Stanford SOCIAL INNOVATION REVIEW

The Role of Brand in the Nonprofit Sector

By Nathalie Kylander & Christopher Stone

Stanford Social Innovation Review
Spring 2012

Copyright © 2012 by Leland Stanford Jr. University
All Rights Reserved

THE
ROLE
OF
Brand
IN THE
NONPROFIT
SECTOR

Many nonprofits continue to use their brands primarily as a fundraising tool, but a growing number of nonprofits are developing a broader and more strategic approach, managing their brands to create greater social impact and tighter organizational cohesion.

By Nathalie Kylander & Christopher Stone

Nonprofit brands are visible everywhere. Amnesty International, Habitat for Humanity, and World Wildlife Fund are some of the most widely recognized brands in the world, more trusted by the public than the best-known for-profit brands.[1] Large nonprofits, such as the American Cancer Society and the American Red Cross, have detailed policies to manage the use of their names and logos, and even small nonprofits frequently experiment with putting their names on coffee cups, pens, and T-shirts.

Branding in the nonprofit sector appears to be at an inflection point in its development. Although many nonprofits continue to take a narrow approach to brand management, using it as a tool for fundraising, a growing number are moving beyond that approach to explore the wider, strategic roles that brands can play: driving broad, long-term social goals, while strengthening internal identity, cohesion, and capacity.

The Bill & Melinda Gates Foundation, for example, recently appointed Tom Scott as director of global brand and innovation. Oxfam International embarked on a confederation-wide "global identity project." And GBCHealth was one of several organizations completing a rebranding process. Brand managers in these pioneering organizations were focusing less on revenue generation and more on social impact and organizational cohesion. Indeed, some of the most interesting brand strategies are being developed in endowed, private foundations with no fundraising targets at all.

"We're catalysts," says Scott. "Could we have greater impact if we leveraged our brand in different ways? What difference could it make to attach our logo to things to move conversations forward or elevate certain issues? Can we use our brand to elevate other brands?" The questions Scott asks aren't about raising money. Instead, they are about how to leverage the Gates Foundation brand in the cause of greater public discourse and social impact.

Although the ambitions of nonprofit brand managers are growing, the strategic frameworks and management tools available to them have not kept up. The models and terminology used in the nonprofit sector to understand brand remain those imported from the for-profit sector to boost name recognition and raise revenue.

Nonprofit leaders need new models that allow their brands to contribute to sustaining their social impact, serving their mission, and staying true to their organization's values and culture. In this article, we describe a conceptual framework designed to help nonprofit organizations do just that. We call this framework the Nonprofit Brand IDEA (in which "IDEA" stands for brand *integrity*, brand *democracy*, brand *ethics*, and brand *affinity*).

The framework is the result of an 18-month research project we led with colleagues at Harvard University's Hauser Center for Nonprofit Organizations and collaborators at the Rockefeller Foundation. Building on previous work in the field, we conducted structured interviews with 73 nonprofit executives, communication directors, consultants, and donors in 41 organizations. Then we analyzed these interviews to learn how leaders in the field are thinking about nonprofit brands today and how they see the role of brands evolving.[2]

The Nonprofit Brand IDEA emerged from the distinctive sources of pride that nonprofit leaders expressed in what they do—pride in the social mission, participatory processes, shared values, and key partnerships—and from the distinctive role that they said brand plays to create greater cohesion inside their organizations. We developed this framework to capture the most striking things we heard in our interviews, but we've found that it also gives nonprofit leaders a vocabulary with which to manage in the new brand paradigm. Before we explain the framework in more detail, it is important to be clear about what we mean by brand and how the use of brand is evolving.

ROLE OF BRANDS

A decade ago, the dominant brand paradigm in the nonprofit sector focused on communications. Nonprofit executives believed that increased visibility, favorable positioning in relation to competitors, and recognition among target audiences would translate into fundraising success. Branding was a tool for managing the external perceptions of an organization, a subject for the communications, fundraising, and marketing departments.

In contrast, the emerging paradigm sees brand as having a broader and more strategic role in an organization's core performance, as well as having an internal role in expressing an organization's purposes, methods, and values. Increasingly, branding is a matter for the entire nonprofit executive team. At every step in an organization's strategy and at each juncture in its theory of change, a strong brand is increasingly seen as critical in helping to build operational capacity, galvanize support, and maintain focus on the social mission.

