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EFFECT OF NON-PROFIT MARKETING ON CUSTOMERS' PURCHASING BEHAVIOR IN SAUDI ARABIA

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ABSTRACT

Non-profit marketing is a business division that relates to the practices and tactics that convey the word of a single company. Customers purchase in accordance with the marketing of the brands. Furthermore, marketing companies ensure that they market for a cause and conduct non-profit marketing there by affecting the customer's purchasing behavior. Therefore, there is link between non-profit marketing and customer purchase decisions, which needs to be explored. Thus, this work has examined the effect of non-profit marketing on customer's purchasing behavior in Saudi Arabia. This work was done based on qualitative method. The data were collected using survey questionnaire. The sample populations were 118 consumers from Jeddah, and were sampled using random sampling technique. The results have shown that there is significant effect and influence between non-profit marketing and customer purchasing behavior. Thus, it is concluded that companies in Saudi are practicing non-profit and it is showing good effect on consumers purchasing behavior.

1 INTRODUCTION

Marketing is a much broader subject and field than just a series of different business-related functions [1]. Marketing can be seen as a business theology intended to create a sharing attitude that could be shared by everyone in a particular organization. It is affected by frequent and open communication that promotes the development of such an attitude [1]. Marketing also reduces the likelihood of a crisis and contributes to the overall development of a company at both a strategic and a tactical level [1].

Non-profit marketing includes the design of signs, slogans and the production of an advertising strategy aimed at introducing the company to viewers [2]. The goal of non-profit marketing is to endorse the values and causes promoted by the company in order to draw the interest of supporters and prospective donors. Non-profit promotion varies based on the cause sponsored. Another approach adapted by non-profit marketing agencies is to promote behavioral change, customer intervention or awareness raising, and is known as a response-focused initiative [2]. There are also numerous participative initiatives in which the buying of web content by the user is induced by corporate contributions. One of the most common marketing methods incorporated by non-profit organizations is Internet marketing, which is often a widely employed field for the profit sector [3].

One of the main constraints encountered by most non-profit organizations is the lack of resources, personnel, time and communication skills [3]. The limitations are interlinked, since it is impossible for a non-profit agency to recruit skilled communications staff without financing. As a consequence, marketing is frequently limited to volunteers or pre-existing overworked employees who are not well qualified in marketing [4]. The lack of financial and human capital will inevitably contribute to low brand awareness, uncertainty and intensified competitiveness and failure of the company. Another drawback to non-profit marketing is that its concepts and causes can be harder to sell than consumer goods and services. Non-profit marketing, however, has a well-defined task, while other industry sectors do not. In comparison, non-profit organizations have a lower marketing budget that limits marketing materials [5].

Consumer purchasing activity relates to the collection, acquisition and use of products and services offered on the market [6]. This is, in particular, to fulfill the desires and the desires. Consumer behavior includes the study of people and their strategies of choosing, utilization and recognition of goods as well as resources to satisfy their needs, and the effects that these approaches have on customers and society. Consumer purchase behavior usually refers to the emotions, feelings and behaviors that a person has or may take while buying a certain good, service or concept [7]. The consequence of consumer buying behavior is the final decision of the buyer to buy.

This has a significant effect on the performance of the company and will help advertisers to accurately forecast how customers will react to potential marketing campaigns. [8] Various factors have an effect on consumer buying habits, such as internal or psychological variables, including motivation, understanding, conviction and behavior [9]. The social factors that influence customer behavior are family; comparison, position and status, while the cultural factors that influence consumer behavior are subculture, social class, etc. Furthermore, personal or family wealth, liquid assets and consumption aspirations are economic variables that have an effect on customer behavior. Specific characteristics such as age, wealth, career, lifestyle and appearance often have a major effect on consumer buying behavior [10].

Non-profit marketing is an important way for businesses to show corporate social responsibility and engagement [11]. There are several companies who have started to connect their goods and services to a number of common non-profit marketing causes. This is especially true of social and ecological causes due to the increasing public concern about environmental and social issues [12]. This eventually influences the general estimation of the consumer and the buying behavior of the different goods or services provided by the company. This has a two-way advantage, as it mutually supports the trading pact between a profit-making corporation and a non-profit group [12]. This collaboration is focused around the goal of offering support to a non-profit agency to collect money and to benefit society as well [13].

According to previous studies, it has also been concluded that, as a result of non-profit marketing, a certain brand image is formed into the minds of customers [14]. Another additional advantage to this effect on customer buying habits and company reputation is the appeal to shareholders. This, in essence, will have an impact on the company's total profits and boost its image on the market. Consumer views and expectations are of critical significance to the company and the primary causes of these views are non-profit marketing campaigns [15].

