

**UNIVERZITA KARLOVA**

**FAKULTA SOCIÁLNÍCH VĚD**

Institut komunikačních studií a žurnalistiky

Katedra marketingové komunikace a public relations

**Bakalářská práce**

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**Communication of corporate foundations in  
the Czech Republic**

*Bakalářská práce*

Praha 2017

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## **Bibliografický záznam**

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## **Abstrakt**

Práce se zabývá problematikou a zhodnocením využití marketingové komunikace firemních nadací a nadačních fondů v České republice. V teoretické části nabízí přehled toho, jaké nástroje komunikace se v neziskovém sektoru využívají i jaké jsou v nich nejnovější trendy. Teoretická část zkoumá také morální aspekty existence firemních nadací a jejich vzniku pod mateřskou firmou. V praktické části práce odhaluje, jaké nástroje firemní nadace k interní i externí komunikaci využívají a s jakou efektivitou komunikace se potýkají. Zároveň mapuje povědomí o firemních nadacích v České republice vzhledem k ostatním neziskovým subjektům. Neodmyslitelnou částí této bakalářské práce je také náhled do chodu firemních nadací skrze zástupce významných firemních nadací. Práce též zjišťuje, zda mateřské organizace využívají existence vlastních neziskových organizací pouze k vlastnímu prospěchu či zda je za jejich založením skutečně charitativní úmysl. V neposlední řadě práce obsahuje kvalitativní zhodnocení komunikace deseti firemních nadací, které se v kvantitativním výzkumu na reprezentativním vzorku profilovaly jako nejvýznamnější. Prostřednictvím tohoto zhodnocení práce nabízí žebříček nejefektivněji komunikujících firemních nadací v České republice a odhaluje případné nedostatky, které firemní nadace ve své marketingové komunikaci mají.

## **Abstract**

The thesis deals with the issues and evaluation of use of marketing communication in corporate foundations and endowment funds in the Czech Republic. In theory part, it offers a brief overview of what tools of communication are being used in non-profit sector and what the new trends in marketing communication are. The theory part also look into moral aspects of existence of corporate foundations and their establishment under their umbrella corporation. The part of practical application reveals what specific tools of marketing communication corporate foundations use to promote themselves internally and externally and how efficient their communication is. It also maps the general brand awareness of the corporate foundations in the Czech Republic in relation to classic non-profit organizations. An inseparable part of this thesis is an insight into operation of corporate foundations through representatives of significant corporate foundations in the Czech Republic. The thesis also reveals whether the umbrella corporations only make use of their corporate foundations just in order to promote themselves or whether there really is a charitable background. Lastly, the thesis comprises of a qualitative evaluation of marketing communication of ten corporate foundations and endowment funds which were considered the most important by respondents in quantitative research. With help of this evaluation, this thesis offers a qualified rankings of most corporate foundations with the most efficient marketing communication strategies and uncovers some of the imperfections in these strategies.

## **Klíčová slova**

Marketing, marketingová komunikace, firemní nadace, neziskový sektor, neziskové organizace, firemní filantropie

## **Keywords**

Marketing, marketing communication, corporate foundation, non-profit sector, non-profit organizations, corporate philanthropy

**Rozsah práce:** 67 928 znaků s mezerami, bez abstraktu a příloh (tj. od úvodu po závěr)

## **Prohlášení**

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V Praze dne 16. 5. 2017

Nina Ortová



## **Poděkování**

Ráda bych touto cestou poděkovala vedoucímu své práce za podnětné poznámky, které mě nasměrovaly k úspěšnému dopsání této práce. Dík patří také ambadorskému programu Nadace O2, který ve mně vzbudil zájem o problematiku komunikace firemních nadací. V neposlední řadě děkuji své rodině a přátelům za neustálou podporu a neskutečnou trpělivost během toho, co jsem tuto práci tvořila.

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(diplomovou práci je možné odevzdat nejdříve po dvou semestrech od schválení tezi)

Summer semester 2016/2017

**Základní charakteristika tématu a předpokládaný cíl práce** (max. 1000 znaků):

The topic covers the area of corporate foundations as a part of non-profit sector and their form of presentation towards the public.

In the first, theoretical part, I will inspect all the tools used by corporate foundations and evaluate the effectiveness of their communication and its impact on their main target groups. As a result of evaluation, I will create Top 10 of the Czech corporate foundations which I will focus on in my thesis. I will try to find out if the effect of establishing corporate foundations is worth it and if it is not rather oriented to company's self-promotion. The topic should also cover the comparison with normal, independent foundations (NGOs).

In practical part, I will focus on evaluation of corporate foundations by their employees and will add a second point of view from participants of the programs funded and laymen as well. On the grounds of this research, I will be able to verify the statements from the theoretical part. The research with employees will be under way of in-depth interview. A quantitative questionnaire will be distributed to the others.

**Předpokládaná struktura práce** (rozdělení do jednotlivých kapitol a podkapitol se stručnou charakteristikou jejich obsahu):

1. Introduction

2. Theoretical part

- Means of communication – what mean of marketing communication exist
- What corporate foundations – the principles of operation of corporate foundations and their place in the non-profit sector
- TOP 10 selection – a description of foundations chosen, including determination of their focus group, vision and mission
- External communication of corporate foundations
  - Use of communication – what communication channels corporate foundations use
  - Evaluation of communication effectiveness – correct targeting, appropriate communication channels (with the emphasis on event, marketing, PR activities, social media and other non-traditional forms of presentation)
- Internal communication – how the in-operation of corporate foundations can influence employees of the company given
- How companies do (not) use their foundations for self-promotion
  - in-house stakeholders – who do companies use and for what occasions
  - funding – a ratio of CSR costs to classical advertising



- extra benefits for foundations participants – besides money, what they can take out of participating in various projects and how do these factors affect their perception of the company
3. Practical part – Research and its conclusion
    - In-depth interview
    - Quantitative research
  4. Conclusion
  5. Bibliography
  6. List of appendixes
  7. Appendixes – questionnaires and others

**Vymezení zpracovávaného materiálu** (např. konkrétní titul periodika a období jeho analýzy):

The research on communication of corporate foundations will be demarcated from 2015 until present time. The channels examined will be all the communication tools with the emphasis on social media, PR activities and event, marketing. In-depth interviews with respondents chosen will be executed by the author herself during the period from summer 2016 to winter 2017. Quantitative research will be first sent to foundations participants and then to the laymen in Autumn 2016.

**Postup (technika) při zpracování materiálu:**

- Interpretation of terms and description of the topic
- Description of communication use
- Comparison of corporate and non-corporate NGOs and comparison of corporate foundations among themselves
- Research – in-depth interview and questionnaires

**Základní literatura** (nejméně 5 nejdůležitějších titulů k tématu a způsobu jeho zpracování; u všech titulů je nutné uvést stručnou anotaci na 2-5 řádků):

- 1) **BOUKAL, Petr.** *Nestátní neziskové organizace: (teorie a praxe).* V Praze: Oeconomica, 2009. ISBN 978-80-245-1650-9.

The publication explains the professional terminology and generalizes pieces of knowledge from single areas of NGO's operation. The author considers the problems of fundraising, productivity and permanent sustainability fundamental. The attention is dedicated also to comparison of priorities of NGO and business subjects.

- 2) **KAŠPAROVÁ, Klára a Vilém KUNZ.** *Moderní přístupy ke společenské odpovědnosti firem a CSR reportování.* Praha: Grada, 2013. Management (Grada). ISBN 978-80-247-4480-3.

The book is focusing on modern approaches to CSR like created share value, work-life balance, corporate community involvement or social responsible investment. It also devotes to standards of CSR and its reporting.

- 3) **WYMER, Walter W. a Sridhar. SAMU.** *Nonprofit and business sector collaboration: social enterprises, cause-related marketing, sponsorships, and other corporate-nonprofit dealings.* New York: Best Business Books, c2003. ISBN 0789019930.

This informative book illustrates the motives for and expected outcomes of developing these collaborative business relationships, and then gets specific with insightful examinations of the role that marketing plays in cross-sector collaboration alliances (strategic partnerships, symbiotic marketing, etc.) and the characteristics each partner and the partnership itself must have to succeed, how the public's attitude toward a charity can change when the charity accepts corporate donations.

- 4) **ADKINS, Sue.** *Cause related marketing: who cares wins.* Boston: Butterworth-Heinemann, 1999. ISBN 0750644818.

The author positions Cause Related Marketing in the context of marketing, corporate social responsibility and corporate community investment. It also explores who cares and why, providing research analysis into corporate and consumer attitudes both in the UK and internationally.

- 5) **BAČUVČÍK, Radim.** *Marketing neziskových organizací.* Zlín: VeRBuM, 2011. ISBN 978-80-87500-01-9.

The publication gives a comprehensive view on contemporary marketing and marketing communication in non-profit sector. It includes case studies proving what obstacles NGOs must deal with when they want to establish marketing conceptions known from commercial sector.

- 6) **QUINN, Bernadette.** *Key concepts in event management.* Thousand Oaks, Calif.: SAGE, 2013. SAGE key concepts. ISBN 1849205604.

This book naturally situates itself in the middle of this need, offering a comprehensive and illuminating account of the festival and event field. Written with academic rigour yet accessible at the same time, Quinn proves herself to be an outstanding communicator and stimulator of knowledge. International in content and timely in its up to date coverage of key topics, this will be an invaluable reference source for students from of Event Management, Hospitality Management, Tourism Management, and Sport and Leisure Management.

- 7) **FREY, Petr.** *Marketingová komunikace: to nejlepší z nových trendů. 2., rozš. vyd.* Praha: Management Press, 2008. ISBN 978-80-7261-160-7.

The author describes the best of the trends in marketing communications and its use on the market. He shows practical application of combining both new and old methods of communication. He focuses on the options of guerilla, digital and viral marketing, event management, direct marketing and product placement.

- 8) **SARGEANT, Adrian.** *Marketing management for nonprofit organizations.* 3rd ed. New York: Oxford University Press, 2009. ISBN 0199236151.

In this book, the author defines the role of non-profit sector in society, its strength and weak points. He divides the sector in particular types of organizations like NFPs or NGOs and separates them in groups according to the area of interest. The book further describes principles of marketing communication and its use in non-profit sector.

- 9) **DAW, Jocelyne.** *Cause-marketing for nonprofits: partner for purpose, passion, and profits.* Hoboken, N.J.: Wiley, c2006. ISBN 9780471717508.

This book captures the exciting potential for business and nonprofits to partner for mutual benefit and discovery. Cause marketing aligns nonprofits and businesses to combine the power of their individual brands with a company's marketing might to achieve social and shareholder value while communicating their values

- 10) **PŘIKRYLOVÁ, Jana a Hana JAHODOVÁ.** *Moderní marketingová komunikace.* Praha: Grada, 2010. Expert (Grada). ISBN 978-80-247-3622-8.

The publication deals with issues of marketing communication, including new trends. The major part of the book focuses on personal and impersonal tools of marketing communication, nevertheless, it

concentrates also on B2B marketing communication, social media and new trends, such as guerilla marketing, viral or mobile marketing, buzz marketing and others.

**Diplomové práce k tématu** (seznam bakalářských, magisterských a doktorských prací, které byly k tématu obhájeny na UK, případně dalších oborově blízkých fakultách či vysokých školách za posledních pět let)

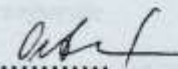
KOPEČEK, Martin. *Does work in non-profit sector pay off?* Praha, 2014. Univerzita Karlova v Praze. Supervisor: Julie Chytilová. (bachelor thesis)

KOPENCOVÁ, Barbora. *Internet jako nástroj komunikace neziskových organizací.* Praha, 2013. Univerzita Karlova v Praze. Supervisor: Petr Očko. (master's thesis)

FREMUNT, Marek. *Vliv velikosti neziskové organizace na efektivitu jejího financování.* Praha, 2013. Univerzita Karlova v Praze. Supervisor: Jiří Kameníček. (bachelor thesis)

ŽABKA, Marín. *Marketingová komunikace Nadace O2.* Zlín, 2011. Univerzita Tomáše Bati ve Zlíně. Supervisor: Marcela Göttlichová. (bachelor thesis)

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Doporučení k tématu, struktuře a technice zpracování materiálu:

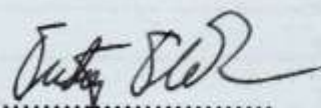
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TEZE JE NUTNO ODEVZDAT VYTIŠTĚNÉ, PODEPSANÉ A VE DVOU VYHOTOVENÍCH DO TERMÍNU UVEDENÉHO V HARMONOGRAMU PŘÍSLUŠNÉHO AKADEMICKÉHO ROKU, A TO PROSTŘEDNICTVÍM PODATELNÝ FSV UK. PŘIJATÉ TEZE JE NUTNÉ SI VYZVEDNOUT V SEKRETARIÁTU PŘÍSLUŠNÉ KATEDRY A NECHAT VEVÁZAT DO OBOU VÝTISKU DIPLOMOVÉ PRÁCE.

**TEZE SCHVALUJE NA IKSŽ VEDOUcí PŘÍSLUŠNÉ KATEDRY.**

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## Introduction

Corporate foundations and endowment funds are an inseparable part of non-profit sector. Only in the Czech Republic, there was almost 280 of them in 2016<sup>1</sup>. Yet, they do not receive an adequate attention among other non-profit organizations.) **Is it because of a mistrust of the public in the name of corporation included in the corporate foundation? Could not it be caused by insufficient marketing communication? And how exactly such corporate foundation or endowment fund promotes itself? Is there any competition among these foundations?** In this bachelor's thesis, we will try to answer these questions.

Our main objectives are to ascertain how corporate foundations and corporate endowment funds reach their target groups and which tools they use to do so. In this thesis, we will compare various corporate foundations in order to meet our objectives.

We will separate this thesis in two parts – theory and practical application. In the first part, we will determine forms of marketing communication in general with focus on new trends in marketing communication, event marketing and PR, as well as we will describe marketing communication tools used specifically in non-profit sector. We will then define what corporate social responsibility is and how corporate foundations fit in it. Then we will specify what corporate foundations are, how they operate and what is their purpose among the non-profit sector. Marginally, we will take a closer look on moral aspects of corporate philanthropy and membership of corporate foundations and endowment funds in associations for non-profit sector.

Although our original intents were to include use of marketing tools in corporate foundations and to compare them, we decided that inclusion in practical application part would be more rational.

This means that in practical application part, we will apply our theoretical knowledge on in-depth research of corporate foundations' communication – internal and external. We

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<sup>1</sup> Dárcovské prostředí a nadace i fondy u nás: Klíčové výstupy, kontext a další souvislosti. In: CZECH DONORS FORUM. *Den dárců* [online]. 2016 [cit. 2017-05-01]. Available at: [www.dendarcu.cz/pages/serve.php?file=1480503609\\_0\\_a2016-pdf.pdf](http://www.dendarcu.cz/pages/serve.php?file=1480503609_0_a2016-pdf.pdf)

will evaluate effectiveness of such communication through quantitative questionnaires, in-depth interviews and selection of ten of the best corporate foundations and endowment funds.

With quantitative questionnaires, we will test mainly corporate foundations brand awareness - spontaneous and prompted – among the public, as well as likings of the public. We will also focus on grantees of the corporate foundations in order to obtain information on how satisfied they were with communication with the foundations and endowment funds.

In qualitative part of the practical application, we will compare two of the most recognized corporate foundations or endowment funds to be able to get a more in-depth knowledge of operation of the foundations and marketing communication tools they use.

The third part of the practical application will comprise of brief description of ten most successful corporate foundations and endowment funds from our quantitative research whose measurable marketing tools we will compare in order to make a top 10 rankings of the corporate foundations and endowment funds' communication in the Czech Republic. This part will also properly terminate our research part.

