

Give a Better Name to Increase the Support of Your NPO

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Abstract: When somebody is planning to start a business, it is important that from the beginning an appropriate name is found for the company. In this study it is considered if this step is as important for the nonprofit organizations as for profit-oriented ones, as well as identifies those key words that could improve organizational performance. The aim of this article to highlight the importance of marketing at the nonprofit organizations, as it focuses on the importance of name at the field of fundraising. With the help of a database the connection between word frequency and the size of donations is analyzed as a means of highlighting names that could help the fundraising of these organizations. As a conclusion it is considered that some words in the name of a nonprofit organization could positively influence the funds that they could achieve.

Keywords: Nonprofit, Finance, Fundraising, Percentage Philanthropy.

I. INTRODUCTION

The significance and role of nonprofit organizations grew after the 1990's in the Hungarian economy. During the past decades the sector and its regulation have also changed a lot. This trend has not only occurred in Hungary, but also to the neighboring countries. These changes represent an interesting area of research, especially international research.

Their development is not explained entirely by the generally accepted theories. The first explanation for the formation was given by Weisbrod [1], who showed that a significant number of non-profit organizations have been created because a significant proportion of consumers did not have an adequate level of public goods provided by the state. As these goods in the private sector cannot effectively be ensured, nonprofit organizations were established to provide them. Looking at the non-profit organizations Hansmann [2] came to the conclusion that in many cases consumers turn to non-profit businesses as a result of biased dependence.

All in all it could be concluded that the presence of these organizations became familiar to us in everyday life, and if people want to count on them, they have to finance them. One reason for this is that the Hungarian parliament decided 1% of personal income tax could be contributed to nonprofits and an additional 1% to the churches. The database is maintained by the Hungarian Tax Authority and shows the percentage contributions for nonprofits. It contains the number of donors and the amount of total donation beside the name and tax number of the organization. The database therefore has 31130 rows, containing approximately the half of the total number of Hungarian nonprofit organizations.

This article tries to prove the importance of a well-chosen name for a higher support through the percentage system. Here it is supposed, that those organizations whose name contains given words could be more successful in fundraising because of the emotional influence. First, the main points are given to have a memorable and descriptive name, than the most commonly used words are shown by the help of wordle pictures. In the analysis part the Hungarian donation database is compared to the most common and the most effective words what get the highest level of contributions.

II. NAMING A COMPANY

The success of a firm is supposed to have a successful strategy planning as it was stated by Fayol [3] on the base of long term experiences. It could improve the market position, help the optimal development, improve the effectiveness of

decisions, protect the flexibility, integrate the problem solving, follow the aims and get economic and social results as it was written by Ewing [4].

According to Kotler [5] the name of the product is connected to the product element of the old marketing mix. But at the field of nonprofit organizations the name of the brand is usually the same as the name of the organization itself. As a consequence it is more appropriate to use the modern marketing mix elements to identify the field of naming a company. Among the modern marketing management four P's the performance contains the range of possible outcome measures that have financial and nonfinancial implications as the brand name and it could be implied beyond the company itself like social responsibility, legal, ethical and community relations.

From other point of view it is important to take care about the name when a company assesses its growth opportunities, not only when they are thinking about starting a new one, because a diversified growth opportunity offers higher sales possibility. Moreover a downsizing or divesting older business could also profit from a new and more appropriate name.

Different researches appeared at the field of for-profits with the help of neuroscience, where they studied the response of brain to different marketing elements. They found that "even basic decisions, such as the purchase of gasoline, seem to be influenced by brain activity at the subrational level." [5] So it could be supposed that emotions have real impact on our everyday decisions, and people don't behave as rational as it is said in early economics. The aim of this paper is to prove by the help of empirical data, that this statement is true for the Hungarian nonprofit sector as well.

III. WHAT ARE THE REQUIREMENTS OF A SUCCESSFUL NAME FOR A NONPROFIT?



Fig. 1 – Words in nonprofits' name, Source: <http://nonprofitally.com/start-a-nonprofit/choose-a-name>

For nonprofit organizations each "meeting" with the target public is a good opportunity for communication according to Dinya [6]. Mainly they employ spokesman to be authentic and trustworthy, but they could also appear in printed media. Managing the communication is more complicated than for for-profits, because it has to transfer their message to three directions: the public, the target group and the media itself. A well-chosen name could increase the attention toward the organization.

American literature makes up the bulk of international research and indicates the main requirements when choosing a name in connection with the marketing of nonprofit organizations [7],[8],[9],[10],[11],[12]. These are the following:

- Easy to remember. Some of the nonprofits spent thousands of dollars deciding what name could be appropriate for a nonprofit, but sometimes a single brainstorming session could be more successful and its cost much lower.
- Embody the mission in the name, but at the same time it should be short and consist of simple, short words.
- Send a powerful message with your name. If you have no or just a small amount of money for marketing purposes, it is useful to promote your organization through its name. It is obvious that you cannot express everything in it, but make sure it conveys something unique or valuable about you.
- Make it emotional. It is easier to remember it when people feel something when hearing your name. It could be sad or hopeful, emotions will help you.