By now it should be clear that we are defining brand quite broadly. A brand is more than a visual identity: the name, logo, and graphic design used by an organization. A brand is a psychological construct held in the minds of all those aware of the branded product, person, organization, or movement. Brand management is the work of managing these psychological associations. In the for-profit world, marketing professionals talk of creating "a total brand experience."[3] In the nonprofit world, executives talk more about their "global identity" and the "what and why" of their organizations. But the point in both cases is to take branding far beyond the logo.

When we asked leading nonprofit practitioners, management scholars, and nonprofit brand consultants what a brand is, the responses were not any different from what those in other sectors might say. Some described brand as an intangible asset, and a promise that conveys who you are, what you do, and why that matters. Others felt that a brand captures the persona of an organization and represents its very soul or essence. Yet others identified brand in terms of not only what is projected but also what is perceived. Last, brand was seen as a source of efficiency because it acts as a time-saving device, providing a shortcut in the decision making of potential investors, customers, clients, and partners.

When we asked what a strong brand can bring to an organization, the similarity across sectors was again apparent. Peter Walker, director of the Feinstein International Center at Tufts University, speaks for many of his peers when he says, "A strong brand allows you to acquire more resources and gives you the authority to have more freedom over how you use them." Strong brands in all sectors help organizations acquire financial, human, and social resources, and build key partnerships. The trust that strong brands elicit also provides organizations with the authority and credibility to deploy those resources more efficiently and flexibly than can organizations with weaker brands.

It should be no surprise that nonprofit executives define brand in for-profit language. Business language is spreading in part because it is proving useful to nonprofit executives in communicating with board members and donors whose own roots are in the for-profit world, and because many of the people managing brands in the nonprofit sector have themselves come from for-profit businesses. Indeed, we were struck to find that the majority of the nonprofit brand managers we interviewed during our research had worked first in the commercial world.

Even with this convergence between the nonprofit and for-profit sectors, the nonprofit brand managers we interviewed said that brands do play distinctive roles in the nonprofit sector. These differences relate to the role of brand in driving broad, long-term social goals, the role of brand inside nonprofit organizations, and the multiplicity of audiences that nonprofits must address. These differences may come down to questions of emphasis and focus, since brands in the for-profit world also contribute to long-term business purposes, play internal roles, and speak to multiple audiences. Still, we believe the greater weight given to these roles in the nonprofit sector is fundamental, rooted in the fact that each nonprofit advances a multiplicity of value propositions, irreducible to a single monetary metric, most of which can be advanced only if the other organizations in its field also succeed.[4]

"Brand becomes critical when you're seeking to create partnerships, when you're seeking other funders, and when you're looking to associate yourself with people in the field," explains Diane Fusilli, a global brand consultant and former communications director at the Rockefeller Foundation. "A strong brand helps bring greater credibility and trust to a project quicker, and acts as a catalyst for people to want to come to the table."

ENGAGING BRAND SKEPTICS

The Nonprofit Brand IDEA is based on two themes that we discovered during our research: the distinctive sources of pride that nonprofit leaders have in their organizations, and the distinctive roles that brand plays inside these organizations to create cohesion and build capacity. We turn first to the sources of pride.

Interestingly enough, the way that we identified the sources of pride was by first listening to nonprofit leaders express their skepticism about the role of branding in the nonprofit sector. It turns out that the old brand paradigm has produced a deep current of skepticism about branding within nonprofit organizations, making many nonprofit leaders ambivalent about both the concept of brand and the terminology of branding. Although some branding professionals urge nonprofit leaders to push past this skepticism, we believe the skepticism suggests how nonprofit brands might be managed differently from their for-profit counterparts. Our interviews surfaced at least four legitimate sources of skepticism.

First, many nonprofit leaders still widely associate branding with the commercial pursuit of monetary gain. Brand skeptics think of the premium prices that for-profit firms charge for brand-name

Nathalie Kylander is an adjunct lecturer in public policy at Harvard University's John F. Kennedy School of Government and a research fellow at Harvard's Hauser Center for Nonprofit Organizations. She is also an adjunct assistant professor of international business at the Fletcher School at Tufts University. Kylander has been researching nonprofit brands for more than a decade.

