

EXPLORING THE DYNAMISM OF ACTOR'S INTERACTION IN NON-PROFIT MARKETING: THE CASE OF JAPANESE WINE TOURISM

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Abstract:

This paper examines the significance of focusing on actors' relationships developed through their interactions when undertaking non-profit marketing research. Specifically, in this paper, we propose that it could be beneficial to introduce a framework of network marketing to examine the creation and diversity of actors in non-profit marketing.

Since Kotler and Levy (1969a, b) introduced and extended the marketing concept, research in non-profit marketing has developed in conjunction with the increasing adoption of the exchange concept. Therefore, the relationship concept in non-profit marketing research continues to receive insufficient research attention. However, with the exchange concept, it is difficult to focus on the creation and diversity of actors. First, non-profit marketing activities require actors to cooperate with each other and accept endorsements from third parties such as government organizations, providers of operational capital, enterprises, and industry groups. Second, actors are not stable but transform dynamically. Further, defining not-for-profit is very difficult and requires an understanding of the actors. Thus, this paper proposes that research on non-profit marketing should capture the development and transformation of actors' relationships and the actors themselves through their interactions.

Key Words:

Non-profit Marketing Research,
Relationship Concept,
Network Marketing,
Interaction of Diverse Stakeholders

Category:

1) competitive paper

INTRODUCTION

This paper examines the significance of focusing on actors' relationships created through their interactions when undertaking non-profit marketing research. Since Kotler and Levy (1969a, b) introduced and extended the marketing concept, non-profit marketing research has developed in conjunction with the increasing adoption of the exchange concept. Therefore, the relationship concept in non-profit marketing continues to receive insufficient research attention.

On the other hand, non-profit marketing activities require actors to cooperate with each other and accept endorsements from third parties such as government organizations, providers of operational capital, enterprises, and industry groups. Therefore, it is necessary for non-profit marketing research to focus on the diversity of actors typically observed in non-profit activities. Hence, how diverse actor's interactions construct relationships and how actors themselves are changed by these relationships are important issues for public and non-profit marketing activities to consider.

And more, as Kotler & Andreasen (2003) points out, the boundary between for-profit and non-profit has been increasingly blurring. For example, economic enterprises could work proactively in public activities such as CSR or non-profit organizations could earn revenue. Furthermore, social entrepreneurs such as Muhammad Yunus who aim to resolve public issues using revenue, similar to economic enterprises, receive much attention as a new kind of actors that offer the new possibility of public and non-profit activities. Owing to this situation surrounding public and non-profit activities, focusing on actors' relationships developed through their interactions is important. In this paper, we discuss the significance of focusing on the development and transformation of actors' relationships and the actors themselves through their interactions.

In this paper, we discuss the need to (a) ascertain the diversity of stakeholders in non-profit activities, and focus on relationship to consider the maintenance and change of stakeholders and their interests. In addition, we discuss (b) the usefulness of the framework of network marketing, which assumes a broad array of stakeholder relationships (see, for example, Håkkanson & Snehota 2000). In accordance with this previous discussion, we describe (c) how a focus on relationships makes it possible to ascertain the non-profit level of an operation. This non-profitability is often partly built into for-profit activities. As mentioned above, the boundary between for-profit and non-profit has been increasingly blurring. The non-profitability is not clearly defined and categorized in advance; it should be viewed as constantly being reconstructed through the interactions carried out in practice. A focus on the network of actors makes it possible to address how, in terms of marketing theory, this non-profitability can be created through actors' interaction.

In the following section, we offer a theoretical background of related research and emphasize the importance the relationship concept could assume in public and non-profit marketing. Subsequently, we conduct a case study on wine tourism as an example of public and non-profit marketing research focused on relationships among actors. Finally, we discuss the dynamism of the relationships created through the interaction among diverse stakeholders and the changing evaluations of the non-profitability of a project.

BRIEF REVIEW OF EXISTING RESEARCH

Theoretical Background of Non-profit Marketing Research

Existing public and non-profit marketing research has given very little attention to the relationship concept. This may be because non-profit marketing research was originated to introduce the exchange concept as an extension of the marketing concept. Therefore, this paper first conducts a retrospective review of the origin of non-profit marketing research.

The expansion of marketing concepts to non-profit organizations (NPOs) began with Kotler & Levy (1969a, b). Their work in this regard generated a debate with theorists, who thought that the scope of marketing should be limited to conventional for-profit enterprises. Kotler & Levy (1969ab) and Bagozzi (1975) stressed that broad social exchanges were within the scope of marketing theory, but in response to this, Luck (1969), Bartels (1974), and Ferrell & Zey-Ferrel (1977) emphasized that marketing theory should be limited to economic exchanges.

The exchange concept gradually became more sophisticated during this debate. Kotler claimed that it was possible to replace the core concept of a “market transaction” with “exchange” (or trading). Unlike market transactions, which focus on buying and selling, exchange was considered a model wherein such actions were abstracted; therefore, it became easier to expand the exchange concept. In other words, according to Kotler, market transactions are just one form of exchange. Therefore, as exchange itself is included within the scope of marketing, it is natural to apply this to the marketing of NPOs.

With the increasing acceptance of the exchange concept, researchers began to aim at constructing social marketing and generic marketing theories. The strong need for social marketing among NPOs, such as governments, had been previously pointed out; it is thought that a marketing-mix framework is useful when carrying out activities to realize social goals. Further, in generic marketing, the exchange concept becomes completely abstract and positioned as a model through which all topics of research can be understood.

Hunt (1976) established a general theory of marketing that focused on the exchange concept.

