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**ASSEMBLING RESOURCES FOR
COMPETITIVE ADVANTAGE IN BEQUEST
FUNDRAISING: THE LEGA DEL FILO D’ORO
CASE**

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Introduction

The topic of non-profit and charities economy continues to fascinate scholars and researchers all around the world receiving increasing attention. This is because the voluntary sector keeps growing considerably in size and importance; the number of non profit organizations has increased in the last decades (Pope et al, 2009). Such a drastic increase in number also fosters additional challenges for non-profit organizations (NPOs) to compete for funding and resources (Lee & Markham, 2015). From many years, non-profit organizations have realized that they can benefit from many business like practices taken from the profit sector as they are becoming more and more confronted with market pressures typical of traditional companies, like the attainment of funding and the need to earn money to fulfill their mission (Andreasen and Kotler, 2003; Brady et al., 2011; Dolnicar and Lazarevski, 2009).

Such techniques and approaches have been deemed critical to non-profit also by the academic field as the success in achieving goals for non profit organizations nowadays depends largely on their fundraising performance and proper implementation of marketing activities.

Competition for the attainment of funds in the non profit sector often occurs not only among NPOs pursuing a similar mission, but also at a broader level, among

different organizations that despite the differences of their mission, try to reach the same target of donors. Such competition became fiercer in recent years as NPOs absorb much of the duties and provide much of the services the State cannot accomplish anymore due to the major economic crisis that narrowed worldwide the boundaries of the Welfare State. That is why fundraising increasingly became a source of competitive advantage for non profit organizations, having the competition for donors multiplied. Maintaining successful financial performance in order to achieve an altruistic social goal is a tough challenge that most nonprofit managers face. A NPO that cannot attract donations, grants, or fees sufficient to cover costs and produce excess revenues to sustain operations, support growth, and survive economic downturns, will fail. Therefore, it is important to take into consideration the financial performance of NPOs, increasingly reliant on the fundraising activities. Claiming that nonprofits should seek superior financial performance does not attenuate the altruistic status of nonprofit organizations, nor diminish the priority of their missions. A superior financial performance (superior to other organizations, to NPO's own previous performance, to NPO's performance goals or to the level of performance necessary to sustain the organization) is critical to NPO's sustainability as it is to for-profit (McDonald et al., 2015).

Fundraising itself evolved, shifting to a relational view with donors rather than a transactional one, articulating itself among new tools, also thanks to the digital revolution, able to strengthen a long-term relationship with the donors. Amongst these tools, charitable bequest or legacy represents an increasingly growing source of incomes for non profit organizations that decide to invest their fundraising efforts also in this direction. Receiving a bequests gift represents the pinnacle, the fulfillment of the relationship. This is particularly true when it come to the Anglo-Saxons (Western countries) markets where the discipline of fundraising was born and where bequests to charities account for enormous amount. In the USA, in 2016 were reported over US\$31billion in charitable bequests, which was substantially greater than all corporate donations. In Australia, one on ten charities described bequest giving as their most important source of funding. While in UK, every year, charities receive an average of £1.8 billion in funds from bequest. In the Netherlands, the average amount of money coming from bequests during the last 10 years was almost €200 million per year, which is 23% of the total income from fundraising.

In Italy, this form of giving is rather unusual, due to a specific cultural and administrative context that countered a widespread diffusion of bequests amongst individuals. Bequest giving is estimated to be around 1.1 billion Euros with a 10% of people over 55 years old leaving a charitable bequest. However, from now to

2030 the potential amount of funds coming from not inherited assets could reach 129 billion Euros. Within this context, a few pro-active organizations have started to develop this technique in the last decades and are witnessing genuine results from this endeavor. Amongst them, the organization considered within this work, which has been one of the firsts to adopt bequests fundraising in the country, nowadays their incomes from this tool account for roughly 40% of the total fundraising revenues. Bequests fundraising will increasingly become a new frontier for the charities' fundraising departments around the world because of the current changes in lifestyles and social values. The generations holding "traditional" values are passing, to be replaced by generations with very different approaches to consumerism, religious belief and civic society. (Richardson & Chapman, 2005). The next generation to consider bequests giving will also feature large numbers of single households and will reflect the increasingly multiethnic and multicultural society (Sargeant and Lee, 2002).

Considering the outlined framework this work intend to approach this increasingly challenging topic, with the aim of understanding how a non profit organization can achieve a position of competitive advantage by improve its fundraising performance thanks to charitable bequests.

Therefore, this work aims to find an answer to the following research questions. What kind of resources are required to an organization in order to gain a

competitive advantage in bequests fundraising; how these resources are assembled and how their leverage can lead to a superior performance in terms of funds attained with this instrument. In order to address these inquiries, the lenses of resource advantage (R-A) theory will be applied to examine a non profit organization recognized as a leading case in bequest fundraising. R-A theory will serve as an anchor for this study placing boundaries to the study. Through these lenses, this work will identify the resources NPOs can acquire, imitate, substitute and leverage in order to advance their position of competitive advantage. The research will focus on the intangibles resources according to the R-A theory definition (notably human, organizational, relational and informational).

The thesis is structured in four chapters.

In Chapter 1 there will be a general overview of the development of fundraising in the non profit world, an historical perspective of its adoption will be provided and subsequently a closer look at literature will be presented, highlighting the major streams of research and providing a final focus on the topic of bequest fundraising.

Chapter 2 will provide a deeper insight on the bequest fundraising literature by presenting the results of a systematic literature review conducted on the topic. A focus on research design will be initially provided and then the results will be displayed, divided in descriptive and in thematic analysis. Subsequently the purpose of the work will be outlined.

In Chapter 3 there will be a focus on the theoretical framework chosen to investigate the use of resources inside non profit organizations devoted to bequest fundraising, Resource-Advantage Theory. The chapter aim to provide a general overview of the lenses under which the organizational Case will be studied.

Chapter 4 will eventually display the Case Study. A focus on methodology will be initially provided and then there will be a descriptive part followed by the discussion and the findings of the work. Implications for management will be provided as well as limitations and indications for future researches.

CHAPTER 1: Fundraising in non profit organizations - Research overview

1.1 The nonprofit sector defining framework

The society we live in is characterized by an increasingly high degree of change and by its speed, which arises in multiple dimension; ethical and moral values, relational models, technical and scientific knowledge are gradually allowing us to deal with problems that seemed unsolvable until a few years ago. Within such a scenario, it became firmly established what someone used to define a “new” economy, the one made by non profit organizations.

Non profit organizations nowadays are ubiquitous. Many people are born in a nonprofit hospital, attend a nonprofit university, send their children to a nonprofit day-care center, worship at a nonprofit religious institution, watch the performance of nonprofit symphonies and dance companies, visit their parents in a nonprofit nursing home and face the end of their life in a nonprofit hospice. People hope that nonprofit health research associations will find cures and treatments for the ails they study, that nonprofit think tank and advocacy groups will foster a better society and that international nongovernmental organizations will promote the spread of human rights and economic development (Steinberg & Powell, 2006). One of the consequences of the ubiquity from non profit

organization is an ambiguity of definition, the sector is in fact highly diverse, comprising of religious congregations, hospitals, universities, museums, homeless shelters, civil rights groups, labor unions, political parties, youth recreational associations, environmental organizations and social clubs, amongst many others (Wymer, Knowles & Gomes 2006, 4). The organizations in this sector play a variety of roles that impact every field of modern society as “they provide services, as well as educate, advocate and engage people in civic and social life” (Boris & Steuerle 2006, 66).

That is why when talking about non profit organizations, it emerges a need for a clear definition. One of the most quoted is the one provided by Hansmann (1980) who defines them as legal or social entities that are precluded, by external regulations or their own governance structure, from distributing their financial surplus to those who control the use of organizational assets. This definition has the virtue of defining an organizational type by its structure of control rights rather than by a possibly inaccurate self-statement of purpose. (Steinberg & Powell, 2006) Therefore the nonprofit sector is the collection of entities that share the following characteristics. Firstly they are organized, i.e., they possess some institutional reality. They are private, i.e., institutionally separate from government. They are non-profit-distributing, i.e., not returning any profits generated to their owners or directors. They are self-governing, i.e., equipped to

control their own activities. They are voluntary, at least in part, i.e., they involve some meaningful degree of voluntary participation, either in the actual conduct of the agency's activities or in the management of its affairs (Salamon and Anheier 1997, 9).

The nonprofit sector, also defined as “third sector” in order to highlight the independency from the State and the Market, the two main categories recognized and accepted by most, otherwise known as the private and public sectors, does not exist in isolation from these two and faces the repercussions of the changes that take place in both other sectors. Nonprofit professionals must therefore be able to anticipate and adapt to the changes brought about by shifts in both the public and private sectors. (V. Bossina, 2015) One of the shifts that is impacting the nonprofit sector, according to Wymer & al (2006, 11), is the fact that the number of nonprofits are increasing at a rapid rate, mostly in order to care for a growing number of social ills not catered to by either other sectors.

1.2 Non profit organizations and marketing

Approximately from the end of 1960s, several non profit organizations (NPOs) have begun to consider the opportunity to apply the principles of marketing in the pursuit of their social goals. Obviously, many of the activities previous developed

by non profit organizations could already be defined as “marketing” in a “for-profit company”.

Such organizations, in fact, carried out sort of collection funds actions by correspondence and personalized sales; they also used mass media and advertising to encourage more people to use their services, they were finally able to develop public relations to build their image and create consensus for their initiatives.¹

Very seldom those activities were defined by NPOs as marketing activities. Sometimes the interdependence of such actions was even unknown to them; in other cases it was not taken into account the opportunity to define a unique marketing goal. Other organizations, in conclusion, though aware of the positive role of marketing, were reluctant to use this term, because of the negative connotations that comes with it.

It is after the seventies that the world saw the trend reversal; change took place slowly at first and speed up during the Eighties and Nineties.

Currently the majority of NPOs recognize that marketing constitutes a key factor in their success. Those organizations are in fact deeply aware of the fact that all the activities they developed, and most important, the statutory objective of the organizations themselves, require the ability to influence the behavior of other

¹ P. Kotler, A.R. Andreasen, 1998, Marketing per le organizzazioni non profit, la grande scelta strategica, p. 4 e ss.

subjects, those who constitute the so-called “target-market”. The leaders of these organizations are aware they are indeed marketers and their organizations carry out marketing operations, even though according to Philip Kotler, pioneer of the discipline, they are not always able to properly apply its principles.

Just Kotler, together with other authors such as Levy, Zaltman and Shapiro, has been one of the first to theorize the possibility of applying the principles of marketing to non profit organizations highlighting that: “marketing is an activity that covers the entire span of human relations and cannot be confined to the sale of a toothpaste, a bar of soap or a sheet of aluminum. Instead, the social context in which we are engaged shows that marketing is a vital activity, for example, for the affirmation of a political candidate, to convince students to move toward a certain institute of higher education and even to raise funds for a good cause.

From these important initial considerations, the spread of the idea has made considerable leaps forward, also because of the increasing pressure of both costs and competition. Non profit organizations have increasingly adopted the approaches and values of the private market, leading to what some authors call the “marketization” of the non profit sector (Eikenberry & Kluver, 2004). The first services that have registered an opening toward marketing were those from the healthcare area, education and arts, followed by the area of libraries, leisure, political activities and finally social services and assistance. In the US, federal

spending cuts to social welfare programs in the late 1970s and 1980s resulted in nonprofit organizations outside the healthcare field losing a total of \$ 38 billion in federal revenue between 1980 and 1994. More social welfare cuts were enacted in 1996, reducing federal support for non profit organizations an additional 12%, or \$ 8.5 billion (Salamon & Anheier, 1997). While government spending and private funding declined for social service programs, demographic and social changes continued to expand the need for social services (Alexander 1999, 63-64). The number of non profit organizations grew to meet the increased demand. In spite of declines in government and private funding and an increase in the number of non profit organizations, the sector experienced financial growth in the 80s and 90s, increasing its total revenues from \$ 211,9 billion in 1982 to \$ 664,8 billion in 1997 (Independent Sector 2001, 7). One of the major reasons for this was the sector's increased reliance on commercial income. (Eikenberry and Kluver, 2004, 134). As time goes by, the fact that within a NPO there was a marketing manager represented no longer the exception but the rule. This sort of "contamination" has allowed also the marketing studies to receive new impulses and explore wider horizons, being able to verify the extent of applicability for the concept and tools of the discipline. One of the effects of this contamination has been the birth of the social marketing, which proved to be a powerful tool to spread ideas and promote behavioral changes in the masses. The peculiar feature of social marketing lies in the objectives of the subject or the organization that implements it, which aim to

influence the behavior of a certain community, not to generate revenues, but to create benefits inside the target-group of society in general.²

It follows that social marketing programs are actually, generic marketing programs applied to modify some behavior that directly affects the well-being and interests of individuals.

The extent of the potential application of social marketing is vast, the potential boundary lies within the approval of a society's members. Overcoming possible pockets of resistance, become just one the main tasks of social marketing, inspired by the pursuit of fostering social change.

1.3 The development of fundraising

A relevant consequence of the meeting between non profit organizations and marketing in the 70s was the development of the fundraising as a discipline.

According to Kotler and Andreasen (1991) some of the most eminent professionals in marketing begun to sustain the possibility to place on the market, not exclusively commercial products but also social causes (Salomon, Anheier, 1997). Over the course of a decade, the use of marketing techniques by NPOs to raise funds became a routine procedure, deeply changing the landscape of the

² P. Kotler, A.R. Andreasen, 1998, Marketing per le organizzazioni non profit, la grande scelta strategica, p. 443 e ss.

discipline. The idea of “elevate or raise” funds suggested by the term “fundraising” describe a series of proactive and dynamic behaviors, strategies and action to be taken to ensure that a development in fundraising for NPOs is implemented. Therefore, fundraising does not represent a mere collection of funds; it is rather a strategic action aim at growth and developmental goals.

The Association of Fundraising Professionals (AFP) defines fundraising simply as “the raising of assets and resources from various sources for the support of an organization or a specific project” (AFP Fundraising Dictionary Online). A more specific definition is offered by Lindahl (2010, 4) who defined fundraising as “the management of relationships between a nonprofit organization and its various donors for the purpose of increasing gift revenue to the organization”. Lindahl unveils three important dimensions of the topic in his definition, notably that fundraising involves relationships, that those relationship have a purpose, and that the purpose is gift, financial resources voluntarily bestowed without any expectation of a quid pro quo (Worth, 2015).

The main push that encourage a non profit organization to take action, from this point of view, is brought by the need to weave a series of relationship with different subject in order to involve them in their social cause. This function represent the beating heart of the life of a NPO because it is essential for the pursuit of its cause and guarantee the self-financing of their activities. In the

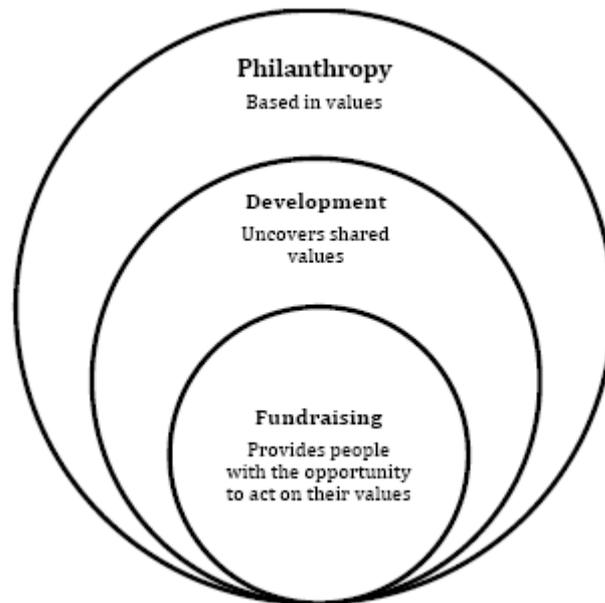
request for material assistance, each organization chooses the language that suits them the most: journalistic, advertising, complaint or other, thanks to the variety and power of the media available nowadays. The objective of fundraising has started up an imaginary of a dynamic and active third sector, promoting and communicating itself, stepping out from that sort of isolation where it has been confined for several years. This increase in visibility for the third sector through its promotional activity had acceleration in the 90s.³

However, in order to understand fundraising and how it works, it is necessary to refer to the concept of philanthropy and unveil the relationship that occur between these concepts. Historically, philanthropy was “love of mankind”. Its manifestation, particularly in the United States where philanthropy has been practiced consistently since the earliest years of its founding, has included voluntary offerings of time, money and goods to meet the needs of communities. The popular perception of philanthropy that grew during the nineteenth and twentieth centuries focused on major financial support of wealthy individuals (Grace, 2005, 1). Recognizing that philanthropy is historically and in practice much more than giving money, a newer definition of philanthropy was developed decades ago by Robert Payton (1988) “all voluntary actions for the public good.” Voluntary actions include giving, asking, joining and serving. “The act of giving money is commonly known as either charitable giving or charitable donations,

³ M. Matteini, *Manuale di fundraising e comunicazione sociale*, Maggioli, 2009, p. 13 e ss.

whereas the act of giving of one's time is known as volunteering" (Lam & al. 2011, 3). Philanthropy is investment in the infrastructure of society. It is often undertaken with a long-term view and is more rational than charity which is often defined as giving intended to meet current humans needs, for example to feed the hungry or to aid the victims of a natural disaster. It is emotionally driven and often impulsive. (Worth, 2015, 8). Frumkin (2006) defines how "charity can best be understood as the uncomplicated and unconditional transfer of money or assistance to those in need with the intent of helping". While in Payton's (1998) words, philanthropy is "the prudent sister of charity". Again, Frumkin (2006) offers a way to distinguish philanthropy from charity. He relates it to the old teaching about providing a hungry person a fish, which would be charity, versus teaching that person how to fish, which would be philanthropy. Typical examples of philanthropy might include gifts made to construct new hospitals, endow universities or sustain museums (Worth, 2015).

Figure 1.1: The interrelationship of values-based philanthropy, development and fundraising



Source: Grace, 2005

Grace (2005) devised a model comprised of these three elements: philanthropy, development and fundraising. It stands on the assertion that philanthropy is based on values, development is the process through which those values are uncovered and matched, and lastly, the activity of fundraising gives donors the opportunity to act on those values by donating what they value and deem important. Development is a term sometimes used as synonym for fundraising, although their

precise definitions are distinct (Worth, 2015). Development relates to longer-term goals. “In its broader concept, fundraising is but one aspect of a complex process involving the organization, its hopes and goals and the aspirations of its benefactors. Fundraising is focused on a particular objective or set of goals; development is a generic and long-term commitment to the financial and physical growth of the organization. Successful fundraising requires a specific set of interpersonal and communicative skills, development requires a broader understanding of the organization and its mission as well as patience, judgment and sensitivity in building relationships over the long haul” (Worth, 2002, 8).

The values-based philanthropy states that people give to organizations with whom they share common values, meaning that in order for organizations to attract the right kind of donors and build long-term mutually beneficial relationship with them, they need to be able to funnel those values into every area of their organizational structure by organizing “their internal systems, marketing and communications programs, and community outreach to maximize the understanding of, response to, and impact of those values” (Grace 2005, 1). Through development, shared values are uncovered, it is a process driven by the importance of providing potential and current funders with opportunities to explore and apply these values on behalf of organizations. Implementing these processes in a strategic way lays the foundations for an effective fundraising,

since the different phases are strongly interrelated. With the adoption of this view, fundraising become the fulfillment of shared values for both donors and NPOs. Fundraising and philanthropy, therefore, are deeply intertwined; as Worth (2015) points out “the relationship between fundraising and philanthropy is somewhat like the relationship between teaching and learning. The purpose of the former is to engender the latter. But there is no guarantee that the activity will produce the intended result, which may occur for reasons unrelated to the activity. In other words, students may not learn from their teachers or may learn on their own”.

In the latest years, the environment outside nonprofit organizations has experienced many changes in terms of paradigm shifts that affected fundraising and its relevance. J.E. Nichols (2004) created a PEST (Political, Economic, Societal and Technological) analysis to summarize the key shifts that had an impact on fundraising.

Figure 1.2. A PEST analysis for fundraising in the 21st century

POLITICAL (Philanthropic)	SOCIETAL
Competition is increasing	Diversity in ethnicity, gender
Overall philanthropy is flat	and generations
Shift from self-oriented to altruistic	
ECONOMIC	TECHNOLOGICAL
Less belief in authority	Differences in communication
Longevity brings fear of outliving assets	styles/preferences
	Move from reactive to proactive decision making

Source: J.E. Nichols (2004) Repositioning fundraising in the 21st century

In this new scenario, non profit organizations are facing unprecedented challenges, linked to the growing complexity of both the technical aspects of fundraising and the cultural ones. In addition to that, increasing competition brought by NPOs from all over the world, shrinking public funds due to the economical crisis and the obsolescence of several fundraising methods raise concerns about the ability of NPOs to survive and increase their efficiency.

1.4 Fundraising in literature

The topic of non-profit and charities economy continues to fascinate scholars and researchers all around the world receiving increasing attention and leading to a flourish research on altruism, public goods and charitable giving. This is because the voluntary sector keeps growing considerably in size and importance over the years. Despite that, most of the research made has focused predominantly on donors, as will be later shown, the supply side of charity, and has left unexplored the role played by fundraisers, the demand side. Andreoni (1998) is amongst the firsts to conduct a research on the “other side” of charity trying to shed a light on the procedures used by non-profit organizations. He provided theoretical basis assuming that fundraisers have a natural and important role and that sometimes only a small amount of seed money can grow into a substantial charity. Thanks to fundraisers, non-profit organizations have started to adopt business like techniques (Goerke, 2003) used in the for profit sector as they are becoming increasingly confronted with market pressures typical of for profit organizations, like competition for funding and the need to earn money to fulfill their mission (Andreasen and Kotler, 2008; Alexander and Weiner, 1998; Dolnicar et al., 2008) These techniques and approaches have been recognized important to non-profit by the academic field (Gonzales et al., 2002) as the success in achieving goals for a non-profit organization depends largely on its fundraising performance and proper

implementation of marketing activities (Sargeant & Shang, 2010; Bennett, 2007; Andreasen & Kotler, 2008).

1.4.1 Main streams of research

In 1998 Kelly described the “relatively dismal state of research and theory on fundraising”. After more than a decade, Sargeant, Shang et al. (2010) describe “the emerging contribution of fundraising science” suggesting that it is still inadequate. They state that establishing and drawing “on its own academic base” still remains “the next step” for the fundraising progression (Worth, 2015).

Relevant theory and research exist on various topics since a conspicuous number of scholars have conducted studies on non profit organizations and their adoption of businesslike techniques. (Andreasen & Kotler, 2007; Andreoni, 1998, Bennett, 2005; Dolnicar and Lazarevski, 2009; Pope, Isely and Asamoia 2009; Sargeant and Shang, 2016) but on other points practitioners wisdom is still the predominant source (Worth, 2015). Nonetheless, fundraising as a professional field continues to evolve. This is because in a time of shrinking public funds and increasing competition, the work for NPOs is becoming more specialized and there is a rise in pressure for them to operate in a businesslike manner (Tabaku, 2014) and the consequent fulfillment of the organizations goals is getting more crucial.

By looking at the extant literature in this field it could be argued that there are three major streams of research.

- Philanthropy
- Marketing and other professional fields inside NPOs
- Nonprofit as a sector

First of all, there is a substantial amount of studies related to philanthropy. As previously discussed, philanthropy is intertwined with, but not synonymous with fundraising. These studies represent the other side of the coin. The body of research includes those studies that concern the donors and their inclination to donate drawing from a psycho-sociological background (Sargeant, 1999; Bennett, 2003; Sargeant & Woodliff, 2008; Bekkers & Wiepking, 2010). In this area, as Bennett and Sargeant (2005) highlight, several authors examined specific aspects of donor behavior and addressed issues such as distinguish givers from nongivers (Jones and Posnett, 1991, Penrod, 1983, Harvey, 1990, Fisher and Ackerman, 1998) delineating the characteristics of higher value givers (Bruce, 1998; Braus, 1994) or positing the motives for support of nonprofits (Morgan et al., 1979, Clary and Snyder, 1991, Eisenberg and Miller, 1987).

The other branch of study is represented by researches concerning the professional fields inside the nonprofit organizations (for example public relations, marketing and communication) with particular interest to the use of the

marketing variables by NPOs (Eikenberry & Kluver, 2004; Helmig, Jegers & Lapsley, 2004; Waters, 2008; Dolnicar and Lazarevski, 2009). It has only been comparatively recent that marketing's contribution to the subject has been recognized, and a succession of authors has demonstrated its utility (Kotler and Andreasen, 1987, Varadarajan and Menon, 1988; Guy and Patton 1989). Lately there has been considerable interest in the operationalization of the marketing concept and the relationship between the market orientation construct and various measures of nonprofit performance.

The use of marketing in NPOs began in the late 1960s but this has accelerated in recent years and has in the meantime been widely accepted and practiced (Kotler and Adreasen, 1991; Helmig 2004). NPO marketing differs from marketing in for-profit organizations in various ways. One of the main aspects of NPO marketing is the need to market products and services to a wide range of target groups. Marketing strategies help to attract resources as well as to allocate resources. (Helming, 2004). In the for-profit sector, which faces multiple markets as well, this is usually a minor problem because success in marketing to customers serves the interests of most of these publics (Helming, Jegers & Lapsley, 2004). Another problem of NPOs marketing is that marketing activities are still perceived as undesirable, too expensive, and a waste of stakeholders' money. This attitude still persists in the NPO area (Tscheulin and Helmig, 1998). Despite this alleged

hostility research in NPOs marketing flourishes. Author like Helming, Jegers and Lapsley (2004) detected a strong trend to focus on management and, in particular, marketing, as a tool of management as the major focus of NPO research. This observation is sustained not only by the volume of publication of research effort in this area, but also by the needs of NPOs as they seek to raise additional funds in the face of increased competition for the quantum of funds each donor is willing to give for charitable efforts. The authors analyzed some of the most important journals, wide ranging scholarly journals in the NPO area in order to evaluate whether marketing played an important role in the NPO specific research literature.