TABLE I: FREQUENT EMOTIONAL WORDS IN TOTAL DATABASE

	Word	Number of organizations	Average contribution	Average contributor
Total		31131	424 275	109
Calvinist	református	128	7 490 677	1 926
Catholic	katolikus	64	40 494 718	10 636
child	gyermek	2073	695 712	190
sports	sport	943	284 723	73
cancer	rák	19	841 864	206
leukemia	leukémia	13	14 587 025	4 251
tumor	daganat	30	3 475 432	971
hospital	kórház	125	2 558 774	603
dog	kutya	32	4 903 107	1 204
animal	állat	140	4 416 258	1 227
culture	kultúra	108	93 272	26
Hungarian	magyar	435	10 502 803	2 649

In the next step emotional words are highlighted. It is supposed that a lot of people open their wallet when children are mentioned. In this research it means that 2073 nonprofits use the word “child” in its name, and receive 64% plus as an average nonprofit and have almost twice as many donors. The word sport appeared in almost 1000 cases. It has been already mentioned that these kinds of nonprofits are not frequent among US nonprofits, accordingly, the contribution is lower for them (284 000 HUF), and less people (73) give their contributions on them than the average (in this system you could choose only one organization).

The most frequently used words that are connected to health are cancer, leukemia, tumor and hospital. Only 187 cases were recorded, but the average contribution is much higher than for an average nonprofit. It could be concluded that these are surely among the most emotionally provocative words in Hungary nowadays. But animals and dogs receive also a lot of money with more than 4 million HUF in average contribution and more than 1200 average contributors.

On the other hand culture gets only 93 000 HUF, which is just 22% of the total average. So it could be good advice not to use this word in your name or try to find other way to find resources for your organization because more “important” aims are also presented to the taxpayers.

Similar findings could be discerned from the top 200 contributed nonprofits without churches (see Table 2). Just 2 organizations could get into the top 200 with the word sport in its name. In the first 200, the word children get as much as the average, cancer, tumor and leukemia are also big beneficiaries but hospitals get less. Just 6 organizations with dog in its name get a little more than the average contribution of the top 200, but the other 40 nonprofit dealing with animals are on a lower income. Culture received 4 places among the top, but here they receive just about the half of the average.

TABLE II: FREQUENT WORDS IN TOP200 DATABASE

	Word	Number of organizations	Average contribution	Average contributor
Total		200	14 710 011	3803.27
child	gyermek	32	14 957 562	3870.21
sports	sport	2	5 990 674	1391.49
cancer	rák	4	18 181 517	4601.14
leukemia	leukémia	5	21 816 632	5503.19
tumor	daganat	3	53 668 057	14499.19
hospital	kórház	11	12 046 559	2923.18
dog	kutya	6	15 303 681	3769.67
animal	állat	40	9 896 378	2404.84
culture	kultúra	4	7 385 051	1795.31
Hungarian	magyar	21	8 188 502	1938.08

Finally these databases show some geographical names. In the tables above the word ‘Hungarian’ appeared in the last row. It shows that those organizations which are working in the whole state could get more than the average. Table 3 shows the statistics of some smaller areas. In the area of the capital, Budapest 6394 nonprofits are working from the 31 000. Among these nonprofits the word Budapest appears 182 times and these could get almost 1.5 million HUF on

average. Smaller cities like Debrecen or Szeged, whose name is almost as frequent as Budapest's gets just 200 000 forint on average. As a conclusion it could be said that it is better to use those geographical names that are bigger, so your income could be also bigger.

TABLE III: GEOGRAPHICAL NAMES IN THE NAMES OF NONPROFITS

Geographical area	Average contribution	Average contributor	Number of nonprofits in the area	Word frequency
Budapest	1 402 985	340	6394	182
Zala	148 659	46	1025	213
Debrecen	210 143	63	1473	155
Szeged	217 053	64	1360	217

VI. SUMMARY

As a consequence, it is obvious that in the field of nonprofit organizations where the emotions have a huge impact, the naming of an entity could be the key to success. If you could draw attention just by the name of your organization you are on the right path to being able to finance your aims and achieve your goals. Just like Rex Shelter for Dogs which gets its name after a famous dog from the TV series. It uses the word 'dog', as the favorite pet in its name, but deals with other kinds of pets as well and finally gives you a strong emotional impact through the word Shelter. How successful they are? They are in 5th place on the 1% contribution list.

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