

CRANFIELD UNIVERSITY

Jacline Abray-Nyman

Transformational philanthropy
and networks of cocreated value in Canada

School of Management

DBA Thesis
Academic Year 2010-2011

Supervisor: C. Pilbeam
March 2011

CRANFIELD UNIVERSITY

School of Management
DBA Thesis
Academic Year 2010-2011

Jacline Abray-Nyman

Transformational philanthropy
and networks of cocreated value in Canada

Supervisor: C. Pilbeam
March 2011

This thesis is submitted in fulfilment of the requirements for the degree of Doctor of
Business Administration

©Cranfield University 2011. All rights reserved. No part of this publication may be
reproduced without the written permission of the copyright owner.

Table of Contents

Acknowledgements	v
1 Linking document.....	1
1.1 Abstract	3
1.2 Background and rationale for the research	4
1.3 Research questions.....	6
1.4 Summary of the DBA research process	7
1.4.1 Scoping study	8
1.4.2 Project one (systematic review): Philanthropy – an exploration of exchange and reciprocity	8
1.4.3 Project two: Philanthropy – a social system of reciprocal exchange and cocreated value	10
1.4.4 Project three: Transformational philanthropy – the professional fundraiser’s perspective	11
1.5 Methods	12
1.5.1 Research design	12
1.5.2 Research subjects.....	13
1.5.3 Procedures and measurement	14
1.6 Findings summary.....	15
1.6.1 Why do donors make transformational donations?	15
1.6.2 How does the “cocreation” construct illuminate the donating behaviour of the transformational donor?	19
1.6.3 What kind of experiences between the donor and the organization result in the donor making transformational donations?	22
1.6.4 What are the characteristics of a “transformational donation” and by extension, the “transformational donor”?	27
1.6.5 Transformational philanthropy and networks of cocreated value – the philanthropic ecosystem	34
1.7 Updated literature review and discussion of research findings	45
1.7.1 Relationship marketing.....	45
1.7.2 Service Dominant Logic.....	47
1.7.3 Value creation and cocreation	51
1.7.4 Networks, constellations, and ecosystems.....	52
1.8 Managerial implications	58
1.9 Contribution	61
1.10 Limitations of the study and areas for further research	64
2 Philanthropy – a scoping study	69
2.1 Executive summary.....	71
2.2 Introduction.....	72
2.3 Philanthropy and gift giving: a brief overview of the field and literature	73
2.4 Influences on philanthropic behaviour	78
2.4.1 Emotional and spiritual influences	78
2.4.2 Reciprocal and exchange relationships within communities as influences	79
2.4.3 Power and control as influences of gift giving.....	83

2.5	Conclusion	85
2.6	Addendum: re-defining philanthropy (February 2011)	86
3	Project one (systematic review): Philanthropy – an exploration of exchange and reciprocity	91
3.1	Introduction.....	93
3.2	Philanthropy, gift giving, and exchange	95
3.2.1	Philanthropy as exchange	95
3.2.2	Marketing exchange, social systems, and value propositions	97
3.3	Philanthropy as a social system of exchange.....	102
3.4	Reciprocity and the philanthropic exchange system.....	107
3.5	Cocreation of value, philanthropy, and the cycle of reciprocity	113
3.5.1	Cocreation, customization and service-dominant logic.....	116
3.5.2	Differentiating cocreation and customization in the philanthropic context	119
3.5.3	Cocreation and value	121
3.5.4	Creating value for consumers and organizations – a reciprocal relationship	122
3.6	Future research.....	126
4	Project two: Philanthropy – a social system of reciprocal exchange and cocreated value.....	129
4.1	Introduction.....	131
4.2	Literature review and research propositions	132
4.2.1	Philanthropy and exchange.....	132
4.2.2	Reciprocity	137
4.2.3	Cocreation of value.....	141
4.3	Methods	144
4.3.1	Research design	147
4.3.2	Research subjects.....	147
4.3.3	Procedures and measurement	148
4.4	Findings	149
4.4.1	Exchange and reciprocity	151
4.4.2	Norms and culture	159
4.4.3	Value creation.....	169
4.5	Discussion.....	177
4.6	Future research directions	185
5	Project three: Transformational philanthropy in Canada – the professional fundraiser’s perspective	187
5.1	Introduction.....	189
5.2	Methods	192
5.2.1	Research design	192
5.2.2	Research subjects.....	193
5.2.3	Procedures and measurement	194
5.2.4	Coding process – an exemplar case-study sample	195
5.3	Findings	199
5.3.1	The transformational donor	200
5.3.2	Influences on the transformational donor.....	217

5.3.3	Cocreated experiences with the transformational donor	247
5.3.4	Summary of findings	259
5.4	Discussion	263
5.5	Managerial implications	267
5.6	Limitations and future research	270
References.....		299

List of appendices

Appendix A	Jacline Abray-Nyman - professional biography	273
Appendix B	Project two interview guide	274
Appendix C	Project three interview guide	275
Appendix D	Project three initial coding of concepts and constructs (node summary)	276
Appendix E	Scoping study literature review	278
Appendix F	Scoping study literature review – inclusions and exclusions	282
Appendix G	Scoping study philanthropy literature review (categorization of ideas and concepts).....	283
Appendix H	Project two informant summary report.....	295
Appendix I	Project two constructs and informant demographics.....	296
Appendix J	Project two initial constructs and constructs of interest.....	297
Appendix K	Project three informant summary report	298

List of tables

Table 1-1 Research questions	6
Table 1-2 Summary of the DBA research process	7
Table 1-3 Summary and chronology of this research project.....	7
Table 1-4 The meanings and implications of relationship (Vargo 2009, p. 376).....	49
Table 2-1 Theories and contexts of philanthropic influence	77
Table 2-2 Characteristics of social influence on dyadic giving (Lowrey et al., 2004)...	81
Table 2-3 Modern modes of philanthropy (Sulek 2010b, p. 205)	90
Table 3-1 Cocreation “DART” building blocks (Prahalad & Ramaswamy, 2004b, p.31)	115
Table 3-2 Conceptual transitions (Lusch & Vargo, 2006b, p.286)	117
Table 4-1 Content dictionary - construct definitions.....	146
Table 4-2 Constructs of interest and occurrence summary	150
Table 4-3 Research propositions and supporting data.....	180
Table 5-1Project three: research questions.....	190
Table 5-2 Node summary – Career path.....	196

List of figures

Figure 1-1 The evolution of the philanthropic ecosystem.....	36
Figure 1-2 The contextual nature of value creation (Vargo, 2009, p. 376).....	56
Figure 2-1 Sulek’s three sector model of political economy (Sulek, 2010b, p. 202).....	88
Figure 3-1 Understanding philanthropy through reciprocity and exchange.....	94
Figure 3-2 Properties of the four modes of economic transfer (Kolm, 2000, p. 7).....	105
Figure 3-3 Influences on the philanthropic exchange system	106
Figure 3-4 Cycle of philanthropic reciprocity	113
Figure 3-5 Differentiating characteristics between customization and cocreation.....	120
Figure 4-1 The philanthropic ecosystem	183

List of exhibits

Exhibit 1-1 The philanthropic ecosystem description for informants – speaking points	37
Exhibit 5-1 Coding process – an exemplar case-study sample	197

Acknowledgements

For my family

For my husband Tim, who has been my biggest fan and supporter, even when I was too tired or frustrated to think I could complete this awesome undertaking. Thank you for gently pushing me and for believing in me. And for my daughter Elle – your first four years of life have passed by so quickly, and all too often, I was buried in my research. I look forward to playing now, often. Without both of your love, and your generosity of time and patience, I would not be who, or where, I am today.

To my parents, Anne and Jim, I thank you for giving me the thirst for knowledge and debate, and for countless hours of care and kindness. To my brother Greg, you made it possible for me to take a two-year sabbatical, mid-career, and without that time, I would not have started, nor completed, this journey. You also made me laugh along the way -- which was also important! To Liz, my oldest and dearest friend, you have kept me sane with your calm reassurance, much welcomed sense of humour and talented editing skills.

To David Saunders, with whom I have worked off and on for ten years, thank you for your unwavering support of my academic and professional interests. The time you have given me has ensured my success.

My Cranfield colleagues – Colin Pilbeam, my supervisor, Paul Baines and Stan Maklan, committee members, and Barbara Birtles, program manager – to you owe a debt of gratitude for your extraordinary hours of reading, meeting and guidance.

Finally, to the many informants, donors and fundraising professionals, as well as select volunteers who helped connect me to others, I am eternally grateful. Your insights, stories, and wisdom, are an inspiration.

1 Linking document

1.1 Abstract

This research discusses transformational philanthropy and networks of cocreated value in Canada, focusing on the top segment Canadian philanthropists who make single donations of \$5 Million CAD or more. This segment of donors, who with a single gift at that level can and do “transform” organizations by creating extraordinary value with a single donation. The context for this research is the sphere of post-secondary education, specifically universities and their affiliated medical institutions. Ultimately, this research attempts to answer the following questions: Why do donors make transformational donations? What are the characteristics of a “transformational donation” and, by extension, the “transformational donor”? How does the marketing literature, and more specifically, the cocreation construct, illuminate the donating behaviour of these philanthropists? And finally, what kind of experiences between the donor and the organization result in the donor making transformational donations?

This body of qualitative research concludes that the act of transformational giving is not simply a dyadic relationship between the donor and the receiving organization, nor does the gift itself benefit only the “intended” or ultimate recipients. In Project one I develop the theoretical “philanthropic exchange system,” based on the literature. Building upon this theoretical development in Project one, in Project two, I propose an evolution of the “philanthropic exchange system,” further defining it as a philanthropic social system of reciprocal exchange and cocreated value, or, a “philanthropic ecosystem” as a metaphor to understand the complex web that underpins transformational giving. Project three elaborates this metaphor, based on more informant data, and suggests a self-sustaining constellation of networks comprising symbiotic interrelationships among the stakeholders – the donor, beneficiary organizations, as well as the people and micro-communities they each serve and support. It is suggested that the actions and interactions of the philanthropists have a “compounding” or leveraged effect on the philanthropic ecosystem, resulting in value creation that transcends the original donor-beneficiary dyad and extends its impact well beyond the boundaries of the initial relationship. Based on empirical evidence, this research proposes that transformational philanthropy is embedded in a philanthropic ecosystem – one that is defined more simply upon conclusion of this research project, as a network of cocreated value.

1.2 Background and rationale for the research

In 2008, I began this Doctorate of Business Administration (DBA) Thesis research by conducting a literature review (hereafter Scoping study) with a view to understanding better the context of philanthropy. By that time, I had concluded my PhD course work in business (2004 – 2006), with a specialization in marketing, but had chosen to return to practice, and simultaneously, to pursue the DBA degree. Having spent close to twenty years of my career as a professional fundraiser (please see Appendix A Jacline Abrey-Nyman - professional biography for context), I was interested in combining my knowledge of philanthropy, gained through practice, with my research area of interest in marketing – consumer behaviour and relationship marketing (RM). Specifically, I became interested in the construct of “cocreation” between the customer and the organization, and in particular, how this might apply to the context of philanthropy and not-for-profit organizations. Cocreation (also spelled by some authors as “co-creation”) is defined as the individual involvement of a consumer helping the organization to define experience options, selecting those with personal interest and meaning, and fulfilling the consumption ‘experience-of-one’ with the assistance of the organization (Prahalad & Ramaswamy 2004a,b). Please see sections 1.7 and 3.5 of this paper for detailed literature reviews on this topic.

The cocreation construct interested me because I had spent the latter half of my career as a professional fundraiser working with high net-worth philanthropists on their benefactions. The high net-worth philanthropist required a more personalized “one-to-one” approach to relationship-building, which is consistent with the one-to-one “cocreation” approach to consumer relationship marketing. Working with this segment of the donor population was an evolution for me professionally, from my initial focus on annual fund and major gift fundraising (gifts from \$1 to tens of thousands of dollars), a level at which fundraising can be initiated with a more “one-to-many” or “mass-marketing” approach.

Having worked on a number of benefactions at the \$5 Million CAD-plus level, the definition of cocreation, as noted in the preceding paragraph, resonated with me in terms of the approach made to these donors for their investment in the universities for which I had worked. Those \$5 Million CAD-plus level benefactions that had been

developed and that had come to fruition seemed to engage the donor at a much more personalized level of experience. This realization made me question how the cocreation construct and related marketing theory might illuminate the experience and influences of the high net-worth philanthropist, specifically as they engaged in making multi-million dollar donations aimed at transforming their charitable interests (*e.g.*, the universities with which I had worked).

In practice, engaging prospective donors requires the professional fundraiser to understand the demographic characteristics of their prospective donor pool, and to ensure that the means of engagement meets the interests of the prospective donor. Market segmentation based on demographic and other donor characteristics is essential to using limited nonprofit organization resources wisely. Professional fundraising practice uses the *Pareto principle* as a guide, allowing that eighty per cent of funds raised by a given charity will come from only twenty per cent of its donors. According to Statistics Canada's 2007 survey of giving, for example, while the vast majority (84 per cent) of Canadians made financial donations, a minority accounted for most of the dollars donated. Consistent with the *Pareto principle*, the top 25 per cent of donors accounted for 82 per cent of the total value of donations (Statistics Canada, 2009, p. 20). Further, the top ten per cent of donors accounted for 62 per cent of that total (Statistics Canada, 2009, p. 9). In addition, donors who planned their donations in advance and supported the same organizations repeatedly over time, gave significantly more than those who did not (Statistics Canada, 2009, p. 9).

Given this segmentation, based on the *Pareto principle*, most fundraising organizations will focus very clearly on that twenty per cent of the prospective donor pool that ensures the highest return on investment (that is, eighty per cent of their annual fundraising revenue). This means that resources of the organization are often spent engaging the interests of these prospective donor-stakeholders, who represent the top twenty per cent of the donor pool, in a "one-to-one" in-person relationship – the high net-worth donor. "One-to-many" relationship-building activities, those focused on the lower eighty per cent of the pool, have not traditionally resulted in highest financial value of fundraising return (*i.e.*, annual fund telethon fundraising drives, events, direct mail solicitations, *etc.*). Building long-term, loyal and mutually satisfying relationships with donors is the

not-for-profit organization's equivalent to the private sector's focus on RM, which aims to ensure consumer loyalty and satisfaction, where the greatest return on investment is possible.

Therefore, to frame my research, I chose to focus on the top segment Canadian philanthropists (those high net-worth philanthropists who make single donations of \$5 Million CAD or more). This segment of donors, who with a single gift at that level, can and do "transform" organizations by creating extraordinary value with a single donation. *(Note, hereafter, I refer to these philanthropists as "transformational" philanthropists based on the segmentation described above. Although this definition is subjective, it was commonplace at the time in fundraising practice, and in the context of post-secondary education in Canada, to refer to a gift of \$5 Million or more as "transformational." Thus, I used this term as an a priori definition for my study.)*

1.3 Research questions

Although the research questions evolved through the project phases (discussed in the subsequent sections of the paper), the final set of research questions appears here in Table 1-1.

Table 1-1 Research questions

#	Research questions
1	Why do donors make transformational donations?
2	How does the "cocreation" construct illuminate the donating behaviour of the transformational donor?
3	What kind of experiences between the donor and the organization result in the donor making transformational donations?
4	What are the characteristics of a "transformational donation" and by extension, the "transformational donor"?

1.4 Summary of the DBA research process

There are five research stages (projects) required for the fulfillment of the DBA Thesis. They are outlined in Table 1-2.

Table 1-2 Summary of the DBA research process

Project	Objective(s)
a) Scoping study	Developing a topic worthy of research through a critical review of relevant literature through the “scoping” of relevant literature.
b) Project one (systematic review)	Conducting a thorough and unbiased review of the relevant literature (systematic review) with methodological rigour (Tranfield <i>et al.</i> , 2003). Understanding the “gaps” in the current field of knowledge. Developing a set of research questions for further study, with a view to making a contribution to research and/or practice.
c) Project two	Conducting an empirical research project aimed at illuminating the research question.
d) Project three	Conducting a second empirical research project aimed at illuminating the research question.
e) Linking document	Providing summary of the research process, expressing findings and contributions to research and to practice.

For the purposes of my research, each phase of the project, along with its purpose, is described in Table 1-3.

Table 1-3 Summary and chronology of this research project

Project phase	Purpose
Pre-research project phase (2004-2006)	Two years of full-time PhD coursework completed
a) Scoping study (2008)	Philanthropy literature review
b) Project one (systematic review) (2009)	Systematic review of the marketing, sociology, economics and nonprofit / philanthropy literature pertaining to exchange and reciprocity
c) Project two (2009-2010)	Empirical research project aimed at illuminating the research question <i>Informants: Philanthropists</i>
d) Project three (2010)	Empirical research project aimed at illuminating the research question <i>Informants: Professional fundraisers</i>
e) Linking document (2011)	Summary of the research process, findings and contributions

What follows is a more detailed description of each phase of the research project.

1.4.1 Scoping study

The scoping study, on the topic of philanthropy, revealed that philanthropy has been studied through many disciplines and perspectives, including: anthropology, business, economics, philosophy, psychology, sociology, and other social sciences, in addition to studies focusing specifically on the not-for-profit and voluntary sector context (please see Chapter 2 of this Thesis for the full Scoping study). The domains of literature that examine philanthropic behaviour were further categorized as developing micro “inside out” or macro “outside in” perspectives. For example, the “inside-out” perspective explored the donor’s behaviour from the internal perspective (*e.g.*, psychology) while the “outside-in” examined the donor’s behaviour by exploring the external and social influences on the individual (*e.g.*, anthropology, business, economics, philosophy, and sociology). Researchers interested in the context of the nonprofit and voluntary sector also study donor behaviour, sometimes drawing upon theories from these other academic disciplines. (Please note, I use the term “not-for-profit” organization interchangeably with “nonprofit” organization, meaning that these organizations do not exist with the intention of creating profit for shareholders, as do for-profit organizations.)

For the purposes of my research, I chose to concentrate on the “outside-in” perspective, exploring philanthropic behaviour by examining the external influences on the donor, from the disciplines of business (marketing), economics, and sociology, and by exploring the nonprofit and voluntary sector context-specific literature. As marketing theory is applied to this context, the philanthropist was considered the “consumer,” where the charitable organization to which the donor made a contribution became “the organization.” While the “inside-out” analysis provided an important area of study for donor influence, the field of psychology lay beyond my area of interest and expertise, and therefore, beyond the scope my research.

1.4.2 Project one (systematic review): Philanthropy – an exploration of exchange and reciprocity

Drawing upon my Scoping study, and adding a systematic review of the marketing literature, I was able to find two theoretical constructs that cut across my academic areas of interest and that illuminated the study of philanthropic behaviour and my research questions. They were: reciprocity and exchange. Therefore, in Project one (found in

Chapter 3 of this Thesis), I examined the pertinent research conducted on the topic of philanthropy in the areas of marketing, sociology, nonprofit and voluntary sector, and economics, resulting in a more fulsome exploration of exchange and reciprocity – two dominant constructs that served to illuminate philanthropic behaviour.

As discussed in the background and rationale for my research project, my primary scholarly interest is in the marketing area, specifically in consumer behaviour and in the cocreation construct. However, while the marketing literature reviewed suggested that cocreated consumer experiences result in deeper and more satisfying long-term relationships with the consumer, to my knowledge, there was no empirical work at the time I began my Thesis that examined for-profit or not-for-profit cocreated experiences. Moreover, there was no empirical work at the time that applied the cocreation construct to the context of the transformational philanthropist and the charity, examining how these types of experiences might affect philanthropic behaviour. In addition, the for-profit oriented context of the extant literature did not empirically examine the cocreation and exchange of both tangible and intangible forms of value, which is prevalent in the not-for-profit context, specifically, that of philanthropy.

- *Findings summary.* As a result of this literature review, I proposed that cocreation of value is a reciprocal relationship that serves to mutually reinforce the engagement of the exchange parties, resulting in value creation not only for the donor and the charity, but for the entire philanthropic exchange system within which they exist. Further, I proposed that cocreated reciprocal experiences and value propositions for both the donor and the organization, as well as the entire philanthropic exchange system, lead to the kind of deep engagement of the philanthropist that results in transformational-level donations, using my *a priori* definition discussed earlier in this paper. I suggested that by considering concurrent social and cultural influencers on the philanthropist's donor behaviour, my DBA research might provide a multi-dimensional and robust understanding of transformational philanthropy, specifically as exemplified in the context of post-secondary education in Canada. The review in Project one helped me to refine my research interests, the research questions, and to set my research agenda for Projects two and three.

1.4.3 Project two: Philanthropy – a social system of reciprocal exchange and cocreated value

Drawing on the literature reviewed in the Scoping study and in Project one, I added qualitative primary data for the purposes of empirically exploring the transformational philanthropist's donating behaviour in light of, and focused tightly around, my research questions. Project two (found in Chapter 4 of this Thesis) was a qualitative study that analyzed long-interviews with transformational philanthropists who made donations of \$5 Million (CAD) or more to postsecondary education institutions in Canada.

Specifically, I explored the following constructs and spheres of influence on the transformational philanthropist's donating behaviour, as developed in Project one:

- Exchange (symbolic (intangible), utilitarian (tangible))
 - Social systems and relationships (peer, family)
 - Reciprocity
 - Norms
 - Culture
 - Altruism
 - Value creation
-
- *Findings summary.* As a result of Project two, I proposed a philanthropic social system of reciprocal exchange and cocreated value or, metaphorically, a “philanthropic ecosystem,” in which philanthropists interact, through their giving, with charitable organizations, beneficiaries, peers, family members, and communities. The research conducted in Project two revealed that these philanthropists' perceptions and decision making were inextricably linked with the inter-relationships of the multiple communities in which they were engaged, resulting in tangible and intangible cocreated value, not simply for the benefit of the dyadic relationship between the donor and the charitable organization, but also for the communities in which they interacted. Through the analysis of these interviews, I contributed to the existing body of research a deeper understanding of transformational philanthropists' behaviour in Canada, as explained through the proposed philanthropic social system of reciprocal exchange and cocreated value.

1.4.4 Project three: Transformational philanthropy – the professional fundraiser’s perspective

In Project three (found in Chapter 5 of this Thesis), I explored the research questions from the perspective of the senior fundraising professionals who worked with transformational philanthropists to develop their donations. Specifically, I sought interviews with professional fundraisers who had worked with donors who had made gifts of \$5Million CAD or more. The senior fundraising professionals offered their personal perspective on the philanthropic behaviour of the transformational donor, as well as their perspective of the role the organization played in the relationship. In Project three, though the data set was expansive and rich in detail, I chose to focus on contributions to three main areas of interest in keeping with the research questions, as follows:

- The “transformational” donor – defining this concept *a posteriori*
- Influences on the transformational donor
- Cocreated experiences with the transformational donor
- *Findings summary.* In summary, the analysis from Project three suggested that cocreated transformational philanthropy resulted in value that is determined not only through the process and experience of making the donation, but also through the exchange of competencies (defined in this research project as: abilities, expertise, knowledge and skills) between the donor, the organization (and its representatives) and, perhaps even, the ultimate beneficiaries of the philanthropy. This cocreated value creates the ultimate impact of the philanthropic investment. It was concluded that it is the sum of the philanthropic experience, plus the successful outcome or “value” attached to the entire philanthropic exchange with the organization, that constitutes the total cocreated value derived from the interaction. The data suggested that cocreated, reciprocal philanthropic experiences resulted in deeper and more satisfying long-term relationships with the donor. In the context of the relationship between the philanthropist, the charitable organization, and the communities and social systems within which they exist, cocreation of value was determined to be a reciprocal relationship that serves to mutually reinforce the engagement of the exchange parties, resulting in value creation for the entire system and communities in which they interact. Through their reciprocity, these individual

actors created a contextualized system in which the transaction's value was a cocreated experience involving, reinforcing, and sustaining a full spectrum of community relationships. Project three confirmed the findings of Project two – the existence of a philanthropic ecosystem – the social system of reciprocal exchange and cocreated value.

1.5 Methods

Projects two and three, found in Chapters 4 and 5 of this paper respectively, were qualitative field research studies that considered the informant's interpretation of reality (*i.e.*, that of the donor, in Project two, and that of the professional fundraiser, in Project three). Field research emphasizes internal validity of the study, aiming to understand naturally occurring social events and processes related to, in this case, the study of transformational donors. As a result, generalizability of the findings is secondary to clarifying theoretical understanding (Singleton and Straits, 2005, p. 314). As this research was not meant to be generalizable, the outcome of this research was intended, rather, to provide a richly detailed description of this segment of the social world (Baines and Chansarkar, 2002, p. 5; Singleton and Straits, 2005, p. 310).

This study took a structuralist approach to content analysis in the sociological tradition, “which treats text as a window into human experience” (Ryan & Russel, 2000, p. 769). I analyzed free-flowing text transcribed verbatim from informant interviews, where each interview formed the unit of analysis (Ryan & Russel, 2000, p. 780). I used inductive coding while analyzing the texts, for the purpose of discovering concepts and relationships in the raw data, and then organized these into a theoretical explanatory scheme that elaborated and extended existing theories and concepts explored in the literature reviews (Morgan, 1983; Ryan & Russel, 2000). As appropriate, and to ensure consistency between projects, I used construct and concept definitions from the content dictionary that I created in Project one (please see Table 4-1 Content dictionary - construct definitions).

1.5.1 Research design

Observation of the phenomenon of interest – transformational philanthropy – experienced in my twenty-year career as a professional fundraiser, led to my curiosity regarding how the cocreation construct might apply to this particular context.

I decided to conduct field research in order to best study this phenomenon of interest. Field research is aimed at building a general, abstract understanding of a single social phenomenon (Singleton and Straits, 2005, p. 306). Further, the nature of field research “generally focuses attention on interactive social units such as encounters, social relationships, organizations, and communities” (Singleton and Straits, 2005, p. 312), and therefore, it seemed ideally suited to the particular research questions and context.

1.5.2 Research subjects

In keeping with the qualitative field research tradition, “the segment is not only necessarily small but also often selected on an ad hoc basis for reasons of availability and convenience” (Ryan & Russel, 2000, p. 780; Singleton & Straits, 2005, p. 310). Therefore, I conducted a nonprobability, non-random “purposive sampling” in Canada, based on my professional knowledge of, and interaction with, philanthropists and professional fundraisers, in order to identify my informants. Purposive sampling was appropriate as I aimed to gather information relevant to the limited scope of experiences with a population of transformational philanthropists, a small group that varies from the donating population at large (Singleton and Straits, 2005, p. 133). This pool of informants was limited and extremely private due to the confidential nature of their philanthropy and, in the case of the professional fundraisers, their interactions with an equally private group of donors. Given that this study focused solely on transformational donors and the fundraisers who worked with them, indicating a limited scope that precludes random selection, purposive sampling was deemed an acceptable alternative to probability sampling. It is suggested that a major weakness of purposive sampling is “making an informed selection of cases require[ing] considerable knowledge of the population before the sample is drawn” (Singleton and Straits, 2005, p. 134). Given that I came from practice in this particular field, having worked specifically with this donor population, and collegially with other professional fundraisers, I offered “considerable knowledge of the population.” Therefore, this particular suggested weakness of the method was considered to have little or no effect on this study.

Please note that the informant names were changed to protect their privacy and personal identities. However, pseudonyms were used to keep the personalized nature of the

relationships discussed, as well as the inter-relationships (social, familial, professional, *etc.*) between the individuals mentioned across the interviews.

1.5.3 Procedures and measurement

I conducted primary data collection through in-depth interviews with informants in person and by telephone, using a “life story” approach by engaging the informant in storytelling about their experiences (Bertaux, 1984, p. 215, Tedlock, 2000, p. 455). A semi-structured interview guide was created to provide some focus for my interviews with the informants (McCracken, 1988). The guide was informed by the theoretical constructs I had explored in the literature reviews, and, for Project three, from what I had learned in Project two. Please see Appendix B and Appendix C for the semi-structured interview guides for each of the projects.

Content analysis of each interview was conducted using NVivo™ software to provide structure for the analysis and inductive coding process. I started by organizing the information by questions asked, then began to develop my ideas around emergent patterns and categorized these accordingly. Each interview was read and coded twice to ensure thorough review and consistency. Finally, I reviewed groupings of text under each construct and concept to ensure similarity of the text coded. An initial coding architecture was established as a result of grouping relevant and meaningful concepts and constructs (also referred to as “nodes”) found in the data. This initial coding architecture was refined further through the process of the analysis and resulted in the conclusions that integrate across the informant interviews. This iterative analysis process formed the basis for the findings and discussion sections of each research project (Singleton & Straits, 2005, p. 337).