However, no marketing theory, including Hunt's expansive general theory, has yet been constructed upon the foundation of the exchange concept. For this reason, we point out (1) the limits of the positivistic viewpoint on which Hunt relied and (2) that the exchange concept is perceived to be unsophisticated. We indicate that initially exchange was not a prerequisite for NPO activities (Mizukoshi 2011).

Relationship Concept in Marketing Research

The concept of relationship marketing has attracted attention within marketing research as a logic that can be positioned relative to the exchange concept. In the 1990s, the concept of relationship marketing brought about a paradigm shift (Grönroos 1994, Webster 1992). However, the relationship concept itself was not given a clear definition, as was the exchange concept; nor did it become the focus of consistent research. The American Marketing Association's (AMA) definition of marketing somewhat explains the growing importance of relationship marketing. Their definition from 1985 emphasized the importance of exchange, but the revised definition of 2004 not only comprehensively focused on exchange transactions but also made explicit their continuous nature. In other words, it can be assumed that the AMA critically perceived an awareness of the singularity of exchange with an emphasis on the exchange concept and the mutual maximization of profits and, as a result, aimed to incorporate relationship as a core concept in marketing activities.

As is well known, relationship marketing covers a broad range of topics¹. Several studies on relationship marketing, for example, that of Coviello et al. (2002), have identified the features of relationship marketing based on a comparison with traditional marketing, which has the conventional exchange concept at its core. What we should pay attention to here is that the researchers divided relationship marketing, which is said to encompass many domains, into three categories and then clarified the characteristics of each category. According to Coviello et al. (2002), within these three categories of relationship marketing, (1) database marketing has a strong affinity with marketing based on the exchange concept (also called transaction marketing), prevalent up to that time, whereas (2) interactive marketing focuses largely on the successive exchanges with customers and (3) network marketing has been addressed mainly in industrial marketing and purchasing research. Moreover, they observed that all categories can be adopted simultaneously in the actual activities of organizations and that a clearly exclusory relationship does not exist between the categories and transaction marketing.

¹ A comprehensive discussion of relationship marketing research can be found in Sheth and Parvatiyar (eds.) (2000).

In these three categories of relationship marketing, diversity of stakeholders, which network marketing focuses on, is one of the key issues to ascertain the activities of public and non-profit marketing. In non-profit marketing, organizations must cooperate with a diverse range of stakeholders and acquire the approval of third parties, for example, government organizations that have jurisdiction for official approval, the providers of working capital, and other enterprises and industry groups, in order to carry out their operations.

Network marketing research has been influenced strongly by industrial marketing, which was developed mainly by the IMP group (Håkansson & Snehota 2010 pp. 69-82). Network marketing research has been concerned mainly with industry purchasing, and it attempts to explain the development of relationships between companies. At the onset of the research, it was found that these relationships were based on technical, social, and economic content and constructed through the successive interactions between the buyer and seller. Subsequently, the main research was expanded from the analysis of the dyad relationship between the buyer and seller to the analysis of network structure, which is constructed by diverse stakeholders including the buyer and seller. They extensively discussed what type of network is constructed through the interactions of diverse stakeholders and how the relationship of stakeholders, which is embedded in the whole network, is influenced by the transformation of that network structure through the interaction of diverse stakeholders.

Relationship Concept in Non-profit Marketing Research

The importance of the relationship concept, which focuses on the network structure of diverse stakeholders was, in fact, pointed out by Kotler (1972). Kotler (1972) pointed out the existence of nine stakeholders for generic marketing presentations. However, Kotler emphasized marketing management that can be used for all stakeholder groups, and his focus on relationships was limited; therefore, there is a need to ascertain the diversity of stakeholders while also focusing on relationships.

An interesting point is that originally when Kotler & Levy (1969b) expanded marketing concepts, they had already emphasized the importance of relationships along with the exchange concept. According to them, nowadays for-profit activities are not intended to achieve short-term sales, but to achieve long-term relationships, and the activities undertaken to build these long-term relationships are extremely similar to those carried out by schools trying to maintain relationships with their graduates or churches trying to increase the size of their congregations.

This idea is similar to Kotler & Levy's relationship concept, but it is only marginally applicable to the subsequent debate on this topic. Following their previous assertions, Kotler &

Levy themselves assumed that it is ultimately possible to think of the education provided by schools as a “sale,” and the religious service provided by a church, as one type of “ticket sale.”

In the general introduction of the relationship concept to marketing, some researchers have often pointed out the need to pay attention to the relationship concept in non-profit marketing (Kotler & Roberto 1989; Kotler & Andreasen 2003). However, while there are only a few instances of such studies within the entire body of research, it is still not apparent what has been clarified by the observations made by these researchers.

In non-profit marketing research, Hastings (2003) pointed out the importance of capturing a network of stakeholders in non-profit marketing research. Based on the research of Morgan & Hunt (1994), Hastings (2003) pointed out that the typical problem of having diversified stakeholders is one that occurs especially for NPOs and that, as a result, the relationship concept is important to them. Further, Knox & Gruar (2006) drew on the previous argument of Coviello et al. (2002) to investigate how marketing approaches tailored to each stakeholder might differ and stated that the diversity of stakeholders had become an important issue in non-profit marketing.

Since non-profit marketing involves diverse stakeholders, the ability to serve their interests will largely determine the success or failure of an organization’s operations. Both Hasting (2003) and Knox & Gruar (2006) have pointed out the importance of the relationship concept in non-profit marketing, and their work can be commended for indicating a research direction that focuses on the diversity of stakeholders.

