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SERVICE BLUEPRINTING IN THE NONPROFIT SECTOR: 
A CASE STUDY

Michael Jay Polonsky, Victoria University, Australia
Adrian Sargeant, Bristol Business School, U.K.

ABSTRACT

This paper examines the implications for nonprofits of managing donation exchanges using customer relationships management and service blueprinting. Based on a UK case study it identifies that there are a range of issues that might make managing donation services exchanges more complex than occurs in the for profit setting.

INTRODUCTION

The implementation of CRM relies extensively on technologies that allow for a better understanding of consumer behaviour, by examining consumers’ (or donors’ in the nonprofit setting) past behaviours. The objective of CRM is to allow organizations, for and nonprofit, to develop focused marketing activities that appropriately target selected segments of customers (Verhoef 2003). For nonprofits this means targeting individuals who are most likely to respond positively to the specific marketing program aimed at donations or other activities like volunteering (Ewing et al 2002, Conway 1997), which in turn will ideally reduce the resources or proportion of resources allocated to fund raising. CRM therefore allows nonprofits to be more efficient or maximise the return on activities, while strengthening relationships with donors (Verhoef 2003). In this way CRM allows nonprofits to better design unique marketing interactions, targeting specific segments of donors, who are defined based on information held within the CRM system and might include information related to the individual’s ‘value’ to the organization (Sargeant and McKenzie 1999).

However, if CRM programs are to be effective, it is essential that the exchange process between the donor and nonprofit operates smoothly both from the organization’s and donor’s perspective (Gummesson 1998). Within the for-profit literature there are discussions of the management of service exchanges, including service blueprinting - a process that can be used to visually map intangible service systems across consumer and organization steps or activities (Shostack 1987). It has been suggested that nonprofits can also use blueprinting to meet customer expectations, in respect of the donation process (Polonsky and Garma 2005). All consumers have a set of expectations regarding the donation process, which can be referred to as a mental flowchart of how the service experience will operate (Lovelock, Patterson and Walker, 2004). Failure to deliver on expectations will result in dissatisfaction (Gummesson 1998), which in turn results in shifts in behaviour (i.e. donations) away from the organization in question. Given the increasing number of charities and increased competition for donation dollars (Dees 1998), donors might use failed experiences to modify donation behaviour (i.e. give less). Unfortunately, to date there has been limited examination of how nonprofit organizations manage donation exchange activities (Polonsky and Garma 2005). This paper is therefore designed to address this gap, by examining the application of service blueprinting within one case study organization. Understanding the donation process and donors’ expectations will allow nonprofits to facilitate better donor experiences and thus strengthen the nonprofit’s donor relationships.

Within this paper we will firstly discuss the concepts of service exchange, service blueprinting and their application to a nonprofit setting. This will be followed by a discussion of a case study examining the application of donation blueprinting in one nonprofit organization. The paper will conclude with some recommendations for managing donation exchanges within the nonprofit setting.

THE DONATION EXCHANGE AND BLUEPRINTING

Polonsky and Garma (2005) have suggested that service blueprinting can be a valuable tool for ensuring that donation exchanges meet donor expectations and planned organizational processes. Such coordinated activity will ensure that customers’ ‘mental map’ of the donation experience operates as anticipated. The complexity of donations and other exchanges means that activities need to be coordinated across donors, managers and employees involved in the exchange process. According to Zeithaml et al 1990 this could result in ‘gaps’ or failure of experiences for five reasons: 1) Managers incorrectly defining what customers’ expect; 2) Managers develop the wrong service standards; 3) Employees do not deliver to developed standards; 4) Consumers develop incorrect expectations, possibly because of organizational miscommunication; and 5) The actual experience does not meet expectations.
The nonprofit organization therefore has the ability to impact on the donation experience in a number of ways and research by Sargeant (2001) identifies that a range of factors are important to customers. For example, Sergent (2001) found that courteous communications (corporate and employee) and various interactions with employees significantly impact on donors’ perceptions of service quality. Such activities are part of the exchange process and are something that organizations can manage, thus impacting donor satisfaction. In this regard nonprofits need to have a mechanism for managing the various aspects of the donation exchange process and the blueprinting process may provide such an opportunity. Shostack (1984) explained that blueprinting allows the organization to visually depict the service process, both from the consumer perspective as well as the business perspective. Blueprinting is concerned with mapping actual experiences and interactions, which of course would be compared to some ‘ideal’ operation of the service exchange. In this way the nonprofit, or other organization, would be able to identify what was happening and take corrective action in areas where interactions or internal operations were not operating as anticipated. Customer experiences will be enhanced, as any bottlenecks or barriers to exchanges will be eliminated. There are six steps associated with building a blueprint the donation experience (adopted from Zeithaml and Bitner (2000 p212):