In Saudi Arabia, extreme competition in the domestic and foreign markets has driven companies to implement innovative tactics in order to establish a sustainable competitive edge. Non-profit marketing has made it easier for various corporations and organizations to be more responsible for company spending. Customer's purchasing behavior has demonstrated increased support to firms with corporate contribution schemes and non-profit marketing methods. Thus, this work has examined the effect of non-profit marketing on customer's purchasing behavior in Saudi Arabia.

2 METHODOLOGY

This work has utilized quantitative research method. The data collection tool used here is the survey whereby survey is prepared in the Google Survey. The questionnaire comprises of demographic questions and research related questions in order to get the results and insight to the topic under investigation. The sample involved 118 customers present in Jeddah, Saudi Arabia which comprises of both males and females ranging in the age of 16 up until 40 years and above of different qualification and professional status. The sampling technique involves random sampling as the customers were chosen randomly who had varying patterns and behaviors. The data were analyzed based on basic percentage statistic and were presented in graphical form.

3 RESULT AND DISCUSSION

3.1 Demographic Characteristics

The details of the demographic findings are shown in Table 1. Based on Table 1, for the age group, the age of the respondents are 16 – 21 years (7.6%), 22 – 29 years (72.9%), 30 – 39 years (11%), and 40 years and above (8.5%). For gender classification, the genders of the respondents are female (74.6%) and male (25.4%). In addition, as for level of education, the highest education level is high school or below (19.5%), diploma (22%), university degree (46.6%), master degree (8.5%), and PhD (3.4%).

Table 1: Demographic information

Criteria	Categories	Percentage (%)
Age	16 – 21 years old	7.6%
	22- 29 years old	72.9%
	30- 39 years old	11%
	40 years old and above	8.5%
Gender	Male	25.4%
	Female	74.6%
Education Level	High school or	19.5%

Criteria	Categories	Percentage (%)
	below	
	Diploma	22%
	University	46.6%
	degree	
	Master's	8.5%
	degree	
	PhD	3.4%

3.2 Questionnaire Analysis

This section presents the outcome of the questionnaire analysis. The findings are presented in graphical form based on each question statement. The initial statement asked was "Marketing can include the concept of non-profit as well". Based on Figure 1, the respondents replied to the statement in the following manner: strongly disagree (0%), disagree (5.1%), neutral (27.1%), agree (35.6%) and strongly agree (32.2%).

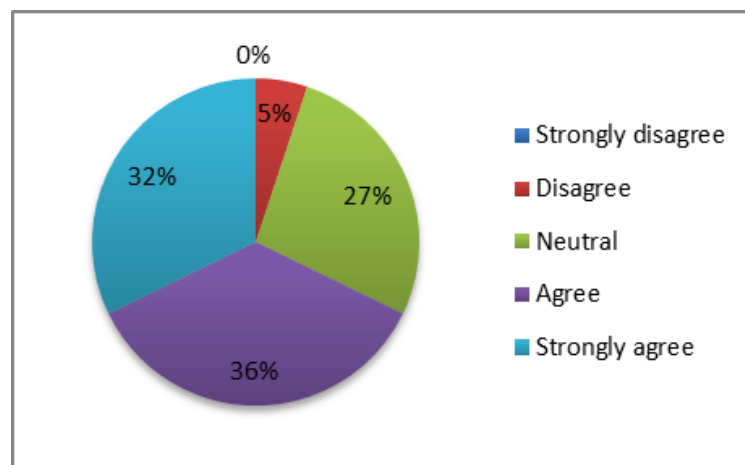


Figure 1: Marketing can include the concept of non-profit as well

The next statement asked was "Non-profit marketing is a part of cause related marketing to initiate it as another marketing strategy". Based on Figure 2, the respondents replied to the statement in the following manner: strongly disagree (0%), disagree (1.7%), neutral (22%), agree (55.1%) and strongly agree (21.2%).