To conclude this thesis, we will summarize our findings and evaluate our efforts in general. We will also try to answer the questions we asked in the first graph of this introduction part.

# 1 Theory

## **1.1 Forms of marketing communication**

As described by Kotler and Keller (2012), marketing plays a key role when companies of the 21st century want to prosper financially and survive among the competition. Příkrylová and Jahodová (2010) stressed that communication of any subject is a base to creating a permanent position in national and multinational area. They also defined goals of marketing communication as:

- providing information,
- creation and stimulation of demands,
- differentiation of the product,
- emphasizing of benefits and values of the product,
- stabilizing of the sales,
- building and taking care of the brand and
- strengthening of the corporate image.

In 21st century, the forms of marketing communication in general changed a lot. Throughout 1980's, marketing agencies wanted to provide clients with more than a just a typical advertising tools. (Thorson and Moore, 1996) In Czech environment, this transformation came as late as at the turn of 20th and 21st century due to historical circumstances. However, Czech marketing agencies and marketing experts now provide various services based on current trends of marketing communication which is being used all over the world.

Příkrylová and Jahodová (2010) described these trends. Besides typical tools of marketing communication<sup>2</sup>, there are new forms of marketing communication, mostly thanks to digitalization and the Internet era.

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<sup>2</sup> Such as classic advertisements in all media – print, television, radio, out-of-home posters, billboards, city lights and leaflets, sales support, direct marketing, public relations, personal sales, sponsoring, trade shows and exhibitions in external marketing communication. In internal marketing communication, we would mention intranets, meetings, printed materials for the employees, etc.



In online world, we can use most of the classic marketing tools we mentioned earlier. However, new forms of active communication towards consumers<sup>3</sup> has been created. These are for instance blogs<sup>4</sup>, forums<sup>5</sup> or e-mailing. Overall, these forms of marketing are called “digital” or “online” marketing.

According to Moravec’s (2016) graph from the Centre for Learning and Teaching at VTC, Hong Kong, in just 60 seconds, people sent 204 million e-mails in average in 2014, searched 4 million items on Google and published 1380 texts on blogs. But most importantly, they were very active on social media – just on Facebook, they uploaded 3.3 million posts, added another 410 thousand on Instagram and 342 thousand on Twitter, whereas they also uploaded 120 hours of videos on YouTube. They also used instant messaging applications like WhatsApp where they exchanged 50 billion messages and on Skype, their exchanged 1.4 million minutes of calls.

These numbers show that social media emerge as an important form of marketing communication. The most recognized social site is definitely Facebook, where companies are able to create their profiles and connect with their customers instantly. Also, they are able to share information about products and services without the need of investing a lot of money to it. Sometimes, when the post is very creative, it might become viral, which means that it has a great organic reach.

The second constantly-growing social medium is Instagram. Despite this tool being used mainly on cell phones, it is expected that in 2017, more than a half of social network users will use Instagram.<sup>6</sup> Another social media used by marketers are for instance Snapchat, LinkedIn or Twitter<sup>7</sup>.

Přikrylová and Jahodová (2010) also emphasized the role of communication through cell phones, product placement, guerilla marketing, viral marketing, or word of mouth and buzz marketing. Apart from that, Frey (2008) added event marketing among the trends of

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<sup>3</sup> Overall called as „Web 2.0“. (Přikrylová, Jahodová 2010, 241)

<sup>4</sup> Internet websites where authors express their opinions.

<sup>5</sup> Internet websites where groups of consumers share their opinions.

<sup>6</sup>Instagram Continues Double-Digit Growth: More than a third of mobile phone users will be on Instagram in 2016. EMarketer [online]. [cit. 2017-04-20]. Available at: <https://www.emarketer.com/Article/Instagram-Continues-Double-Digit-Growth/1013612>

<sup>7</sup> In comparison to other countries in the world, Twitter has never been used so much by Czech social networks users.

21st century marketing tools. To understand what these new forms of marketing communication represent, we will describe according to the authors above:

- Mobile phone marketing usually uses SMS communication to inform consumers about new products and sales. Sometimes, various contests might happen via phone as well. Also, this type of communication can be used for so-called advergaming when customers play interactive games with advertisements included right in their phones.
- Product placement is a way to promote product mostly in some audio-visual piece of work and in exhibitions and books which has no advertising potential themselves. The spectator might or might not see the advertisement, so this method is usually gentle compared to others.
- Guerilla marketing is an unconventional form of communication which aims to promote the product as little money as possible. The main goal of guerilla campaign is not to evoke an illusion of real marketing campaign but just to catch attention.
- Viral marketing is a type of communication that spreads itself among the public effortlessly and with just a little money invested in it.
- Word-of-mouth is a form of communication representing the exchange of information about a product among the consumers, neighbors, friends, relatives or colleagues. It is one of the most efficient form of communication.
- Buzz marketing tries to create a stir about some brand or product in a way that attract the attention of media and the public.
- Event marketing is not anything new, however, many companies use this type of communication more than ever. Various events might be used for promotion according to the main topic of the event. It is also a great way to personally interact with potential customers or business partners<sup>8</sup> or to meet with employees in the company and support employees' trust in the company's values.

Also, Frey (2008) occupied with new trends in retail an in-store marketing. In relation to that, we mention just merchandising as a way to promote the company in a new and trendy way. Sometimes, companies might even connect with well-recognized designers to create their own original promotion objects.

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<sup>8</sup> In event marketing, we define B2B and B2C events. B2B (business-to-business) mostly serve as a great way to attract sponsors or potential partners. B2C (business-to-consumer) is usually focused on promoting to the public.

## **1.2 Corporate Social Responsibility**

Corporate Social Responsibility (CSR) is a complex concept from which other partial concepts focused on specific areas of CSR proceed. Despite long-term discussions about CSR, there is no unified definition of this term in force. According to Kašparová and Kunz (2013), the reason is that CSR is based on volunteering, or so called voluntarily-doing-good (Varadarajan & Menon 1988, 58) therefore it has no strict borders defined and thus provides enough room for broad discussion, understanding and construing of such complex concept of particular interest groups.

Corporate philanthropy, which is a main part of CSR, has made the companies involve in social well-being. Nowadays, CSR is viewed as an investment by corporations. (Stroup & Norbert in Varadarajan & Menon 1988) 70% of CEOs believe that CSR is essential for their businesses.

Alexandr Dahlsrud (2008) defined 5 basic aspects or areas which occurred the most in definitions of CSR:

- 1) environmental area
- 2) social area
- 3) economic area
- 4) stakeholders
- 5) volunteering

Furthermore, he found out that four of these areas could be found in at least 80 % of definitions. Therefore, he concluded that despite expressing the definitions of CSR differently in a verbal way, they are in fact congruent in their meaning.

Kašparová and Kunz (2013, p 16) determined main principles of Corporate Social Responsibility as:

- 1) voluntariness – the companies realize their CSR activities completely voluntarily, above the bounds of their obligations
- 2) active cooperation with all the stakeholders
- 3) transparency and open dialogue with stakeholders

- 4) complexity and running the company according to “triple bottom line business“, meaning the companies’ focus on economic, environmental and social aspects of their business
- 5) systematic nature and a long-term time horizon when CSR is included in company’s values and business strategy
- 6) responsibility towards the public and commitment of the corporates and smaller businesses to contribute to improvement of quality of life

Kuldová (2010) determined two principles of CSR as the most efficient. First one is social marketing, which is mostly used by independent non-profit organizations. The principle is to extend the influence of both the company and the non-profit organization. Mediaguru<sup>9</sup> defines the term as a form of marketing communication which uses the traditional means of advertisement but instead of goods, it promotes social values and draws attention to social problems<sup>10</sup>.

The second successful principle of CSR is so-called Cause Related Marketing (CRM) which is being understood as marketing activities connected to publicly beneficial events. Kotler (2007) sees CRM as promotion of social issues using sponsoring, licence contracts and commercials. Companies perceive CRM as a great opportunity to set off their image and brand and to increase turnover, media attention and customers’ loyalty (Kuldová 2010, 51). Daw (2003) stressed that CRM is a global phenomenon that spreads in non-profit organizations all across the globe. Adkins (1999) revealed main benefits of CRM, which might be demonstrating the organization’s values, enhanced reputation, increased trust and loyalty or awareness.

*“In recent decades, the principle of CSR has gained a significant amount of attention from companies and organizations across the globe. By engaging in CSR activities and behaviours, companies can generate favourable attitudes among publics, which can enhance reputation, credibility and support from stakeholders.”* (Waters & Ott 2014, 1)

Within the CSR strategy, companies started not only to act more responsibly towards Earth and disabled persons, but they also established their own foundations and

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<sup>9</sup> K čemu slouží sociální marketing? MediaGuru [online]. [cit. 2017-04-20]. Available at: <https://www.mediaguru.cz/2012/09/k-cemu-slouzi-socialni-marketing/>

<sup>10</sup> For instance, these might be problems of children not reading books or gay problematics.

endowment funds to support the favourable attitudes above even more, which we will focus on further ahead

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### **1.3 Corporate foundations and their position among non-profit organizations**

For understanding of principals of non-profit organizations, we must first define non-profit sector itself (Šimková, 2012). Compared to profitable sector, which is part of the national's economy and which gain (financial) resources from selling items of their own production or distribution, non-profit sector is part of the national's economy which takes resources from public finance. The goal of non-profit sector is to reach benefits, mostly public services.

Non-profit sector is divided between public and private sector. The public non-profit sector is funded directly from public finance, thus is under public control. Non-profit private sector's<sup>11</sup> goal is not any profit, but straight utility. It is funded mostly by private financial resources, but sometimes even from public finance.

#### **1.3.1 Non-profit organizations**

As Šimková (2012) described, non-profit organizations are generally legal persons which were not established for business purposes, thus not even for purposes of creating any profits. They satisfy the needs of citizens and communities. They might or might not be financed from public budgets. Mostly, visions of non-profit organizations are concentrated on distant future. Mission of non-profit organizations usually describe the reason of existence of the specific organization. Compared to vision, mission has a concrete form.

Sargeant (2009) explained that non-profit organizations are mostly small and involve just a handful of people who are convinced that the purpose of the organization is good thus they do good as well.

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<sup>11</sup> Sometimes called "the third sector" or "the sector of non-governmental non-profit organizations". (Šimková 2012, 9)

Non-profit organizations might be established in various forms – as foundations, endowment funds, organizations of public administration or associations. A specific part of non-profit organizations are so-called NGOs or Non-Governmental (and non-profit) Organizations which were not established by the state and they do not depend on the state at all.

There are many roles for non-profit organizations in society. Pospíšil et al. (2009) determined 7 of these roles or functions:

- *Service function* is “a production in spheres of economic activities in which the state or the market fail.” (Kendall 2003, 92 in Pospíšil et al. 2009, 5)
- *Attorney’s function* comprises of all the activities that urge the change of politics or social conditions.
- *Expressive and representative function* includes such activities as these which offer tools for expressing cultural, spiritual, professional or political values, interests and opinions,
- *Charitable function* which is sometimes perceived as the main and only function of non-profit organizations, is the way of transferring money from the wealthier to the poor ones,
- *Philanthropic function* is mainly a prerogative of foundations and endowment funds and this function or role comprises of all the activities focused on establishing and operating of non-profit organizations such as hospitals or universities.
- *Innovational function* means that non-profit organizations bring change and new ideas to the system.
- *Role of building the community and social capital* brings new contacts, cooperation and form of interaction in non-profit sector, which also contribute to democracy and unification of the society.

### **1.3.2 Marketing communication in non-profit organizations**

“Tendencies to apply marketing communication on non-profit sector had emerged since the second half of 20<sup>th</sup> century, but the theoretical reflexion of this problem had occurred in Czech literature since the end of 1960’s”. (Bačuvčík 2011, 21)

Nowadays, marketing communication in non-profit organizations is based on marketing mix of 4 (5) P's<sup>12</sup> as defined by McCarthy (1981). Nevertheless Šimková (2012) mentioned that non-profit marketing mix place more emphasis on its products and services than on price, promotion or how the product looks. However, Bačuvčík (2011) highlighted that often, non-profit organizations has no system in their marketing and communication activities and cited Nedra Kline Weinreich who added another principles to the non-profit marketing mix – *partnership* (with other non-profit organizations, state, entrepreneurs), *policy* (cooperation of non-profit organizations, media and the public) and *purse strings* (how the non-profit programme will be funded).

Most of the non-profit organizations rely on **word-of-mouth marketing in external marketing communication** and that is why the quality of their service has a high priority. The service must always reach some high level, even if it is offered as cheap or even for free.

Non-profit organizations also use the classic forms of marketing communication, and even the new ones, which we described earlier. **Advertisements** in non-profit sector usually try to draw attention to their “product” or just a thought. It also tries to call upon the public to act.

A great way to promote a non-profit organization is to do so through **public relations tools**. Whether some experts may say that public relations belong to marketing communication and some may say that it is a separate area of communication, it is definitely an effective communication tool with non-profit organizations. Through PR, non-profit organizations promote the corporate identity of their umbrella company and also present other company's CSR activities which they cooperate on.

Also, non-profit organizations' representatives are often being interviewed, whether it is for television, radio or printed media. Any form of interview led with this representative must be perceived as part of the organization's PR. (Bačuvčík 2011, 97) The way the representatives speak about the organization in the public always has a great influence on trustworthiness of the public and willingness to support the particular organization.

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<sup>12</sup> Product, price, place, promotion, (people).

Personal letters, printed materials for media or annual reports show that the organizations is transparent and cares about their supporters, partners and potential applicants. Yet Bačuvčík (2011) mentioned that often, printed materials from non-profit organizations are not of high quality. That is the reason why many of these organizations has started using the services of PR agencies lately.

Also, many non-profit organizations use **social media** as an effective tool to speak to the public<sup>13</sup>. The reason why is because social media in general are actually a very cheap way to promote services.

Many non-profit organizations use **volunteers** to spread the word about their services and the organization itself. Volunteers usually claim allegiance to non-profit organizations according to their personal convictions, which makes them perfect “ambassadors” and promoters of the specific non-profit organization.

Finally, we cannot forget **events**, whether they are organized by the non-profit organization itself or whether they are organized by someone else who wants to gather all these organizations in one place. Events are the best way for non-profit organization to meet their target group and to make their image better. As Quinn (2013, 10) stated, “*in the majority of cases, festivals and special events are presented as broadly positive phenomena.*” She stressed that various sources emphasize the important role of events in advancing regional economies or fostering the community spirit. These aspects might be highlighted with a charity objective from non-profit organizations which participate in such events.

If we focus on **internal marketing communication**, especially in corporate foundations, umbrella companies promote them usually through corporation’s **intranet**, **printed materials** which are placed all over the company or **events** (as mentioned above). Through tools of internal marketing communication, employees are motivated not only to believe in company’s values (Rafiq & Ahmed 2000) which in case of establishing corporate foundation are also charitable, but they get motivated to involve in corporate foundation’s operation and to spread the word about it among their acquaintances. From

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<sup>13</sup> Mostly the younger public.



there, we get back to one of the first points of external communication in non-profit organizations, meaning both external and internal communication in non-profit organizations are highly connected.

### **1.3.3 Definition of corporate foundations**

There are many types of non-profit organizations<sup>14</sup>, including foundations and endowment funds. Some of these foundations were established by natural persons or group of persons, however, there are some foundations and endowment funds that were at least partly established by business organizations (Czech Donors Forum 2016). We call these types of foundations “corporate foundations”. As Corporate Citizenship (2014) stated, corporate foundation is “*a non-profit body that has been established and primarily funded by a company for the purposes of social and community investment*”. Usually, establishing of corporate foundation is related to corporate social responsibility strategies of the company given.