**Step 1:** Identify the Donation exchange to be Blueprinted  
**Step 2:** Identify the Donor Segment  
**Step 3:** Map the Donation exchange from the Donor’s Point of View  
**Step 4:** Map Contact Employee Actions, Onstage and Backstage  
**Step 5:** Link Donor and Contact Person Activities to Needed Support Functions  
**Step 6:** Add Communication and Evidence of Donation at Each Customer Action Step

Defining the donation process to examine (Step 1) may be difficult given the overlapping sets of ongoing donor interactions, resulting in one exchange being affected by other exchanges. For example, a donor will not necessarily separate the experiences associated with ‘joining’ the organization from their experiences associated with purchasing raffle tickets or merchandise. CRM processes might however allow organizations to segment donors on multiple activities and allow nonprofits to manage sets of exchanges rather than an individual exchange.

Defining a given segment of donors to be targeted (Step 2) may also be difficult as each type of exchange often targets multiple donor segments. Again CRM and database mining may be techniques that assist nonprofits to identify the most valuable donors, who would warrant more focused nonprofit attention, in regards to managing the exchange process (Aldrich 2000, Miller and van Wyk, 2000). The ‘return’ to segmenting donors would need to determine whether this is economically viable, even though it allows nonprofits to enhance donation experiences for some donors.

Defining donors’ perceptions of the donation experience or anticipated experience (Step 3) will have potential difficulties especially when donors have fluid and ongoing relations with the nonprofit. As such it may be difficult for donors to ‘define’ the specific activities associated with one experience, as interactions relate to multiple exchanges at the same time, especially when donor’s have high levels of intrinsic commitment to a nonprofit, such as a strong emotional attachment to the issue under consideration. If nonprofits do not segment their activities then donors may be more heterogeneous (Polonsky and Garma 2005) making it difficult for one group to define activities with an exchange that might have multiple objectives. This would make defining one set of evaluative service criteria difficult, potentially resulting in some donors being dissatisfied with the donation exchange, while others would be satisfied with the same experience.

Having the organization openly define the internal activities associated with the donation exchange is the next step (Step 4) and requires input from multiple levels, including front line staff (i.e. those interacting with donors) and backstage staff (i.e. support staff), where volunteers are also included if they are used. As was suggested by Zeithmal et al (1990), it is the actual interactions that need to be mapped out rather than ‘ideal’ processes. Nonprofits also need to involve those responsible for outsourced activities to determine what actually happened in donation exchanges, rather than what are the contracted service dimensions.

Examining how organizational activities and customer experiences fit together is the fifth stage of the process. Ensuring exchange processes operate as designed may be more difficult for nonprofits when relying extensively on volunteers, as these individuals will have a diverse range of motivations for “assisting” the nonprofit. Ensuring performance standards are maintained will be harder given there is no paid employment relationship. In addition, volunteers would be both a donor in regards to giving their time, while at the same time an “employee”, resulting in them being both a deliverer in one process and a receiver in another exchange process.
The final step in the blueprinting process (Step 6) requires that the nonprofit manages its communication and physical evidence, to match the desired process. For nonprofits this may mean that activities that are seen as ‘too professional’ are negatively perceived. For example, materials such as “glossy” brochures could be perceived by donors as a waste of donations and thus inconsistent with their perceptions of the exchange (Sargeant 2001).