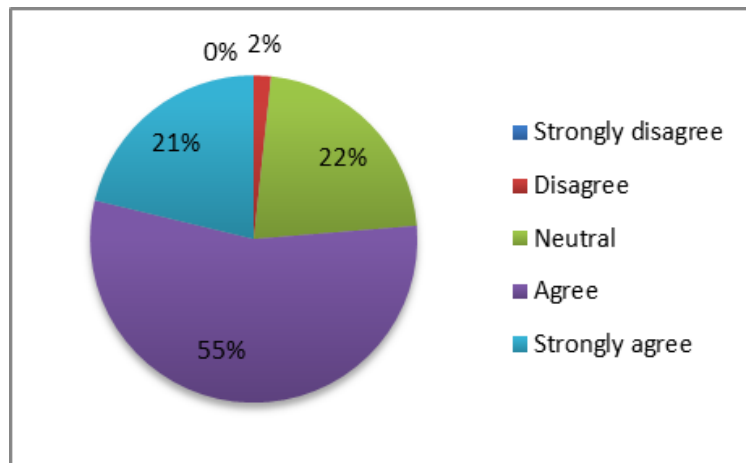


Figure 2: Non-profit marketing is a part of cause related marketing to initiate it as another marketing strategy

The next statement asked was "It becomes more attractive for the company to include non-profit marketing". Based on Figure 3, the respondents replied to the statement in the following manner: strongly disagree (0%), disagree (4.2%), neutral (17.8%), agree (49.2%) and strongly agree (28.8%).

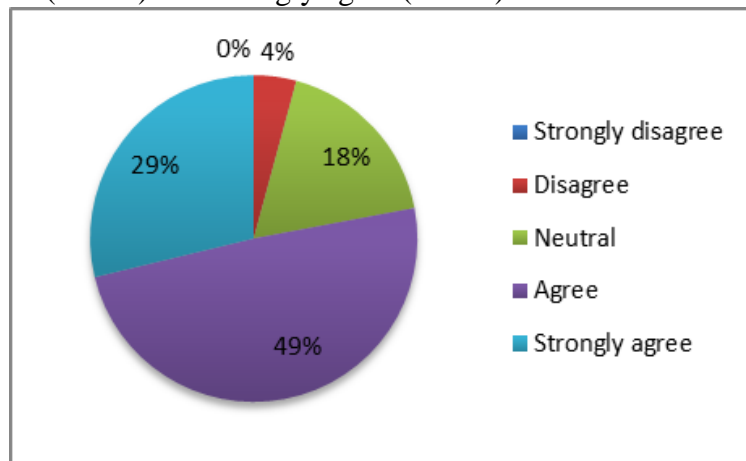


Figure 3: It becomes more attractive for the company to include non-profit marketing

The next statement asked was "It helps increasing in the sales and profit of the company". Based on Figure 4, the respondents replied to the statement in the following manner: strongly disagree (0.8%), disagree (4.2%), neutral (25.4%), agree (39.8%) and strongly agree (29.7%).

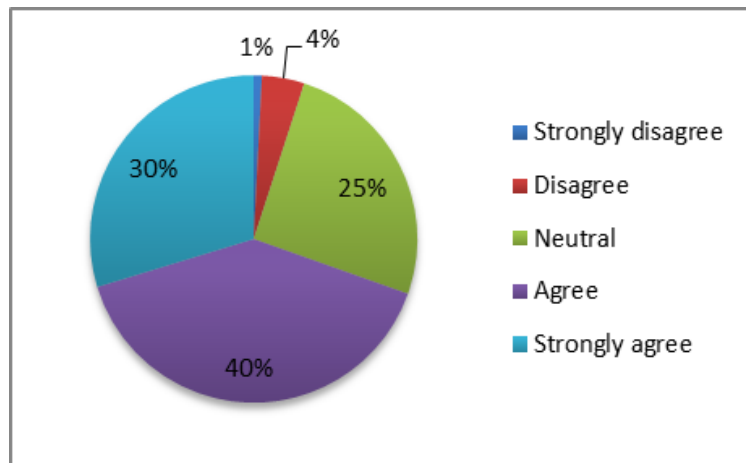


Figure 4: It helps increasing in the sales and profit of the company

The next statement asked was "It is a part of a social and environmental strategy of the business". Based on Figure 5, the respondents replied to the statement in the following manner: strongly disagree (0.8%), disagree (5.9%), neutral (11.9%), agree (50.8%) and strongly agree (30.5%).