Using the Relationship Concept to Ascertain the Interactions in Non-Profit Marketing

On the other hand, based on the understanding of Hasting (2003) and Knox & Gruar (2006), it becomes difficult to grasp the process through which stakeholders are continuously generated. The relationships that they were concerned about were ultimately dyad relationships centered in an executing organization and do not deal with relationships among partnerships. In order to solve this problem, it may be useful to provide a research based more thoroughly on the relationship concept.

The meaning of non-profit marketing from the relationship perspective is not limited to merely ascertaining the diversity of stakeholders. In fact, a focus on the relationship concept suggests one more possible answer to the question of what non-profit marketing fundamentally is. That is, we need to know how non-profitability of the project is defined through interaction by actors, since such a definition may be impossible in advance, and whether the project is defined as non-profit may depend on the evaluations from other stakeholders. And the evaluations from

stakeholders may be influenced by the relationships created through their interaction.

For example, for any public or non-profit organization, an important issue is to raise working capital continually (Kotler & Andreasen 2003). However, actively lobbying for operational funds or the flourishing of a project can make stakeholders suspicious about for-profit activities. Naturally, such suspicions make it difficult to advance the projects. Focusing on the relationship among stakeholders makes it possible to determine the dynamic process occurring over the non-profitability of the project.

It would be useful to determine the diversity of stakeholders typically observed in public and non-profit organizations. Based on the discussion in Araujo et al. (2010) or Fries (2010), it is important that public and non-profit marketing serve the interests of both administrative organizations and markets. They focus on the performativity of actions. The performativity makes a reality, because theories are not descriptions of just reality, but are actions themselves. They have an important view to understand of actor's interaction and relationship.

Hence, in public and non-profit marketing research, it would be useful to focus on stakeholder relationships, particularly the network of stakeholders, to determine this dynamic process over non-profitability. Particularly, as mentioned previously, the boundary between for-profit and non-profit has been increasingly blurring. How diverse actors' interactions construct these relationships and how the actors themselves are changed by these relationships are important issues in public and non-profit marketing.

Figure1: Multi-relationship model prepared by the authors, based on Hastings (2003), p. 11

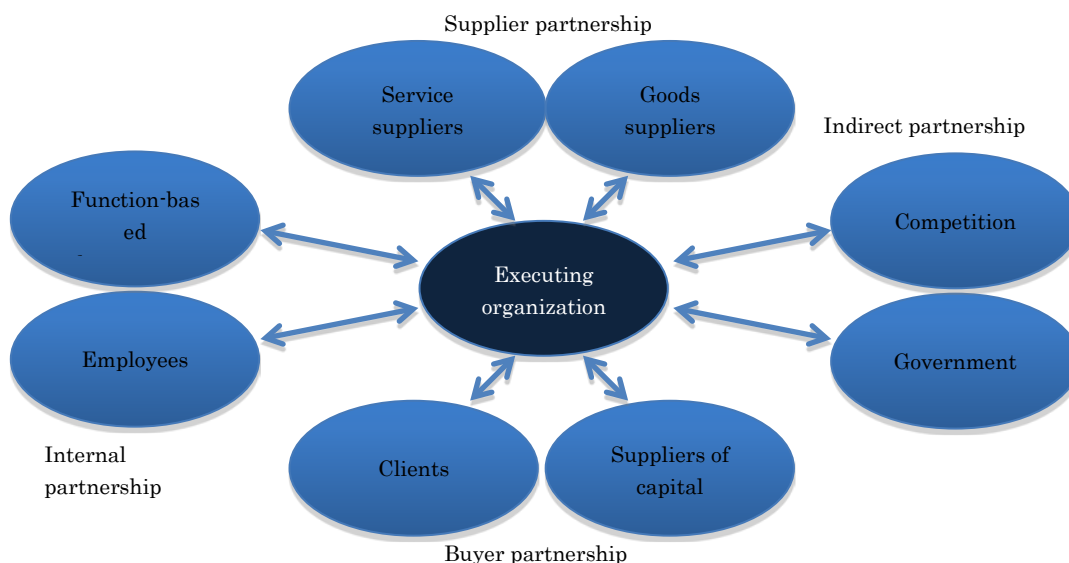
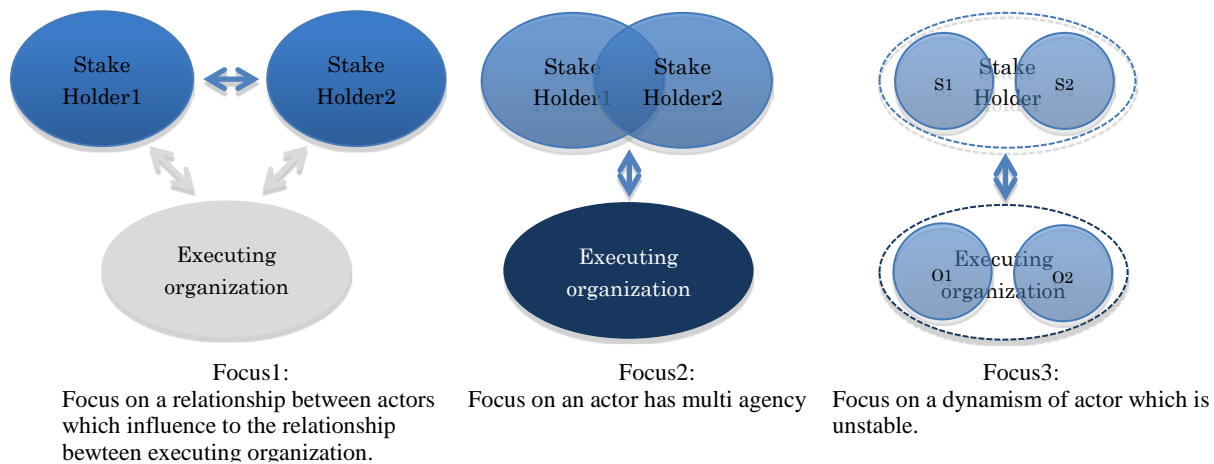