1.6 Findings summary

“...the purpose of exchange is to mutually serve.”

(Vargo & Lusch, 2008b, p. 3)

When addressing the over-arching findings of this DBA research project, it was necessary to look first at the individual findings of Projects two and three, then to integrate them in a meaningful way. To integrate and synthesize the findings from these two studies, I referred back to the research questions to provide a structured approach to the discussion.

#	Research questions
1	Why do donors make transformational donations?
2	How does the “cocreation” construct illuminate the donating behaviour of the transformational donor?
3	What kind of experiences between the donor and the organization result in the donor making transformational donations?
4	What are the characteristics of a “transformational donation” and by extension, the “transformational donor”?

What follows is a discussion of the synthesized findings, structured against the research questions, culminating in a discussion of transformational philanthropy as a network of cocreated value, or metaphorically, a “philanthropic ecosystem.” For specific and supporting data references, please refer back to the findings in projects two and three (Sections 4 and 5 of this paper).

1.6.1 Why do donors make transformational donations?

The philanthropists and the fundraisers, although from different lenses, commented on four common themes:

- **Wealth:** donors had the financial capacity to make a gift
- **Value creation:** donors wanted to invest in something that creates value for the organization and for society
- **Community engagement:** donors were interested in being good community citizens by supporting the communities in which they live and work

- ***Self-actualization:*** donors experienced their philanthropy as part of their identity and a culmination of their life's work / journey

Pursuing this dyadic analysis of the findings, I summarize below the perspectives of the donors and the fundraisers in alignment with the four common themes stated above.

- ***Wealth:*** All donor informants commented that they felt the desire to (and some, the obligation to) “give back” after enjoying successful careers through which they achieved financial wealth. For many, in planning their last wills and testaments, they choose not to transfer their entire estates to their descendants and other family members upon their deaths, for fear of the ill effects an exorbitant financial inheritance could create for their children. In other words, they feared that giving their children, or others in their family, great sums of money would only result in negative outcomes stemming from a mentality of entitlement or unlimited financial resources. Instead, they mentioned ensuring that their families would have “enough” money, and then they looked to support causes in alignment with their interests. Many of the donors mentioned that they “can’t take it with them” – that is, that the value of the wealth has a finite capacity to bring them joy through consumer consumption, therefore they turned their consumption behaviour to non-commercial or non-consumer interests, such as community building through philanthropy. These donors expressed the desire to affect positive change in the communities in which they lived and had made their wealth. In other words, they expressed both the desire to, and the perceived obligation to, give back to those who surrounded them as they succeeded financially, as a form of reciprocity.

Professional fundraisers also mentioned accumulated wealth as an important reason why they felt that some donors made transformational donations. Simply put, fundraisers agreed that donors elect to do so in large measure because they had had financial success and had the financial means to make “transformational” change. Fundraisers focused on major financial liquidity events as “triggers” of transformational philanthropy.

- **Value creation:** For the philanthropists, creating value for organizations and communities (micro-, regional) by sharing their wealth was stated as an opportunity to ensure long-term sustainability and opportunity for those less fortunate. Creating “shared value” was in fact the return on investment (ROI) that many donors were seeking. Many of the donors referred to wanting to “change the world” or to make the world a “better place,” indicating a gap from the status quo to where they believed their philanthropy could take an organization and/or its surrounding communities. Donors were not only interested in filling that gap with their philanthropy, they also reported their interest in leveraging existing capacity – financial and competency, both internal and external to the organization – in order to achieve an even greater, more transformational, vision or outcome.

The data revealed that professional fundraisers also perceived the creation of value as an important driver of transformational philanthropy. They reported that transformational-level donors were interested in truly transforming organizations and communities and not simply in funding the status quo. From the perspective of the fundraiser, the donors intended to have a strategic and meaningful impact on the organization and in turn, on society. The donors were interested in creating value that extended beyond what existed prior to their philanthropic investment. Fundraisers also mentioned that donors wanted to leverage additional capacity and relationships within and beyond the organization. Leveraging their initial donation in this way also created additional value by creating a “constellation.” This constellation extended the networks of interest and influence for the organizations, the surrounding communities, and for themselves. By doing so, the value created was extended beyond the initial donor-recipient dyad.

- **Community engagement:** Philanthropists reported that making transformational donations as a form of “civic virtue” helped to build and sustain meaningful and valuable relationships within communities of interest, and spheres of influence, such as peers, leaders, family members, spiritual deities, *etc.* They understood and were delighted that by making these types of financial commitments, they

had engaged multiple communities of people and organizations through a ripple effect. Many philanthropists spoke of their interest in exchanging competencies with individuals or organizations of interest touched by their philanthropy. This provided them with intellectual and/or social engagement. Some reported that these types of donations helped them to achieve acceptance, recognition or respect from others. These donors reported feeling a sense of obligation to reciprocate with their communities for their good fortune, and also felt that they must do so to set an example for others, including their own families.

From the fundraiser's perspective, philanthropists at this level of giving reported doing so because they were asked to step in and make transformational change. They believe the donors enjoyed being asked to "help" an organization and thus society. The informants provided evidence that donors sought to participate in community relationships through their acts of philanthropy. This type of community engagement extended donors' personal and professional networks, and in doing so, they benefitted from meaningful relationships and opportunities for intellectual engagement, specifically as it pertained to cocreating the vision for the "transformation" they were funding with their philanthropy. The fundraisers, like the donors, reported that the exchange of competencies was important to the donors – within and outside the beneficiary organization. Donors learned from others within the surrounding communities of interest who were engaged in the philanthropic service experience (other donors and volunteers from a variety of business and personal backgrounds, organizational experts such as the leadership and professors, and service providers such as staff).

- ***Self actualization:*** Most donors reported experiencing personal or emotional value derived from experiencing the positive impact of their investment. With these transformational donations, they aimed to create and to perpetuate a personal legacy. Although this was stated as more important to some than to others, it was a common theme of interest on the part of the donors. Universally, the donors interviewed associated feelings joy, pleasure and pride from making these investments in the organizations and communities they supported.

The professional fundraisers revealed that these donors took on the “persona” of “benefactor.” That is, that donors seemed to appreciate their roles as the individual who had invested in the organization’s interests and who was revered for doing so. This finding aligns well with the donors who reported their sense of “pride” in creating transformational change. Similar to the donors, fundraisers recognized that these donors were creating a personal, or family, legacy as a testament to the many contributions they had made to society in their lifetimes. These donors were perceived as using their professional success to demonstrate leadership as philanthropists in areas of communal/social interest. That is, as benefactors, they were said to be proud to lead new transformational initiatives because they had not only the means to do so, but could also contribute their personal/professional competencies to help lead change. The fundraisers also reported the donors as making transformational change through philanthropy as a way of fulfilling their more personal dreams, and in doing so, the donors experienced and expressed emotional and spiritual feelings of fulfillment.

In summary and in response to the research question: Why do donors make transformational donations, a dyadic comparison of the data suggested that they do so because they have wealth; they wish to create value for organizations and for society; they are interested in community engagement and reciprocity for their good fortune, and that these gifts are part of the donor’s self-actualization, seeing their philanthropy as a testimony to the culmination of their life’s work and journey.

1.6.2 How does the “cocreation” construct illuminate the donating behaviour of the transformational donor?

The philanthropists and the fundraisers, although from different lenses, commented on two common themes that informed the question of how the cocreation construct illuminates the donating behaviour of the transformational donor. The themes were:

- Value-creation
- Service experience

Pursuing this dyadic analysis of the findings (philanthropists compared to fundraisers), I summarize below the perspectives of the donors and the fundraisers in alignment with these two common themes.

- **Value-creation:** Donors were focused on the value they could create for the organization and through the organization for society as a whole. Many donors enjoyed engaging with the leadership of the organization in cocreating the philanthropic vision for their gift. While they did not always engage in a practical “hands-on” sense, the philanthropists were almost always engaged in the initial vision creation. For those donors who were not engaged in the creation of the vision, they felt that the leadership of the organization was focused sufficiently on its vision for the future and, in turn, the philanthropists adopted this vision. In this case, donors trusted the leadership to do what was best for the organization with the philanthropic investment the donor made. For others, part of the value creation experience involved helping to define and deliver that vision and playing a role in experiencing the outcomes and impact of their investment.

From the perspective of the fundraiser, ensuring they worked with the donor to create meaningful value for the donor and the organization remained paramount to successful relationship-building. Facilitating the cocreation of the vision with the donor was often reported as being key to negotiating long-term transformational-level investments. The donors were said to be focused on change and innovation, and on engaging with the organizations envisioning this type of change. The fundraisers perceived that donors cocreated value with the organization for the benefit of multiple parties. In other words, fundraisers reported that donors cocreated value not only with the organization, but also for and with the surrounding communities and select relationships within those communities. This was often reported as a form of “leverage” toward greater value for organizations and communities. This cocreated multi-party value creating experience deepened the relationship between the organization and the donor, as they enjoyed not only defining the impact of their philanthropy but also seeing their investment have an impact within and outside the organization they supported, often extending value into the surrounding communities of interest. It was with the transformational-level financial support that donors were able to exact this type of cocreated value.

- ***Service experience:*** The transformational donors reported a positive service experience as one where organizations were open to their vision. In addition, donors reported investing larger amounts and making longer term commitments (multiple donations over a period of time) and reinvesting because of their satisfaction working with the organization. The donors enjoyed the “dialogue” with the multiple organizational representatives (fundraisers, presidents, professors, deans, *etc.*) as well as the exchange of competencies inherent to those exchanges. These relationships and opportunities to exchange competencies were essential to the positive service experience of the donor.

Data from the professional fundraisers also suggested that donors wished to be engaged in a meaningful dialogue and idea development with the organization. The donors were reported to want to explore the potential impact of their investments prior to making the transformational donation. This interaction became an essential part of the cocreated service experience, and ensured strategic and sometimes even visionary value creation. It was the service relationship experience plus the value creation (impact) culminating from the transformational donation that resulted in the total cocreated value of the philanthropic experience.

In sum, donors were less likely to adopt the language of cocreation explicitly. Rather, the donor informants referred to their interests in having a meaningful dialogue about the organization’s vision. These donors discussed how they might be able to take the organization to the next level with their financial investment and in many cases, with their personal involvement beyond the vision creation, to assisting with leveraging their gift for other financial opportunities or other relationships deemed to be important to the cause. Fundraisers on the other hand were quick to adopt the language of cocreation and to build on what this meant for their interactions with transformational donors. Cocreated experiences and value creation were reported to be essential to building long-term mutually satisfying relationships. Inviting the donor into the early stages of defining the priorities for the philanthropic investment was viewed as necessary to successfully engaging the philanthropists. However,

fundraisers reported that after that initial stage of developing the gift with the donor, only some remained interested in following through in more detailed or practical matters of the gift design and implementation. Consistent with the data from the donors, fundraisers reported that some donors wanted to be deeply involved from vision to implementation, while others were satisfied that the leadership of the organization would provide the necessary guidance and competencies to implement their donation as promised. Finally, the service exchange plus the value creation, or impact derived from the transformational donation, resulted in the total cocreated value of the philanthropic experience.

1.6.3 What kind of experiences between the donor and the organization result in the donor making transformational donations?

The philanthropists and the fundraisers, although from different perspectives, commented on four common themes that characterized the kinds of experiences between the donor and the organization that resulted in the donor making transformational donations. The themes were:

- Strategic vision
- Flexibility and accountability
- Positive relationship experiences
- Appropriate recognition

Pursuing this dyadic analysis of the findings (philanthropists compared to fundraisers), I summarize below the perspectives of the donors and the fundraisers in alignment with these four common themes.

- **Strategic vision:** Transformational donors wanted to ensure that the beneficiary organization was strategic in its vision for the future and that it was poised to serve communities of interest. The donors viewed the organization in its context – for example, a university provides education to its population so that students can become productive adults in society; or, hospitals (typically a part of a university research network in Canada) provide research and patient care for the good of community citizens. Therefore, universities, for example, were not viewed as unto themselves, rather, they were viewed as organizations that serve the citizens of the surrounding communities. Transformational donors invested in these organizations because they wanted to see an impact not only at the

organization, but with what the organization could do to serve its communities. Drawing on another example, a number of donors spoke about investing in universities to create greater competitive advantage for Canada. This exemplified how the donor's investment was not expected to remain localized to the confines of the organization but rather, how it was supposed to transcend those organizational boundaries to serve the greater population more broadly.

Professional fundraisers reported that transformational donors were only interested in investing where the organization had a clear and strategic mission, vision, and direction. While they reported the donor's interest in helping to cocreate these, the fundraisers also reported that the donors wanted to be reassured that the leadership of the organization already had a clear understanding of its fundamental strategic position.

- ***Flexibility and accountability:*** Donors reported wanting organizations to be open to a dialogue about innovation and change. While they expected the leadership to have a vision for the organization, they also wanted to understand what came next in terms of innovation and aspirations for the future. These donors were focused on the organization's ability to deliver. For the most part they reported trusting the organizations in which they invested to spend their philanthropic investments wisely and to be accountable to them as donors as to the outcomes and impacts, direct or leveraged, achieved through the investment of their donation. Donors were looking for a clear return on investment (ROI) be it tangible value creation like enhanced enrolment due to scholarships, or more symbolic value such as reputation enhancement or greater collaborative efforts within and outside the organization.

The professional fundraiser informants reported that the transformational donors with whom they worked were looking to support organizations that were ready to make transformational change. Without this willingness or interest, the donors were not inspired to make deep financial investments, because what these philanthropists wanted to do was to take the organization in a materially new or different direction as opposed to funding more of the same. In other words, they wanted to make a "step change." These informants reported that donors were

most interested in a “change-friendly” culture, one that adapted and was interested in creating greater value, and even leveraged value, for the mutual interests of the organization and the communities it served. The fundraisers reported that it was the organizations that had a clear commitment to serving communities that were most attractive to the donors. These donors were said to be interested in serving their communities by investing in key public good organizations such as universities, therefore they looked for evidence that the two were inextricably linked (the organization and its community(ies)).

- ***Positive relationship experiences:*** The donor informants reported positive early experiences with the organizations, which resulted in feelings of gratitude. For example, if the donor received a scholarship as a student, the donor felt indebted to the university for their success over time. These donors also reported that on-going positive relationships, in particular with the organization’s leadership (presidents, deans), complete with an on-going and open dialogue about mutual interests, reflected well on the institution and affected the donor’s desire to invest and effect transformational change with a particular organization.

The fundraising professionals reflected on the organization’s relationship-building approach. They reported that the organization must take a patient and long-term view of donor cultivation even while it conducts the most basic “tactical” relationship-building moves. For example, organizations may start by engaging prospective donors in annual giving programs and events; but eventually they must move into a more personalized individual and meaningful relationship-building phase with prospective transformational donors. Most informants mentioned the importance of being “relational” (building long-term personal relationships) versus being “tactical” in their approach with these donors.

According to the fundraisers, building meaningful external relationships started by engaging internal organizational relationships in a cooperative and collegial manner, in order to serve the donors in the most efficient and timely way possible. Without these internal relationships in place, the fundraisers reported being unable to move in the agile way that transformational donors expect once

they engaged in the process of making a philanthropic contribution. Without strong internal relationships and cooperation, meaningful external relationships could grind to a halt due to complicated bureaucratic machinations that prevented positive, expedient service experiences with the donor.

Fundraisers reported the importance of having an open dialogue with donors, especially with the leaders of the organization. Also reported by the philanthropists themselves, these donors were seeking to explore mutual interests through which they might implement their desire to create change and have an impact. Organizational leadership that was adaptable to fostering the philanthropists' interests of personal goal-fulfillment through their investment in the organization, proved to be that which was most successful in managing relationships with the transformational donor. In other words, fundraisers advocated for what was called, in practice, a "donor-centered approach" to managing the relationship with the transformational donor, both for the timing and the type these donations might take.

The fundraisers reported that it was not enough to engage the donor him or herself, but that they also understand family and advisory dynamics (professional services such as legal, accounting, *etc.*) and engage also the appropriate family or advisory relationships that might influence the donor's relationship with the organization. Further, they suggested that it was the organizations that offered interesting relationships (access to networks of interest, peer relationships outside the current sphere of connection, university experts) to the donor for intellectual engagement that also enjoyed deeper more meaningful relationships with these benefactors.

According to the fundraiser informants, their own interpersonal relationships with the donor were also an integral part of the cocreated experience with the organization. Professional fundraisers were a trusted source of information; a conduit to the organization's network of relationships (from the organization's leadership and to other meaningful relationships with, for example, professors), community networks of relationships; and a source of competency in helping to develop the vision for the donor's philanthropy and how they might achieve

their philanthropic interests through investment in the organization. Professional fundraisers saw themselves not only as a contact within the network, but also as a meaningful player – as negotiator (internally and externally); tactician (*e.g.*, financial planning aspects of the gift through expenditure); and trusted source of accountability (being responsive to the donor's desire to understand the impact of their donation (*i.e.*, value creation) and steward of the idiosyncratic interests of the donor inside and outside the organization). As such, the professional fundraiser considered him or herself an influencer of the donor.

- ***Appropriate recognition:*** Transformational philanthropists looked to the organization to offer appropriate recognition. While few placed this as a strong influence on their decision to make a transformational-level donation, most were proud to be offered accolades and recognition by the organization. Organizations that acknowledged that they were in some ways a conduit for the donor to experience outcomes such as professional legitimacy, higher profile, personal legacy, and or peer and community respect, were the organizations that made proactive and appropriate offers of recognition that pleased the donor.

Professional fundraisers also reported that recognition was important for these donors, but that this did not drive the donor's decision-making in most cases. Donor recognition was reported by the fundraisers to be part a toolkit and a source of great pride for the donors.

In summary, transformational donors looked to organizations to not only have a strategic vision, but also to be flexible and open enough to receive input from stakeholders such as themselves. In other words, they were interested in change-friendly organizations that were accountable. Positive, meaningful relationships with organizational leaders as well as the professional fundraiser were a valued part of the experience with the organization. Competency exchange was determined to have value for some donors. Most donors wished to be recognized for the impact their investment had made, but this did not drive their donating behaviour.

1.6.4 What are the characteristics of a “transformational donation” and by extension, the “transformational donor”?

As discussed in the Introduction of the Linking document, at the outset of this research project, I used an *a priori* definition for the transformational donor as being one who had made a single donation of \$5 Million CAD or more to a charitable organization. As discussed, the term “transformational donor” is often used in practice with the specific level of donation tied to the particular charitable organization, referring to a donation level that does, indeed, “transform” the organization. Generally speaking, in the context of post-secondary education in Canada, it would be commonplace in fundraising practice to refer to a gift of \$5 Million or more as “transformational” and, thus, I began with the use of this term within the context of my study. As I analyzed the data, it became apparent that I would develop an *a posteriori* definition as a contribution to the field of study. Therefore, in the process of coding the data for Project three, I added to my set of research questions: What are the characteristics of a “transformational donation” and by extension, the “transformational donor”?

This question was not explored specifically in Project two when I interviewed the transformational donors. However, a number of questions were asked of these donors that contributed to our understanding of who the transformational donor is as well as the characteristics that describe the transformational donor. In order to understand better the characteristics of a transformational donation, I drew upon the data found in the answers to the following question used in Project two with the donor informants, “What do you feel you have helped to create by making these donations – for the university, for society?” What follows here are some sample responses from donors, with my analysis pursuant to their comments. (This analysis is seen for the first time here as this research question was added after Project two was concluded.) I selected these responses to reflect what the donors say about themselves and their donations so that we may better understand what constitutes a “transformational” donor and donation.

Donor Lyle Almont made a \$15 million donation to a university-hospital joint research institute. He commented, “The gift to the [Institute] was a \$15 million gift. You’re dealing with pretty good size money in the hopes that you’re spending it smartly, but

you hope that some good comes of it and that the system is better. We've created this linkage between education, research and clinical... So, we've helped pull stuff together where all these different pieces are now talking to each other and working with each other." Almont referred his interest in to making the system better and creating linkages between otherwise disparate groups. The transformation, for him, was in linking education, research and healthcare practice.

Donor Margaret Anderson commented on her donations and their impact:

Well, I think that a personal donation of a significant kind takes you from being good or running a first-class organization in a very responsible and well thought out way... to excellence, and I think that's what you always strive for, it's that your donation is going to make a difference to take you from a good system, a good health care system, to an excellent health care system or an excellent university. That's where the private philanthropy comes in...

Anderson reflected on how transformational private investments can take lift an organization out of its status quo, being "good," into the realm of "excellence."

Donor Michel Berube offered this thought regarding his commitment to supporting universities philanthropically:

Before we make an investment in a community, we'd like to have an enduring presence after we leave. So we've made a study of what institutions endure in society. Businesses do not endure. Families do not endure. Communities do not endure. The only institution that endures over time, to our knowledge, other than the Catholic religion, is universities. And to this day, I don't understand how come, because I don't think they're particularly effective in their organization, their governance, or their finances, but they endure. So we decided, if we're going to make a difference, after we're gone, if we want to have that continuity of what we're doing, we'd have to go to universities.

For Berube, he wanted his donations to make an enduring difference, and therefore for him to transform "communities," he invested in what he sees as one of the only enduring institutions – the university.

Donor Wyatt Brescoe commented on his donations in support of leadership, "There's enough private wealth in this country that we can affect social change by directing our

dollars strategically.” For Brescoe, he felt that private wealth could be used strategically to transform and to affect social change – what he termed later in the interview as providing “leadership.” By engaging organizations beyond the monetary transaction of the gift toward its strategic capacity to transform and make social change, Brescoe felt that through his personal engagement and lending of his own competencies, he created an example of strategic investment when he entered a relationship with a charitable organization.

Donor Dario Gavino reflected on the linkages between his philanthropy and his interest in entrepreneurial approaches to business. He stated:

I'm hoping, and I think I am, that not only myself but everybody that's given, makes the world a better place. We always look at *I want, I want, I want. The government's got to give, and give.* And, there's only so much that the government can do; and they have their own problems and they have their own issues; and they have their own waste as we call it. Think what we do as entrepreneurs in this society, is when we give, and this is part of where I'm involved more and more, is, you know, it's to make sure that it's not a waste, and to make sure it's frugal, and it's going to be better for somebody.

Gavino was interested in making his philanthropic investments to “make the world a better place,” and in doing so, he felt the contribution of his competencies as an entrepreneur helped organizations to spend more efficiently in their efforts to transform society. He gave through the organizations to affect change, but he also provided personal knowledge and skill to ensure what he felt was an effective outcome.

Donor Scott Davidson underscored the societal level impact of his donation:

Davidson, “Again I’ve helped create a better knowledge base for Canada.”

Researcher: So, for you, it’s really about the knowledge creation.

Davidson, “Yes, the country that has the highest knowledge creations will have the highest standard of living... [In Canada,] we’ve been fortunately blessed with good knowledge base from the people that have come here starting with England and France and spreading now all over the world, all the continent, people coming in bringing knowledge and staying here and building our institutions. Especially our universities and science research and so on, it’s very important to a country. It’s what’s made America great and that’s what makes Canada great.”

For Davidson, it was the investment in knowledge creation that could transform society. For him, an investment in university education and research was a patriotic endeavour meant to create greater long-term competitive advantage for the nation.

Donor Hank Dresdale commented on his satisfaction as a result of helping individuals (as opposed to society as a whole). He said:

I think the most satisfying, rewarding things are the ones where you've helped somebody; nobody else knows about it and it's helped their life out of the big hole they're in. So because it's much more personal you can see what's happening, you can watch what's happening and you never want to ever give it with the understanding that they owe you something for it. If you do that then they feel beholden to you, so there should be no strings attached to it.

Dresdale enjoyed the role of the anonymous benefactor. By helping out others and watching the positive transformation that “happens,” Dresdale experienced a symbolic return on his investment, at the level of the individual, and this underscored his interest in giving.

I also asked each of the donors if being a “philanthropist” had become part of their identity over the years. In helping to define the characteristics of the “transformational donor,” what follows are some self-descriptions from the informants.

Anderson said, “...people are very grateful for the work I am fortunate enough to be able to do.” Recognizing her wealth, Anderson felt appreciated for the philanthropic work she felt fortunate to be in a position to do. Her gratitude was reciprocal.

Davidson commented, “... I never think of that, as being a philanthropist. I think making donations ... to causes and to individuals... I was asked to give a talk on philanthropy which I wouldn't because I just didn't like the subject and to think of myself as this great philanthropist. I was lucky enough to be born in Canada, be born in [province] with some good values... a lucky ticket to have a good father and mother who brought me up with these values.” Davidson did not see himself as a philanthropist, rather, he viewed himself as a supporter of causes and individuals. He also referred to his “lucky ticket” in life to have been born in Canada, to a family with wealth and with solid values

about giving back to one's community. For Davidson, his role as philanthropist is characterized as normative because of his socio-economic status.

Commenting on his identity as a philanthropist, Brescoe said, "...one of the things I believe in is that the world needs to understand how we can be more philanthropic entrepreneurs, but we also need to have more entrepreneurial philanthropists. So those two go hand in hand, and I find that I'm a pretty good crossover of both sort of philosophies and not just talking the talk but walking the walk." Throughout his interview, entrepreneurship and innovation were Brescoe's trademark phrases. In his philanthropic endeavours, he was looking to leverage his own value creation to encourage others to give. Using his own competencies to engage the organization, he looked to build more capacity for the organization to help itself, and in his view, this was accomplished through "entrepreneurial philanthropy."

Gavino linked together his identity as a philanthropist and a business person, "I guess so... I see myself as a businessman, you know, doing good things." Gavino saw philanthropy as a "do good" extension of his identity as a "businessman." In his interview he often referred to bringing his business competencies to the organizations in addition to his financial support. Like Brescoe, another entrepreneur, through Gavino's hands-on involvement, he was interested in building capacity for the organization to create more wealth for itself.

Donor Sandy Reimer also linked together his work and philanthropic identities, "I wake up in the morning and I love working [laughter] and at the end of the day I like to share in our success. So it's more a matter of if we make money we should be - or if we have talents we should be giving some of that to others." Reimer, like the other entrepreneurs, enjoyed not only investing his money, but also his time. He offered his competencies and his financial support to the organizations, and saw his success as part of a collective undertaking to be shared.

Like Dresdale, donor Gary Marsden identified with his role in helping the ultimate recipient of his philanthropy – in this case, the student, "The satisfaction is if I can

change some people's lives by giving them opportunities to go to school." Marsden's goal was simple. Educate people from all walks of life. He felt that wealth should not dictate opportunity and as such, he mentioned often in his interview, the investments he made on behalf of those without means so they may have greater opportunity in life. His wealth was made to be shared. He wanted to affect change at the level of the individual.

Donor Gerry Smith offered his thoughts about his identity and legacy as a philanthropist, "...ego, ego plays a role in it because you're trying to create some purpose, you're trying to create a legacy, you're trying to create, you're trying to, to make Canada a better place for your having been here." For Smith, he wanted to invest as a testament to his own success. He wanted society to benefit from the results of his own hard work – for him "having been here." His investment in the nation – to make it "a better place" – was intended to mirror his own personal experience. He started with very little and through his hard work and successful endeavours, he created great wealth. He shared that wealth as a form of perpetuating his existence, and to give others the opportunity to succeed.

From the interviews with the donors, I concluded that although they have unique perspectives stemming from their unique acts of philanthropy, they shared some common characteristics. From this data, I suggested that the transformational donor was interested in the betterment of society, enhancing it from its perceived status quo to a level of excellence, with enhanced competency. Donors indicated that they wanted to build enduring organizations. Some felt that this took personal engagement and leadership and they personally committed their time and individual competencies to assist the organization in building greater capacity for itself. Many donors were patriotic and looked to build a stronger, more competitive Canada. Many looked to the individual beneficiaries as the ultimate example of their philanthropy in action. These donors understood they were wealthy and that their wealth engendered a responsibility to give back. Some were entrepreneurial and spoke of their interest in innovating organizations and society to become stronger. Few donors mentioned their personal legacy, but for those who did, they saw this as inextricably linked with the outcome of their giving. In other words, they wanted their gifts to reflect their success, by creating more successful

organizations and individuals within their spheres of influence.