### **1.3.4 How corporate foundations operate**

Corporate foundations’ main donor is the umbrella company however. They might also accept money from public collections or from private donors as well. They are usually an individual legal person, but they use the reputation of their umbrella company in order to promote themselves. As Bačuvčík (2011) mentioned, the main motivation for corporate donorship is an effort to make the perception of the given company more positive.

Thus, corporate foundations usually adopt visual image of the umbrella company, so the public can recognise to which company the specific foundation belongs to. “*In most cases, the foundation establishes a directive which specifies the types of causes the foundation is seeking to fund. Potential grantees submit competitive grant proposals to the foundation, which awards grants based on the merits of the proposals and available funds.*” (Wymer & Samu 2003)

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<sup>14</sup> E.g. public universities, political parties and political movements, municipalities, churches and religious organizations, etc. (Šimková 2012, 11).

The main purpose of corporate foundations is to support worthy causes, but as Wymer & Samu (2003) mentioned, they also try their umbrella corporation to target their markets and to get noticed by the employees and publics as well.

Corporate foundations, just like another non-profit organizations, provide their grantees with some extra benefits<sup>15</sup> that come from participating in their own programme. That might be a beneficial educational approach to the grantees or even help with marketing of their own projects. In practical application part, we will focus more on this phenomenon as it might be an element according to which the grantees would decide whether to apply for the grant or not.

### **1.3.5 Moral aspects of corporate philanthropy in relation to corporate foundations**

Many questions have been asked on if CSR strategies and corporate philanthropy are not only a way to increase brand awareness of the umbrella corporation and to compel the publics that the corporation is doing good for people, while hiding their unfairness.

Shaw and Post (1993) point out that some may view corporate foundations in general as stealing money from customers who pay for services to the company. Yet, “*corporate stockholders in their role as stockholders, and in their role as members of the social community, share with all others the obligation to act, or to follow a rule governing a class of acts, that will maximize the public welfare.*” (Shaw & Post 1993, 746)

The role of ethics in CSR strategies is overall quite on the edge of tolerability. Therefore, the corporate foundation or corporate endowment fund should always be as transparent as possible to fulfil the general business ethics principles.

It is also quite arguable if the corporate foundations are actually non-profit organizations in its original meaning. As we mentioned before, corporate philanthropy might be a way to increase brand awareness of the umbrella corporation, but it also can be a way to cover the problems the foundation had caused. We suppose that the fact if corporate foundation is really non-profitable should be measured with ratio of how much money they invest in

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<sup>15</sup> Meaning those which has no financial basis.

operation and marketing activities and how much money they give out to their grantees. For instance, if the ratio of the money spent and given out is 1:1, then we might say that the foundation exists just to help its umbrella corporation to improve its brand awareness and therefore is not actually non-profit. Even if the corporate foundation does not publish how much money was spent on marketing activities, we can estimate the amount of money from how massive their campaigns are. We will dedicate to this idea at the end of this work<sup>16</sup>.

### 1.3.6 Corporate foundations in the Czech Republic

A wide range of non-profit organizations, including corporate foundations, gather into partnership alliances, which help the foundations to cooperate with each other. (Matyáš, Stránský 2010) In the Czech Republic, such alliance is **the Donors Forum**. With its 61 members, the Donors Forum is the biggest alliance of non-profit organizations in the Czech Republic.

Corporate foundations themselves also have their own form of alliance – **the Association of Corporate Foundations and Endowment Funds**. Some of the corporate endowment funds are also members of another alliance called **the Association of Endowment Funds**.

The Czech Donors Forum (2014) stated that there were 2.064 endowment entities in the Czech Republic in 2016. Out of them, there were 279 corporate foundations or corporate endowment funds<sup>17</sup>.

The analysis of the Czech Donors Forum mentioned that only 53 % of Czech corporate foundations had their own website in 2015 and more than 70 % had not published their annual report until the end of September 2016.

Mostly, Czech corporate foundations and endowment funds invest in education. Then the areas of their investments are cultural, social, health, humanitarian areas and they also invest in children and pubescents. Such behaviour follows the international trends.

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<sup>16</sup> See chapter 3.4.5 „Ratio of money given out to grantees and money spent on marketing communication“.

<sup>17</sup> 106 corporate foundations, 173 corporate endowment funds.

The Czech Donors Forum unites several corporate foundations. The most recognizable and the biggest one in the Czech Republic are ČEZ Foundation, O2 Foundation, Agrofert Foundation or Avast Endowment Fund.

## 2 Practical application

In practical application part, we will focus on public's knowledge of corporate foundation. We will analyse their answers and define which of the corporate foundation's marketing communication is the most efficient towards the public. We will also test the knowledge of corporate foundations in general. Then, we will analyse how the corporate foundations communicate toward their grantees and what communication channels they use to do so.

In the second part of our research, we will analyse answers of managers of corporate foundations in order to compare communication of each foundation. Through in-depth interview, we will compare specifically two of the most well-known corporate foundations<sup>18</sup>, O2 Foundation and ČEZ Foundation.

The third part of our research will comprise of a ranking of marketing communication of 10 of the most recognized corporate foundations in our quantitative (first) part. We will evaluate many factors, such as visual communication, use of social media or events presentation, but we will also include evaluation of transparency and popularity among the public.

### 2.1 Methodology

We applied two main methods on our research. First, we used the method of quantitative online questionnaire, using Google Forms tool<sup>19</sup>. To get the answers from the grantees as well, we added extra questions just for them at the end of the questionnaire. With this method, we also found out how many persons from the representative sample have actually ever applied for a grant from corporate foundation. In quantitative research, we used of closed and open questions (with just very short answers). We also applied the

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<sup>18</sup> For our research, we tried to connect with many corporate foundations or endowment funds, however, in the end only two and the biggest of them – O2 Foundation and ČEZ Foundation – responded and made it to an in-depth interview. That is why we will mention these two foundations more often than the others in this research.

<sup>19</sup> The questionnaire was set to Czech language because we wanted study just Czech environment. After that, we had to transform the answers into graphs in English, using Excel charts and tables.

methods of brand awareness evaluation through spontaneous brand recall and prompted awareness.

In our qualitative part, we made semi-structured in-depth interviews with corporate foundation's representatives.

The last part comprises of detailed evaluation of the chosen corporate foundations and endowment funds based on previous results, using description methods and applying them on the evaluation of the factors given, making TOP 10 corporate foundations and endowment funds from the point of view of marketing communication. The concrete methodology on how we evaluate the foundations is described in this last part in detail.

## **2.2 Quantitative part**

For our quantitative research, we used a representative sample of 200 respondents. We made the quantitative research in Winter and early Spring 2017.

We approached our respondents through social media, forums, specific groups on the Internet, corporate foundations and on the basis of personal contacts. We tried to be equal in gender selection, however, there is a slight superiority of females<sup>20</sup>. Also, 60% of our respondents are 26 years old or younger. We interpret this as a result of age targeting of O2 Foundation<sup>21</sup>, to which we sent our questionnaire. Our respondents come from all the regions of the Czech Republic, however, people from the capital city and Ústí nad Labem region predominates<sup>22</sup>. We do not consider the age and geographic inequality as a problem in this particular research, since we do not derive our results through age groups or place of residents but more from how the foundations might be perceived in the future. Therefore, the opinion of younger population which is mainly focused in university cities is very important in this research.

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<sup>20</sup> To be specific, there were 54% females and 46% males.

<sup>21</sup> O2 Foundation's target group used to be young people aged less than 26. From 2017, the age limit was raised to 29.

<sup>22</sup> Such ratio might be a conclusion of author's regions of living.

Most of our respondents has completed secondary education with maturity exam so far, which corresponds to the age group which mostly answered our questionnaire. However, all other levels of education are included in the research, even these with doctoral education from the university or those people who have finished just primary school so far.

### **2.2.1 Brand awareness and marketing tools**

When asking about corporate foundations and endowment funds, we firstly investigated spontaneous brand recall. Surprisingly, from 200 of our respondents, the whole of 48 of them were not able to name any corporate foundation or endowment fund.

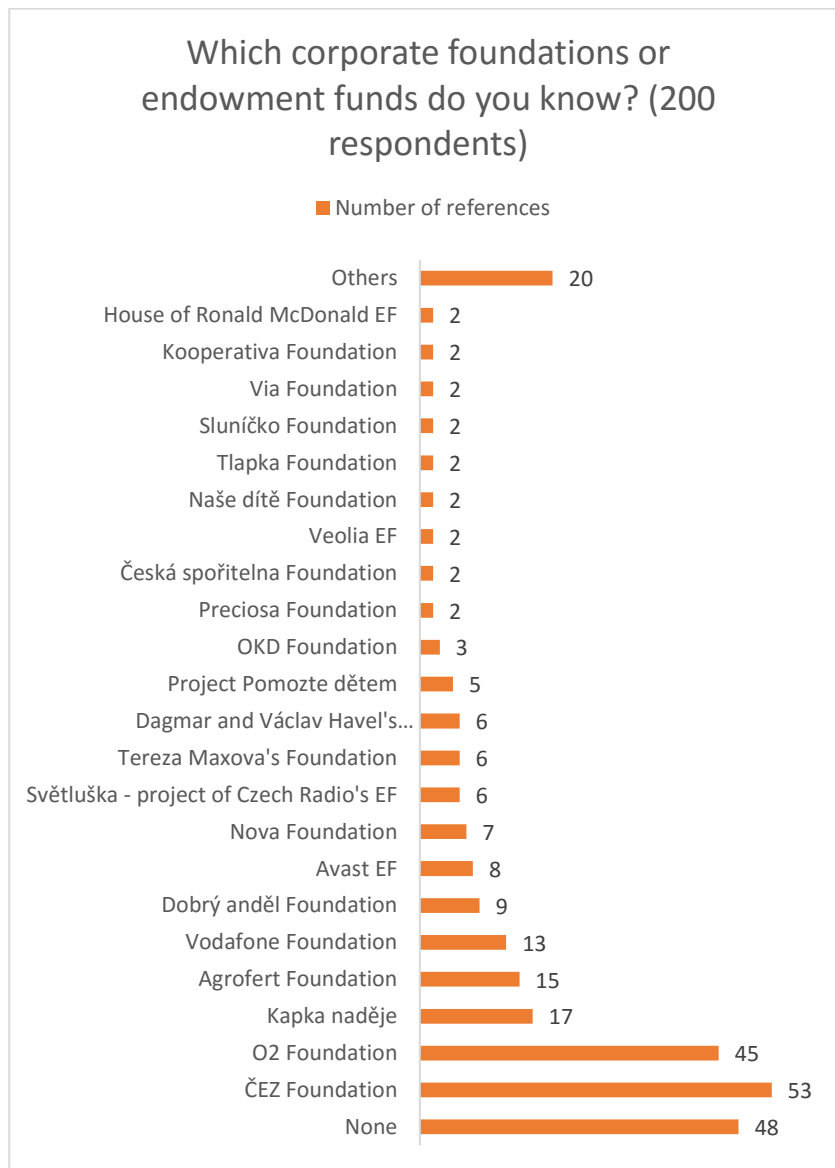
Mostly, respondents named ČEZ Foundation as an example of corporate foundation. This result is a logical in a way that ČEZ was appointed as the biggest and the sixth most generous corporate donor in the Czech Republic<sup>23</sup>. O2 Foundation placed second in our research, which also represents the results of the Biggest Corporate Donors ranking<sup>24</sup>.

Surprisingly, foundation that placed third was “Kapka naděje”, which was not established as corporate foundation at all. Throughout the whole questionnaire, we can see more of the answers that mention foundations which has no corporate connection, such as “Dobrý anděl” Foundation, Tereza Maxová Foundation or Dagmar and Václav Havel’s Foundation – “VIZE 97”. Such results show that a part of unprofessional public does not see any difference between corporate and non-corporate foundations. With 48 of respondents that claimed that they do not know any corporate foundation at all, this might show that the communication of corporate foundation is not sufficient.

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<sup>23</sup> Ocenění. Skupina ČEZ: Odpovědná firma [online]. [cit. 2017-05-01]. Available at: <https://www.cez.cz/cs/odpovedna-firma/pomahame/oceneni.html>

<sup>24</sup> O2 - druhý největší firemní dárcce. Nadace O2: Pro média [online]. [cit. 2017-05-01]. Available at: [http://www.nadaceo2.cz/pro\\_media/aktualne/o2\\_druhy\\_nejvetsi\\_firemni\\_darce.html](http://www.nadaceo2.cz/pro_media/aktualne/o2_druhy_nejvetsi_firemni_darce.html)

**Graph 1: Spontaneous brand recall**

Source: ORTOVÁ, Nina. *Research on perception of marketing communication of corporate foundations*. Prague, 2017. Date of conduction: February-April 2017, 200 respondents. [cit. 2017-05-04]

Secondly, we investigated prompted awareness of the corporate foundations chosen. For this part of research, we first chose the corporate foundations and endowment funds which are members of the Association of Corporate Foundations and Endowment Funds<sup>25</sup> or which helped establish this association<sup>26</sup>. Then, we added some corporate foundations and endowment funds which often appear in mass media – Leontinka Foundation, Tesco

<sup>25</sup> These are AGEL Foundation, Agrofert Foundation, ČEZ Foundation, GCP Foundation, O2 Foundation, Preciosa Foundation, T-Soft Eternity Foundation, Albert Endowment Fund and Veolia Endowment Fund. Source: Firemní nadace a fondy. Fórum dárců [online]. [cit. 2017-05-07]. Available at: <http://www.donorsforum.cz/kdo-jsme/nasi-clenove/firemni-nadace-a-fondy.html>.

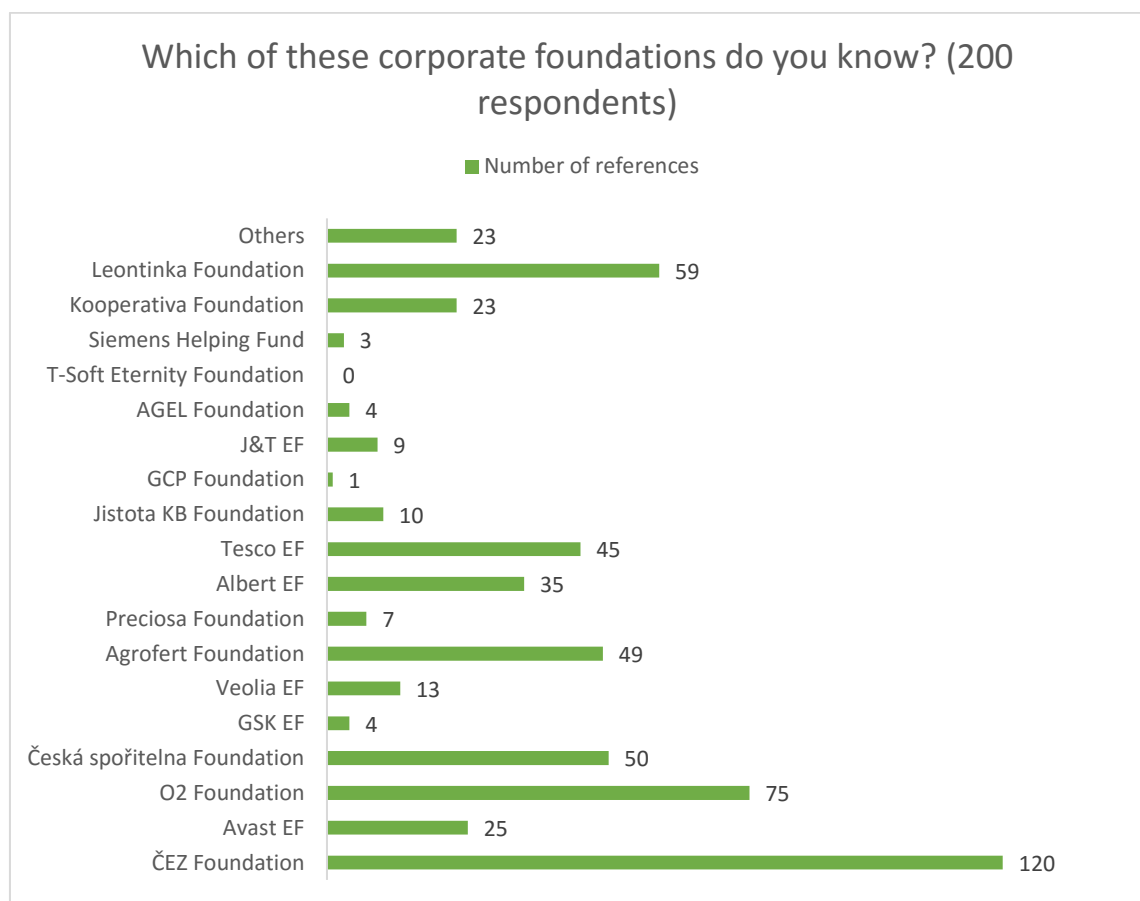
<sup>26</sup> GSK Endowment Fund, OKD Foundation, Česká spořitelna Foundation



Endowment Fund or Avast Endowment Fund. We also added corporate foundations which do not appear in mass media so often to find out if the public recognize them even without a more significant promotion.