Figure2: The Focuses of case study



A CASE STUDY OF WINE TOURISM

Theoretical Points and the Purpose of the Case Study

Let us outline the discussion up to this point. At first, this paper described how, beginning with the expansion of marketing concepts, not-for-profit marketing research has developed in parallel with the increasing adoption of the exchange concept and that, therefore, the treatment of the relationship concept continues to be insufficient. However, nonprofit marketing requires the application of the relationship concept. Second, this paper described the reason for this: In nonprofit marketing research, it is necessary to fully ascertain the stakeholder diversity typically observed in NPO organizations. Moreover, to do this, we must determine how stakeholders are generated and transformed, and to achieve this, emphasis must be placed on the stakeholder network, not solely on dyadic relationships. In addition, the framework of network marketing can help in ascertaining the relationships of diverse stakeholders in non-profit marketing. By focusing on stakeholder relationships, it is possible to know the interactions focused on the extent to which operations are not-for-profit, but this cannot be done in advance, because whether an operation is considered not-for-profit or for-profit is determined by relationships.

We now discuss a case study of wine tourism in Japan. Several marketing strategies are implemented globally to promote the wine market (Porter & Bond 1999, Porter & Solvell 2003). In Japan, wine production has become popular as “New World” and has increased local revitalization through wine by non-profit organizations. In this paper, wine tourism refers to a project that attracts customers to visit Katsunuma region, Koshu city, and Yamanashi prefecture

in Japan and promotes the attractiveness of Katsunuma, one of the foremost wine production regions in Japan, where many wineries are operational.

As we discussed above, we think the accomplishments of a practice in non-profit or public marketing is not determined in advance (e.g. Araujo et al. 2010 p.7), but determined through the interaction of various actors accordingly. These interactions construct the relationship of various actors and these relationship influence future interactions. Therefore, to understand the non-profit or public marketing practice, we should focus on the relationship of diverge actors, especially the network structure of various actors.

In detail, we have 3 focus points in case study (see Figure2, also see Araujo et al. 2010 pp.5-9). First, we focus on a relationship between actors which influence to the relationship between executing organization in the network structure (Focus 1). Second, we focus on an actor who has multi agency (Focus 2). Third, we focus on a dynamism of actors which is unstable (Focus 3). This paper reveals how Wine Tourism was accomplished through the interactions between various actors, especially with the focus of 3 focus in the network structure. Then, we discuss the problems in non-profit marketing research and propose solutions.

In wine tourism, customers are free to explore wineries and historic sites in the regions where they prefer to use cyclic buses. In addition to wineries, eateries and grape farms participate in wine tourism activities as cafés or rest stations. Customers can take a break at the rest stations and enrich their understanding of wine and the wine production region through dialogues with shopkeepers and farmers.

The annual event of Wine tourism activities have been held in November since 2008. These activities are managed by the Wine Tourism Limited Liability Partnership (hereinafter called Winetourism Yamanashi). Until now, the promotion of wine tourism has not been active, except on the Web. However, in recent years, the number of customers has increased to around 3,500 from around 2,000 in 2008.

Until 2009, working capital was being raised in two ways: (1) income from customer participation and (2) a total of 2 million yen subsidy from Yamanashi Prefecture, Kosu city, and the Farm Ministry. This revenue was used for the site management of wine tourism, the production of a guidebook, administrative expenses, and so on. Management was handled mainly by Mr. Takayuki Sasamoto, who was the CEO of a company in Yamanashi and was responsible for organizing the wine tourism project, and Mr. Takayuki Oki, who was the owner of a café in downtown Yamanashi. They both participated as volunteers, and therefore, labor costs were not recorded in the balance of payments.

Data Collection

We conducted 13 semi-structured interviews to understand the practice of the Wine Tourism. The actors who were interviewed contains Mr. Sasamoto, Mr. Oki, presidents or wine brewers of 3 wineries in Yamanashi Prefecture, the representative of a NPO in Katsunuma region, an officer of Yamanashi Prefecture, and so on. The case study in this paper is basically based on these interviews to actors who involved in the Wine Tourism. After we wrote the case, we underwent the check from interviewees, and had some discussion with them.

The Initial intention of Wine Tourism

Mr. Sasamoto, who had past experience in organizing support activities for the independence of a black community, was instrumental in initiating the wine tourism project. Initially, he wanted to initiate such activities in his hometown of Yamanashi. He started informal workshops to discuss his plans in 2004 and then became aware of wine tourism in Europe and the United States. In February 2005, he, along with Mr. Oki, started low-profile activities such as wine festivals, in which they invited customers interested in wine and winery managers to Mr. Oki's café. At the wine festivals, customers could enjoy wine and learn about it from the winery managers. These festivals, which were organized once in three months, attracted about 80 attendees who were mostly personal acquaintances of Mr. Sasamoto.

Although Winetourism Yamanashi had few relations with the wine industry, it received a total of 2 billion yen subsidy from Yamanashi Prefecture and Koshu city, where Katsunuma belongs in the first year. These subsidies were for private sector outsourcing of the promotion of tourism in Yamanashi Prefecture.

In general, it is more difficult for administrative organizations to provide subsidies to private enterprises rather than industry groups or public sector agencies, because administrative organizations need to prove that the subsidies will be used for the public good. On one hand, it is easier to show that subsidies to industry groups or public sector agencies are for public benefit; therefore, the provision of such subsidies is easier. On the other hand, it is difficult for a single private enterprise, with few industry ties, to receive subsidies from administrative organizations.