From the perspective of the fundraiser, as discussed in Project three, the transformational donor was characterized as being a visionary, passionate leader who adopted or aligned his or her vision and values with those of the organizations they supported philanthropically. They cared deeply for the organization and were engaged and knowledgeable about its purpose. These donors were described as having done their due diligence and as making planned and strategic donations in keeping with their personal interests. Without exception, the fundraiser informants focused on the transformational donor's desire to make an impact. They described the donor's "intent" as being the desire to have an impact, or to transform through their benefactions. Informants replied that donors were looking to transform (change) the organization for the better, significantly, and meaningfully; there was a distinction made between benefactions that were "important" and those that were "transformative" for an organization. These informants felt that transformative donations sought to fund aggressive, visionary goals – not just to maintain the status quo.

Informants from both Projects two and three suggested that donors were interested in affecting change – they had a desire to create something new and better, and wished to change society *through* the organization. These donations were reportedly intended not only to re-shape organizations, but also to shape communities within which the organizations existed and which they served. The benefactors and their donations demonstrated community leadership and established long-term, enduring commitments that represented the intersection of the organization and society. These donations drove a meaningful confluence of ideas and organizations. The donor's philanthropy helped to build greater capacity for the organization, which in turn might influence related communities and society-at-large. Informants (fundraisers and donors) were clear that the gift itself was not the impact; rather, that the gift *had* an impact on the organization's cause as well as its ultimate intended recipients within the given organization's community and towards those whom the organization served and continues to serve.

In terms of value creation, these donations were said to create leverage within the

community; they provided examples for others to follow, and a “ripple effect” ensued where a donation led to multiple tangible and intangible impacts, not just one outcome. Some informants (fundraisers) observed donors who sought to fulfill a desire for human connection through their donations. This desire was echoed by select donors who sought to fulfill their philanthropic interests by helping at the level of the individual (as opposed to the organization). For some, transformational philanthropy was represented as a result of, or resulting in, self-actualization and creating a personal legacy, or a long-lasting testament to a donor’s existence.

Consistent with the findings in Project two discussed above, in Project three, I suggested an *a posteriori* definition of the transformational donor as one who is primarily focused on creating value by funding change in society through their organization of choice – an organization that can fulfill a visionary promise and make an impact that achieves the intended dream of the donor. Organizations brought competencies to this equation in the form of articulating and developing organizational capability that, indeed, has a positive impact on society and its citizens. And some donors felt they too brought competencies into the equation, helping organizations to become better, more effective and even more innovative.

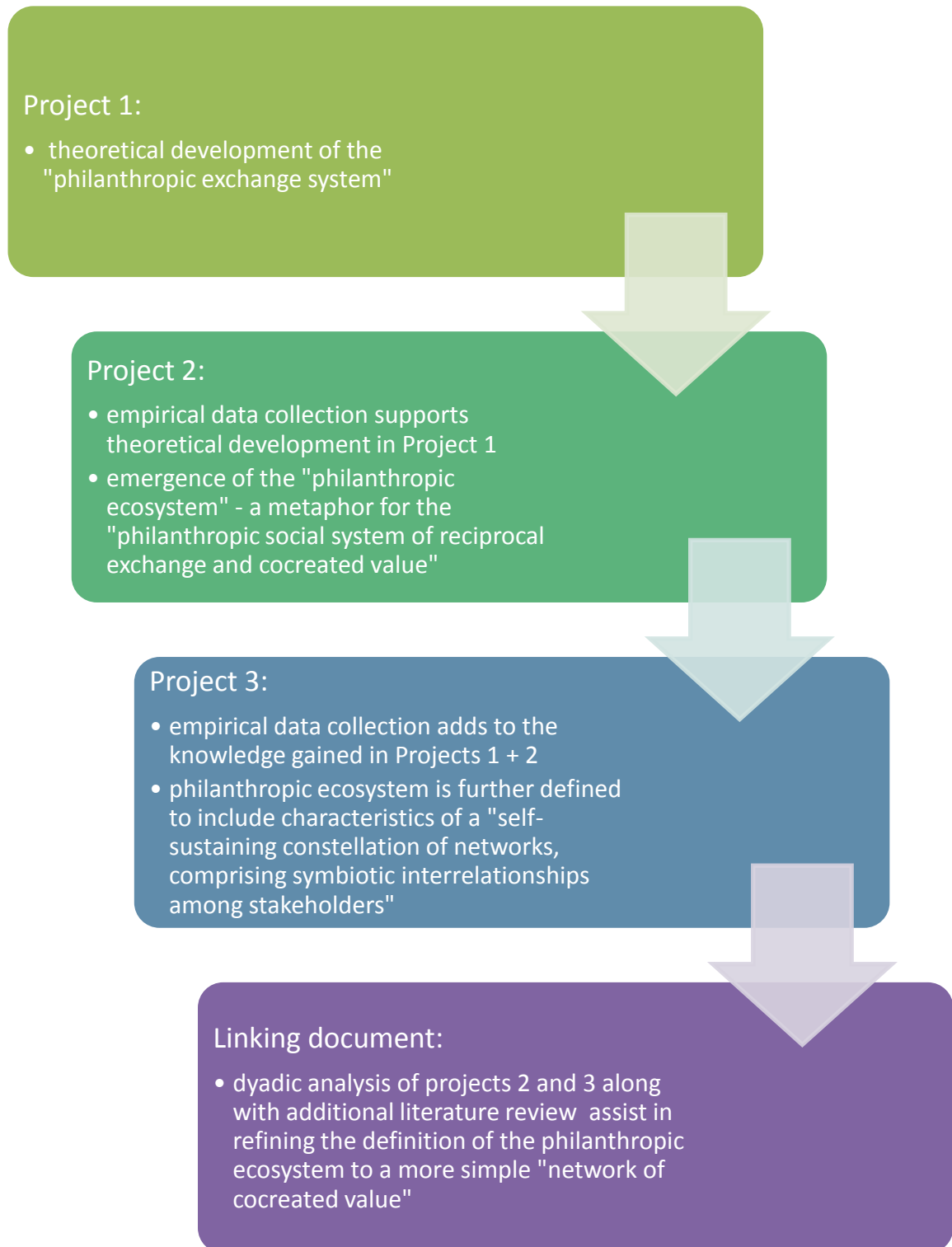
1.6.5 Transformational philanthropy and networks of cocreated value – the philanthropic ecosystem

“Social-identity is a value-creating activity”
(Vargo, 2009, p. 375)

The data suggested that the act of transformational giving was not simply a dyadic relationship between the donor and the receiving organization, nor did the gift itself benefit only the “intended” or ultimate recipients. In Project one I developed the theoretical “philanthropic exchange system,” based on the literature. Building upon this theoretical development in Project one, in Project two, I proposed an evolution of the “philanthropic exchange system,” further defining it as a philanthropic social system of reciprocal exchange and cocreated value, or, a “philanthropic ecosystem” as a metaphor to understand the complex web that underpins transformational giving. Project three

elaborated this metaphor, based on more informant data, and suggested a self-sustaining constellation of networks comprising symbiotic interrelationships among the stakeholders – the donor, beneficiary organizations, as well as the people and micro-communities they each serve and support. The actions and interactions of the philanthropists had a “compounding” or leveraged effect on the philanthropic ecosystem, resulting in value creation that transcended the original donor-beneficiary dyad and extended its impact well beyond the boundaries of the initial relationship. The result of this body of research proposes that transformational philanthropy is embedded in a philanthropic ecosystem – one that is defined more simply upon conclusion of this research project, as a network of cocreated value. Figure 1-1 charts the evolution of the philanthropic ecosystem metaphor as it has been defined through the projects that comprise this Thesis.

Figure 1-1 The evolution of the philanthropic ecosystem



At the end of each interview with an informant of Project three (the professional fundraiser), I asked each if they would permit me additional time to describe the findings of my research thus far, based on the data collected from the informants of Project two (the philanthropists), in order to gain their feedback. Each informant agreed. The philanthropic ecosystem, as conceived in Project two was then described as excerpted from semi-structured interview guide in Exhibit 1-1.

Exhibit 1-1 The philanthropic ecosystem description for informants – speaking points

Researcher: I'm going to describe to you some of my findings from my interviews with transformational donors.

- This research suggests that... [describe the “Philanthropic ecosystem” metaphor as multiple relationships are engaged and affected and reinforce philanthropic behaviour]:
 - Donor
 - Charitable organization
 - Recipient(s)
 - Communities
 - Peers
 - Families
- Relationships are inextricably linked with perceptions and decision-making of philanthropists as they engage fully in the inter-relationships of their community.
- Resulting in value creation for the entire system and communities in which they interact
- Relevance for community sustainability is of paramount importance to these philanthropists as they look to cocreate meaningful change by investing deeply in the organizations that build and serve their communities.

The professional fundraiser informants were then asked:

- *What are your thoughts about these findings?*
- *Is this consistent with or different from your experience?*
- *How do you think this ecosystem will evolve?*

Building upon the findings from Project two, what follows is my analysis and interpretation of the informant responses from Project three, grouped as follows:

- Value exchange and value creation
- Leveraged value
- Community relationships and the philanthropic ecosystem

1.6.5.1 Value exchange and value creation

My research suggested that value-in-exchange, within and among social and organizational systems, was what constituted the “philanthropic ecosystem” – a constellation of personal and professional networks and communities that were engaged and enmeshed through philanthropy. The constellation of communities included the donor, the beneficiary organization and the people and micro-communities they serve and support. All together, these comprised the “ecosystem.”

Fundraiser Harriet Lester described the ecosystem’s effect this way:

That makes perfect sense like a, a spider web and every, every piece is somehow connected to the other piece and, and everybody encourages that. A donor is delighted to know that a recipient will pay it forward and the recipients often respond back with, you know, *well, I plan to be rich someday, too, and I'll – I wanna be like him*. So, that's – yeah. It feeds itself. Yeah, and you never, you never underestimate the role of any one of the players –in the, in the decision of the donor.

Lester refers to the inextricably linked components like a “spider web,” and how none of these can be underestimated when it comes to the influence on the donor.

As discussed in Project three, the data revealed that cocreated exchange of value occurred when the organization was ready for change – when status quo was not seen as optimal, and a vision existed to partner with others to drive the organization forward toward innovation. Fundraiser Ollie Newman commented on this aspect of the ecosystem, “I love it [ecosystem metaphor]. I think it's very smart. I think it's very, it's a good way to describe it. You know the, you know the world we swim in, and... you know there is... intent here. Right? There's intent to be innovative and experimental and in partnership there... There is an intent to create a, a culture that makes this stuff possible.” In the preceding quotation, Newman emphasized the need for the organization and the donor to be “innovative” and “experimental” and to create a “partnership” and a “culture” in order to create value through which transformational change is possible. Newman also emphasized the “intent” of the donor to cocreate with the organization. Indeed, one of the key interests of the transformational philanthropists interviewed was in making a gift that created value. These donors wanted the

contribution to not only support and sustain the organization, as well as the extended beneficiaries of the gift, but also to benefit the various communities to which the donor and recipients belonged. Ultimately, these donors wanted to sustain and promote the prosperity of their communities.

Inextricably linked to the donor's sense of creating value for these communities was the donor's sense of cocreating meaningful change with the organization through the philanthropic experience. To this end, they made deep investments in organizations that built and served their communities as part of the ecosystem. My research indicated that it was this deeper relationship with the philanthropist that resulted in transformational-level giving – that is, gifts that transformed the organization as well as the communities embedded in the philanthropic ecosystem.

Fundraiser Barry Doons commented on the reach of these donors' philanthropy throughout the ecosystem (and beyond the organization), "... leadership and ecosystem building, sustainability, and what that means in terms of the giving back by, by the organizations which they [donors] fund... it becomes much more generational... for example... it's not just putting job-ready people in the market today, but think about what those people then do, what they generate, how that takes the economy, and where this community goes from a gift." In this quotation, Doons talked about the reach of the gift and how it transcended the organization. He spoke of donors "giving back *by* the organizations which they fund" – emphasizing the "by," in other words, that the donors gave *through* the organization as a way of contributing to the economy and thus to the community. He underscored that the gift "generated" an impact on the economy and spoke of where the community "goes from a gift" as part of its extended impact. In other words, the gift was not simply given to the organization, it was given to the organization with the express purpose of generating change in the constellation of communities in which it was embedded.

In the context of the philanthropic ecosystem, value was created and exchanged by and among the stakeholders, the extent of which was expressed temporally. In other words, informants perceived the impact of the gift and its enduring value into the future,

underscoring the importance of the ecosystem's long-term sustainability. Fundraiser Mark Patterson commented on sustainability through the transcendence from generation to generation and the importance of "renewing" the "energy" in the ecosystem:

...you talk about environmental ecosystem so, you know, what's giving the energy to that system? So it's, it's these philanthropic funds, let's say. But the best forms of energy are renewable energy. And so again it's back to that, that overall relationship with the donor, the legacy that they're leaving, the involvement of their family, the possibility for giving, maintaining or the inspiration they've given for others to make sure that what they've done continues and it's renewed from, you know, generation to generation.

1.6.5.2 Leveraged value in the philanthropic ecosystem

As discussed in this DBA research project, transformational donors were interested in the leverage their donation could provide. Part of the "constellation" effect of the philanthropic ecosystem is the leverage that transformational philanthropists used within their networks to produce greater value for the cause (*e.g.*, government matches and philanthropic matches from peers). The data suggested that donors enhanced their own contributions and the value proposition of the organization by leveraging more money, power, and even policy change, through the influence of their personal and business relationships, individually and through constellation networks. These philanthropists also leveraged the competencies exchanged in these relationships to provide extraordinary and unique value for the network of communities.

Fundraiser Maurice Drake commented on the multiple levels of leverage and exchange that did or may have existed within the philanthropic ecosystem:

Well, I think it's [the ecosystem metaphor] beautiful, and I think it's flexible enough that it could accommodate even more detail depending on how you want to go, because that ecosystem that you described, and the communities that you allude to, could include very specific players such as governments. It could include media. It could include business sectors. All of which, none of which, might be primary drivers but they all – all of which could be considerations in terms of the influence that is attempting to be leveraged through the creative act of transformational giving.

In this quotation, Drake emphasized the variety of actors who were, or could have been, involved in leveraging the value and competencies created from an initial philanthropic

gift and that whether they had been primary or secondary actors, they all had potential to influence a greater effect or impact of the gift.

1.6.5.3 Community relationships and the philanthropic ecosystem

As presented in Projects two and three, the data revealed that transformational philanthropists interacted, through their giving, not only with charitable organizations and their beneficiaries, but also with their own peers, family members, and other communities, as well as with the network of communities that surrounded them.

Fundraiser Trevor Robertson reflected on the inclusion of multiple communities within the philanthropic ecosystem,

I think that's [ecosystem metaphor] entirely consistent with, with what I've experienced. Absolutely. I mean, there's no question that, that all of the, the largest donors to [university] are also people who value the community, the broader community and, and understand the importance of [university] to the greater community and so the importance of a, of a healthy [university]. I'm sure that in our case they, for the most part they know each other pretty well so, you know, that's, that is a, a factor there and so on. I mean, yeah, I would agree with that completely.

Community played a very important role in influencing the donor who was not only interested in supporting the organization as the ultimate beneficiary of the gift, but, more importantly, who also wanted to ensure the gift's benefits rippled through the donor's micro-communities and networks of interest. Fundraiser Barbara Meester commented on this ripple effect as follows, "But it's that impact on, you know, each individual and setting people's – not even setting their sights high, it's just inspiring people to think about what they could do to make a difference and, you know, philanthropy at a university, philanthropy in any other charitable sector has an effect on all the employees, all the volunteers, all the beneficiaries of their generosity in terms of what they personally decide to do."

Informants in both Projects two and three suggested that transformational donors perceived their decision-making as inextricably linked with the inter-relationships of the multiple communities in which the donors were engaged and that the donors wished to

serve. The data revealed that donors believed there *should* be an expectation of return. Donors were engaging in acts of reciprocity that extended beyond the utilitarian value of the gift to include the intangible and symbolic value of the gift that may have benefited the donor and the surrounding communities. For example, what the donor may have received in return was the “soulful” value of their gift that held tremendous weight – it was the value of “good will” that could sustain a fundraising campaign, and that could result in creating community benefits in the form of physical infrastructures, unique competencies, as well as relationships that worked together to strengthen and sustain communities. Fundraiser Gord Kerry commented on this tangible and symbolic value exchange as follows:

You actually made me think of one, one important, one important piece of the puzzle you know, about recognition and the intangible rewards in that ecosystem analogy, which is a very good metaphor. I, I do think of the, the, the benefit that a donor receives coming through for sort of follow up tours and visits, you know, informal or formal, to the hospital when they are, they have spontaneous sort of outbursts from staff or, or, or conversations with staff thanking them, so the, the ecosystem is not just the, as you know, the corporate institution, the money part of the institution, but it's, it's, it is felt very, very deliberately, very, very directly by the staff members, they feel empowered and supported that, that, that investment is, is a tremendous boost in their abilities, their daily functioning as a staff member.

In this preceding quotation, Kerry spoke of the “intangible” or “soulful” value of the gift being its inspiration or “empowerment” that “boosted” the members of the hospital community, and subsequently expressed to and experienced by the donor.

As stated, the actors within the philanthropic ecosystem included the donor, the beneficiary organization, and other direct or tangential recipients, such as a scholarship recipient at a university, or a patient in a hospital. But, as mentioned, each of these actors was surrounded by something much more complex – a set of micro-communities within their own constellation network. For example, surrounding a scholarship recipient might have been the professors and students in their shared university community, as well as the other micro-communities to which the scholarship recipient, professors, and students all belonged (socially, culturally, politically, religiously, economically, demographically, locally, nationally, and globally). Similarly, the donor

also came with his or her micro- and broader communities, personally (family and friends) and professionally (associations, organizations). The university's communities included not only professors, but also students, administrators, staff, volunteers, and various suppliers, who also each belonged to a variety of micro-communities. These communities were all inextricably linked with respect to the activity surrounding the gift. For instance, individuals involved in the development of the gift exchanged knowledge about the gift. They benefited from the gift (tangibly or intangibly), and they also gave back in one form or another, consciously or unconsciously, to community building and community sustainability, as they raised awareness around the gift. Participation in developing the gift also resulted in seeding interest with other donors for their personal contributions. Competencies were exchanged and created in the process. Kerry commented on these extended effects or "rippling out" as he referred to it, within the greater ecosystem, and the resultant external validation that came from the gift:

– so you see that rippling, you see that rippling out... there is tremendous pride that someone has invested in them and then just that, it just ups the whole game. They're, they're aware that they're, *we're supported by philanthropy* and they're, they're conscious of that. And they're, they just, the little, you know, the subtle change occurs in their approach to their daily jobs. Someone out there, someone out there put their hard earned cash down on the table so they [staff] could, they could have a better experience, better tools to the job, better environment in which to work... It absolutely goes well beyond the – you know, the institute, the corporate institution which is often where we talk about institutions, you know, the, the financial president's office, that kind of thing... It is felt throughout the institution that some, there's a backing, that the mission has been valued and that their part in, role in carrying out, executing the mission has been given increased external validity.

Together, the transformational philanthropist and the charitable organizations exchanged and cocreated value for the benefit of themselves and for the communities they served and in which they lived and operated. The cycle of reciprocity existed because the donor and the recipient continued to value what each gave to the other, and together they created greater value for themselves and for their constellation networks. The value was both sustaining and enhancing. A multiplying effect was created when

the philanthropy resulted in value experienced beyond the initial dyad and extended to multiple relationships and communities. As a result, ensuring a balance, or “mutualistic symbiosis,” in the philanthropic ecosystem was essential to its long term sustainability.

Fundraiser Ronald Stephenson commented on the importance of “symbiosis” in the relationship:

And, and I think, I think for the most part the relationships truly are symbiotic. I think perhaps part of the challenge is when what should be a symbiotic relationship becomes more parasitic. And this is maybe pouring out some of the challenges or, or what happens when things go wrong. If, if an organization, rather than acting symbiotically with the donor, acts more parasitically and is interested in the money rather than the donor, then I think that damages that ecosystem. So, I don't know if you could take, take your model and, and extend it a little bit – that way.

Here, Stephenson remarked on the significance of the positive relationship between the donor and the organization, highlighting the threat that existed if one or the other became “parasitic” within the ecosystem. The data in Projects two and three supported the finding that the relationship with the transformational donor was most successful when the resultant cocreated value created a positive “step change” for all actors involved in the exchange. Patterson also contributed his thoughts on the necessity of collaboration in the ecosystem – collaboration which was necessary to sustain the system. He said:

...So, I guess the, the ultimate question is how do you sustain this system?... in this economy, do we have the right culture, do we have the right government support, do we have the right tax regulations, do we have the right role modeling and do we have the right collaboration and that, you know, is something that again relates directly back to transformational giving and the whole concept of investing and making sure that what you're investing in has, has the legs to sustain itself.

In summary, and as depicted in Figure 1-1, the evolution of the philanthropic ecosystem metaphor began with its theoretical underpinnings conceived in Project one, then emerged from Project two as a “philanthropic social system of reciprocal exchange and cocreated value.” In Project three, the ecosystem was further defined as a “self-sustaining constellation of networks, comprising symbiotic interrelationships among stakeholders.” Drawing upon the literature presented in section 1.7 below (on business

ecosystems and constellation networks) and as a result of the final dyadic analysis of the data from Projects two and three presented in this Linking document, I propose a more simple and precise definition of the philanthropic ecosystem, that is, a “network of cocreated value.” This cocreated value creates the ultimate impact of the philanthropic investment. It can be concluded, therefore, that it is the sum of the philanthropic experience plus the successful outcome or “value” attached to the entire philanthropic exchange between the organization and the philanthropist that constitutes the total cocreated value derived from the interaction.

1.7 Updated literature review and discussion of research findings

Project one provides a systematic review of the marketing literature related to my field of interest (see Project one in Chapter 3 of this Thesis). However, in the process of writing this final Linking document for my DBA Thesis, I reviewed the most recent literature from the areas of marketing interest that had emerged as being the most significant as related to my research findings in Projects two and three. This section presents additional literature for the purposes of updating past literature reviews, thereby ensuring academic recency of the relevant scholarly areas of discussion. The relevant streams of marketing literature reviewed and presented here, along with a discussion of my findings, are as follows:

- Relationship marketing
- Service dominant logic
- Value creation and cocreation
- Networks, constellations and ecosystems

1.7.1 Relationship marketing

I began my research by looking at transformational philanthropy through the marketing lens of “customer relationship management” (CRM). CRM is “the ongoing management of relationship through the collection and use of customer-relevant information” (Vargo, 2009, p. 374). In other words, organizations collect customer information (and in the context of philanthropy, donor information), and manage the relationship with intelligence gleaned from the collection and analysis of these data points. Upon

conclusion of my Projects two and three, however, I found the area of CRM insufficient to contextualize the one-to-one relationship nature of transformational philanthropy (CRM is more useful in fundraising for one-to-many marketing approaches). While CRM was useful from a tactical level, it alone was not robust enough to illuminate fully the findings of these projects. As a result, by turning back to the literature for further study, I added the concept of “relationship marketing” (RM) to the marketing lens with which I analyzed transformational philanthropy.

While “RM is often manifested through customer relationship management (CRM),” RM alone is intended to “foster long term associations... [and is the] polar opposite of transaction” (Vargo, 2009, p. 374). In order to fully define relationship marketing, I rely on the consolidated overview of definitions provided by Vargo (2009). In the excerpt below, Vargo drew on close to thirty years of research to provide insights about the RM concept (Vargo, 2009, p. 374):

- a) Relationship marketing is a strategy to attract, maintain, and enhance customer relationships (Berry, 1983, p. 25).
- b) Relationship marketing refers all activities directed towards establishing developing, and maintaining successful relational exchange (Morgan and Hunt, 1994, p. 22).
- c) Relationship marketing is marketing seen as relationships, networks, and interactions (Gummesson, 1994, p. 32).
- d) Relationship marketing is the process of co-operating with customers to improve marketing productivity through efficiency and effectiveness (Parvatiyar, 1996, cited in Mattsson, 1997, p. 449).
- e) Relationship marketing is marketing based on interaction within networks of relationships (Gummesson, 2004, p. 3)
- f) Relationship marketing is the process of identifying, developing, maintaining and terminating relational exchanges with the purpose of enhancing performance (Palmatier, 2008, p. 5)

From the list above, for the purposes of understanding better the context of transformational philanthropy, I draw particular attention to (b) emphasizing “relational exchange,” (c) emphasizing “networks and interactions,” (d) emphasizing “co-operating with customers,” and (e) “interaction within networks of relationships.” It is these characteristics of RM that helped to illuminate the context of philanthropy and that aligned with the findings of Projects two and three, specifically supporting the philanthropic ecosystem. The philanthropic ecosystem emphasizes the relational

exchange inherent to the interactions between individuals and within and between networks, as well as with the organizations co-operating and cocreating with the philanthropists. In terms of managerial implications, using the lens of the RM literature provided a deeper understanding for charitable organizations of the process by which, and contexts (networks and communities) within which, they may engage the potential transformational donor. In other words, organizations that seek to engage and enhance their interactions within meaningfully associated networks by cocreating value with and for communities and their members (including philanthropists), engage in relationship marketing efforts that may position them more effectively to participate in a philanthropic ecosystem. As substantiated by Coviello *et al.* (2002), simply engaging in CRM focuses the organization on the tactical or transactional level of process – that is, the level of “steps” and “moves” and “data points” to be acted upon, as opposed to on the more meaningful “relational” or networked practices (Coviello *et al.*, 2002, p.42). My research suggested that while these are necessary as building blocks of relationship-building, they are not sufficient. Building fruitful relationships with transformational-level donors requires deep engagement in a multitude of relationships that feed and substantiate the exchange dynamic. The result is arguably a deeper, more meaningful connection for the organizations to the networks and communities of interest, which, in turn, legitimate the potential to offer and create (and cocreate) value with the philanthropists aligned with their desired philanthropic impact with and for these very same networks and communities. The ecosystem metaphor used in my research captures these types of networked relationships and their resultant shared value within the system.

1.7.2 Service Dominant Logic

In their seminal article “Evolving to a new dominant logic for marketing,” Vargo and Lusch (2004a) suggested that a new dominant logic was emerging for marketing, “one in which service provision rather than goods is fundamental to economic exchange” (Vargo & Lusch 2004a, p. 1). Where the goods-dominant logic (G-D) had been based on the exchange of “goods” and on “tangible resources, embedded value, and transactions,” the authors suggested that a service-dominant logic (S-D) focused on “intangible resources, the cocreation of value, and relationships” was emerging as the new model for marketing scholars and practice, as opposed to the G-D model that was

inherited from the study of economic exchange (Vargo & Lusch 2004a, p. 1). Vargo (2009) commented further, “whether considered in terms of interactivity or reciprocity, when viewed from a value-creating orientation (S-D logic), as compared to an output-producing orientation (G-D logic), value emerges and unfolds over time, rather than being a discrete, production-consumption event” (Vargo, 2009, p. 375). As evidenced in my research, the philanthropic ecosystem also supported the temporal effects of the impact of a donor’s benefaction and resultant value creation. The ecosystem was found to be dynamic in nature, evolving and emerging with symbiotic relationships that feed the ecosystem, as well as feed on the ecosystem, much like a philanthropist and their benefactors. The value that was created in the ecosystem by the various actors within it, was exchanged over time and was characterized by the same interactivity and reciprocity to which Vargo (2009) referred above.

Vargo (2009) provided clarity about the meanings and implications of “relationship” for the G-D logic and the S-D logic in Table 1-4. In this table, we see how charitable giving at a transactional level (lower financial levels of donations) may be transacted using principles of the G-D logic. Organizations using this approach rely on a “mass-market” or “one-to-many” approach to encouraging long-term repetitive giving (transactions). However, pursuant to the data presented in Projects two and three, philanthropy, at the transformational level, required greater focus by organizations at the S-D logic – its one-to-one relationship-building and service exchange approach – in order to be successful.

Table 1-4 The meanings and implications of relationship (Vargo 2009, p. 376)

G-D Logic		S-D Logic
Meaning(s) of relationship	Dyadic bonds represented by trust and commitment	Reciprocal, service-for-service nature of exchange
	Long-term patronage – repetitive transactions	Cocreation of value
		Complex, networked structure of the market
		Temporal, emergent nature of value creation
		Contextual nature of value determination
Normative implications	Manage customers (through communications, satisfaction, <i>etc.</i>) to maximize CLV	Collaborate with customers to develop mutually beneficial value propositions
		Cocreate value through service-for-service exchange

The S-D logic was pertinent to my research on the philanthropic ecosystem because it focused on “the process of collaborative and reciprocal value creation” (Vargo, 2009, p. 373). As was found in Projects two and three, informants reported transformational philanthropy as a collaborative, mutually beneficial, and reciprocal process of value creation. My research offered empirical data in support of the S-D logic, and in particular, in the context of nonprofit organizations.