The first two places remained the same as in the spontaneous brand recall part. But Leontinka Foundation, which was not mentioned at all in the previous part, placed third, followed by Česká spořitelna Foundation, Agrofert Foundation and Tesco Endowment Fund. Despite membership in the Association of Corporate Foundations and Endowment Funds, no respondents recognized T-Soft Eternity Foundation.

**Graph 2: Prompted awareness**



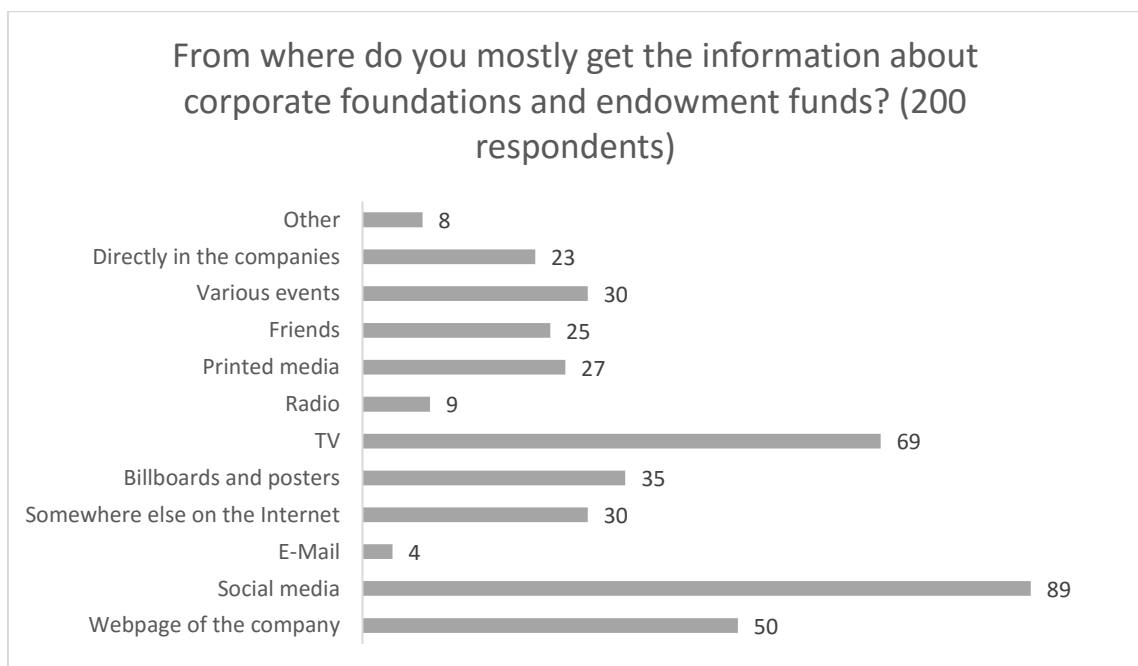
Source: ORTOVÁ, Nina. *Research on perception of marketing communication of corporate foundations*. Prague, 2017. Date of conduction: February-April 2017, 200 respondents. [cit. 2017-05-04]

After brand awareness evaluation, we asked our respondents which of the corporate foundations seemed the most likeable to them. Again, the first two positions belong to ČEZ Foundation and O2 Foundation, however, Leontinka Foundation was on O2

Foundation's tail with just 6 votes less. 40 of the respondents claimed that no corporate foundation seems nice to them. Some explained that it is because corporate foundations steal money from the public to use it on their own activities and interests.

In accordance to the topic of this thesis, we also occupied with tools of marketing communication of corporate foundations used on the public. According to our respondents, they usually get information about corporate foundations and endowment funds on social media, television and webpages of the corporations. Internet in general, events, word-of-mouth and billboards were on the same level (around 30 mentions), whereas e-mail placed last with just 4 people mentioning it as a tool to get information about the corporate foundations.

**Graph 3: Marketing communication of corporate foundations towards the public**



Source: ORTOVÁ, Nina. *Research on perception of marketing communication of corporate foundations*. Prague, 2017. Date of conduction: February-April 2017, 200 respondents. [cit. 2017-05-04]

## 2.2.2 Grantees' perception of communication of corporate foundations

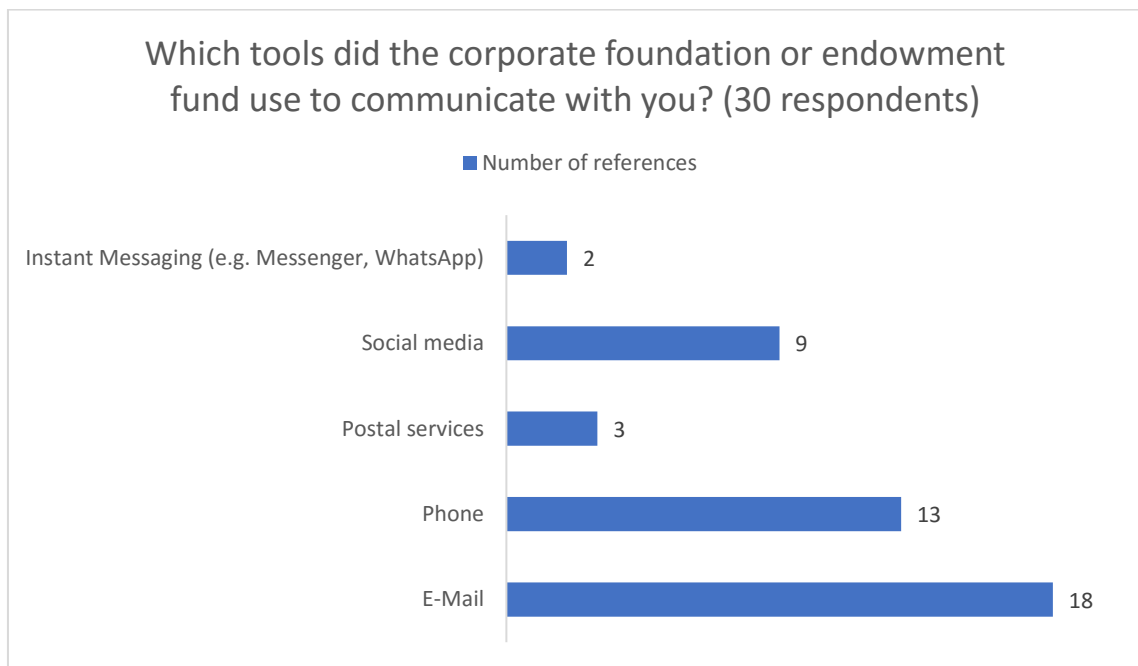
Out of 200 respondents, 30 ever applied for grant<sup>27</sup> from the corporate foundation. Compared to the results we described in previous paragraph, these grantees found out

<sup>27</sup> Besides the public, we contacted O2 Foundation and ČEZ Foundation grantees in our research.

about the possibility of getting a grant from friends<sup>28</sup>, followed by social media. None of them chose e-mail nor radio and television as a platform from which they would get information about the grant possibility.

But despite the finding above, corporate foundations communicated with grantees mostly by e-mail or telephone. Half of the grantees were more likely satisfied with how the foundation communicated with them. Just 8 of them stated that they were rather not satisfied.

**Graph 4: Communication tools of corporate foundations with grantees**



Source: ORTOVÁ, Nina. *Research on perception of marketing communication of corporate foundations*. Prague, 2017. Date of conduction: February-April 2017, 200 respondents. [cit. 2017-05-04]

### 2.2.3 Conclusion of quantitative part

From all the answers we received, we found out that Czech population is not really interested in the area of foundations and endowment funds and if they at least partly are, they do not see much of a difference between corporate and non-corporate foundations. however, we can determine ČEZ Foundation and O2 Foundation as the most recognizable and most likeable corporate foundations in the Czech Republic.

<sup>28</sup> In this thesis, we will classify communication with friends as a word-of-mouth marketing.

Surprisingly, membership in a professional association does not have a significant effect on public's knowledge of the foundation, even though such membership should usually help their members with their self-promotion and trustworthiness of the public.

In area of marketing communication, corporate foundations follow the trends of promotion on social media platforms or at various events, nevertheless the traditional ones like television promotion or billboard usage still remain an important tool of marketing communication of corporate foundations. The role of word-of-mouth is also very important according to our findings. The same trends are followed in communication with the grantees or potential applicants for a grant, but the role of e-mailing is much more important for this specific part of communication of corporate foundations.

### **2.3 Qualitative research**

In our qualitative research, we aimed to get in-depth interviews from at least 3 corporate foundation representatives, however, this task turned out very challenging when out of 7 corporate foundations we tried to communicate with only two – ČEZ Foundation and O2 Foundation - made it to the final in-depth interview<sup>29</sup>.

Therefore, we decided to pick just these two, because as we mentioned earlier, they are the biggest and according to our quantitative research the most recognizable and likeable corporate foundations in the Czech Republic. With our semi-structured in-depth interview, we compare the tools they use for their promotion, we define their external and internal communication and we compare their main grant programmes which they offer to the public. We also compare how these two corporate foundations operate in general.

In the following two interviews, we interviewed Daniel Novák, Manager of ČEZ Foundation and Lenka Rigerová, Project and Communication Specialist of O2

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<sup>29</sup> We tried to make an appointment via e-mail or phone call with corporate foundations representatives of Vodafone Foundation, Veolia Endowment Fund, Avast Endowment Fund, GSK Endowment Fund, ČEZ Foundation and O2 Foundation in order to make an in-depth interview with them. Two of these foundations – O2 and ČEZ – did not have any problem with a meeting. Another two – Vodafone Foundation and Avast Endowment Fund – promised to arrange a meeting but then stopped communicating even after our reminder e-mails and phone calls. GSK Endowment Fund responded that they turned to an internal-endowment fund thus they will not have any interesting information for us. The remaining two foundations did not respond at all to e-mails or phone calls.

Foundation. In order to compare the communication strategies, we will use just shortened answers or summaries of answers of these representatives.<sup>30</sup>

### 2.3.1 How the chosen corporate foundations operate

**ČEZ Foundation** is a corporate foundation and an individual legal entity. Its founder and a main donor is ČEZ Group, the largest electricity producer in the Czech Republic. Until 2006, the foundation's name had been "**Nadace Duhová energie**" because by that time, ČEZ had communicated their rainbow energy strategy. Then, the identity changed and remained the same until now.

The foundation was established in **2002** and the first grants proceeded in **2003**. According to Novák, the foundation was established because they think that **any similar company of that size should engage in CSR**. He stressed that ČEZ Foundation is based on **transparency** as their main objective and it was established to allow people from all the Czech Republic to apply for grants, even at regional level.

**ČEZ Foundation does not focus on just one area**, because they want to support everyone on every level and as Novák said, they are open to any idea that makes sense. Maybe even thanks to that, they receive **4 thousand grant applications every year**. The foundation is focused on **other non-profit organizations**. That means that only legal persons may apply for a grant, such as societies and charitable trusts. But they also have grants for their own employees, if they are a part of some non-profit organization.

At the moment, **8 people work in the foundation**. If needed the foundation cooperates with the marketing department of ČEZ or any other department they need.

**O2 Foundation** is also a corporate foundation and an individual entity. Its founder and the main donor is a well-known telecommunication company, **O2**. Just like ČEZ Foundation, even O2 Foundation's name used to be different – it was known under **Eurotel Foundation** which was established also in 2002. After Telefonica left the Czech

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<sup>30</sup> For whole transcription of the interview, see attachments number 2 and 3.

market in 2014 and the foundation was passed over to O2 Czech Republic, the concept of the grant programmes had to change a bit.

According to Rigerová, O2 Foundation's **main objectives** are different from ČEZ Foundation. Mainly, O2 Foundation **financially supports young people no older than 29** who have original ideas and want to enrich the society that surrounds them. Then, the foundation also focuses on **supporting the public in technical way** – they are partners to the **crisis hotlines** such as “Linka bezpečí”, “Linka pro seniory” and “Linka pro neslyšící a nevidomé”. They also try to **include employees into the operation**.

O2 Foundation has a limited number of personnel compared to ČEZ Foundation. At the moment, only **3 people work there for full-time and 2 for part-time**.

### 2.3.2 In-house marketing communication of corporate foundations

As mentioned earlier, **ČEZ Foundation** has a **grant programme for their own employees** who actually figure in some non-profit organization.

In cooperation with ČEZ, the foundation engages in employees' project called **“We fulfil the wishes”** where employees contribute to a common collection financially. After that, the amount of the money collected is **doubled by the foundation**<sup>31</sup>.

Besides this activity, ČEZ organizes **sheltered workshops** for the employees. Also, they hang out **posters** inside and outside of the main ČEZ building. As an online communication tool with employees, ČEZ uses **intranet**.

Just like ČEZ, also **O2 Foundation** uses mostly **intranet** and **posters** for in-house marketing communication. But apart from that, it might seem like O2 Foundation have their in-house communication more elaborated.

Actually, O2 Foundation want the employees to actively engage in the foundation's operation. And according to Rigerová, it works and the employees are excited about all

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<sup>31</sup> This year, the money from the collection will be used for children oncology departments.

the activities the foundation provide them with. The foundation counted that **in 15 years of its existence, employees gave the foundation 10 years of their time in total.**

Every half year, the employees might apply for the chance to become **a mentor of a team of young people in SmartUp project** (below, we will dedicate to this project). For engaging in this project, they get one more day-off.

Then, as well as in ČEZ Foundation, they might apply for **financial support of the non-profit organization** in which they figure. Also, employees often gather to make **special events** inside the company in order to **collect money for the disabled ones**. Just like ČEZ Foundation, even O2 Foundation **doubles the money** collected and just like ČEZ, even O2 organizes their own **sheltered workshops**. Nevertheless, Rigerová described these in-house communication tools more in detail and as more of a really elaborated in-house marketing strategy.

### **2.3.3 External communication and special projects – ČEZ Foundation**

For external promotion, ČEZ Foundation uses mostly their own project called **“EPP – Pomáhej pohybem”** and they promote this project the most in their external communication.