Generation of Relationships Created by Dual Agency

The wine festival was the trigger that the subsidies were provided. One official of the prefectural government participated in the wine festival and learned about wine tourism. Following this, wine tourism became widely popular, because of which this project received a

subsidy.

Initially, Yamanashi Prefecture attempted to organize a similar wine tourism project, which is how wine tourism happened to become aligned with the interests of the prefecture. The prefecture discussed whether they should organize a project on their own or outsource it. At that time, the prefecture government knew about the project. Thus, the prefecture was urged to outsource it because many officials thought that it is quite irrational for the public sector to manage this project, as someone in the private sector had an excellent, concrete plan for the same project.

Second, the commercialization of this project was subject to the jurisdiction of the Department of Tourism in the prefecture, because this project was for the promotion of tourism. In the prefecture, however, the department that exercised jurisdiction over the wine industry was the Department of Commerce and Labor, not the Department of Tourism. From the viewpoint of the Department of Commerce and Labor, Winetourism Yamanashi would have been seen as an ineligible for a subsidy.

That is to say, in this phase, the official of the prefectural government had dual agency (ref. Figure, Focus2): the official of the prefectural government and a participant of Wine Tourism Project. In the wake of this, the relationship between the Winetourism Yamanashi and Yamanashi Prefecture was generated, and the non-profit activity of Wine Tourism, the wine festival, was evaluated by other actors in practice. By receiving the subsidy, Winetourism Yamanashi could establish continuity of their project to some extent. First, subsidy plays an important role in providing operating capital for business operations. Second, it enhances the legitimacy of a project to contribute to the public and involve other stakeholders. Actually, Mr. Sasamoto thought this subsidy would make it easier to explain the frame of this project to other actors such as wineries and other NPOs. Then, he asked other actors for cooperation.

Transformation of Relationships Created by Interaction regarding Subsidies

Fortunately, NPO in this region agreed to cooperated, because of the subsidy. Mr. Sasamoto requested the cooperation of Mr. Takayasu, the representative of two non-profit organizations engaged in proactive regional construction with local residents. Mr. Takayasu initially responded negatively to the project, but eventually cooperated, because he believed that wine tourism must be an important project to have received subsidies from administrative organizations in addition to being an attractive project.

On the other hand, however, many wineries strongly suspected the purpose of the Wine Tourism because of the subsidy. Many wineries believed the purpose of the Wine Tourism was

not for public benefit, but for the organizer's own profits. In detail, When Mr. Sasamoto visited the Katsunuma Winery Association to explain the summary of the project, he didn't get a favorable response. Katsunuma Winery Association is an industry group of wineries in Katsunuma. The presidents or owners of each winery meet regularly. In one such meeting, Winetourism Yamanashi was criticized for receiving the subsidy. The project actually came under strong suspicion, as many believed that the project's explained purpose was a temporary expedient for receiving subsidies and that Mr. Sasamoto had initiated the project for his own profit.

Unlike the monolithic wineries, however, several wineries reacted positively to the project. After all, they received approval to get their young winery executive candidates to participate in the meeting of wine tourism. This does not mean that Winetourism Yamanashi had found stakeholders having a positive standpoint. This should be the result of the passive judgment of many wineries. Many wineries estimated that the number of customers of wine tourism might be several hundred at the most and considered it necessary for them to cooperate to an extent such that wine tourism doesn't get in the way of wineries. That is, many wineries considered that wine tourism would not have continuity anyway, and that they had only to make a token gesture of cooperation because Winetourism Yamanashi had received subsidies from administrative organizations.

In this phase, firstly, why did the wineries question the Wine Tourism project, despite NPO agreed with them? In fact, in Yamanashi Prefecture, the department which involves in wine industry is the Department of Commerce and Labor. And the tie between the Department of Commerce and Labor and many wineries is quite strong. However, as we saw above, this subsidy was not from the Department of Commerce and Labor, but from the Department of Tourism. Mr. Sasamoto wisely utilized the bureaucratic system at Yamanashi Prefecture and received the subsidy. But this drew the ire of many wineries. They criticized the receipt of the subsidy without any arrangement in advance. They felt Winetourism Yamanashi was invading wine industry and intended to use it to make their own money.

That is to say, the relationship between wineries and the Prefecture influenced the evaluation of receiving the subsidy (ref: Focus1), and created bad relationship between many wineries. On the other hand, NPO and farmers in this region had had bad relationship between wineries. This made NPO and farmers cooperate to the Wine Tourism project. Again, another relationship between actors involved affected the evaluation of one practice (ref: Focus1). Therefore, the evaluation or framing of one practice, receiving the subsidy, depends on the relationship and the allocation of actors in the network structure.

Second, in this phase, why did the wineries cooperate partially? This is, firstly, because they

could not entirely neglect their own relationship with the Prefecture. As we saw above, they had another relationship with the Prefecture, especially with the Department of Commerce and Labor. Neglecting the Wine Tourism entirely could have had a negative effect on this relationship. So, they cooperated with them partially. Secondly, among the wineries in this region, there were some wineries and young executives who felt empathy with the idea of Wine Tourism. So wineries weren't monolithic, but decomposed through interaction, as with the Prefecture, the Department of Commerce and Labor and the Department of Tourism (ref: Focus 3).

The non-profitability of wine tourism was dismissed because the project received subsidy. The new actor, subsidy, led to a change in the stakeholder network of wine tourism. As a result, the relationship between Winetourism Yamanashi and the wineries, embedded in this network of stakeholders, was weakened. Therefore, the non-profitability was framed negatively by the wineries. The subsidy that offered a new opportunity also created a new difficulty.