The trend towards marketing orientation among charities has been accompanied by a concern for an effective external image management. According to Bennett and Sargeant (2005) there are numerous example inside the UK context of high-profile charities that renamed and repositioned themselves achieving increases in income of upwards of 10% per annum following their adoption of new images. Donors expect a professional approach to image management among non profit organizations. An excellent charity image is a significant determinant of donation income and influences consumer preferences for charity branded products (Tapp, 1996; Kennedy 1998). Several academic researches in the field of charity image building have concentrated on the links between charity image and charity

reputation (Bennett and Gabriel, 2000) and how charity reputations are formed. “Reputation is a concept related to image and connotes a value judgment about an organization’s qualities “built up over a period and focusing on what it does and how it behaves” (Balmer, 1998). Thus, reputation has an historical dimension as it comprises a “subjective, collective assessment of an organization’s trustworthiness and reliability” based on past performance. Charities need both a salient image and a sound reputation (Bennett & Sargeant 2005).

Together with these main streams, literature comprises of other studies which aims to describe and explain the nonprofit sector in its entirety and the behavior of non profit organizations. This considerable body of research does not necessarily address fundraising directly but it establishes the arena in which fundraising occurs and helps to explain the role of fundraising professionals within the organizations and society (Worth, 2015).

Some of these researches attempt to measure the organizational effectiveness of NPOs (Green & Griesinger, 1996; Herman & Renz, 1999, 2008; Sawhill & Williamson, 2001; Brown, 2005) in particular, focusing on specific determinant, like the effectiveness of the board (Bradshaw, 1992, Callen, Klein & Tinkleman, 2003; Herman & Renz, 1998, 2000).

In their study on non-profit effectiveness Herman & Renz distill from the literature assertion and conclusion helpful to understand more about NPO

effectiveness. They draw from general literature to state that it's impossible to review all the available studies of NPO effectiveness because those studies are characterized by varying theoretical perspectives and research objectives, which make accumulation impossible. Their study improves ten years later advancing nine theses about the effectiveness of nonprofit organizations. Specifically NPOs effectiveness is always comparative, multidimensional, related to board effectiveness, related to the use of correct management practices, a social construction, furthermore, it is unlikely that there are any universally applicable best practices that can be prescribed for all NPO boards and management, organizational responsiveness is a useful organizational-level effectiveness measure, distinguish among types of NPOs is important and useful and level of analysis makes a difference in researching and understanding effectiveness.

A recent study that connects the previous assertion in terms of use of marketing variables and organizational effectiveness is the one published by Paul Chad (2014) where he shows that the adoption of a market orientation can aid non profit organizations by generating more funds facing pressure to become more businesslike due to increasing competition in the current global environment. Based upon meta-analysis of 11 papers examining market orientation in NPOs, market orientation was positively overwhelmingly found to have a beneficial effect upon performance (Shoham, Rose & Kropp, 2005). Despite this, direct

transference of existing market orientation from the for-profit sector is not straightforward due to the differences between for-profit organizations and NPOs. (Chad et. Al, 2013). For an equivalent size, NPOs can be regarded as more complex operations than a for-profit organization, thus “ready-made management models carried over from the business world” are not appropriate for NPOs taken as they are. Due to these differences, various researchers have proposed different models for the nonprofit sector that are basically modifications of the seminal for-profit models. Combining aspects of the Narver and Slater (1990) and Kohli & Jaworski (1990) for-profit models, Sargeant, Liao and Foreman (Liao, Foreman & Sargeant, 2001) added a component titled “collaboration” as some competitors within the nonprofit sector may work together to develop mutually beneficial synergies, and customer was renamed “stakeholder” to reflect a broader definition of customer in the nonprofit context. Moreover, Gonzales, Vijande and Casielles (2002) modified the Kohli and Jaworski for-profit model (1990) dividing customers into donors and beneficiaries. Furthermore, Duque-Zuluaga and Schneider (2008) modified the Narver and Slater (1990) for-profit model by splitting customer into three subsets: beneficiary/recipient, donor, volunteer/employee, and a new element encompassing learning and social entrepreneurship. (Chad & al, 2013).

Considering all the major bodies of research highlighted in literature, fundraising plays a central role since its assessment as a financial ratio is considered a determinant for the organizational effectiveness (Liket & Maas, 2015), furthermore its enhancement is determined by the proper implementation of marketing tools (Sargeant & Shang, 2010) and the efficient conveying of donors philanthropy.

Despite that, as previously highlighted, multiple authors asserted that research focused mainly on donors, the supply side of charity, only recently they have recognized the importance of also considering the demand for donations, that is, the fundraising side of the market (Andreoni, 2006). Fundraisers, as literature highlights, are becoming accustomed with marketing tools and practices. As Cacija (2014) points out, the purpose of marketing activities implementation for all non-profit organizations should be the fulfillment of the mission and goal achievement with, certainly, successful fundraising included. In front of the growing difficulties faced, marketing strategies can offer a sustainable competitive advantage through the creation of superior customer value, which in turn leads to superior performance (Andreasen and Kotler, 2003). In accordance to Sargeant & Shang (2010) orientation toward establishing and maintaining long-term relationship should be applied to donors. Accordingly, relationship

marketing becomes one of the key activities for NPOs shifting the perspective to donor from a transactional approach to a strategic one.

1.4.2 Fundraising emerging issues

The issue of fundraising inside nonprofit organizations has been addressed mainly in the Anglo-Saxons countries where the discipline was born. By looking at some frequently quoted studies, there appears to be some established findings.

In their research on how fundraising is carried out in US non-profit organizations, Hager, Rooney and Pollak (2002) introduced the idea of different fundraising domains. They pointed out how not all fundraising in nonprofit organizations happens at the hands of professional fundraising staff; they found out that executive directors are involved with fundraising practices and are responsible for much of the effort demonstrating the complexity and heterogeneity of fundraising structure inside the nonprofit organizations. It can be assumed that fundraising then, is no longer confined to a simple function carried out by a team of professionals but instead become an orientation that pervade the whole organization.

The impact of the executive director on the well-being of the organizations raises questions about leadership in non-profit organization. The extant literature shows

that many organizations are strongly led but under managed, especially when one person makes all the important decisions but has limited management experience. Stid and Bradach (2009) tried to better understand how non profit leaders have been working to overcome management problem. They found out that they adopted a similar agenda to ensure that their organizations appreciate, build and sustain strong management practices; they worked hard to clarify their organization's strategy and they made it a priority to assemble a balanced team at top. It can be argued that this transition from a strongly led but under managed organization to a high-performing organization is crucial to ensure growth and innovation.

A recent study by Dolnicar and Lazarevski (2009) stated that there is no difference between the marketing operations of non-profit organizations in the UK, USA and Australia since the influences of globalization led to several business-like practices to be adopted not only within national fields but also across borders. (McDonald, 1999). It appears that the increased market pressure weighted stronger than national differences in rules and regulations affecting non profit organizations. This may lead to assert that an international tendency to the isomorphism is emerging, with the consequent homogenization of the fundraising activities carried out by the nonprofit organizations.

Other several scholars try to assess the evolution of an organization in terms of fundraising. Amongst them S.G. Saunders (2013) whose research adopts an historic perspective in identifying different emergent fundraising structures shifting from religion-oriented fundraising to for-profit-oriented ones, passing through a marketing-oriented fundraising where the introduction of modern marketing techniques pushes toward the development of new sources of funds. Also S. K. Williams (2000) in her research of five stages of fundraising, points out several main phases an organization have to go through in order to develop its fundraising. First, the “appeal phase” where fundraising is undertaken by motivated volunteers led by the person in charge followed by the “fundraising phase” where there is a growing need for proactive, ongoing fundraising from a variety of sources that need to be managed and not just left to the chief executive marking the transition from volunteer-led fundraising to a professional department. Finally the “marketing phase” where the organization incorporates the ethos of marketing for its whole benefit, in this phase the organization builds long-term relationship for reliable ongoing income and emphasizes planning for the future. We assume that a proficient charity follows this path in order to develop their fundraising.

1.4.3 The relevance of bequest fundraising

With regards to fundraising methods, different national characteristics, regulations and other external factors prevented the formulation of a generic classification, even though the one proposed by Sargeant et al. (2010) is frequently quoted: major gift fundraising, internet fundraising, retention and development of relations with donors, bequest gift, in memoriam donation, planned giving, corporate giving, grant and foundations. Bequests in particular have become an increasingly important source of income for charitable organizations. (Sikkel & Schoenmakers, 2012) however this increase is not balanced by the growth in research with only a minority of studies addressing this topic, as it will be discussed in the next chapter. Mann and Sharpe (2004) highlight that it is not unusual for organizations with well-established bequest programs to receive upwards of 30% of their philanthropic support in this form. Receiving a bequests gift represents the pinnacle, the fulfillment of the relationship.

In the USA, Giving USA (2016) reported over 31.76 billion \$ in charitable bequests, which was substantially greater than all corporate donations. One in 10 Australian charities described bequest giving as their most important source of funding (Giving Australia, 2005). In UK, every year, charities receive an average of £1.8 billion in legacy income (NCVO/Guidestar 2008). In the Netherlands, the

average amount of money coming from bequests during the last 10 years was almost €200 million per year, which is 23% of the total income from fundraising (CBF 2008).

Bequests fundraising depicted by Smith (1996, 35) as “the last great fundraising opportunity” will increasingly become a new frontier for the charities’ fundraising departments around the world because of the current changes in lifestyles and social values. The generations holding “traditional” values are passing, to be replaced by generations with very different approaches to consumerism, religious belief and civic society. (Richardson & Chapman, 2005). The next generation to consider bequests giving will also feature large numbers of single households and will reflect the increasingly multiethnic and multicultural society (Sargeant and Lee, 2002). Fundraisers, pushed from their organizations to expand income from bequests giving are developing strategies in response to actual and predicted changes in both current and future audiences (Richardson & Chapman, 2005). Bequest communication routes have changed greatly over recent years, moving from low-profile communication to solicitors, through direct mail and press advertising to donors, to face-to-face legacy solicitations and events. (Sargeant & Hilton, 2005). The creative propositions, language and tone used in these communications have also altered radically over recent years in response to donor

feedback and the ongoing testing of, particularly, direct marketing activity (Burnett, 2001).

1.5 The Italian context

Within the complex and various scenario outlined, Italy historically has one of the most fragmented non profit sectors in Europe and, even if it is very dynamic and advanced, fundraising activities are not still so developed. To explain these two aspects – the presence of lively nonprofit organizations and, at the same time, the low diffusion of fundraising approaches – it is possible to identify the main features that have contributed over time to set up the current structure of the Italian non-profit sector.

A first aspect is the presence of the Catholic Church in Italy. With the unification of Italy in 1861, an attempt was made to forge a secular state by reducing the power of the Catholic Church. After 150 years, the result is a hybrid. For most of its history, charitable services in Italy were provided by the church. In 1929, a treaty established separate law for the church and the state, a provision included in the 1948 Constitution. The Catholic Church can annually receive up to 0.8 percent of taxes paid, for its support. Most hospitals and social service programs run by the church have public status and are also supported as part of the social welfare

system of the State (V.A. Hodgkinson, 1999). Therefore, one of the reasons the scholars gave to explain the heterogeneity of the third sector in Italy is the large role that the Catholic Church plays in social welfare.

A second aspect is the role of the State in the provision of education, health, welfare and income assistance under the Constitution (L.M. Salamon, H.K. Anheier, 1997). In particular the role of the State can be seen as one of the direct responsible for the lacking development of business like techniques in the non-profit sector since the people often relies to it for their wellbeing, preventing the development of “peer-to-peer” raising funds practices.

A third aspect is the presence of social relations networks that often substitute the traditional subjects that provide welfare services. The presence of strong family and community ties, especially in small towns, is an element that led to a poor development and spread of fundraising activities.

Finally, a last aspect is represented by the tax advantages recognized for donations made to non-profit organizations by enterprises, families and individuals. Even if these tax benefits have been improved over the years, they continue to remain below those established by other countries, especially Anglo-Saxon, in which they are particularly high to stimulate the development of fundraising practices.

1.5.1 NPOs in Italy

Based on these considerations, it is possible to understand how and why, in Italy, the fundraising is not an established approach. As pictured from the last census made by ISTAT (2017) – the national statistical institute – in 2015 the nonprofit sector experienced a substantial growth reaching a 11.6% increase in the number of organizations (336.275) compared to 2011. Its employees represent 2.5% of total employment, and the sector's share is estimated at 3.5% of the GDP. Despite this, fundraising activities continue to be not so widespread. Still according to ISTAT (2014), only the 19,7% of nonprofit organizations declared to be active in fundraising activities. Moreover, based on results of a research conducted by Unicredit Foundation (2012), also in larger organizations, with the average number of 261 employees, only 5.8 are employed in the management of fundraising activities. Finally, considering the recently published CAF World Giving Index 2015, in Italy only the 32% of population donated money to a charity, highlighting how there can be vast room for improvement in the future.

1.5.2 Bequest fundraising in Italy

When it comes to bequest fundraising in Italy, this kind of donation is relatively new, due to specific context characteristics that prevented the widespread diffusion of bequests amongst individuals. Nowadays, despite the absence of

formal statistics, it is estimated that only a small 3% of people over 55 years old leave a charitable bequest. Furthermore, only 21% of the Italian non profit organizations reported to have received a bequest in 2015. These numbers are the product of a specific culture that for long time considered as “taboo topic” everything that was related to death together with a juridical system that provides automatic protection for the family. These elements combined resulted in the acknowledgment for the majority of the population that writing a will could reveal to be pointless.

Despite that, it appears that some pro-active organizations have started to develop this technique in the last decades and are witnessing genuine results from this endeavor. Amongst them, the organization object of the case presented in the last chapter of this dissertation, who has been one of the firsts to adopt bequests fundraising. Nowadays their incomes from this tool account for roughly 40% of the total fundraising revenues.

According to Cariplo Foundation Observatory, bequest giving in Italy is estimated to be around 1.1 billion Euros per years but from now to 2030 the potential amount of funds coming from not inherited assets could reach 129 billion Euros. In the next 15 years there will be a succession in 6 million families, reaching 848 billion Euros of disposable quotas. Within this huge transfer of wealth, non profit organizations could gain a remarkable share.

An important operation pursued in Italy in order to disseminate the culture of charitable bequests is the constitution of a committee named “Testamento Solidale” created in 2012 by six Italian NPOs. Nowadays the organization acceding are 16. The Committee revealed that in the last 10 years the 10% of Italians left a charitable provision in their last wills and that in more of half the cases, the provision worth for less than 20 thousand Euros. “Testamento Solidale” thanks to its investigations and partnerships proved to be a unique observatory to assess the cultural changes concerning this topic. According to a survey by Eurisko, seven Italians on ten know what a charitable bequest is and 14% already made it (3%) or intend to (11%). In 2012, the number was 9%. Among the childless, the propensity grows to 27% while Italians that decline this possibility fall from 74% to 59%. This turning point in the country is deeply linked to a “democratization of bequest” according to experts. In terms of communication the message change enhancing small possible bequests rather than huge fortunes. On the NPOs side, despite recognizing the fact that bequest fundraising is complex and requires specific skills, the sensitivity on the topic grows and no organization is excluded from this form of donation. Even the smaller ones may get a substantial chance to exploit this channel due to their more direct and deeper trust links with the population and the community. De Carli (Vita) talks about geo-localization of the donations since many individuals might be interested in giving back to “their” context of belonging.

1.6 Field limitations

There have been a number of limitations in the writing process of this thesis; recent studies highlight how the high-demand field of fundraising does not have an academic home in higher education. The recent advances in fundraising research can be attributed to four different disciplines: public relations, marketing, nonprofit management and higher education administration. Such a disjointed approach has impeded the empirical study of fundraising, the development of theory in the field, and the education of future fundraisers. (Mack, Kelly & Wilson, 2016). According to scholars, fundraising lacks a program of formal education because it emerged solely outside the academy whereby students were trained as apprentices under experienced practitioners (Kelly, 1998, 112). Even several years after fundraising started as an occupation, courses on fundraising predominately are taught by adjunct practitioner instructors instead of full-time professors. “Learning from those who are practicing in the field may provide students with practical knowledge but it leaves the study of fundraising in academic limbo” (Mack, Kelly & Wilson, 2016). How Kelly (1998) highlighted, practitioners are not obligated, nor are usually inclined to develop theory, conduct research, or publish new knowledge on the subject. Such a context provides several limitations in fundraising research since without progress in building theory, conducting research and accumulating a scientific body of knowledge the

discipline cannot advance in professionalism. Non profit management scholars have produced few studies on fundraising, giving much more attention to philanthropy. Adrian Sargeant (as cited in Hall, 2007), the world's foremost fundraising academic, said his top priority was building theory and research. *"I want to help expand the body of knowledge around fundraising. We like to think of ourselves as professionals, but we do not have an underpinning of research-based knowledge that you find in other profession like medicine"*.

1.7 Key terminology and concepts

Philanthropy: The investment in the infrastructure of society. Often undertaken with a long-term view and it is more rational than charity. Payton (1998) defines it as the prudent sister of charity. Typical examples of philanthropy might include gifts made to construct new hospitals, endow universities or sustain museums.

Fundraising: The activity of collecting financial resources and identify the main sources of funds. (Andreasen and Kotler, 2008) the process of gathering voluntary contributions of money or other resources, by requesting donations from individuals, businesses, charitable foundations, or governmental agencies. Fundraising reached a marketing orientation in its development and can't be seen

anymore as a request for money based on philanthropic reason; it is rather a values exchange that meets the donor needs. (Andreasen and Kotler, 2008). Ken Burnett (2002) called fundraising “an approach to the marketing of a cause that centers on the unique and special relationship between a nonprofit and each supporter. Its overriding consideration is to care for and develop that bond and do nothing that might damage or jeopardize it”. As times goes by, many non profit organizations gradually embraced relationship marketing concept together with database marketing techniques in order to improve their fundraising performances. (Andreasen & Kotler, 2008; Arnett, German, Hunt, 2003; Bryson, 1998).

Fundraising activities: In spite of the absence of a general classification of fundraising activities, due to the differences in national/regional characteristics and their legislations, a frequently quoted classification is: major gift fundraising, direct marketing fundraising, internet fundraising, relationship fundraising, bequest gift, tribute donation, planned giving, corporate giving and grant from foundations. (Sargeant et al. 2010)

Nonprofit Organization: An organization whose income is not used for the benefit or private gain of stockholders, directors, or any other persons with an interest in the company. A nonprofit organization's income must be used solely to support its operations and stated purpose.

Non profit sector: Also known as the third sector, not for profit sector, voluntary sector or even the community sector, is “the collection of private entities defined as nonprofit” (Powell & Steinberg, 2006, 1)

Donor: A person, organization, foundation, corporation that makes a gift (The AFP Fundraising dictionary Online)

Marketing: The American Marketing Association defines the practice and discipline of marketing as “the process of planning and executing the conception, pricing, marketing communication and the distribution of ideas, products and services to create exchanges that satisfy individual and organizational goals”.

Social Marketing: The use of marketing strategies and techniques with the intent to influence a target-group in accepting, modifying or ceasing a certain behavior spontaneously, the final objective is to obtain an advantage for the single individual and the whole society.

Marketing in NPOs: Marketing in nonprofit organizations means attracting human and capital resources. Non profit organizations offer important services to the community where they take their actions and to the whole society. (Tabaku, 2014). To make this happen they need visibility and funds; visibility from the institutions and the community and funds. Regardless of their size, nonprofit organizations all over the world are essentially facing the same challenges, carrying out their mission with limited resources, communication the issues they

advocate to their stakeholders and to the media, and raising the funds that they require to do so (Boeder and Hohn, 2004).

Market orientation (MO): The key strategic orientation identified as assisting for-profit organizations improve performance (Kohli and Jaworski 1990; Narver and Slater 1990; Raju et al. 2011). Despite differences between the for profit and nonprofit sectors, the generally positive linkage between performance and MO can be extended to the nonprofit sector (Gainer and Padanyi, 2005; Kara et al. 2004; Shoham et al., 2006t) but is less-researched. (Chad, 2013). Based upon research within the for-profit sector, Kohli and Jaworski (1990) as well as Narver and Slater (1990) provide the seminal, theoretical foundations for MO.

Bequest: A transfer of property such as cash, securities (stocks), and tangible property through a will.

CHAPTER 2: A systematic literature review in bequest fundraising

2.1 Research Design

As described in the last section of the previous chapter, charitable bequests have become an increasingly important source of income for charitable organizations (Sikkel & Schoenmakers, 2012). Mann and Sharpe (2004) highlight that it is not unusual for organizations with well-established bequest programs to receive upwards of 30% of their philanthropic support in this form.

Considering bequest fundraising literature, it is very apparent how the increasing importance of this instrument is not balanced by the growth in research with only a handful of studies addressing this topic. This work, therefore, was intended, first to assess the State of the Art of charitable bequest literature in order to identify some research gaps and add a contribution to the subject. In order to do so, a systematic literature review process has been conducted.

Systematic reviews aim to address problems by identifying, critically evaluating and integrating the findings of all relevant, high-quality individual studies addressing one or more research topics (Baumeister & Leary, 1997; Bem, 1995; Cooper, 2003).

There are many reasons for undertaking a systematic literature review. The most common reasons are:

- To summarize the existing evidence concerning a specific issue.
- To identify any gaps in current research in order to suggest areas for further investigation.
- To provide a framework/background in order to appropriately position new research activities.

However, the main rationale for undertaking systematic reviews is to provide a thorough and fair review in order to gain a deeper scientific value.

A systematic review synthesizes existing work in a manner that is fair and seen to be fair. For example, systematic reviews must be undertaken in accordance with a predefined search strategy. The search strategy must allow the completeness of the search to be assessed. The main advantage of a systematic literature review is that the well-defined methodology makes it less likely that the results of the literature are biased (Keele, 2007). Furthermore, it can provide information about the effects of some phenomenon across a wide range of settings and empirical methods. If studies give consistent results, systematic reviews provide evidence

that the phenomenon is robust and transferable. If the studies give inconsistent results, sources of variation can be studied.

A good systematic review might achieve most or all of the following (Baumeister & Leary, 1997; Bem, 1995; Cooper, 2003):

- Establish to what extent existing research has progressed towards clarifying a particular problem;
- Identify relations, contradictions, gaps, and inconsistencies in the literature, and explore reasons for these (e.g. by proposing a new conceptualization or theory);
- Formulate general statements or an overarching conceptualization (make a point, rather than summarizing all the points everyone else has made; Sternberg, 1991);
- Comment on, evaluate, extend, or develop theory;
- In doing these things, provide implications for practice and policy;
- Describe directions for future research.

In order to proceed with the systematic literature review, a research protocol was defined prior the review. The protocol specified the methods that were going to be used to undertake the review. This ensured the reduction of the possible biases.

An important initial decision in conducting this systematic literature review was the selection of the electronic databases to use. Two Internet-based research databases (Scopus, and Web of Science) were selected because they are largely comprehensive and their search functions allows being sufficiently precise during the process. Furthermore, although it is indexed in Web of Science, a search into International Journal of Non Profit and Voluntary Sector Marketing was performed, given its particular focus on fundraising topics.

In order to provide a circumscribed topic under review, a detailed definition in the form of inclusion and exclusion criteria was necessary. One of the major stream of research concerns inheritance and taxation whereas this work is focused only on bequests to non profit organizations. Thus, all the articles that were not related to the relationship between bequests and NPOs, therefore to the Business and Management area were excluded. Moreover, as the focus of the research was the organization perspective on the bequest subject, all the articles which studied the bequests exclusively from an individual's perspective (not charitable bequests) were removed from consideration, whereas those articles that presented a view of the topic from a donor point of view were included as well as those articles indexed in the database that focused on a practitioner perspective.

Subsequently, keywords for the subject were identified in order to construct the following search string to be entered in the database:

- “Bequest”

- AND (“fundraising” OR “nonprofit” OR “giving”)

Amongst the keyword we found the term “legacy” ,commonly used as synonym of “bequest”, to be misleading because in a broader sense it encompass several different meanings therefore we did not employ this term in the search. Other terms such as “NPO” as acronym for non profit organizations did not produce any valuable results therefore we did not use it. Also the term “third sector” could have been misleading because of the different characteristics of the concept among countries; that is why we employed “non profit” as keyword. The database was queried for keywords in the title, abstract and the keywords list for Scopus and in the topic list for Web Of Science, the search was not limited to the Business and Management area in order to have a broader picture before narrowing it. The timeframe embraces the whole period of time available to present day, in order to cover the issue in an historical perspective. As suggested by Tranfield *et al.* (2003), the search was not limited to journal articles; thus we also searched for books, books chapters, and other academic publications (e.g. conference papers). Moreover, we focused on research publications written in English, since the discipline flourished mostly in an Anglo-Saxon context.

In total, this process yielded 298 results within the two databases (see more in Table below). Next, inclusion and exclusion criteria were used to narrow the publication list. A first content analysis of titles was carried out to classify the

primary topic for each result. After this process, 208 results were excluded because they did not meet the above criteria. Then, 23 results were further excluded because they represented duplications. Subsequently, a second content Analysis was carried out. When the abstracts were cryptic or not sufficiently understandable so as to hinder the subject and approach of the studies, a deeper look at the introduction and the text was performed. This additional analysis led to the exclusion of 34 papers. The final sample encompasses 33 results related to the broad topic of fundraising by bequests in non profit organizations.

At this point, since the final sample was rather small, we went backward (Webster and Watson, 2002) by respectively screening the reference section of each paper looking for scientific publications that have previously dealt with the issue and by further examining the citing papers, when available. Each forward search was performed in the electronic database which yielded the original result.

The backward search led to the inclusion of 3 other articles. At the end of this process, a total of 36 studies were selected.

Table 2.1: results from the systematic literature

Phase	Keyword based hits	Exclusion based on title analysis	Duplications	Exclusion based on abstract analysis	Selected studies
Database search	298	-208	-23		33
Scopus	91	-62		-12	
Web Of Science	153	-109	-21	-21	
IJNPVSM	54	-37	-2	-1	
Backward search					
					3
Total					36

Source: author elaboration

2.2 Descriptive analysis

Subsequently, the resulting sample of 36 paper has been analyzed in order to gain a better understanding of how the subject of bequest fundraising had been approached in literature

Amongst the papers, we found that 19 used a quantitative methodology to address the topic while 14 employed qualitative methods, 3 resulted to use a mixed methodology, by having multi-step researches and both qualitative and quantitative methods employed.

