

# Not-for-Profit Businesses

## e-Activity

Do nonprofit and not-for-profit companies use marketing activities to promote their product or service? Visit [www.marketing.nelson.com](http://www.marketing.nelson.com) and follow the links to find out more about the marketing activities of nonprofit organizations.

## Nonprofit versus Not-for-Profit Businesses

Are nonprofit organizations the same as not-for-profit organizations? While these designations may seem similar, there is an important distinction between the two. A nonprofit business is one that does not seek profit as its primary motive, but raises funds for a specific goal. In fact, only charities or charitable organizations can truly be called nonprofit businesses. They operate for the good of the community and the people they serve. The largest charitable organization in Canada is the Canadian Breast Cancer Foundation. The goal of the Foundation is to advance cancer research, education, diagnosis, and treatment. It does this through donations, and through fundraising events such as the CIBC Run for the Cure. Since profit is not a motive, the Foundation will exist only until a cure for cancer is found.

A not-for-profit business, on the other hand, is one that does not seek profit as its primary motive, but that does realize a profit for its members. The Saskatchewan Wheat Pool is a cooperative—a business that is owned and operated by its members. Unlike a for-profit business, members of the cooperative vote to decide who will run the organization. The purpose of the organization is to meet the specific needs of wheat farmers. Members are able to buy equipment and supplies through the wheat pool at discounted prices, and can sell their wheat into the wheat pool at a higher price than they might be able to receive elsewhere. Not-for-profit businesses, like the Saskatchewan Wheat Pool, do not seek or receive donations.

Marketing is important to both nonprofit and not-for-profit organizations. Using the list of marketing activities on pages 14–15, identify three marketing activities that would be of benefit to each of these organizations. Are there any that are the same?



A grain elevator with the Saskatchewan Wheat Pool logo in Balgonie, Saskatchewan

## 1.5 Market Segmentation

Markets are composed of two parts: the consumer market and the competitive market. The **consumer market** refers to all those consumers who are or may become interested in a particular product or service and who have the