All these factors are taken into account when the nonprofit then visually maps out a blueprint of the donation exchange process. This will involve a range of activities and donor-nonprofit interactions, all of which need to be managed. This management requires coordinating activities across multiple individuals internal to the nonprofit and externally outsourced. The blueprinting process will identify a number of issues that need to be considered when managing the exchange process. Some of these include:

- Does the nonprofit’s communication reach the targeted donor and is the message consistent with the donors’ expectations?
- Is relevant information integrated into the CRM system, which is essential to allow exchanges with the new donor to be tracked?
- Are exchanges requirements are completed, i.e. invoices or promised appropriate information is sent?
- Are ongoing exchanges (or lack of) monitored, and are adjustments to CRM systems made?
- Is there an evaluation of communication to determine its salience to donors and non-donors?

**METHODOLOGY**

The blueprinting process requires highly contextualized qualitative information on donors’ experiences, as well as the views of various members of the nonprofit organization in regards to the donation exchange (Polonsky and Garma 2005). This analysis is exchange specific and thus is not generalizable across organizations. A case study approach is therefore warranted, particularly given that detailed information is required on all aspects of the donation exchange from donors, as well as nonprofit managers and operational staff. A UK based non-profit organization formed the basis of this study which focused on animal welfare issues. It has approximately 20,000 active donors and 6000 members, most of whom are also donors. Revenue flows from both groups through; membership fees, appeals/donations, merchandising activities, and bequests. All activities including communications and fundraising/donations are internally managed and operated by 25 staff with the support of a range of volunteers both at head office and in local affiliated groups.

Contact was made with donors of the organization to participate in a focus group. The number of respondents exceeded those needed with many donors expressing an interest to discuss issues associated with the project in one- on- one phone discussions should there be a need. One focus group was held with six donors at an off-site location. In-depth interviews were also held with; a) the manager who was responsible for overseeing all activities, b) the individual responsible for operational activities associated with donations, and c) a consultant employed to assist in developing fundraising activities for the nonprofit. The focus groups and interviews were all taped and transcribed. A review of these materials was undertaken to identify how the various parties perceived the internal and external aspects of the donation process. Inconsistencies in views would identify potential problems in regards to the operation of the donation exchange process. The descriptive analysis of these discussions allows the development of an understanding of the donation exchange following the blueprinting process.

**THE CASE ANALYSIS OF ONE SMALL NONPROFIT**

The donors of the targeted nonprofit identified that they participated in a range of exchanges with the organization including membership, donations, purchase of merchandise and volunteering. Most donors had great difficulty recalling exactly what facilitated the initial interaction with the organization, although several identified general issues e.g. publicity in the media generated awareness to seek out the nonprofit. The emotive issues associated with the nonprofit seemed to trigger intrinsic drivers for all those in the focus group.

Nonprofit staff identified that while there were some focused communication activities (specific appeals or merchandising activities) a “shot gun” approach was generally used. That is all individuals within the nonprofit’s database or those seeking information on the cause would generally receive the same information, with limited differentiation. Donors and managerial staff also identified that in addition to head office interactions, there were also local affiliated groups interacting with donors and potential donors. There was however, limited information shared from these local groups to the head office and as such it was not possible to identify what they were communicating or who they were targeting. It appeared that donation solicitations were integrated into all communications, but there was limited segmentation of donors and potential donors using CRM.
Having said this it should be noted that this deficiency was clearly recognised within the management of the organization as something that needed to be addressed, although there was some concern about the economic viability of segmenting their market with CRM.

In regards to donors’ satisfaction with the donation exchange, they identified that exchanges generally went well and there were no major difficulties encountered. Management, however, identified that there were some potential bottlenecks in the donation exchange process. In one case the automated telephone system had been streamlined to allow easier donor contact to people rather than to another level of automated menus. The nonprofit organization also established donation hotlines during appeals to minimise difficulties, even though problems were not identified by donors.

