THE EUROPEAN UNION – A REMARKABLE FRAMEWORK FOR SOCIAL MARKETING IMPLEMENTATION

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Abstract
The extension of marketing frontiers beyond the border of economic activities, in different social areas, has currently become a reality. The new concept of social marketing is based on the fact that the marketing thinking, its essence, is constituted by transaction, by the manner in which the exchange of values between two parties is created, stimulated, enabled and capitalized. The prominent promoters of the social marketing - specific orientation and mode of action - are the non-profit organizations, which cover a large range of types, specific to their mission, of the causes that they planned to serve. Within their increasing concern with improving the performances, in a context in which the competition for financing sources necessary for their activity and for satisfying the requirements of the public they serve - with larger possibilities of choice - is growing, non-profit organizations adopted an increasing conspicuous orientation, from the exterior, adopting their decisions in the light of the requirements within their reference "markets" and of the insurance of the mutually beneficial exchange. The government institutions of the European Union and the Community countries sought to permanently provide support to this sector, to ensure an institutional framework adequate for strengthening the legitimacy of the respective organizations and increasing the efficiency of their activity.

Key words: social marketing, principle of exchanges, organization, non-profit organizations; donor-oriented marketing, fund holder-oriented marketing, commercial marketing, sources of income, legal- institutional framework within the European Union.

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As a consequence of its significant economic and social valences, practically proven, the marketing, this science of fighting for success in business, experienced, over the last decades, a continuous extension of its sphere of action, advancing, more and more conspicuously, two essential characteristics: (a) universality, by its penetration in all fields of economic activity, and (b) specialization, meaning its adaptation and deepening within different fields and areas in which it has been circumscribed.

After having penetrated in all spheres of economic life, marketing began to experience, towards the end of the XX century, and particularly, at the beginning of the new millennium, a new extension of its borders, in other areas than those orientated towards profit.

### Social marketing - a new framework of extension of marketing frontiers

The connections of contemporary marketing become more and more wide and various. More and more types of profit and non-profit organizations begin to use marketing in order to get in touch with their customers and with other important groups of public. (Adâscăliței, V., 2002)

Therefore, in the recent period, marketing also became a major component for the orientation of the efforts of organizations within the social economy area - or tertiary sector - for a connection, as efficient as possible, with their target public, with the marketing partners and with the people around them. The continuous development of marketing in non-profit and public sector brings new and inciting challenges, with many occasions significantly favorable.

Contemporary society is characterized, among others, by the performance of increasingly important and various activities which do not aim, in principal, material profits, but the accomplishment of major social missions.

The possibility of incorporation of the marketing orientation and practices by an increasingly large variety of social organizations, in order to obtain, in this way, superior results in the activity carried out, has been emphasized, for the first time, by Philip Kotler and G. Zaltman (Kotler, Ph., Zaltman, G., 1971) who defined and, in fact, advanced the concept of social marketing. The particular interest generated by the incorporation of marketing in the area of social problems is also highlighted by the organization of prestigious scientific events on this topic. In this context, it has been emphasized that the organizations involved in various social actions should also be relationally managed, meaning that the relation between the efforts and the effects obtained should be optimized.

In this new framework for marketing implementation certain conceptual clarifications became necessary, relating to the fact that:

a) Social marketing is, as well, based on the theory of exchange, meaning that two parties voluntarily enter into a relation of exchange of valuables, mainly intangible, which may be analyzed in terms of the demand and supply relation;

b) Requires the promotion of the concept of organization, instead of enterprise, with a wider significance, referring both to organizational forms which aim at obtaining profit (enterprises) and to non-profit organizations;

c) Enables the involvement, within this specific area, of the entire arsenal of strategies and tactical methods - constituents of the marketing mix -, based on the modern orientation of segmentation, targeting and positioning, within a certain reference market.

Basically, this approach, specific to social marketing, resulted as aiming to create, implement and control certain programs intended to increase the acceptability of an idea, cause or social practice, among a target group (Kotler, Ph., Armstrong, G., 2003).