Table 2.2: methodology used

Number of Papers	Methodology
19	Qualitative
14	Quantitative
3	Mixed Methodology

Source: author elaboration

Furthermore, we examined the source of the papers, to have a clearer view of the kind of journals which have historically shown interest toward this issue.

Knowing about the journals that publish bequest fundraising research is especially important to decide which journals to read when performing a literature review, but also for being familiar with each journal's focus on bequest fundraising issue. Table 2.3. presents the journals that have published most documents on the topic. The main journals that dealt with the topic are those which have a specific “nonprofit marketing” orientation such as International Journal of Nonprofit and Voluntary Sector Marketing and Nonprofit Management and Leadership. Interest has been shown also from influential journals that address general third sector issues such as Nonprofit and Voluntary Sector Quarterly. These journals are followed by several others that marginally dealt with the topic, being “bequest fundraising” an issue that can be addressed by numerous disciplines and variegated point of view such as psychology, marketing, consumer behavior, economics and sociology.

Table 2.3: paper source

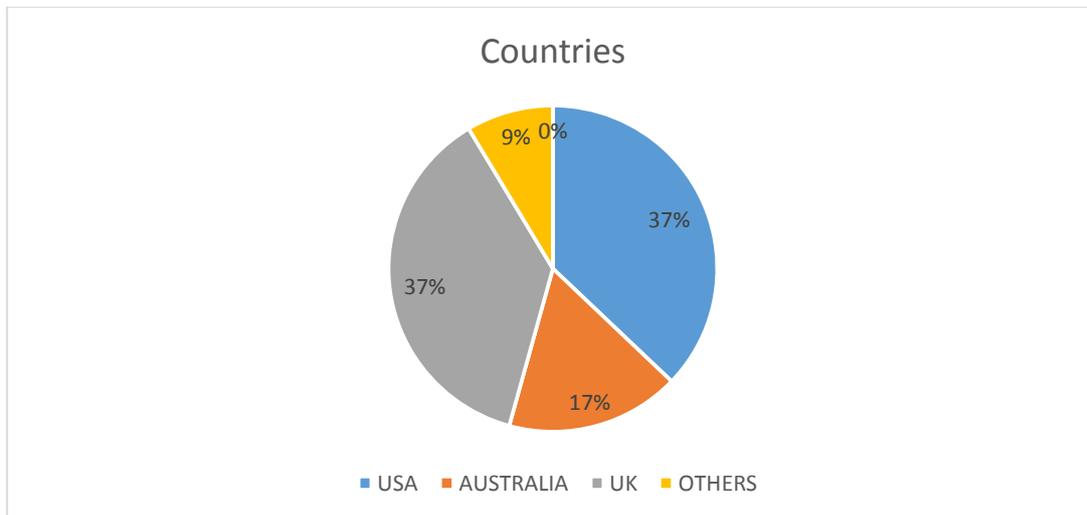
Journal	N. publications
International Journal of Nonprofit and Voluntary Sector Marketing	17
Nonprofit and Voluntary Sector Quarterly	5
Nonprofit Management and Leadership	3
Journal of Economic Behavior and Organization	1

Voluntas	1
International Review on Public and Nonprofit Marketing	1
Journal of Consumer Behavior	1
Psychology and Marketing	1
Australasian Marketing Journal	1
Ageing and Society	1
National Institute Economic Review	1
American journal of economics and sociology	1
Economics letters	1
Fund raising management	1

Source: author elaboration

Of these studies, the vast majority was conducted in Anglo-Saxon contexts. Chart 2.1 shows that USA and UK rank equal with the same number of publications, followed by Australia while a spread minority addressed the issue in different context, notably the Netherlands. Among the study conducted in a US context some of them compared that scenario with others (one with Australia, one with Canada and one with Deuthsland). While one of the Australia-based researches made a comparison with the USA context.

Chart 2.1: Origin of literature

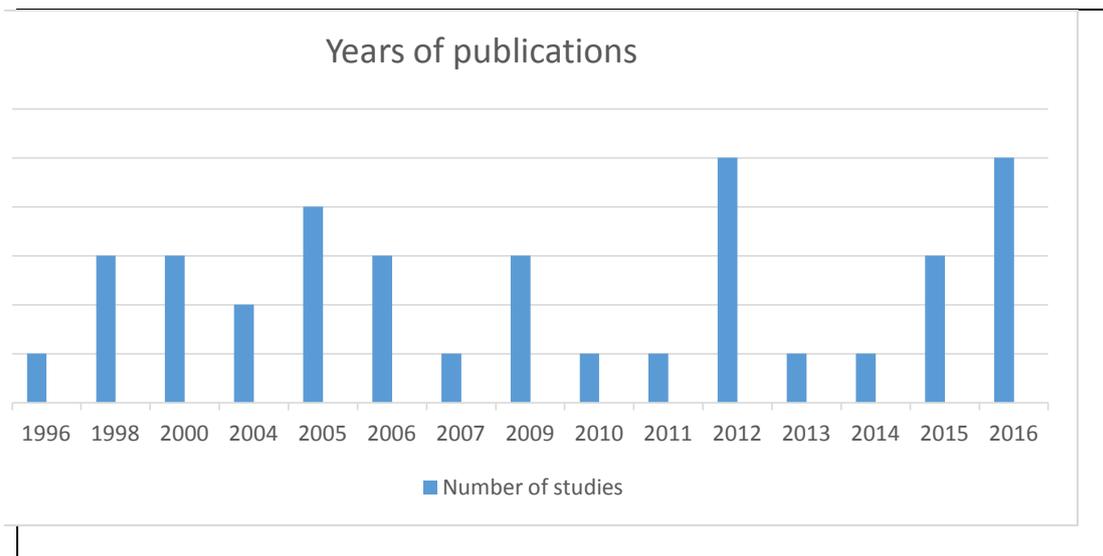


Source: author elaboration

While considering the time path of the studies we analyzed a discipline where the first attempts to draw conclusions were made in the late '90s. Table 2.5. shows the number of publications between 1996 and 2016. The data show how interest in this area of fundraising had been variable over the years. Literature seemed to “flourish” only in the latest years with a more frequent production. From 2014, the number of publications increased gradually. The number of papers however

remains exiguous, showing that bequest fundraising research can still address many gaps.

Chart 2.2: Chronological path of researches



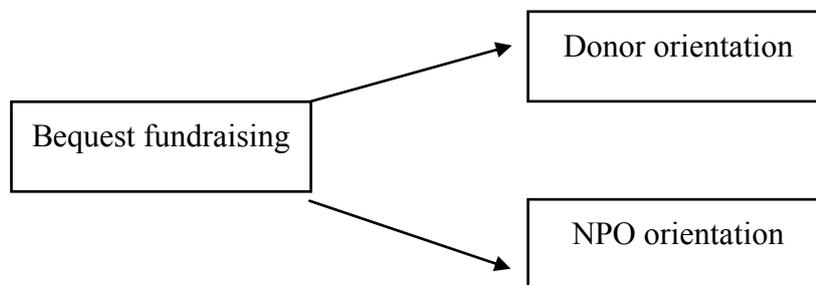
Source: author elaboration

2.3 Thematic analysis

What we find out reflect the broader orientation of studies concerning fundraising as a global function inside non profit organizations. On the overall amount of 36 papers examined, in fact, 28 studies are “donor oriented” therefore showing an interest on studying the philanthropic characteristics of the donors and their inclination to leave a donation to a NPO with such an instrument. Only a sparse minority of researches addressed the issue from the NPO perspective, trying to

shed a light on what are the step an organization must follow in order to succeed with bequest fundraising. However, some of these studies adopted a practitioner view, therefore not properly supported by scientific method. It appears to be a substantial gap concerning this process inside a non profit organization. Literature has not displayed yet the way a NPO can achieve a competitive advantage with this instrument by managing their internal resources.

Figure 2.1: Typology of orientation in addressing the charitable bequest issue



Source: author elaboration

The subsequent step this review went through was the re-aggregation of the papers. We built a table to summarize the topics highlighted in literature that subsequently will be discussed in depth. The table has been divided in two main section, where the largest part incorporate the studies that focused on the donor characteristic that may lead more likely to leave a charitable bequest and on those

feature that form a barrier to the donatives behavior. This section has been divided between individual and external motives and barriers, the last part of this section is dedicated to the connection an individual has with a non profit organization, such connection has proved in literature to be proponent for additional motives and barriers to the predisposition of a charitable bequest. These have been re-aggregated in the third column. The other main section of the table concerns those studies that focused solely on the non profit organization features, this minority of study tried to highlight some of the characteristics useful to a NPO to have a more proficient bequest fundraising program. We re-aggregated these studies based on the main topics highlighted in order to bring the issue to a broader level. We found how these topics might relate to different internal resources.

Table 2.4: Findings from bequest literature

BEQUEST FUNDRAISING LITERATURE			
DONOR SIDE			NPOs SIDE
1 Individuals motives and barriers	2. External motives and barriers	3. Organizational perception	4. Fundraising perspective
<p>1.1. Demographics factors</p> <ul style="list-style-type: none"> • Age (James and Baker, 2015; Richardson and Chapman, 2005; Caldwell, 1998) • Gender (Atkinson, Backus, & Micklewright, 2009; Sargeant and Jay, 2003; Sargeant, Wymer and Hilton, 2006) • Education Adloff (2009) • Ethnicity (Sargeant, Wymer and Hilton, 2006) • Income • Wealth (James, 2009; McGranahan, 2000; Pharoah & Harrow, 2009; Schervish, 2000) • Savings (Sargeant, Wymer and Hilton, 2006) 	<p>2.1. Family Status</p> <ul style="list-style-type: none"> • Family need (James, 2015; 2006 James III, 2009) • Spite (Sargeant, Wymer and Hilton, 2006) 	<p>3.1. Efficiency</p> <ul style="list-style-type: none"> • Performance (Wiepking, Scaife and McDonald 2012; Wiepking et al. 2010) • Professionalism (Sargeant, Hilton and Wymer, 2006; Sargeant and Shang, 2011) 	<p>4.1. Relational resources</p> <ul style="list-style-type: none"> • Relationship with solicitors (McGregor-Lowndes and Hannah (2012) • Relationship with donors (Wise, 2005)
<p>1.2. Personal belief</p> <ul style="list-style-type: none"> • Altruism (Batson et al. 1986; Fultz et al. 1986, Griffin et al. 1993, Khalil, 2004; Sargeant and Hilton 2005) • Empathy (Sikkel & Schoenmakers, 2012) • Reciprocation (Sargeant, Wymer and Hilton, 2006; Turner, 2013) • Warm glow/Negative relief (Sargeant et al. 2006) • Need to live on (Sargeant and Shang, 2011; Routley and Sargeant, 2015) • Identification (Sargeant and Shang, 2011) • Loyalty (Wymer and Rundle-Thiele, 2016) 	<p>2.2. Cultural context</p> <ul style="list-style-type: none"> • State of residence (Caldwell, 1998; Adloff 2009; Priller and Sommerfeld 2005) • Religion (Wiepking et al. 2010; Sargeant and Shang, 2011; O’Herlihy, Havens and Schervish, 2006) 	<p>3.2. Image</p> <ul style="list-style-type: none"> • Strong brand • Reputation (Pike, Knott and Newton, 2012) • Trust (Sargeant and Jay, 2004; Abdy and Farnelo, 2005; Brown, 2004) 	<p>4.2. Informational resources</p> <ul style="list-style-type: none"> • Database marketing (Magson and Routley, 2009; Rodd, 1998)

<p>1.3. Personal trade off</p> <ul style="list-style-type: none"> • Time (Sargeant, Hilton and Wimer, 2006) • Cost (Wiepking et al., 2012; Schervish and Havens, 2003; Sprinkel, 2009; Wiepking et. Al, 2012). 	<p>2.3. Administrative context</p> <ul style="list-style-type: none"> • Taxes (Sargeant, Wymer and Hilton 2006; Sargeant & Shang 2011) 	<p>3.3. Relationship</p> <ul style="list-style-type: none"> • Quality of communication (James 2016; Lindahl and Conley 2002; Sanders and Smith 2016; James 2016b Wade-Benzoni et al. 2012; Routley and Sargeant 2014) 	<p>4.3. Organizational resources</p> <ul style="list-style-type: none"> • Bequest process (Radcliffe 1998; Ford 1996)
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Source: author elaboration

The main concern of the research steams analyzed is to understand what drive a donor to leave a charitable bequest donation. Therefore multiple researchers identified several motives and barriers useful to understand the characteristics of this particular donor (Wiepking et al. 2012, Sargeant & Shang 2011, Sargeant, Hilton & Wymer, 2006, Wiepking, Madden & McDonald 2010). Another concern linked to the previous one about understands whether individuals willing to offer a bequest may be demographically or attitudinally distinct from donors who did not pledge a bequest (Sargeant, Wymer & Hilton 2006, Sargeant & Hilton 2005). Furthermore, attention has been given to the issue of timing, therefore understanding when actually a donor decide to leave a charitable bequest in order to help fundraisers to target the potential pledger at the right time (James & Baker 2015, Jousten 2006). It is worth to remind that most of these studies were conducted in Anglo-Saxon countries (namely USA, UK and Australia) and none of them took into consideration the cultural advantage that such a favorable

context could have give to charitable bequests in terms of influencing the choice of use this instrument. Only Sargeant & Shang (2011) acknowledge this issue as a limitation inside their findings, particularly in regard to the impact of factors such as taxation and the categories of benefit that might accrue from giving, the authors recognized that these factors could be culturally specific. Only three of these studies were conducted in a non-Anglo-Saxon environment, the Netherlands (Wunderlink 2000, Sikkel & Schoenmakers 2012, Jousten 2006).

As for the papers that adopts a non profit organization's view of the bequest fundraising issue, these are marginal, researches has focused on narrow aspects of the organization's solicitation in a fragmented way. Several topics have been discussed without considering a comprehensive view of the complex functioning of a non profit organization, addressing limited questions and therefore showing a consistent gap in the bequest fundraising literature. The topics mainly discussed relate to some broader steams of research that we grouped together in a general "fundraising perspective" of the bequest issue and subsequently divided into the main categories where researchers presented their contributions.

2.3.1 Individual motives and barriers

Among the motives that drive donors to leave a charitable bequest, different authors during the years built classification models justified by their researches.

Sargeant, Hilton & Wymer (2006), Wiepking et. al (2012), Sikkel & Schoenmakers (2012), Sargeant & Shang (2011) amongst the others derives distinct categories of motives that lead to a charitable bequest and barriers that prevent it. One of the most frequently quoted from Sargeant, Hilton & Wymer (2006) highlights individual factors, demographics, organizational factors, bequest-specific motives and barriers.

In our re-aggregation we shifted the focus from bequest specific motive to the individual, considering that even if a motive is bequest specific, it attains to the individual sphere, both personal and external. Therefore, we divided the motives that drive bequest giving in individual motives (both personal and demographics), external motives (derived by the socio-cultural context of belonging) and organization specific.

First, we considered demographic factors such as age, gender, ethnicity, income, wealth, savings and education. The balance of evidence suggests women are more likely to give outright bequests than men (Atkinson, Backus, & Micklewright, 2009; Sargeant & Jay, 2003; Sargeant, Wymer, & Hilton, 2006) as are those with more significant assets (James, 2009; McGranahan, 2000; Pharoah & Harrow, 2009; Schervish, 2000). In respect of pledging a bequest, age also plays a part because as people age, they are more likely to have made a will, as evidences from James and Baker (2015) research show, charitable transfers result mostly

from decisions that occur during the last 5 years of life and at the oldest ages. Charitable plans made earlier in life are often discarded. Their study highlights how is difficult to retain charitable provisions in estate plans over time, as retention rates are far lower than many fundraisers might generally believe. Also Richardson and Chapman (2005) suggest that while it is critical to continue to educate a younger demographic about the opportunity of leaving a bequest gift to charity, it is still important to focus resources on an older audience, where there will be a greater return on investment. Caldwell (1998) agrees with the potential benefit of targeting older donors. As for the education, Adloff (2009) state that education level positively reinforces the childless people to transfer resources to charities as the educational background of a person is one of the most important predictors of charitable giving. “After controlling for both income and wealth, people with higher levels of educational achievement give more” (Adloff, 2009, 1190).

Subsequently literature displays several individual factors. Despite the fact that individual factors also have the capacity to influence other types of giving, these were identified as particularly pertinent to the context of bequests. The individual factors are reciprocation, empathy and altruism. With reciprocation the authors mean a strongly personal tie to the organization the donors pledged to. Bequest pledgers appear significantly more likely to be seeking a means of reciprocation

(Sargeant, Wymer & Hilton, 2006). Some had lost a friend or loved one to a particular disease; others had been service users of the organization, or had a friend or a loved one who had been aided. These individuals may express a strong need to thank the organization, to reciprocate the kindness they felt had been offered to them. This kind of relationship is supported by a study of Turner (2013) on the wills made by a solicitor's clients. If a testator has a strong connection with a particular charity, they will be more likely to give their entire estate to that charity. Reciprocation may be also expressed not to the organization but to the subject of the cause. This usually happens to wider causes such as animals related or environmental. The further key individual factor is empathy (or affinity). Donors would not support a cause in which they had no personal interest; particularly a bequest is a strong indicator of personal priorities. The quantitative research by Sikkel & Schoenmakers (2012) confirms that empathy is a key driver to determine the choice to leave a bequest to a health-related charitable organization. According to their results, in order to leave a bequest, it is necessary that the bequest pledger feels he or she perceived by the victim of the illness. Altruism is the other key individual factor highlighted in research as there is considerable support in the literature for the existence of generic altruistic giving (Batson et al. 1986; Fultz et al. 1986, Griffin et al. 1993). Altruism is a concept that can lead to multiple interpretations. Khalil (2004) distinguished between egoistic, egocentric and alter centric altruism, in this case we refers to the latter, a

type of responsibility that comes from within and need no further justification. As Sargeant and Hilton (2005) reminds, authors like Clary and Orenstein (1991) noted that altruistic motives were significantly more likely to lead to serious help than “token” help. Given the perceived personal significance of the bequest it is possible to ascribe a genuinely altruistic motive to this form of donation. Furthermore, for some donors, the bequest offered an opportunity to ensure that they would be remembered, either by those working in the nonprofit, their family or by successive generations of users of the nonprofit’s services. This need was expressed as an ego need for the pledgers themselves or as a perceived need of their family for remembrance (Sargeant & Shang, 2011). This evidence is confirmed by subsequent researches. Routley and Sargeant (2015) demonstrate how the bequest gift is laden with symbolism, a function of the reminiscences of the individual and reflective of the need for the self to live on and achieve a degree of symbolic immortality.

Other individual factors were subsequently added in literature. Depending on the positive or negative inclination of the donor, two additional motives are the so called “warm glow” and the negative state relief. These two are indeed very similar (Sargeant et al. 2006). Warm glow is about feeling good about pledging support in this way, a feeling that derived from the belief that it was “the right thing to do” and that the gift would be appreciated, either by fundraisers, the

organization or the beneficiaries that would follow. In the same way that donors may perceive a benefit accruing from charitable support that makes them feel good about themselves, there is evidence that donors also may be motivated by a desire not to feel bad about themselves, therefore relieving a negative state and mitigate some personal distress (Sargeant, Wymer & Hilton 2006). Eventually Sargeant and Shang (2011) recently identified an additional bequest motive not previously identified in the extant literature, notably: identification. They found two distinct forms of identification. The first one is based on the notion of community, with different donors identifying with different categories of community. The identification based on such affiliations is mostly determined by the interpersonal relationship that donors may have with the various stakeholders of an organization or, perhaps more importantly believe they have, with critical groups (Sargeant & Shang 2011). The second category of identification was identification with the nonprofit itself. Here giving is prompted by a belief in the values of the organization and a desire to see these continue over time. Wymer and Rundle-Thiele (2016) also highlight the concept of loyalty as an antecedent psychological construct that influences some donor outcomes such as bequest intentions. Donor loyalty refers to an individual's affective attachment and devotion to a nonprofit organization. They posited that the degree to which donors feel loyal to their organization has an influence on their intentions to make a bequest. In addition, they understood which facets of a nonprofit organization

most likely serve as loyalty objects, notably they found that mission and purpose of the organization was the most important organizational facets followed by the people served by the organization.

Considering others individual specific barriers, literature highlighted also barriers that attain to the personal choice of the individual, therefore to his trade off in the decision of leaving, or not, a bequest. These are pointed out as time and cost.

Time appears to be a barrier being a key consideration when it comes to decide to leave a bequest for a donor (Sargeant, Hilton & Wimer, 2006). Donors need to make an effort to invest time (and potentially expenses) to plan and decide to which organization devote such a donation. Bequest giving is frequently seen as a complex process. Furthermore, the issue appears not to be an urgent one pushing the donor toward postponing the decision. Considering the cost as a barrier, there are two types of aspects that can form barriers for leaving a bequest (Wiepking et al., 2012). The first is the actual possess of adequate financial resources and assets to be able to leave a charitable bequest. Secondly, there is the perception of financial security in order to be able to share some of those resources. Financial perceptions matter because even people who are objectively well off can still feel financially insecure or experience 'psychic poverty' (Schervish and Havens, 2003; Sprinkel, 2009; Wiepking et. Al, 2012). These negative money perceptions

decrease the size of their charitable donations, irrespective of these donors' actual financial resources.

2.3.2 External motives and barriers

Additionally to the individual factors, we derived from literature a category of motives and barriers that can be brought back to a broader socio-cultural context. Therefore we pointed it as external motives and barriers. Among this category we highlighted the family status, the cultural context and the administrative context.

A key determinant of whether a bequest would be offered is the perceived level of family need. Individuals are only willing to consider offering a charitable bequest when it is clear their close friends and loved ones are adequately cared for. The greater importance of family benefit considerations in charitable bequest giving has been experimentally tested in a recent study. James (2015) measured the effects of a family-charity conflict reduction message (a reminder of family connection to a cause and an opportunity to make a tribute gift) for bequest giving. The results provided experimental support for previous suggestion regarding the special role of family consideration in charitable bequest giving. Additionally, using nationally representative data in the US, James (2009) found that the strongest indicator of the propensity to have a planned charitable bequest was the absence of any children or grandchildren. Conversely, the presence of close relatives is certainly a substantial barrier. In economic terms they could be

seen as alternative non charity beneficiaries (James III, 2009). Most people, as previously stated, will make sure their loved ones are looked after, before they consider making a charitable bequest. People leaving family behind will most often leave their estates to relatives. The more salient the family role identity, the more likely the estate will go to relatives, such as a partner and/or (grand) children (James III, 2009).

On the other side, it could happen that the family status may generate an opposite motivation to leave a bequest to charities. In some occasion, in fact, donors may well choose to leave a charitable bequest to actively avoid leaving money to family; Sargeant, Hilton & Wymer (2006) labeled this motive as spite.

Caldwell (1998) also mentions the external factor of society being important for the donor to belong in a recognition society that honors bequests. It is clear how also the State of residence may therefore have an impact. Such an assertion is supported by several studies (Adloff 2009, Priller and Sommerfeld 2005) that rate the participation in charitable giving among the population of different States, showing consistently different findings.

Religion has been added within the external context because while studies stated that people with stronger religious values not necessarily have a higher probability of leaving a charitable bequest (Wiepking et al. 2010) Sargeant and Shang (2011) point out that an individual's faith can have a significant impact on bequest

giving. Additionally, Adloff (2009) says that charitable giving in the US is deeply influenced by religious affiliation, those who go to church give a share of their income that is three times higher than that given by people with weaker ties to a church (O’Herlihy, Havens and Schervish, 2006). Therefore, being most of the studies concerning bequest motives conducted in the same Judeo-Christian society (notably the USA) it appears important to highlight the religion as an important socio-cultural factor to further examine in different contexts.

The State of residence has an impact not only on a cultural basis but also on the administrative-fiscal side. For example, estate tax consideration had been recognized in literature as an issue for donors in terms of making a bequest. The minimization or the reduction of estate tax was seen as critical in ensuring that the government did not claim a share too big. It is clear how such an issue is largely depending on the juridical context of where the studies were conducted. Therefore, this motive has been hereby ascribed to a broader “socio-cultural favorable context”

2.3.3 Organizational perception

Considering the organizational factors that drive toward a charitable bequest literature identified performance, professionalism and communication quality. These factors pertain to the characteristics of the non profit organization that were found to stimulate giving. The performance of the organization was felt to be a particular issue. “Data with respect to both efficiency and effectiveness were deemed relevant. Individuals wanted to know their gift would genuinely aid in the resolution of the issues addressed by the NPO and were equally concerned that it should not be eaten away by fundraising and administration costs” (Sargeant, Hilton & Wymer, 2006). Wiepking et al. (2010, 2012) confirm this motive having found evidence that belief in the efficacy of charitable organizations is requisite for leaving a bequest, as the deceased donor has no control over the enactment of the gift. Perceived organization effectiveness appears also to be an important difference between bequestors and non bequestors. Not only bequestors have no control over the deployment of their gift but do they have neither a direct way to monitor what a charity does with their bequest; they have passed away and it is up the charity and possibly their families to monitor the realization of the bequest. Whether a bequest will be spent effectively and in line with their original goals is unknown. Hence, leaving a charitable bequest requires a belief in the charity’s efficacy. The perceived professionalism of the non profit organization was also

highlighted as an important organizational factor. Professionalism is a greater concern when it comes to bequests fundraising. Errors could be forgiven in annual giving, however in the case of bequests, the approach of the organization is expected to be beyond reproach. The quality of care expected from the organization reflects the size of the gift. The bequest intentions from the donors have to be handled in a professional manner, with an approach tailored to their needs. The other critical organizational factor highlighted is the perceived quality of the nonprofit communication. Despite this factor may be linked to professionalism evidences in literature suggest to treat the two factors as distinct constructs. Donor development communications are crucial in maintaining the relationship.

Several studies focused on narrow aspect of the donor communication highlighting some evidences and giving charities' professionals advices on how to better convey their communication.