Another important component of the philanthropic ecosystem was the exchange of competencies (recalling that this term is defined in this paper as abilities, expertise, knowledge and skills) between the donor and the organization as part of the transformational philanthropic experience. Aligned with the S-D logic, in which service “is the fundamental basis of exchange... that is, service is exchanged for service,” was the exchange of competencies. According to Vargo (2009), “the essential elements of S-D logic thus begin with the definition of service: the process of using one’s competences [sic] (knowledge and skills) for the benefit of another party” (Vargo, 2009, p. 374). Using the S-D logic to help explain the philanthropic ecosystem, we understand that the exchange of value inherent to acts of transformational philanthropy included an exchange of service, and that germane to that service was the individual competency brought to the fore by each individual actor engaged in the experience. In other words, the donor and the organization exchanged service within the philanthropic exchange,

not only “goods,” as might be imagined in the example of a transfer of “money” (as a donation) for a “scholarship” (as the benefaction). Rather, the donor and the organization exchanged competencies as part of the service relationship, as together they discussed their respective visions for a future where, for example, students may receive scholarships, participate in an educational experience, and ultimately, become productive members of society. In the latter example, using the S-D logic, the exchange of competencies defines the relationship between the donor and the organization and between each of these actors and the ultimate beneficiaries of the exchange. Value is created as a result of this exchange – value that is collectively determined and used within the associated networks of the donor and the organization. This is not a simple G-D oriented dyadic exchange. According to Vargo and Lusch (2008b), “organizations exist to integrate and transform microspecialized competences [sic] into complex services that are demanded in the marketplace” (Vargo & Lusch, 2008b, p. 8), and, I argue that these competencies and complex services are also demanded in a nonprofit context by the transformational donor who expects to be engaged deeply with the charitable organization.

Transformational philanthropy, as evidenced in Projects two and three, was very much an S-D oriented exchange embedded in one or more networks or communities of interest, reinforcing Vargo’s (2009) assertion, “...In economic markets, if not in social exchange generally, value creation is mutual and reciprocal (*i.e.*, service is exchanged for service)...” (Vargo, 2009, p. 374). My research offered empirical evidence of competencies in exchange.

In terms of value creation, “in S-D logic, the firm cannot create value but can only offer value propositions and then collaboratively create value with the beneficiary” (Vargo, 2009, p. 374). In the context of transformational philanthropy, the organization (firm) offers the donor (beneficiary) value propositions or vice versa, then together, they collaborate to define and create the resultant value. The exchange of competencies in this value creation process defines the interaction, as well as the resulting value.

1.7.3 Value creation and cocreation

As has been discussed in the marketing literature, it is posited that value creation is not a one-sided event. Instead, value is a collaborative effort between the consumer and the firm. In the context of transformational philanthropy, this would mean that value is created by the charitable organization and the philanthropist together. As evidenced in Projects two and three, both the donors and the fundraisers suggested that this is the case. The value created, tangible and intangible, was a collaborative effort between the donor and the recipient organization, and, perhaps even, other beneficiaries of the gift. For example, it was the donor who gifted the financial component, their competencies (*e.g.*, vision, expertise) as well as the leverage of their personal and professional networks, while it was the recipient organization who helped to define and implement the gift designation, possibly with other beneficiaries of the financial support, who in turn, created value from their resultant actions.

Further, as stated by Vargo & Lusch (2008b), "... the enterprise cannot unilaterally create and/or deliver value... "value co-creation"... and "relational"... imply that both the offerer and the beneficiary of service collaboratively create value" (Vargo & Lusch, 2008b, p. 8). Based on this assertion, value creation would not be a dyadic experience between the donor and the charitable organization. This relationship becomes embedded in the philanthropic ecosystem and continues to evolve within the constellation of networks. Vargo (2009) continued, "[The] unfolding, co-creational (direct or through goods) nature of value is relational in the sense that the (extended) activities of both parties (as well as those of other parties) interactively and interdependently combine, over time, to create value" (Vargo, 2009, p. 375). As supported by my research, the philanthropic ecosystem is dynamic in nature, embedded with reciprocal, interactive, and mutually beneficial relationships cocreating value.

Further, Vargo and Lusch (2008b) suggested that value is unique, based on the idiosyncratic nature of the competencies engaged in its collaborative cocreation; they said, "Our argument is that value obtained in conjunction with market exchanges cannot be created unilaterally but *always* involves a *unique combination* of resources and an idiosyncratic determination of value... and thus the customer is always a co-creator of

value” (italics by authors - Vargo & Lusch, 2008b, p. 8). Arguably, in the context of transformational philanthropy in a university setting, the cocreation of value would necessarily be idiosyncratically determined because of the very nature of the organization – one premised on the development of unique intellectual property. The value as cocreated by the transformational philanthropist and the university, along with the beneficiaries of the gift, would be as unique as the individuals engaged in the dynamic. For example, the funding of an academic chair would result in value unique to the chair holder. The value cocreated with this donor would, therefore, not be the monetary value of the gift itself; it would be the value of the output and the impact the financial investment has helped fund – *i.e.*, the unique research, teaching and mentorship in which this gift would permit the chair holder to engage. In this relational context, we see clearly an example of “mutual value creation through service exchange” (Vargo, 2009, p. 377), where the donor provides service through their financial investment, the organization their hiring of the Chair, the chair through their research and teaching outputs, and so on with each beneficiary of the exchange.

1.7.4 Networks, constellations, and ecosystems

Based on the findings from Projects two and three, I suggested that transformational philanthropy takes place in an ecosystem of reciprocal exchange and cocreated value, one in which the reciprocity is a collective, circular, and mutually reinforcing activity that engages the philanthropist, the organizations they support and the people and communities in which they live and work. Further, I suggested that the donor and the organizations together cocreate value for the benefit of themselves and for the communities they serve, and that this value helps to reinforce and sustain a full spectrum of community relationships. I also suggested that the organization move from a transaction-based relationship with prospective transformational donors to one that is more relationship-oriented, with a particular focus on the networks in which the donor is embedded and enmeshed. Now, I consider the more recent literature in an effort to substantiate and extend this metaphor.

Recalling from the literature reviewed in Project one, Vargo, Maglio and Akaka (2008) contributed to conceptualization of the market as a “forum” and conceived it as a

constellation of “service systems” (Vargo *et al.*, 2008). These authors posited that each exchange or dyad of service expands into a network, which, in turn, becomes a network of networks that puts value back into the entire constellation. They stated:

...value co-creation is not limited to the activities of any one exchange or a dyad of service systems. It occurs through the integration of existing resources with those available from a variety of service systems that can contribute to system well-being as determined by the system’s environmental context. Each service system accesses resources from other service systems through exchange... Value-in-exchange is the negotiated measurement offered and received (*e.g.*, money and value proposition) among exchange partners. The resources of the service provider are adapted and integrated with a service system’s existing resources, and value is derived and determined in context... The process continues as new knowledge is generated and exchange occurs within and among surrounding systems. (Vargo *et al.*, 2008, p. 150)

Looking more deeply at the marketing literature on networks, constellation systems and ecosystems in a business context, Maklan and Knox (2009) suggested a conceptual framework of marketing relationships whereby organizations may emerge from the more simple “transactional” relationship, through the “one-to-one relationship” and on to the “networked” relationship with its consumers with a view to improving their return on investment (Maklan & Knox, 2009, p. 1395). Vargo (2009) commented that “marketing is evolving to a new logic that is service based, necessarily interactional and cocreative of value, network centered and, thus, inherently relational” (Vargo, 2009, p. 374). In other words, that value is not only defined and cocreated in a collaborative manner as determined above, but that it is also the purview of multiple parties – that is, “network centered” and “inherently relational.” Vargo said, “It is through these joint, interactive, collaborative, unfolding and reciprocal roles in value cocreation that S-D logic conceptualizes relationship. Cocreation and service exchange imply a value-creating relationship or, more precisely, a complex web of value-creation relationships, rather than making relationship an option” (Vargo, 2009, p. 375). Further, Vargo and Lusch (2008b) suggested that, “...the venue of value creation is the value configurations – economic and social actors within networks interacting and exchanging across and through networks. Consequently, value creation takes place within and between systems at various levels of aggregation. The former point originally centered on descriptions of

“value constellations” and “value-creation network partners” and later on discussions of “resource integrators”” (Vargo & Lusch, 2008b, p. 5).

In order to define the relevant terms used above more clearly, I address them each here in greater detail.

Value networks. “A *value network* is a spontaneously sensing and responding spatial and temporal structure of largely loosely coupled value proposing social and economic actors interacting through institutions and technology, to: (1) co-produce service offerings, (2) exchange service offerings, and (3) cocreate value. [Footnoted by authors -] The concept of a value network can also be thought of as a service eco-system which may better capture the adaptive and evolutionary characteristics of a value network. It also may capture the nesting of supply chains with larger and more encompassing value networks” (Lusch *et al.*, 2010, p. 20).

Relationship networks. Reinforcing the role of networks and value networks in the context of relationship marketing is Gummesson’s (2004) definition of relationship marketing as “marketing based on interaction within networks of relationships” (Gummesson 2004, p. 3) as well as his assertion that networks are a “many-to-many” orientation (Gummesson, 2008).

Ecosystem relationships. “Business ecosystems must be seen in terms of service-based, network-with-network relationships, including the network of the “customer.” In this service-ecosystems view, all actors are both providers and beneficiaries... that is, the customer is just another node in the larger ecosystem and the actor-to-actor transaction serves as a platform for further value creation in that larger context.” (Vargo, 2009, p. 377) Further, Vargo (2009), relying on Iansiti and Levien, 2004; Prahalad and Krishnan, 2008; Normann and Ramirez, 1993; and Haeckel, 1999, framed transactions as platforms in ecosystem relationships. Vargo (2009) stated, “In the ecosystem framework, engaging in a transaction in the market means buying in to a complex series of mutual service-providing, value-creating relationships” (Vargo, 2009, p. 377). Further, he referenced Normann and Ramirez (1994) “value constellation” as he defined

ecosystem relationships as capturing the “dynamic, self-adapting, and relational nature of value creation” (Vargo, 2009, p. 377). He also framed these ecosystem relationships as being able to “sense and respond to the dynamic systems of which they are a part” (Vargo, 2009, p. 377).

Integrating value networks and relationship networks, Vargo (2009) summarized these concepts:

... the purpose of interaction, and thus of relationship, is value co-creation through mutual service provision... value co-creation is a complex process involving the integration of resources from numerous sources in unique ways, which in turn provide the possibility of new types of service provision. Thus, value creation through service provision and service exchange relationships at the micro level must be understood in the context of value creation through service provision and service exchange relationships at the macro level. The elements are value, relationships, and networks; the driving force, and thus the nature of value, relationships, and networks, is mutual service provision for mutual wellbeing. (Vargo, 2009, p. 378)

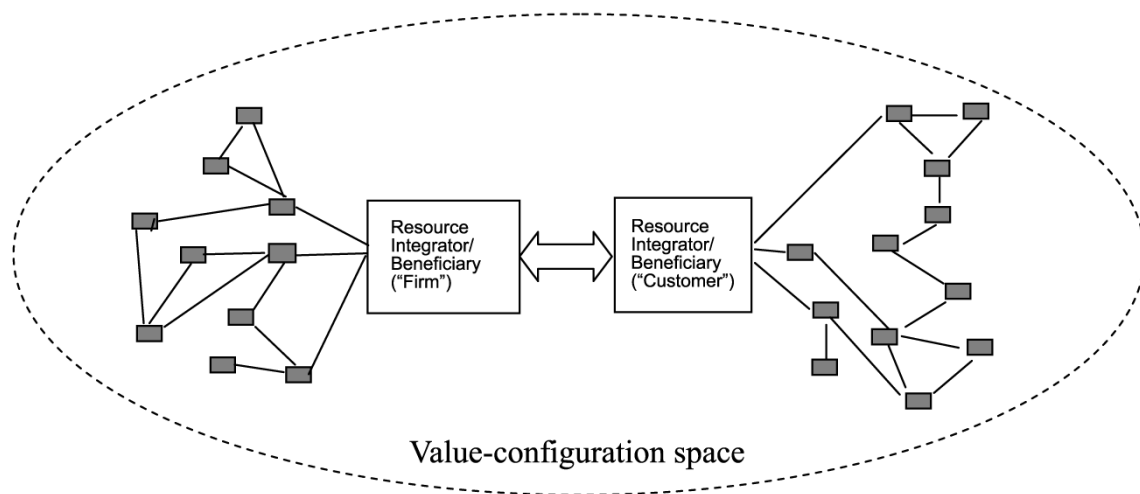
Vargo and Lusch (2008b) expounded upon the role of the organization in the business ecosystem. They said, “organizations exist to integrate and transform micro-specialized competences into complex services that are demanded in the marketplace... ‘all economic actors (*e.g.*, individuals, households, firms, nations, *etc.*) are resource integrators” (Vargo & Lusch, 2008b, p. 3). With all actors as resource integrators within the ecosystem model, the exchange system becomes symbiotic and self-sustaining.

In the context of transformational philanthropy, the donors and the organizations do not only need one another to cocreate value, they need multiple actors from each of their networks in order to fully experience the phenomenon of transformational philanthropy. In other words, “relationships... are not limited to dyads but rather are nested within networks of relationships and occur between networks of relationships. These networks are not static entities but rather dynamic systems, which work together to achieve mutual benefit (value) through service provision” (Vargo, 2009, p. 378). In a commercial context, customers are looking for the “constellation of additional service potential” embedded in the experience (Lusch, *et al.*, 2006, p. 264). Based on the

empirical research in Projects one and two, transformational philanthropists were and continue to look for the same.

In a visual depiction, Vargo (2009) offered Figure 1-2 to describe the contextual nature of value creation, in the context of constellation network. From this diagram, we can see the constellation that begins to form with multiple network partners in the value-creating sphere. I would argue this same type of constellation formation applies to the context of transformational philanthropy, where the philanthropist is the “customer” and the university is the “firm.” In this example, both are resource integrators and beneficiaries, and both have their own networks of relationships and value they bring to their interconnection, thereby creating a constellation network within their spheres of influence (often communities of mutual interest, as well as tangential communities, touched by their respective interests and networks).

Figure 1-2 The contextual nature of value creation (Vargo, 2009, p. 376)



Source: Adapted from Vargo (2008)

Specifically commenting on the not-for-profit and social marketing context, Lusch and Vargo (2006a), suggested the following about the S-D logic being applied outside the “commerce” sphere:

“The central notions of S-D logic are that fundamental to human well-being, if not survival, is specialization by individuals in a subset of knowledge and skills (operant resources) and exchanging the application of these resources for the application of knowledge and skills they do not

specialize... this shift in focus from operand to operant resources has implications for understanding social interaction and structure that are markedly different from the ones suggested by a focus on the exchange of operand resources and potentially has ramifications for understanding exchange processes, dynamics, structures and institutions beyond commerce.” (Lusch & Vargo, 2006a, p. 54)

In this excerpt, the authors emphasize the exchange of resources and competencies (knowledge and skills) that are of value and exchanged as a matter of human subsistence.

Projects two and three, as well as this final Linking document, have provided empirical evidence that it is through the acts of transformational philanthropy that exchanges take place, not only between the donor and the organization, but also through the social interactions and collaborative value creation processes in and between actors a constellation of networks. The literature above adds to the conclusions presented in section 1.7, that is, that transformational philanthropy can be observed and nurtured as part of a philanthropic ecosystem – a network of cocreated value.

In conclusion, this DBA Thesis suggests that cocreated transformational philanthropy results in value that is determined not only through the process and experience of making the donation, but also through the exchange of competencies between the donor, the organization (and its representatives) and even the ultimate beneficiaries of the philanthropy. This cocreated value creates the ultimate impact of the philanthropic investment – that is that the sum of the philanthropic experience plus the successful outcome or “value” attached to the entire philanthropic exchange with the organization constitutes the total cocreated value derived from the interaction. The data suggested that cocreated, reciprocal philanthropic experiences resulted in deeper and more satisfying long-term relationships with the donor. In the context of the relationship between the philanthropist, the charitable organization, and the communities and social systems within which they exist, cocreation of value was determined to be a reciprocal relationship that serves to mutually reinforce the engagement of the exchange parties, resulting in value creation for the entire system and communities in which they interact. Through their reciprocity, these individual actors created a contextualized system in

which the transaction's value was a cocreated experience involving, reinforcing and sustaining a full spectrum of community relationships. The research presented confirmed the proposed philanthropic ecosystem – a self-sustaining constellation of networks, comprising symbiotic interrelationships among stakeholders – in other words, a network of cocreated value.

1.8 Managerial implications

In conclusion, this section of the Linking document draws together the findings of the DBA research projects and considers the insights for practice in a very concise set of bullets. This list of practical insights, a précis of what has been presented in great detail within this Thesis, is for professional fundraisers and their organizations and may be considered in the engagement of the transformational philanthropist:

- i. Donors capable of making donations in excess of \$5 Million CAD had the wealth to do so because they were comfortable that they had accumulated sufficient financial means to sustain their families. Wealth at this level was often a result of one or more financial “liquidity” events, evidence of which should be monitored and discussed with the donor to help determine the ideal timing for the gift.
- ii. Transformational donors indicated their desire to invest in something that creates value for the organization and for society. They were not interested in funding the status quo, rather, they were looking to fund aggressive and visionary goals. Agile organizations that facilitate internal and external collaboration proved most prepared to work successfully with the transformational donor.
- iii. Organizations must stay focused beyond the *transaction* of the gift, on its *outcome* or *impact*. In other words, these donors indicated that they are interested in the impact of the gift – not in the transaction itself. In this way, the organization may be perceived as a conduit for the gift's intended beneficiaries as opposed to the beneficiary itself.

- iv. Engaging these donors in a meaningful relationship with the organization compels the organization to join forces with the donor to make an impact on their desired communities of mutual interest. Organizations must increasingly reflect the diversity of their membership and serve the role of “public good,” inextricably linked with community prosperity.
- v. These donors expected the organization to have a clearly stated mission and vision, adopted and articulated by the leadership, and for which the organization was held accountable. Organizations were expected to have a clear and consistent view of their future and of how the philanthropist could help them achieve their aspirations. Clearly stated goals are not to be confused with inflexibility – rather, many of these donors were looking to make a meaningful contribution to the vision (*i.e.*, a cocreated vision) and looked for a change-friendly and adaptable organizational culture. These donors were interested in the “intangible” as well as the “tangible” aspects of the outcomes of their philanthropy.
- vi. Many donors wanted to be engaged in the “vision” creation of the gift and its intended outcome. The dialogue and idiosyncratic competency exchange with organizational and related community members held great value for the donor. This constituted a meaningful component of the service experience for the donor.
- vii. Transformational donors were interested in creating leverage for the organizations in which they invested. Valuable leverage was offered in the form of additional financial capital, or relationship capital accessed through their personal and professional networks. The creation of leveraged capital was said to originate from the organization or from the donor, and was often exchanged repeatedly by each actor through their respective constellation of networks.
- viii. The most successful relationships with transformational donors were those described as trusting and authentic. These often included the professional

fundraiser, the leadership of the organization and a group of close family members or other advisors.

- ix. Engaging transformational donors is not a transactional pursuit, nor is it necessarily a one-to-one relationship. Engaging individuals and organizations associated with the constellation of networks to which the donor belongs, directly or tangentially, assists in creating a more effective relationship dynamic.
- x. These donors saw their donations as a culmination of their life's work – their legacy. As such, these gifts should be recognized, by the organization, as a form of self-actualization for the donor.

With this new understanding of transformational philanthropy based on my research findings, organizations may work more closely and collaboratively with prospective transformational donors with the express interest of cocreating value for the benefit not only of their organizations but also for the constellation of associated networks and communities to which each belongs. Lusch, Vargo and Tanniru (2010) argued that, “To survive and prosper in a networked economy, the organization must learn how to be a vital and sustaining part of the value network.... the organization will not survive unless it has the ability to learn to adapt and change in order to offer competitively compelling value propositions to customers (Vargo & Lusch, 2004a) as well as other members of the value network that supply it with needed resources” (Lusch *et al.* 2010, p. 21). As presented, my findings support that the philanthropic ecosystem is indeed part of a value network, and therefore organizations that are part of the philanthropic ecosystem must adapt to this more competitive value cocreating model to survive over time, especially as financial resources become increasingly constrained in the not-for-profit context and donors become increasingly interested in cocreating shared value.

Lusch, Vargo and Malter (2006) contended that the recognition of both tangible and intangible value in relationship marketing provided the organization with much needed insight into the consumer, and by extension, I suggest, the transformational donor. They stated, “The shift from the tangible to the intangible also focuses the marketer on the solution that the customer is seeking” (Lusch *et al.*, 2006, p. 270). In the context of

philanthropy, I suggest that the organization focus on the “solution” or “dream” of the donor and not on the gift itself. I propose that those organizations that remain focused on the transaction of gift exchange, instead of on the cocreation of value with the philanthropist, remain stuck in the goods-dominant logic and may fail to succeed in an increasingly service-dominant (S-D) context. In addition, Lusch, Vargo and Malter (2006) argued that the “S-D logic suggests that all participants in the value-creation process be viewed as dynamic operant resources. Accordingly, they should be viewed as the primary source of both organizational and national innovation and value creation” (Lusch *et al.*, 2006, p. 271). Further, Vargo and Lusch (2008b) argued that these “operant” resources are the “fundamental source of competitive advantage” (Vargo & Lusch, 2008b, p. 6). Therefore, in terms of managerial implications, the organizations that engage in meaningful relationships with transformational philanthropists may increase not only their own competitive advantage but also that of the communities they serve. Building on this premise, my research indicated that organizations interested in the idiosyncratic competencies of their donors, and that involve the donor in helping organizational innovation through value creation borne of the gift, are those best positioned to lead the sustainability of their organizations and communities in partnership with the transformational philanthropist.

1.9 Contribution

As discussed, my primary scholarly interest is in the marketing area, specifically in consumer behaviour, and moreover, in the cocreation construct. In particular, I am interested how these scholarly fields apply to the contexts of the not-for-profit and philanthropic spheres. However, while the marketing literature reviewed at the outset of my DBA research suggested that cocreated consumer experiences result in deeper and more satisfying long-term relationships with the consumer, to my knowledge, there was no empirical work at the time examining for-profit or not-for-profit cocreated experiences; specifically, not in the context of the transformational philanthropist and the charitable organization, and how these experiences might affect philanthropic behaviour. In addition, the for-profit oriented context of the extant literature did not empirically examine the exchange of both tangible and intangible forms of value prevalent in the not-for-profit context, specifically that of philanthropy. Based on the

additional literature reviewed, and the findings of Projects two and three, I propose the following domains of contribution from my research.

Domains of Contribution:

1. Theoretical: My research offered a new definition of the transformational philanthropist and as such, contributes to the understanding of select high net-worth donors in the nonprofit and voluntary sector literature. Based on my research, I suggested the definition of the transformational donor is: *one who is primarily focused on creating value by funding change in society through their organization of choice – an organization that can fulfill a visionary promise and make an impact that achieves the intended dream of the donor.*

2. Empirical evidence: My research applied the theoretical knowledge of relationship marketing, the service-dominant logic (S-D), the cocreation construct, and the concept of business ecosystems in the nonprofit and voluntary sector context. By bridging the literature between these two scholarly areas (marketing, and nonprofit and voluntary sector), my research added to the body of empirical knowledge as specifically applied to the phenomenon of transformational philanthropy in Canada, as well as to the context of higher-education.

In the marketing area, the extant concepts examined (service-dominant logic (S-D), the cocreation construct, and business ecosystems) were confirmed and developed further with the addition of empirical evidence. Specifically, using relationship marketing (RM) theory, my development of the philanthropic ecosystem as a business ecosystem provided evidence of relational exchange; networks and interactions; co-operation with customers; and interaction within networks of relationships. While these concepts had been proposed theoretically prior to my research, my body of research provided empirical evidence of their existence.

Further, based on the data in Projects two and three, philanthropy was determined to be a collaborative and reciprocal process of value creation, offering empirical data in support of the S-D logic and away from the goods-dominant logic (G-D). Finally, transformational philanthropy, embedded within the philanthropic ecosystem, was presented as empirical evidence of a business ecosystem and constellation network of

reciprocal exchange and cocreated value – one in which the reciprocity is a collective, circular, and mutually reinforcing activity that engages the philanthropist, the organizations they support and the people and communities in which they live and work. The data indicated that the actors form an ecosystem where the donor and the organizations together cocreate value for the benefit of themselves and for the communities they serve, and that this value helps to reinforce and sustain a full spectrum of community relationships.

In the scholarly area of nonprofit and voluntary sector research, my research offers entirely new applications of these marketing constructs and concepts as they apply to the high net-worth donor who is a transformational philanthropist. My research findings supported the existence of the philanthropic ecosystem, a reciprocal constellation network of cocreated value. To my knowledge, empirical research contributing to the understanding of high net-worth transformational philanthropists in Canada had never been conducted prior to this study. Further, the unique dyadic perspective from the donor and the organization, added to the empirical contribution of this research project.

3. *Knowledge of practice:* By combining the extant and new theoretical knowledge from relationship marketing, the service-dominant logic (S-D), the cocreation construct, and the concept of business ecosystems, with the empirical findings of my research, this DBA research project provided practitioners with substantive new insights into the high net-worth transformational philanthropist. This research offered insights on how organizational actors (fundraisers, members of the leadership, *etc.*) might re-position their organizational relationship-building activities to engage these donors more effectively in their pursuit of meaningful value creation for stakeholders within and outside Canada. In addition, I offered the fields of study and practice a new definition of the “transformational philanthropist” based on empirical evidence. This definition provided a deeper, more complex and robust understanding of the transformational philanthropist for the organization – one that examined their mutual interests in building and sustaining thriving communities.

My research offered new insights into the value of constellation networks that include the transformational philanthropists and the organizations they support, threaded together by a web of direct and indirect relationships, and how they interchanged

collaborative efforts of mutual leverage and benefit. The value of the constellation network was elaborated through the metaphor of the philanthropic ecosystem which has emerged as a network of cocreated value, involving many actors – a constellation of personal and professional networks and communities that are engaged and enmeshed. The constellation of communities includes the donor, the beneficiary organization and the people and micro-communities they serve and support. Within this network of cocreated value, the actors share value-creating experiences by interacting and collaborating on their shared interests. This reciprocal engagement results in cocreated value for the constellation of communities. Most interestingly, the reciprocal exchange extends far beyond its monetary contributions. The network of cocreated value comprises the actors' shared ideas, dreams, and visions for the future. The network also captures value from the exchange of competencies – idiosyncratic contributions of knowledge, skill and expertise. And finally, the network extracts value from the variety of relationships within the constellation, which extends the value creation beyond the initial dyad of the donor and the organization, engaging a great number of actors, who cocreate and experience value together.

1.10 Limitations of the study and areas for further research

Limitations. This study is a qualitative field research study that considers the informants' interpretation of reality (*i.e.*, that of the donor, in Project two, and that of the professional fundraiser in Project three). Focusing on donors having made philanthropic contributions of \$5Million CAD or more, the findings describe this segment of the population alone. Because of its methods, an obvious limitation of this research might be the generalizability of its findings. However, the universe of transformational philanthropists in Canada is inherently small, therefore the methods chosen to study this group are in keeping with my research interest to provide rich qualitative descriptions of this segment of donor population versus statistically generalizable or predictive analysis of this group. Moving forward, as I attempt to work with sections of this DBA Thesis toward publishing in a peer-reviewed scholarly journal, my interest is in collaborating with one or more academic co-authors to discuss

and confirm joint findings through inter-coder reliability in an effort to increase the credibility, dependability, and confirmability of my findings (Johnson *et al.*, 2006).

I acknowledge that my own professional experience as a fundraiser may introduce a particular danger of bias. To control for this, I include *multiple* confirmatory quotations from the original verbatim transcripts of informants in order to illustrate the concepts and theories I develop in the paper. I also submitted the findings from Project two, the “philanthropic ecosystem,” for comment to the informants of Project three, in an attempt to confirm and further refine my findings. Further, upon completion of each of the Project phases of this DBA research Thesis, I submitted a formal written copy to a panel of academic colleagues, led by my doctoral supervisor, for review, oral defence, and as necessary, revision and resubmission.

