Philanthropy In Belgium - Fundraising: Organizational Strategies And Tools

Scheerlinck, Eef, University College Ghent; Faseur, Tine, Hogeschool-Universiteit Brussel - Catholic University Leuven; Bouckaert, Ann-Sophie, University College Ghent, Belgium – Campus Aalst, Faculty of Business and Information Management; Persyn, Joke, University College Ghent, Belgium - Campus Schoonmeersen, Faculty Education, Health & Social Work; De Coster, Ilja, Fundraisers Alliance Belgium

Even though government grants have been the dominant source of income for Belgium’s nonprofit sector (Salamon, 2004), philanthropy is playing an increasingly important role in Belgium's economic situation. Due to successive public expenditure cuts, nonprofit organizations feel an increased pressure to diversify their sources of funding and they need to look for philanthropic sources (Ispos Public Affairs, 2012). The growing importance of private fundraising calls for a professional approach. Even though literature shows that private donations are becoming more important in Western European welfare states, Schuyt (2010) argues that the potential of private fundraising has not yet been recognized and philanthropy has yet to become a tradition to be established.

Research focusing on Belgian fundraising is fairly limited. Existing research mainly focuses on the giving side of fundraising (e.g. Carton, Gijselinckx & Hustinx, 2011). Research on the organization’s point of view is limited to small, private initiatives or merely focuses on one fundraising channel (e.g. Rombaut & De Coster (2008); Verhaert (2010)). This illustrates the need for an overall study that maps out how private fundraising from philanthropy is currently organized in Belgium. Therefore, the main research questions are: (1) How is private fundraising operationalized, in terms of organizational structures and strategic approaches? (2) What fundraising tools are used and how successful are they? (3) Which needs and bottlenecks are there among Belgian fundraisers? This contribution also seeks to identify the variables that help explain fundraising success and more specifically, the success of different fundraising tools.

A qualitative study of 21 in-depth interviews, conducted with the people in charge of fundraising in Belgian nonprofit organisations, explored how fundraising takes place. Taking into account variables like region, activity domain and size of the organization, a non-stochastic sample was drawn of 21 Belgian nonprofit organizations that raise private funds. A semi-structured questionnaire was set up, based on a comprehensive literature study. The questions related to the importance of fundraising in the organizational structure (e.g Hager et al., 2002), the existence of a fundraising culture (e.g. Shoham et al., 2006), the degree of a strategic approach towards fundraising and the use and effectiveness of fundraising tools.

Hypotheses based on the qualitative part are being tested in the quantitative part.
of the study, by means of a structured questionnaire. An e-mail survey is sent to a representative sample of 8000 Belgian nonprofit organizations (all regions, sizes and activity domains are covered). The survey targets people who are responsible for private fundraising and aims to collect a minimum of 500 submissions.

Although the quantitative part of this study will only be completed by March 2014, the qualitative part provided some indications as to what the results might be. For example, there are signals that different organizations value fundraising differently in their organizational structure. We also perceive a negative attitude towards fundraising in the culture of many nonprofit organizations. It seems that a lot of fundraising problems are caused by a lack of internal fundraising and marketing oriented culture. Additionally, there seems to be a positive correlation between the total income and having full-time employees for fundraising on the one hand and the profundity of the strategic planning process (a factor that is considered crucial in the overall fundraising approach (Sargeant & Jay, 2004)) on the other hand.

When it comes to the fundraising tools used, it appears that traditional fundraising channels (such as direct mail) remain prevalent for Belgian fundraisers compared to new online and mobile channels. The fundraising channels were also compared to one another, taking into account different issues (type of requested donations, channel’s target group and other success variables). Among other results the qualitative research shows that paid mass media and telemarketing are almost exclusively used by large organizations, that direct mail mainly reaches a declining older audience, that telemarketing only works for asking regular donations rather than one-off donations. An important indicative conclusion from the qualitative study is that in Belgium, as in other countries (Hager et al., 2002), the understanding of fundraising is hampered by a lack of financial information on fundraising efforts and costs. Special attention was given to factors that make it difficult to benchmark fundraising (e.g. Aldrich (2009); Yi (2010)). As a consequence, the assessment of the fundraising channels’ efficiency is mainly limited to the fundraiser’s expertise.

The combined results of the two studies will give a comprehensive answer to the research questions, and form the first step to more knowledge of Belgian fundraising. Furthermore, it can serve as a stepping stone for further research to increase fundraising effectiveness.