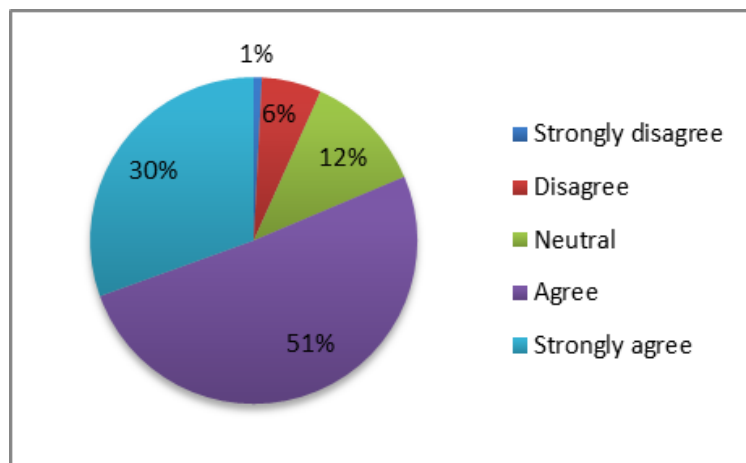


Figure 5: It is a part of a social and environmental strategy of the business

The next statement asked was "This type of marketing includes Corporate Social Responsibility (CSR)". Based on Figure 6, the respondents replied to the statement in the following manner: strongly disagree (0.8%), disagree (5.9%), neutral (15.3%), agree (46.6%) and strongly agree (31.4%).

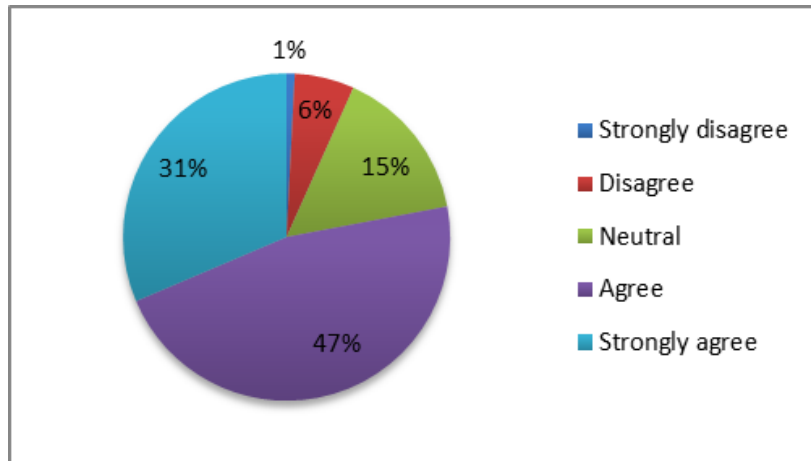


Figure 6: This type of marketing includes Corporate Social Responsibility (CSR)

The next statement asked was “CSR is a part of marketing strategy”. Based on Figure 7, the respondents replied to the statement in the following manner: strongly disagree (0%), disagree (4.2%), neutral (17.8%), agree (43.2%) and strongly agree (34.7%).

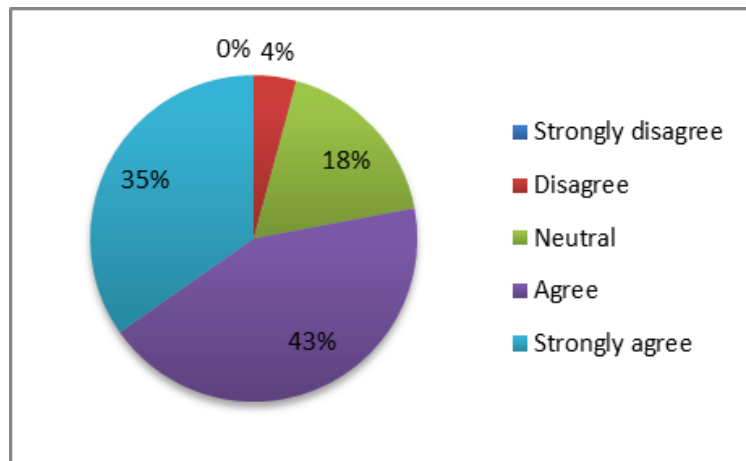


Figure 7: CSR is a part of marketing strategy

The next statement asked was “CSR should be included in the goals and objectives of the company”. Based on Figure 8, the respondents replied to the statement in the following manner: strongly disagree (0%), disagree (5.1%), neutral (16.9%), agree (49.2%) and strongly agree (28.8%).