James (2016) for example examines the effectiveness of fundraiser job titles in charitable bequest planning. According to the author, understanding public perceptions of such titles may be important, as a core task of fundraisers is to have conversations with existing and prospect donors about making a gift (Lindahl and Conley 2002). Therefore, an important aspect of fundraiser job titles may be the extent to which they either encourage or inhibit donor willingness to engage in

these conversations. He posits that traditional fundraiser job titles are often institution centered and such an approach might not be effective with donors due to a modern shift toward donor-centered philanthropy. Alternative job title can be gift centered (i.e. “major gift” or “donor advising”). His results strongly support the relative ineffectiveness of the traditional institution-centered titles at encouraging donor contact. Use of the traditional job title words of *advancement* and *development* consistently lowered interest in donor contact. According to the author, since the primary function of fundraiser is to connect with the organization’s external environment, NPOs should take into consideration the relatively negative impact of these traditional job titles in such a context.

Considering the most effective way to communicate with donors, a study from Sanders and Smith (2016) give an additional insight on a different aspect. They demonstrate the importance of non-pecuniary mechanisms for bequest giving showing that a prompt to leave money to charity that includes social and/or emotional factors made during the will-making process increases by 50 per cent the proportion of wills that include a charitable bequest. In this case, they considered a legal call center as the solicitor and not a nonprofit organization itself. It is usual, in fact, for donors, to avail themselves of an intermediary for such a delicate issue.

Communication appears to be relevant also regarding the actual phrasing of the bequest inquiry as for the fundraisers talking about the topic of the donor’s death

(and the subsequent opportunity to leave a bequest gift to charity) may naturally feel daunting.

In his study on phrasing the bequest inquiry, James (2016) explore the impact of phrasing changes related to four potential areas of influence: (1) symbolic immortality, (2) social norms, (3) life story, and (4) common terms.

Previous experimental results identified that mortality reminders can generate an increased desire to have an impact on other people that persists into the future (Wade-Benzoni et al. 2012). Furthermore as shown previously Routley and Sargeant (2014) identified the importance of “living on” as one of the strongest motives to leave a bequest. As for the social norms, previous studies (Burke et al. 2010, Sanders & Smith 2014) highlighted that with their introduction in the bequest inquiry the number and size of planned gift to charity dramatically increased. Regarding (3), several research findings emphasize the importance of donors’ life stories in influencing charitable bequest decision-making (James and Routley, 2016; James and O’Boyle 2014). As for the common terms the study of James explore the limited number of terms that are commonly used to describe a charitable bequest gift (e.g., bequest, legacy, gift in a will, or gift in a last will & testament) to see if any such terms are more or less effective in generating interest in making such a gift.

His findings provided mild support for the use of social norms and referencing the respondent’s or exemplars’ life. Although the direct attempts at referencing

symbolic immortality were not successful in generating increased interest, gratuitously referencing the respondent's death was associated with reduced interest. Regarding the common terms, the use of some variation of "gift in your will" proved to be most appropriate. Alternative terms such as "bequest" "legacy" or "remember your favorite charities" resulted less effective (James, 2016).

However it must be stated that it is important for the organization to maintain a balance in both frequency and volume of communications. Donors may complain about excessive requests and a general lack of responsiveness from the mass of organizations that regularly communicate with them by mail or e-mails. Bad quality of communication may therefore results in a substantial barrier to bequest intentions.

Sargeant, Hilton & Wymer (2006) mention insensitive marketing as an expression of negativity toward the approaches to bequest fundraising adopted by many organizations. In terms both of relationship and targeting. As James (2016) confirmed, the potential for indelicate phrasing to create offense might naturally be greater in the area of bequest giving than in other, more typical, fundraising communications. A further concern was the lack of personalization in the request and therefore the style of bequest solicitations. Not only these are

perceived as unlikely to solicit a gift but in some cases could even deter an individual from leaving a bequest. On the other side, not having solicitation at all could reveal into another barrier. Bequests are often triggered through solicitation taking place either through financial planners or through fundraising professionals working with charitable organizations (James III et al., 2009). Sargeant and Warwick (2004) and Wilberforce (2001) state that one of the major barriers for bequest giving, is the lack of solicitation. “Very few people are approached to leave a charitable bequest and this seriously limits the number of actual charitable bequests left” (Wiepking et al. 2012).

High-quality communications on the other side can have two key impacts. First, donors would only consider supporting organizations with bequests whose communication strategy they had long regarded to be appropriate. Second, it was felt that immediately prior to offering their bequest the quality of communications had been particularly scrutinized. Such communication attention in the context of bequests involves much more than just controlling the quality of communications through the mail; donors appreciated the events, opportunities to meet individuals at the organization, opportunities to volunteer and so on. Also the quality of the interaction donors had with fundraiser is a key. They welcomed the professionalism of the individuals, but also felt that they had developed a genuine friendship with the passage of time. This friendship impacted on the fundraiser’s

desire and ability to respond to their specific needs and aspirations (Sargeant and Shang 2006).

A recent work by Pike, Knott and Newton (2012) offers new insights on the organization specific motives. They recognized how research addressed very little the influence of the charity attributes compared to the greater attention given to the donor's personal motivation. Regarding this, they highlight how the brand positioning is a crucial activity in order to have a positive brand image. A strong brand leads to excellent reputation, trust and credibility. Organizations have to position their brand into donor decision sets, in order to do so they must differentiate themselves against competing brands offering similar features. The positioning theme must be developed on the basis of something that is meaningful to the individual in order to find a value alignment.

2.3.4 The fundraising perspective

Eventually, coming to the papers that adopts a non profit organization's view of the bequest fundraising issue, it is useful to remind how researches focused on narrow aspects of the organization's solicitation in a fragmented way. Several topics have been discussed without considering a comprehensive view of the complex functioning of a non profit organization and therefore addressing limited

questions. The topics mainly discussed relate to some broader streams of research. Bequest promotion and the relationship with the different stakeholders (notably solicitors and donors), database marketing and the development of a bequest process in a non profit organization.

Concerning bequest promotion, a study from McGregor-Lowndes and Hannah (2012) shed some lights on the channels used by non profit organizations to promote bequest giving. As already stated in the donor side of the literature, intermediaries such as lawyers and notaries are important actors of the bequest fundraising process since potential donors seek for specialized consultation when the time comes for making a bequest. Therefore this research tries to assess the effectiveness of the marketing activities usually carried out by NPOs toward lawyers in order to influence the likelihood of a charitable bequest to be made by a prospect donor. Thanks to their qualitative study, the authors point out how lawyers believe that they are not influenced by charity communications in suggesting to clients that they make a bequest in favor of a particular charity or even in favor of any charity. This result seems at odds with the behavior of charities, which on the other side, advertise in specialist legal publications and supply bequest materials to lawyers. Lawyers do require certain specific formal information about a charity, but they do, only once a client wishes to make a bequest; since such information is rarely contained in charity advertisements, they

prefer to use other sources of communication with the organization to obtain this information. Often, as the research shows, they experience difficulty in obtaining the required information from charities. Therefore, authors conclude, it is important to improve nonprofit staff awareness of lawyers' requirements in order to fill this informational gap.

Additionally, when it comes to bequests promotion to donors, in Wise (2005) opinion, this is something that every NPO could be seek, being bequest fundraising one of the few forms of fundraising where the potential is far greater than that reached by current activities. Bequest fundraising is long term and cannot be measured on an annual basis. That is why charities should always encourage people to let them know when they have included a charitable legacy in their wills. Monitoring and evaluating results of bequest promotions is very difficult to do accurately, because bequest cause and effect can rarely be linked. However, according to the author, it is also very valuable and cost effective when looked at as a whole. It offers the best fundraising cost to income by far, promises large returns from few people and underwrites charities' futures. It is necessary therefore, for NPOs, to equip themselves with communication material useful to attract these kind of gifts from their donors. Ideally, says Wise, attractive leaflets should be part of any bequest campaign. He suggests that a charity needs at least two legacy leaflets—one for wide, general distribution and, another, fuller version

with more will-making advice, to be sent on request in order to monitor results of the effectiveness of the campaigns and the response rate of the donors. Also, requests for bequests can be inserted into newsletters and annual reviews. Bequest leaflets should be produced first and foremost for current donors, than for supporters such as volunteers, and potential supporters.

Another relevant issue emerged from this side of the bequest literature is the use of data by charities to enhance fundraising from bequests. Several authors historically developed this topic (Magson and Routley, 2009; Rodd, 1998). Magson and Routley state that data have a key role in bequest fundraising as it is a long-term process based on developing relationship with donors over time. Data allow fundraisers to measure and track their donors contributing to the development of effective fundraising strategies. Data could exist in a variety of places: a fundraising system, a legacy administration system and other internal databases such as membership system or records of service users. The smallest and most seemingly insignificant pieces of information, when added together, can provide the organization with a rounded and detailed picture of a donor (Magson and Routley, 2009). Discussing this assertion in light of a UK case study, the authors point out that building a model and targeting those donors with a model score within the top 80 per cent, the organization could capture 100 percent of bequest pledges, reducing mailing costs over time and generating higher numbers

of pledges. However, authors say, in order to realize these potential benefits, charities must regard the collection storage and analysis of data as a long-term investment. “Organizational data strategies and procedures must be robust enough to support the long-term management of data to support bequest fundraising programs” (Magson and Routley, 2009). Another study of data analysis has been carried out by Rodd (1998). He outlines the benefits of analyzing the records of deceased persons who have made bequests to charity, in order to establish their key characteristics. Benefits with particular reference to understanding the profiles of future pledgers, reducing inappropriate or wasteful marketing, establishing segmentation criteria, positioning donors in demographic terms, locating them geographically, sizing the market, establishing the most attractive prospects and determining the earning power of the existing live supporter database versus the wider general public, and anticipating the effects of competition.

Other works gave more general consideration on the development of bequest fundraising inside a nonprofit organization (Radcliffe 1998; Ford 1996; Wyse 2005).

Radcliffe (1998) posits that bequest fundraising is fulfilled more effectively by integrating it into all other fundraising activities in opposition to previous orientations toward the subject. The author introduces the topic by giving a brief

overview on the geographic differences in bequest fundraising approach. He posits how in parts of Europe, especially the Roman Catholic countries such as Italy and Spain, bequest fundraising is not yet a widespread phenomenon despite the general belief of the population in afterlife. Also in Moslem countries very few nonprofits are involved in bequest fundraising campaigns, however those few involved are using faith to inspire donors presenting an effective and positive message. Jewish communities on the other hand tend to offer interesting benefits to those who pledge a legacy. Finally, the approach used in the UK is joyful and vision-led. He conclude by saying that the front-line troopers of bequest fundraising should not be fundraisers but volunteers; bequest administration is seen as likely to remain a backdoor activity. Furthermore, only lawyers, according to the author should be used to give professional advice since the representative of the organization are not professional advisers and should not pretend to be.

Also Ford's research (1996) gives a general overview of how to obtain bequests. He states that the element of legacy fundraising which involves face-to-face techniques and relationship building is the culmination of a properly organized and researched campaign, and cannot in any circumstances be done without a great deal of other essential preparatory work. If a charity is serious about bequests, everyone in the organization from top to bottom must be both involved and properly briefed as to the importance of this income stream. The author add

that a bequest campaign must be part of the whole fundraising strategy and not done in isolation, and once started, it should be a continuous process.

2.4 Purpose of the work

As the systematic literature review acknowledged, research left partially unexplored the fundraiser side of the charitable bequests issue creating a fertile terrain for new inquiries (Pike, Knott and Newton, 2012) that can better define what an organization should do to achieve a competitive advantage by securing bequest gifts. Past studies focused on narrow aspects of the organization's solicitation in a disjointed way, resulting "unhelpful in explaining the charitable component to many individual wills" (Sargeant, Wymer and Hilton, 2006). Several topics have been discussed without considering a comprehensive view of the functioning of such a delicate area of a non profit organization. Therefore, limited questions were historically addressed. However bequest fundraising remains a crucial instrument for non profit organizations, it has become an increasingly important source of income. The figures related to its employment are raising worldwide. In 2015, US charities received 31.76 billion \$ in the form of bequest, a number that saw a 2.1% increase from the previous year and represents the 9% of total charitable contribution (Giving USA 2016). In UK,

bequests account for a quarter of the total amount given to charities each year, topping an annual 2.24 billion £ (nfpSynergy, 2016). While in Italy bequest giving is estimated to be around 1.1 billion Euros per years (Fondazione Cariplo).

Yet, there is vast room for improvement. The potential market for bequest might be way bigger as in the US only 5,7% of people 55 years old and over have a charitable bequest in their will. In the UK the number is only slightly higher with a 7,3% people leaving a charitable bequest; a similar situation occurs in Australia where 7,4% of people included a charity in their will (Giving Australia 2016). In Italy, despite a recent growth, only a small 3% of people over 55 years old exploit this form of donation reflecting in only 21% of Italian NPOs to have received a bequest in 2015. It appears, therefore that while a conspicuous majority of people worldwide gives during their lifetime, only a small percentage of those who dies leaves a bequest to charity, a figure that has remained long-time static.

Furthermore, according to the analysis of the bequest fundraising literature, most of the studies in the field are limited to US, UK and Australia and few have studied the issue in the context of other countries (Wunderink, 2000; Jousten 2006; Adloff 2009; Sikkel and Schoenmakers 2012). Although it could be scientifically relevant to take into consideration other contexts to shed a light on how bequest fundraising is carried out and how non profit organizations are planning on exploiting the large amount of funds possibly available.

As an example of how different States can lead to diverse cultural contexts, it is possible to mark how within the European Union, the Treaty on the Functioning does not provide any specific competence for the Union concerning non profit organizations. The matter remains within the singles State members according to the principle of conferral in order to respect the peculiarity of each welfare State. In this way, each state is free to promote the pursuit of interest of its own population. That is why a closer look to different cultural and juridical contexts, rather than US, UK and Australia, might reveal important to gain a deeper knowledge on different approaches to the fundraising subject (generated by different legislations, different cultures, and different customs).

The abovementioned numbers become increasingly meaningful if we consider the substantial numbers of the forthcoming generational transfer mentioned in the first chapter. It is clear how bequest fundraising could reveal to be the next great frontier in fundraising disclosing huge opportunities. Non profit organizations, nonetheless, should be able to exploit this possibility by equipping themselves with a proper fundraising structure, useful to attract these kinds of donations.

A lot have been said in literature about the motives and the barriers that donors face when it is time for them to think to a bequest donation; much less attention has been devoted to understand how an organization may be able to improve in catching this kind of support.

The purpose of this work is thus to understand what kind of resources are required to an organization in order to gain a competitive advantage in bequests fundraising, how these resources are assembled and how their leverage can lead to a superior performance in terms of funds attained with this instrument.

In order to do so, the lenses of Resource Advantage (R-A) Theory will be applied to a leading organizational case that will be presented in the last chapter. As will be subsequently pointed out, the choice of the case was driven by the relevance of the organization within the field of bequest fundraising. Through R-A lenses, the aim is to identify the resources NPOs can acquire, imitate, substitute and leverage in order to advance their position of competitive advantage.

This research will have its focal point on the intangibles resources (namely human, organizational, relational and informational); those who are embodied within the personnel of the organization. Pointing the R-A Theory perspective to the individual level can help to understand where the competitive advantage arises within the organization. Recent studies (Vicari, 2008; 2010; Rullani, 2006) highlight how intangible resources have increasing importance in the formation of the competitive advantage resulting in a key for success. This work thus will focus on the ability of an organization to leverage such resources in order to achieve success in raising funds with the specific tool of bequest fundraising and effectively provide superior social value. Fundraising is developed inside the

NPOs at an individual level by the managers who choose and apply the fundraising strategy.

Aided by an R-A Theory perspective the intent of this work is to examine what resources are deemed crucial to a successful bequest fundraising performance for NPOs leading to the formation of a competitive advantage.

The work will focus on Italy, an EU country where fundraising is still not a widespread activity amongst non profit organization. According to ISTAT (2014) only the 19,7% of Italian nonprofit organizations declared to be active in fundraising activities. Furthermore, also in larger organizations, with the average number of 261 employees, only 5.8 are employed in the management of fundraising activities (Unicredit Foundation, 2013). Considering the recently published CAF World Giving Index 2017, in Italy only the 30% of population donated money to a charity while only a small 10% of people over 55 years left a charitable bequest reflecting in only 21% of Italian NPOs to have been bequest recipients in 2015.

Despite that, a conspicuous amount of funds is about to be transferred by the generation that is passing away. According to Cariplo Foundation Observatory in the next 15 years there will be a succession in 6 million families, reaching 848 billion Euros of disposable quotas. Within this scenario some proficient non profit

organizations historically equipped themselves in order to be ready to exploit this possibility.

Among these, there is the organization object of this case study, Lega del Filo d'Oro (LFO). LFO proficiently and pro-actively raised funds by bequest, being considered a pioneer in this particular sector.

By studying this case, the work would like to add a contribution to the bequest fundraising literature in terms of understanding which resources are required to gain a competitive advantage in bequest fundraising and how management can exploit it in order to achieve a long lasting positive performance.

In the next chapter of this work there will be a focus on the theoretical framework chosen to investigate the use of resources inside non profit organizations devoted to bequest fundraising, resource-advantage theory.

The chapter does not pretend to be exhaustive, but to provide a general overview of the lenses under which the subsequent Case will be studied. The last chapter of this work, precisely, is dedicated to the case study and to the discussion of the results.

Chapter 3: A Resource-advantage theory framework

3.1 A theory for competition

Modern business strategy maintains that the strategic imperative of a firm should be sustained, superior financial performance and the belief that this goal can be achieved through a sustainable competitive advantage in the marketplace (Aaker 1997; Barney 1991; Bharadwaj et al. 1993; Cecil and Goldstein 1990; Coyne 1985; Day 1984; Day and Nedungadi 1994; Porter 1985; Reed and DeFilippi 1990). Superior profitability is based on achieving competitive advantage in the form of unique skills and resources that allow a firm to implement business strategies superior to those of their competitors (Barney 1991). When these advantages are resistant to erosion by competitors' efforts, firms achieve sustainable competitive advantage (Porter 1980).

Contributions to modern business strategy have come from a broad range of disciplines, including economics, strategic management, organizational behavior and operations management (Lewis and Gregory 1996). Also, the field of marketing has contributed to modern business strategy although as many authors like Day et- al (1990) note, there should be a better dialog between strategic management issues and marketing issues. An article by Hunt and Lambe (2000)

attempt to close the disciplinary gap by examining some of marketing's complementary and unique contribution to the study of business strategy.

It worth to mention the three dominant theoretical approaches to modern business strategies: (1) industry based theory (2) resource base theory (3) competence-based theory. The industry-based (I-B) theory of strategy, as exemplified by Porter (1980, 1985) turns the former industrial-organization economics “upside down” (Barney and Ouchi 1986, 374). If superior financial performance results primarily from industry factors, choosing the industries in which to compete and/or altering the structure of chosen industries to increase monopoly power should be the focus of strategy (Hunt and Lambe, 2000). After choosing industries and/or altering their structure, Porter advocates choosing one of three “generic” strategies: (1) cost leadership (2) differentiation or (3) focus. That is, superior performance can result from a competitive advantage brought about by a firm, relative to others in its industry, having a lower cost position, having its offering being perceived industry-wide as being unique, or having a focus on one particular market segment and developing a market offering specifically tailored to it. “Usually a firm must make a choice among them, or it will become stuck in the middle” (Porter, 1985, 17). According to Porter, internal factors come into play, only after the choice of one of the three strategies by the firm. This is a view questioned by many business strategist theorists. In particular, those arguing for

resource-based theory focus on the primacy of firms' heterogeneous and imperfectly mobile resources (Hunt and Lambe, 2000). In fact resource-based (R-B) theory focuses on internal factors to explain business strategy. Resources are "any tangible or intangible entity available to the firm that enables it to produce efficiently and/or effectively a market offering that has value for some market segment" (Hunt and Morgan, 1995, 11). The fundamental thesis of R-B theory is that resources (to varying degrees) are both significantly heterogeneous across firms and imperfectly mobile. Resource heterogeneity means that each and every firm has an assortment of resources that is at least in some ways unique while imperfectly mobile implies that firm resources, to varying degrees are not commonly, easily, or readily bought and sold in the marketplace. Therefore, the expansion of the firm is largely based on opportunities to use their existing productive resources more efficiently than they are being used (Penrose 1959, 88). The main concepts of R-B theory are defined by Barney (1991, 1992). Firms resources "include all assets, capabilities, organizational processes, firm attributes, information, knowledge etc., controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness" (Barney 1991, 101). Heterogeneity and immobility alone do not guarantee sustained competitive advantage. "Sustainability occurs only when rivals find it difficult both to imitate the competitive advantage-producing resource and develop or acquire strategic substitutes for it. Imperfect imitability could results from (1)

unique historical circumstances (2) casually ambiguous resources and (3) socially complex resources” (Hunt and Lambe, 2000). As Barney (1992) highlights, complex resources are those “that enable an organization to conceive, choose and implement strategies because of the values, beliefs, symbols and interpersonal relationships possessed by individuals or groups in a firm”. Reputation and trust are among these. Another theory of business strategy focused on “internal factors” is competence based (C-B) theory. The term “distinctive competence” refers to what an organization could do particularly well, relative to its competitors. C-B theorists argue that their theory is a logical extension of R-B theory. According to C-B view “achieving and sustaining a competitive advantage position requires that managers focus on developing and nurturing their firms’ idiosyncratic competencies that inhibit imitability” (Lado et al. 1992, 88). For C-B theory, a key management task is “maintaining the effectiveness of the firm’s competence building and leveraging processes by achieving consistency of strategic logic throughout the firm” (Sanchez et al. 1996, 10).

Resource Advantage (R-A) theory, an evolutionary, dynamic process theory (Hunt 1997; Hunt and Morgan 1996), can be thought of as an integrative theory of business strategy, bringing together I-B, R-B and C-B theories, because it draws extensively on, and share many affinities with, the business strategy literature (Hunt and Lambe, 2000). R-A theory incorporates the external-to-the-firm view

provided by the I-B theory of business strategy, (2) the internal-to-the-firm view provided by the R-B and C-B theories of business strategy, and (3) marketing contributions (in the form of Market Orientation and Relationship Marketing) to business strategy.

“R-A theory shares with industry-based theory the view that the firm’s objective is superior financial performance and that the proximate cause of superior financial performance is marketplace position” (Hunt and Lambe 2000). Second, R-A theory integrates R-B and I-B view by positing that it is a comparative advantage in resources that results in marketplace positions of competitive advantage and superior financial performance. Third, it agrees that industry structure influences competition but not determining entirely the performance since firm factors, not industry factors, are mainly explicative of the variance in firm performance (Hunt and Duhan 2000). Fourth, as in R-B theory, it adopts a resource-based view of the firm considering it a combiner of heterogeneous, imperfectly mobile resources that are historically situated in space and time (Hunt and Lambe 2000). Fifth, drawing on the historical tradition R-A theory does not exclude that historical “accidents” and luck can contribute to explaining firm performance. Sixth, R-A theory agrees with C-B theory that competition is fundamentally dynamic and disequilibrium provoking. “Because all rivals cannot be simultaneously superior, competition stimulates the proactive and reactive

innovations that ensure dynamism” (Hunt and Lambe 2000). Seventh, again agreeing with C-B theory, R-A accounts for learning through competition. Despite being recognized that firms learn in many ways, in R-A theory the emphasis is on how the process of competition itself contributes to organizational learning.

3.2 Theoretical foundation of R-A T

“Resource-advantage theory is drawn from developed research traditions, as the Austrian economics, the historical traditions, heterogeneous demand theory, differential advantage theory, transaction cost economics, industrial-organizational economics, economic sociology and the resource-based view of the firm. However R-A theory is not a composite of these theories and research traditions” (Hunt 2000). R-A theory is a general theory of competition that describes the process of competition. (Hunt, 2010). R-A theory of competition adopts realism as its philosophical foundation. One of the main advocate of realism has been Bagozzi (1989, 1984), a fact that led several marketers to associate scientific realism only with his advocacy of structural equation modeling. “However, though such modeling techniques require realism in order to be intelligible, scientific realism does not imply any mathematical or statistical techniques. More strongly, scientific realism does not require any mathematical or statistical techniques at all” (Hunt, 2010,239). Authors like Easton (2010) for example, talk about case research based on critical realism. His approach focuses

on using cases to explore for entities that have casual powers and for the necessary relationships among the entities identified (Hunt, 2010). Scientific realism emphasizes the testing of marketing theories as a means for establishing their success. Therefore, theories comprising diverse concepts such as “attitudes”, “intentions”, “market segments”, “purchase behavior”, “channels of distribution”, “conflict”, “brand awareness”, “perceived risk” guarantees the beliefs that these entities have a real existence and the theories comprising these entities truly say something objectively (Hunt, 2010, 239).

There are a number of different views and approaches to realism (Hunt 2003). One of the most comprehensive and detailed version is the one proposed by Sayer (1992) advocated in marketing by Easton.

Sayer sets out what he regards as the 8 key assumptions of critical realism in the following extract (Easton, 2010). 1. “The world exists independently of our knowledge of it. 2. Our knowledge of the world is fallible and theory-laden. Concepts of truth and falsity fail to provide a coherent view of the relationship between knowledge and its object. Nevertheless, knowledge is not immune to empirical check and its effectiveness in informing and explaining successful material practice is not mere accident. 3. Knowledge develops neither wholly continuously, as the steady accumulation of facts within a stable conceptual framework, nor discontinuously, through simultaneous and universal changes in

concepts. 4. There is necessity in the world; objects—whether natural or social—necessarily have particular powers or ways of acting and particular susceptibilities. 5. The world is differentiated and stratified, consisting of not only events, but objects, including structures, which have powers and liabilities capable of generating events. These structures may be present even where, as in the social world and much of the natural world, they do not generate regular patterns of events. 6. Social phenomena such as actions, texts and institutions are concept dependent. We not only have to explain their production and material effects but to understand, read or interpret what they mean. Although they have to be interpreted by starting from the researcher's own frames of meaning, mostly they exist regardless of researchers' interpretation of them. A qualified version of 1 therefore applies to the social world. In view of 4–6, the methods of social science and natural science have both differences and similarities. 7. Science or the production of any kind of knowledge is a social practice. For better or worse (not just worse) the conditions and social relations of the production of knowledge influence its content. Knowledge is also largely—though not exclusively—linguistic, and the nature of language and the way we communicate are not incidental to what is known and communicated. Awareness of these relationships is vital in evaluating knowledge. 8. Social science must be critical of its object. In order to be able to explain and understand social phenomena we have to evaluate them critically” (Sayer, 1992, 5). Objects, or entities, provide the basic theoretical

building blocks for critical realist explanation and can be organizations, people, relationships, resources and so on. Entities stand in contrast to the idea of variables that dominates most social research traditions. Variables are measures of things and not the things themselves (Easton, 2010, 120). They can only register quantifiable change, not its cause (Sayer, 1992, 180). Such modification alters the way to think about theory. It shifts the attention to the fundamental nature of the things researched rather than simply their measurable properties (Easton, 2010, 120). Echoing the words of Sayer (2000) as advocated by Easton (2010), critical realism acknowledge that social phenomena are intrinsically meaningful, and hence that meaning is not only externally descriptive of them but constitutive of them. Meaning has to be understood, it cannot be measured or counted, and therefore there is always an interpretative or hermeneutic element in social science (Sayer, 2000).