In this way, wine tourism managed to sustain the non-profitability through temporary consent from a few young wine brewers and the local residents. In its first year, the project attracted about 2,000 customers and barely broke even. This result was significantly better than that forecasted by the wineries. From the viewpoint of the traditional marketing based on exchange concept, this result would be seen as a positive accomplishment of a practice.

Further Transformation of the Relationships Created by Interaction

The higher-than-expected result strengthened the suspicions of the executives of the wineries. Criticisms were offered by wineries as well as local residents who had participated as volunteers. The project's success strengthened and then diffused the suspicions regarding the non-profitability of wine tourism. Mr. Sasamoto went on to explain the balance of the payments by disclosing the financial statements, but found it quite difficult to obtain support from the wineries and local residents.

That is to say, in the first year, a new actor—more customers than expected—appeared. This new actor caused a new change in the stakeholder network. As a result, the linkage between Winetourism Yamanashi and the wineries or local residents was further weakened, and the non-profitability of this project became further remote from the stakeholders' understanding. Again, the evaluation or framing of one practice depends on the allocation of actors(ref: Focus1).

If such a situation continued, the continued operation of the project would be difficult. However, the decision regarding the subsidies gradually flipped the situation. Originally, wine tourism had planned proactive efforts involving local residents and without subsidies or administrative organizations' support. To achieve that, Winetourism Yamanashi decided not to

receive subsidies in its second year.

Of course, without subsidies, Winetourism Yamanashi lost a major source of operating capital. However, this decision gradually altered the viewpoint of the wineries. Their suspicions regarding the belief that people outside the wine industry were receiving the subsidies disappeared. Furthermore, the Yamanashi Prefectural Governor and the Kosu City Mayor learned of this decision, probably because their political policy had weighed in on the improvement of tourism in this region. As a result, they referred to wine tourism formally as well as informally, which increased its awareness among people and provided further legitimacy to it.

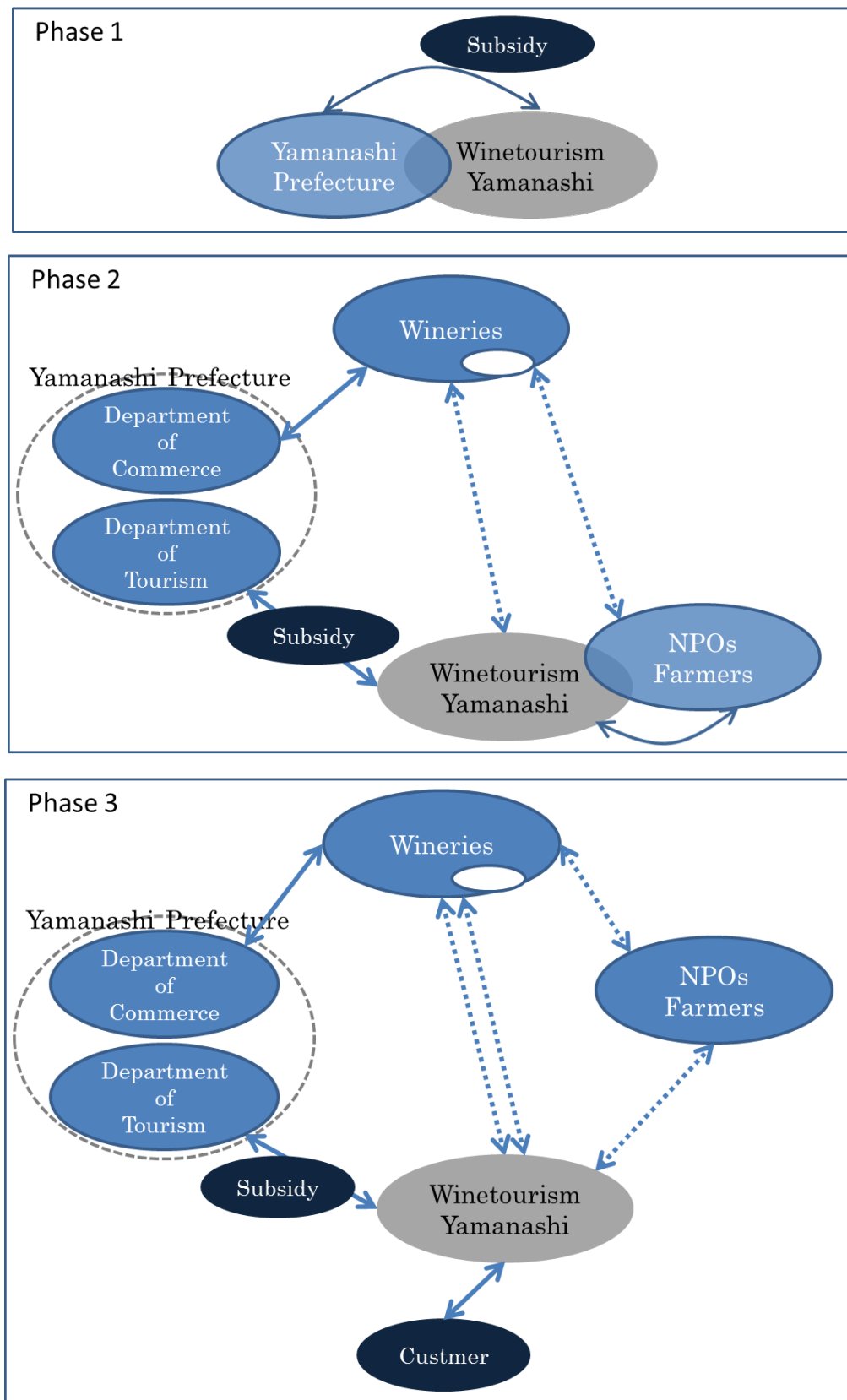
It is quite important for not only for-profit organizations but also non-profit organizations to drum up capital funds continually. First, subsidies made it possible to initiate wine tourism activities. However, these subsidies worsened the relationships with the wine industry. On the other hand, subsidies gave wine tourism legitimacy as a project that contributes to the public good and developed a relationship of Winetourism Yamanashi with administrative organizations, which in turn fostered a new relationship with the wineries. It was this new relationship that changed the opinion of wineries regarding wine tourism.