I began Project two with an interest in conducting *interpretivist* qualitative analysis. However, as the Project emerged with pre-existing theoretical constructs in mind (*i.e.*, relationship marketing, service-dominant logic, and cocreation), it was clear that I would have to take a more *positivist* albeit qualitative approach to the methods. Therefore, in Project two, I used research propositions to structure the analysis of the data. As I prepared to conduct the research for Project three, however, I decided to take a much less structured and positivist approach to the data collection and analysis, preferring to approach the data set without propositions and allowing the findings to emerge from the analysis. It is for this reason that research propositions are not articulated nor used to frame the findings or discussion in Project three. This difference in approach between projects does preclude a strict dyadic comparison of findings. However, what is presented is structured instead by the research questions as the common architecture for the entire Thesis.

Finally, this research is meant to extend the current theoretical understanding of for-profit consumer-oriented literature in a not-for profit context, based on empirical evidence. Despite the empirical evidence, the applicability of the findings in a for-profit context may not be appropriate. Similarly, another limit of this study may be the applicability of the findings as they pertain to specific cultural and community-level diversity as demographically represented in Canada.

Future research. To date, I have participated in two refereed conference presentations, namely, "Philanthropy: a reciprocal ecosystem of co-created value" (co-authored with Colin Pilbeam), November 2010, presented at: Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA) annual conference in Arlington VA; and, "Innovative philanthropy: the role of reciprocity in co-creating value through elite gift-giving in post-secondary education" (co-authored with Colin Pilbeam), November 2009, presented at: Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA) annual conference in Cleveland, OH. It is my interest to pursue both conference participation and publishing in scholarly journals in the future.

Researching the concept of philanthropic networks further would be of great interest. For example, there exist networks of "venture philanthropists" and "philanthropy clubs" that look to group individuals who invest together to transform organizations. Understanding the applicability of my findings within the network context would extend the findings of this DBA research project.

It would also be interesting to extend this study to examine further select organizations and philanthropists who interact in diverse micro-communities so that we might understand better the nuances within and between these sub groups, within and outside Canada. For example, while this research project focused contextually on the post-secondary educational organizations (as well as their related hospitals), it would be interesting to pursue this research across other contexts, to examine the implications for other organizations engaged in the nonprofit and voluntary sector.

Future research may also explore the findings of this study with other non high-net-worth donor populations, to understand the implications of cocreated value where the financial sums of the investment are not as great, but perhaps where the mutual interests of the donor and the organization to cocreate value nevertheless remain similar.

The access gained to this exclusive group of professional fundraisers and transformational donors may present an opportunity to follow one or more of the

organizations and philanthropists longitudinally in a unique research setting offering deep case study of one or more of these informants over time.

2 Philanthropy – a scoping study

2.1 Executive summary

A study of transformational or “elite” philanthropy (defined here as charitable donations of more than \$5 Million CAD towards Canadian post-secondary educational institutions has not been conducted to my knowledge. My interest in researching this over-arching topic during my DBA program is to understand what influences create favourable conditions for this level of charitable gift giving on the part of a philanthropist towards a specific cause or charity. As a marketing student, within the discipline of consumer behaviour, my particular lens frames the philanthropist as the “consumer” and the charity as the “organization,” with respect to my central research question: *Why do donors make transformational donations?*

To study this phenomenon, I will begin with a scoping study that examines the literature on philanthropy. I will follow the scoping study with Project one / Systematic review, which examines the intersection of philanthropy and marketing to inform my research question.

Within the body of marketing literature, I am particularly interested in the construct of consumer cocreation (sometimes spelled co-creation) (Prahalad & Ramaswamy 2004a,b; Vargo & Lusch 2004a,b; Lusch & Vargo, 2006). Cocreation is defined as the individual involvement of a consumer helping the organization to *define* their consumption experience options, selecting those with personal interest and meaning, and fulfilling the consumption ‘experience-of-one’ with the assistance of the organization. To this end, I add to my central research question, the following: *How does the “cocreation” construct illuminate the donating behaviour of the transformational donor?*

2.2 Introduction

This study aims to create a better understanding of the influences on charitable, major “transformational” gift giving (defined here as gifts of \$5 Million CAD or more) on the part of a philanthropist towards a specific cause.

The etymology of the word “philanthropy” comes from the late Latin *philanthropia*, and from the Greek *philanthrōpia*, which comes from *philanthrōpos*, loving people: *phil-* + *anthrōpos* meaning human being (circa 1623). Philanthropy’s primary definition is “goodwill to fellowmen; *especially*: active effort to promote human welfare.” From this definition, it can be understood that philanthropy, while imbued with many philosophical, political, religious, and social meanings, is considered at its core to be an interaction aimed at human subsistence. This scoping study explores the extant literature on philanthropy with a view to exploring my central research question: *Why do donors make transformational donations?* Please see Appendices E, F and G for a detailed overview of the literature reviewed, the process followed, research inclusions and exclusions as well as special notes on the categorization and grouping of the literature.

What influences a donor when he or she considers making a contribution? This scoping study and literature review on the topic of philanthropy reveals that this question has been studied through many disciplines and perspectives, including: anthropology, business, economics, philosophy, psychology, sociology, and other social sciences, in addition to studies focusing on the not-for-profit and voluntary-sector contexts. The domains of literature that examine philanthropic behaviour can be further categorized by *micro* “inside-out” or *macro* “outside-in” perspectives. For example, the micro perspective explores donor’s behaviour from the internal perspective (*e.g.*, psychology) while the macro examines the donor’s behaviour by exploring the external and social influences on the individual (*e.g.*, anthropology, business, economics, philosophy, and sociology). Researchers interested in the not-for-profit and voluntary sectors also study donor behaviour, sometimes drawing upon theories from these other academic disciplines.

For the purposes of this study, I have chosen to concentrate on the outside-in examining the external influences on philanthropic behaviour from the disciplines of anthropology, business, economics, philosophy, and sociology and through the not-for-profit and voluntary-sector context-specific literature. While the micro-level analysis provides an important area of study for donor influence, the field of psychology is beyond my area of interest and expertise, and therefore beyond the scope of this paper and my DBA research.

Given that I am a student of business, and more specifically within the discipline, marketing and consumer behaviour, I consider the philanthropist as the “consumer” and the charity as the “organization.”

2.3 Philanthropy and gift giving: a brief overview of the field and literature

“Does the law require patriotism, philanthropy, self-abnegation, public service, purity of purpose, devotion to the needs of others who have been placed in the world below you?”

(Trollope, 1995 [1880])

Sociology and anthropology. Gift giving is a fundamental human practice chronicled from the earliest times. For close to a hundred years, sociologists and anthropologists such as Mauss and Malinowski conceptualize gift giving as a fundamental social system (Hamer 2007, Weinbren, 2006). In his study of English and American Giving, anthropologist Hamer describes early English philanthropy as rooted in paternalistic values of the Victorian era (it is recognized that philanthropy pre-dates the Victorian era, but for the purposes of this paper and the contextualization of American philanthropy, Hamer’s conceptualization of philanthropy from this era forward is used). The tradition of making philanthropic gifts or gestures came from the sense of moral obligation that English land holders of “higher rank” held toward the “lower rank” in order to maintain social order (Hamer, 2007, p. 443). This moral obligation, however, served the purpose of entrenching a particular social structure, one that kept wealth in the hands of the landowners. “Hierarchical structure links the labor of the lower to the

authority of higher ranks, causing the former to be dependent on the latter, and the organic quality of society is such that there exists an appropriate place for all individuals who ideally contribute to the harmonious whole” (Hamer, 2007, p. 444).

In contrast, the early American philanthropists, who were influenced by the Enlightenment and American Revolution (and generally from the North), were less concerned about perpetuating their wealth and security through exclusive land rights (than many from the South, who remained heavily influenced for some time after the American Revolution by Anglicanism and English agrarian paternalistic roots that sought to maintain unequal power structures in society). These “northern” American philanthropists were more interested in addressing the structural problems of society than in making gifts, what they perceived as “handouts,” to the poor. “The pursuit of structural problems and solutions eliminated the need for distinctions between the deserving and undeserving poor that had not only guided Victorian philanthropists but had also been a useful tool for mutual aid and other cooperative societies that depended on expectations of reciprocity among deserving, if occasionally unfortunate, peers” (Ealy & Ealy, 2006, p. 35). Vast American land availability and early market-forces distanced early settlers from the long paternalistic history of social stability and security in England (Hamer, 2007, p. 453). The notion of helping others help themselves (*e.g.*, through their own business or land ownership) defined the early philanthropic behaviour. For example, early industrialist, John D. Rockefeller, believed in the “foundational giving for individual advancement” by distributing gifts for the advancement of health, education, and science, while Andrew Carnegie considered his philanthropy to “encourage mankind to move beyond mere material comforts of existence, seeking “individual and personal” change in progressing toward “real civilization”” (Hamer, 2007, p. 454).

Marketing. Gift giving is also well studied in the consumer behaviour and marketing literature (Belk & Coon, 1993; Giesler, 2006; Guy & Patton, 1988; Sherry, 1983). In addition, marketers and economists have examined economic benefit and utility value of the charitable transaction (Sargeant *et al.* 2004; Brooks, 2007; Harbaugh, 1998).

Nonprofit and voluntary sector. In the not-for-profit literature, donors and charitable culture has resulted in an enormous body of literature that examines its psychological and sociological influences on the philanthropist (Handy, 2000; Hibbert & Horne, 1996; Katz, 1999; Lindahl & Conley, 2002). Researchers who have studied the extant literature on philanthropic giving have developed interdisciplinary and comprehensive modelling for a variety of dimensions of philanthropy (Katz, 1999; Lindahl & Conley, 2002; Sargeant & Woodliffe, 2007). Lindahl and Conley (2002) review motivational studies in the philanthropic environment. According to the authors, most studies emphasize a combination of psychological and sociological influences. “Psychological or self-interest motives may include recognition, status, peer influence, tax benefits or preservation of family wealth,” (Lindahl & Conley, 2002, p. 92) while sociological motives focus on the influence of “altruism, religion and identification with the cause or organization” (Lindahl & Conley, 2002, p. 93). Among other motivators, Lindahl and Conley’s review of the literature identifies: intrinsic benefits (warm glow) and prestige benefits (when others know how much has been given) (Harbaugh, 1998); financial stability of the institution (Panas, 1984); prestige factors through associated membership with the charity and through the act of elite philanthropy (Ostrower, 1995); and control of social organizations/society (Ostrower, 1995). Lindahl and Conley also examine the field of psychology, suggesting that role expectations, status, recognition and satisfaction play a large role in building the philanthropic relationship (Lindahl & Conley, 2002, p. 94).

With respect to my central research question: *why do donors make transformational donations?*, the literature reviewed revealed a number of influences on philanthropic behaviour, which have been grouped as follows, and explained in greater detail in Table 2-1 below:

- Emotional and spiritual
- Reciprocal and exchange relationships within communities
- Power and control

Table 2-1 categorizes the theories and contexts reviewed in this paper, into fields of influence. The “proposed personal statement of the donor” is intended to clarify my

perception of what a donor might say if they were expressing the context of influence in their personal experience. That is, for my future research, I am proposing personal statements that I might look for as I analyze my data based on informant interviews. This is not an exhaustive list, nor is the rudimentary categorization meant to be a final attempt to classify these influences. However, this list of influences provides a broad array of personal and social factors that can be further examined in conjunction with marketing literature.

Table 2-1 Theories and contexts of philanthropic influence

Lexicon:

Cause: the “social ill” that requires assistance

Organization: conducts the business that manages the mission/vision that assists the cause.

Theories and Contexts of Influence	Proposed personal statement (of the donor)	Authors
1. Emotional: emotion, love, altruism, self-sacrifice, intrinsic benefits (warm glow), sympathy, moral citizenship of care	I do this because I feel good – it’s a feeling within that influences me.	Lindahl 2002 Belk 1993 Hamer 2007 Schervish 2006
2. Spiritual: spiritual, religious	I do this because I should - my spiritual or religious beliefs influence me.	Hamer 2007
3. Cause: personal experience or identification with the cause	I do this because I’ve experienced this personally - my personal experience dealing with the cause influences me.	Hamer 2007 Radley 1995
4. Economic / financial: economic, tax benefits or preservation of family wealth	I do this because I have the means to do so and/or I can self-direct my tax money to a cause of my choice – my financial situation influences me.	Lindahl 2002 Hamer 2007
5. Community / peer: community, peer, social, socio-cultural, normative, role expectations, moral obligation / bond, recognition (prestige benefits), status	I do this because I should - my peers, community, family and others expect this of me. My desire to be recognized as a donor influences me.	Mauss 1967 Weinbren 2006 Harbaugh 1998 Lindahl 2002 Ostrower 1995 Ealy 2006 Lowrey 2004 Barman 2007 Giesler 2006 Komter 2007
6. Reciprocity and exchange: dyadic relationships,	I do this because I will get something back – it’s a quid pro quo relationship. My desire to give and receive influences me.	Bourdieu 1983 Sherry1983 Weinbren2006 Mauss 1967 Ealy 2006 Giesler 2006
7. Power / Control: individual influence, power, control over social organizations/society, juridical	I do this because I want to fix the world my way – my desire to manage this cause in the context of the greater world, with my own expertise, influences me.	Hamer 2007 Ealy 2006 Guilhot 2007 Schervish 2006 Frumkin 2006 Barman 2008 Komter 2007 Ostrander 2007 Ostrower 1995
8. Organizational: satisfaction, trust, commitment, loyalty + other characteristics of the institution/organization, reliability, reputation, financial stability, goal achievement	I do this because I belong with this organization. This organization does well by me and by this cause. My trust in this organization’s competency and ability to assist the cause influences me.	Panas 1984

2.4 Influences on philanthropic behaviour

2.4.1 Emotional and spiritual influences

In their study of gift giving, Belk and Coon (1993) suggest that beyond reciprocity, social or market exchange, or economic dimensions, there exist cases of non-exchange gift giving. The authors propose a model that explores the “love” paradigm, both romantic and agapic (unselfish) gift giving. In this paradigm, the authors explore the high involvement of individuals engaged in acts of love (romantic, brotherly, spiritual, parental, and familial) that manifest through altruism and self-sacrifice. These types of “exchanges” extend beyond the economic-based exchange paradigm because of their basis in romanticism rather than utilitarianism (focused on a return). Belk and Coon’s concept of agapic love as a driver of gift giving deepens the conceptualization of philanthropic motivation beyond the obvious social or financial exchange dynamic. Similarly, Hamer (2007) explores Mauss’s writings about the “imaginary in the gift,” and the suggestion that personal participation and moral consciousness are what inform the exchange relationship. Referring to “mystical feelings,” Hamer reinforces Mauss’s notion of an “intangible” essence as a motivator for giving. Hamer reflects, “often mystical feelings associated with various spiritual forms conjoin with peoples imagination about their relations with one another represented in the rituals of exchange” (Hamer, 2007, p. 444). In other words, it is the intangible, mystical and perhaps spiritual aspects of the relationship that define the exchange.

The influence of having a personal connection to the philanthropic cause is explored by Radley and Kennedy (1995). The personal connection can also create an emotional and spiritual state of being which in turn influences the donor. These authors suggest that social relationships within a community are deepened by their social exchanges and interactions with each other, thereby motivating a donor to give to the cause (*e.g.*, illness). The experience with the cause can be personal or can come from witnessing interactions within the community to whom the donor belongs and its members with whom the donor associates and relates.

Schervish (2006) reflects on the foundation of philanthropy by exploring the donor’s “moral biography of wealth.” He postulates that, over time, the wealthy develop a moral conscience that invokes a desire to support financially their communities, based on the

ties of friendship. More specifically, Schervish suggests that acts of philanthropy are part of what he calls “moral citizenship of care” based on friendship. Schervish states:

The moral compass of a moral biography, then, is one that is inherently communal and attends directly, rather than through the market, to the needs of others. Such a moral biography is the building block of the moral citizenship of care, that array of intersecting relationships of care by which individuals respond to the needs of others not through commercial or political markets but directly, because of the tie of *philia*, or friendship love, that one wishes to carry out effectively and strategically (Schervish, 2006, p. 485).

Schervish contends that it is this voluntary network of mutual assistance, or the moral citizenship of care, that beckons the wealthy to find a socially consequential moral purpose as one of the responsibilities and rewards of having assumed great financial capacity (Schervish, 2006, p. 479).

2.4.2 Reciprocal and exchange relationships within communities as influences

Focusing on the sociological, anthropological and philosophical approaches to understanding philanthropy, Mauss conceived a model where a cycle of relationship exchanges underpinned social relations and transactions, so much so that they were “socially embedded and supported by a normative infrastructure” (Weinbren, 2006, p. 323). Reciprocity was part of everyday life and it created a moral bond that strengthened communities through obligations, relationships, reputation, trust and reliability (Weinbren, 2006).

The concept of reciprocity is also explored by sociologist Pierre Bourdieu (1983), who suggests that economic capital can be exchanged for prestigious “cultural capital” or “social capital.” For example, donors who have succeeded financially may still wish to transcend what Bourdieu refers to as their “habitus” at birth (the socio-economic strata to which they were born), by exchanging economic capital for social currency. One way cultural capital can be attained is through academic qualification. Though symbolic in nature, another way donors can gain cultural capital is through donating to a prestigious academic organization. Likewise, social capital, defined as “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to a membership in a group” (Bourdieu, 1983, p. 248) may be desired by a donor

who aspires to greater social recognition or standing within a culture. Donors are regularly recognized for their generosity in association with the charity, which provides a form of reciprocity through association. Given this phenomenon of exchange of financial capital for cultural or social capital, further consideration will be given in Project one (systematic review) to a donor's philanthropic behaviour being influenced by the desire to achieve access to or membership in a network or group that might otherwise be inaccessible (*e.g.*, a university).

The many social and economic systems that underlie the act of giving are also explored in the gift-giving literature. Consumer behaviour researcher Sherry (1983) takes an anthropological perspective on consumer research on gift giving, exploring its social, personal, and economic dimensions. Sherry develops a model of the gift exchange process consisting of three stages: gestation, prestation and reformulation through which donors and recipients progress (Sherry, 1983, p. 163). Sherry's model contributes an anthropological, sociological, and psychological examination of the gift-giving process. In applying Sherry's model to the study of philanthropy, specifically the influencing factors, the reformulation stage of his model gives particular insight into the sustainable relationship between the philanthropist and the recipient organization. The relationship is sustained because the two actors work together to create the initial and ongoing exchange relationship.

Consumer researchers Lowrey, Otnes and Ruth (2004) examine social influences of third parties on the typically dyadic gift-giving exchange. As represented in Table 2-2, "Characteristics of social influence on dyadic giving" below, the authors develop a taxonomy of ten social influences on givers' behaviour and motivations. In doing so, the authors extend the body of literature beyond the focus on the donor-recipient dyad to include the social context, network and communities, within which the relationship takes place. The authors look to external social relationship influences to help understand the gift exchange (such as multiple-party influence and the evolution of those influences over time).

Table 2-2 Characteristics of social influence on dyadic giving (Lowrey et al., 2004)

Social influence	Description of influence	Giver's motives	Underlying relational process
1. Calibrating	Giver distinguishes recipients who vary in relationship type and/or closeness	Make distinctions between recipients on a relevant dimension, affirm important relationships	Making social comparisons
2. Practicing equipollence	Giver treats subsets of recipients as equivalent	Maintain satisfactory relationships with equal recipients, signal they are equal	Making social comparisons
3. Re-enacting third-party traditions	Giver takes over traditions previously maintained by a third party	Maintain relationships with recipient and now absent third party	Adjusting to disrupted relational traditions
4. Relinquishing tradition	Third party changes/discontinues giver's tradition for particular recipient	Maintain satisfactory relationships by allowing tradition to dissipate	Adjusting to disrupted relational traditions
5. Enrolling accomplices	Third party assists in giver behavior toward a recipient	Maintain satisfactory relationship with recipient, perhaps bond with accomplice	Accessing social support
6. Using surrogates	Giver uses third party when offering risky gift to recipient	Minimize risk of negative recipient reaction, perhaps bond with surrogate	Accessing social support
7. Gaining permission from gatekeepers	Giver seeks approval from third party for a gift to recipient	Maintain satisfactory relationship with gatekeeper while pleasing recipient	Acting within relational rules
8. Adhering to group norms	Giver adheres to group's shared rules of gift behavior	Pleasant recipient, maintain satisfactory relationships in the social network	Acting within relational rules
9. Integrating	Third party brings new recipients to the network	To third party, demonstrate knowledge of importance of integrated members	Initiating and severing relationships
10. Purging	Giver subtracts recipients because of severed relationship with third party	Symbolize relationship disintegration	Initiating and severing relationships

Sociologist Barman (2007) draws on institutional theory to show that macro level factors affect philanthropic behaviour. She examines field-level configurations of relationships within organizations in which donors and fundraisers are embedded. Barman's model highlights how the composition of the organizational field structures shape fundraisers' strategies of solicitation and, therefore, the extent of donor control. In doing so, Barman suggests that the donor does not freely select their charitable recipients, but rather, that these are subject to a "socially mediated nature of altruism" (Barman, 2007, p. 1448) whereby the field, or community, mediates the charitable choice.

Consumer behaviourist Giesler (2006) explores the consumer literature on gift giving and reflects that it "traditionally has been conceived of as an aggregate of dyadic gift exchange rituals" (Giesler, 2006, p. 283). He proposes that gift systems consist of three theoretical key elements: 1) social distinctions, 2) norm of reciprocity, and 3) rituals and symbolisms. Giesler contends that the reductionist study of consumer gift giving has distilled the concept to an "entirely microscopic discussion of the motivations and actions of individual gifting partners across different stages of exchange... [a] strong tendency to focus on gift giving exclusively as a process of balanced reciprocal exchange [resulting in] an entire stream of consumer research, its effectiveness limited by an oversimplified, atomistic, economistic view on gift giving and its respective sociocultural dynamics" (Giesler, 2006, p. 284). Giesler concludes that consumer gift giving should be understood, rather, as "a complex system of meaningful social interaction through gifts... systems of social solidarity that reveal the complex sociocultural construction ... as more than just an aggregate of dyadic interaction rituals" (Giesler, 2006, p. 289). As a contribution to the study of philanthropy, Giesler opens the door to understanding better how the meaningful social interaction between the donor and the recipient may motivate the act of philanthropy.

Drawing on the works of Mauss and Levi-Strauss, sociology and social solidarity researcher Komter (2007) proposes that both the utilitarian and anti-utilitarian views of the gift over-simplify the complex and multi-purpose "symbolic utility" of the gift. By examining the gift as an instrument for influence, power, sympathy, status, and emotion with economic, social, moral, religious, aesthetic and juridical functions, he explores the

noble and less noble purposes of the gift. Komter suggests that motives for giving can be categorized based on “four basic types of relationships between human beings, respectively based on community, authority, equality and market” (Komter, 2007, p. 104). Komter’s analysis of the gift and its motives in a social dynamic deepens our understanding of philanthropy beyond the overly simplified models of exchange often used in the marketing literature to explain the phenomenon.

These authors discuss reciprocal and exchange within communities as influences on philanthropic behaviour. Their theories will be examined further in Project one (systematic review).

2.4.3 Power and control as influences of gift giving

Since Medieval times, land ownership in England has been associated with generational continuity through the tradition of handing down one’s land through the male blood-line through legal entitlements and bequests. Ensuring familial transfer of wealth precluded the transfer of land into the developing market economy, thereby protecting the existing family hierarchy and inherent power (Hamer, 2007, p. 445). Gift-giving by the wealthy land owner to the working class was seen not only as a form of genteel behaviour, but also as form of securing the reciprocal exchange relationship through social bonds, *i.e.*, the land owner permits the landless peasant to remain on the owner’s land (through a landlord relationship) in exchange for labour. The land-owner also embraces the principle “that those in authority have a duty to maintain security within the community” (Hamer, 2007, p. 448). In other words, in exchange for labour and tenancy, landowners take care of the basic needs of the peasants, assuring greater community security through lack of wide-spread vagrancy. Preserving land ownership through the master-servant relationship and perpetuating moral order among the working class was at the root of the historical English tradition of philanthropy.

In his comparison of American and English philanthropic histories, Hamer concludes that the English tradition emphasized “continuity with the goal of accepting change so long as it did not interfere with the security of relationships, in terms of authority and subordination within a social whole,” whereas Americans, “giving was predominately directed toward progressive, individual change rather than perpetuation of stability within a social whole” (Hamer, 2007, p. 456). Historically, therefore, it could be

suggested that the English were mostly concerned with securing social/economic stability by maintaining the status quo of social relationships within the collective, while the Americans were primarily concerned with securing social/economic stability for the individual within the collective. Both countries however demonstrate a history of philanthropy through exchange relationships with the ultimate goal of ensuring social/economic prosperity for their countries, if not for themselves.

For American citizens at the end of the nineteenth century, rapid industrialization changed the way people perceived traditional social institutions and their ability to ensure social stability. The Progressive movement, characterized by its interest in “curing” the social ills resultant from the industrial revolution and resultant wealth divisions within the classes, was formulated to affect social and institutional change from existing government administrative structures considered to be filled with abuse and corruption. In their book titled “Progressivism and Philanthropy,” Ealy and Ealy, suggest that the Progressives aimed to professionalize the study of economic and social problems and the implementation of corrective activity (including charity) (Ealy & Ealy, 2006, p. 36). “At the heart of the Progressive diagnosis of the problem was a view of charity as an unsystematic, temporary, and superficial ointment that failed to address the root causes of problems... charity might improve conditions for the individual but left undisturbed the diseased social order that contributed to poverty” (Ealy & Ealy, 2006, p. 36). What emerged was the advocacy by Progressives for charitable organizations that would address the root causes instead of the symptoms, and cure the distressed conditions and social disorders. This model still remains for some present-day charitable organizations.

What resulted from the Progressive Movement was the funding, by philanthropists, of what would now be considered the first generation of American social scientists – that is, those who would reform social ills through the “scientific study of social, economic and political conditions” (Ealy & Ealy, 2006, p. 36). For these new social scientists, society was not made up of the individuals within it, but was an entity in and of itself capable of shaping individuals. “Social control” was the term used to describe the social mechanisms used to shape the values and actions of the citizens within the collective (Ealy & Ealy, 2006, p. 37). Actions of the collective were to be studied and engineered

as a way of creating social and economic well-being and efficiency. Private philanthropic financing, therefore, underpinned the study and reformation of whatever was deemed to be a “social ill” of the day. The notion of “social control” meant that the individual families, churches, and the marketplace could influence “what” was studied and how it might be “cured.” A present-day evaluation of the Progressive legacy for contemporary philanthropy suggests that industrial success enabled the creation and accumulation of vast wealth, which in turn made possible the creation of endowed foundations that continue to shape the public sphere today.

While much of the Progressive-era philanthropic activity may seem to reflect positive outcomes (from profound endowment in education, health, arts and culture), a more sinister perspective might suggest that profound social and economic engineering has taken place through the financial endowment by elite, political and/or religiously motivated individuals. Philanthropy researchers Frumkin (2006), Barman (2008) and Ostrander (2007) discuss the proliferation of ‘elite’ level donations, and question whether donor control and power affect the very essence of a democratic society. Guilhot (2007) chronicles the more sinister perspective when he writes that “philanthropic practices allow the dominant classes to generate knowledge about society and regulatory prescriptions, in particular by promoting the development of the social sciences” (Guilhot, 2007, p. 447). Schervish (2006) echoes Guilhot’s assertion through what he terms “hyperagency,” which he defines as the “institution-building capacity of wealth holders” (Schervish, 2006, p. 488) that results in social control. Schervish argues that with extreme wealth, and having met their own economic interests, hyperagents (financial elite) can accomplish single handedly what used to require organized social, political or philanthropic movements. Hyperagents have within their financial capacity the ability to “shape, not just participate in, the goals and accomplishments of their causes and charities they choose to support” (Schervish, 2006, p. 488).

2.5 Conclusion

This literature review contributes a great deal of insight into the influences on philanthropic behaviour. This Scoping study / literature review of philanthropy reveals that the philanthropy has been studied through a variety of disciplines and perspectives including anthropology, business, economics, philosophy, psychology, sociology, and

other social sciences in addition to studies focusing on the not-for-profit and voluntary sector context. My study on philanthropic giving focuses more specifically on the external social perspectives of philanthropic behaviour, and how these may be better understood through the lens of the marketing literature. Specifically, within the body of marketing literature, I am interested in exploring the construct of consumer cocreation, defined as the individual involvement of a consumer helping the organization to define experience options, selecting those with personal interest and meaning, and fulfilling the consumption 'experience-of-one' with the assistance of the organization and how the cocreation literature might illuminate the practice of philanthropy. The intersection of the marketing and philanthropy literature will help develop further insights into the influences of transformational-level philanthropic gift giving, which will be the focus of Project one (systematic review).