There are many ways in which theories can be successful. The inductive realism tenet of scientific realism which states that “the long-term success of a scientific theory gives reason to believe that something like the entities and structure postulated by the theory actually exists” (McMullin 1984, 26) focuses attention on the explanatory, predictive, and pragmatic success of a theory. Therefore, the phrase “long-term success” in the tenet identifies a theory “that over some significant period of time has demonstrated its ability to explain phenomena,

predict phenomena, or be useful in solving pragmatic problems” (Hunt 2010, 240). However since scientific realism adopts the principle of fallibilism, the meaning of “pragmatic success” does not equate with “truth”. In summary scientific realism proposes that (1) the world exists independently of its being perceived (classical realism); (2) the job of science is to develop genuine knowledge about that world, even though such knowledge will never be known with certainty (fallibilistic realism); (3) all knowledge-claims must be critically evaluated and tested to determine the extent to which they do, or do not, truly represent or correspond to that world (critical realism), and (4) the long-term success of a scientific theory gives reason to believe that something like the entities and structure postulated by the theory actually exists (inductive realism) (Hunt, 2010,233).

3.3 Founding premises

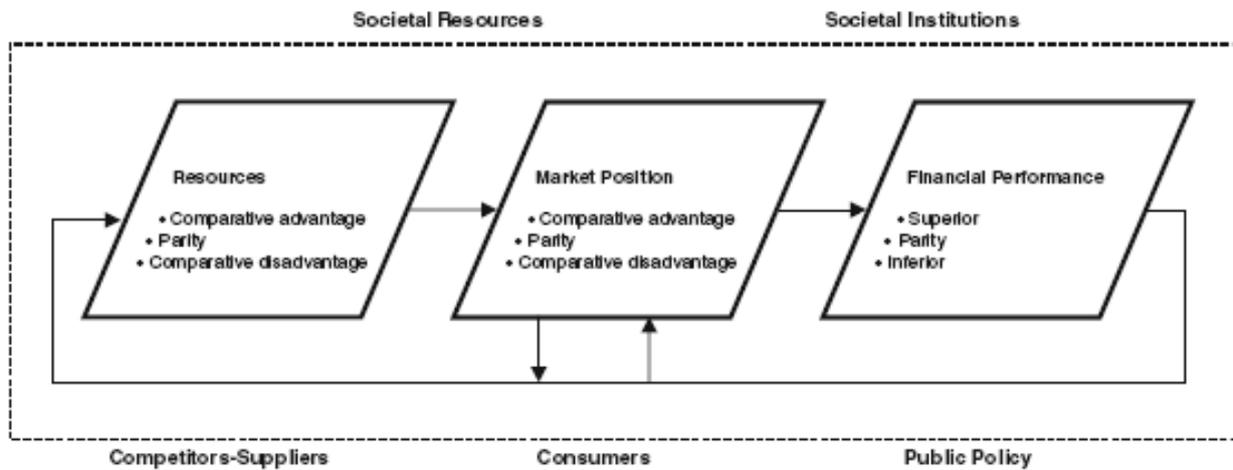
R-A theory posits nine foundational premises:

(1) demand is heterogeneous across industries, heterogeneous within industries and is dynamic; (2) consumer information is imperfect and costly; (3) human motivation is constrained self-interest seeking; (4) the firm’s objective is superior financial performance; (5) the firm’s information is imperfectly and costly; (6) the

firm's resources are financial, physical, legal, human, organizational, informational and relational; (7) the firm's resources are heterogeneous and imperfectly mobile; (8) the role of management is to recognize, understand, create, select, implement and modify strategies (which consist of allocations among resources); and (9) competitive dynamics are disequilibrium-provoking, with innovation being endogenous (Hunt & Morgan 1995, 1996, 1997; Hunt 1999, 2002).

At its core, R-A theory combines heterogeneous demand theory with the resource-based theory of the firm. Unlike perfect competition, heterogeneous demand theory views intra-industry demand as significantly heterogeneous with respect to consumers' tastes and preferences. Therefore, viewing products or services as bundles of attributes, different market offerings or "bundles" are required for different market segments within the same industry (Hunt, 2010). "Contrasted with the view that the firm is a production function that combines homogeneous, perfectly mobile "*factors*" of production, the resource-based view holds that the firm is a combiner of heterogeneous, imperfectly mobile entities that are labeled "*resources*". These heterogeneous, imperfectly mobile resources, when combined with heterogeneous demand, imply significant diversity as to size, scopes, and levels of profitability of firms within the same industry" (Hunt, 2010).

Figure 3.1. A schematic of Resource-Advantage Theory



Source: Hunt (2010) adapted from Hunt and Morgan (1997)

R-A Theory stresses the importance of (1) market segments, (2) heterogeneous firm resources, (3) comparative advantages/disadvantages in resources, and (4) marketplace positions of competitive advantage/disadvantage. Market segments are defined as intraindustry groups of consumers whose tastes and preferences with regard to an industry's output are relatively homogeneous. Resources are defined as entities available to the firm that enable it to produce efficiently and/or effectively a market offering that has value for some market segments. Thus, resources are not restricted to land, labor and capital, as in neoclassical theory. Rather R-A theory categorizes and specifically identifies seven specific resource categories: financial, human, organizational, physical, relational, informational and legal. These resources can be further decomposed into tangible and intangible. Tangible resources include financial, physical and legal resources.

Each firm in the marketplace will have at least some resources that are unique to it that could constitute a comparative advantage in resources that could lead to positions of advantage in the marketplace (Hunt, 2010). Some of these resources are not easy to copy or to acquire, being relatively immobile. Therefore such resources may be a source of long-term competitive advantage in the marketplace. There are similarities with international trade theory, which posits that nations have heterogeneous, immobile resources focusing on the importance of comparative advantage in resources to explain the benefits of trade. The same logic is applied to firms by R-A theory, recognizing that many of the resources of firms within the same industry are significantly heterogeneous and relatively immobile. “As nations, some firms will have a comparative advantage and others a comparative disadvantage in efficiently and/or effectively producing particular market offerings that have value for particular market segments” (Hunt 2010). When firms have a comparative advantage in resources, they will occupy marketplace positions of competitive advantage for some market segments. Marketplace positions of competitive advantage then result in superior financial performance. Similarly, when firms have a comparative disadvantage in resources, they will occupy positions of competitive disadvantages, which will then produce inferior financial performance. Therefore, firms compete for comparative advantages in resources that will yield marketplace positions of

competitive advantages for some market segments and, thereby, superior financial performance.

Figure 3.2: Competitive position matrix

		Relative resource-produced value (Effectiveness)		
		Lower	Parity	Higher
Relative resource cost (Efficiency)	Lower	Indeterminate position	Competitive Advantage	Competitive Advantage
	Parity	Competitive Disadvantage	Parity Position	Competitive Advantage
	Higher	Competitive Disadvantage	Competitive Disadvantage	Indeterminate Position

Source: Hunt (2000)

As stated by Hunt, R-A theory places great emphasis on innovation, both proactive and reactive. Firms learn in many ways, by conducting market research, seeking out competitive intelligence, benchmarking and test marketing. The theory states that also the process of competition itself contributes to organizational learning. Firms learn through competition as a result of the feedback from relative financial performance that they can occupy positions of

competitive disadvantage; they attempt to leapfrog the advantaged firms by acquisition and/or innovation (Hunt 2010). As Hunt highlighted, they try to acquire the same resource, finding an equivalent one or creating a superior resource. Superior might be in terms of either relative costs (an efficiency advantage), relative value (an effectiveness advantage), or both.

3.3.1 The role of Resources

According to perfect competition theory, firm resources are factors of production, the customary factors are land, labor and capital. Other intangible entities, such as entrepreneurship, as Kirzner (1979) points out, have no marginal product and therefore cannot be a factor of production. Furthermore, all resources are perfectly homogeneous and mobile. It means that each unit of labor and capital is identical with other units, and all units can move without restrictions among firms within and across industries (Hunt, 2010). R-A theory instead adopts a resource-based view of the firm. Specifically, R-A theory defines resources as the tangible and intangible entities available to the firm that enable it to produce efficiently and/or effectively a market offering that has value for some market segments, such resources are leveraged to provide for competitive advantage resulting in superior financial performance. “Resources are categorized as financial (e.g. cash reserves and access to financial markets), physical (e.g. the skill and knowledge of individual employees, including their entrepreneurial skills), legal (e.g. trademark

and licenses), human (e.g. the skills and knowledge of individuals, including their entrepreneurship), organizational (e.g. control routines, cultures and competences), informational (e.g. knowledge about market segments, competitors and technology), and relational (e.g. relationship with competitors, suppliers and customers). Each entity is a resource to the firm if, and only if, it contributes to enabling it to produce efficiently and/or effectively a market offering that has value for some market segment” (Hunt 2010). Resource heterogeneity, a cornerstone of R-A theory, implies that every organization has an assortment of resources that is at least in some ways unique. The fact that resources are posited as imperfectly mobile, on the other hand, means that the firm resources are not commonly bought or sold in the marketplace. This feature makes the resource heterogeneity long lasting despite attempts to acquire the same particularly successful resources by other firms. Moreover, resources need not to be owned by the company, but just be available to it. For example, the relationships involved in relational resources are never owned by organizations, but only available to them for the purpose of producing value for some market segments. In fact, “there is no market for relationship with suppliers, customers, employees and competitors. Nonetheless, relational resources have value”. (Hunt 2010, 381). The relationship an organization can access to, for R-A theory become part of the organizational capital. Other authors found different ways to call it, Falkenberg (1996) refers to it as “behavioral assets”, while Gummesson (1995) calls it

“structural capital”. The latter recognizes that the total value of a firm is primarily determined by what he calls “soft” assets, not inventory and equipment. Therefore, the value of many organizations cannot be correctly assessed from traditional information in the balance sheet and the cost and revenue statement of the annual report (Gummesson, 1995, 18). Also Falkenberg’s work (1996) provides data on how important organizational assets are in determining the value of an organization. He supports the view that it is organizational capital that is viewed by investors as the principal determinant of its wealth-creating capacity confirming R-A theory’s view that important organization resources are intangible, significantly heterogeneous and immobile. Differently from neoclassical theory that customarily admits only capital, labor and land to qualify as organization resources, such intangible as relationships are outside the scope of the concept “resources” and are not considered as having value in the production process. The commitment of neoclassical theory to the derivation of demand and supply curves requires all resources to be homogeneous and mobile, it is only by neoclassical theory’s viewing each unit of each factor of production as being obtainable in the marketplace that it can derive demand and supply curves for each factor (Hunt 2010).

Moving through the different resources pointed out by R-A theory, it is possible to highlight the main characteristics of each, keeping in mind the classification

between tangible resources (financial, physical and legal) and intangible resources (human, organizational, informational, relational).

Financial resources are defined as the current and potential cash resources of the firm, inclusive of access to the financial markets, cost of capital etc. (Hunt, 2000). They play a key role in the firm's ability to expand into new markets and develop new product or service initiatives (Johanson & Vahlne 1977; Aaby & Slater 1989; Bonaccorsi 1992; Li & Li 2008). Therefore, financial resources allow a firm to capitalize on market opportunities and thus enhance its overall strategic position (Griffith & Yalcinkaya, 2010). Further, financial resources allow a firm a strong competitive posture against threats, such as heightened price competition or negative economic cycles, thus allowing the firm continued performance success (Hunt 2000) Physical resources refer to the buildings, the raw materials and any equipment that the firm own or can access. (Hunt 2000). Physical resources play a key role in interactions with customers/clients as they provide the context of the interaction (Griffith & Yalcinkaya, 2010). Legal resources available to a firm include trademarks, licenses etc. Through these resources, firms are parameterized as to some aspects of their behavior (Hunt, 2000). By definition, these legal resources determine the ability of the firm to protect competitive aspects of the firm's offering. Such resources nonetheless may be variable throughout markets,

as the legal protection that a firm can establish in one market may not be mandatory in other jurisdictions.

Intangible resources include human, organizational, informational and relational resources. Human resources encompass the skills, knowledge, and vision of the firm's employees (Hunt 2000; Hitt et al. 2001). These are referred to as the most important, because human resources are action oriented in that they stimulate the use of other resources (Magnusson et al. 2009). Relational resources consist of the relationships between various constituencies within the organization and between the organization and its various external partners (Morgan and Hunt, 1999) such as customers, suppliers, competitors, union, governments, etc. (Hunt 2000). "A relationship can be a resource only when it makes some sort of contribution to the value offering to a segment the firm is targeting" (Griffith et al. 2006; Lee, Chen & Lu 2009). Organizational resources are the assets the organization possesses that arise from the organization itself such as corporate culture, image, policies, cultural routines and competences (Hunt 2000). These resources include also marketing competency, learning capabilities, research and development capabilities (Kroop et al. 2006; Johnson, Yi & Tsai, 2009). Informational resources include a firm's information regarding its own products, production processes and customers, and those of its competitors (Hunt 2000).

“The firm might invest in market research, technical research and development and competitor intelligence to improve its stock of informational capital resources” (Kroop et al. 2006). As previously highlighted, according to Hunt and Morgan, a comparative advantage in resources exists when a firm’s resource assortment (its competencies) enables it to produce a market offering that, relative to extant offerings by competitors, is perceived by some market segments to have superior value and/or can be produced at lower cost. Through the development of heterogeneous and imperfectly mobile resources, firms are argued to be able to achieve competitive advantage through greater effectiveness and efficiency (Griffith & Yalcinkaya, 2010). Thus, the value of a resource is seen in terms of its potential to yield competitive differentiation and/or customer value delivery. A value that could be maximized when resource deployment provides a distinctive competency and relative sustained advantage (Hunt 2000; Hughes & Morgan 2007). Since how previously recalled, Hunt argues that a comparative advantage in resources can translate into superior financial performance; this implies that firms seek a level of financial performance that exceeds that of its referents, often its closest competitors. (Hunt & Morgan 1995; Griffith & Yalcinkaya, 2010).

According to neoclassical theory, all resources are variable in the long run and each firm in each industry adjusts its resource mix (capital/labor) to minimize its cost of producing the profit-maximizing quantity leading to a long-run

equilibrium position in which each firm produces the quantity for which market price equals long-run marginal cost, which itself equals the minimum long-run average cost. Each organization experience equilibrium until something changes in its environment. Therefore, innovation is considered as exogenous factors representing a “shock” to which organizations responds. Rather than strategic choices, the organization’s environment strictly determines its performance; profits are made temporarily, before equilibrium is restored. In contrast, R-A theory states that competition is an evolutionary process in which the actions carried out by organizations are disequilibrium provoking. Innovation is considered endogenous and environmental factors only influence conduct and performance. Relative resource heterogeneity and immobility imply that strategic choices must be made, and these choices influence performance. Different resource assortments suggest targeting different market segments and/or competing against different competitors (Hunt, 2010).

3.3.2 The Role of management

“Perfect competition theory assumes a limited role for management. Since organizations are price takers and quantity makers, the short-term role of management is to determine the quantity of the firm’s single product to produce and to implement its standardized production function” (Hunt 2010). R-A theory

in contrast, view the role of management in the organization in a business-strategy manner. The role of management is therefore to recognize and understand current strategies, create new strategies, select preferred strategies, implement the strategies selected and modify strategies through time. Implementation refers to the management activities necessary to carry on an organization. Recognize and understand acknowledges that organizations may fail to recognize accurately their respective marketplace position and/or fail to understand the nature of the resources that led to such positions (McGrath, MacMillan and Venkataramen 1995; Schoemaker and Amit 1994 in Hunt, 2010). Create and select emphasize the cognitive and innovative dimensions of organizations. Therefore, the strategic choices that managers make influence performance. Modify emphasizes that managers learn through the process of competing and can make adjustments or abandon underperforming strategies. “All strategies involve, at the minimum, the identification of (1) market segments, (2) appropriate market offerings, and (3) the resources required to produce the offerings. Strategies that yield positions of competitive advantage and superior financial performance will do so when they rely on those resources in which the organization has a comparative advantage over its rivals” (Hunt 2010).

3.4 R-A Theory and non profit organizations

One of the main issue of this work is to contribute to literature by giving an insight about the resources that enable nonprofit organizations to compete in fundraising market, and specifically in one of the fast growing and revenue generating instrument, bequest fundraising. An issue that suffers a lack of substantive research.

However, a first step in this direction has been recently made. Ascertaining how competition in the nonprofit sector has heavily increased in the past two decades due to the growing number of non profit organizations worldwide and the decline of governmental support, Topaloglu, McDonald and Hunt (2017) posit the application of R-A theory to non profit organizations adapting its main propositions to the third sector context. They explain how NPOs can leverage their various resources in order to successfully compete and deliver social value, providing a foundation for a theory of non profit competition. The pursuit of a charitable mission has become increasingly challenging because of the above-mentioned reasons. As a result of the competitive pressures, non profit managers strive to pursue not only the goal of the social mission but also the goal of “money” necessary to accomplish the social cause. These two goals (mission and money) should not conflict. This balance has been called in literature “double bottom line” (Dolnicar, Irvine and Lazarevski, 2008, Fairfax, 2004). Because of

this apparent dichotomy, researchers highlighted how NPOs should adopt a more business-like approach and be more market oriented (Chad et al. 2013; Chad 2014; Bennett and Sargeant 2005; Dolnicar and Lazarevski 2009)

Existing theories of competition, such as perfect competition (Liu and Weinberg, 2004; Schiff and Weisbrod, 1991) and Porter's strategies (Barman, 2002), have been applied to the non profit sector. However, perfect competition assumes static equilibrium is the ultimate goal; the ideal market state is at equilibrium, and deviations from this point are due to market failures. In reality, competition among NPOs is dynamic, therefore, constantly changing and rarely reaches equilibrium (Hunt, 2000; Topaloglu, McDonald & Hunt, 2017). Thus, a dynamic theory of competition is needed to properly study also the nonprofit context. Topaloglu, McDonald and Hunt (2017) argue that R-A theory can provide an insightful lens through which to view nonprofit research and practice, contribute to the understanding of the mission-money balance. For R-A theory, when competing organizations strive for positions of competitive advantage to achieve superior financial performance, such striving ultimately provides superior social value in terms of increases in societal productivity and economic growth (Hunt, 2000). "Superior financial performance" in the nonprofit context shall mean increases in grants or donations. Rearranging the previous sentence it could be said "public or private donation for the social mission" (Dohrmann, Raith and

Siebold 2015, 128). Financial performance might also refer to reductions in the cost of producing the services that provide social value. That does not mean, in R-A theory optic, that the social mission is debased but rather the organization is able to better serve its cause. The goal of the NPO under R-A theory might be summarized in cost effective social performance (Topaloglu, McDonald & Hunt, 2017). The founders of NPOs are motivated by social needs that are served neither by profit firms due to the lack of profitability nor by governments due to insufficient resources (Weerawardena et al., 2010). This gap has been historically filled by the non profit sector (or third sector). The growth of the non profit sector, as mentioned in the first part of this work, suggests that the need for such entities is even more important today. However, in the latest years, economic crises, demographic shifts, privatizations and the intensified competition of the non profit sector have led to dramatically altered market environment for NPOs (Bryson 1998; Salamon, 1999). This increasingly dynamic competitive environment has forced many NPOs to balance their social goals with entrepreneurial and business practices in order to achieve their goals (Chetkovich and Frumkin, 2003; Dart 2004; Pope, Isely and Asamoatutu, 2009). The revenue structure of NPOs is comprised of three components: revenue from fee-based transactions (where provided), private giving (donations, bequests, grants) and governmental support (Salamon, 1999). These revenues are strongly correlated to the perceived social value produced by the NPO relative to the cost of producing

such value. Moore (2000) developed a strategic model highlighting that NPOs should focus on three main issues: public value to be created, source of legitimacy and support for the organization and operational capacity to deliver the value. To face such issues, business-like practices become essential. These activities require not only a different goal than traditional non profit activities but also a different collection of tools to achieve the financial goals that are necessary for non profit to achieve their social mission (Dart, 2004). According to Topaloglu, McDonald and Hunt (2017) in order to understand how NPOs can successfully compete in a turbulent competitive environment it is useful to focus on a relative social value perspective rather than differences with for profit firms such as tax status or organizational structure. Following this view, organizational sustainability is dependent on the organization's ability to efficiently and effectively provide something of value to society, either products like food or clothing, or services like health care. If a firm or a NPO fails to efficiently and effectively provide sufficient value to society, the organization itself will fail. In the profit view it could be because of the inability of generating enough revenues to cover costs while in the non profit sector it is because the organization is not able to attract sufficient donations, grants or sponsorships, causing the pursuit of its mission to be unaffordable. Thus, superior financial performance even if it does not imply the profit motivations of business, is as critical to NPO's sustainability as it is to profit firms (McDonald et al. 2015).

In the R-A theory view, NPOs can leverage their resources to achieve superior social value, defined as the value of the organization's services, as perceived by all relevant stakeholders such as donors, government, private grantors, volunteers, managers and employees (Topaloglu, McDonald & Hunt, 2017). Therefore, positions of competitive advantage can be achieved by NPOs just like profit firms, by providing services that are perceived to have superior social value relative to competitor's offerings, or by producing comparably valued offering at lower cost, or both. Accordingly, superior performance in raising funds, likely outcome of providing superior social value, can effectively reduce costs. Through these lens, the increased competition in the recent years that has pushed NPOs to become more business-like may be seen as a positive fact for two reasons:

- a) competition among organizations to produce valued outputs is pro-social by nature and contributes to the social welfare;
- b) Pursuing superior financial performance not only does not preclude an NPO from creating superior social value, but may actually facilitate its ability to do so.

Figure 3.3: Foundational Premises of R-A Theory in the non profit sector

	For-profit sector	Non-profit sector
P1:	Demand is heterogeneous across industries, heterogeneous within industries, and dynamic.	Social need is heterogeneous across sectors, heterogeneous within sectors, and dynamic.
P2:	Consumer information is imperfect and costly.	Supporter (donor, grantor, and volunteer) and constituent information is imperfect and costly.
P3:	Human motivation is constrained self-interest seeking.	Human motivation is constrained self-interest seeking and may be manifested through or coexist with altruistic motivations
P4:	The organization's objective is superior financial performance.	The organization's objective is cost effective delivery of superior social value.
P5:	The organization's information is imperfect and costly.	The organization's information is imperfect and costly.
P6:	The organization's resources are financial, physical, legal, human, organizational, informational, and relational.	The organization's resources are financial (donations and grants), physical, legal (tax-exempt status), human (volunteers), organizational (inherent positive image, mission statement), informational, and relational (governmental and corporate sponsors). (See also Table 2)
P7:	Resource characteristics are heterogeneous and imperfectly mobile.	Most resource characteristics are heterogeneous and imperfectly mobile, though some NPO resources, such as tax-exempt status, are homogeneous among all NPOs.
P8:	The role of management is to recognize, understand, create, select, implement, and modify strategies.	The role of management is to recognize, understand, create, select, implement, and modify strategies.
p9:	Competitive dynamics are disequilibrium-provoking, with innovation endogenous.	Competitive dynamics are disequilibrium-provoking, with innovation endogenous.

Source: Topaloglu, McDonald & Hunt (2017), adapted from Hunt (2010)

Recalling the founding principles or R-A theory above mentioned, in the 2017 research, Topaloglu, McDonald and Hunt adapted the nine propositions according to the endemic differences of the non profit context creating a specific framework for NPOs competition they subsequently discussed.

Social need and supporter information (p1, p2)

As recognized in the profit sector by R-A Theory, customer demand is dynamic and heterogeneous, across and within industries. Likewise social need follow the same logic, as demand for the offering provided by non profit organizations is also heterogeneous (Corbin, 1999) within and across sectors. The heterogeneity of demand may result from unique individual need or preference. Considering from example hearing impairments, some people may look for the use of a cochlear implant, while others may choose to learn sign language (Topaloglu, McDonald & Hunt, 2017). Obviously, different solutions are provided by different organizations. Same happens to customer information, which is considered imperfect and costly, compared to the two types of individuals that non profit organizations deals with. Those who supply resources, such as donors, supporters, grantors and volunteers, and those who consume the outputs of the resources (constituents) such as users and patients. Also their information is considered imperfect and costly. For instance, a potential donor, willing to support NPOs by

donating money, does not possess perfect information about all possible non profit organizations or about the impact of a donation to a particular organization. Same for constituents who may not be aware of the process necessary for them to qualify to receive services they could be entitled to.

Human motivation and organization's objective (p3, p4)

According to R-A Theory, human motivation is constrained self-interest seeking informed and constrained by personal moral codes, shaped by societal, professional, industry, or organizational moral codes (Hunt, 2000). In non profit organizations, the self-interest can be manifested through the pursuit of a social mission, also bounded by ethical standards. Egoistic goals can co-exist with altruistic goals and sometimes interact. As found by Laviere and McDonald (2007) identity importance is a significant motivation for volunteers. Corporate image can also lead to donations (Khodakarami et al., 2015). As for the organization's objective, as previously highlighted, rather than pursuing two seemingly contradicting goals, such as mission and money, NPOs should pursue mission and money as complementary goals, striving to achieve cost-effective, social performance (Topaloglu, McDonald & Hunt, 2017). That is because a fundamental objective of every organization must be at least adequate financial performance, a level that sustains the organization. Better yet if a NPO can pursue

a level of financial performance that enable it not only to survive but also succeed and grow. Claiming that non profit should seek superior financial performance does not attenuate the altruistic status of NPOs; rather the pursuit of a cost-effective, superior financial performance drives the NPO toward efficiently providing superior social value. In doing so, pursuing cost-effective social performance helps the organization to survive with an increasingly competitive environment.