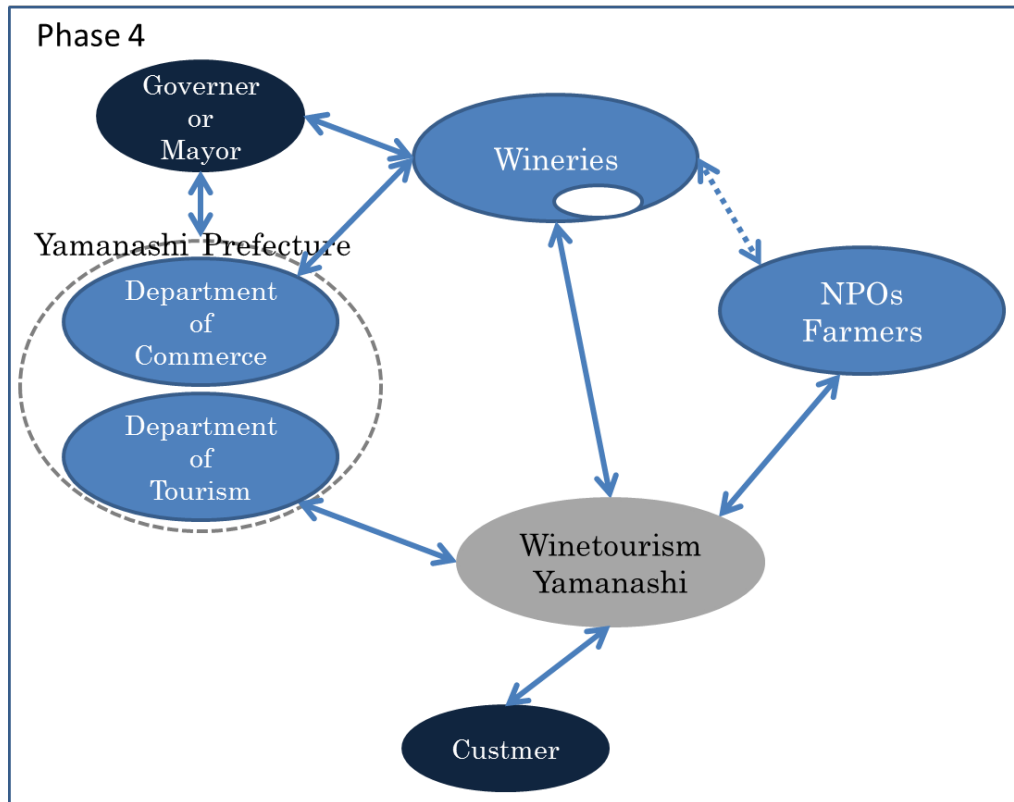
That is to say, in this phase, refusing the subsidy made the Governor and Mayor new actors. In the wake of this, the network structure of Wine Tourism was transformed, and the allocation of actors was changed. This facilitated a change of the evaluation or framing of Wine Tourism project from actors. Again, the allocation of actors influenced the evaluation of Wine Tourism (ref: Focus1, 3).

Through the above process, wineries and local residents began to show some understanding regarding wine tourism and to rediscover the charms of the region. First, for example, many wineries began to stay open on holidays. Through wine tourism, the wineries realized that they had not taken good care of the customers who had visited them before then. Second, a local resident said that many local residents learned that many customers had visited Katsunuma to explore its charms, and as a result, saw their region in a fresh light. Third, some new stakeholders began to gather around the region. For example, a sommelier who had worked in a famous French restaurant in Tokyo opened a new restaurant in Katsunuma, which is his home town.

In the wake of wine tourism, new customers visited this region, and the relationships between stakeholders and their understanding of the region appear to have changed since wine tourism started. Many stakeholders had not recognized the attractiveness of the region from the beginning. It is in the wake of the appearance of new customers that the relationships between stakeholders began to change, and this change set off substantial transformations in the viewpoint of stakeholders and their understanding of the non-profitability of wine tourism.

Figure3 the Process of the Wine Tourism





MAJOR FINDINGS AND IMPLICATIONS

In this paper, we conducted a theoretical discussion on previous non-profit marketing research and pointed out the possibility of the application of the relationship concept in such research. Specifically, we pointed out the possibility of a framework of network marketing, which was developed mainly by the IMP group. We then conducted a case study on wine tourism. Overall, from the case study, we could confirm the importance of the relationship concept in non-profit marketing research. In this section, we address the significance of introducing the relationship concept to non-profit marketing research.

Interaction of Diverge Actors to Understand the Practical Accomplishments

As Indicated in the theoretical review, since non-profit marketing involves diverge stakeholders, the ability to serve their interests will largely determine the success and failure of non-profit activity. Therefore, it is quite important to understand the network structure of actors, which is shaped through actor's interactions.