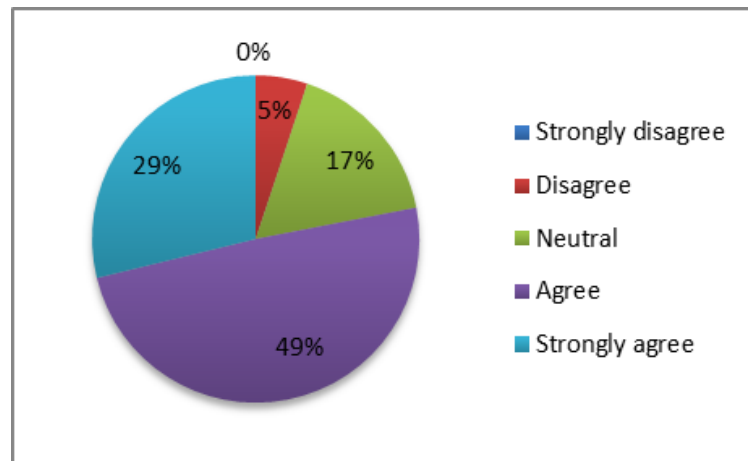


Figure 8: CSR should be included in the goals and objectives of the company

The next statement asked was "It meets and benefits both the individual and organizational needs". Based on Figure 9, the respondents replied to the statement in the following manner: strongly disagree (1.7%), disagree (5.1%), neutral (17.8%), agree (41.5%) and strongly agree (33.9%).

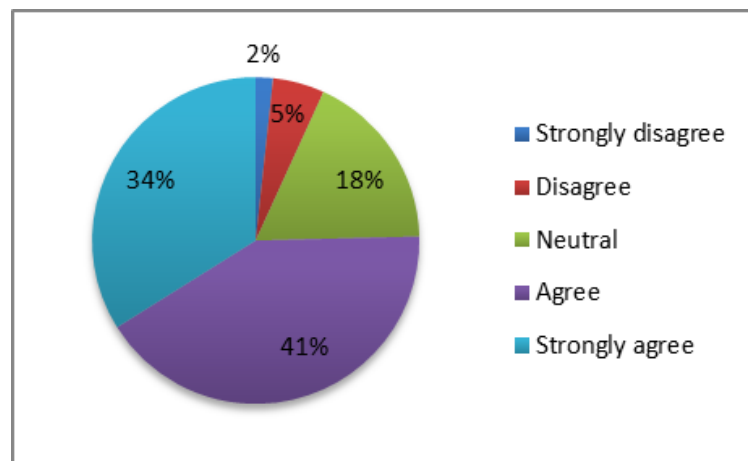


Figure 9: It meets and benefits both the individual and organizational needs

The final statement asked was "It changes the behavior and attitude of the customers". Based on Figure 10, the respondents replied to the statement in the following manner: strongly disagree (1.7%), disagree (4.2%), neutral (11.9%), agree (50.8%) and strongly agree (31.4%).

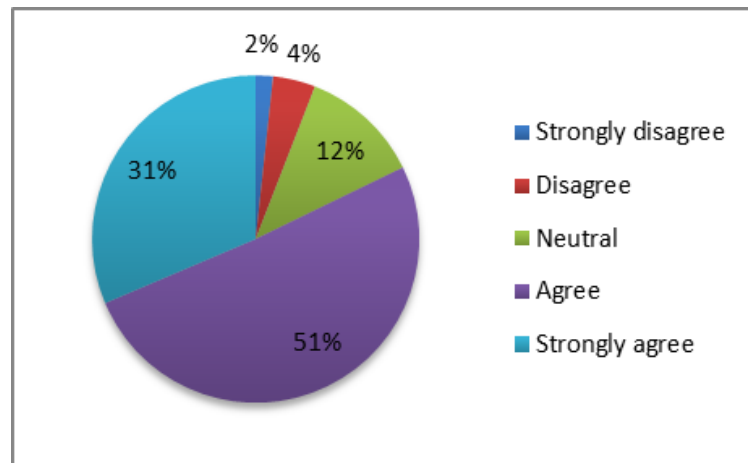


Figure 10: It changes the behavior and attitude of the customers

3.3 Overall Discussion

The findings of this work have confirmed that positive and encouraging effect of non-profit marketing on customer's purchasing behavior in Saudi Arabia. Majority of the respondents have agreed to the various question in the survey. This has shown the positive role of non-profit marketing on the purchasing outcome. Their behavior is affected by several factors out of which the companies use non-profit marketing as a strategic tool. Non-profit marketing enables the organizations to link themselves to good causes and thereby become more attractive to the potential customers. These interactions can also have an effect on the views of the corporation. In addition, a non-profit marketing approach is used for industry to build a partnership with, or for a legitimate reason, a foundation of mutual benefit.

4 CONCLUSION

This paper has scrutinized the effect of non-profit marketing on customer's purchasing behavior in Saudi Arabia. The findings have shown that there is positive influence of non-profit marketing on customers purchasing intention and decision. Furthermore, the findings of this work significant has assisted understanding the concept of profitable companies carrying out non-profitable advertising and how it affects customers' behavior while purchasing in the KSA. Thus, this strategy is encouraging and the other companies in Saudi Arabia to enhance their economic status and boost their company revenue can utilize it.

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