Christopher Stone is the Daniel and Florence Guggenheim Professor of the Practice of Criminal Justice at Harvard University's John F. Kennedy School of Government and the faculty director of Harvard's Hauser Center for Nonprofit Organizations. Before joining Harvard he served 10 years as CEO of the Vera Institute of Justice, a nonprofit that designs, implements, and evaluates innovations in the administration of justice in the United States and other countries. In July, Stone will leave Harvard and become president of George Soros's Open Society Foundations.

products and worry that this elevation of brand over substance will debase their work. They worry that the names of their organizations will be inflated beyond what the quality of their work alone would support, as the pursuit of revenue becomes a goal in its own right. They also worry that their organizations will be "selling ideas the way you sell cereal," as Mahnaz Afkhami of the Women's Learning Partnership for Rights, Development, and Peace puts it. Scholars studying nonprofit branding similarly worry about the "overcommercialization of the [nonprofit] sector and misappropriation of techniques developed specifically for the commercial environment."[5]

The second source of skepticism is that brand management is sometimes seen as a top-down shortcut to avoid a participatory strategic planning process—an effort by top management to impose greater conformity in goals and priorities. Indeed, many people we interviewed drew contrasts between rebranding efforts and strategic planning. Because rebranding is usually staffed differently and organized with less participation than strategic planning, the new brand can feel peremptorily imposed from above. These concerns can be especially great when a new leader initiates a rebranding as part of an aggressive effort to change the way an organization works.

Third, brand skeptics sometimes worry that a focus on branding is grounded in the vanity of an organization's leadership rather than the needs of the organization. "I've seen situations in foundations where the brand, the reputation, has become an end in itself, or just too personal to the leadership, rather than a tool for fulfilling the mission," says Katherine Fulton, president of the Monitor Institute. We also found a broader concern that branding was sometimes driven by values that are antithetical to the organization. "Campaigns like "save a slave" seem to exploit suffering or marginalization to grab people's attention," says Afkhami. Beneath both these examples lies distrust of the value that is motivating what might be an otherwise well-intended branding effort.

The fourth concern skeptics have, particularly in organizations that work regularly in coalitions and collaborations, is that one organization's powerful brand will overshadow weaker brands, reinforcing, rather than correcting, imbalances of power among partners. When large nonprofits insist that joint activities conform to their idea of quality, brand management by the larger organization can feel to the weaker organization like bullying, and these bully brands give brand management a bad reputation. As Ramesh Singh, former chief executive of ActionAid and now with Open Society Foundations, notes: "There's a tension between bigger brands and smaller brands. The bigger international NGOs and philanthropies can (sometimes) push their own brand more, to the detriment of other organizations that can become invisible, and it's always resented."

Viewed more positively, each of these four strands of skepticism reveals a corresponding source of pride in the nonprofit sector: pride in the mission of an organization, pride in participatory planning, pride in the values that define organizational culture, and pride in supportive partnerships. The Nonprofit Brand IDEA builds on these four sources of pride, as well as on the distinctive role that brand plays in the nonprofit sector, to which we now turn.

BRANDS BRING COHESION AND CAPACITY

Just as the brand skeptics led us to the four sources of pride, the brand enthusiasts we interviewed focused our attention on the important role that brand plays inside nonprofits to create organizational cohesion and build capacity.

Many of our interviewees felt that a brand plays different roles with different audiences. Internally, the brand embodies the identity of the organization, encapsulating its mission, values, and distinctive activities. Pip Emery, who co-led the most recent global identity project at Amnesty International, puts it this way: "If you don't know where you're going and why you're relevant, you don't have a brand." Externally, the brand reflects the image held in the minds of the organization's multiple stakeholders, not just its donors and supporters but also those it seeks to influence, assist, or reach.

A nonprofit brand is most powerful when the organization's internal identity and external image are aligned with each other and with its values and mission. As brand consultant Will Novy-Hildesley describes it, "Brand is an exquisite bridge between program strategy and external communications." Indeed, it is often a misalignment between internal identity and external image that is the impetus for rebranding efforts in nonprofit organizations.

The result of alignment in mission, values, identity, and image is a clear brand positioning and increased cohesion among diverse internal constituencies. When an organization's employees and volunteers all embrace a common brand identity, it creates organizational cohesion, concentrates focus, and reinforces shared values. As Marcia Marsh, chief operating officer of the World Wildlife Fund (WWF) in the United States puts it: "Our brand is the single greatest asset that our network has, and it's what keeps everyone together." The result of this alignment and clarity in positioning is greater trust between the nonprofit and its partners, beneficiaries, participants, and donors. Because nonprofit organizations rely on establishing trust with many external audiences, doing what you say you do and being who you say you are is crucial.