EPP is basically a mobile sports-application that measures time and distance of the sports activity. Based on these parameters, the application awards the user with points that the user can “donate” to non-profit organization from the selection menu.

As Novák said, the application was made to call upon the public to donate more and motivate them at the same time. Novák stressed that even though EPP might seem just like a sports application, it is actually very different from other business sports applications where a lot of money is invested into marketing and communication, while EPP has its charity intentions.

Also, he highlighted the educational function of EPP which show people what non-profit organizations are, where they are and how exactly can the users contribute to the well-being of the others.

When being asked about advertising and marketing communication in general, Novák answered that they have an advantage of **word-of-mouth strategy**. According to him, people know about the foundation already and they keep on spreading the word about the grants the foundation offers.

If the foundation wants to improve brand awareness, it usually uses EPP. Before this sports application was launched, they had not expected it to be successful, but surprisingly, there are **more than 270 thousand users of the EPP** at the moment. Thanks to this application ČEZ was awarded with many prizes. For instance, they **won the main category in 2016's Czech PR Awards**. However, they **do not make use of these successes** in external communication at all.

EPP, as a mobile application, logically enter the **online world**, so that is why the foundation promotes itself online mainly through EPP, especially on **social media – Facebook and YouTube channel** (which belong to ČEZ Group)<sup>32</sup>. On YouTube, EPP is even supported by famous sportsmen like **Jaromír Jágr, Eva Samková or Vávra Hradilek**. On EPP Facebook page, the foundation sometimes uses **promoted posts** to support some contest, but for Novák, Facebook or **social media** in general **are not an expensive way of communication** with their target group.

In **offline communication**, ČEZ focuses mostly on **events**. Novák claimed that often, the organizers of such events call them themselves and request the foundation to become a partner of the event with EPP as an attraction for the public<sup>33</sup>. Novák said that in time of these events, the **number of new users of EPP increases by 1-10%**.

ČEZ Foundation take part in other kinds of events, such as **music festivals** or **NGO markets** where they try to draw attention thanks to special exercise bikes on which people

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<sup>32</sup> By 30. 4. 2017, EPP Facebook page had 9 583 fans, YouTube channel of ČEZ Group had 1031 subscribers.

<sup>33</sup> Recently, these were for instance „Jizerská 50“ or half-marathon in Pilsen.



can ride and earn money for the chosen regional non-profit organization. But as Novák stressed, ČEZ Foundation has not much to offer besides EPP activities at these events, because they **do not have any merchandising products**.

Another part of ČEZ Foundation's offline communication is **out-of-home advertising** but they do not use it that much – usually just at the places where they supported some kind of project.

In both online and offline communication, ČEZ Foundation usually **takes over the visual appearance** from ČEZ, however, Novák mentioned that ČEZ gives them partly a **blank cheque**, especially when creating an **annual report**<sup>34</sup>. Moreover, ČEZ Foundation's **logo** – three small figures holding hands – will start moving from June 2017.

#### **2.3.4 External communication of O2 Foundation**

O2 Foundation promotes various projects in their external marketing communication. As mentioned earlier, they provide the public with crisis hotlines, so the logos of the foundation are visible on posters of these hotlines, for instance in metro stations.

The main project of O2 Foundation is SmartUp programme, which is a non-profit programme for young people aged 15-29<sup>35</sup>. This programme is mostly communicated through all the communication channels. Offline, the foundation use posters and fliers to inform young people at high schools and universities about the programme. SmartUp also appears in printed lifestyle media for the youth such as “Top dívky” and “Studenta”.

Before, SmartUp used even TV promotion with help of their volunteers, so-called ambassadors<sup>36</sup>, however, they do not appear on TV anymore.

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<sup>34</sup> ČEZ Foundation's last report placed 11th in the last TOP Annual Report Competition. They used pictures of children from the Jedlička Institute on it.

<sup>35</sup> SmartUp was previously known as ThinkBig, but as Telefónica changed to O2 Czech Republic in our country, some of the aspects of the projects had to be changed – starting with name of the project.

<sup>36</sup> Ambassadors of O2 foundation are young people that have already participated in SmartUp or ThinkBig programme and that now want to improve their personal skills such as project management or leadership. They also perform as mentors of one team in SmartUp programme and overall, they help with spreading the word about SmartUp activities.

Just like ČEZ Foundation, O2 Foundation also participates in various events where they promote mostly SmartUp programme. As Rigerová said, events are a great way to attract young people with the programme. SmartUp programme appeared on TedxYouth and other Tedx events, VŠE Fest, Inspirology or festivals organized specifically for NGOs. They also established their own event sessions called SmartUp Talks.

For O2 Foundation, events are a great way to collect contacts and to interact with their target group. They also give out their merchandising goods there.

As for online communication, O2 Foundation appears mostly on social media – Facebook, Twitter, LinkedIn, Instagram and YouTube. On Facebook and Instagram, the foundation promotes SmartUp Programme<sup>37</sup>. They even use promoted posts on both of these social media to promote contests and newly open proceedings but otherwise, their content is mainly background of the projects supported and some inspirational posts.

On YouTube, LinkedIn and Twitter, the foundation uses its whole name or it is a part of O2 profile (YouTube<sup>38</sup>). On LinkedIn, the foundation promotes usually just some HR information, whereas on Twitter, it is a mix of information about SmartUp and other projects of the foundation<sup>39</sup>. Rigerová mentioned that Twitter is a great way to draw attention of journalists for them.

Besides social media, the foundation cooperate with media agency on SEO optimization and online banners. Also, they use e-mailing to inform the public about new grant proceedings.

### **2.3.5 Influence of corporate foundations on communication of their umbrella companies and competition among other non-profit organizations**

We asked our respondents whether they think that their foundation improve the reputation of their umbrella companies. Both of the respondents answered that the existence of their

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<sup>37</sup> On Facebook, SmartUp programme has 12 939 fans, on Instagram, they have 365 followers. (30. 4. 2017)

<sup>38</sup> YouTube profile of O2 has 6 294 subscribers. (30. 4. 2017) On YouTube, the foundation uses pre-rolls as a form of advertising.

<sup>39</sup> By 30. 4. 2017, Twitter profile of O2 Foundation had 113 followers.

foundation definitely improves the good name of the corporations and they have it proven through their own research.

With question on competition among the non-profit organizations, the answers differ. While ČEZ Foundation does not see other foundations as a competition, they even help them with their own communication activities<sup>40</sup>, O2 Foundation sees a bit of a problem with events in which foundations with similar characteristics (Vodafone Foundation) participate. However, Rigerová stressed that everything is about compromise and they usually reach a peaceful agreement with these foundations. Otherwise, they do not see other corporate foundations as a threat.

### **2.3.6 Conclusion and evaluation of qualitative research**

We thoroughly examined both of the corporate foundations to be able to compare their marketing communication strategies. In both cases, we found out that the chosen foundations really are transparent and were not worried to answer the questions we asked.

The main difference between these foundations is that each of them supports different groups of people. While ČEZ Foundation focuses on all the citizens of the Czech Republic, O2 Foundation sees more potential in their SmartUp project which is targeted to people aged 15-29.

O2 Foundation is overall very successful with their social media, especially their Facebook page which in relation to their target group has a great number of fans. However, we see ČEZ Foundation's project EPP as a more consistent in area of marketing communication. Despite O2 Foundation having a lot of channels through which they communicate their activities (online and offline), ČEZ Foundation focuses just on some of them which leads to better results of word-of-mouth marketing which is a very powerful marketing tool in modern society, as we described earlier. Great efficiency of their communication was proven even in quantitative part of our research.

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<sup>40</sup> For instance, ČEZ helped Preciosa Foundation or ČEPS with their non-profit activities.

Both of the representatives agreed that just existence of corporate foundations definitely improves the brand awareness of umbrella corporations in a good way. As some of the respondents stated in quantitative questionnaire, some of the corporations might use the foundation as a red herring, but according to answers of both ČEZ Foundation and O2 Foundation representatives, we do not consider these two specific foundations as a red herring to the corporations. Their communication strategies are rather sophisticated and we can see results and meaningful missions and visions of these foundations.

## ***2.4 Rankings of marketing communication of corporate foundations and endowment funds in the Czech Republic***

For our evaluation part, we chose 10 corporate foundations and endowment funds that were the most successful in our quantitative part. After brief description of each foundation, we compare their marketing strategies using measurable criteria.

To be specific, our criteria are media publicity, use of social media, existence of web page, optimization for Google search, optimization for Seznam search, spontaneous brand recall, transparency, likings from the public, showing of identity of umbrella corporation and membership in Association of Corporate Foundations and Endowment Funds. We award the foundations and endowment funds with points according to the criteria and determine specific ranking of TOP 10 of corporate foundations and endowment funds. The higher the points, the better results of the foundation.

### **2.4.1 Brief description of corporate foundations and endowment funds involved in ranking**

For our rankings, we chose **ČEZ Foundation** and **O2 Foundation**, however, we will not describe their activities since we have already done so earlier.

**Leontinka Foundation**<sup>41</sup> was established by Jindřich Lukavský, the owner of EXX, s. r. o. Because EXX produces light, thus they want to give light to blind people, meaning the foundation helps blind people to integrate them into the society. They also help with education, social-, sports- and leisure activities.<sup>42</sup>

**Avast Endowment Fund** was established by AVAST Software, s. r. o. and has four specific areas of their activity – palliative care, programme for families with health disadvantages, programme for supporting activities of their own employees and programme for supporting other non-profit organizations.<sup>43</sup>

**Česká spořitelna Foundation** was established by Česká Spořitelna, a. s. and supports various areas of activities.<sup>44</sup> The nature of this foundation is very similar to ČEZ Foundation.

**Vodafone Foundation** was established by Vodafone Czech Republic, a. s. (Vodafone Group). The foundation has many programmes through which it supports mainly young people and other non-profit organizations.<sup>45</sup> We could say that Vodafone Foundation combines the elements of O2 Foundation and ČEZ Foundation.

**Tesco Endowment Fund** is organized by Tesco Stores CR, s. r. o. and it focuses regional development, supporting regional non-profit organizations.<sup>46</sup>

**Agrofert Foundation** was established by Agrofert, a. s. and it observes specific needs areas chosen to financially support individuals and organizations. For instance, the foundation helps single parents who are in crisis or students at universities.<sup>47</sup>

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<sup>41</sup> Despite Leontinka Foundation not being a typical foundation – it was established just by the owner of EXX - we included it in our qualitative part due to its good rankings from the quantitative part and due to EXX referring about how they help through the foundation on their website.

<sup>42</sup> Poslání. Nadace Leontinka [online]. [cit. 2017-04-30]. Available at: <http://www.nadaceleontinka.cz/o-nadaci/>

<sup>43</sup> Spolu. Nadační fond Avast [online]. [cit. 2017-04-30]. Available at: <http://nadacnifond.avast.cz/>

<sup>44</sup> O nadaci. Nadace České spořitelny [online]. [cit. 2017-04-30]. Available at: <http://www.nadacecs.cz/o-nadaci>

<sup>45</sup> O nás. Nadace Vodafone Česká republika [online]. [cit. 2017-04-30]. Available at: <http://www.nadacevodafone.cz/o-nas/>

<sup>46</sup> O programu. Tesco: Vy rozhodujete, my pomáháme [online]. [cit. 2017-04-30]. Available at: <https://pomahame.itesco.cz/about>

<sup>47</sup> O nadaci. Nadace Agrofert [online]. [cit. 2017-04-30]. Available at: <http://www.nadace-agrofert.cz/o-nadaci/>

**Kooperativa Foundation** is run by Kooperativa pojišťovna, a. s. and focuses on long-term improvement of life quality in the Czech Republic. The foundation supports for example art, family values or trainings of assistance dogs.<sup>48</sup>

**Albert Endowment Fund** is organized by AHOLD Czech Republic, a. s. and has two main areas of (financial) assistance – healthy food in schools and support of socially disadvantaged children.<sup>49</sup>

## 2.4.2 Rankings

In order to properly compare the foundations and endowment funds, we divided the criteria in 10 groups, as mentioned earlier. For the full results, see the table below this chapter.

First, we studied **media publicity** of corporate foundations in last year<sup>50</sup>. For that, we used Newton Media searching tool because it maps printed media, television, radio and online media as well. We always put just the name of the specific foundation in the toolbar and not the names of the foundations' projects in order to obtain possibly the most relevant outcomes<sup>51</sup> which actually dedicate to the foundation given and not to other topics.

ČEZ Foundation was unequivocally the most successful with media publicity in last year. Overall, Newton Media found almost 1.500 references to ČEZ Foundation in all the media. Second place (Agrofert Foundation, which was actually very successful in the ratings) has more than 1.200 less references than ČEZ Foundation.

In the rankings, we rated the foundations that had at least 1 media output per week on average. Those who met this condition were given 1 (positive) point.

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<sup>48</sup> Nadace. Kooperativa [online]. [cit. 2017-04-30]. Available at: <http://www.koop.cz/pojistovna-kooperativa/o-nadaci>

<sup>49</sup> Poslání a statut. Nadační fond Albert [online]. [cit. 2017-04-30]. Available at: <http://www.nadacnifondalbert.cz/stranka/o-nadacnim-fondu/poslani-a-status>

<sup>50</sup> In period of time between 30. 4. 2016 and 30. 4. 2017.

<sup>51</sup> For instance, “EPP” keyword has more than just one meanings.

Then we studied the **social media** usage. We did not focus on contents of social media or numbers of followers because each of the foundations and endowment funds has different target group, thus the results would be influenced by that. We gave the foundations points which are based on through how many social media the foundation communicates. We focused on Facebook, Twitter, Instagram, LinkedIn and YouTube as mostly-used social media nowadays. We included the usage of mobile applications into the category of social media as well and that is why ČEZ has one more point. With YouTube, we gave the points for videos of the foundation on both foundation's and the umbrella corporation profile which actually mentions the foundation.

In today's world of social media and because social media were labelled as the most used marketing tool by our respondents in quantitative part, we think that a proper organization should have at least 3 social media profiles (or a mobile application). Those who met this condition were awarded 1 point, those who had less were given just 0.5 point and in case of total absence of social media usage, the organization did not receive any points.

The third category was an existence of the **webpage** of the foundation. We gave one point for references to the foundation on the umbrella corporation webpage and for existence of a separated webpage of the foundation at the same time. Only Kooperativa Foundation did not have their separated webpage and that is why it has only 0.5 point compared to others which have one point.

Still studying the online section, we concentrated also on **SEO** optimization on **Google** and **Seznam**. In the toolbar on both of the search engines, we typed "nadace" OR "nadační fond" ("foundation" OR "endowment fund")<sup>52</sup>. We gave one point if the foundation appeared on the first page of the search, because as Van Deursen and Van Dyk (2009) found out, 91 % of searchers do not go past page one of the search results. Those who were on page 2 or 3 got 0.5 point.

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<sup>52</sup> We did not type in "corporate foundations" because we wanted to type what the public without any knowledge of division of the foundations would type there.

Surprisingly, the results on Google are totally different from that on Seznam. On Google, we were able to find all the foundations soon, whereas on Seznam even after 50 pages of our searching, we were able to find only 6 of the non-profit organizations which we study.

We also included results on **spontaneous brand recall** and **likings** from our quantitative part.<sup>53</sup> We always gave 1 point for TOP 3 mostly spontaneously recalled and mostly liked foundations and 0 points for those who were not recalled or liked (almost) at all. Then we focused on transparency via annual reports. Only one organization did not have any annual reports published and that is Tesco Endowment Fund. That is why it has zero points in this category.