3.5 NPOS resources analysis

Similarly to what have been previously said about resources for “for-profit” firms, also NPOs must strive to develop or obtain resources that will enable them to produce more valuable market offerings at the same cost as competing entities, or equally valuable market offerings at the same cost at a lower cost, or both (Topaloglu, McDonald & Hunt, 2017). As abovementioned resources for R-A theory, are categorized as financial, physical, legal, human, organizational, informational and relational. With this perspective, NPOs may capitalize on some unique resources that are not available to the “for-profit” counterparts. Examples of human resources unique to nonprofits may include volunteer labor or employees who voluntarily accept below-market compensation (Ben-Ner & Ren, 2015; Kaplan, 2001).

Figure 3.4: Comparison of Resources available to For profit and Non profit Organizations

Resources	For-profit sector	Non-profit sector
Financial	Cash reserves, access to financial markets	Private donations and grants, administrative contracts
Physical	Plant, raw materials, equipment	In-kind donations
Legal	Trademarks, licenses	Tax-exempt status
Human	The skills and knowledge of individual employees	Volunteers, Board of Directors, Mangers/Employees willing to sacrifice market compensation for mission, Mission-motivated founders
Organizational	Controls, routines, culture, competences	Inherent positive image, Mission statement, Social image, Social value contribution
Informational	Knowledge about market segments, competitors, technology	Programs, Grants, Competition, Needs, Trends, public resources
Relational	Relationships with competitors, suppliers, government, customers	Governmental and corporate sponsors, NPO networks, Alliances, Sponsorships, Donors, Volunteers, Boards

Source: Topaloglu, McDonald & Hunt (2017)

3.5.1 Tangible resources

Among the tangible resources of an organization, there are financial, physical and legal resources. Even if in recent years, governmental support has been more difficult to attain for several reasons, it still represents a significant portion of nonprofit's resources. Private charitable contributions constitute another type of financial resources. NPOs rely on donations from both individuals and organizations, such as corporations and foundations; intensified competition and the increased number of NPOs has made these financial resources more elusive. Legal resources are those assets the organization uniquely possesses because of governmental statute or a legally binding agreement between the organization and another party (Alderson, 1965). For example, the tax exempt status represents a legal resource, allowing NPOs to operate without the added cost of income taxes. Of course organizations are granted nonprofit status by their State based on whether they distribute their earnings. Physical resources are the tangible assets used to produce organization's goods and services. Obviously also NPOs avail themselves of these kind of resources, such as buildings, facilities and equipment.

3.5.2 Intangible resources

Intangible resources are embodied within the personnel of the organization (Griffith & Lusch 2007; Magnusson et al. 2009). The lens of R-A Theory pointed to the individual level can help to understand where, within the organization, the competitive advantage arises. This research focuses therefore on the ability of the organization to leverage the following resources in order to achieve success in raising funds with the specific tool of bequest fundraising and effectively provide superior social value. Fundraising is developed inside the NPOs at an individual level by the managers who choose and apply the fundraising strategy. Aided by an R-A Theory perspective the intent of this work is to examine what resources are important to a successful bequest fundraising for NPOs. According to R-A Theory every organization has an assortment of resources that is in some way unique due to their imperfect mobility. This characteristic is a key factor that enables organizations to achieve and sustain competitive advantage, some resources are especially difficult to acquire or develop and can only be gained over long time periods and at significant effort and cost. (Topaloglu, McDonald & Hunt, 2017). These higher order resources include the intangible resources discussed below. The more difficult is to acquire, imitate, substitute for, or surpass a competitor's valuable resource, the longer the organization will experience a resource-based comparative advantage. Accordingly, the role of management, as in "for profit"

firms, is to recognize, understand, create, select, implement and modify strategies to best position the organization to acquire, develop and match its resources to the changing environment in order to compete (Teece, Pisano and Shuen, 1997). Relying on the required resources, nonprofit fundraising managers must create strategies able to advance the organization's place in the competitive position matrix. Following the scheme above mentioned, the following are the specific intangible elements that can allow fundraisers to create a competitive advantage for the organization.

3.5.2.1 Human resources

Human resources encompass the skill, knowledge and vision of the organization's employees (Hunt, 2000). In the non profit sector it is worth also to mention members of the Board of Direction and volunteers. Remembering one of the founding principles of nonprofit R-A Theory about motivation, if managers and employees of a NPO embrace the organizational mission, they may perform better (McDonald, 2007). They may even be willing to accept compensation below that available in for-profit firms (Ben-Ner and Ren, 2015). It is worth to mention the different salary between a marketing manager in the for-profit sector and a fundraising manager in the non-profit. NPOs may also avails themselves of volunteer labor, a human resource that enables nonprofits to sustain existing

services and expand both quality and diversity of services without exhausting the budget (Laverie and McDonald, 2007; Randle and Dolnicar, 2009). Also work carried out by founders and leaders is a distinctive characteristic of the non profit sector, especially when the organization is at the early stage of its development (Kay-Williams, 2000; Hager, Rooney and Pollack, 2002). Motivation and effort by the people in charge is a crucial human resource.

3.5.2.2 Organizational resources

Organizational resources are the assets possessed by the organization that arise from the structure itself such as corporate culture, image and organization's structure (Topaloglu, McDonald & Hunt, 2017). Organizational resources include the organization's policies, cultural routines and competences (Hunt, 2000). For NPOs a significant organizational resource is the mission statement. The mission statement is used to guide the strategic planning of an entire organization and can facilitate innovation (McDonald, 2007). In the process of formalizing its mission statement, a NPO must consider the social needs to address and the demand in the society. Having the mission accepted by the larger part of the society means it will be easier for the organization not only to acquire more financial and relational resources such as donations and volunteers but also to produce more valuable market offerings than those of its competitors. The image of a NPO is also an

important organizational resource. They can take advantage of the trust they have earned from their constituents (Tuckman, 1998).

3.5.2.3 Informational resources

Informational resources include knowledge about market segments, competitors, technology and the systems that organizations develop to gather, disseminate and apply information. This information might include pertinent government programs, available grants, data concerning social needs and other entities competing for resources and serving similar constituent pools (Topaloglu, McDonald & Hunt, 2017). Also, accurate records of donations and stakeholders are useful to fundraisers to better manage relationship with donors. Even more crucial when it comes to bequest fundraising where the management of relationship is a sensitive issue and every informational resource at the organization's disposal can make a difference. Without a state-of-the-art updated donor database, the organization has no way to follow up with donors to solicit subsequent gifts, placing the entity in a position of competitive disadvantage.

3.5.2.4 Relational resources

Relational resources include the organization's stock of relationship with various constituencies both inside and outside the entity. As previously highlighted, in the

view of the relationship based competitive advantage concept (RBCA), a relationship can be a resource only when it makes some sort of contribution to the value offering to a segment the organization is interested to. Relationship marketing with donors is a fundamental strategy for a non profit organization. Relational resources also include relationship within the organization among managers, employees, board members, volunteers and partner entities from business industries, government and voluntary. Volunteers create an important relational resource, not only they contribute to the organization with their time but they also spread the message of the organization. Such word-of-mouth is a communication tool itself in which NPOs have a distinctive advantage by nature of their altruistic purpose. Furthermore, personal and organizational networks are also to be considered as important relational resources. Especially considering the management of a relationship with a potential bequest donor. Such a relationship whose cultivation often becomes intimate and personal. Considering the organizational networks, on the other side, NPOs may partner with for-profit firms by taking part in cause-related marketing activities in order to promote their causes, or with “rivals” nonprofit organizations in order to ease some bureaucratic burden or to lobby in relation to a certain issue.

CHAPTER 4: The Lega del Filo d'Oro Case

4.1 Premise

Based on the consideration made in the previous chapters, it is possible to understand how bequest fundraising has been depicted as the last great fundraising opportunity. The potential market for bequest might be substantially bigger than it is right now, having only a small percentage of donors that ultimately pledge for this kind of gift. Specifically in Italy, bequest giving is estimated to be around 1.1 billion Euros per years but from now to 2030 the potential amount of funds coming from not inherited assets could reach 129 billion Euros. In the next 15 years, there will be a succession in 6 million families, reaching 848 billion Euros of disposable quotas. Within this huge transfer of wealth, non profit organizations could gain a remarkable share.

Despite that, it has been highlighted how fundraising is not an established approach in the country. According to ISTAT (2014), only the 19,7% of nonprofit organizations declared to be active in fundraising activities. Furthermore, based on results of a research conducted by Unicredit Foundation (2013), also in larger organizations, with the average number of 261 employees, only 5.8 are employed in the management of fundraising activities. Moreover, considering the recently published CAF World Giving Index 2017, in Italy only the 30% of population

donated money to a charity, ranking the country at the 84th place worldwide and showing how there can be vast room for improvement in the future.

In addition to these evidences, the results of the systematic literature review on bequest fundraising, highlighting the current evolution of the studies on this topic has shed a light on the gap between Anglo-Saxons and other contexts. Furthermore and most importantly, the review has showed how little efforts were devoted to understand how an organization might be able to improve its ability to raise funds by bequests, being most of the studies directed on discern the motives and barriers that push a potential donor toward a bequest gift.

This study thus, set out to understand what kind of resources are required to an organization in order to gain a competitive advantage in bequest fundraising, exploiting the vast opportunity that such a fundraising instrument offer considering the numbers showed in the previous chapters, and maintain a continuous positive performance. In order to do so, the selected case has been studied aided by the theoretical lenses of R-A theory, with particular focus on its sixth proposition (Hunt, 2010) adapted by Topaloglu, McDonald and Hunt (2017) to the non profit sector. As will be mentioned below, object of the case is a proficient organization operating in a country where the discipline of fundraising does not represent a standard procedure for the vast majority of the players and

where the growth in number of the organizations is not balanced by the increase of expertise in fundraising activities.

4.2 Methodology

The evidences collected in the previous chapters suggest the presentation of a study of exploratory nature, which has directly influenced the choice of a qualitative research method (Yin, 1994, 2003; Fayolle et al., 2006). With regard to the research objectives previously outlined, qualitative empirical research was conducted on the experiences of an Italian NPO (Strauss and Corbin, 1998).

A case study methodology has been therefore adopted. Such a method is an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident and in which multiple sources of evidence are used (Yin, 1984). Many authors (Bonoma, 1985; Eisenhardt, 2007; Larsson, 1993) consider case study research as a useful research strategy (a) when the topic is broad and highly complex, (b) when there is not a lot of theory available, and (c) when “context” is very important. Such conditions particularly hold for this topic of research.

As suggested by authors such as Yin (2003) and Stake (1995), boundaries were placed in order to avoid problems of too many objectives for one study. Suggestions on how to bind a case include: (a) by time and place (Creswell 2003);

(b) time and activity (Stake); and (c) by definition and context (Miles & Huberman, 1994). The establishment of boundaries in a qualitative case study design is similar to the development of inclusion and exclusion criteria for sample selection in a quantitative study. The difference is that these boundaries also indicate the breadth and depth of the study and not simply the sample to be included (Baxter and Jack, 2008).

This research is therefore focused on the intangible resources (according to R-A Theory definition) adopted within the organization object of the study in order to gain proficient results in bequest fundraising. The framework of R-A theory serves as an anchor for the study and is referred at both the stage of data collection and interpretation.

The questions proposed to the interviewees followed the structure shared in the research protocol, defined prior the interviews with the academic supervisor in order to increase the reliability of the research process. Questions track focused in its final part on one of the Resource Advantage Theory propositions (P 6), the one concerning the organization's resources. Being embodied to the issue of resources allows gaining a deeper knowledge about their exploitation within LFO through R-A theory lenses. R-A Theory's Proposition 6 states that the organization's resources are financial, physical, legal, human, organizational, informational and relational (Hunt 2010). Adapting this proposition to NPOs, Topaloglu, McDonald

and Hunt (2017) make several examples of how these kinds of resources may be found in the non profit sector. As stated in chapter 2 this work will focus on intangible resources, those who are embodied within the personnel of the organization, considering how these have increasing importance in the formation of the competitive advantage and therefore resulting in a key for success.

Intangible resources considered by Hunt (2010) and Topaloglu, McDonald and Hunt (2017) are summarized in the table hereunder, extracted from Figure 3.4.

Resources	For-profit sector	Non profit Sector
Human	The skills and knowledge of individual employees	Volunteers, Board of Directors, Mangers/Employees willing to sacrifice market compensation for mission, Mission-motivated founders
Organizational	Controls, routines, culture, competences	Inherent positive image, Mission statement, Social image, Social value contribution
Informational	Knowledge about market segments, competitors, technology	Programs, Grants, Competition, Needs, Trends, public resources
Relational	Relationships with competitors, suppliers, government, customers	Governmental and corporate sponsors, NPO networks, Alliances, Sponsorships, Donors, Volunteers, Boards

Therefore, in light of the outlined theoretical framework, this work explores the practice of the selected case in order to find support for the relevance of the proposition used to address the research problem previously defined. A final conceptual framework will finally summarize the themes emerged from the study, linking the findings to both theory and literature.

The above-mentioned questions track submitted to the interviewees is displayed here below.

- Professional role and working background of the interviewee
- Description of the organization and its competitive environment
- Explanation concerning competences and conditions that allowed LFO to grow during the years
- Fundraising strategy adopted along the years by the organization
- Role of the interviewee in the dynamics of fundraising
- How bequest fundraising is carried out
- Role of the interviewee in bequest fundraising
- How the bequest fundraising scenario evolved
- What are the crucial factors in order to lead the organization to success with bequest fundraising
- What are the more important resources that influenced the success in the bequest fundraising performance

- What have been choice and investments for the cited resources

According to the selected research method, the study aims to better define and describe not only the main features of the analyzed phenomena, but also the dynamics at the roots of a specific process (Eisenhardt, 2007). Being the fundraising development still an under-explored phenomenon in Italy, the case study methodology represents a performing approach to gain a better understanding of it and to support the possible development of new managerial implications (Voss et al., 2002).

A hallmark of case study research is the use of multiple data sources, a strategy which also enhances data credibility (Patton, 1990; Yin, 2003).

Therefore this research has been conducted analyzing data retrieved using secondary sources (e.g. corporate web sites, commercial portfolios, flyers, reports, press releases, documents from campaigns) in order to corroborate and augment evidence from the main sources. Because of their overall value, documents play an explicit role in any data collection in doing case studies (Yin, 1984). The main sources of data adopted are semi-structured in-depth interviews conducted to Lega del Filo d'Oro (LFO) Fundraising and administration managers. Interviews were carried out in order to ensure rigor and solidity to the present analysis as they are considered essential sources of case study information (Yin, 1984). The people

interviewed form a mixture of both experienced professionals who devoted most of their working life to LFO and recently hired professional who had their own career in different associations and different fields that now bring their expertise and knowledge to the Association.

Other than our interviewee, no one in the organization managed the bequest topic throughout its history.

The individuals interviewed are:

Table 4.1: List of interviewees

<i>Role in the organization</i>	<i>Brief description</i>	<i>Interview lasting</i>
Head of project coordination	He has been head of fundraising department for the last 20 years	51'
Head of fundraising from individuals	She is responsible for the whole direct marketing fundraising, working in LFO for 15 years	30'
Head of the key donors area	Recently appointed as responsible for corporate, foundations, major donors and bequests	87'
Bequest fundraising manager	She represents the first direct contact a possible pledger encounter when asking for information on leaving a bequest to LFO	69'

Head of the General Affairs department	responsible for providing the potential pledger with the necessary technical information requested	80'
Director of communication and development	Recently (Oct 2015) appointed, coordinating the whole fundraising and communication area	69'
Secretary General of Lega del Filo d'Oro	Deeply involved in the historical development of bequest fundraising inside the organization.	40'

Source: author elaboration

These individuals were single handedly involved in interview lasted approximately 60 minutes, the shortest lasted 30' while the longest had a 87' duration . The interviews were conducted in Italian, recorded aided by a tape recorder and transcript. The questions asked to the interviewees were divided in two sections, where the first one attained to some broader and general information about the work of the person and the evolution of the organization, also in terms of fundraising. The second part was focused on bequests fundraising, on its implementation inside Lega del Filo d'Oro, on the perceived factors that led to success according to the interviewees and on the influence of internal resources in the emergence of a competitive advantage for the organization.

The retrieved data from the transcripts have been triangulated through different methods; in order to gain the information needed to better respond to the research objectives defined before.

The case Selection was driven by relevance of the NPO in the Italian context in term of fundraising performance, LFO is one of the most important Italian NPO in terms of fund collected, among the first 10 NPOs in Italy for the amount raised by 5x1000. In 2016 LFO reached an income amount of 28.922.000 € from fundraising activities, this amount represents the 65% of LFO total income.

Furthermore, LFO has been one of the first non profit organizations in Italy to publicly address the bequests topic with its supporters. They did with a campaign on charitable bequests in 1986 that tried to break the taboo associated with death. From that year forward, the organization strengthened that concept by talking to their supporters ending up by being repaid by a vast support in terms of bequests received.

In 2016 the amount of fundraising by bequests reached the amount of 10.258.500 € with 44 bequests received. This amount represents roughly the 36% of the total revenues for the organization. The yearly average of bequests pledged to Lega del Filo d'Oro varies between 40 and 50 in absolute terms and between 6.2 and 10.5 million in revenues. From 1970, the association received more than 900 bequests with an average value of 140 thousand Euros.

A result that put Lega del Filo d'Oro among the most proficient Italian organizations in terms of bequests fundraising.

Finally, LFO is the national leading NPO in its specific cause, the assistance and rehabilitation of deafblind people.

4.3 Case introduction

4.3.1 Background information

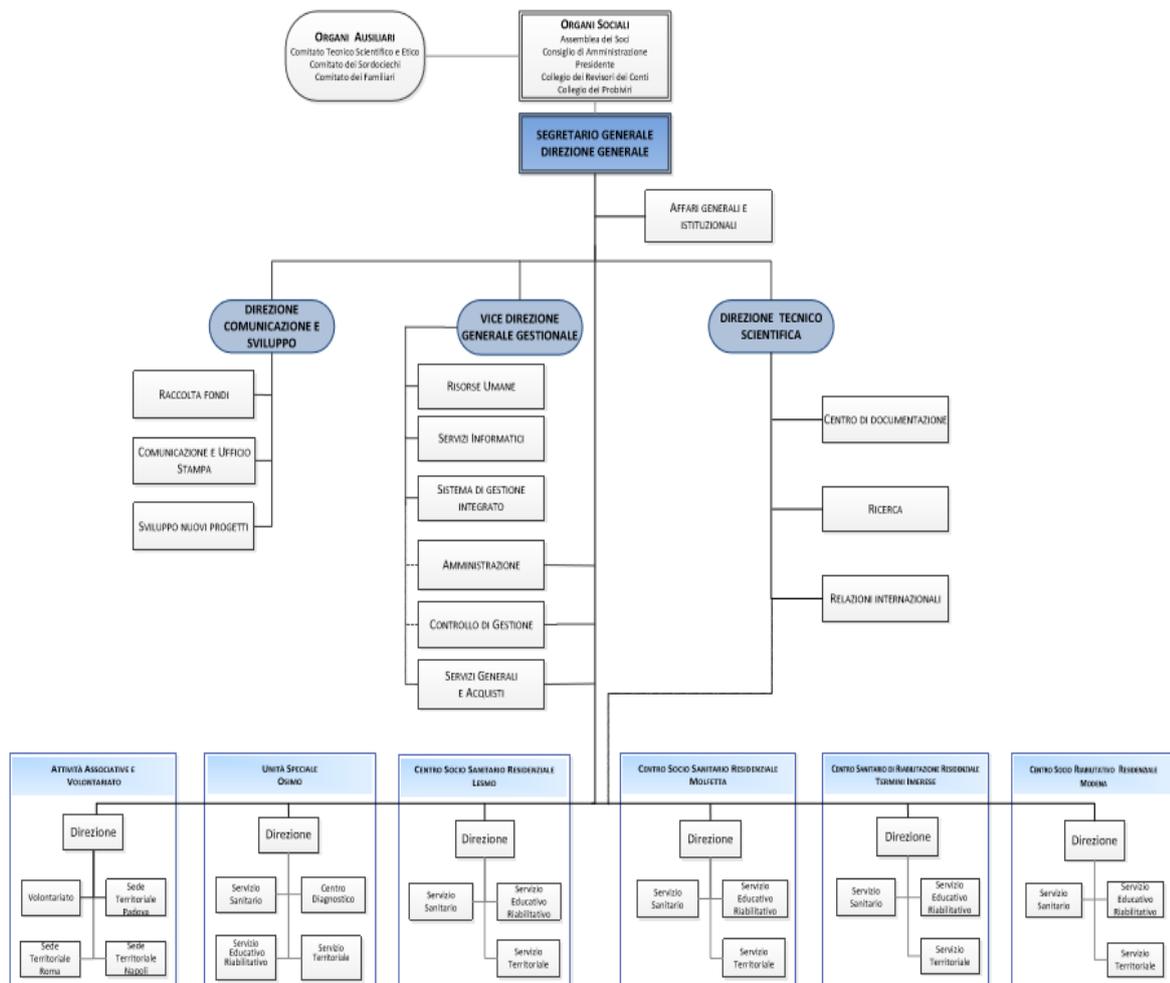
The history of Lega del Filo d'Oro begins in 1964 when Sabina Santilli, deafblind from her childhood, aided by a couple of volunteers founds the organization, whose activities begin to take place in Osimo, near the city of Ancona. The mission of LFO is to: “assist, educate, rehabilitate and reinsert in society, deafblind people”. In order to do so, they create specialized structures, train skilled professionals, conduct research and experimentation in the field of deaf blindness , promote relations with organizations, institutions , Italian and foreign universities and raises public awareness with regard to this type of disabilities . The main goal of LFO is the improvement of the life quality of the deafblind people they serve. The choice of the name “Lega del filo d'oro” (golden thread) is referred to the precious thread that connects deafblind people to the outside world. Only three years later LFO is recognized as “Moral Entity” by the Presidency of the Republic, in the meantime in Osimo the main core of the dead blind children

Institute was born. The organization keeps its path of growth to the point that ten years later, it is recognized as “Institute of rehabilitation”. Due to its continuous effort in research, the organization appoints a scientific committee that oversees the activity of experimentation and research. The list of achievements lead LFO to open up its first territorial branches in Milan and Rome with the extent of offering basic assistance to deaf blind people in those areas. Concurrently with its 30° anniversary, in 1994, LFO is visited by the President of the Republic, Oscar Luigi Scalfaro, who then mentions the organization in its “New year’s eve speech” qualifying it as an example of quality and efficiency. Few years later the organization is recognized by the State as ONLUS (Non lucrative organization of social utility) while in the same time other territorial branches open up. In occasion of the 40° anniversary a celebrative stamp is produced by Poste Italiane (Italian Mail Services), in the same year other Centers witness their opening, the one in Lesmo, northern Italy, which will be joined few years later by those in Molfetta (Apulia) and Termini Imerese, in Sicily.

In 2010, followed by the proposal for the recognition of deafblindness as a specific disability presented in the Italian Parliament, the law 107/2010 named “Measures for the recognition of deafblind people’s right” is approved. Nowadays LFO reached is 50° anniversary and while still opening new territorial branches its effort is focused on the construction of the new National Center, which will merge

all the existing separate structures that constitute LFO's headquarters in Osimo. From 2015 LFO also developed a new Organization Chart strengthening several activities in view of an increasingly challenging situation as will later be discussed with reference to the fundraising section.

Figure 4.1: LFO Organization chart



Source: LFO 2016 Annual Report

In the meantime LFO together with the Italian Institute of Statistics promoted the first ever census of people with visual and hearing impairments in Italy. The research entitled “The Italian population with visual and hearing disabilities” highlighted for the first time, the real size of the deafblindness phenomena in Italy, hidden up until few years ago. These problems appeared to concern a few thousand people since the only reliable estimates was dated back to ‘70s. In reality the new research discovered a population of 189,000 individuals with visual and hearing impairments, roughly the 0,3% of the national population. An exponential number considering the previous estimates. 64,8% of these are women, more than half of them (57%) are confined to their homes and 66,7% have difficulties accessing employment. These severe problems are related to the fact that in most of the cases the individuals have additional disabilities, like behavioral problems, mental deficiencies and motor disabilities. Such numbers pushed the organization toward an increasing effort in order to better address this delicate issue. The construction of the New National Center of LFO goes in this direction. The complexity of the services achieved forces the organization to adequate its structure in order to face the growing challenges. Nowadays LFO has 590 professional employees plus more than 60 consultants and external collaborators. For every user helped by the organization, there are 2 professionals in order to face such severe disabilities. Plus, the work offered by volunteers is an important column of LFO, at a national level the volunteers are more than 600. These have

been professionally trained by the organization. Considering the donors, on the other hand, these have reached the amount of 450,000. Strengthened by these growing numbers LFO's goal is to achieve an increasing improvement in offering a reliable and quality service.

4.3.2 LFO Fundraising practices

The practice of raising funds from individuals for LFO began in the late 70s. At that time, the term "fundraising" was not fraught with the phenomenology it gained only several years later. The discipline was not even developed yet. The main activities was carried out by the general manager itself that together with some volunteers went door-to-door to raise awareness about LFO work and to collect funds for the organization from scratch, overcoming the obstacle of being unknown and not having reached a proper credibility yet. As the approach to the discipline became more scientific, other organizations started to develop their techniques aided by advanced marketing tools originating confrontations, mostly international, between different theories and approaches resulting in the improvement of expertise inside LFO. Starting from the 80s, LFO general manager began to attend international Conferences in Netherlands where the "Gotha" of fundraising, mostly Anglo-Saxons and international organizations, annually gathered to share their expertise and develop what would become the core of the fundraising discipline. LFO GM subsequently brought back that

knowledge back to Italy focusing the efforts on finding a proper way to apply it. With more professionalism came credibility with the result of a more effective communication, resulted in a fruitful, still lasting partnership with a famous Italian showman, Renzo Arbore, who became the voice and the face of LFO, and in the adoption of more sophisticated fundraising instruments.