### Non-profit organizations - prominent promoters of social marketing

Orienting their activity towards promoting social ideas and causes, meant to lead to the satisfaction of the needs and requirements of certain target groups, by means of the exchange processes, non-profit organizations constitute an increasingly important reality.

Marketing expansion in other areas than those oriented towards profit-making has been possible in such conditions in which the possibility to extensively apply the principle of exchanges has been highlighted; among the persons having significantly contributed to it there are the very well known marketing specialists Keith Bloise and Philip Kotler. Starting from the reality that the main objective of non-profit organizations is not evaluated in the light of economic criteria, Bloise showed, at the same time, the fact that, even if the main purpose of these organizations is not profit making, they may carry out, sometimes, different profit making activities, only as a method for
fulfilling their final purpose and the causes they have committed to.

Aiming to approach in this context the meaning of the term “non-profit”, we will also highlight the opinion of Keith Bloise, originating from Great Britain, according to whom this term may be applied to the organizations (a) whose main purpose is not to obtain profit, but (b) who may seek to carry out profit-making activities, even though only for supporting their main mission. Considered in such context, a non-profit organization may be regarded as “an organization whose fulfillment of its main purpose is not evaluated by economic criteria”. Nevertheless, in pursuing its objective, it “may carry out profit generating activities” (Bloise, K., 1994).

Operating in the civil society sector, non-profit organizations operate as private organizations in a market economy, aiming at finding solutions to the community problems.

Based on their most frequent connotations, related, usually, to their voluntary and charitable character, non-profit organizations involve practically, in a wide variety of activities - which range from those related to satisfying human needs up to those focused on inanimate or lifeless problems, meant to generate strong emotional answers among different groups within the society. (Bloise, K., 1994)

The great variety of non-profit organizations represented the subject of important classifications made by different national and international bodies.

The differentiation of the different types of non-profit organizations is reflected both in the light of their size and of their object: cultural activities, environmental protection activities, educational activities, activities for supporting important social causes, health care activities, charitable activities, philanthropic activities etc. As a consequence of their specific sphere of action, a number of specializations of non-profit organization marketing appeared gradually.

In terms of legal status, non-profit organizations may be incorporated as associations (professional, philanthropic etc.), foundations, societies (artistic, literary etc.), clubs (press, sports, cultural etc.), schools, universities, museums, radio and television stations, hospitals, research centers, environmental protection groups etc.

Seen in the light of its legal status, there should be noted, first of all, the fact that the term of non-profit organization is considered as originating from the American legislation, appearing to be synonymous with non-lucrative organization, also met in the French legislation as non-governmental organization. Non-profit organizations represented, starting with the ’70 (XX century), the subject of increasingly wide studies, culminating with the laborious comparative research carried out, in two stages, by the University John Hopkins, first within the period 1990 – 1995, involving 12 countries and continued with another stage completed in 1999, in which Romania was also included. The conclusion of the researches have been that an organization, in order to be considered as specific to non-profit sector, shall be formally incorporated (having certain organizational capabilities), shall be private (institutionally separated from the public administration), shall not distribute to its members or management bodies the potential profit generated by certain related activities (but use it only for fulfilling the declared objectives), shall be autonomous, shall be self-governing (not being subordinated to any public or private institution), shall be voluntary (the membership to it not being required by law, but being possible to be based on voluntary actions in the activity it carries out). (Florescu, C., Mâlcome, P., Pop, N. Al., 2003)

NGO Monitor defines the non-governmental organization as representing an autonomous, non-profit, apolitical organization which supports a range of causes of public interest.

In this new framework, of conferring a prominent place in the contemporary society life, non-profit organizations are more and more concerned with improving their performances, in a context in which there is an increase in the competition for obtaining financing sources necessary for their activity and also for satisfying the requirements of the public they serve, beneficiary of an increasing freedom of choice over the organizations they want to go to. These new circumstances determined, lately, an increasingly conspicuous orientation of non-profit organizations towards the exterior, specific to modern marketing approach. The proof as regards this approach results from the manner in which they announce their mission, from the manner in which information is collected and shared and from the fact whether decisions are taken from the point of view of the consumer (Hill, E., O’Sullivan, T., 1997).

