exist; however, at the same time the competition in the market place remains high. A short insight into volunteering, which is an integral part of the whole sector, brought the reader closer to the field of activity of INEX-SDA non-profit organization, which orientates primarily on international voluntary projects.

The marketing analysis of INEX-SDA demonstrated the application of particular theoretical frameworks and revealed that the NGO itself uses some of the models, including for instance analysis of internal strengths and weaknesses. In addition, the external environment including the main opportunities and threats was analyzed and comprises aspects that should be taken into account when creating a future strategic plan for the organization. To the main opportunities on which INEX-SDA might build its future growth belong, among others, raising awareness of the target group, growing emphasis on non-formal education, closer cooperation with volunteers, expansion of internet and social media and building new relationships. The most painful problems seem to be Europe's current security situation and upcoming reduction of financial support from external sources, like European Union funds. Further research showed that INEX-SDA faces increasing competition from other NGOs and from for-profit oriented entities.

After defining the main target group – youth and university students – the four aspects of the marketing mix were analyzed in detail. The main concern was to define what the forms of promotion are and if they are effectively used in order to achieve a high level of brand awareness. It was found that INEX-SDA uses a wide mix of communicational tools; however, from further research that was undertaken, it is possible to conclude that the awareness within the target customers should be raised and that a variety of opportunities to improve the marketing activities exist. The recommendations comprise for example a more direct approach towards potential volunteers, cooperation with current volunteers regarding promotion of the organization, frequent distribution of leaflets at universities, active use of the internet and social media or employment of a fundraiser.

To conclude, INEX-SDA was one of the first organizations that brought to its customers in the Czech Republic at that time a unique concept of travelling abroad. It was able to build a strong position in the market, even though it did not have the possibility to use modern communicational channels, such as the internet or social media, from the very beginning. For its future it remains crucial to further follow quickly developing trends in the area of marketing and public relations.

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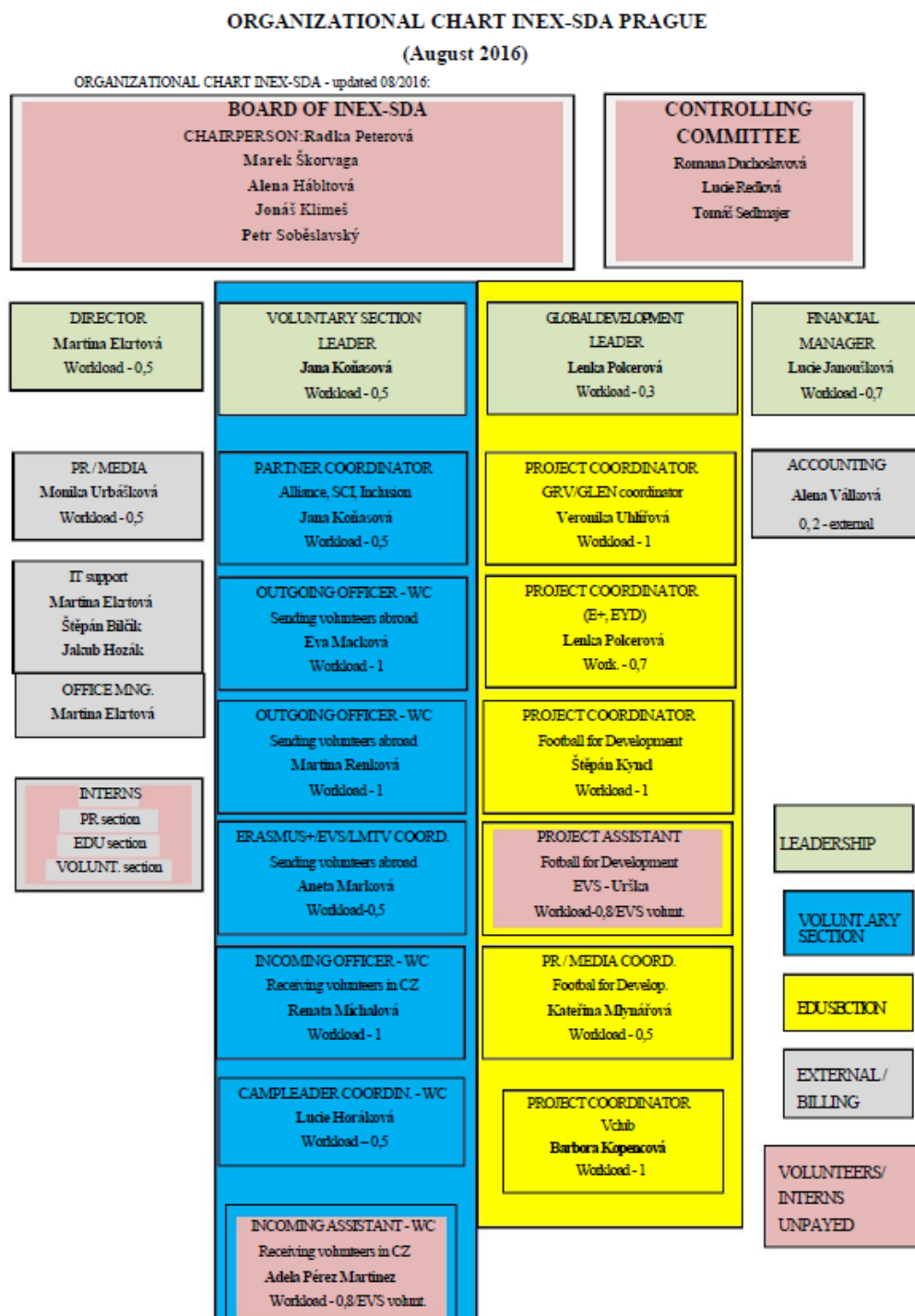
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Appendix