Strong cohesion and high levels of trust contribute to greater organizational capacity and social impact. A cohesive organization is able to make more efficient and focused use of existing resources, and high external trust attracts additional talent, financing, and authority. This increase in organizational capacity enhances an organization's social impact. By leveraging the trust of partners, beneficiaries, and policymakers, an organization can make greater strides toward achieving its mission. On the flip side, those organizations that face challenges in terms of internal organizational coherence, or the erosion of trust held by external constituencies (either because of scandals or misperceptions), struggle to build organizational capacity and impact.

The role of brand within nonprofit organizations is therefore cyclical and can be captured in a model we call the Role of Brand Cycle. In this model, brand is nested within organizational strategy, which in turn is nested within the mission and values of the organization. Brand plays a variety of roles that, when performed well, link together in a virtuous cycle. A well-aligned identity and image position the organization to build internal cohesion and trust with external constituents. Organizations can leverage these to strengthen internal capacity and achieve impact in the world. The resulting reputation then enhances

the identity and image of the brand with which the cycle began. (For a diagram of this model, see "The Role of Brand Cycle" below.)

THE NONPROFIT BRAND IDEA

Having explained the distinctive sources of pride that nonprofit leaders have in their organizations, and the important role that brand plays in building organizational cohesion, we turn now to explaining the Nonprofit Brand IDEA framework. The four principles of Nonprofit Brand IDEA are brand *integrity*, *democracy*, *ethics*, and *affinity*.

Brand *integrity* means that the organization's internal identity is aligned with its external image and that both are aligned with the mission. We use the word *integrity* to mean structural integrity, not moral integrity. Internally, a brand with high structural integrity connects the mission to the identity of the organization, giving members, staff, volunteers, and trustees a common sense of why the organization does what it does and why it matters in the world. Externally, a brand with high structural integrity captures the mission in its public image and deploys that image in service of its mission at every step of a clearly articulated strategy. Singh talks about brand identity and image as "two sides of the coin," and explains that in his experience, their alignment "allows us to focus, to be brave ... to speak out." At ActionAid, he says, brand integrity allowed the organization to create relationships with people in the peasant movement "without which we wouldn't have been able to work."

Brand *democracy* means that the organization trusts its members, staff, participants, and volunteers to communicate their own understanding of the organization's core identity. Brand democracy largely eliminates the need to tightly control how the brand is presented and portrayed. The appetite for brand democracy among nonprofit leaders is largely a response to the growth of social media, which has made policing the brand nearly impossible. Alexis Ettinger, head of strategy and marketing at the University of Oxford's Skoll Centre for Social Entrepreneurship, puts it bluntly, "Given the rise of social media it would be insane to try to single-handedly control the brand."

Brand *ethics* means that the brand itself and the way it is deployed reflect the core values of the organization. Just as brand integrity aligns the brand with mission, brand ethics aligns both the organization's internal identity and its external image with its values and culture. This is about more than being known as an ethical organization, but extends to the organization's use of its brand in ways that convey its values. We heard many stories of lapses in brand ethics, such as using pitiful photographs of an organization's beneficiaries to motivate donors. Yasmina Zaidman, communication director at Acumen Fund, contrasts these exploitive images with Acumen's tagline "Seeing a world beyond poverty." Acumen avoids "images of poverty that ... dehumanize the people whom we want to actually help," she says, instead promoting images of "pride and dignity."

Brand *affinity* means that the brand is a good team player, working well alongside other brands, sharing space and credit generously, and promoting collective over individual interests. An organization with strong brand affinity attracts partners and collaborators because it lends value to the partnerships without exploiting them. "We came to view ourselves not as being the leader, but as a partner of choice," explains Peter Bell, former CEO of CARE. Organizations with the highest brand affinity promote the brands of their partners as much as or more than they promote their own brands, redressing rather than exploiting the power imbalances that inevitably exist in any partnership or collaboration.