2.6 Addendum: re-defining philanthropy (February 2011)

Upon writing the Linking document, I decided to review the most recent literature published on the definitions of philanthropy (while my research focus is marketing-oriented and applied in the context of the transformational philanthropist, I thought it would be relevant to review and append this updated philanthropy definition).

In Spring 2010, Sulek published two scholarly articles reviewing the historical and contemporary definitions of philanthropy, as discussed predominantly in academic contexts, in order to provide a deeper understanding of its full contemporary meaning. I consolidated Sulek's findings below as they offer a more fulsome definition of the context of philanthropy in a contemporary context. Sulek's research offers both a historical and contemporary consolidated perspective on the field of philanthropy that adds to the Scoping study research that I originally conducted in the Fall of 2008.

Recalling that in my initial Scoping study on the topic of philanthropy, I discussed the origins and definition of philanthropy as follows:

The etymology of the word “philanthropy” comes from the late Latin *philanthropia*, and from the Greek *philanthrōpia*, which comes from *philanthrōpos*, loving people: *phil-* + *anthrōpos* meaning human being (circa 1623). Philanthropy’s primary definition is “goodwill to fellowmen; *especially*: active effort to promote human welfare.”

From this definition, it can be understood that philanthropy, while imbued with many philosophical, political, religious, and social meanings, is considered at its core to be an interaction aimed at human subsistence.

Without minimizing Sulek’s deep analysis of contemporary day and classical meanings of philanthropy, I highlight and summarize only the salient points here for the purposes of updating my literature review.

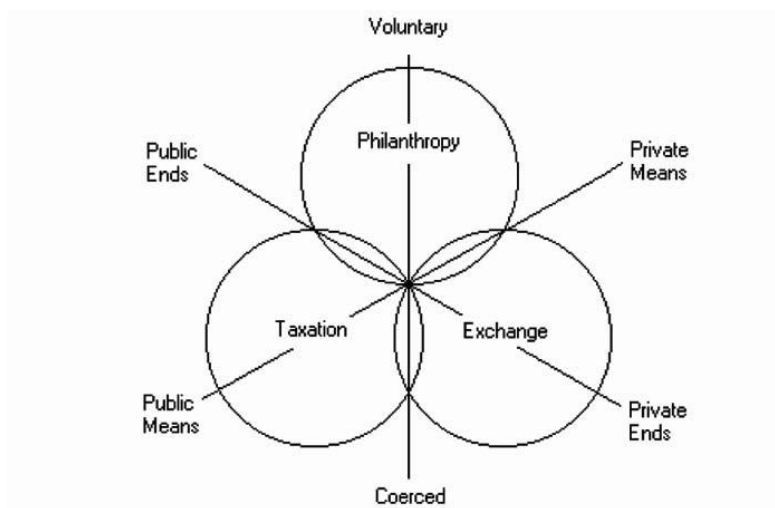
Sulek (2010b) relies on Salamon’s (1992) definition of philanthropy as one to which the scholarly community associated with the field of “philanthropic studies” most commonly subscribes, that is, “the private giving of time or valuables (money, security, property) for public purposes,” and characterizes philanthropy as “one form of income of private nonprofit organizations” (Sulek, 2010b, p. 201). In addition, he refers to Schervish’s definition, which integrates the perspective of government and market forces to the context of philanthropy, exploring the obligatory as well as the voluntary nature of giving. Shervish (1998) defines philanthropy as “a social relation governed by a moral obligation that matches a supply of private resources to a demand of unfulfilled needs and desires that are communicated by entreaty” (Sulek, 2010b, p. 203).

To contextualize philanthropic actions, Sulek (2010a, p. 398) discusses the “potential motivations” of philanthropic actions, summarized here:

...there are many potential motivators to philanthropic actions, whether expressed in terms of love of the human, the beautiful, the good, the divine, or wisdom; personal excellence, civic virtue, or morality; rational understanding, moral sentiment, or good will; the pleasures of social intercourse, the craving for social standing and recognition, or the lust for power; the highest ideals, aims, aspirations, and hopes of people living in a civil society; or even just simply what it means to be fully human.

Sulek (2010b) also offers an interesting conceptualization of philanthropy in the contemporary social sciences as presented below in Figure 2-1, his “Three sector model of political economy.” To explain his Model, Sulek suggests the following narrative, “[philanthropy is] the application of private means to public ends. The other conceptual poles in this schema would thus be government taxation, defined as the application of public means to public ends, and market exchange, defined as the application of private means to private ends. A voluntary-coerced axis could also be incorporated...”

Figure 2-1 Sulek’s three sector model of political economy (Sulek, 2010b, p. 202)



Sulek (2010b, p.203) suggests that as a result of his survey of contemporary academic definitions of philanthropy, there remain areas of significant disagreement, in particular:

1. Whether philanthropy is voluntary, or whether it is compelled by factors such as moral restraints, social obligations, and the like
2. Whether philanthropy serves a public purpose, a public good, a charitable need, or simply a communicated want or desire
3. Whether philanthropy is an intent to achieve a particular aim, is the actual attainment of that aim, or is just simply a private act of giving

As a contribution to the body of research on the understanding of philanthropy, Sulek (2010b) offers a framework of meaning (see Table 2-3 below). To construct this

framework, he categorizes the major modern definitions of philanthropy according to the following categories (Sulek, 2010b, p. 204):

Literal: Encompassing references to the literal meaning of philanthropy in ancient Greek as the love of mankind.

Archaic: For usages now considered largely obsolete, such as those referring to philanthropy as the “love of God for humankind” or as being synonymous with “humanity.”

Ideal: To describe the attainment of ideal aims, goals, outcomes, or objectives in terms of meeting a need, attaining a good, and/or advancing human happiness and well-being.

Ontological: To describe an innate desire, moral sentiment, psychological predisposition, or other such aspect of human nature that impels people to want to help others.

Volitional: To describe the good will, intent, or readiness to voluntarily help others.

Actual: To describe an objective act, such as giving of money, time, or effort, to a charitable cause or public purpose.

Social: To describe a relation, movement, organization, or other such social entity larger than the individual that embodies an explicitly defined charitable cause or good.

Table 2-3 Modern modes of philanthropy (Sulek 2010b, p. 205), on the following page, offers a consolidated framework of the modern modes of philanthropy.

Transitioning from what he calls philanthropy’s “working definition of its academic study,” that is “the examination of voluntary actions to advance human good,” Sulek (2010a) concludes his research by offering to “encapsulate the essence of the predominant notions of philanthropy” by suggesting a new definition for philanthropy, specifically, “love motivating the greater realization of human potential” (Sulek, 2010a, 399).

Table 2-3 Modern modes of philanthropy (Sulek 2010b, p. 205)

Modern Modes of Philanthropy							
	Literal	Archaic	Ideal	Ontological	Volitional	Actual	Social
Schervish (1998)			Social relation governed by moral obligation to meet a communicated need			Social relation governed by moral obligation to meet a communicated need	Social relation governed by moral obligation to meet a communicated need
Salamon (1992)						Private giving for public purposes	
Van Til (1990)			Voluntary giving with the aim or intent of meeting a charitable need		Voluntary giving with the aim or intent of meeting a charitable need	Voluntary giving with the aim or intent of meeting a charitable need	
Payton (1988)			Voluntary action for the public good		Voluntary action for the public good	Voluntary action for the public good	
Merriam-Webster (2008)					Goodwill to fellow men	Philanthropic act or gift; especially active effort to promote human welfare	Organization distributing or supported by philanthropic funds
Webster & McKechnie (1934)	Love of mankind			Desire or disposition to help mankind		Charitable acts	
Oxford (1909 after 2002)	Love of mankind	The love of God for humanity (now rare)		Desire or disposition to help mankind		After 2002 especially: practical benevolence; donation of money to good causes	Charitable movement, agency, or organization
Webster & Porter (1864)	Love of mankind		Universal good will	Desire and readiness to do good to all men	Universal good will	Benevolence toward all humans	
Webster (1828)	The love of mankind		Universal good will	Differs from friendship, as an affection for individuals	Universal good will	Benevolence toward the whole human family	
Johnson (1755)	Love of mankind			Goodness of nature			
Bacon (1612)			Goodness , affecting the weal of men	The habit of doing good ^a		Affecting the weal of men	

a. Bacon's definition of philanthropy as the habit of doing good does not comfortably fit in either the ontological or the volitional categories, as habitual behavior is situated somewhere on the frontiers between the two: between "voluntary acts" and the "second nature" of our teachable selves that these acts help shape and that are shaped by in turn. For this reason, it is shown here bridging the two categories.

**3 *Project one (systematic review): Philanthropy – an exploration of
exchange and reciprocity***

3.1 Introduction

A study of transformational philanthropy (defined here as charitable donations of more than \$5 Million CAD) toward post-secondary educational institutions has not been conducted, to my knowledge. My interest in pursuing research into transformational giving is to understand better the influences of, and on, the major-gift philanthropist (*i.e.*, the individual who makes this level of charitable contribution). My research question is: *Why do donors make transformational donations?*

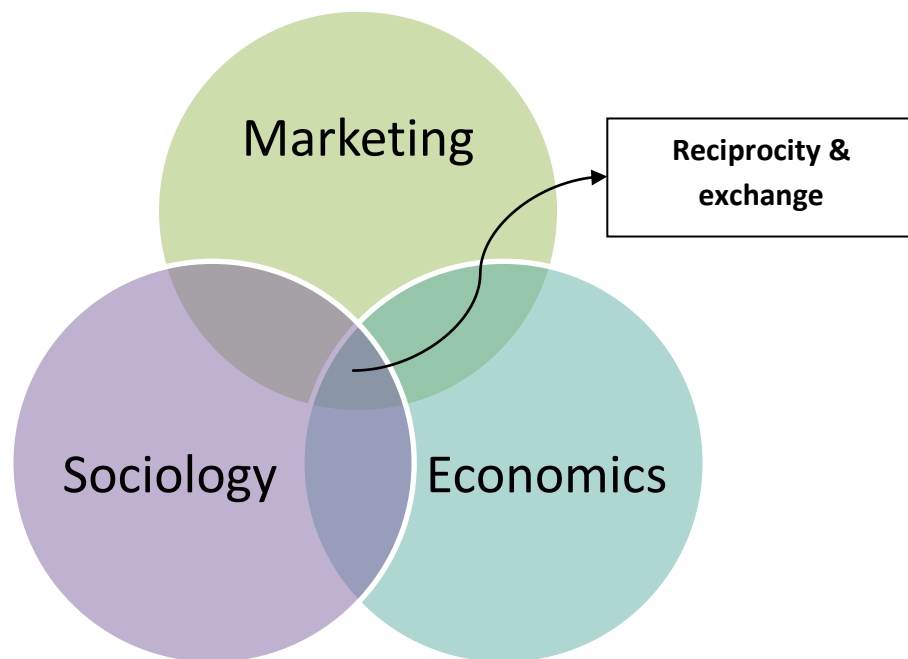
I began my research by conducting a literature review (found in the Scoping study – please see Chapter 2 of this Thesis) in order to understand better philanthropy in general. This initial Scoping study revealed that philanthropy has been studied through many disciplines and perspectives, including: anthropology, business, economics, philosophy, psychology, sociology, and other social sciences, in addition to studies focusing on the not-for-profit and voluntary-sector context. The domains of literature that examine philanthropic behaviour can be further categorized by “inside out” or “outside in” perspectives. For example, the “inside out” perspective explores donor’s behaviour from the internal perspective (*e.g.*, psychology), while the “outside in” examines the donor’s behaviour by exploring the external and social influences on the individual (*e.g.*, anthropology, business, economics, philosophy, and sociology). Researchers interested in the not-for-profit and voluntary sector also study donor behaviour, drawing upon theories from these other academic disciplines.

For the purposes of my research, I have chosen to concentrate on the “outside in” perspective, exploring philanthropic behaviour by examining the external influences from the disciplines of business (marketing), economics, and sociology, and by exploring the not-for-profit and voluntary sector context-specific literature. While the micro-level analysis provides an important area of study for donor influence, the field of psychology is beyond my area of interest and expertise, and therefore beyond the scope my research.

Drawing upon my Scoping study and subsequent systematic review of the marketing literature in this Project, I was able to find two theoretical constructs that cut across my

academic areas of interest – philanthropy and marketing – and which illuminate the study of philanthropic behaviour, specifically in transformational gift giving. They are: reciprocity and exchange (see Figure 3-1 Understanding philanthropy through reciprocity and exchange below). Project one summarizes the pertinent research on philanthropy in the areas of marketing, sociology, and economics, and examines exchange and reciprocity as two dominant constructs that illuminate the influences on transformational philanthropy.

Figure 3-1 Understanding philanthropy through reciprocity and exchange



3.2 Philanthropy, gift giving, and exchange

“There’s no such thing as a free ride.”

Anonymous.

3.2.1 Philanthropy as exchange

As discussed in the Scoping study, the etymology of the word “philanthropy” comes from the late Latin *philanthropia*, and from the Greek *philanthrōpia*, which comes from *philanthrōpos*, loving people: *phil-* + *anthrōpos* meaning human being (circa 1623).

Philanthropy’s primary definition is “goodwill to fellowmen; *especially*: active effort to promote human welfare.” From this definition, it can be understood that philanthropy, while imbued with many philosophical, political, religious, and social meanings, is considered at its core to be an interaction aimed at human subsistence. As humans interact and engage in forms of philanthropy and gift giving, they form an exchange partnership that, to one extent or another, becomes an interdependent system.

In its earliest and simplest form, exchange can be defined as “a transfer of a good from one agent to another” (Kolm, 2000, p. 7). Gift giving, and, by extension, philanthropy is, therefore, considered a form of exchange where something of value is transferred from one being to another – the gift.

It has been said that “there’s no such thing as a free ride;” however, in a charitable context, it is assumed that the donor should want nothing in return. Reinforced by Canadian tax law, which prevents an “expectation of return” and, in some cases, legally prevents a donor from receiving a charitable tax receipt if there is reciprocation for a gift for which there is market value, modern philanthropy is also imbued with a social/moral expectation that the donor acts purely from altruism. Any demonstration of self-interest is something to be frowned upon. Dichotomizing gift giving as either altruistic or self-interested is a social construction rooted in a certain kind of Christian thinking, which idealized the idea of a gift as being devoid of all self-interest (Mauss 1950, p. vii; Adloff & Mau, 2006, p. 100). Von Mises (1949) characterizes the altruistic end of this dichotomy by describing what he terms “autistic exchange.” This form of exchange exists where there is no “intentional mutuality, where an action is performed without any design of being benefited by a concomitant action of other men” (von Mises, 1949, p. 195). With autistic exchange, the act of giving is completely one sided,

without expectation or receipt of reward, “the donor acquires the satisfaction which the better condition of the receiver gives to him... the receiver gets the present as a God-sent gift” (von Mises, 1949, p. 196). From von Mises’ quotation, one can infer both the dichotomization of autistic giving as being purely altruistic (as opposed to self-interested), as well as imbued with certain Christian values.

Gift giving is an ancient practice well documented by countless anthropologists and sociologists, but perhaps best known through the work of Mauss as chronicled in his essay “The Gift” (Mauss, 1950), in which he explores giving through ethnography of American Indians, Melanesians, and Polynesians, and by examining ancient texts (Roman, Germanic, and other Indo-European legal systems). Mauss believed that there should be no free ride – that gifts serve to enhance and deepen social/communal ties. In his examination of gift giving, he concludes that “a gift that does nothing to enhance solidarity is a contradiction” (Mauss, 1950, p. vii). In his examination of giving, the dichotomy of self-interest and altruism does not exist; rather it is acceptable for giving to be both self-interested and altruistic simultaneously. One does not preclude the other. Mauss’s study of pre-modern gift giving recognizes that resultant reciprocities are “deeply social acts which, though not based on interest, are not disinterested; they establish and perpetuate relations of mutual indebtedness” (Adloff & Mau, 2006, p. 100).

By extension, I propose that today’s philanthropy in Canada is similar to pre-modern gift giving behaviour in that it exhibits both elements of self-interest and of altruism. In order to move beyond dominant culturally or morally loaded interpretations of philanthropic behaviour and to examine more fully the complex influences of major-gift philanthropy in the twenty-first century, it is necessary to examine the principles of exchange and reciprocity and the role they play in the present-day, Canadian philanthropic dynamic.

.

3.2.2 Marketing exchange, social systems, and value propositions

3.2.2.1 Marketing exchange

As I considered philanthropy through the lens of the marketing literature, I began by examining the concept of exchange, with a view to understanding better philanthropic gift giving as an act of exchange. In early marketing literature, pioneering marketing scholars determined that *exchange* was both accepted as a core concept within the study of marketing and adopted as part of its very definition. Alderson defined marketing as “the exchange which takes place between consuming groups and supplying groups” (Alderson, 1957, p. 15); Bagozzi defined marketing as “the discipline of exchange behaviour, and it deals with problems related to this behaviour” (Bagozzi, 1975, p. 39); and Kotler suggested marketing “is a social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others” (Kotler, 1984, p. 4). Building on these early works of Alderson, Bagozzi, and Kotler, and drawing on social theorist Homans’s theory of social exchange (Homans, 1958), the American Marketing Association in 1985 developed its definition of marketing in which the exchange concept was incorporated, “Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives” (Brown, 1985, p. 1). In these early definitions, the exchange construct was inextricably linked to the marketing concept.

3.2.2.2 Marketing systems of exchange

As reviewed in the Scoping study, many researchers studying philanthropy see the act of gift exchange as extending beyond a dyadic relationship to include multiple direct and indirect relationships within an extended network (Barman, 2007; Giesler, 2006; Lowrey *et al.*, 2004). While the early definitions of marketing describe exchange as a fairly simple dynamic between two parties or groups of parties, Bagozzi (1974), like the authors above, suggests a more complex examination of the exchange construct as he considers its role in the study of marketing theory.

Bagozzi proposes that the exchange or transfer need not be isolated as being solely between two agents, but, rather, that it be encompassed and studied in the broader social or cultural context. He develops what he terms the “exchange system,” one that

engages, and is engaged in, more fulsome interrelationships, “In essence, the *exchange system* may be defined as *a set of social actors, their relationships to each other, and the endogenous and exogenous variables affecting the behavior of the social actors in those relationships*” (italics by author, Bagozzi, 1974, p. 78).

By recognizing that exchange takes place in a system and not necessarily in isolation, Bagozzi attempts to combine exchange theories that are based on “individualistic assumption(s) of self-interest” with those built on “social, collectivistic assumptions” (Bagozzi, 1975, p. 32-33), moving away from what could be seen as an entirely utilitarian conceptualization of marketing. (The utilitarian concept permeates the social sciences literature. Put succinctly, “the dominant behavioral models in the social sciences view people not only as self-interested, but also as rational... which assumes that people have essentially selfish goals and pursue them efficiently” (Frank, 1996, p. 130-131).) Instead of this dominant model, Bagozzi paints a picture of a complex system in which a consumer strives for both economic and symbolic rewards, dubbing the consumer as the “*marketing man*” (Bagozzi, 1975, p. 37). In doing so, Bagozzi is attempting to build on, yet contrast, the *evolving* consumer from the neoclassical economic concept of *the economic man*. (The *economic man* has, since the 19th century, come to represent an individual who is assumed to act rationally and in self-interest in an effort to maximize his or her wealth, while minimizing his or her costs.) The concept of the economic man relies on an individualistic and rational perspective, suggesting that utilitarianism reigns, and that exchange between individuals is largely conducted on the basis of barter, financially mediated or not, where market forces prevail and contractual obligations are enforced legally or otherwise (Blau, 1964; Bagozzi, 1974, 1975; Gérard-Varet *et al.*, 2000; Adloff & Mau, 2006). Bagozzi attempts to deepen the study of marketing and consumer behaviour by rejecting the entirely utilitarian or neoclassical economic viewpoint of exchange, that is, he rejects the conceptualization of the consumer as the economic man.

In contrast to the conceptualization of the economic man, Homans would argue that the utility of a social benefit cannot be clearly distinguished from other rewards inherent in the social association, thereby making it difficult to apply principles of maximizing utility to social exchange (Homans, 1961, p. 72). Homans describes social behaviour as

“an exchange of goods, material goods but also non-material ones, such as the symbols of approval or prestige,” which cannot be measured or maximized (Homans, 1958, p. 606). Further, Homans explores social behaviour, refining the notion of social *association* by describing it as “an exchange of activity, tangible or intangible, and more or less rewarding or costly, between at least two persons” (Homans, 1961, p. 13). Similar to Homans descriptions of social behaviour and exchange, Bagozzi’s marketing man is sometimes rational, sometimes irrational; motivated by tangible and intangible rewards, as well as internal and external forces; engages in both utilitarian and symbolic exchanges; proceeds with incomplete information, weighing both economic and social costs/benefits; may strive to maximize profits, but may also settle for less-optimum gains; and the exchanges do not occur in isolation, but rather are subject to individual and social constraints – legal, ethical, normative, coercive, *etc.* (Bagozzi, 1975, p. 37). In sum, both Homans and Bagozzi perceive the consumer as seeking tangible and intangible benefits from exchange that are derived not solely through utilitarian transfer in a dyadic relationship, but rather, in a contextually influenced multi-party system.

Drawing on the works of Mauss’s *The Gift* and Lévi-Strauss’s “Principle of Reciprocity,” Komter (2007) also proposes that both the utilitarian and anti-utilitarian views of the gift over simplify the complex and multi-purpose “symbolic utility” of the gift. In the words of Lévi-Strauss, goods are exchanged as “vehicles and instruments for realities of another order: influence, power, sympathy, status, emotion; and the skilful game of exchange consists of a complex totality of manoeuvres, conscious or unconscious, in order to gain security and to fortify one’s self against risks incurred through alliances and rivalry” (Lévi-Strauss, 1996, p. 19). For Komter, by examining the gift as an instrument for influence, power, sympathy, status, and emotion with economic, social, moral, religious, aesthetic, and juridical functions, she explores cultural inferences of the noble and less noble purposes of the gift. For example, Komter refers to the gift’s noble purposes as “expression[s] of love, friendship or respect” and the less noble purposes “to manipulate, flatter, bribe, deceive, humiliate, dominate, offend, hurt and even kill, as in the case of the poisoned cup” (Komter, 2007, p.94). Through debating utilitarian and non-utilitarian conceptualizations of exchange in the study of gift giving, we can see the development of a dichotomy emerge – one of self-interest versus one of altruism. By extension, this dichotomy can reflect a polarization

of behaviours applicable to the study of philanthropy – behaviours that are self-interested and those that are other-interested (altruistic).

A deeper analysis of the complexities of the exchange dynamic is necessary to fully understand what motivates the exchange behaviour. If the philanthropist is the “marketing man” and not the “economic man,” *i.e.*, someone who strives for both economic and symbolic gain versus someone who is only interested in economic exchange, then his or her actions, as well as the influences on those actions, are far more complex than the simple utilitarian model might suggest. Instead of dichotomizing self- and other-interested exchange, I propose the philanthropist is likely to place him or herself along a continuum that exists between these polar opposite behavioural options. Bagozzi’s marketing man exchange dynamic, as well as Komter’s perspective of the gift as an “instrument,” offer a robust set of characteristics that will be used as the lens through which I probe the influences of and on the philanthropist in the subsequent research projects.

3.2.2.3 *Marketing exchange systems and value propositions*

Expanding the concept of marketing exchange, and touching on the early definitions described above, which included the concepts of “value” (Kotler, 1984) and “services” (Brown, 1985), the concept of exchange in contemporary marketing literature, now widely accepted among scholars and practitioners, includes what is perceived to be of value to any of the agents engaged in the exchange system. For instance, Bagozzi (1979) defined exchange as “a transfer of something tangible or intangible, actual or symbolic, between two or more social actors” (Bagozzi, 1979, p. 434), while, in their seminal 1987 article “Marketing and exchange,” marketing scholars Houston and Gassenheimer attempt to re-define marketing as integrating *perceived* or *potential* satisfaction with the value received in an exchange (Houston & Gassenheimer, 1987). Vargo and Lusch (2004a), in their proposed “new dominant logic” for marketing, reinforce the view of perceived value and as they suggest that increasingly, the market, and the practice of marketing, has shifted much of its dominant logic away from the exchange of tangible goods and focused it on “intangible resources, the cocreation of value, and relationships” (Vargo & Lusch, 2004a, p. 1). Izquierdo, Cillán, and Gutiérrez (2005) extend the idea of perceived value with the concept that the actors in the

exchange become cocreators of value, and that this value is shared among the actors, “the objective of the interaction between suppliers and customers is to create *and to share* value” (italics added for emphasis, Izqueirdo *et al.*, 2005, p. 234). Finally, in 2007, the American Marketing Association task force proposed a new definition of marketing as “the activity conducted by organizations and individuals, that operates through a set of institutions and processes for creating, communicating, delivering, and exchanging market offerings that have value for customers, clients, marketers, and society at large” (Sheth & Uslay, 2007, p. 306), which fully recognizes that the value of the exchange is not entirely utilitarian in nature.

The concepts explored in the marketing literature regarding the evolution of the concept of exchange illuminate philanthropy in the context of value creation, providing an exciting opportunity to examine the influences on the philanthropist. The view that marketing and exchange involve not only tangible and intangible transfers, but also result in value creation, opens the door to examining the complexity of who determines what is valued, and how value is created. For instance, the philanthropist may enter into an exchange because of the value proposition presented by the charitable organization. (A value proposition is defined as an offer to fulfill a promise of benefits that hold value for the participants in an exchange dynamic.) The philanthropist, therefore, exchanges a financial gift for the realization of that value proposition. Or, the philanthropist may create the value proposition by making a financial gift, which creates value for the organization, and, in turn, may exchange tangible and intangible transfers with others. For example, a philanthropist might make a gift of \$20 Million to an academic faculty of a university, which uses these funds to recruit world-renowned academic researchers. In making this gift, the philanthropist has funded what becomes a “hotbed” of research, which in turn enhances the reputation of the faculty/university, increasing its prestige among prospective students, alumni and others. The university may then capitalize on its enhanced reputation to attract increased funding from public and private sources. The philanthropist sees that his or her gift has created great value for the university beyond the initial transaction. This example demonstrates that in an exchange where the philanthropist gives a gift of money and receives little that is *tangible* in return, value in of itself, as perceived by the philanthropist, becomes the currency of reciprocation.

As has been discussed in this section of Project one, gift giving, a fundamental human practice chronicled from the earliest times by sociologists and anthropologists, such as Mauss and Malinowski, is also conceptualized as a fundamental social system in more recent literature (Giesler, 2006; Hamer, 2007; Weinbren, 2006). Within this conceptualization of the social system, there have been two streams of thought: first, the presumption of an “economic man” who focuses only on self-interested reasons for gift giving and, second, the “marketing man” who is interested in both economic and symbolic value of an exchange. Using the “economic man” to understand social exchange is a limited view, however, because of the unquantifiable social benefits received in the transaction – those which cannot be fully measured or accounted for with the utilitarian economic man perspective. What the evolution of exchange theories reveals is a more complex system of exchange, as explored above, in which value comes from both tangible and intangible sources, and can even be cocreated by the actors within the exchange dynamic. Examining philanthropy through the lens of the sociology and marketing literature, with attention paid to the complexity of value creation and exchange, opens the door for examining the influences of or on, the philanthropic exchange.