Two last categories were **visual togetherness with umbrella corporation** and **membership in the Association of Corporate Foundations and Endowment Funds** because such membership might increase the foundation's trustworthiness. From all the foundations and endowment funds, only Leontinka does not really visually communicates according to its Umbrella brand. The foundations and endowment funds which are members of the association above were awarded with one point.

**To successfully evaluate our ratings**, we set the values of each of the factors. Since classic media and social media were considered the most important according to our respondents in quantitative part, we gave them the biggest importance, followed by web page ratings. SEO optimization is divided in Google and Seznam with Google having bigger value due to its better position among online search engines used on the Czech market (Domes 2016).

Since the spontaneous brand recall shows how efficiently the foundations communicate, this factor has bigger value than likings. We consider transparency and visual togetherness a little less important because they are just passive tools for communication, just as membership in the Association of Corporate Foundations and Endowment Funds is. However, we think that this membership has even smaller impact on communication of the analysed non-profit organizations, but it can be a great way to support trustworthiness of the foundation.

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<sup>53</sup> We could not make use of results of prompted awareness because Vodafone Foundation is missing there.



In each box, we put the points which we clarified later in order to multiply each of them with the relevant value. Then we counted up all the results of each of the foundations and obtained results in %.

Below, you can see the **final ratings**:

	Media publicity	Social Media	Web page	SEO Google	SEO Seznam	Spontaneous brand recall	Likings	Transparency	Visual togetherness	Membership in the ACEF	Total %	Place
<b>VALUE</b>	<b>15%</b>	<b>15%</b>	<b>13%</b>	<b>10%</b>	<b>7%</b>	<b>13%</b>	<b>10%</b>	<b>7%</b>	<b>7%</b>	<b>3%</b>	<b>100,0%</b>	
<b>ČEZ Foundation</b>	1	1	1	1	0	1	1	1	1	1	<b>93,0%</b>	<b>1</b>
<b>O2 Foundation</b>	1	1	1	0,5	0	1	1	1	1	1	<b>88,0%</b>	<b>2</b>
<b>Leontinka Foundation</b>	1	1	1	0	0	0	1	1	0	0	<b>60,0%</b>	<b>7</b>
<b>Avast Endowment Fund</b>	1	0,5	1	0,5	1	0,5	0,5	1	1	0	<b>73,0%</b>	<b>5</b>
<b>Česká spořitelna Foundation</b>	0	0	1	0	0	0,5	0,5	1	1	0	<b>38,5%</b>	<b>8</b>
<b>Vodafone Foundation</b>	1	1	1	0,5	0	0,5	0,5	1	1	0	<b>73,5%</b>	<b>4</b>
<b>Tesco Endowment Fund</b>	0	0,5	1	0	0	0	0,5	0	1	0	<b>32,5%</b>	<b>9</b>
<b>Agrofert Foundation</b>	1	1	1	1	0	1	0	1	1	1	<b>83,0%</b>	<b>3</b>
<b>Kooperativa Foundation</b>	0	0	0,5	0	0	0,5	0	1	1	0	<b>27,0%</b>	<b>10</b>
<b>Albert Endowment Fund</b>	1	0,5	1	0,5	1	0	0	1	1	1	<b>64,5%</b>	<b>6</b>

### 2.4.3 Conclusion of ratings

As in our previous research, ČEZ Foundation placed first again, followed by also very successful O2 Foundation, which proves their efficiency of marketing communication strategies. Surprisingly, Agrofert Foundation placed third, mostly thanks to its online tools.

Kooperativa Foundation placed last with just 27 %. When studying its marketing tools, we did not see any innovation in communication, nor efforts to promote the foundation – especially social media profiles or SEO on Seznam were completely missing.

To conclude our research, we can say that corporate foundations in the Czech Republic are rather innovative and comply with most of the requirements of marketing in non-profit sector. After all the parts of the whole research we did in the thesis, we can also say that ČEZ Foundation is rightfully the best corporate foundation in the Czech Republic.

#### **2.4.4 Comparison of our results with Economia's TOP 25 corporate foundations**

Every year, Hospodářské noviny, under the publishing house Economia, publish rankings of foundations in the Czech Republic according to how much money they give out to the grantees. They also include TOP 25 of corporate foundations and endowment funds. If we select just the foundations we focused on in our rankings, the 2016 rankings of Hospodářské noviny (Magazín edice Probyznys Hospodářských novin – Economia, a. s 2016, 14-16) are<sup>54</sup>:

1. ČEZ Foundation
2. Avast Endowment Fund  
(...)
4. Agrofert Foundation
5. Kooperativa Foundation
6. Česká spořitelna Foundation
7. Vodafone Foundation  
(...)
8. Tesco Endowment Fund  
(...)
16. O2 Foundation
18. Albert Endowment Fund

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<sup>54</sup> Leontinka Foundation is not included in these ratings because its substance is on the edge of corporate and non-corporate foundation, as we mentioned earlier.

We must stress that these rankings were made just according to how much the foundations gave out and not according to how they communicate towards the public. That is why the results differ a little bit, however, we can still see that ČEZ Foundation is the best even according to *Hospodářské noviny* and just like in our results, Agrofert Foundation is on a very high position as well.

It is surprising that Kooperativa Foundation ranked so well despite not having such sophisticated marketing communication as the other corporate foundations. Nevertheless, O2 Foundation and Albert Foundation, both very successful in our own rankings, placed on quite low positions. It might be due to more finance given out for purposes of regional support, however, O2 Foundation could have been better in giving out money when having such a huge marketing campaign from our point of view.

#### **2.4.5 Ratio of money given out to grantees and money spent on marketing communication**

Thanks to the ratings of *Hospodářské noviny* and our own marketing communication ratings, we are now able to discuss whether the purpose of the foundation really stands on charitable goals or whether they exist just to support the good name of their umbrella company.

Despite ČEZ Foundation having the most efficient marketing campaign, they give out the most money from all the corporate foundations in the Czech Republic<sup>55</sup> which means that there probably really are real charitable goals. However, we could say that if ČEZ still continued with communication of their “Rainbow Energy” and the foundation would not have to be renamed and would remain just “Rainbow Energy Foundation”, there would not be any doubts of charitable goals.

To our surprise, O2 Foundation is an example of foundation that might be used just for improving the name of O2 itself because it has quite massive marketing campaign but does not give out so much to their grantees<sup>56</sup>.

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<sup>55</sup> According to *Hospodářské noviny* (2016), ČEZ Foundation gave out almost 183 million CZK in 2016.

<sup>56</sup> According to *Hospodářské noviny* (2016), O2 Foundation gave out more than 5.7 million CZK in 2016.

We can see that the ratio differs in each foundation and that a great marketing campaign does not always have to mean that the foundation give out so much money. In general, we propose that a ratio of 10:5 (money given out : money invested in marketing activities and operation of the foundation) should be a maximum for smooth sustainability of the corporate foundation.

### 3 Conclusion

In this bachelor's thesis, we analysed marketing communication of corporate foundations and tried to answer our questions we asked in introduction. From the findings of the research we conducted we might say that a significant part of the public has a great mistrust in corporate of foundations. We assume so on the basis of our graph of likings and overall approach to our research, in which some of the respondents stressed that corporate foundations are just a coverage for bad practices of their umbrella corporations.

Yet, we did not prove this fact. It depends on the specific corporation and its corporate foundation. For instance, Agrofert Foundation suddenly started giving out money and made a huge marketing campaign from the time of electing its owner Andrej Babiš into the Parliament in 2013, so it might look like they are trying to make Andrej Babiš look like a great corporate philanthropist and therefore to improve his "brand" awareness and cover his and his corporation's problems. However, Agrofert Foundation actually ranked very well in both our rankings and rankings of *Hospodářské noviny*. We might debate if it is just a great political campaign, but the results of the foundation show that it is very successful and meets all the requirements a corporate foundation should have, thus there probably is a real charitable substance.

Overall, we might say that at least the seven best corporate foundations or endowment funds in our TOP 10 rankings have quite sufficient marketing communication for a non-profit organization. But overall, corporate foundations should definitely improve their use of marketing tools. First, people did not see any difference between corporate and non-corporate foundation in our quantitative research, which means the corporate foundations do not communicate the brand of their umbrella corporations enough. They should make use of the strength of the brand they are under.

Second, online marketing tools and participation in events are a very cheap way to promote a non-profit organization, however, some of the foundations do not use these marketing tools enough (or at all). We recommend such foundations to focus mainly on Facebook, YouTube and Instagram activities as platforms that cover all the age groups and to be more involved in events not only with primary charitable substance but also in music, cinematography or sports festivals.

We recommend all the corporate foundations to focus on just some of the marketing tools to be able to have a unified strategy, just like ČEZ Foundation has. Sometimes the marketing communication strategies in corporate foundations are way too fragmented. That is not good for the potential grantees or partners, even though there might be a good intention behind it. We also think that corporate foundations should focus on less areas they support. The more areas of focus the foundation has, the more the public might be confused.

Also, if a foundation specializes in too many areas, the public might easily mistake one foundation for another. That might cause problems on the field of competition among the foundations. Despite our two respondents in quantitative research saying that there is not really competition among the corporate foundations and endowment funds, it still may emerge in the future if the foundations do not differentiate.

To conclude, we met all the objectives we set in introduction. We described all the theory needed for practical application in which we could really see how both the public and corporate foundations themselves perceive marketing communication of corporate non-profit organizations. But most importantly, we created the TOP 10 of corporate foundations and endowment funds in the Czech Republic from the marketing point of view, which might help the foundations to realize what areas of marketing communication they should improve and which they should keep or sideline. In order to deepen the topic and to analyse more corporate foundations, we suggest this topic to be examined even more in continuing master's thesis.

## Summary

This bachelor's thesis summarized tools of marketing communication used in corporate foundations and endowment funds and presented findings of quantitative and qualitative research in this field, as well it unified information about marketing communication tools of non-profit organizations in theoretical part. The author revealed that overall, marketing communication of corporate foundations and endowment funds is efficient enough, considering their budgets and use of innovative concepts of marketing communication like event marketing, online marketing and use of social media connected to it.

The thesis also uncovered that the public in general does not see much difference between corporate and non-corporate foundations, thus these corporate foundations and endowment funds lack in communicating the brand of their umbrella corporation and benefits that come out of it. The author also created a TOP 10 of the best communicating corporate foundations in the Czech Republic with ČEZ Foundation winning over all the domestic corporate foundations and endowment funds and proved that if the foundation gives out a lot of money it does not always mean that their marketing communication is good enough. Also, the ratio of the money given out and money spent on advertisement and promotion in general proved that some of the corporate foundations exist just to make the brand of their umbrella corporation look better and not primarily to give out enough money with primarily charitable meaning.

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## **List of Attachments**

**Attachment number 1: Results of quantitative research (graph 5-12)**

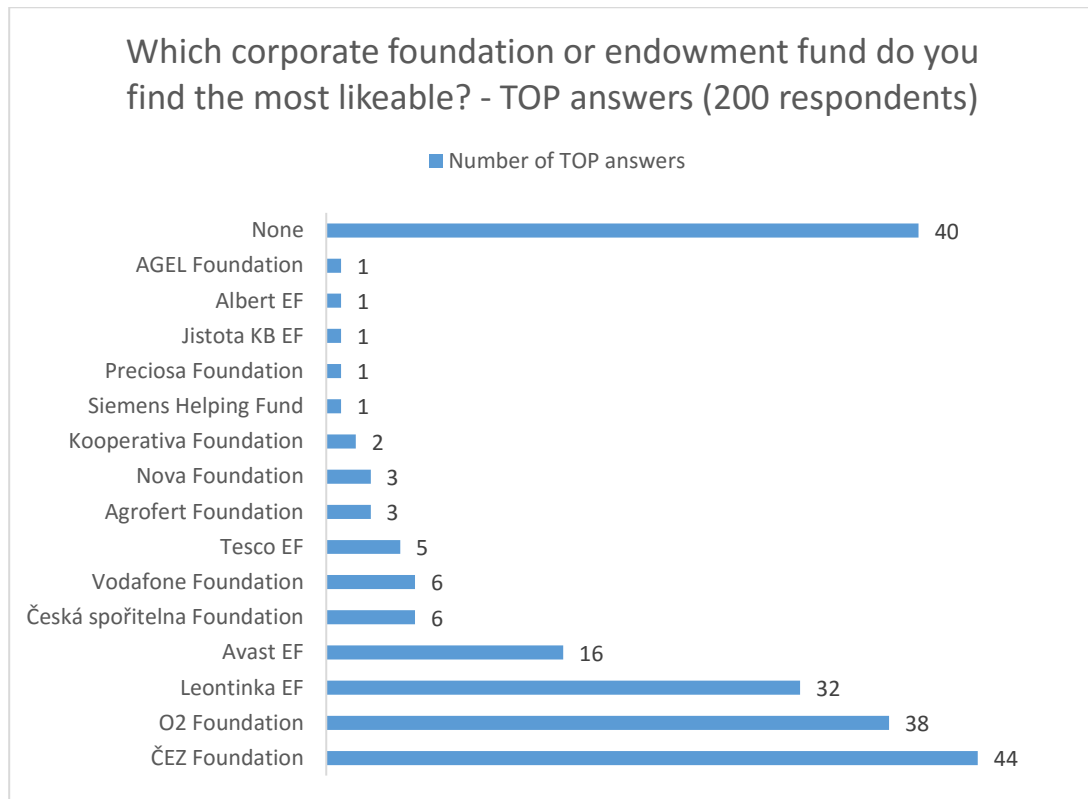
**Attachment number 2: In-depth interview – ČEZ Foundation**

**Attachment number 3: In-depth interview – O2 Foundation**

## Attachments

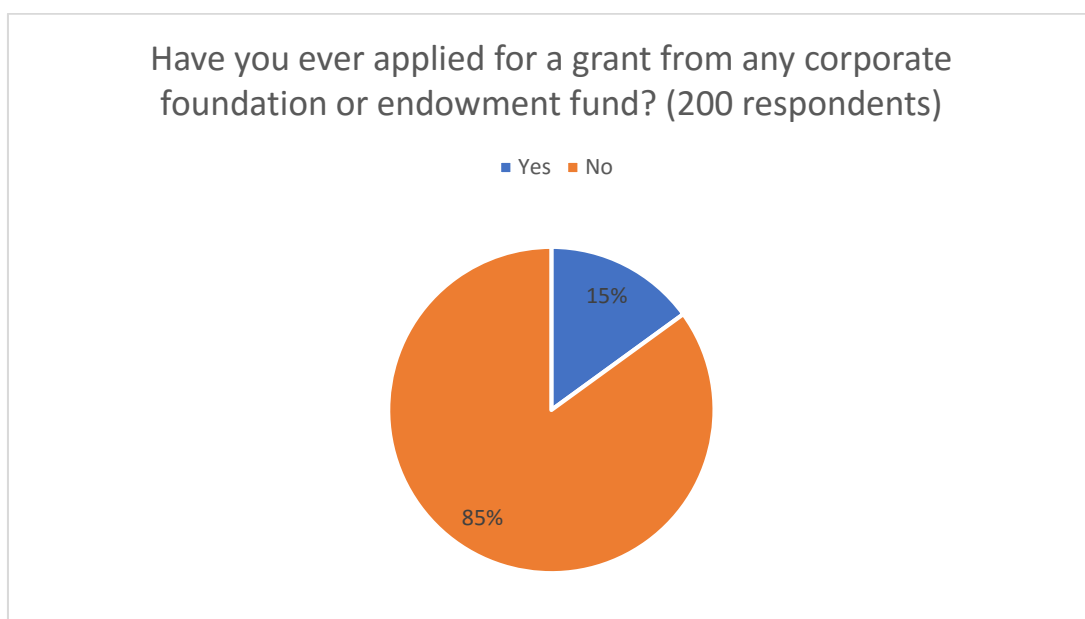
### Attachment number 1: Quantitative research results (graphs 5-12)