Nowadays fundraising activities generate roughly the 70% of the total revenue of the organization clarifying the predominance of the private resources on the public ones. During 2016 LFO employed for its fundraising activities a variety of tools, some broadly well-tested while others new.

- Direct marketing (direct mailing and telemarketing)
- Digital fundraising
- Social Advertising
- Special events
- Face-to-face fundraising
- Text giving
- Grant fundraising
- Corporate Fundraising
- Bequest Fundraising

Direct Marketing

Direct Marketing represents the main tool for LFO communication and fundraising, the capital way to acquire new donors and manage existing ones. LFO was amongst the firsts to exploit this instrument and now is one of the most intensive users. One of the most important reasons that worked in favor of this tool were the low postal fees, allowed by the State for charitable organizations, in the most favorable years LFO managed to send up to 14 million pieces of communication. Through this instrument the organization is able to plan its campaign targeting both donors and potential ones. The target individuals therefore receive a communication aimed at his update on LFO activities so to create a relationship of trust based on transparency and trustworthiness.

The strategy closely linked to individuals used by LFO resulted in a substantial strength point allowing the organization to obtain a large support based on its territory, culminated with a result of half a million donors. This widespread support is therefore based on a continuative relationship with donors, something that differentiate LFO from rival organizations. Direct Marketing, specifically, for years has been the channel, the technique most used to communicate and raise fund for the organization. Nowadays DM is considered a “mature” tool, which should not mean however, that is bound for disappear. Most likely, it becomes increasingly embedded with new and different channels, developing new form of

expressions. Another tool that LFO quickly developed is the direct e-mail marketing (DEM), an instrument that fit inside the broader web fundraising strategy. The widespread use of this instrument was facilitated by the low cost that the organization faced to arrange a DEM campaign, basically made by the cost of the creativity plus the cost of selected databases of potential donors sold by specialized agencies. These elements combined ensured the organization to exploit this tool since the early 2000s. Although fast growing, the instrument still nowadays pays the lack of willingness of the Italian people to donate via electronic transactions. Essentially the low cost of the web campaign is still commiserated by the low revenues.

Digital Fundraising, 5x1000 and F2F Fundraising

Web fundraising is not confined in DEM, the organization worked on improving its on-line communication, from institutional web site to social networks through activities of SEO (search engine optimization) and SEM (search engine marketing) in order to have a more appealing on-line presence essential to stimulate the potential donor to explore the whole communication sphere of LFO, the institutional site is therefore no longer an informational showcase but rather a deep and articulated tool useful also for fundraising purpose. Furthermore the institutional site has been complemented by several thematic web sites, dedicated to specific campaigns such as the opening of the new National Center. As

previously highlighted rather than represent a fundraising source itself due to the reticence of Italians to donate on-line, it is useful to convey the message towards other fundraising tools serving as a support to other channels. To gain synergy between the various fundraising channels become crucial especially when the generation of traffic increases such in LFO case where, in past year, traffic generated by sites reached over 870K visits, roughly 2400 daily contact and over 70K people following LFO in its social media accounts.

Also relevant, concerning LFO fundraising, is the 5x1000 whose growth has been fostered by the reflection of the widely known 8x1000. Both represent a form of donation that impact on person revenue. Individuals may choose to allocate part of their income tax (a 5%o ratio) to a charitable institution. The Catholic Church, in the case of 8x1000, or a plethora of non profit organizations in the case of 5x1000. However, having a multitude of organizations potentially beneficiaries of the 5x1000, the process of raising funds from this instrument encounter more difficulties. The individual in fact must choose one organization to which devote the grant by inserting the beneficiary fiscal code. This has resulted in the demand of a substantial communication effort for the NPOs to provide the individuals with the required information once it came to fill their tax returns, in order to correctly carry out the donation. Moreover an additional argument against this instrument is due to the status of the potential beneficiaries. In fact, having vague rules for the

instrument led a lot of institutions to candidate themselves for it, even if they were not NPOs. Realities like parishes, municipalities, political associations and so on put great pressure to “get a slice of the pie”. Such peculiarities acted as destabilizing effects for the instrument but did not affect its main strength point, the fact of being free. Therefore, this fundraising instrument encountered a remarkable success since its first year of adoption (almost 60% of Italians devoted their 5x1000) acknowledging this instrument as an important asset of fundraising. LFO managed to raise almost the 10% of the total fundraising income with this instrument the first year of its introduction. Being pro-active in communicating to their donors that this could have been an important way to sustain the organization, revealed to be a strength point for LFO. On the other side, a weakness shown on the following years was the risk for the other fundraising instrument to be cannibalized by the 5x1000, since after a 5x1000 donation, a donor could have felt satisfied with his charitable contribution, renouncing on using the others at his disposal. LFO mitigated this potential negative effect by communicating this way of donation as collateral to the other instruments habitually used. Considering that one of the main goal of fundraising is to increase loyalty among donors throughout time, important fundraising tools become those that have the power to push donors toward a continuous support. Such instruments require a stronger effort in term of communication; face-to-face (F2F) fundraising is one of those. F2F presupposes a more direct and personal contact with the

donor and guarantees a greater impact in terms of fund raised. The more the communication gets personal and physical, the more the effects intensify. F2F however is a tool that presents a trade-off between its effectiveness and its cost, which is usually higher the more the instrument is personal. Particularly this trade-off revealed negative for LFO nowadays since its implementation is relatively recent. Differently than other instrument, with F2F the organization did not anticipate competitors lagging behind others who, conversely, began with the use of this tool years ago.

Special Events, text giving and social adv

In addition, special events are a way to raise funds for LFO. Thanks to its credibility achieved in decades of services, it often receives invitations to be charity partner of events the proceeds of which go to the organization. Historically LFO has been partner of many prestigious sport and musical events in Italy such as the “Giro d’Italia”, Italy’s bike tour, the B League Italian Football Championship, the Summer Jamboree Festival and the Macerata Opera Festival. Considering, on the other hand, the special events held directly by LFO, one of the most important and longest running is the donor day “la Giornata del Sostenitore” where loyal donors are invited to join LFO in one of its Centers throughout Italy in a day completely devoted to them. Hundreds of people usually take part of this day that automatically becomes an important occasion to raise

funds. Also fundraising by text giving has become increasingly important, since it is a way of donate that Italian people became accustomed with. Usually LFO manage to have a telephone number for a month where people can send a text and give a small amount of money to the organization. The effect of this form of fundraising increase when the organization acquire radio and television visibility, useful to act as sounding board of the initiative, thanks to the presence of LFO's testimonials. Social advertising, nonetheless, are important not only when it comes to text giving but generally to give the organization the proper visibility. LFO historically used social advertising with the main Italian TV broadcaster (RAI and Mediaset) until there was the possibility of having airtime for free. Thanks to it, the organization had a guaranteed visibility, but as years went by and competition in the non profit sector fiercely grew, the international NPOs flown in the Italian context, being accustomed to buy their airtime started to employ their resources in this sense cutting out those NPOs who had not the necessary resources. That, linked to the unfavorable economic situation, led to a situation where social adv were more rare. At the end, the situation brought LFO to start collaboration with a media agency that supported the organization in the search for free airtime. Furthermore, recently another partnership has been carried out with a National editorial group that led to several airtimes in TV, radio and press.

Corporate fundraising and grant fundraising

As for other fundraising tools, also with corporate and grant fundraising, LFO attitude has been reactive rather than pro-active, reserving itself to accept or not proposals by firms, willing to carry out Cause Related Marketing (CRM) activities, assessing each time the potential costs and benefits that such a partnership could bring. In recent years, nonetheless, the organization started to employ dedicated human resources to this particular area of fundraising with the aim of increasing the potential partnership with the for-profit economy. From this perspective, several important programs of co-marketing took place together with the increase of charitable donations made by firms. Also concerning fundraising from grant making foundation, LFO has been a follower still not having established a process of global projecting, nowadays revenues from foundations account for less than the 1% of the total fundraising incomes; however the organization is starting to increase its investments in this area paving the way for a future proficient tool for fundraising.

Fundraising from bequests

One of the most important and proficient tool for LFO fundraising strategy is the one represented by bequests. Bequests and legacies are gaining a growing relevance and they have been promoted for years with awareness campaigns. The amounts raised thanks to this form of donation are much more higher compared to

the average donations. 50 legacies, which is more or less, the number of legacies the organization receive in one year, are worth roughly the 35% of the overall fundraising revenues.

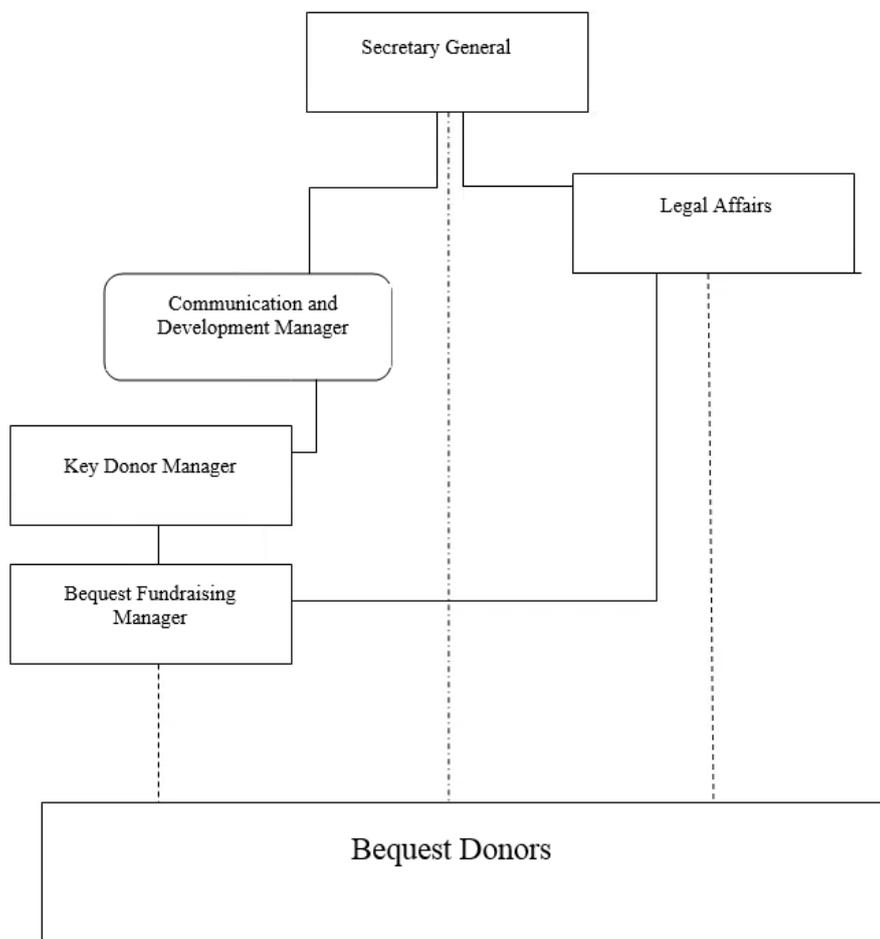
The value is even higher than the overall amount of funds collected with DM, around 30%. Lega del Filo d'Oro thus represent one of the Italian best practices in bequests fundraising; the first for the share of bequests on overall fundraising revenue and the first for absolute values in 2016. Bequests witnessed a major evolution for the organization. LFO has been amongst the firsts to exploit this channel in the 80s instantly believing in its potential and showing a pro-active role, paving a way for other organizations. At the beginning the awareness campaign on bequests was directed to the professional category of notaries, as well as the internal wealthy donors. This kind of campaign included a distribution of informational material inside notary's offices in order to let the public know about this opportunity of donation, until that time, little-known and used.

The organization showed no reticence at all in addressing such a fragile topic in a country where the cultural heritage lead people to still consider death as a taboo subject. Many other organizations preferred to move away from this channel choosing not to invest resources in communication and awareness to their public. Such a behavior from LFO was able also to reduce the effect of what might be considered a weakness, namely having a niche social cause that apparently does

not fit with such a donation. LFO in fact cannot wring the heartstring that other organizations, on the other side, master such as the proximity to a cause. A fighting cancer association has substantial chances more of raise donor awareness by the fact that cancer is a widespread and frequent disease rather than deafblindness which is an extremely rare condition. The potential donor may have felt more gratified in contributing to a tangible cause, even when it comes to leave his/her charitable bequest. Despite this, LFO managed to encounter remarkable success with bequest fundraising. Beside facing this delicate issue in its periodic newsletter "Trilli nell'azzurro" which usually devotes articles on the subject in addition to convey bequest brochures, the organization during the years set up several mailing campaign to its donors concerning the possibility to leave a bequest to LFO as an important form of donation. These campaigns have been historically accompanied by the campaigns addressed to notaries and professionals marked by the provision of informational materials made available to the offices' customers. Being carried out from the early 2000s these campaigns revealed useful to test the water, giving back a feedback to the organization on the popular sentiment, on how the potential donors perceived the idea of leaving a bequest and their interest about it. Starting to communicate to their donors about this possibility, it settled in people mind fostering a growing trend that culminates with the actual important ratio on the total amount of fund raised.

Drawing from the organization chart previously showed and in light of the data retrieved from the interviews, it is possible to understand how the organization equipped itself to deal with potential bequest donor. Here below, a graphic representation is provided.

Figure 4.2: Bequests Fundraising structure in LFO



Source: author elaboration

4.4 Case description

4.4.1 Bequest Fundraising evolution and perceived competitive factors

Lega del Filo d'Oro has been unanimously described by the interviewee as one of the fundraising pioneers in Italy. The case appears to be unique from several points of view since the Association historically gained a leadership position in its cause, serving a niche of population and being geographically far from big towns like Rome and Milan where fundraising discipline subsequently evolved thanks to the arrival of big international organizations coming from more developed contexts. LFO developed its own fundraising activity focusing at the very beginning, with much foresight, in the construction of a substantial donor's database. In that time, late 80s, Italian non profit sector was at a stage less than embryonic, a basically not crowded virgin market where the only evolved fundraising strategies were brought by the few international organizations that put their first steps in the country. For instance, WWF that focused mainly on the acquisition of new donors and on developing a relationship with them through different tools. That is what LFO tried to pursue since the beginning. This choice allowed the organization to acquire a competitive advantage compared to others that only in recent years started to build their own databases. The timing revealed to be crucial because LFO managed to loyalty a generation of donors that did not receive many other requests in those years.

The organization therefore embraced the concepts of the fundraising activities already in place in different contexts, trying to learn and absorb from the experience of more advanced NPOs. The use of fundraising techniques resulted to be aligned to the practices adopted by international organizations flowed into the Italian market fueling a push toward an international isomorphism amongst non-profit organizations operating in different contexts. This does not mean that there has been a mere replication of the successful practices carried out in European and Anglo-Saxon countries, but rather there has been an identification of the tools deemed most appropriate for the Italian context and an adaptation of the way of using them according to the different characteristics of the Italian market.

This mostly resulted in LFO to emancipate itself from direct marketing which had been for almost a decade the only fundraising instrument of the organization; having a fundraising structure completely moulded around this tool. In front of the increasing competition of recent years, LFO was forced to re-shape its fundraising department investing in human resources and in the development of new tools. Nowadays LFO's fundraising department comprises 15 people led by a Director of Communication and Development who is aided by a data expert and a press office. Furthermore, the structure is additionally layered with the inclusion of three sub-directors of the main areas: Individuals Manager, Key Donors Manager and Digital Manager.

Bequest fundraising revealed to be a natural spin off of LFO's donor database, "the strong arm" of bequest fundraising. It is difficult to go ahead with a loyalty plan on an external public, meaning people that never had a contact with the organization. Another thing is to have a dialogue on such a delicate matter with people that already follow and support the organization, that are already informed because of all the information and communication material sent. It revealed a clever strategic choice for LFO that managed to optimize what they already had in-house, a database that lends itself to the exploitation of this new fundraising channel. Despite this strategy, as years went by, LFO saw different changes in their typology of bequest donors, in fact a conspicuous share of bequests started to come from non-supporters. Such a fact instilled a doubt in LFO management that started to re-think their conduct by adapting their strategy. LFO started to widen the scope of their bequest communication by sending e-mail to all their general supporters, not only the wealthiest like initially planned. Eventually, the organization explicitly suggested this possibility to a general public with advertising campaigns. This process has been pursued gradually, almost accompanying the potential donors by sensitizing them to this form of donation; an inevitable transition, due to the country's adverse conditions for bequest fundraising at both cultural and administrative level. Interviewees reported the initial reticence of individuals, sometimes even offended by similar communications. Such a path took place in parallel with growing awareness

campaigns in the country concerning charitable bequests at institutional level, explaining the usefulness of writing a will.

On a management level bequest fundraising, according to our interviewees may follow two different paths inside an organization. There can be one person (or one area) responsible for everything that concern bequests from communication and promotion to administrative and legal tasks, or there can be a different model constituted by two different areas; one focused on communication and promotion of the instrument while the other constituted by people, outside of the fundraising function, that deal with paperwork, fiscal practices and management of the bequest from the acquisition of the will till its final realization.

As showed in the figure 4.2 from the descriptive section, LFO's bequest fundraising department followed this latter path. Inside the organization there are in fact two areas dealing with bequest issue. The fundraising department on one side and the legal affairs on the other. Together with these different departments, there is also a major role played by some key people from the management. Namely, the General Secretary, the Board of Directors and the Directors of the various Centers who are often in the front line talking with potential pledgers, giving them the required information and increasing their awareness about the importance of a bequest gift.

Amongst the perceived factors that allowed LFO growth according to the interviewees the relevance of the cause has been frequently cited. In particular the ability to raise awareness and struck people. Together with the transparency of the organization, unanimously cited as the main vehicle for the association's credibility. LFO always exploited a form of communication able to emphasize its projects, what had been accomplished and what would had been the next step, never forcing its hand on communicating too much. Giving to potential pledgers the possibility to see how their wealth could be utilized, how the organization actually carries out its daily routines revealed to be a crucial factor. Furthermore, their ability to see the problem from a "positive" side (focusing on the remaining senses of their users rather than their disabilities) led to the perception of a serious and trustworthy organization from donors and general public. Their sober use of marketing communication became one of LFO's main distinguish feature. However, sober in this case is not a synonym of restrained as another of the frequently cited success factor perceived has been the fact of not being afraid of addressing such a fragile topic in a country where the cultural belief still consider death as a taboo subject.

4.4.2 Use of Resources

4.4.2.1 Human Resources

Among the human resources frequently cited by the interviewees, one apparently stood out. The mission motivated senior management. Senior management strongly believed in bequests as a fundraising tool and decided along the years, to invest heavily both time and resources in communicating this giving opportunity to donors, marking it as one of the priority channel of fundraising.

Key individuals from the organization are influential and trustworthy, as for bequests the best spokespersons are not celebrities but the people within the organization. In the words of one of the interviewee:

“the person who embodies the organization, namely the Secretary General, has always played a fundamental role in actively and directly approach potential bequest pledgers by giving them information on how to leave a bequest rather than spending some times with them to let them understand better what the organization does and how the funds from bequests could be exploited”.

His belief and personal predisposition toward the instrument revealed crucial. Therefore, the SG, according to the interviewees, has been described as the most important intangible asset, thanks to the profile he achieved in the last decades among LFO donors. He has been substantially identified as the depositary of the

brand, of its transparency, fairness and integrity. Being these elements those that mark the success of a bequest fundraising program, it appears clear why he has been identified as the key resource within the area. In other several cases, important human resources are also those individuals that represent the cause firsthand. For example in other health-related organizations, the spokespersons are also essentials; people who benefit of the organization's services and that can guarantee on the integrity of its activity. In LFO case however, the users can't be spokespersons for the cause to the external public being in a severe condition that does not allow them to advocate. Families and volunteers can do that as will be later described but in this case much of the responsibility is on the SG shoulders. He is the one who opens the doors of the organization to anyone is willing to know a little more about LFO. In doing so, he creates a familiar relationship. This attention in update, inform and share all of the association brings the supporters to feel part of this mechanism. They can see the contribution of their help, no matter how big or how substantial. The motivation of the senior management happens to reflect also on the professionals working in the field of bequest fundraising, as the interviews highlighted. That is because when a potential bequest donor calls the organization for whichever reason, each person answering represents LFO. Therefore, the kindness of the operators, the competence of the Legal Affairs and the courtesy of the Fundraising offices who give the first information define a *Lega del Filo d'Oro style* which is a peaceful and polite style perfectly aligned

with the reputation of the organization, which is considered serious, transparent and trustworthy also because so are the people that are part of it at every level. This kind of style according to the interviewees can be professionalized but is mainly due to the organization's imprinting. From top to bottom there is great attention to details, to the individual. With regards to users in the first place. Users are the most important people inside the Centers and the whole organization revolve around them in every aspect of their lives. This approach has been conveyed also to the management activities, thus as the educators put true care even to the details of the user, so does the fundraising department with its donor, even if they do not come from a specific formation, they feel the initial imprinting and "*the air they breathe in this place*". Therefore, the professionals in both legal and fundraising offices are well-equipped in order to give the proper answers when requested even knowing that the information request might not translate into an actual bequest. Nonetheless, answers usually come in quick time, legal affairs and fundraising offices should be able to activate each other depending on the request. Skills of professionals are essentials so as empathy in order to understand who is on the other side of the phone. The issue of bequest is delicate and important, that is why it is crucial for the professionals to put themselves in the potential donor's shoes. LFO's human resources, according to the interviewees, are able to deal with the different typology of people calling. Also the operators, who are the first encounter for the external public, are trained according to the

Lega del Filo d'Oro style in order to give the potential donors a first positive image.

4.4.2.2 Organizational resources

When it comes to organizational resources, the ones most frequently cited are those that attain specifically to the non profit sector. According to the interviewees, disseminate a positive image was a fundamental intangible resource. The excellent reputation of LFO in the provision of its services is perceived as a potential source of competitive advantage in bequest fundraising. That is because reputation is crucial for the potential bequest donor when it comes for him the time to indicate a charity in his will. Organizations should be perceived as meaningful with respect to the cause they represent, and capable of making a difference, being efficient, transparent and well organized. Most importantly, in a context increasingly competitive, an organization must have, in the words of the interviewees, a well-outlined profile, a flawlessly defined positioning in order for people to remember this positive image. Such an image is helpful to keep donors loyal to the brand increasing the possibilities of being added as a beneficiary in a will, the effort of the organization does not stop to the acquisition of donors but thanks to continuous institutional and communication activities, it build an awareness path that allows the organization to keep those donors that otherwise would have flew away. In the words of one of our interviewee:

“Results speak for themselves; LFO always stressed a communication that is focused on positivity, never aimed at pietism”.

In the minds of the potential donors, this revealed to be a focal strength point for the organization. Among the non profit specific organizational resources, also the mission statement has been frequently quoted. Mission has always been made clear in LFO communication directed to potential pledgers that eventually embraced the cause by supporting the organization. Mission statement is often accompanied by transparency according to our interviewees, that highlighted the importance of having such a delicate mission, carried out by projects meant not to disappear in a couple of years. Being transparent allows donors to see how gifts will be used and how mission will be pursued, facilitating the leap of faith of the charitable bequest. The bequest donor of course will not be there to see the fulfillment of his gift, but the mission statement carried out with transparency lead to a deep trust to the organization’s work. This goes along with the social value contribution, another of the elements emerged from the interviews. Having many headquarters in which carries out the activities throughout Italy, LFO’s contribution to the social value is palpable.

LFO is visible with its physical structures and its door are always open, the fact that the organization realize something so tangible as new facilities gives to potential pledgers the sensation that their possible contribution will last in time,

just like a safe investment. Contribution to the social value is also explicit in the commitment of the organization to achieve the best possible result with all those people in need, a commitment also expressed in times of economic recession, being pushed by the increasing demand for services. Services requested by people that, because of their conditions, will never be able to heal but will always seek for the assistance of Lega del Filo d'Oro. The organization thus has an essential role toward these people that thanks to LFO can achieve greater degrees of independence:

“These people manage to give something, to be someone, other than shell of men”.

Such a contribution to the social value is invaluable to bequest donors. Among the organizational resources, the structure itself resulted influential to the interviewees. The operational system that sets up the skills in the fundraising area, in addition with the more technical legal-administrative area. Together they support the positioning of the association as an excellent, reliable, serious and competent one. A system that has been described by some of the interviewees as a lean structure with a short decision-making chain thanks to a daily effort of the SG that supervises the communication sent to potential bequest donors. Inside this structure, competences and routines are well defined.

“In every aspect of the organization there is a routine. Thus, you know how it begins, how to manage it and how it ends. Plus you always know where the paperwork is”.

Routines are useful, according to our interviewees because if any of the members of the chain are missing for any reason, who is behind can nimbly pick up the thread where has been left. This way the organization is able to carry on independently of the people. This is crucial when it comes to the phases immediately after the acquisition of a bequest, because otherwise the risk is to wait a substantial period of time for the financial execution. Routines are mentioned in terms of standardization of the processes. Repetitive, recognizable pattern of interdependent actions, involving multiple actors. Once again, this is borrowed from the educational services, where professionals adopt the same methods of educational interventions, the same approaches in terms of social services in every structure of LFO, so it reflects in the administration.

Culture also has been recognized as an impactful organizational resource. Both in terms of shared values inside the organization and assumptions that defined the way in which the organization carried out its activities. What LFO historically did was educating the donors to this particular form of donation when no one else did. The organization brought to its country, but most importantly to its donors, a culture that was so far unknown, discovered in other contexts. They did, despite

the difficulties and the prejudices of other organizations that found this way of communication disturbing and insensitive in respect to their donors. Despite the hardships, donors eventually learned and become accustomed to this practice so as the other organizations that started to address the topic, having recognized LFO as an authoritative player.

4.4.2.3 Informational resources

Among the informational resources judged useful to obtain success in bequest fundraising, there has been a unanimous consensus among the interviewees.

