



# MARKETING PRACTICES OF NGO'S IN TELANGANA STATE

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## INTRODUCTION

A Non-Governmental Organization (NGO) is any non-profit, voluntary citizens' group which is organized on a local, national or international level. Task-oriented and driven by people with a common interest. NGOs perform a variety of service and humanitarian functions, bring citizen concerns to Governments, advocate and monitor policies and encourage political participation through provision of information. Some are organized around specific issues, such as human rights, environment or health, improving and developing work. They provide analysis and expertise, serve as early warning mechanisms and help monitor and implement international agreements. Their relationship with offices and agencies of the United Nations system differs depending on their goals, their venue and the mandate of a particular institution.

NGOs are difficult to define, and the term 'NGO' is not always used consistently. In some countries the term NGO is applied to an organization that in another country would be called an NPO (Non Profit Organization), and vice-versa. There are many different classifications of NGO in use. The most common focus is on "orientation" and "level of operation". An NGO's orientation refers to the type of activities it takes on. An NGO's level of operation indicates the scale at which an organization works, such as local, regional, national, or international

Marketing is a very important function in business practices. It entails making the customer aware of the proposition of a product or service, making them buy the product/ service, and ultimately building a brand. In non-profits too, the marketing principles hold good because there is requirement of funds to carry on existing functions and to build capacities for future. So, the donor is our customer here, and the cause or project is a product!

Research and evidence has shown that market-oriented organizations, which understand the target audience thoroughly, are the most successful ones. How would one

attract a customer (a donor here) if there are no efforts made towards building a brand and a customer base? So, let us understand the applicability of marketing principles for NGOs, to understand why they need marketing and why it is necessary to realize the importance of concerted efforts and allocating resources towards it.

The major challenge of NGOs is to influence the behavior of the people and that is all what marketing is about. Though, many of NGOs fail to have marketing engines but rather more focus on the needs of the beneficiary than the donor and scarcely reach the fund.

NGOs India have been providing the information and basic profiles of Non Governmental Organisations (**NGO**) / Non Profit Organisations (**NPO**) / Voluntary Organisations of various states, districts, cities, towns and villages of India. Funding agencies, supports and volunteers use to find out and get the data and information from the NGOs India. You can enlist your NGO to [add](#) in this web portal of national NGO network.

## DIFFERENCE BETWEEN VARIOUS TYPES OF NGOS

All the forms as Trust, Society or Non Profit Company are known and classified as NGO. Society, Trust or Non Profit Company all are known and identified as NGO, only formation, registration and management processes are main difference. There are other differences given below. Those who want to form or run NGO can check and find that what kind of NGO formation they prefer. NGO can be formed in any type for social welfare and social development.



<b>Procedures, Rules and Requirements</b>	<b>Company</b>	<b>Society</b>	<b>Trust</b>
Registration processes have the status of Non Profit Organisation (NGO) / Non Profit Organisation (NPO)	Non Profit Company is an NGO/ NPO.	Society is an NGO / NPO.	Trust is an NGO / NPO There is no difference in the registration process in the status of 'NGO' in any organisation registration process
Law/Act applied for to register NGO	Companies Act.	Societies Registration Act, 1860	Indian Trusts Act/ Bombay Public Trusts Act
Time takes to Form	3-6 Months.	1-2 Months.	From 2 days to one week.
Registering Authority	Registrar of Company.	Registrar or Deputy Reg. of Societies of the concerned State/ Charity Commissioner.	Sub-Registrar of Registration/ Charity Commissioner.
Issue of Name approval	Before registration name approval is required by application to ROC.	If any other NGO is not registered with the required Name in the particular jurisdiction of registration, then it is possible. And if any other Society (NGO) is registered with the name in that registrar then it can not be approved and provided.	Name approval is not required, if the name is not under Emblem Act.
The State Emblem of India (Prohibition of Improper Use) Act, 2005	Name cannot be approved if the name is restricted under the Emblem Act.	Name cannot be approved if the name is restricted under the Emblem Act.	The names restricted under the Emblem Act can be disapproved. But sometimes some Deputy Registrars and Readers refuse the other names which are not under the Emblem Act, just due to their personal and unofficial reasons, this is illegal they can not do it. If they do such actions, they can be legally challenged against their offensive and unauthorised actions.
Eligibility of Family Members to be Member of Organisation	Anybody can be the director of a Company. But certain Government Ministries/ Departments and funding agencies can refuse funding for the Company having same family members as directors.	Members of the same family can not be member in a Society.	There is no restriction in formation of a Trust with members of the same family. But certain Government Ministries/ Departments and funding agencies can refuse funding to the Trusts those are having same family members as Trustee. So initially family members can be there to form NGO but at the time of funding from certain Ministries or Funding agencies the Trustees can be changed.