**Graph 5: Likeliness of the corporate foundations**

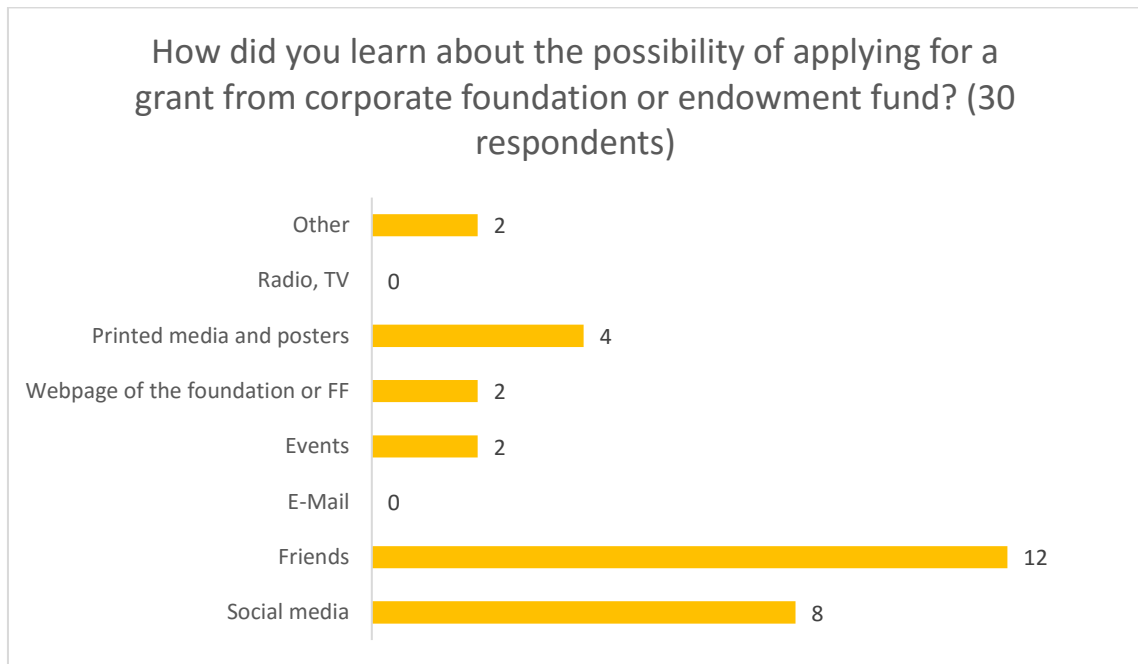


Source: ORTOVÁ, Nina. Research on perception of marketing communication of corporate foundations. Prague, 2017. Date of conduction: February-April 2017, 200 respondents. [cit. 2017-05-04]

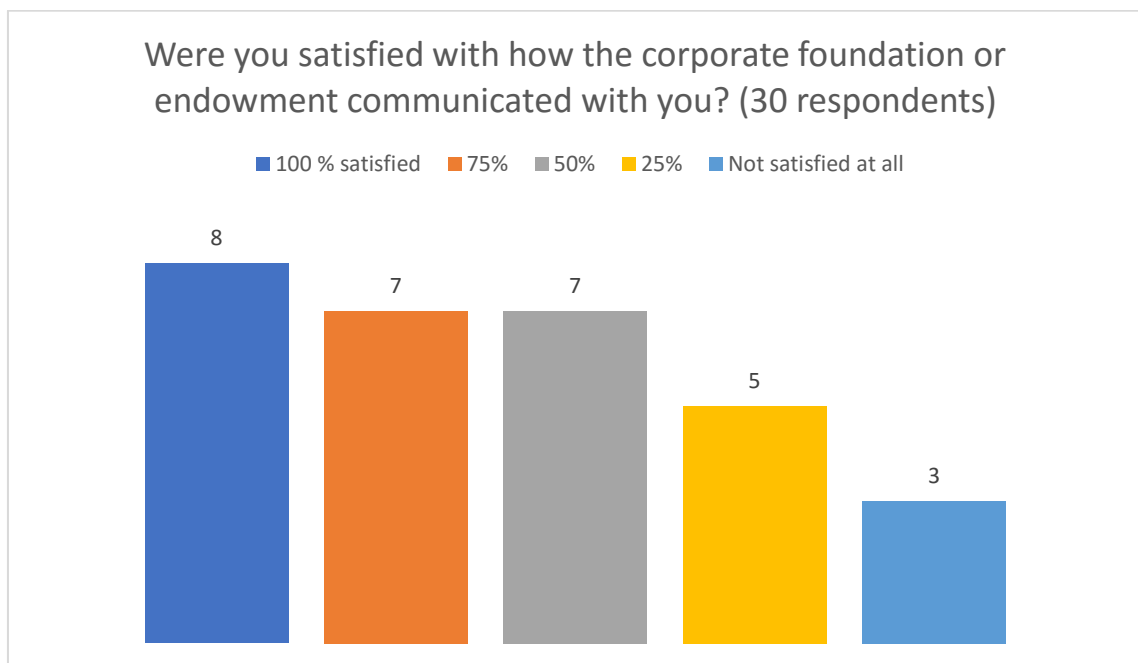
**Graph 6: Grant applications**



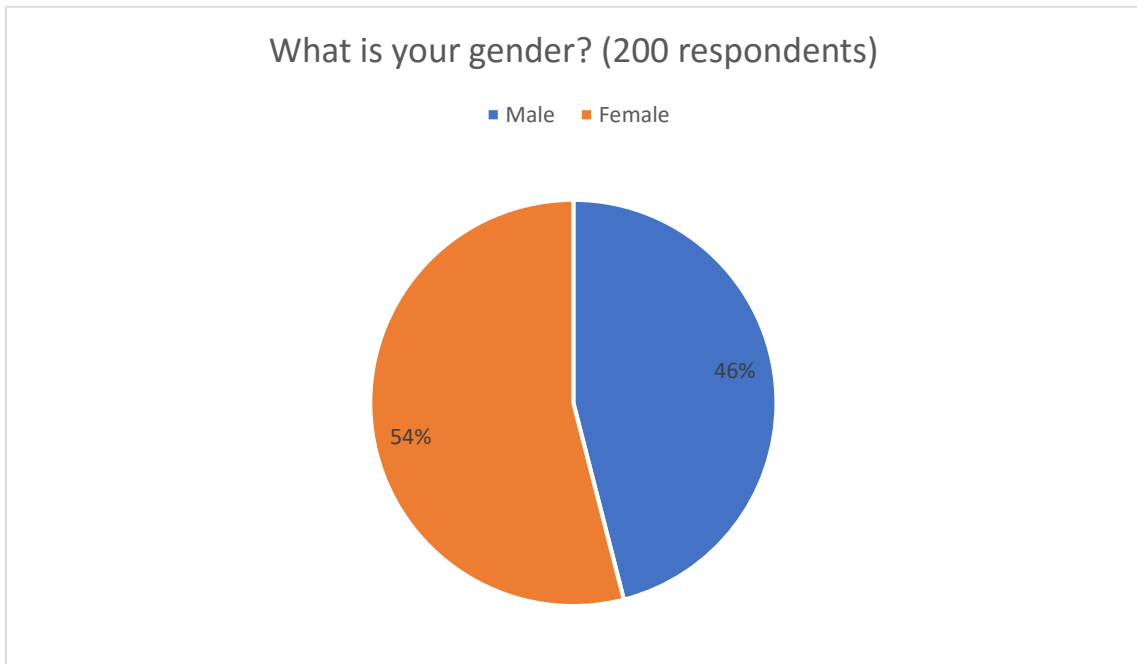
Source: ORTOVÁ, Nina. Research on perception of marketing communication of corporate foundations. Prague, 2017. Date of conduction: February-April 2017, 200 respondents. [cit. 2017-05-04]

**Graph 7: Communication channels towards grantees**

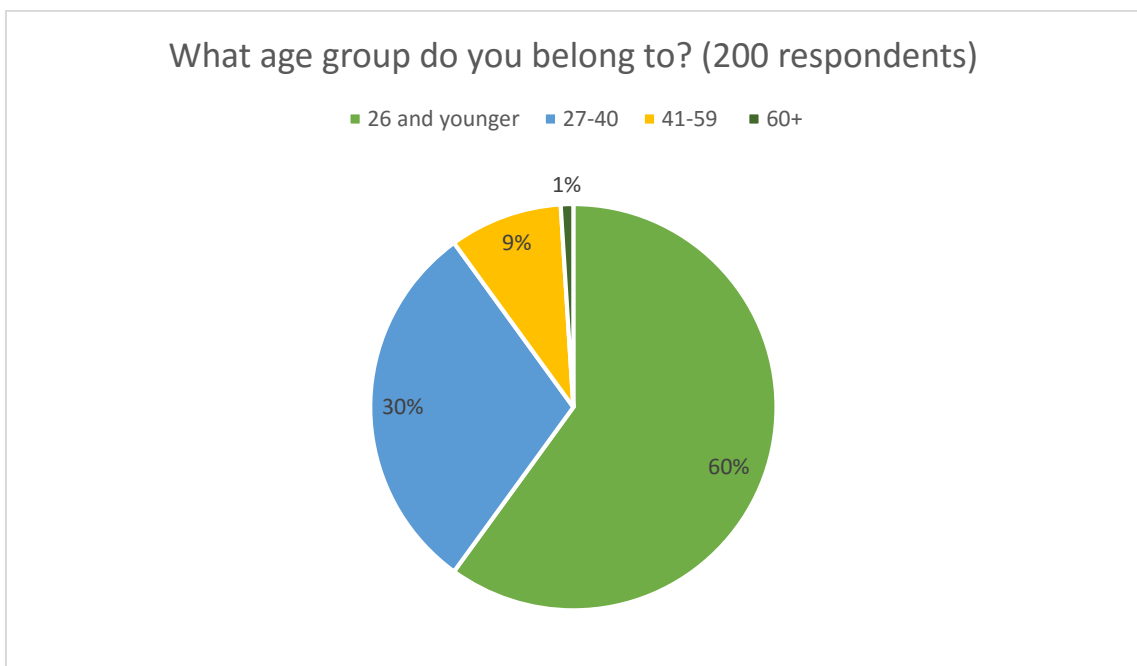
Source: ORTOVÁ, Nina. Research on perception of marketing communication of corporate foundations. Prague, 2017. Date of conduction: February-April 2017, 200 respondents. [cit. 2017-05-04]

**Graph 8: Satisfaction of the grantees with communication**

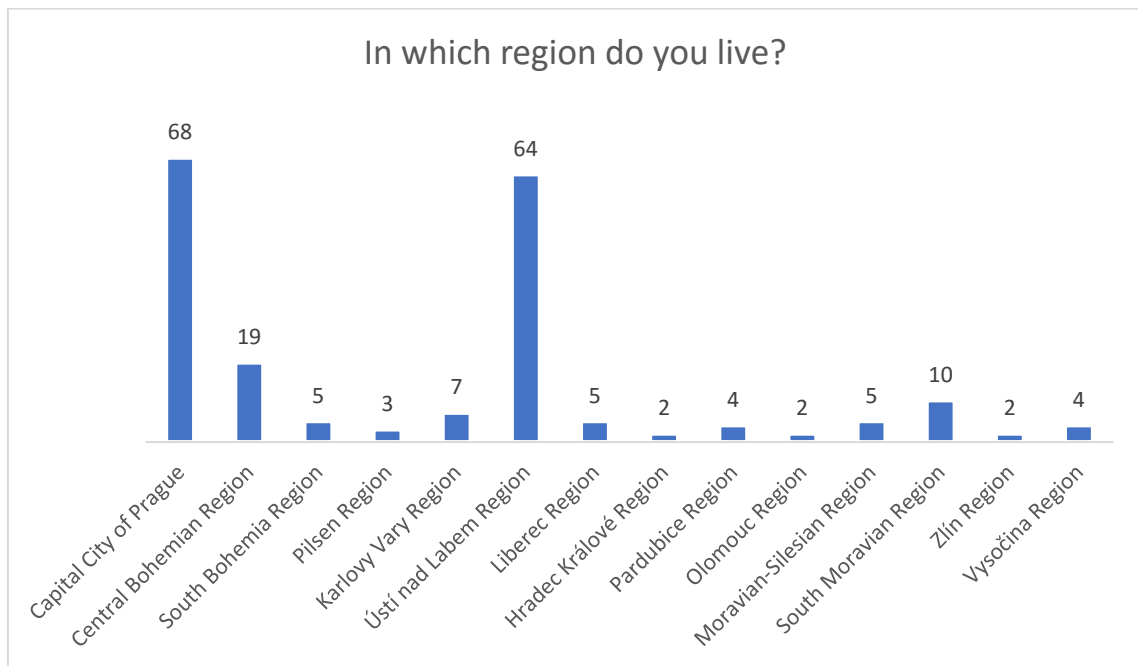
Source: ORTOVÁ, Nina. Research on perception of marketing communication of corporate foundations. Prague, 2017. Date of conduction: February-April 2017, 200 respondents. [cit. 2017-05-04]

**Graph 9: Gender of the respondents**

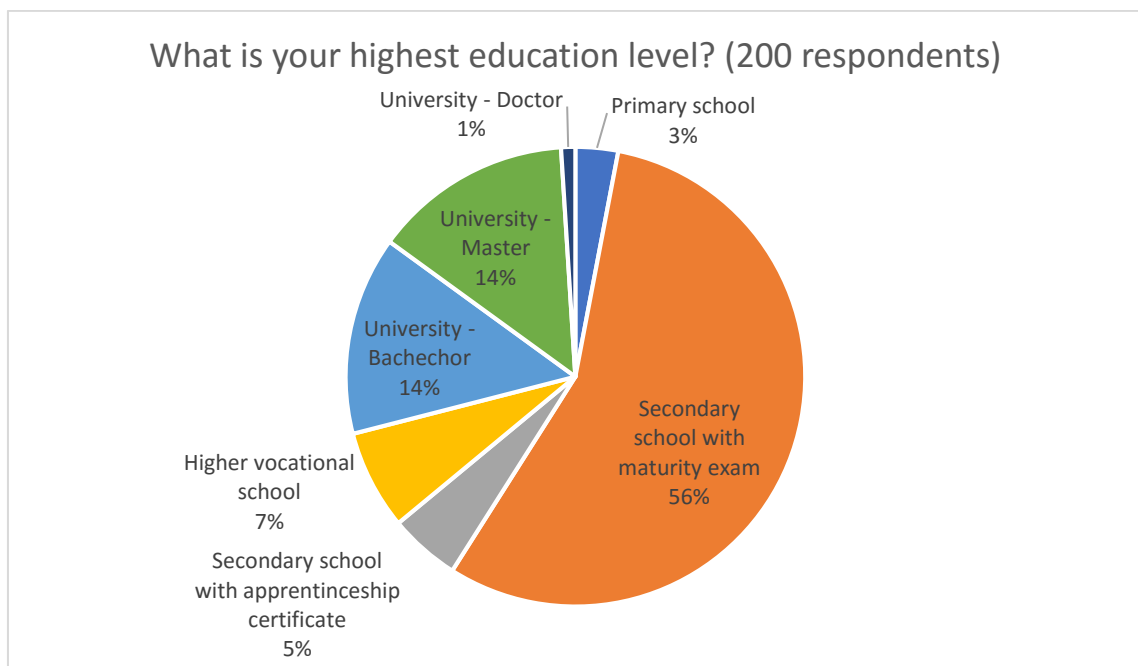
Source: ORTOVÁ, Nina. *Research on perception of marketing communication of corporate foundations. Prague, 2017. Date of conduction: February-April 2017, 200 respondents. [cit. 2017-05-04]*

**Graph 10: Age of the respondents**

Source: ORTOVÁ, Nina. *Research on perception of marketing communication of corporate foundations. Prague, 2017. Date of conduction: February-April 2017, 200 respondents. [cit. 2017-05-04]*

**Graph 11: Geographical arrangement of the respondents**

Source: ORTOVÁ, Nina. Research on perception of marketing communication of corporate foundations. Prague, 2017. Date of conduction: February-April 2017, 200 respondents. [cit. 2017-05-04]

**Graph 12: Education of the respondents**

Source: ORTOVÁ, Nina. Research on perception of marketing communication of corporate foundations. Prague, 2017. Date of conduction: February-April 2017, 200 respondents. [cit. 2017-05-04]



## **Attachment number 2: In-depth interview with representative of ČEZ Foundation, manager Daniel Novák**

**Date:** 23<sup>rd</sup> March, 2017

**Author:** Nina Ortová

**Respondent:** Daniel Novák, the Manager of ČEZ Foundation

**Length of the interview:** 53:06

**The foundation was established in 2002 when it was called “Rainbow Energy Foundation” (Nadace duhová energie)...**

By that time, ČEZ communicated their rainbow energy strategy, so that is the reason of our previous name. The first grants were proceeded in 2003. We changed our foundation’s identity in 2006 because ČEZ stopped with spreading the word about rainbow energy.