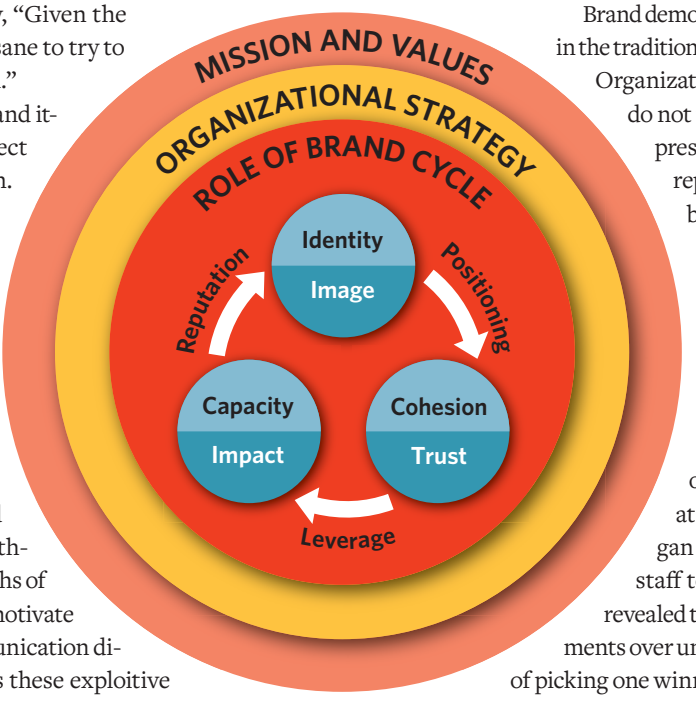
PUTTING IDEA TO WORK

In the section that follows, we explore ways that nonprofit leaders can use the four principles not only to enhance their brand, but to improve the effectiveness of their entire organization as well.

Nowhere is the practical value of brand integrity more evident than in the relationship of brand to an organization's theory of change. At WWF, for example, part of the theory of change depends on the organization's ability to persuade some of the biggest multinational corporations to enter into partnerships that lead the companies to change their business practices. WWF's strong global brand is crucial to its ability to establish these partnerships. "You're big, we're big, so we understand each other," as Emily Kelton, director of corporate relations at WWF US, puts it. Having a strong brand establishes a kind of parity between WWF and the companies they want to influence. By starting with a theory of change, and looking for the contribution that brand can make at each step, it keeps the brand tightly aligned with mission and strategy.

Brand democracy requires a fundamental shift in the traditional approach to brand management. Organizations aspiring to brand democracy do not police their brands, trying to suppress unauthorized graphics or other representations of the organization, but strive instead to implement a participatory form of brand management. They provide resources, such as sample text and online templates, that all staff can access and adapt to communicate the mission, strategy, work, and values of the organization. As part of an effort to strengthen the brand at WWF US, for example, what began as an internal competition among staff to craft a single "elevator speech" revealed the greater power of personal statements over uniform corporate slogans. Instead of picking one winner, they selected three entries as

THE ROLE OF BRAND CYCLE



samples to encourage everyone to personalize the brand. "One single company line doesn't work," says Kerry Zobor, vice president of institutional communications at WWF US. "It just doesn't ring true."

For brand democracy to produce a consistent image, however, requires strong organizational cohesion supported by a strong internal brand identity. Brand democracy is not brand anarchy. Organizations need to establish parameters for a brand, even if the space within these limits is large. Rachel Hayes, senior director of communications and community engagement at Oxfam America, describes this as "creating bookends." "These are the boundaries of our brand. And within those boundaries, each affiliate will have the ability to dial up and dial down certain messages to meet their local market, but they will be unified in overall look, in overall voice, and in graphic standards so that we do convey one brand."

Embracing brand democracy leads to the need to manage brand ethics. The risk here is not brand anarchy, but rather any individual expression of the brand that offends or contradicts organizational values or culture. Traditional values statements seem inadequate to this task, for the values made explicit in such statements tend to be at a high level of abstraction. The brand images that cause concern for brand ethics often are themselves the catalyst for making tacitly held values explicit. For example, when one chapter of Amnesty International developed a video game designed to engage young people in the movement to abolish the death penalty, others in the organization became uncomfortable. There was nothing about the game that deviated from the mission, but some people thought making a game out of something deadly serious violated organizational values. The organization's value statements provided a starting point for serious debate about how the game would shape Amnesty's image. The result was a robust discussion in which the chapter leaders convinced others of the value of the game, so that it was retained.