Minimum Members/ Directors/ Trustees at state level Registration required	Minimum Two Directors.	Minimum Seven Members.	At least (Minimum) Two Trustees.
Minimum Members at National level required	Minimum Two Directors.	Minimum Eight Members from 8 different states are required in National level Society.	Minimum Two Trustees only, no limit of maximum Trustees/ Members.
Governing Structure	1. General Body of Directors. 2. Board of Directors.	1. General Body. 2. Executive Committee.	1. General Body/Board of Trustees. 2. Executive Committee. Or Only one General Body of Trustees
Area of operation of NGO	Company can be operated throughout India. National validity is there as the registration is granted by the Central Government.	Society can be operated throughout India when registered as a National level society. When a society is registered in one State, area of operation will be in that state only.	Registration under Trust Act has national validity and can operate throughout India. Some certain terms, clauses and processes are applicable during registration and after registration.
Status for Rights of Vote and Power	Provision of the voting rights vary on the basis of share holding capacity of Directors.	All members of a society have equal rights in the General Body.	All Trustees have equal rights except the Settler, if there are any specific powers are provided. Authorised persons have different powers
Can get funding. There is no difference to get funding in any of the NGO form.	Company can have funding possibilities.	Society can get funding if it is eligible according to the terms of the funding agencies or Government Ministries or departments.	Trust can get funding if it is eligible according to the certain terms of the funding agencies or Government Ministries or departments.
Annul Reports and other Documents to be submitted or filed apart from Income tax department	Company has to submit Annual Return and audited accounts at the financial year end.	According to the Section 4 of Societies Registration Act Annual list of managing body is to be filed every year. Resolutions are also submitted for approval in certain cases in certain states and in all or certain cases in some states.	No Annual report, resolution or any documents are required to be submitted or filed after registration of Trust to Registering authorities. Only the General body and other executive committees or any sub committees have to maintain their own registers of meetings, resolutions, decisions and/or any other activities regarding decisions.
General Body and Board meetings	In the Companies Act there are specific provisions of meetings. At least one Annual General Meeting and 4 Board meetings are required to be held every year.	General Body and Board meetings are required to be held as prescribed in the bye laws of the society. To follow the democratic pattern of society, regular meetings should be held for active societies.	No provisions exist to organise meetings. But to follow the democratic pattern of working of NGO registered under Trust Act, regular meetings should be organised for active Trusts. To organise meetings, adequate rules can be framed in the trust deed.
Transfer of Directorship/	Directorship can be	Membership of Society is	There is no provision to