Concretely, first, we can understand the emergence and transformation of actors. In the case

study, all the stakeholders have not been involved in this project from the beginning. The Prefecture and wineries began to get involved in this project in the middle of the process. For example, the Prefecture was involved in the Wine Tourism project as an actor by the dual agency of an official (Focus2). In addition, the Prefecture was decomposed to the two actors, the Department of Commerce and Labor and the Department of Tourism through interactions (Focus3). Further, Wineries were decomposed in the process of the project, too. This was because of the relationship with other actors (Focus1). We can understand the emergence and transformation of actors through interactions, with focusing on the whole network structure of actors.

As Hagberg (2010) indicates, it is quite important to “study how actors emerge and take shape in concrete exchange situations”(p.51). Focusing on the relationship made it possible to ascertain the process of the emergence and transformation of actors involved in the project. We could not understand why they were decomposed in the process, if we focus only on the dyad relationship between executing organization and other actors.

Secondly, we can understand the accomplishments of one practice in non-profit marketing. The accomplishment of one practice would depend on the relationship of various actors and the allocation of actors embedded in the network structure. In the case study, for example, the receipt of subsidy accomplished the cooperation from NPO and farmers in this region, despite this accomplished the question from many wineries. Why was such a difference emerged? As confirmed in the case, this was because the difference of the allocation in the network structure (Focus1, 3). In addition, the appearance of new customers didn't have a positive accomplishment on the relationship between other actors.

From the viewpoint of the theory with exchange concept (e.g. Kotler & Levy 1969, Kotler & Andreasen 2003), many customers should be a positive accomplishment. As indicated by the case, however, many customers could act on negatively to the project, depending on the relationship of various actors.

As Araujo et al. (2010) indicates, it is difficult to understand in advance “which ideas influence economic organizing or whence such ideas come” (p.7). As confirmed in the case, we can understand the accomplishments of one practice, if we focus not only on the network structure but also the relationship with various actors embedded in the network structure.

As confirmed in the theoretical discussion, Hastings (2003) and Knox & Gruar (2006) pointed out the importance of the relationship concept in non-profit marketing research. However, the relationship which Hastings (2003) and Knox & Gruar (2006) focused on was the dyad relationship between enterprising body and other stakeholders. The case study in this paper indicates that in order to ascertain the activity of non-profit marketing, we should focus on the

network structure of multiple stakeholders, not just the dyad relationship between stakeholders. This may be because non-profit marketing evolves through the interactions of diverse stakeholders.

The outcome of the project depends on the network structure, which is created as a result of the interactions of diverse stakeholders involved in the project. According to the implications in this paper, the relationship to the administrative organizations would depend not only on the dyad relationship between the enterprising body and the administrative organizations but also the network structure of other stakeholders involved in the project.

That is, in order to ascertain the interactions in non-profit marketing, a framework of network marketing, which focuses on the network structure of multiple stakeholders, is beneficial. The framework of network marketing in non-profit marketing research indicates a signification to ascertain the diversity of stakeholders.

How the Non-profitability of the Project Is Understood through Interactions

Focusing on the network structure of the project makes it possible to not only ascertain the interaction of diverse stakeholders but also understand how the non-profitability of the project is perceived by other stakeholders.

Can the non-profitability of the project be understood a priori? Our opinion is quite difficult. According to the case study, we expect the non-profitability of the project to be produced and diffused through the interaction of actors, to be shaped, negotiated, and contested. (c.f. Araujo et al. 2010 p.8)

As confirmed in this paper, any public or non-profit organization needs to raise working capital continually. It can be funded by subsidies, revenue from customers, and so on. However, actively lobbying for operational funds or the flourishing of a project breeds suspicion regarding the private or for-profit activities among stakeholders. The case study implies that the non-profitability of a project should not be accepted just based on the description of the project or the intention of the enterprising body. It should be accepted based on the interactions between stakeholders. In the case study, we saw that the understanding of the non-profitability of the project changed as the alignment of diverse stakeholders in the network was transformed. Focusing on the relationship concept, that is, introducing the framework of network marketing to non-profit marketing research, enables us to understand how the non-profitability of the project was eventually understood through these interactions.

As Confirmed in this paper, it is important to ascertain the process that leads to the acceptance of the non-profitability of a project. Focusing on the network structure is significant

in helping us understand such an important issue.

Also for studies of IMP, impossibility of defining the non-profitability in advance may present a suggestion. In network marketing research, it doesn't seem to focus on concepts which can not be determined a priori. To study the construction process of the non-profitability of the project would give more meanings to use the relationship concept.

CONTRIBUTIONS

This paper indicates that, theoretically, focusing on the interaction between actors enables us to capture the process of the maintenance and transformation of relationships among the actors involved in non-profit activities. This process would not be revealed if we were to analyze the activities based on assumptions about the actors involved or the entire network structure of the project. As indicated by the case study, by putting aside prior assumptions about who the stakeholders would be and what interests they would have, we can capture the activities in the field by focusing on the relationship concept. Specifically, the framework of network marketing is beneficial because it focuses mainly on the interactions in the network constructed by the diverse stakeholders. The diversity of stakeholders would be an issue that non-profit marketing typically faces. Therefore, we consider the possibility of network marketing in non-profit marketing research. In addition, focusing on the relationship concept enables us to capture how the non-profitability of a project becomes accepted through interactions. The non-profitability of a project cannot be defined in advance. It depends on relationships, which are created by the interactions between actors. Thus, this paper highlights the significance of the framework of network marketing in non-profit marketing research.

Further, this paper suggests managerial implications by indicating the direction to be taken for non-profit activities. For instance, the acquisition of legitimacy is very important for non-profit activities. However, this legitimacy does not come from an entity (i.e., government, subsidies, or industry group). Instead, it comes from the relationships created by the interactions of the actors involved. Thus, if non-profit activities require legitimacy, they should focus on the relationships in which they are embedded, and not entities.

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