Appendix 1: Organizational chart



*translated from Czech to English

Source: Renata Míchalová, e-mail message to author, August 3, 2016.

Appendix 2: Online registration system

The screenshot displays the Workcampy online registration system interface. At the top, there are search filters including gender (female), age (18+), and a search bar. Below the filters, a list of workcamp opportunities is shown, each with details such as dates, gender, age, language, and location. A search dropdown menu is open on the right, showing a list of categories to filter by.

ALL	URGENT	NEW
2.5.2016 ♂ 2 12.5.2016 ♀ 2	18+ German	LAN
2.5.2016 ♂ 2 14.5.2016 ♀ 2	18+ English	MAN
5.5.2016 ♂ 2 21.5.2016 ♀ 2	18+ English	CULT, EDU
5.5.2016 ♂ 2 17.5.2016 ♀ 2	18+ English	HEALTH, CONS, EDU
6.5.2016 ♂ 2 21.12.2016 ♀ 2	18+ English	AGRI, ENVI, OPEN
6.5.2016 ♂ 2 20.5.2016 ♀ 2	18+ eng,eng	FEST, KIDS
8.5.2016 ♂ 2 15.5.2016 ♀ 2	16+ eng,fr	MANU, RENO, ARCH, CONS

Search dropdown menu options:

- ADMIN - administrativa, PC
- AGRI - práce v zemědělství
- ARCH - archeologie
- ART - umělecké zaměření
- CONS - konstrukční, stavební práce
- CULT - kulturní zaměření
- DISA - práce s lidmi s postižením
- ECO - ekologie
- EDU - vzdělávání
- FL DE - práce se seniory

Source: "Workcampy"

Appendix 3: Press release used for promoting workcamp in the Czech Republic



Press Release
20th July, 2015, Jeseníky

Volunteers from the Whole World Will Help this Year with Revitalization of the Area “Jesenicko”

On 26th July volunteers from the whole world will come to “Jeseníky” and during the two weeks will help with renovation in former mountain settlement “Zastávka” near the village “Uhelná” and in “Muna” area, in a scope of a project on which cooperate non-profit organizations “INEX - Association for Voluntary Activities (INEX-SDA)” and “Hnutí Brontosaurus Jeseníky”.

At the turn of July and August 17 youths from different countries will take part in an international voluntary project in “Jeseníky”, where similar events take place traditionally every year. This year the project will be organized newly in two localities – in the former mountain settlement “Zastávka” and in the former military area “Muna”. The volunteers will be devoted primarily to reconstruction of a house called “Hobitín” and work in a former military area “Muna”, working in the field of production of clay plaster, maintenance of educational path or restoration of wooden statues. An important element of the project is the use of alternative natural materials and the influence that the buildings will have on revival of the local community life.

“Hnutí Brontosaurus Jeseníky” is a regional centre which supports development and activities of “Hnutí Brontosaurus” in the area “Jesenicko”. It supports and searches for regional volunteering activities and cooperation with other regional organizations in the field of cultural and natural heritage.