**How does the foundation fits in ČEZ corporate culture?**

Our foundation was established because we think that every similar company of that size should engage in CSR. However, some companies are not really transparent about that. Our foundation was established to allow people from all the Czech Republic to apply for grants, even at regional level. Plus, we publish an annual report every year, so the public can see what we really do.

**Are you separated from ČEZ?**

Well, ČEZ is our main donor and legally, but we are separate legal entity.

**Who is your target group?**

In our foundation, it is a little bit different from the others. We do not focus on just one area, thus we do not support just that specific area. We want to support everyone on every level. We are open to anything that makes sense. Therefore, we receive 4 thousand grant requests every year.

We focus mainly on other non-profit organizations, so only legal persons can ask for a grant. These are for instance various societies and generally charitable trusts.

However, we do not have any area that is the most successful with grants. Most of the grants from us go to regions.

Then, we have our specialized projects thanks to which we can aim on improving life in schools and in towns.

**Do you think that your foundation affects the name of ČEZ itself?**

Yes, I do, definitely in a good way. People who know ČEZ Foundation consider ČEZ itself a better company. Plus, the results can be seen behind our foundation.

ČEZ is a bit of a thorn in Czechs' side. Our foundation and especially EPP application helps to make the name of ČEZ better.

**Your communication is mainly through EPP application...**

Yes, EPP is our common project with ČEZ. We wanted to call upon the public to donate more but at the same time to motivate them. EPP may seem just like a sports app, but it is very different from other business sports applications, where a lot of money is invested into marketing and communication, while EPP has its charity intention. We wanted to give people the opportunity to choose where the money go. We wanted to let them to something for themselves and for the others at the same time. Simultaneously, EPP is also about education – we show people what non-profit organization are here in the Czech Republic and what exactly they support.

**Do you have any volunteer web?**

ČEZ has it. Every employee has an opportunity to go to some non-profit organization to help.

**How else does ČEZ communicate the foundation inside the company?**

Besides foundation, ČEZ makes a project “We fulfill the wishes”, where employees financially contribute to collection. Then, the amount is doubled by the foundation. This year, the money go to children oncology.

Then, there's the intranet via which we distribute information to all the ČEZ employees. This type of communication with them is very effective. We also organize sheltered workshops for the employees and we hang out posters around and inside out building.

**Do you perceive other foundations as a competition?**

We are part of the Donors' Forum. It is more like that we cooperate with them, we have no reason to compete with them. I do not like how some of the foundation focus just on a specific area while there are others that need to be supported. But that is just my opinion. As a corporate foundation, we are open to anything. Even other corporate foundations come to us to see and learn how we operate. We want to teach them how to do it right. There were representatives of Preciosa, ČEPS, Metrostav...

**What about advertising and marketing communication in general?**

We have a huge advantage – people know about us already. Mostly, we use word-of-mouth if we want to spread word about our grants. If we want to improve the perception of our brand, we usually use EPP application.

Before we launched the app, we had not expected it to be so successful. We had thought that it would be great if we had 50 thousand users of the app by the end of 2015. But reality was different – we had around 130 thousand users of EPP by the end of 2015 and the number is increasing constantly. Now, we have more than 270 users.

**You won the main category of the Czech Awards for Public Relations 2016 and also many other awards after that. Have you used this success in communication?**

No. Even though APRA Award is the most we could get, we do not want to boast about it. EPP sells itself. We advertise it just at some festivals.

Let's move on to online communication – what channels do you use?

We have YouTube channel where Jaromír Jágr, Eva Samková or Vávra Hradilek support EPP. But we mostly Facebook page of EPP.

**But when I click on the Facebook button at your foundations' webpage, it directs me to "ČEZ lidem" Facebook page...**

Yes, but honestly I do not know why. ČEZ Lidem is just ČEZ's. We had many Facebook profiles but had to minimize them within all the ČEZ group. ČEZ now only has ČEZ lidem and ČEZ Pro jádro, which is surprisingly our strongest Facebook page.

Then, there is EPP. We needed this channel to get people know where the money from the application really go.

**Do you ever use promoted posts?**

Yes, for example when we want to promote some kind of contest. But generally speaking, Facebook is not an expensive tool for communication.

**And what about off-line communication? Do you for example engage in events for the public?**

Yes, of course. The organizers usually call us themselves to become a partner of their event, to give them EPP as their attraction for the public. Recently, it was for example half-marathon in Pilsen or Jizerská 50. This kind of cooperation is mutually beneficial – people will learn about EPP and for the event it suddenly has a charitable content. No money is exchanged, which is great.

In the time of such events, the amount of people who download the application increase by 1-10 %. Then, at these events, we also measure the perception of EPP by the public. People aged 18-55 know more about us than Endomondo, which is also great.

And about other events – at the beginning, we wanted to support just sports activities with EPP, but then we realized that people can just walking to support project in the application, so we changed our strategy a bit.

We also started using our orange bicycle at events like Vysmáte léto v Kadani or Colours of Ostrava. People can pedal on these bicycles to gain some money for a specific non-profit organization in region of the event.

**Do you participate in events just for non-profit organizations such as NGO Market?**

It depends. Usually, we are just an attraction to them, because we sometimes bring the bicycles with us... But we mostly go to such events to meet people who are interested in non-profit sector. We do not have much to give the visitors, such as merchandising and so on.

**Let's move on to visuals – what does your logo mean?**

Well, it meant nothing at the beginning. But this year, we decided it to be little characters. And we want them to move. But we will do that in June, so I cannot tell you more about that.

**Do you take the complete visual appearance from ČEZ?**

We are a bit of rebels. Of course, we take the visuals we have to, we must cooperate with ČEZ on something. But then ČEZ gives us blank cheque when creating some other visuals – for instance when we were creating our annual report, which was the 11<sup>th</sup> best annual report in the Czech Republic, which is amazing. We used pictures of children from the Jedlička Institute on it. The director of ČEZ was just amazed by that.

**And what about OOH promotion?**

We do not use that so much. Only some of the project have publicly marked their projects as “funded by ČEZ Foundation”, but we cannot demand it from them. With our own projects, we always mark them, but that is it.

**Last question – do you provide your applicants any above-standard services?**

They can call us for a piece of advice on their application. But otherwise, everything is just on them. We just check if the project is right and if it fulfills what it is supposed to fulfill.

### **Attachment number 3: In-depth interview with representative of O2 Foundation, Project and Communication Specialist Lenka Rigerová**

**Date:** 30<sup>th</sup> March, 2017

**Author:** Nina Ortová

**Respondent:** Lenka Rigerová, the Project and Communication Specialist

**Length of the interview:** 01:13:36

#### **Are you separated from O2 itself?**

Yes, legally we are separated from O2 and we have to be transparent – we must publish annual reports etc. O2 is our main donor.

#### **How many of you work in the foundation?**

3 of us for full time, 2 for part-time.

#### **That's not so many, do you plan on extending the team?**

Not as far as I know. But if we need something, especially when we need help with marketing or creative activities, O2 departments help us. Also, O2 sends our information SMS to their customers, which helps us a lot, too.

#### **Where exactly do you help?**

We help young people who have original ideas that could help the society in SmartUp programme, then we support the public in general technically – we are partner of crisis lines (Linka bezpečí, Linka pro seniory and Linka pro neslyšící) and then we also try to include our employees in our grant programmes.

#### **In general – how do you communicate? Who do you focus on? What are your goals?**

We communicate internally and externally, of course.

Externally, our main target group are people between 15-29 because of our SmartUp programme.

Internally, we focus on employees of O2, we usually use mostly intranet and posters.

#### **How do the employees react?**

They are quite engaged. We counted that in 15 years of existence of O2 Foundation, employees gave us 10 years of their time in total. However, if someone is already engaged, it is highly possible that they will help with other our projects, so they are often similar in every project, those people engaged do not change so much.

#### **How exactly can the employees engage?**

In SmartUp programme, they may become mentors of one team. Then there is a programme called “Help you community”, meaning if they are engaged in some non-profit organization, we support them. And then there’s the project “Change the human’s story”, which aims to help disabled people. For instance, the employees prepare some food and then they sell it in the main hall of our building. Afterwards, we double the amount of the money collected. Or the employees just collect the money without selling anything to help for instance when something unexpected happens in the world and we double the amount again.

**What about SmartUp programme? What do the employees think about the project?**

They are mostly very excited, because they see young people try to change something. They do not have any profits from mentoring, they just can take one day off to go and see how the project goes and still they are pretty excited.

**Do you communicate the foundation offline among the employees?**

Not so much, sometimes we use posters, mostly when we organize sheltered workshops, which is like twice a year. That brings me to other inside-events which we sometimes organize for our employees, but these are not so often...

**Let’s move on to external communication...**

So first, we support the crisis line, so we try to communicate within the projects. For instance, you can see our logos on posters of the partners we support (e. g. Linka bezpečí). We also make some events with these partners, meaning we have an information stand at this event together with our partner, where we try to show how exactly the partnership works. Also, in connection with our partners, we had a project „Adopt your phone box“, when people rented a phone box for approximately 500 CZK and they could write anything they liked on that box. From the money collected, we supported Linka bezpečí. We also participated in projects with seniors a few years ago to help promote Linka pro seniory.

**But the biggest project of yours is SmartUp programme?**

Yes, it is our main project. Before, the name of the project was ThinkBig and it was under Telefonica. Afterwards in 2015, when the company renamed to O2, ThinkBig had to be rebranded as well. SmartUp is now just for the Czech Republic.

**Why the name SmartUp?**

It is easy – just smart start-up. 😊 But as far as I know, the name was supposed to be Czech originally. Well, that did not happen.

**Let’s try to describe offline promotion of Smart Up.**

Firstly, we use posters with various visuals, I think we have three versions of them. Mostly, we place them at high schools and universities. Also, we use leaflets at schools. Before, ThingBig was at phone boxes, but we do not place SmartUp in public spaces as much as we did with ThinkBig.

Sometimes we also place our visuals and PR articles or other articles in printed media – mostly lifestyle and those which are focused on young people, like Top dívky and Studenta.

Before, we also used Óčko TV as our communication channel, but we do not cooperate with them anymore. We promoted our ambassador programme which is a part of SmartUp programme. Ambassadors are young people who have already finished their project under SmartUp or ThinkBig and now want to grow personally and help to spread the word about our activities.

Also, some of the projects appeared in other TV stations like Nova TV or Czech Television, but the participants were not able to say a word about O2 Foundation or SmartUp Programme, so it was not really effective for us.

**Do you use O2 Arena for promotion? Many young people visit that place...**

Not really, people who visit O2 Arena are not really focused on any promotion there... We used to have posters when we were still ThinkBig, but it was not efficient at all.

**Do you use events to communicate with your target group?**

Events are a great way to “catch” some new people who are interested in our activities. We usually have an information stand and try to promote our activities in a fun way. For instance, we participated in TedxYouth or other Tedx events, VŠE Fest. Inspirology.... We know that such events work great. I also appreciate that with events, we can present the information more quickly and efficiently than with just a poster.

We also established our own events project called SmartUp Talks, where interesting people or those who were engaged in SmartUp programme talk about their experience. Such events work great as well, because it is always highly possible that people will come to listen to the speakers. Of course, it depends on how good the speakers are, but we try to choose them wisely.

These events are also a great way to collect contacts.

Finally, we also participate in various festivals just for non-profit sector like NGO Market.

**Do you have any merchandising which you give out at these events?**

Yes, we do have our own merch, because we wanted to give out something that would remind people of us in an original way. For instance, we have square badges with original slogans (e. g. I am SmartVampire – in Czech „Jsem SmartUpír“).

**What about online communication? Does O2 Foundation have for instance a Facebook page?**

No, just SmartUp has its own Facebook page. O2 Foundation itself has Twitter and LinkedIn profile. At LinkedIn, we mostly share info about the Foundation and some HR information. Twitter is not that successful yet, but the amount of people is growing constantly. We know that other foundations follow us there. Also, the journalists get information also from our Twitter profile.

SmartUp also has Instagram and YouTube channel.

We do not have Snapchat, because there are Instastories already. But frankly, we do not use Instastories as much as we would like to. On Instagram at the moment, we focus mainly on SmartUp background and promotion of projects we have supported so far. We also use some paid-posts but not so many.

**Could you describe your communication on Facebook more in detail?**

It's a mix of information about the application process, inspiration, events we participate in, projects we support, SmartUp Talks, contests... But we focus just on people no older than 29, because that is the age group we support financially in SmartUp programme.

**Which posts are most successful?**

It differs... Sometimes when I see that some posts have a great organic reach, I put some money in them to promote them even more. But mostly, videos and photos of the supported projects are most successful.

**But the videos come from YouTube?**

Yes, YouTube is kind of important online channel for us. We also used paid pre-rolls which were quite successful.

**If you would have to decide which one of these online channels is the most successful, what would it be?**

Facebook, because we focus mainly on it. It is also a great multi-media platform, so we can use photos, videos, text posts...

**Besides social sites, do you use other online tools like SEO or PPC campaigns?**

Yes, we do use SEO and banners. Our media agency process it then.

**Do you send any e-mails?**

Yes, but just to inform the public that they can send applications already...



**What are your communication goals for the future?**

Generally, we want to spread the word about SmartUp via all the channels, so more people would participate in the programme. We want to improve our brand awareness.

**What exactly will people who participate in your programme get from you besides the money?**

We support them in educational way – we organize various workshops for them. We also give them internet data and we try to help them with promotion of their own projects.

**Do you get any feedback from the participants and employees?**

Yes, of course. They always have to send us reports and feedback on operation of the programme itself and how successful their own projects supported by us were.

**Do you perceive other corporate foundations as your competition?**

Well, if we go to some event, there probably should not be any corporate foundation from telecommunication sphere, like Vodafone Foundation. That would be really weird. And I think that both of us, Vodafone and O2, think the same about these situations. We definitely do not hate on them, it is just logical compromise. We even sometimes talk to each other when some people apply for our and their programme at the same time.

Sometimes, we have a little problem with ČEZ Foundation when they have their own sheltered workshops and we have ours at the same time and people want to come to both. But again, it is all about compromise.

But otherwise, we do not perceive other corporate foundations as some threat and I do not even think that there is any competition among these foundations.