3.3 Philanthropy as a social system of exchange

With the complex system of marketing exchange described in the previous section – one in which value comes from both tangible and intangible sources, and one in which value is cocreated by the actors within the exchange dynamic, this section seeks to examine specifically the influences of or on, the philanthropic exchange. The continuum of self- and other-interested exchange, along with the utilitarian and symbolic value derived from the exchange, sets the stage for examining further the influences on philanthropic behaviours; that is answering my research question: *Why do donors make transformational donations?*

Going deeper into concepts of exchange, in the context of philanthropy, the rationale for gift giving may lie in the gift-giving traditions from which this practice was borne. As documented by Mauss, archaic societies engaged in reciprocal giving as a means of reproducing themselves symbolically thus creating a cycle of giving, accepting, and reciprocating (Mauss, 1950). Far from being barter or contracts as we know them in the

modern “market” or economic sense – *i.e.*, exchanging items of perceived similar value or agreeing to an exchange based on a contract – gift giving in the pre-modern context was imbued with the giver’s personal identity and represented a deeply social act (Mauss, 1950; Hirschman, 1987; Gérard-Varet *et al.*, 2000; Arnett *et al.*, 2003; Adloff & Mau, 2006). For example, Mauss uses the North American Indian potlatch as an example of a “total system of giving” found in every region of the world, one in which every gift given or received is part of a system of obligatory reciprocity. Spiritual and material possessions are included in the exchange, as are all members of the community in the system as actors within the exchange. The perpetual cycle of exchanges, even intergenerational, are included, resulting in a “cycling gift system [that] is the society” (Mauss, 1950, p. ix]. According to Mauss, Maori gift-giving rituals are far from simple transactional exchanges because they implore reciprocation since the “thing” given is imbued with the spirit of the giver. Mauss states, “...the fact that the thing received is not inactive. Even when it has been abandoned by the giver, it still possesses something of him.... the thing itself possesses a soul, is of the soul” (Mauss, 1950, p.11-12). The value of the gift, therefore, is not only appreciated for its tangible or explicit value; its value is also inherent to the relationship between the giver and the recipient. The relationship itself becomes part of the value proposition and is inextricably linked to the exchange(s).

To understand better philanthropy as a social system of exchange, I turned to the marketing literature to examine the concept of social relationship value in the exchange. Consumer behaviourist Giesler (2006) explores the consumer gift systems and reflects that it “traditionally has been conceived of as an aggregate of dyadic gift exchange rituals” (Giesler, 2006, p. 283). Giesler focuses on gift “social systems” dependent on multiple relationships versus simple dyadic relationships in the exchange that focus on the tangible value of the gift itself. He proposes a robust conceptualization, suggesting that these gift social systems consist of three theoretical key elements: 1) social distinctions, 2) norm of reciprocity, and 3) rituals and symbolisms. Echoing Mauss’s theory, which includes the intangible as gifts, Giesler looks beyond the tangible nature of the gift to the reinforcing nature of the social relationship between giver and recipient, and how that defines the social gift system as opposed to valuing only the uni-dimensional gift itself.

Giesler contends that the reductionist study of consumer gift giving has distilled gift exchange to an “entirely microscopic discussion of the motivations and actions of individual gifting partners across different stages of exchange... [a] strong tendency to focus on gift giving exclusively as a process of balanced reciprocal exchange [resulting in] an entire stream of consumer research, its effectiveness limited by an oversimplified, atomistic, economistic view on gift giving and its respective sociocultural dynamics” (Giesler, 2006, p. 284). In saying so, Giesler reinforces the notion that the dichotomy of self- and other-interested (altruistic) exchange is not robust enough as a lens through which to fully examine the complexities of philanthropy, and that indeed, gift giving is not a simple dyadic exchange, but rather, part of a larger social system.

The continuum of self- and other-interested exchange can be examined within the larger philanthropic social system of exchange. Giesler concludes that consumer gift giving should be understood as “a complex system of meaningful social interaction through gifts... systems of social solidarity that reveal the complex sociocultural construction ... as more than just an aggregate of dyadic interaction rituals” (Giesler, 2006, p. 289). Although studied under the lens of consumer gift giving in a music file sharing context, I suggest that Giesler’s work can be used to understand better philanthropic gift-giving. Through his analysis of consumer gift giving, Giesler opens the door to understanding better how the meaningful social interaction between the donor *along with* the charity, in the context of their philanthropic “system” of social associations and communities, may influence individual acts of philanthropy.

As I continued to explore philanthropy as a social system of exchange, I turned to the economic literature, specifically to the work of economist Kolm, and his book entitled *The economics of reciprocity, giving and altruism*. Kolm (2000) provides a deeper understanding of the dichotomy of self- and other-interested (altruistic) exchange by placing the gift-giving exchange or “transfer” onto a continuum, with “coercion” on one end and “pure gift giving” on the other. In his model, he suggests that there are four types of modes of transfer: taking by force (coercion), exchange, reciprocity, and pure gift giving (Kolm, 2000, p. 7-9). This continuum is presented below in Figure 3-2.

Figure 3-2 Properties of the four modes of economic transfer (Kolm, 2000, p. 7)

Coercion (taking)	Exchange	Reciprocity	Pure Gift Giving
	Globally voluntary		
Individually coerced transfers	Independently voluntary transfers		
	Interrelated two-way transfers	Independent one-way transfer	
Self-centred motivation		Other oriented	

Figure 3-2 in its entirety could describe the system of philanthropic exchange, where the philanthropist is influenced not solely by one dimension or another, but perhaps simultaneously by the effects of the entire system. Instead of dichotomizing “coercion” and “pure gift giving,” as Kolm has done, or indeed “rational choice, self-interest and utilitarianism” on one end of the scale and “norms, culture, altruism, socialization, and morality” on another, a system of philanthropic exchange acknowledges all of these motivations and influences, in different measures and weights, and helps to orient the social actions of the humans within the system. Based on the interrelationships of the motivations and influences within this exchange, I propose that the system of philanthropic exchange does not exist as a dichotomy or even a continuum, but rather as a set of interacting influences upon the acts of philanthropy (as represented with a Venn diagram below in Figure 3-3).

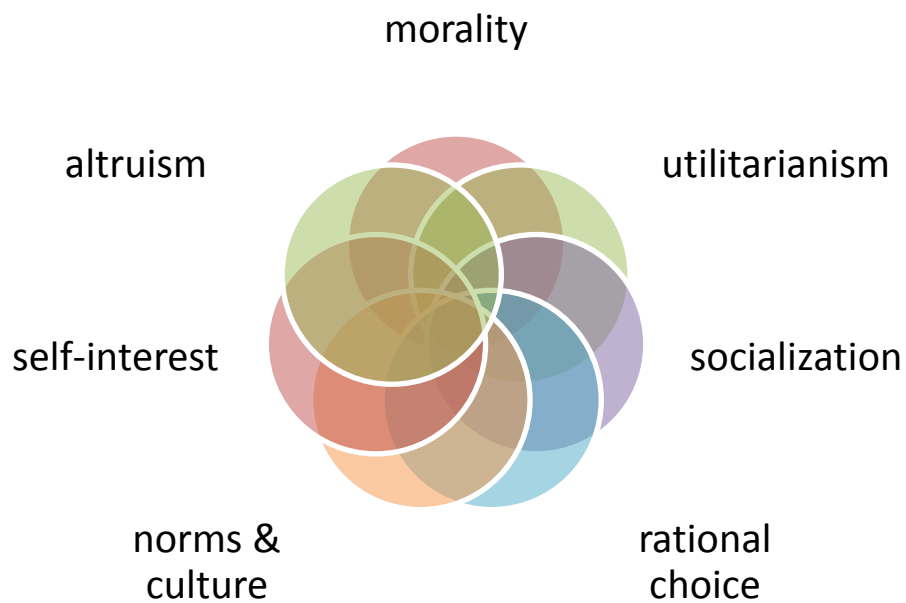


Figure 3-3 Influences on the philanthropic exchange system

Figure 3-3 represents the philanthropic exchange system, where multiple influences do not occur along a continuum or a dichotomized scale, but rather, acknowledges that these forces or “influencers” may act concurrently, not only on the philanthropist, but on the charitable organization’s members and on others within the system’s sphere of influence (families, peers, communities, *etc.*). The Venn diagram serves to demonstrate the simultaneous nature of the dynamics in play. The degree of dominance of any one influence at any one time may be as unique as the individual philanthropist him or herself. This relationship of influences and outcomes will be examined further in the next stage of my research.

3.4 Reciprocity and the philanthropic exchange system

“The ability to distribute valuable possessions becomes a socially defined mark of superiority.”

(Blau, 1964, p. 108-109)

Quid pro quo – the principle of reciprocity – is a fundamental part of social relationships. Most economically rational individuals aim to achieve *symmetry* in an interpersonal exchange, *i.e.*, the “quid pro quo” arrangement leaves each party satisfied that they received something they deem of equal value for the item they gave. Looking to noted sociologist Blau to help examine the proposed philanthropic exchange system, his theories of social structures, in particular, how population and social structures affect human behaviour, provide an interesting contrast of pure economic exchange and social exchange, “the benefits of social exchange do not have an exact price in terms of a single quantitative medium of exchange” (Blau, 1964, p. 94). For Blau, the value extracted is defined by the parties within the transaction. In his conceptualization of social interaction, Blau refines social association further by specifically defining “social exchange” as “voluntary actions of individuals that are motivated by the returns they are expected to bring and typically do in fact bring from others” (Blau, 1964, p. 91). Blau is clear that social exchange and strictly economic exchange are distinctly different because social exchange entails “unspecified obligations” (Blau, 1964, p. 93). Further, Blau argues that “only social exchange tends to engender feelings of personal obligation, gratitude, and trust; purely economic exchange as such does not” (Blau, 1964, p. 94). As I develop the concept of the philanthropic exchange, Blau’s contribution legitimates the perspective that the reciprocity within the system is defined by the social actors within the system and is not necessarily reduced to the simple dyadic exchange transaction of economically rational actors in an independently valued transaction.

With respect to the concept of symmetry in exchange, whether the material or non-material items exchanged can be measured or valued independently becomes irrelevant as long as the two parties engaged in the exchange are satisfied that symmetry exists and both parties are satisfied. For example, if a donor gives a charitable organization a

gift of money and, in return, the charity thanks the donor publicly and honours the gift with a plaque on a prominent wall, there is symmetry in the exchange, provided that both the donor and the charity are satisfied with the value they received. Recalling the 2007 revised definition of marketing, “the activity conducted by organizations and individuals, that operates through a set of institutions and processes for creating, communicating, delivering, and exchanging market offerings that have value for customers, clients, marketers, and society at large” (Sheth *et al.*, 2007, p. 306), the exchange becomes not about the value as objectively defined or measured, but as cocreated and evaluated by the parties engaged in the exchange or by the entire exchange system.

Applying this definition to the context of philanthropy, the gift, therefore, is not only what might be tangible in the exchange, but is also the real and perceived value cocreated by the giver and the receiver. The reciprocal relationship itself creates value that extends beyond a finite transaction, and the value of that relationship is captured by the system in which it exists. For example, a university educates a student. The student receives the education and a tangible degree for which the student exchanged his or her tuition payment. This exchange may seem like a simple tangible transaction, but the student may also feel that they received a “gift” of knowledge or mentorship from a professor, and that professor, in turn, may feel they received a “gift” of inspiration through conversations with the student. These intangible gifts may be reciprocated between the student and the professor for some time with no tangible or monetary value, but value still exists as created through the exchange system because these two individuals value the exchange. Should this same student make a philanthropic gift to the university as an alumnus, the alumnus may do so in reciprocation for the excellent education received, as well as for the intangible gift of mentorship the alumnus received as a student from his or her professor. The university might choose to reciprocate the donation by naming a building after the alumnus, and, in doing so, the alumnus may achieve greater notoriety in society through media attention around the naming of the building. These cycles of reciprocity exhibit the tangible and intangible value captured within the philanthropic system of exchange.

The concept of reciprocity is also explored by noted sociologist, anthropologist and philosopher Bourdieu (1983), who suggests that economic capital can be exchanged for prestigious “cultural capital” or “social capital.” For example, donors who have succeeded financially may still wish to transcend their birth “habitus” (the socio-economic strata to which they were born), by exchanging economic capital for social currency. Cultural capital can be attained through academic qualification; though symbolic in nature, I suggest that donors who give to educational institutions are perhaps motivated by the desire to achieve greater cultural capital through their association with prestigious academic organizations. Likewise, social capital, defined as “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to a membership in a group” (Bourdieu, 1983, p. 248) may be desired on the part of a donor who aspires to greater social recognition or standing within a culture. Donors are regularly recognized for their generosity in association with the charity, providing a form of reciprocity through association. Blau (1964) states, “men make charitable donations, not to earn the gratitude of the recipients, whom they never see, but to earn the approval of their peers who participate in the philanthropic campaign. Donations are exchanged for social approval...” (Blau, 1964, p. 92). In alignment with Bourdieu’s concept of exchanging wealth for social capital, Blau states:

People want to gain approval and they want to gain advantage in their social associations, and the two desires often come into conflict, since heedless pursuit of advantage tends to elicit disapproval. The multigroup affiliations of individuals in modern societies help to resolve this conflict. The resources needed to win social approval in some groups are typically acquired in the other groups whose approval is less significant and can be dispensed with. (Blau, 1964, p. 105)

In the context of a philanthropic exchange system, therefore, a donor may be motivated to give in order to achieve access to, or membership in, a network or group that would otherwise be inaccessible.

Weinbren’s research focuses on reciprocity in the context of mutual aid associations such as charities. In his reflections of Mauss’s research on gift-giving and reciprocity,

Weinbren (2006) conceives a model where a cycle of reciprocity and exchange underpins social relations and transactions, so much so that they are “socially embedded and supported by a normative infrastructure”(Weinbren, 2006, p. 323). Weinbren understands this type of reciprocity as becoming “normative” and part of the everyday interchange in social associations. Reflecting further on Mauss’s contribution to the study of gift-giving, Weinbren suggests that adopting this perspective means rejecting a more utilitarian or economically rational perspective in favour of “social solidarity.” He says:

Adopting Mauss’s perspective means recognizing that the fundamental element of social solidarity was the cycle of exchange, the dynamic process by which people reciprocally give and receive. Members need not be seen as driven by the desire to maximize their personal utility or their possessions. Making central the building of social solidarity linked the cycle of exchange to morality, to obligation, ritual, hospitality, justice and charity, all of which were important elements within the friendly society movement (Weinbren, 2006, p. 322).

Socially embedded reciprocation, unlike pure economic exchange, requires trust and commitment (Blau, 1964, p. 98-99). As part of everyday life, reciprocity creates a moral bond that strengthens communities through obligations, relationships, reputation, trust, and reliability (Weinbren, 2006). Taking this concept of reciprocity further, consumer behaviour researcher Sherry (1983) looks at traditional consumer research on gift giving from an anthropological perspective in order to examine the social, personal, and economic dimensions of giving. In his article “Gift giving in anthropological perspective,” Sherry develops a model of the gift-exchange process as consisting of three stages: gestation, prestation, and reformulation, through which donors and recipients progress (Sherry, 1983, p. 163). Sherry’s third and final “reformulation” stage of his model gives particular insight into the reciprocal nature of the relationship between the philanthropist and the recipient organization because of how the two work together to create the initial and ongoing sustainable exchange relationship. Sherry comments:

Reformulation is the final stage in the process of gift giving. During this time, attention is focused on the disposition of the gift, which is subject to consumption, display, or storage. It may also be exchanged (*i.e.*, returned or redistributed) or rejected. In the process of disposition, the gift becomes a vehicle by which the relationship of the donor and the recipient is realigned. The social bond may be strengthened, affirmed, attenuated, or severed in accordance with the partners' assessments of reciprocal balance. Disposition may be intended (and is frequently perceived) as an expression of the recipient's regard for the donor... A realigned relationship frequently takes the form of gift exchange role reversal, with recipient becoming donor. Thus the relationship may continue to develop. Conditions precipitating future gift exchange are strongly influenced by perceptions arising in the Reformulation stage. (Sherry, 1983, p. 165)

In examining reciprocity in the context of the philanthropic exchange system, consumer researchers Lowrey, Otnes and Ruth (2004) examine social influences of third parties on the typically dyadic study a gift-giving exchange. As represented in Table 2-2 Characteristics of social influence on dyadic giving (Lowrey et al., 2004), above on page 81, the authors develop a taxonomy of ten social influences on givers' behaviour and motivations. In doing so, the authors extend the body of marketing literature beyond the focus on the donor-recipient dyad to include the social context, network and communities (or system), within which the relationship takes place. The authors look to external social relationship influences to help understand the gift exchange (such as multiple-party influence and the evolution of those influences over time).

Barman (2007) draws on institutional theory to show that macro level factors affect philanthropic behavior. She examines field-level configurations of relationships within organizations in which donors and fundraisers are embedded. Barman's model highlights how the composition of the organizational field structures shape fundraisers' strategies of solicitation and, therefore, the extent of donor control. In doing so, Barman suggests that the donor does not freely select their charitable recipients, but rather, that these are subject to a "socially mediated nature of altruism" (Barman, 2007, p. 1448) whereby the field, or community (social system), mediates the charitable choice.

As I examine reciprocity and the philanthropic exchange system, each of these authors point to a system within which the donor and the charity exist, and through which they mutually reinforce their relationship through reciprocal actions that are valued by each and that create value for the system itself. Each of these authors describe the philanthropic exchange in the context of a complex social system in which the giver(s) and recipient(s) are inextricably linked, and in which a system of reciprocity has become the norm, whether or not it is explicit, and the value from which is individually and collectively determined.

The examination of the literature on reciprocity and exchange explored in this section has established that reciprocity is a collective, circular, and mutually reinforcing activity. “Reciprocal presenting of gifts with the aim of establishing relationships rests on the voluntary and obligating aspects of giving, taking, and giving back simultaneously” (Mauss, in Adloff & Mau, 2006, p. 97). Reciprocity is cyclical, enduring, longitudinal, and, perhaps, perpetual. I present Figure 3-4 below to describe the cyclical philanthropic system of reciprocity, where the gift giver (donor) and the recipient (cause) exchange places within the philanthropic exchange system.

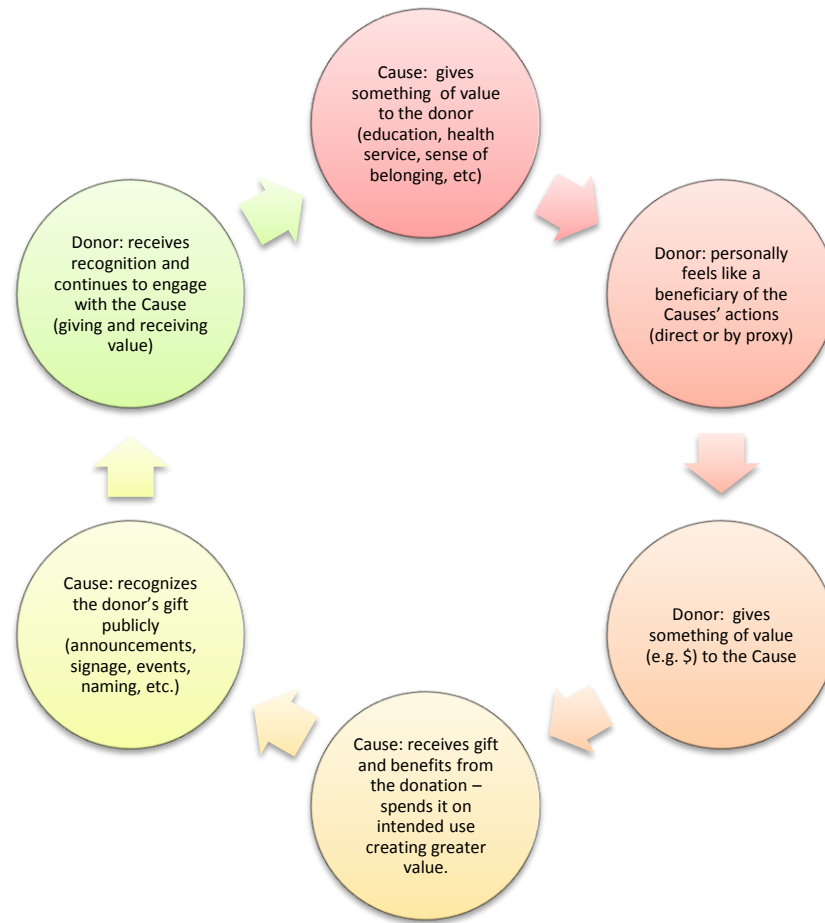


Figure 3-4 Cycle of philanthropic reciprocity

In Figure 3-4, the cycle of reciprocity exists because the donor and the recipient continue to value what each gives to the other, and together they create greater value for themselves and for the entire system. The cocreation of the value for themselves and their communities becomes mutually reinforcing so that each feels symmetry in the exchange process. This cycle is proposed as one that is longitudinal, and, therefore, may be characterized in a more dynamic sense over time. The relationship between the donor and the organization may be prone to positive and negative influences both from the engaged parties and also from externalities (as illustrated in Figure 3-3 on page 106). The merits of this proposed cycle of reciprocity, as well as its dynamic and evolving nature, will be examined further in the next phase of my research.

3.5 Cocreation of value, philanthropy, and the cycle of reciprocity

In recent years, there has been increasing interest in consumer cocreation within the body of marketing literature (Prahalad & Ramaswamy, 2004a,b; Vargo & Lusch,

2004a,b; Lusch & Vargo, 2006; Ramaswamy, 2008; Vargo, Maglio, & Akaka, 2008). Select authors are differentiating this burgeoning construct of cocreation from that of customization in the context of relationship marketing (RM) and customer-relationship management (CRM) (Prahalad & Ramaswamy, 2004b; Vargo & Lusch, 2004a,b; Lusch & Vargo 2006; Simonson, 2005). Cocreation is defined as the individual involvement of a consumer helping the organization to *define* experience options, selecting those with personal interest and meaning, and fulfilling the consumption “experience-of-one” with the assistance of the organization. This type of consumer participation is contrasted with *customization*, which involves the consumer selecting service options from a pre-determined set offered by the organization. For example, if situated along a continuum of consumer involvement in creating the consumption experience, customization would sit on the “low” end, while cocreation would sit on the “high” end.

The cocreation construct is of interest when examining the context of philanthropy (where “the organization” refers to the “charitable organization” and “the consumer” refers to the “philanthropist”); through cocreating the experience of philanthropy, the charitable organization invites the donor into the experience as an exchange partner, defining the experience and cocreating value with the charity for the gain of all parties involved in this particular social system. Consumer cocreation is proposed as an element of marketing strategy that leads to enhanced value – for both the organization and the consumer (Prahalad & Ramaswamy, 2004a,b; Vargo & Lusch, 2004a,b; Lusch & Vargo 2006; Ramaswamy, 2008; Vargo, Maglio, & Akaka, 2008). The current body of marketing literature suggests that engaging the consumer deeply in determining their consumption experience will lead to enhanced satisfaction and loyalty, and that enhanced consumer satisfaction and loyalty lead to enhanced value creation (Anderson *et al.*, 1994; Mascarenhas *et al.*, 2004).

Therefore, in keeping with my principal research question: *Why do donors make transformational donations*, my research into cocreation in the context of philanthropy examines whether this type of experience influences the transformational philanthropist and if cocreating the philanthropic experience leads to greater value creation between the philanthropist (the consumer) and the charitable organization. This leads me to add a secondary research question: *How does the cocreation construct illuminate the donating*

behaviour of the transformational donor? That is, does the organization that engages the donor in cocreated experiences (resulting in cocreated value) benefit from transformational donations as a result of that type of engagement? And as a corollary, do donors who participate in cocreated experiences (resulting in cocreated value) with the charitable organization make transformational donations to those organizations as a result of those experiences?

Delving into the cocreation literature, marketing scholars Prahalad and Ramaswamy (2004b) propose four building blocks that lead to cocreation: dialogue, access, risk assessment, and transparency – or DART. Table 3-1 Cocreation “DART” building blocks (Prahalad & Ramaswamy, 2004b, p.31) provides DART definitions:

Table 3-1 Cocreation “DART” building blocks (Prahalad & Ramaswamy, 2004b, p.31)

D – Dialogue	<ul style="list-style-type: none"> • encourages knowledge sharing to increase qualitatively new levels of understanding between companies and consumers • consumers are invited to interject their views of value into the value-creation process
A – Access	<ul style="list-style-type: none"> • consumers create value (for the firm and themselves) through experience, not just ownership
R – Risk assessment	<ul style="list-style-type: none"> • consumers understand risks of goods and services as they engage in the interactive value-creation process. They may bear more responsibility for dealing with risks as result
T – Transparency	<ul style="list-style-type: none"> • engaging consumers through information sharing creates greater trust between the firm and the consumer

Cocreation is conceptualized as a deep engagement of the consumer in the consumption experience that results in cocreated value – for the consumer and the organization. As the DART building blocks propose, inviting the consumer into the reciprocal service experience provides opportunity for differentiation of the consumption experience as being unique as the individual themselves (Sterling, 2008). This phenomenon is demonstrated in the case of Nike, where Ramaswamy (2008) finds that value is cocreated by “continuously interacting with its customers through engagement platforms, especially those centered on customer experiences” (Ramaswamy, 2008, p. 9).

3.5.1 Cocreation, customization and service-dominant logic

In order to fully define the construct of “cocreation,” it is essential to differentiate it significantly from that of consumer “customization.” Based on the existing literature, the roots of both of these definitions lie in the conceptualization of “market orientation” (Kohli & Jaworski, 1990; Prahalad & Ramaswamy, 2004b; Vargo & Lusch, 2004a,b; Simonson, 2005). Market orientation, as defined by Kohli and Jaworski (1990), focuses on two traditional pillars of the marketing concept – customer focus and coordination. These authors suggest that organizations “engage in activities designed to meet select customer needs” (Kohli & Jaworski, 1990, p. 3). Prahalad and Ramaswamy (2004b) suggest that the organization creating these “customer designed” activities is not enough – that the activities themselves must be cocreated *with the customer*, thus shifting from a firm-centric to a customer-centric model of engagement. Further, Prahalad and Ramaswamy (2004a) suggest that renowned organizational strategy researcher Michael Porter’s 1980 “traditional conception” of the process of value creation, where consumers were “outside the firm” and value creation occurred within the firm through its activities, is shifting to include consumers, where value is “the result of an implicit negotiation between the individual consumer and the firm” (Prahalad & Ramaswamy, 2004a, p. 7). Where the roles of the consumer and the firm were once distinct (consumers were the targets of firm offerings), the authors posit a convergence of these roles and of production and consumption (Prahalad & Ramaswamy 2004a). This echoes Vargo and Lusch’s (2004a) assertion that the customer is an integral “operant resource” rather than the targeted “operand” resource, involved in the entire value and service chain (Vargo & Lusch, 2004a, p.11). In an interview about his work on cocreating value with customers, Prahalad concludes that successful firms “focus on experience, not on products, as the basis of value. Focus on the *convergence* of traditional roles of the firm and the consumer” (Italics by author, Leavy, 2006, p. 8).

Lusch and Vargo (2006b) propose that the goods-dominant logic in the field of marketing practice and scholarship has transitioned toward a service-dominant logic.

Table 3-2 illustrates this transition.

Table 3-2 Conceptual transitions (Lusch & Vargo, 2006b, p.286)

Goods-dominant logic concepts	Transitional concepts	Service-dominant logic concepts
Goods	Services	Service
Products	Offerings	Experiences
Feature/attribute	Benefit	Solution
Value-added	Co-production	Cocreation of value
Profit maximization	Financial engineering	Financial feedback/learning
Price	Value delivery	Value proposition
Equilibrium systems	Dynamic systems	Complex adaptive systems
Supply chain	Value chain	Value-creation network/constellation
Promotion	Integrated marketing communications	Dialogue
To market	Market to	Market with
Product orientation	Market orientation	Service orientation

Building on the service-dominant logic concepts, cocreation can be seen as an evolution of customization – starting from a place of market orientation for both cocreation and customization – to one where cocreation leaps ahead of customization, the former involving the consumer to a much greater extent by inviting them to help conceive the firm’s value proposition.

In a cocreation model, the market shifts from being a target to being a forum. That is, in a “target” market, the firm and consumer are separate entities with predetermined roles (one is the seller, and one is the target to whom the seller will sell); whereas in a “forum” market, the firm and the consumer have indeterminate roles that often converge as the experience is negotiated. The unique nature of the experience means that supply and demand emerge, and value is determined in the process (Prahalad & Ramaswamy, 2004b). Lusch & Vargo (2006a) echo this view of the evolution of cocreation by contrasting the traditional goods-centered dominant logic with that of the newly heralded service-centered dominant logic. According to these authors, in the traditional goods-centered dominant logic, the role of the customer is to be the recipient of the goods. “Marketers do things to customers; they segment them, penetrate them, distribute

to them, and promote to them. The customer is an operand resource” (Lusch & Vargo, 2006a, p. 11). However, in a forum market, where service is the dominant logic, the customer is a cocreator of the service, “marketing is a process of doing things in interaction with the customer. The customer is primarily an operant resource, functioning only occasionally as an operand resource” (Lusch & Vargo, 2006a, p. 11). The good, therefore, is only the conduit of the service; it is the cocreated service experience itself that provides value to the consumer. Lusch and Vargo (2006b) define a service as “the application of specialized competences (knowledge and skills), through deeds, processes, and performances for the benefit of another entity or the entity itself” (Lusch & Vargo, 2006b, p. 283). The authors do not aim to contrast “goods” from “services,” rather they suggest that goods are simply the “appliance used in service provision” (Lusch & Vargo, 2006b, p. 283).