INEX-SDA, under patronage of which the volunteers will help in the area, is a non-profit organization which is active in the field of volunteering since 1991, “We mediate voluntary projects all over the world and organize stays in the territory of the Czech Republic, like this one, for the people interested from abroad. Every year we send around 700 volunteers for short-term and long-term projects abroad and for 400 foreign volunteers we arrange programmes in the Czech Republic, so that they help where it is needed and that they, through their activity, contribute not only to a good cause, but also enrich themselves,” says the director Dagmar Fousková.

Contacts:

INEX-SDA

Project leaders: M. Zusková and XXX

Phone number: XXX

Email: XXX

Web: www.inexsda.cz

Partner organization

Project leader: XXX

Phone number: XXX

Email: XXX

Web: www.jeseniky-brontosaurus.cz



Tisková zpráva
INEX-SDA, Varšavská 30, 120 00 Praha 2, Česká republika

*translated from Czech to English

Source: Author's creation for promotional purposes of INEX-SDA workcamp organized in the Czech Republic in 2015

Appendix 4: Questionnaire – Brand Awareness

Demographic questions:

1. At which university do you study?
 - ☐ University of Economics, Prague (Vysoká škola ekonomická v Praze)
 - ☐ Czech Technical University in Prague (České vysoké učení technické v Praze)
 - ☐ Charles University (Unverzita Karlova)
 - ☐ Czech University of Life Sciences Prague (Česká zemědělská univerzita v Praze)
 - ☐ Other.....*Please fill in.*
 2. How old are you?
.....
 3. What is the income of your household?
 - ☐ Less than 10 000 CZK
 - ☐ 10 000 – 20 000 CZK
 - ☐ 20 000 – 40 000 CZK
 - ☐ More than 40 000 CZK
 - ☐ No answer.
 4. Gender:
 - ☐ Man
 - ☐ Woman
-

Brand awareness

5. When you think of non-profit organizations which bring Czech students an opportunity to take part on various programs abroad (workcamps, internships, educational programs, volunteering etc.), what brands come to your mind?
Multiple answers are possible.

.....

6. Which of these organizations do you know?

Multiple answers are possible.

- ☐ HESTIA
- ☐ AIESEC
- ☐ INEX – SDA
- ☐ YMCA ČR
- ☐ TAMJDEM
- ☐ IAESTE
- ☐ None of these

7. Have you used the services of any of the following organizations?

Multiple answers are possible.

- ☐ HESTIA
- ☐ AIESEC
- ☐ INEX – SDA
- ☐ YMCA ČR
- ☐ TAMJDEM
- ☐ IAESTE
- ☐ None of these.

8. Have you ever heard of the non-profit organization INEX-SDA?

Select one option.

- ☐ YES *Continue with the next question please.*
- ☐ NO *End of the questionnaire. Thank you for your time.*

9. Where did you hear about INEX-SDA for the first time?

Select one option.

- ☐ Friend, other students, family
- ☐ Official website
- ☐ Facebook page
- ☐ Radio
- ☐ Newspapers
- ☐ Magazines
- ☐ Exhibition
- ☐ Other *Please fill in.*
- ☐ I don't remember
- ☐ I have never heard of INEX-SDA

10. How familiar are you with INEX-SDA?

Select one option.

- ☐ Extremely familiar
- ☐ Very familiar
- ☐ Moderately familiar
- ☐ Slightly familiar
- ☐ Not at all

11. In the last year, how often have you heard other people talking about INEX-SDA?

Select one option.

- ☐ More than 10x
- ☐ 6x – 10x
- ☐ 1x – 5x
- ☐ Not at all.

12. In the last year, which form of promotion of INEX-SDA have you noticed?

Multiple answers are possible.

- ☐ Radio
- ☐ Online
- ☐ Magazines
- ☐ Newspapers
- ☐ Exhibition
- ☐ Leaflet
- ☐ Other..... *Please fill in.*
- ☐ None

13. Are you able to recall the logo of INEX-SDA?

- ☐ YES *Continue with the next question please.*
- ☐ NO *Continue with question 15 please.*

14. Can you please describe it (colors, text etc.)?

.....

15. Do you know any of the services (specific programs or projects) that the organization offers?

- ☐ YES *Continue with the next question please.*
- ☐ NO *End of the questionnaire. Thank you for your time.*

16. Can you name some of the programs or projects?

.....

17. If you have personally used services of INEX-SDA, how would you evaluate your satisfaction?

Select one option.

- ☐ Very satisfied
- ☐ Satisfied
- ☐ Dissatisfied
- ☐ Very dissatisfied
- ☐ I personally never used services of INEX-SDA.

Thank you for your time.