



# The Core Relationship & Nonprofit Vulnerability

**Quality and Price** – The buyer of branding products for nonprofits must understand the relationship between quality and price in the promotional product industry. There is risky terrain here. The following comments will help you navigate. And the next section – Nonprofit Vulnerability – will explain why it is so important to see clearly and to tread carefully.

**Your Problem Is This** – On the surface, even after first or second use, many products can look the same. But only on the surface and only in the beginning. The same with promotional products vendors and the factories they represent. They can look the same. They can make the same promises to their clients. Some are ethical, competent and reliable. But there are plenty of promotional products factories and distributors that are willing to cut corners.

**Corresponding Realities** – It doesn't matter whether your organization is a public radio station, an alumni association or a local environmental project. As a manager of a public service organization you must conserve resources. By contrast, the companies in the promotional products industry that serve your organization are for-profit entities. They live in an unforgiving competitive environment. They are driven by forces

and by live by standards that differ from those of our nonprofit world.

Your ethical mandate to spend carefully, combined with the for-profit need to get the sale, can lead to unwise purchase decisions which unwittingly sacrifice quality to cost. And you are not likely to see it coming! Both the factory and the distributor who represents it know how to save some time here and some money there. Both know how to do that in ways that are not readily apparent.

**BOTTOM LINE:** Every production step has a cost. Most steps have an optional shortcut. Many shortcuts are not noticeable at first – but each one saves a bit of money. **When pennies count, dimes rule.** When those dimes run the show, quality is sacrificed to price. *The relationship between quality and price is a central reality of the promotional products industry.*

The client or end-user may not notice at first, but quality deficits will show up as an item is used. Ultimately, the righteous cost decision can affect product satisfaction. That can undermine the affinity your supporters feel. The most expensive way to cut costs is by undermining your brand in the eyes of your constituency. *This is a fundamental reality of the nonprofit, constituent-dependent public service industry.*

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## Nonprofit Vulnerability

**UNIVERSAL REALITY:** Products bearing affinity-logos are seen everywhere, serving as a form of nonverbal shorthand to communicate our personal preferences and interests. Nearly all of us display them, observe them and interpret them.

**NONPROFIT REALITY:** When they are properly-used, branding products are not an expense – they are an investment. They greatly enhance public visibility. They subconsciously strengthen the commitment and affinity of individual that display them. Because of their impact on an institution's brand equity, imprinted logo-products

have become essential to nonprofit marketing and development programs. [1]

**NONPROFIT TRAP:** During periods of economic difficulty many nonprofit executives think “because we're a charity, we can't afford better quality products.”

As financial stewards you surely must measure the cost and the return of acquisition mailings, outreach programs and similar strategies. Tougher to measure, but an equal mandate of financial stewardship, is to evaluate the financial risk of offending constituents and losing their support.

Imprinted affinity products are an investment in public image and constituent affinity *only if* their quality is appropriate to your organization and its constituents. When dealing with such powerful branding products, do not buy into the shortsighted and destructive concept that you cannot afford top quality because you are a nonprofit.

**AVOIDING THAT TRAP:** The proper mantra is actually the reverse of the shortsighted approach. The successful nonprofit manager should think: **“We cannot risk the cost of putting our brand on lower quality products, and the reason we cannot accept that risk is *specifically because we are a nonprofit organization.*”**

Notice that phrase – “specifically because”. Specifically because your organization depends on the esteem of the general public and the loyalty of its individual supporters, it *cannot* afford to be identified by, or associated with, lower quality products. As you review promotional items, you should keep asking, “Is this good enough for us?” rather than... “Is the cost low enough for us?”

**VisABILITY SUGGESTS:** Don’t buy for price. We’ll help you buy smarter by offering suggestions in following sections titled “Don’t Spend More – Just Buy Better” and “Selecting and Training a Vendor.” To follow our advice and stay within budget, you may have to make some strategic adjustment in your approach. Given the economy every for-profit and nonprofit faces, this is the right time to do that.

[1] – The tax-exempt nonprofit public service sector, including medical and educational organizations, is the largest user of promotional products. Industry records indicate that the second largest user is the financial services sector (banks, credit unions, investment services, etc). The ranks of users then include (in order) manufacturing, insurance, automotive, government (all levels combined), entertainment/sporting events and broadcast/print media and advertising/public relations agencies.



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*Imprinted logoware for nonprofit fundraising & corporate branding programs*