Membership/ Trusteeship	transferred. Restriction on the transfer can also be placed.	not transferable according to the Act.	transfer the Trusteeship in the Indian Trust Act
Can use Foundation, Trust, Society, Samiti, NGO words with the name of organisation	Foundation, Samiti word can be used with the name.	Foundation, Samiti, Society, Organisation words can be used with the name of society.	In the name of Trust the words Foundation, Trust, Samiti, Society or any words can be used. No need to use Trust word along with the name during Trust registration.
Can a foreigner be a director/ member/ trustee	Foreigners can be directors.	A foreigner can be a member of society.	There is no restriction and provision to foreigners to be or not to be members. So foreigners can be members of a Trust.
If there is a foreigner in any NGO	There may be certain difficulties to get FCRA registration.	It is difficult to get FCRA registration if there is any foreigner member in a Society.	If there are any foreigner members in a Trust then it may not possible to get FCRA.
Provision of Recurring expenditure	Annual Returns and balance Sheet are filed with certain fees. Have to pay fee if there is any resolution to approve.	Negligible and minimum statutory compliances are required.	No statutory recurring expenditure after registration.
Eligible for School/ College Formation	Non Profit Company is eligible for School/ College formation except in certain States of India.	Society is eligible for School/ College formation in all States of India, including Rajasthan.	Trust is eligible for School/ College formation except in few certain States of India like Rajasthan. So if you want to form school/ college in those states you have to register a separate society and can run a Trust as an NGO for social development works.
Can members get Payment or can not	General body of Company can approve to get payment.	General body can permit and approve to get payment.	Trustee can not receive Payment but if there is a provision to get funds in the trust deed then Trustees can receive payment for project or if the Trustee is providing professional service or consultancy.

### IMPORTANCE OF THE STUDY

NGOs perform a variety of services and humanitarian functions; bring citizens concerns to governments, monitor policy and various other tasks that the government fails to carry out perfectly, or at all. These organizations are not present to put up a competition against those set up by the government. Instead, they provide a "helping hand" to the nation and make the best use of its resources to ensure maximum development. NGOs often hold an interesting role in a nation's political, economic or social activities, as well as assessing and addressing problems in both national and international issues, such as human, political and women's rights, economic development, democratization, healthcare or the environment. NGOs in developing country face a challenge to meet up the proper requirements needed to

provide aid in situations betrayed by nature such as famine, droughts, earthquakes, cyclones and etc.

### STATEMENT OF THE PROBLEM

The Nonprofit organization realized the importance of marketing since 1980s and early 1990s due to lack of capital resources, charity activities and hard sustainability, even though the number of NPOs are increasing day by day. Therefore, this increase of NGOs is creating competition within each other. On the other hand, surviving on the leading business world and demanding public interest has been another tough challenge for the non-profit sector itself. Hence, the main thrust of this study is to do with an identification of how an NGO's use marketing practices in Telangana.



## REVIEW OF LITERATURE

According to Litterer (1969) quoted by Misra, Rajeeb (2008)25., structure refers to “the identification of elements in an organization and relations between them”. Fowler has developed a model of NGO structure that reflects the main characteristics of NGOs. Fowler says that NGOs need to have strengths in five areas – organizational design (vision), systems (strategies and programs), mobilization of resources, maintaining external relationships and achieving results consistent with the mission.

M. Moore says that all organizations benefit from committing themselves to a strategy (Moore 2000), even those acting as not for profit. Of course, NGOs offer values which lie in the achievement of social goals where it is difficult to pinpoint a revenue stream, but they may create a strategy focusing on social matters (like a way in which the citizens might be mobilized to contribute to social purposes). Very seldom one may find articles with the opinion, that the formal planning process is not necessary (Crittenden, Crittenden and Hunt 1988). More often authors underline that a basic matter is overall strategic planning, which influences, i.e. on general marketing strategy, and must involve all levels of an organization (Greenley 1984; Tavish 1989). One may find some conceptions of how to adapt business strategies to the non-profit sector by examining similarities between non-profit-making and profit-making organizations (Smith and Saker 1992; Yorke 1984). Although non-profit organizations frequently seek professional support for market decisions (Briks and Southan 1990) they are more and more often aware of ‘customer attitude’ necessity (Grønbyerg 2001; Olson and Boyer 2005). It is very important to underline that NGOs have to undergo evolution – create their strategic position encircling proper foundations, innovations and i.e. ideas of modern marketing (Borwn and Kalegaonkar 2002; McDonald 2007; Thomas 2007).