Experience so far showed that only the organizations having adopted such approach,
irrespective of their size or purpose, have been successful on a long term.

It is evident that in this context, the marketing specific to non-profit organizations also has some specificity elements as regards the means of its involvement in economic fields, starting right from the fact that, typically, the majority of them will interact with more constituents. In practice, the activity of organizations within different extra-economic areas is oriented to the exterior, towards four different major constitutive directions (Baker, M., 1994), aiming: social marketing, donor-oriented marketing, fund holder-oriented marketing and commercial marketing (profit-making “means” for supporting its main mission).

Even though there are significant differences between the economic sector and non-profit sector, there are, nevertheless, two fundamental marketing concepts that they share: the idea of serving the buyers and that of the mutually beneficial exchange.

There should also be noted the fact that the approaches relating to non-profit organizations include certain differentiations from those specific to social economy - within which they are incorporated - particularly in the light of three criteria: non-profit criterion (as compared to other components of social economy within which the resulting surplus is distributed among the members), democracy criterion (referring to the free of charge supply, by non-profit organizations, of certain services for the members of the company), people serving criterion (non-profit organizations may provide services both to the target public and to the corporations they are financed by). (Cace, S. coordinator, 2010)

Given that they become increasingly important in the contemporary society, non-profit organizations are considered as representing, according to the renowned American specialist Peter Drucker, the “forefront of the future development of marketing”. (Drucker, P.)

- The specific aspects of the legal-institutional framework of action of non-profit organizations within the Community

The development of a democratic society is related to the development of an open civil society, particularly to the development of non-governmental organizations, which can satisfy citizens’ requirements by an active involvement. Consequently, the non-governmental organization sector is given a priority attention within the institutional development of the European Union, determining the creation of special funds for the cooperation with the respective organizations and development of communication means between their constituent sector, the European Commission and the European Parliament.

In this new context, in which they are considered to be a critical element of the European society, non-governmental organizations benefit from a wide support and have fruitful collaboration at all structural levels of the European Union. As from 1997, Jaques Santer, at that time president of the European Commission, said that the „European Union needs non-governmental organizations in order to become itself”.

The relevant actors, i.e. the European Union-specific bodies, with a key role in the social economy sphere, and implicitly, in that of non-profit organizations, are represented by the European Parliament, European Commission and European Economic and Social Committee (the most important advisory body of the European Union).

By creating the institutional framework and the adequate forms of partnership with the public administration and private sector, the non-governmental organization sector will have a decisive positive aspect as regards the social-economic reform and development at European level. (Ionescu, G. A., 1997)

The sources of income available to the organizations in social economy (consequently of non-profit organizations as well) consist of: governmental financing (at central and local level), philanthropy (financial donations and support in kind from volunteers), profit making activities (charges for services, sales, membership fees etc.). The relative importance of the three sources varies according to each country.

Important sources of financing may be attracted from the European Social Fund, by the Sectoral Operational Programme.

The support measures of the Members States of the European Union for the organizations included in the economic-social sphere are focused on five big criteria, aiming: (a) legal provisions for tax exemptions or for granting preferential tax treatment to non-profit organizations; (b) direct financial support (in the form of subsidies and grants) and indirect financial support (e.g. in the form of salary subsidies); (c) support in business (such as provision of business incubators, advisory
services and information); (d) supporting the cooperation with public authorities and other social organizations; (e) promoting partnership projects oriented towards the forms of social economy.

In the European Union, the governments are frequently the main donors or intermediaries in financing non-governmental organizations. The method of financing of these organizations is also determined, to a certain extent, by the individual tradition of each country in the field of philanthropic activity or collaboration with charitable companies.

Within the new Community countries, the governments of the countries in question, including the government of Romania, managed, by means of the European Union programs of development of the civil society - particularly by Phare Programme - to ensure the transfer of certain funds towards non-governmental organizations. In the search for new alternatives for ensuring funds meant to guarantee the proper carrying out of the activity of these organizations, a particular emphasis is given lately to the performance of adequate changes in the fiscal system, and to the provision of fiscal facilities to non-governmental organizations.