They all highlighted the donors database as a fundamental tool in achieving an outstanding performance in bequest fundraising.

In the word of one of the interviewee, “*the DB is the most precious good an organization can have*” especially if, like in LFO case, the DB has been build internally, recording all the information the organization needed about their donors with a tailor made approach. Those information have proved to be important to understand what kind of bequests the organization was receiving and by whom did they were coming from. LFO obtained much information from its bequest data history. Knowing that the return on investments for bequest fundraising takes place after an average of seven years, it is clear how information

become a fundamental asset. People may fade away but the information shall last in time. The enhancement of information about small donors is equally important in bequest perspective as LFO learned that substantial bequests may also come from “small supporters” loyal to the organization throughout time. That informational asset may therefore turn eventually into funds. One of the interviewees talked about the importance of “*the complete tracking of the supporter’s journey inside LFO*”. In terms of informational resources, the interviewees also highlighted how LFO is currently trying to overcome the difficulties of having an information asymmetry concerning bequest fundraising. As mentioned the organization deals with bequests in a double perspective, following the issue from its legal administrative offices and from the communication and fundraising area. This means that historically, the specific information on bequest obtained were filed and collected by the Legal Affairs that managed the practices. The other important donor’s database was handled by the fundraising area which took care of donors communication. In times, there have been some difficulties for these databases to talk with each other because of the different formats on information filed. Nowadays with the creation of a unique tailor-made database, according to the diverse needs of each organizational area LFO is making an important effort in overcoming that obstacle.

Among the other informational resources cited by the interviewees, there are market researches, carried out to bring knowledge about the particular market segment of bequest donors. These have been described as useful in order to acquire the needed information to better targeting the activities. Also, trends have been mentioned by the interviewees as informational resource. Trends analyses are important to understand how the country reacts to the bequest issue, furthermore demographic and socio-cultural analysis give the organization the perception of how individuals are changing. Additional PEST (political, economic, social, technological) analysis declined to the topic of bequest fundraising are useful to the organization. LFO has been able to be acknowledged on the average composition of households, on the propensity of talking about certain issues and on the financial resources of families. That is increasingly important in the current situation, in face of the huge paradigm shift the next inter-generational wealth transfer is bringing. Older generation are supporting the younger's, the "baby boomers" are using their wealth to sustain their sons who are facing the rough times brought by the last financial crisis. It is evident how this information could impact on future fundraising from bequest. The capabilities of analyze these trends is crucial, together with the analysis of competition.

4.4.2.4 Relational resources

Relationship is obviously the fundamental component of any fundraising program. It becomes even more crucial when it comes to bequest fundraising, where the instrument itself is based on a “leap of faith” for the potential supporter toward the selected organization. That is why, during the interviews, relational resources have been unanimously cited. There are mainly three groups of stakeholders toward which relationship has been depicted as fundamental in order to achieve success in bequest fundraising. These are donors, beneficiaries and opinion leaders. Donor relationship is certainly the most important with regards to the goal of stimulate a charitable bequest propensity. The cultivation of such relationship, requests that people involved embody the trust that the organization arouse. That is because a person that seeks to define what will happen in the next ten years needs answers. Empathy, relationship quality, ability to listen and to provide answers are fundamental features. Such a relationship cannot be created out of the blue. Whoever deals with bequests must have this sensitivity.

This care in informing and updating the potential donors, in sharing the whole organization in all of its aspects, make them feel part and parcel of a mechanism. *“They feel not just an external economic contribution, but they are able to see the relevance of their donation”.*

This kind of relationship eventually lead to take into consideration the possibility of leaving a charitable bequest to LFO in the final part of their life, an extremely delicate moment where lots of variables collide. For an organization, being considered in that moment represents the greatest display of trust possibly achievable. Such a goal cannot be reached without an important contribution in terms of interpersonal relations. Lega del Filo d'Oro managed to gain this trust from donors. The work that the organization did, sometimes lasted for decades in terms of cultivation of a single relationship, as in one of the cases mentioned by one of the interviewees.

“The biggest bequest received by LFO came from a woman with whom we had a 20 years relationship, she came to visit us, to see our work and then actively participated to the organization’s development through her presence, slowly maturing the thought of leaving a charitable bequest”.

Trust building is something that can be reinforced also with brand strategy. By seeing the organization in a TV show, or seeing organization’s advertising, people might happens to reinforce their intention to leave a charitable bequest. Service support is also a fundamental part in the relationship cultivation. LFO managed to characterize its relationship with bequest donors on a professional note. The organization, thanks to its internal legal office, managed to provide a thorough

service useful to direct donors toward a sophisticated instrument helping them to go through their succession paperwork.

“By internally managing the paperwork, you send a message of humanity, not only of professionalism. An external professional can manage the practice by talking about the specific tools to deal with a juridical problem. From this side, there are not only the juridical competences but also the human component to deal with the donor wills”.

As above-mentioned, also relationship with beneficiaries have been highlighted as influential with regards of bequest fundraising goals. It is part of the organization’s ability to engage in dialogues and inspire. The strong relationships that LFO pursues are, first of all, with its users and their families, together with volunteers. All these stakeholders, according to their possibilities become witnesses of what the organization does and how. *“In fundraising we talk about member get member, but this is much more than just that”*. If a person is asking himself whether leaving a charitable bequest or not and talk with someone that can give evidence with its own voice about the pros and cons of LFO, the benefit that a particular children or adult is experiencing, it become something tremendously impactful. Even if these relationships, for LFO, are not coded as donors relationship, are extremely important because they may be the basis of some of the bequest received. Many of the interviewees are confident that within

the group of bequests received by non-supporters there are people who have been in touch with beneficiaries of LFO services or volunteers. Individuals that offered an active evidence of the organization's prestige.

Lastly, the third group of stakeholders toward which relational resources have been highlighted as influential is composed by the opinion leaders. The ability of networking among different groups is recognized as collateral to the support of the bequest fundraising activities. One of the categories mentioned is the one of notaries. In times, LFO managed to create a group of "allies" notaries that came in contact with the organization indirectly through managing charitable bequest or through an internal awareness campaign made by LFO to the category.

"Ending up with an institutional brochure in a notary office is an important step because you are immediately recognized as a serious organization to be taken into consideration when the time comes to make a personal bequest".

Obviously, the more the notaries are sensitive on the importance on making a charitable bequest the more charitable bequest will be made by individuals. The ability of networking is collateral to the final result, also with regard to other non profit organizations. LFO together with other Italian NPOs have been active players in the field with the creation of the "Testamento Solidale" network. A committee that raised awareness on the importance of making charitable bequests in Italy, reinforcing people behavior and educating them to this form of donation.

The Committee had an indirect function but it has been useful to help create that “hummus” over which bequest campaigns would have been built. Furthermore, the Secretary General devoted great attention to the development of the Committee being its spokesperson, something that guaranteed visibility to the organization every time the Committee decided to actively communicate.

4.5 Discussion

Evidence from the Lega del Filo d’Oro case suggests that the exploitation of certain resources, together with their assembly by the management, adopting a long term view, leads to the development of several inputs determinant to a superior performance in bequest fundraising, therefore answering the initially outlined research question. There seems to be not a particular category of intangible resources but rather an effective mix of long lasting resources that account for the achievement of a successful performance. Data analysis allows an identification of “building blocks of success”. These can be divided in inputs, or determinant assets brought by the resource mix, and moderators that act on the relation between those assets and the final output by affecting its strength. The conceptual framework shown at the end of this paragraph tries to summarize all

the themes emerged from data analysis, graphically highlighting the factors that will be described here below.

First of all, the external environment has been highlighted as the framework in which the relation between resources and bequest fundraising performance takes place. It is important to indicate it as R-A theory is a general theory of competition and takes into consideration the context outside the organization. The interviewees highlighted as distinguish factors of the external environment: the cultural context, the administrative context and competition. These factors proved to be relevant since we are taking in consideration an organization operating in a country where bequest fundraising is still culturally far from being widely accepted also because of the different roles of Welfare State and Church in the provision of certain services compared to Anglo-Saxons contexts. Particularly, on a cultural level, bequest are still a taboo subject being often associated with loneliness and emotional deprivation. Eventually, on a broader level, people do not feel the urge to write their wills since legally their heirs will be safeguarded by the legislation. Unlike many other countries, Italian law in fact, provides for “legitimate succession”, which means there is a part of inheritance reserved to legitimate heirs that testator cannot freely dispose. Such a quota is different depending on the composition of the household. Finally, competition has been outlined as it has heavily increased in the latest years forcing organizations to

expand their investments in bequest fundraising to maintain their competitive position. These elements described converge with what emerged from the systematic literature review previously highlighted. Regarding the donors, many studies (Adloff 2009, Priller and Sommerfeld 2005; Caldwell 1998) outlined how the State of residence and its cultural and administrative environment may act as a barrier in the people propensity to leave a charitable bequest.

To cope with a potential unfavorable situation and advance in its bequest fundraising performance, LFO equipped itself with distinguishing internal resources. Such resources, in some way unique due to their imperfect mobility as postulated by R-A Theory (Hunt, 2010), contributed to create some fundamental features for the competitive advantage of the organization in charitable bequests.

Interviews suggested that one of the major products of the resource mix assembly by LFO is the “vision and deep involvement” of the top management. All our interviewees stressed the importance of having key individuals from the organization strongly believing and supporting the development of this instrument. The outstanding result achieved in terms of fundraising from bequests would not have been as substantial as it has been thanks to the Secretary General, the organization’s leader, and other LFO’s key individuals that devoted time and efforts in the pursue of it. In particular, the SG personally took care of some of the most significant bequests, transmitting the donors a sense of familiarity together

with transparency, fairness and integrity. The main characteristics a donor looks for when deciding to make a charitable bequest. While the importance of vision and leadership has not been investigated in the bequest fundraising literature, only a few studies addressed the issue in the general non profit literature. Hollister (1993) suggested that leadership research has been a neglected area in NPOs studies. We found convergence with Stid and Bradach (2009) study that states that an high performing NPO is a result of a combination of providing both visionary leadership and the competences required to produce result. LFO's Secretary General, together with key individuals from the organization, managed to convey management practices brought from abroad thanks to its vision and deep commitment to this particular mean of fundraising.

Evidence suggests another crucial element to the final output of superior bequest fundraising performance. All the LFO representatives interviewed dwelled on the importance of a long lasting donor relationship. In the organization's experience even small or modest donations could eventually translate into disposition of charitable bequests. The element that allows marking this transition is the relationship with donor. A relationship that in LFO case is comprised of three major elements:

- Donor care
- Service Support

- Trust Building

Donor care is carried out on a 1 to 1 basis, pushing intensely the principles of message's customization from Direct Marketing mastered by LFO; the result is a personalized communication and attention to each bequest prospect. The organization appointed a specific desk in the fundraising area to talk with these individuals in order to cultivate relationships. Empathy, ability to listen and to provide answers are deemed intrinsic elements of a "bequest donor care". Their gratification is spontaneous as they feel part of the mechanism. Equally important for LFO's donor relationship is the professional service support offered by the internal legal department. Legal advices gave to donors informed them on how to better dispose of their wealth. This happened for every request, regardless of whether they would have been translated into a charitable bequest for LFO or not. Eventually, trust building is the last crucial determinants of this relationship. According to the interviewees, bequest is a synonym of trust. The latter represents the foundation on which a relationship can be built. LFO managed to ensure this trust from their donors. The cultivation of a single relationship sometimes lasted for decades. During this period, the organization through its transparency, showed the results of its work by opening its doors to everyone willing to better understand how funds from bequests would have been used. Ultimately, this led to an excellent reputation and a substantial display of trust.

Furthermore, the brand strategy carried out by LFO constantly for decades has been able to foster the achievement of a high degree of trust among donors and general public. Its brand communication always reflected the values of the activities carried out by the Centers. Transparency and practicality, united to a sober tone of voice defined a “LFO style”. A peaceful and polite way of market the LFO brand that became instantly identifiable.

It is possible to find some of the above mentioned elements also in bequest fundraising literature, among the motives that drive individuals to leave a charitable bequest. The concepts of trust and reputation have been frequently mentioned (Sargeant and Jay, 2004; Abdy and Farmelo, 2005; Brown, 2004; Pike, Knott and Newton ,2012) as determinant components of the organizational perception, that can finally lead to a bequest gift. However, concept like donor care appears just like an item of perceived professionalism (Sargeant, Hilton and Wymer, 2006; Sargeant and Shang, 2011). While LFO case shows how donor care is a fundamental part of the donor relationship and it is directly linked to the final result in terms of charitable bequests, stretching the concept of relationship fundraising (Sargeant, 2001) to an ultimate level. Moreover, concepts like service support are not even mentioned in bequest fundraising literature while the organizational perspective we analyzed with LFO case suggests to point it as one of the building blocks for success. Eventually, among the most stressed elements

from data analysis, it appears also a cultural feature we labeled as “donor education”. Thanks to the visionary long-term approach adopted by the higher management, LFO has been capable of instilling the charitable bequest culture among its donors first and then to the broader general public. This happened, as previously mentioned, within a context where fundraising is not customary among NPOs and where everything associated to death is to consider as a taboo subject. Therefore, such a result is additionally exceptional. The transparency of LFO’s activities united to their sober and polite use of marketing leverages has been able to convince individuals about the usefulness of leaving a charitable bequest. In the long run economic results started to come, paying back the investment made by the organization in terms of time and efforts. LFO therefore has been able to influence its external context of belonging by directing acting on a cultural level, contributing to put the spotlight on the bequests issue by reinforcing and stimulating the propensity of individuals to leave a charitable bequest. While donor education is a concept that does not appear in bequest fundraising literature we borrowed the label from marketing literature, where customer education applied to the financial sector is defined as “service advisers ’willingness to explain financial concepts and the pros and cons of recommended investment opportunities to their clients” (Eisingerich and Bell, 2006). They found how customer education displayed a significant, positive relationship with customer participation, a construct that have positive influence on customer loyalty. So did

the donor education process carried out by LFO spreading the participation in charitable bequest-making to a wide audience, finally resulting in increasing number of bequests.

Evidence suggests that along with these determinant elements, there are other collateral factors generated by the exploitation of intangible resources. These additional factors proved to have a moderating effect in conveying the relation between the organization assets and the final output of superior performance in bequest fundraising. We identified these elements as stakeholder relationship and organizational routines.

The organizational routines developed by the organization to answer quickly to each donor have proved to be effective in the management of donors relationship fostering the propensity of leaving a bequest. LFO's bequest management represents a lean structure with a short decision-making chain. The top management is able to supervise directly the communication sent to potential bequest donor. In this way, it is easier to maintain a communication that is deeply aligned with LFO's standards and to have the intervention of the Secretary General or other key figures when needed or requested by the donors. Within the organization, routines are shared and well defined. If any of the members of the chain are missing for any reason, who is behind can easily manage the paperwork. Such feature is collateral but nonetheless important to the final outcome of

superior bequest fundraising performance because in the phases immediately after the acquisition of a bequest, the risk is to wait a considerable period of time before the financial execution. Routines are mentioned in terms of repetitive, recognizable pattern of interdependent actions, involving multiple actors. A characteristic borrowed from the educational services, where professionals adopt the same methods of educational interventions, the same approaches in terms of social services in every structure of LFO.

While by stakeholder relationships are intended all the relationships other than with donors. Therefore relationship with beneficiaries of the services and volunteers, with other NPOs and with solicitors. These relationships have been collateral in the development of the results achieved in terms of bequest fundraising performance.

Bequest fundraising literature takes into account only the importance of relationship with solicitors (McGregor-Lowndes and Hannah 2012) while the case shows how the attention in conveying a quality communication is important also to other stakeholders of the organization, with the goal of a superior performance in bequest fundraising.

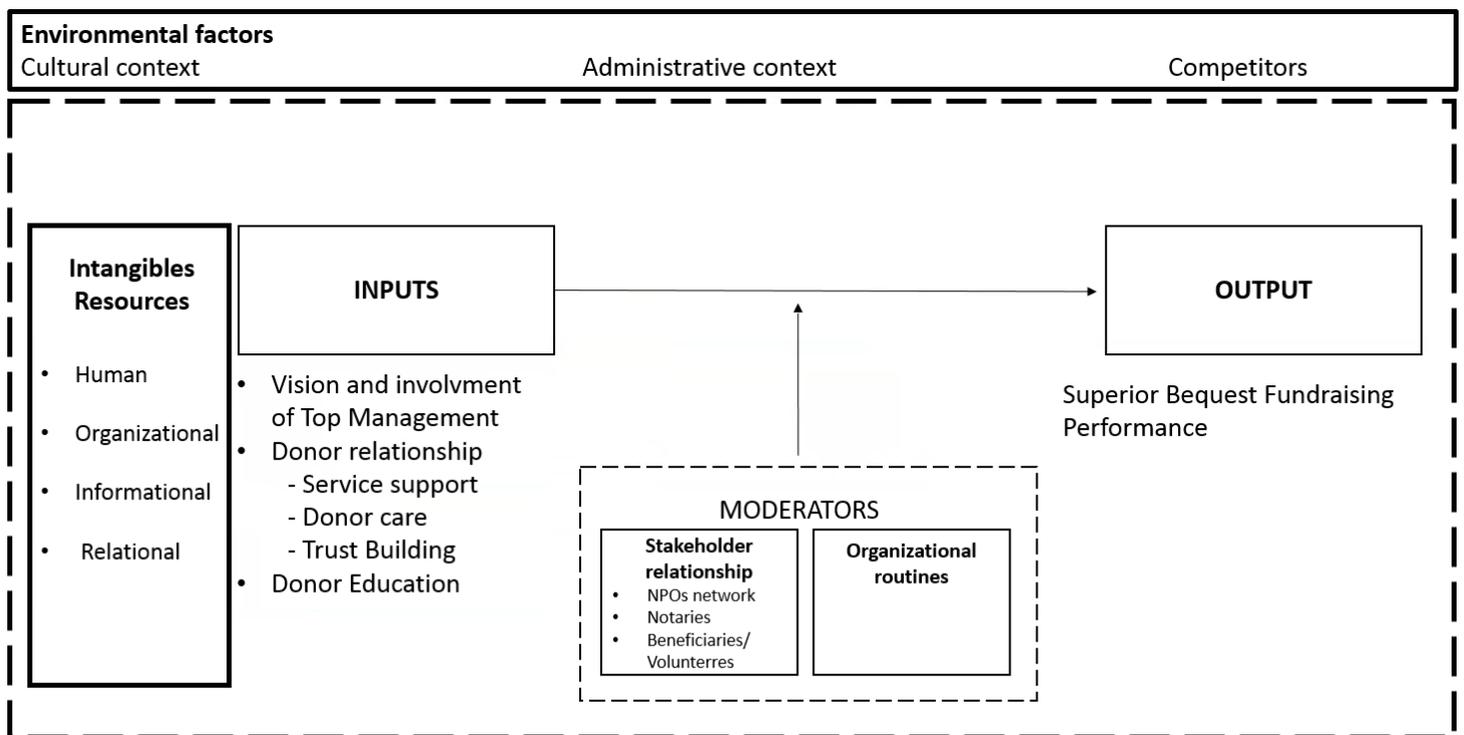
Families of beneficiaries together with volunteers, being the first witnesses of LFO's activities became trustworthy spokesperson of the organization, basically

acting as vehicles of the brand strategy of the organization, that intangible *LFO Style* that spread from the beneficiaries ‘assistance to the management practices.

Many of the bequests left to LFO by non-supporters are due to “non coded” relationship between bequest donor and families or volunteers, according to the interviewees researches. Relationships with other NPOs also seemed to have a moderating effect, since the intention to fund and carry out the activities of the “Testamento Solidale” network brought visibility to the organization throughout the country. In the meantime the Committee raised a desperately needed awareness on the importance of naming a non profit organization as beneficiary of part of people wills. The network thus acted on the external context, accelerating the Donor education process initially started by LFO and contributing to create a more favorable context to this form of donation. A similar result has been achieved thanks to relationships with notaries. The authoritative professional category has been object of communication campaigns on the importance of leaving a charitable bequest by LFO. This attention to the category led to the creation of a network of “partners” notaries, able to foster LFO’s awareness message. Sensitizing this category has been the equivalent of indirectly sensitizing citizens. The organization therefore, managed to be associated with a positive message of seriousness and reliability.

The conceptual framework showed here below tries to summarize all the themes just outlined, graphically highlighting the factors described.

Figure 4.3: Resources for competitive advantage in bequest fundraising



Source: author elaboration

4.6 Managerial implications

For fundraisers and NPOs management, the most practical consequence of this study is that even if an external context may seem culturally unfavorable for the development of this particular fundraising tool, the right mix of intangible resources leveraged by management could still lead to an outstanding performance, by facilitating the setting up of building blocks of success. These can be divided in principal assets, directly responsible for the achievement of the fundraising result and moderators that help in capitalizing on their exploitation by fostering the relation with results.

Particularly we saw how such a performance in bequest fundraising is a result of a long-term commitment undertaken by the organization. A long-term vision from the beginning is crucial as the return on investment for bequest fundraising is the most referred and delayed amongst all the available fundraising instruments. An organization should be prepared to years of investments when embarking in the activity. The activities of Donor education carried out by the organization showed how even if general public is not aware or not inclined to this particular form of donation, a bold and pro-active communication to supporters joined by the reliability and authenticity of the mission can eventually educate and convince donors, instructing them in exploiting this form of donation.

The concept of relationship fundraising is therefore stretched to its limit as with this instrument, an organization reaches the pinnacle of a relationship. Professionals working in this fundraising field must not only have reached a high degree of professionalism but should consolidate these skills with intangible assets as empathy and comprehension. Such features are the basis of donor relationship in the bequest area. A relationship that represents a construct made of fundamental components. Fundraisers should be able to implement a donor care approach, similar to the customer care of the for-profit sector. Therefore, the competence and the ability to answer to the donor doubts are essentials. Something that should ideally leads to the development of an internal legal office. An organizational feature that revealed to be successful. The Case showed how the internal management of the paperwork was greatly appreciated by donors that felt relieved to have a skilled and responsible reference point inside the organization. Organizations that consider moving their first steps in this direction shall be ready to equip with skilled professionals also in the legal area in order to foster the achievement of trust. Something that cannot be separated from the tangibility and solidity of the social value contribution, an imperative feature to the achievement of any results in term of trust. Donor relationship, nonetheless, is not the only important relational resource as the Case proved that a sincere and proficient relationship with various stakeholders is determinant in fostering the final result and influencing the strength of the relation between organization's

assets and the final performance with charitable bequests. In this case, relevant stakeholders are the network constituted with other NPOs, the notaries and the beneficiaries and volunteers, true spokesperson of the organization. The quality of these relationship proved that any organization should be aware that the final beneficiaries of the services are the most important vehicles of the brand trustworthiness. Something that a potential bequest donor deems invaluable.

Conclusion, limitations and future research

This work has set out to understand what kind of resources are required to a non profit organization in order to gain a competitive advantage in bequest fundraising and maintain a continuous positive performance. As it has been highlighted, gaining a competitive advantage for a NPO means that it can keep pursuing not only the goal of the social mission but also the goal of “funds” necessary to accomplish the social cause. This two goals, depicted in literature as “double bottom line” (Dolnicar, Irvine and Lazarevski, 2008, Fairfax, 2004) should not conflict.

Chapter 1 of this work, giving a broad overview of the fundraising function inside non profit organizations, outlined the importance of bequests fundraising, portrayed in literature as the last frontier of fundraising for charities. By showing the size of charitable bequest markets it has been highlighted how there could be vast room for improvement in the possibilities of NPOs of taking advantage of some of the funds that the next inter-generational transfer will bring, a deeper focus on the Italian market has subsequently been provided.

The systematic review of literature outlined in Chapter 2 showed that researches did not pay much attention to the bequest fundraising topic from the NPOs perspective, being the majority of studies concerned to understand what drive a

donor to leave a charitable bequest donation. Therefore, it appeared to be a gap in the knowledge of NPOs internal mechanisms concerning the particular topic of charitable bequests. Nonetheless, a better understanding of the resources that enable a superior performance in raising funds for a non profit organization should be of great interest to charity managers, policy makers and donors, as well as researchers. That is because bequest fundraising could be an increasingly dominant source of revenue for many non profit organization. Being an organization more able than others to exploit the right resource mix could mark the difference between a superior performance in bequest fundraising leading to a competitive advantage and a moderate achievement leading to a position of disadvantage.

In order to study the internal use of resources inside NPOs, a theoretical framework has been adopted to the extent of place accurate boundaries to the work.

Chapter 3 has been therefore dedicated to outline R-A Theory, the framework chosen to investigate the Case, highlighting how its application has been recently posited to the third sector context, adapting its main propositions to non profit organizations and their particular environment.

Finally, Chapter 4 has been dedicated to the organizational case study. By studying Lega del Filo d'Oro case, a leading practice in bequest fundraising in a

country where the discipline is not yet widely spread, the intent was to highlight, through their use of intangible resources, the building blocks of success that allowed the organization to achieve a proficient performance with charitable bequests.

Study showed how there was not a unique category of intangible resources accountable for the final result but rather an effective mix of long lasting resources determinant for the achievement of the successful performance in bequest fundraising. The building blocks of success identified through data analysis have been divided in determinant assets brought by the resource mix, and moderators that acted on the relation between those assets and the final output by affecting its strength.

The study, thus, has begun to fill a gap in our knowledge about the use of resources by non profit organization for bequest fundraising activities. Furthermore, the work shed a light on a steam which has seen weak efforts in literature. The management perspective on the bequest fundraising topic.

The weaknesses of a case study approach nonetheless are well documented (Yin R.K., 2003, Eisenhardt K. 1989). Accordingly, it is important to stress that this is an exploratory study; in particular, the work is focused on a single case and only on the resource mix exploited in that particular context. Therefore, one should be

wary of attempting to generalize from the results to the wider body of other non profit organizations.

Different organizations of different size, serving other causes in different contexts, potentially not influenced by the geographical area limitations, may have found diverse path to success. Further research might usefully conduct comparison between several organizations, both high and low performing so that a degree of comparison and comparison on specific dimensions might be usefully carried out. Additional research would also be useful into other European and Latin contexts to assess the compliance with the highlighted results. It would also be instructive to examine the conformity of these results on a quantitative level.

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