## RESEARCH GAP

Several authors suggest that NGOs are important organisation, but discuss the NGOs’ supporting role on a general level, assuming that the roles and partnership opportunities and challenges are similar in different markets. Furthermore, the authors do little to differentiate different types of NGOs. Furthermore, due to the seemingly strong government presence throughout the society in Telangana state, it is relevant to respond to the doubts on Telangana state NGOs’ credibility as independent public interest organizations, which surfaced during the background interviews.

## NEED FOR THE STUDY

The need for this study is to develop a strategic Marketing practices for NGOs that will help the organization to sustain and achieve its objectives in future and also to motivate NGOs and implementing the effective strategic marketing plan to win the level of public trust.

## OBJECTIVES OF THE STUDY

The following are the objectives of the research study:

1) To study the marketing strategies of NGOs and generate awareness about the same

2) To put forward effective techniques of marketing in an NGO.

3) To identify major constraints and issues faced by NGOs in marketing

## HYPOTHESIS

1. There is no significance difference between the development of NGOs and marketing practices.

2. There is no significant impact of interventions on marketing practices on NGO’S of selected respondents in Telangana state.

3. There is no significant difference between the constraints and issues of NGOs and marketing Practices.

## SCOPE OF THE STUDY

The present study examine marketing practices of NGO’s in Hyderabad districts of Telangana state,. For this purpose NGO’s have been identify from Private Organisations, Public sector Organisations and Voluntary sector Organisations.

## METHODOLOGY

### Sources of Data

The study is based on both primary data & secondary data. The primary data has been collected by using a questionnaire and the secondary data has been collected from books, magazines and the internet.

### Primary source

The appropriate method for collecting the primary data for the purpose of this research was Interview /communication method through designing a questionnaire which was distributed to local NGOs. The primary data was collected via e-mail, telephone, and face to face interviews with executives and/or senior officers of the organizations.

### Secondary Source

Secondary data was used to get better insight on the research topic, to develop better understanding Information on marketing management in nonprofit sector was retrieved from different scientific articles from online libraries and journals, course literature, e-books, on NGO operation, governmental and donor reports. Secondary data was essential to establishing the viable platform for the theoretical framework constituting the bases of my research. A thorough theoretical framework helped clarify dilemmas about nonprofit marketing as a precondition for fundraising and NGO sustainability. Course literature, journals, articles and reports from different governmental organization enriched the secondary data by providing basic concepts of the theoretical background of the study research.

## SELECTION OF SAMPLE

### a) Sampling Unit

The study focused especially on the suitability of NGOs of Telangana State, and therefore grassroots NGOs constituted most of the interviewees. Convenience sampling method has been followed for collecting the response from the respondents.





## b) Sample Size

Ngo's are divided in to three groups : Private Organisations, Public sector Organisations and Voluntary sector Organisations. Sample will be drawn from three groups. Sample respondents of the NGO'S would be covered as three groups viz, Private Organisations, Public sector Organisations and Voluntary sector Organisations .The same methodology will be followed for selecting sample respondents from the NGO's. The sample size would be respondents of NGO's of Telangana State. The population for this research study consists of employees of NGO's were contacted through a face-to-face interviewing method using the questionnaire.

## SAMPLING METHOD

The sample representative of the population will be selected as per simple random sampling method, a non-probability convenience sampling method .The statistical tool used for the purpose of the analysis of this study is simple percentage technique and ranking techniques. After the collection of data through the questionnaire, editing was done carefully. Based on the responses of the samples, tables were prepared. The data collected were analyzed and interpreted with the help of tables & figures.

### a. Statistical Techniques

ANOVA and t-test, measures of central tendency, measures of dispersion, correlation and regression analysis , chi square test and Z test are the statistical tools that would be apply apart from the structure equation model

### b. Data Processing and analysis

The data will be analyzed by using SPSS for Windows 21.0 statistical package.

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