Given that in the countries of the Central and Eastern Europe the “reviving of civil society” is under consolidation, non-profit organizations concentrate their efforts, more and more firmly, to legitimacy strengthening, capacity building and resource development, and to the increase of the efficiency of their activity. (Florescu, C., Mâlcomete, P., Pop, N. Al., 2003)

In Romania, the main regulation on non-governmental organizations is given by the Government Ordinance no. 26/2000 (on associations and foundations), amended by Government Ordinance no. 37/2003 and by Law no. 246/2005.

According to the Romanian legislation, the non-governmental organization is “the publicly or privately held, apolitical, non-profit-making legal person of public interest, recognized, according to the law, as having legal personality and which is not vested with the exercise of state authority and is not part of the public administration system”; basically, it is “a privately held non-profit-making legal person”. (Florescu, C., Mâlcomete, P., Pop, N. Al., 2003)

The legal framework for the collaboration relations between the local administration and non-governmental organizations in Romania is given by Law no. 69/1991, amended by Law no. 24/1996; furthermore, the Government Decision no. 118/1992 also describes the possibilities of carrying out the relations between non-governmental organizations and central administration.

The new Fiscal Code stipulates that any natural person in Romania can make donations in view of supporting social causes that it considers important, by directing 2% of the annual income tax towards non-governmental organizations. Therefore, the respective percent of the income tax may be directed by the organizations which deal with disadvantaged groups of people or religious groups, towards professional associations or associations which promote education, towards associations involved in community development, towards cultural or art associations and foundations or towards such entities that promote international cooperation and which defend the human rights. The respective system is implemented in an increasing number of countries of Central and Eastern Europe: starting from 1997 in Hungary, starting from 2002 in Lithuania, Slovakia and Poland, and will also be implemented in Czech Republic. This system clearly has the capacity to teach citizens what democratic participation means and will generate a significant change in their involvement in the relation with non-profit organizations. At the same time, the system encourages the respective organizations to search for resources within the Community and to be attentive to the needs of the persons that they can and shall serve.

The activity of non-governmental organization in Romania is also improved by the fact that they benefit, currently, of some fiscal facilities, relating, for example, to customs duty exemptions for certain categories of goods (received as social, humanitarian, cultural and educative benefits, whose destination may not be changed); application of certain provisions of the sponsorship law for different non-governmental organizations which carry out humanitarian, philanthropic, cultural, educative, religious, sportive activities or which are oriented towards the defense of human rights, civil education or improvement of environmental quality; stimulation, based on tax reduction, of the welfare actions of the corporations by sponsorships and patronage; application of zero quota or VAT
exemption for the activities carried out, mainly non-profit-making etc.

Currently, the financial resources for the non-governmental sector in Romania, come both from the financings from public financing structures (central and local administration) or private financing sources, which have programmes dedicated to financial aid for non-governmental organizations in Romania, and from sponsorships from the business sector, from funds obtained by the respective organizations from their own economic activities (obtained, however, in a rather reduced proportion1), from membership fees and last but not least, from resources coming from international financing organizations (including governments or private foundations), based on certain assistance and financing programmes.

A relevant example of the partnership between the public sector and non-governmental sector is the granting of subsidies to the associations and foundations which establish and administrate social assistance units.

**Conclusions**

By its approach and by its entire specific arsenal, marketing will be, for all non-profit organizations in Romania, without any doubt, the key for the success in their future activity and will have, within the new extended framework of the European Community specific space, an increasingly wider sphere of action. The incorporation of marketing by the respective organizations will clearly contribute to the increase of their capacity to involve, more and more actively, in sorting out the community problems - at its different levels -, and to ensure their higher efficiency.

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1 The main fiscal facility addressed to those NGOs which conduct economic activities is the exemption from profit tax payment for the incomes generated by the economic activities they conducted, by the level of 15 thousands euros in a fiscal year, but only up to 10 % from the total revenues exempted from the profit tax payment.