In regards to acknowledgments, during peak donation periods management felt that organizational response speed was slower than would have been preferred. It was suggested that this may have been due to the fact that internal staff were reallocated to support this role, which in some cases was subservant to other core functions and activities. The other issue identified in the interviews was the fact that there were no formal structures associated with coordinating or managing local affiliated groups and as such it was not possible to comment on how these interacted with donors or other stakeholders. It should be noted that no problems related to affiliated organizations were raised by donors attending the focus group, but any inconsistencies in actions would potentially negatively impact on donors.

Direct communications (i.e. the main physical evidence) adopted, for the most part, a one size fits all approach. Some of the donors identified that they found the materials unnecessarily confronting, with one respondent indicating that she found the materials so depressing she was ‘afraid to even open the envelopes’. It was suggested by several donors that some of the materials seemed to be preaching to the converted. Donors suggested the idea that there could be different communication for non-donors/members and donors/members. Management recognised the fact there was no segmentation of information and this was potentially problematic. It was also acknowledged that in some cases the cost of existing communications was more than the value of the donations received. However, it was also suggested that in some cases this value would only be recognised much later in the future, in the form of a bequest. The example was given of the pensioner who made minimal donations, but who left their house to the nonprofit when they died. It was suggested that in some cases these bequests may have even been from people who were never in a position to donate or were involved only at the local level and thus were not in the nonprofit’s database.

The use of CRM was discussed as a possible solution to better target information to donors. It was suggested that the costs of creating different communications did not justify their development. While not discussed, the cost of sending materials that alienates donors could in fact mean that that there is a hidden benefit in segmenting these groups in the form of lost donations to be maintained. There was some brief discussion that the Web might be used to assist in the targeting of information, although this was not presently possible with printed materials.

DISCUSSION AND CONCLUSION

The case identifies the fact that managing the donation exchange process for nonprofits, especially smaller nonprofits, may be extremely difficult. The organizations are frequently undertaking multiple exchanges with each donor and thus isolating activities and the management of activities will be difficult. While service blueprinting may potentially be a tool that can be used, it is unclear if it can handle the degree of complexity associated with multiple exchanges and interactions. That is the impact of one unrelated exchange will impact on how donors interact in other exchanges.

The case identified that there would seem to be a range of areas where CRM might be applied. That is developing more targeted interactions and communications with specific donors (or potential donors) might ensure information needs are met. However, the use of traditional print communication might make such segmentation more difficult for smaller organizations. Developing focused communication, even if it is simply changing the pictures used, will be an expensive exercise. This can be readily done using technologies such as the internet, which may increase in suitability as donor use of these technologies changes, at least for the one nonprofit examined.

An important point highlighted in this case is that nonprofits, even smaller ones, seem to recognise the need to move to adopting CRM and its supporting technologies. This in itself might identify a potential public policy opportunity that is to assist nonprofits in developing technological capabilities, as this will allow them to both strengthen relationships with donors, at the same time as improving organizational efficiency. The case also identified several complexities that need to be addressed in regards to managing donor relationships using CRM. First and foremost this assumes that there are ongoing
relationships exchanges, which may not be always occur for all donor segments. That is managing relationships with people who might make bequests, because of some peripheral relationship (i.e. local involvement or simply issue support) means that using life-time value measures suggesting individuals are marginal donors and thus not important, could potentially lose significant future income. Unfortunately there may be limited opportunity to nurture such relationships as they are less well-defined, although CRM might allow profiles of such donors to be developed in the longer term.

Another exchange issue of potential concern related to the coordinating of local affiliated groups, although neither management nor donors identified it as a present problem. From a CRM perspective, it will be increasingly important to ensure that local affiliated groups have structured information flows to and from head office related to affiliate activities and their members. This type of coordination will be essential if standardised levels of exchanges can be maintained (similar to what happens in franchise in the for profit sector). However, such coordination carries the danger that the ‘individuality’ of local groups is what gives them inherent value and thus ‘restricting’ activities through coordination will limit their appeal. Of course any attempts to coordinate/standardise activities or even to facilitate better communication of information, will require resources to be allocated to manage local groups and ensure they properly understand their responsibilities.
REFERENCES