The practical implications of a commitment to brand affinity are especially clear in coalitions, where multiple organizations join in a common cause that has its own image and identity. Nonprofit leaders in such coalitions often worry that the collective identity will overshadow their own brand, and we heard stories of coalitions—such as the "Make Poverty History" campaign—that collapsed because of this concern. The TckTckTck campaign, in contrast, deliberately allowed the brands of individual members to remain prominent. In this coalition, each organization retained its own identity and logo, which Christian Teriete, communications director for the Global Campaign for Climate Action, describes as a flotilla of ships with distinct brand flags. "Everybody [has] this little additional flag on the top mast that [has] the [coalition identity]. So, in a way, we are all different groups, but we are all united."

FURTHER IMPLICATIONS

In addition to providing a framework for nonprofit managers and organizational strategists to better manage their brands, the Nonprofit Brand IDEA may also prove useful in managing other tasks, such as board governance, global operations, and risk management.

The emerging brand paradigm suggests a new role for directors and trustees of nonprofit organizations in the governance of brand. Rather than asking how brand management is contributing to revenue, boards (like managers) are beginning to ask how the brand is aligned with the mission, values, and strategy of the organization. They are asking about the alignment of image and identity, and they are asking about the contribution of brand to internal cohesion as well as to external trust. Perhaps most importantly, boards are asking about the role of the brand in enhancing operational capacity and driving social impact. Boards looking for metrics of effectiveness of brand management might measure increases in commitment and pride among staff and directors, and those conducting qualitative evaluations might probe for signs that mission drift has been reduced and that choices about which projects, resources, and partnerships to pursue have been easier to make. A strong brand should increase both the speed and the breadth of consensus decisions in governing bodies.

Brand management is especially challenging for organizations working globally. Because language and symbols vary from country to country, equating brand with specific words or images can be perilous for global organizations. These organizations will find it particularly important to build their brands around mission, values, and strategy, leaving it to the local affiliates operating in particular countries or cultures to represent these ideas in their own way.

An organization with a low profile and very little reputation may be willing to take great risks, but once the organization has established a trusted brand it may be hesitant to pursue projects that could put the brand at risk. We explored this issue in our interviews and were impressed at how often the inevitability of this dynamic was rejected. Nonprofit leaders acknowledged that there can be tension between brand protection and the risks inherent in innovation or advocacy, but these are tensions that good management should be able to handle. Indeed, it appears that high brand integrity may, by strengthening internal cohesion and trust among partners, enable an organization to do more, which may translate into a greater willingness to experiment, take risks, and drive innovation.

Looking ahead, we expect nonprofit executives, boards, and staff to become increasingly confident about managing their brands in distinctive and powerful ways. Just as the specification of theories of change has given nonprofit strategy a distinctive feel, brand integrity, democracy, ethics, and affinity can help distinguish brand management in the nonprofit sector. ■

The authors are grateful to their collaborators at Harvard University's Hauser Center for Nonprofit Organizations, Sherine Jayawickrama, Johanna Chao Kreilick, and Alexandra Pittman, and to Zia Khan, Melvin Galloway, and Claudia Juech at the Rockefeller Foundation, who shaped and supported this research.

Notes

1 2011 Edelman Trust Barometer (http://www.edelman.com/trust/2011).

2 In the first phase of the research, we assembled a snowball sample of 31 nonprofit executives, consultants, and academics, coding those interviews and analyzing them using software designed for qualitative analysis. In the second phase, we conducted deeper examinations of selected organizations, interviewing several staff members and constituents at each.

3 See "More than Virtual: Marketing the Total Brand 'Experience,'" June 7, 2011, at http://knowledge.wharton.upenn.edu/article.cfm?articleid=2791.

4 In 1998, a seminal work on nonprofit brands emphasized both the internal role of nonprofit brand and the "multiple publics" that nonprofit brands address. Robin Richie, Sanjeev Swami, and Charles Weinberg, "A Brand New World for Nonprofits," *International Journal of Nonprofit and Voluntary Sector Marketing*, Vol. 4, No. 1, 1998: 29-32.

5 Helen Stride, "An Investigation into the Values Dimensions of Branding: Implications for the Charity Sector," *International Journal of Nonprofit and Voluntary Sector Marketing*, Vol. 11, No. 2, 2006: 115-24.