Vargo, Maglio, and Akaka (2008) contribute to conceptualization of the market as a forum by pushing the boundaries even further to conceive it as a constellation of “service systems” (Vargo *et al.*, 2008). These authors posit that each exchange or dyad of service systems expands into a network, which, in turn, becomes a network of networks that puts value back into the entire constellation.

...value cocreation is not limited to the activities of any one exchange or a dyad of service systems. It occurs through the integration of existing resources with those available from a variety of service systems that can contribute to system well-being as determined by the system’s environmental context. Each service system accesses resources from other service systems through exchange... Value-in-exchange is the negotiated measurement offered and received (*e.g.*, money and value proposition) among exchange partners. The resources of the service provider are adapted and integrated with a service system’s existing resources, and value is derived and determined in context... The process continues as new knowledge is generated and exchange occurs within and among surrounding systems. (Vargo *et al.*, 2008, p. 150)

This stream of literature is invaluable in building and reinforcing the proposition that there exists a philanthropic exchange system in which the donor and the charitable organization cocreate value for themselves and the system’s participants and beneficiaries.

3.5.2 Differentiating cocreation and customization in the philanthropic context

Simply giving consumers a choice of customized offers does not open the relationship to a cocreation experience. The explicit difference exists in giving consumers choice from a set of customizable options decided upon by the firm; the firm (or service/product) is still placed at the root of the equation instead of prioritizing the consumer (Prahalad & Ramaswamy, 2004a). Cocreation, in contrast, occurs when the consumer helps *define* the options, selects those that match their interests, and fulfills the experience with the assistance of the firm, placing the consumer at the root of the equation, and the firm as the facilitator of the experience encounter.

In terms of marketing orientation, customization is rooted in individual marketing, traditional market segmentation and CRM. While the customer's individual preferences are met through the selection of set product/service characteristics, they are not actively involved in defining what those choices or characteristics might be on a case-by-case basis. Simonson (2005) suggests that customization exists when the customer is "acted upon" by the firm, as opposed to the firm acting in conjunction with the consumer. Otherwise stated, "The focus is on situations in which an individual customer's preferences for the focal product or service are first measured or tracked and the information is then used to design offers tailored for that customer" (Simonson, 2005, p. 33).

For example, an "annual-fund donor" (the consumer) to a university may choose from a selection of pre-defined scholarships to which they may designate their financial contribution in an effort to make their "customized donation." However, they are not involved in designing the scholarship itself, including selecting which students it may benefit, academic areas in which the student may be studying, at which level their grades may lie, if they are involved in extra-curricular activity, and in which activities they may be involved, *etc.* The annual-fund donor is a segment to which a set of options are offered, even if these options are based on "market intelligence" or data points gleaned from popular donation choices in the past. This example typifies a customized offer. While customization brings the consumer's interest into the offer, it does so passively by pre-determining the "choice set," regardless of whether or not it is based on the collection of meaningful data points. The consumer is still on the outside of the

decision-making process as they are a targeted segment versus an integral part of the design process itself.

By contrast, a cocreation experience involves the consumer in the design process, the choice determination, and the final selection. If situated along a continuum of consumer involvement in creating the consumption experience, customization would sit on the “low” end, with cocreation on the “high” end. Drawing on the literature, I developed Figure 3-5 below to represent this continuum and to summarize the characteristics of each construct.

Figure 3-5 Differentiating characteristics between customization and cocreation

Continuum of consumer involvement	
Low	High
	
Customization	Cocreation
Consumer chooses from pre-defined experience options	Consumer is involved in defining experience options
Organization leads the consumer through the consumption experience	Consumer leads their “experience-of-one” and looks to the organization to help fulfill it
Market orientation is low – focus is on the organization first, then the consumer, and is less coordinated with the consumer’s interests	Market orientation is high – focus is on the consumer, and with the consumer, and is highly coordinated.
Firm-centric model of engagement; firm, good, or service is at the root of the equation with the consumer as the target	Customer-centric model of engagement; consumer is at the root of the equation with the firm as the experience facilitator
Firm acts upon the consumer	Firm acts in conjunction with the consumer
Consumer is a target of firm offerings (operand resource); consumer is involved in the decision-making process but outside the design process	Individual consumer is involved in negotiating the firm’s offerings (operant resource); consumer is involved in the decision-making process and is also inside the design process
Consumer is involved in a “target market” where the experience is offered by the firm	Consumer involved in a “forum” market where the experience is negotiated between the consumer and the firm
Value is pre-determined by the firm and through the consumption of the service/product as offered to the consumer	Value is determined by the negotiation process; The good or service is the “conduit” of the entire consumer experience; both the process and experience have value

3.5.3 Cocreation and value

Marketing scholars have suggested that firms wanting to sustain their competitive advantage and increase their value must ensure a high level of market orientation and relationship management, specifically focusing on the participation of the customer in the consumption experience (Slater & Narver, 1995; Grönroos, 1994; Prahalad & Ramaswamy, 2004a, b; Vargo & Lusch, 2004a,b; Izquierdo *et al.*, 2005; Ramaswamy, 2008). Prahalad and Ramaswamy (2004a) suggest that “cocreation” of consumer experiences is the emerging bases for value creation; that is, value “will have to be jointly created by both the firm and the consumer” (Pralhad & Ramaswamy, 2004a, p. 7). In an interview on this topic, Prahalad explains “customer centricity, customer focus and “customer #1” and such are not what cocreation is about. The issue is not *either* for firm or the consumer. It is about *both*. It is about two joint problem solvers creating unique value” (Italics by author, Leavy, 2006, p. 6).

Scholars posit that by engaging the consumer earlier and more meaningfully in the marketing cycle, the concept of “the market” itself is undergoing significant change and “transforming the nature of the relationship between the consumer and the firm” (Pralhad & Ramaswamy, 2004a, p. 6). Vargo and Lusch (2004a) suggest that, increasingly, the market, and the practice of marketing, has shifted much of its dominant logic away from the exchange of tangible goods with the logic now being focused on “intangible resources, the cocreation of value, and relationships” (Vargo & Lusch, 2004a, p. 1). Izquierdo *et al.*, (2005) go so far as to say that “the objective of the interaction between suppliers and customers is to create *and to share* value” (italics added for emphasis, Izquierdo *et al.*, 2005, p. 234). Ramaswamy (2008) tests these assumptions with the firm Nike to understand better the practice of value cocreation. In doing so, he draws the following conclusion:

The source of new competitive advantage and the seeds for a firm’s future profitable growth lie in the strategic capital it can build by continuously interacting with its customers through engagement platforms, especially those centered on customer experiences. This new strategic capital is the accumulated knowledge and skills continuously garnered by the firm through interactions with customers. These interactions strengthen a firm’s capacity to use global network resources and thematic communities to continuously identify and act upon new innovation and value creation

opportunities. In sum, leading firms are learning how to sustain competitive advantage by cocreating experiences of value with customers (Ramaswamy, 2008, p. 9).

Together, these scholars point to increased consumer involvement and consumer cocreation in the consumption experience as the basis for increasing value – value to both the firm and the consumer.

Through cocreation, consumers participate in the production and consumption of the firm's product or service through their active engagement and interactions. In turn, customers are seen to have the potential to jointly create value with the firm. Prahalad and Ramaswamy (2004a) suggest that “high-quality interactions that enable an individual customer to cocreate unique experiences with the company are the key to unlocking new sources of competitive advantage” (Prahalad & Ramaswamy, 2004a, p. 7). It is the customers who help decide what is of value, as opposed to simply being on the receiving end of what the firm feels is of value, creating a reciprocal approach to value creation. When applying this research to the context of philanthropy, I propose that by engaging the donor in cocreating value with the organization, the organization becomes a meaningful “influencer” of the philanthropist. Cocreated and mutually beneficial value creation becomes part of the reciprocal nature of the relationship for the entire social system of philanthropic exchange.

3.5.4 Creating value for consumers and organizations – a reciprocal relationship

Value creation, as an explicit component of marketing strategy, can be considered a key measure of the strategic effectiveness of consumer cocreation. In the marketing literature reviewed, authors tie value creation to marketing strategy, and, ultimately, to overall firm strategy. Mizik and Jacobson (2003) state that “marketing strategy is concerned with creating sustained competitive advantage, which in turn leads to superior financial performance...involve[ing] the creation of customer value (*i.e.*, innovating, producing, and delivering products to the market); [and] appropriating value in the marketplace (*i.e.*, extracting profits)” (Mizik & Jacobson, 2003, p. 63). Prahalad and Ramaswamy (2004b) also suggest that value determination can be seen as a source of competitive advantage, “new strategic capital is about challenging the traditional approach to competition and value creation. It entails new ways to think about

opportunities, access competence, leverage and reconfigure resources, engage the whole organization, and compete to cocreate value based on experiences” (Prahalad & Ramaswamy, 2004b, p.148). Also, considering the macro-organizational strategy perspective, Mascarenhas, Kesavan and Bernacchi (2004) suggest that maximizing value along the chain contributes to competitive advantage, “a company’s real core capability is its ability to continually redesign its value chain and to reshuffle its structural, technological, financial and human assets in order to achieve maximum competitive advantage” (Mascarenhas *et al.*, 2004, p. 486).

Adding the dimension of consumer involvement in value creation, Payne and Frow (2005) suggest that an organization’s value is derived from customer value – that it is derived from “the outcome of the coproduction of value, the deployment of improved acquisition and retention strategies, and the utilization of effective channel management” (Payne & Frow, 2005, p. 172). In other words, it is the cocreated value experienced by the customer that becomes inherent to the organization’s own value. Lusch & Vargo (2006a) assert that from the service-centered view of marketing with a focus on it as a continuous process, the consumer is always involved in the production of value. They extend this view to the full dynamic of the marketing cycle, suggesting that, “in using a product, the customer is continuing the marketing, consumption, and value-creation and delivery processes” (Lusch & Vargo, 2006a, p. 18). In further refining the value-creation process, Payne and Frow (2005) also suggest three key elements that involve consumer cocreation. They are, “(1) determining what value the company can provide to its customer; (2) determining what value the company can receive from its customers; and (3) by successfully managing this value exchange, which involves a process of cocreation or coproduction, maximizing the lifetime value of desirable customer segments” (Payne & Frow, 2005, p. 171-172). They argue that, ultimately, customer value is extracted when the value proposition is fulfilled and results in a superior customer experience.

Assessing value creation involves examining how value is created along the value chain for both the organization and the consumer. Based on an extensive literature review on “perceived value,” Johnson, Herrmann and Huber (2006) conclude that it is “a customer’s overall evaluation of what he or she receives compared with what he or she

gives up or pays” (Johnson *et al.*, 2006, p.123). The authors further suggest that value is a broad construct that encompasses “perceptions of quality given price and inputs versus outputs relative to the competition” (Johnson *et al.*, 2006, p. 123).

Izquierdo *et al.*, (2005) suggest that increased value is determined when “customers benefit in terms of higher value, better quality and increased satisfaction with their purchases, while firms benefit from greater sales volumes, better operating efficiencies, positive word-of-mouth publicity, improved customer feedback and decreased marketing expenses” (Izquierdo *et al.*, 2005, p. 235). Further, these authors suggest that “customer satisfaction acts as an antecedent of the customer’s perception of quality” (Izquierdo *et al.*, 2005, p. 235) and, ultimately, to greater customer retention and value.

Mascarenhas *et al.* (2004) suggest that value to the consumer is a balanced “competitive experience of cocreating the product with the company; [that involves] the experience of co-producing and co-owning it; the responsibility of purchasing and repurchasing it; and the responsibility of supporting the firm with positive referrals of its products and services,” (Mascarenhas *et al.*, 2004, p. 487) which ensures future access to the good/service that has become of value. Creating value for the producer occurs through insights gained from “customer interaction and participation; continuous feedback [from the consumer]; cocreation and co-ownership of products [with the consumer]; as well as customer satisfaction, retention, delight and loyalty from [positive] interactions” (Mascarenhas *et al.*, 2004, p. 487). Value for the organization also builds from positive referrals that result from satisfied customers. Building on the premise that cocreation is integral to value creation, Prahalad and Ramaswamy (2004b) suggest that the new value-creation space is “a competitive space centered on *personalized* cocreation *experiences* developed through purposeful interactions between the consumer and a network of companies and consumer communities” (italics by authors, Prahalad & Ramaswamy, 2004b, p. 10).

From the discussion in section 3.5.1 of this paper, we saw that some marketing theorists suggest that the market is shifting from a goods-centered “target” market where the consumer is the operand resource, to a service-centered “forum” market where the consumer is an operant resource (Prahalad & Ramaswamy, 2004a,b; Lusch & Vargo, 2006a). Taking this view a step further, Prahalad and Ramaswamy (2004b) argue that

the nature of value creation has also, in turn, changed to a more participatory form. They state that:

... in the conventional value creation process, companies and consumers had distinct roles of production and consumption. Products and services contained value, and markets exchanged this value, from the producer to the consumer. Value creation occurred outside the markets. But as we move toward cocreation...this distinction disappears. Increasingly, consumers engage in the processes of both defining and creating value. The cocreation experience of the consumer becomes the very basis of value. (Prahalad & Ramaswamy, 2004b, p. 10)

In other words, value is not only being held at the firm level solely through the extraction of profit from the consumer, but also through the consumer's development of their experiences in relationship to the good, service and/or organization, which results in personalized value for the consumer and the organization. "The new starting premise is that the consumer and the firm cocreate value, and so the cocreation experience becomes the very basis of value. The value creation process centers on individuals and their cocreation experience" (Prahalad & Ramaswamy 2004b, p.14).

Lusch and Vargo (2006a) support the assertion that the consumer has become central to the value-creation process. In examining the progress from the traditional goods-centered dominant logic to that of the emerging service-centered dominant logic, they suggest that the determination and meaning of value are also evolving. Whereas under the goods-centered logic, "value is determined by the producer. It is embedded in the operand resource (goods) and is defined in terms of 'exchange value'" (Lusch & Vargo, 2006a, p. 11). In contrast, within the service-centered logic, "value is perceived and determined by the consumer on the basis of 'value in use.' Value results from the beneficial application of operand resources sometimes transmitted through operand resources. Firms can only make value propositions" (Lusch & Vargo, 2006a, p. 11). Relying on Grönroos (2000), Lusch and Vargo (2006a) also suggest that cocreation is essential to the creation of value:

Value for customers is created throughout the relationship by the customer, partly in interactions between the customer and the supplier or service provider. The focus is not on products but on the customer's value-creating processes where value emerges for customers and is perceived by them...

the focus of marketing is value creation rather than value distribution, and facilitation and support of value-creating process rather than simply distributing ready-made value to customers... the enterprise can only offer value propositions; the consumer must determine value and participate in creating it through the process of co-production. (Italics by author, Vargo & Lusch, 2006a, p.19)

As we have now seen, this view of value cocreation highlights a fundamental shift in thinking about an organization's interaction with the consumer: the points of interaction, or experiences, now provide opportunities for consumers to negotiate and collaborate on the nature and value of the experience. This new dynamic "fundamentally challenges the traditional roles of the firm and the consumer" (Prahalad & Ramaswamy, 2004b, p. 31) and requires a dramatic change in organizational strategic planning to deal with the implicit and explicit implications (both positive opportunities and threats or risks to success).

The value chain as created by the company can limit a consumer's transaction options. If the firm creates the consumer experience based on an internal view of efficient transaction versus the "consumer experience" view, the transaction will not necessarily meet the experience interests of the consumer. Organizations should not seek consumer compliance to their value chain; rather, they should try to create the relationship that seeks consumer commitment by creating the consumer interaction from reciprocal engagement of the consumer.

The marketing literature reviewed clearly suggests that cocreated consumer experiences result in deeper and more satisfying long-term relationships with the consumer. Tying this notion back to the context of the relationship between the philanthropist and the charity, as well as the entire philanthropic exchange system within which they exist, I propose that cocreation of value is a reciprocal relationship that serves to mutually reinforce the engagement of the exchange parties, resulting in value creation not only for the donor and the charity, but for the entire philanthropic exchange system.

3.6 Future research

I began my DBA research with a principle research question: *Why do donors make transformational donations?* Through the systematic review of the literature in Project one, I propose that cocreated reciprocal experiences and value propositions for both the

donor and the organization, as well as for the entire philanthropic exchange system, result in the kind of deep engagement of the philanthropist that result in these transformational donations. This led me to formulate a secondary research question: *How does the cocreation construct illuminate the donating behaviour of the transformational donor?* That is, does the organization that engages the donor in cocreated experiences (resulting in cocreated value) benefit from transformational donations as a result of that type of engagement? And as a corollary, do donors who participate in cocreated experiences (resulting in cocreated value) with the charitable organization make transformational donations to those organizations as a result of those experiences?

In my future research projects, I intend to collect and analyze empirical data aimed at answering these questions. Specifically, and based on the literature reviewed in both the Scoping study and in Project one, I will consider complex and concurrent social and cultural influencers, that may influence acts of transformational philanthropy. My research aims to provide a multi-dimensional and robust understanding of the transformational philanthropist's behaviour as I endeavour to answer my research questions.

**4 *Project two: Philanthropy – a social system of reciprocal exchange
and cocreated value***

4.1 Introduction

I began my DBA research with a principle research question: *Why do donors make transformational donations?* Through the systematic review of the literature in Project one, I propose that cocreated reciprocal experiences and value propositions for both the donor and the organization, as well as for the entire philanthropic exchange system, result in the kind of deep engagement of the philanthropist that result in these transformational donations. This led me to formulate a secondary research question: *How does the cocreation construct illuminate the donating behaviour of the transformational donor?* That is, does the organization that engages the donor in cocreated experiences (resulting in cocreated value) benefit from transformational donations as a result of that type of engagement? And as a corollary, do donors who participate in cocreated experiences (resulting in cocreated value) with the charitable organization make transformational donations to those organizations as a result of those experiences?

In Project two, I collect and analyze empirical primary data aimed at answering these questions. Specifically, and based on the literature reviewed in both the Scoping study and in Project one, I consider complex and concurrent social and cultural influencers, that may influence acts of transformational philanthropy. My research aims to provide a multi-dimensional and robust understanding of the transformational philanthropist's behaviour as I endeavour to answer my research questions.

As a result of Project two, I propose a social system or, metaphorically, a “philanthropic ecosystem,” in which philanthropists interact, through their giving, with charitable organizations, beneficiaries, peers, family members, and communities. The philanthropists' perceptions and decision making within this ecosystem are inextricably linked with the inter-relationships of the multiple communities in which they are engaged, resulting in tangible and intangible cocreated value, not simply for the benefit of the dyadic relationship between the donor and the charitable organization, but also for the communities in which they interact.

Project two examines long interviews with transformational philanthropists who have made donations of \$5 Million (CAD) or more to post-secondary educational institutions (and affiliated medical institutes). Through the analysis of these interviews, I hope to contribute a deeper understanding of transformational philanthropists' behaviour in Canada – as explained through the proposed philanthropic “social system of reciprocal exchange and cocreated value” I discuss in this paper – to the existing body of research.

4.2 Literature review and research propositions

This section provides a review of the pertinent literature reviewed in the Scoping study and in Project one (systematic review) – for the purposes of developing a set of research propositions to be explored through the collection of primary data.

4.2.1 Philanthropy and exchange

Philanthropy. Philanthropy, while imbued with many philosophical, political, religious and social meanings, is considered at its core to be an interaction of human subsistence. As humans interact and engage in forms of philanthropy and gift giving, they form an exchange partnership that, to one extent or another, becomes an interdependent system. In its earliest and simplest form, exchange can be defined as “a transfer of a good from one agent to another” (Kolm, 2000, p. 7). Gift giving, and, by extension, philanthropy, is, therefore, considered a form of exchange, where something of value is transferred from one being to another – the gift.

Modern philanthropy adds to this proposition by imbuing philanthropy with a social/moral expectation that the donor act from a purely altruistic driver. In this context, self-interest is frowned upon. Dichotomizing gift giving as either self-interested or altruistic is a social construction rooted in Christian thinking which idealized the idea of a gift as being devoid of all self-interest (Mauss, 1950: vii; Adloff & Mau, 2006: 100). In his essay, “The Gift” (Mauss, 1950), a key text within the sociological and anthropological study of gift giving, Mauss asserts that gifts enhance and deepen social/communal ties, “a gift that does nothing to enhance solidarity is a contradiction” (Mauss, 1950, p. vii). In his examination of giving, the dichotomy of self-interest and altruism does not exist; rather, it is acceptable for giving to be both self-interested and

altruistic simultaneously. Mauss' study of pre-modern gift giving recognizes that resultant reciprocities are "deeply social acts which, though not based on interest, are not disinterested; they establish and perpetuate relations of mutual indebtedness" (Adloff & Mau, 2006, p. 100).

By extension, I propose that today's philanthropy is similar to pre-modern gift-giving behaviour in that it exhibits elements of both self-interest and altruism. In order to move beyond dominant culturally or morally loaded interpretations and examine the complex influences on transformational philanthropy in the twenty-first century, it is necessary to explore the history of the principles of exchange and reciprocity and the role they play in the present-day philanthropic dynamic.

Marketing exchange. In early marketing literature, *exchange* was both accepted as a core concept within the study of marketing and adopted as part of its very definition. Alderson defined marketing as "the exchange which takes place between consuming groups and supplying groups" (Alderson, 1957, p. 15); Bagozzi defined marketing as "the discipline of exchange behaviour, and it deals with problems related to this behaviour" (Bagozzi, 1975, p. 39); and Kotler suggested marketing "is a social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others" (Kotler, 1984, p. 4). Building on these early works of Alderson, Bagozzi, and Kotler, and drawing on Homans' theory of social exchange (Homans, 1958), the American Marketing Association, in 1985, developed its definition of marketing incorporating the exchange concept, "Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives" (Marketing News, 1985, p. 1). In these early definitions, the exchange construct was inextricably linked to the marketing concept.

While these early definitions of marketing view exchange as a fairly simple dynamic between two parties or groups of parties, Bagozzi (1974) suggested a more complex examination of the exchange construct as he considered its role in the study of marketing theory. He proposed that the exchange or transfer need not be isolated between two agents; rather, it could be encompassed and studied in the broader social

context in which it exists. The result is what he termed the “exchange system,” which engages, and is engaged in, more fulsome interrelationships, “In essence, the *exchange system* may be defined as *a set of social actors, their relationships to each other, and the endogenous and exogenous variables affecting the behaviour of the social actors in those relationships*” (italics by author, Bagozzi, 1974, p. 78).

By recognizing that exchange takes place in a system and not necessarily in isolation, Bagozzi attempted to combine exchange theories that were based on “individualistic assumption(s) of self-interest” with those built on “social, collectivistic assumptions” (Bagozzi, 1975, p. 32-33), moving away from what could be seen as an entirely utilitarian conceptualization of marketing. (The utilitarian concept permeates the social sciences literature. Put succinctly, “the dominant behavioral models in the social sciences view people not only as self-interested, but also as rational... which assumes that people have essentially selfish goals and pursue them efficiently” (Frank, 1996, p. 130-131).) Instead of this dominant model, Bagozzi painted a picture of a complex system in which a consumer strives for both economic and symbolic rewards, dubbing the consumer as the “*marketing man*” (Bagozzi, 1975, p. 37). In doing so, Bagozzi attempted to build on, yet contrast, the *evolving* consumer from the neoclassical economic concept of *the economic man*. (The *economic man* has, since the 19th century, come to represent an individual who is assumed to act rationally and in self-interest in an effort to maximize his or her wealth, while minimizing his or her costs.) The concept of the economic man relies on an individualistic and rational perspective, suggesting that utilitarianism reigns, and that exchange between individuals is largely conducted on the basis of barter, financially mediated or not, where market forces prevail and contractual obligations are enforced legally or otherwise (Blau, 1964; Bagozzi, 1974, 1975; Gérard-Varet *et al.*, 2000; Adloff *et al.*, 2006). Bagozzi attempted to deepen the study of marketing and consumer behaviour by rejecting the entirely utilitarian or neoclassical economic viewpoint of exchange, that is, he rejected the conceptualization of the consumer as the economic man.

In contrast to the conceptualization of the economic man, Homans argued that the utility of a social benefit cannot be clearly distinguished from other rewards inherent in the social association, thereby making it difficult to apply principles of maximizing utility

to social exchange (Homans, 1961, p. 72). Homans described social behaviour as “an exchange of goods, material goods but also non-material ones, such as the symbols of approval or prestige,” which cannot be measured or maximized (Homans, 1958, p. 606). Further, Homans explored social behaviour further, refining the notion of social *association* by describing it as “an exchange of activity, tangible or intangible, and more or less rewarding or costly, between at least two persons” (Homans, 1961, p.13). Similar to Homans descriptions of social behaviour and exchange, Bagozzi’s marketing man is sometimes rational, sometimes irrational; motivated by tangible and intangible rewards, as well as internal and external forces; engages in both utilitarian and symbolic exchanges; proceeds with incomplete information, weighing both economic and social costs/benefits; may strive to maximize profits, but may also settle for less-optimum gains; and the exchanges do not occur in isolation, but rather are subject to individual and social constraints – legal, ethical, normative, coercive, *etc.* (Bagozzi, 1975, p.37). In sum, both Homans and Bagozzi perceived the consumer as seeking tangible and intangible benefits from exchanges that are derived not solely through utilitarian transfer in a dyadic relationship, but rather, in a contextually influenced multi-party system.

Drawing on the works of Mauss’s and Lévi-Strauss’s “Principle of Reciprocity,” Komter (2007) also proposes that both the utilitarian and anti-utilitarian views of the gift over simplify the complex and multi-purpose “symbolic utility” of the gift. In the words of Lévi-Strauss, goods are exchanged as “vehicles and instruments for realities of another order: influence, power, sympathy, status, emotion; and the skilful game of exchange consists of a complex totality of manoeuvres, conscious or unconscious, in order to gain security and to fortify one’s self against risks incurred through alliances and rivalry” (Lévi-Strauss, 1996, p. 19). For Komter, by examining the gift as an instrument for influence, power, sympathy, status, and emotion with economic, social, moral, religious, aesthetic, and juridical functions, she explores cultural inferences of the noble and less noble purposes of the gift. For example, Komter referred to the gift’s noble purposes as “expression[s] of love, friendship or respect” and the less noble purposes “to manipulate, flatter, bribe, deceive, humiliate, dominate, offend, hurt and even kill, as in the case of the poisoned cup” (Komter 2007, p.94). Through debating utilitarian and non-utilitarian conceptualizations of exchange in the study of gift giving,

we can see the development of a dichotomy emerge – one of self-interest versus one of altruism. By extension, this dichotomy can reflect a polarization of behaviours applicable to the study of philanthropy – behaviours that are self-interested and those that are other-interested (altruistic).

A deeper analysis of the complexities of the exchange dynamic is necessary to fully understand what motivates the exchange behaviour. If the philanthropist is the “marketing man” and not the “economic man,” *i.e.*, someone who strives not only for economic gain, but also for that which is symbolic, versus someone who is solely interested in economic exchange, then his or her actions, as well as the influences on those actions, are far more complex than the simple utilitarian model might suggest. Instead of dichotomizing self- and other-interested exchange, I propose the philanthropist is likely to place him or herself along a continuum that exists between these polar opposite behavioural options. Bagozzi’s marketing man exchange dynamic, as well as Komter’s perspective of the gift as an “instrument,” offer a robust set of characteristics that may act on the philanthropist within the philanthropic exchange dynamic. Thus, I suggest the following research propositions:

P1a: The philanthropist’s account of his or her donating behaviour does not reflect a dichotomized experience of “altruism” versus “self-interest.”

P1b: The philanthropist considers his or her donating behaviour as an experience involving multiple normative and cultural influences simultaneously.

Marketing exchange and value propositions. By expanding the concept of marketing exchange and touching on the early definitions described above that include the concepts of “value” (Kotler, 1984) and “services” (Marketing News, 1985), the concept of exchange is widely accepted to include what is perceived to be of value to any of the agents engaged in the exchange system. Bagozzi (1979) defined exchange as “a transfer of something tangible or intangible, actual or symbolic, between two or more social actors” (Bagozzi, 1979, p. 434), and Houston and Gassenheimer (1987) attempted to re-define marketing integrating *perceived* or *potential* satisfaction with the value received in an exchange (Houston & Gassenheimer, 1987). Vargo and Lusch (2004a) suggested

that, increasingly, the market, and the practice of marketing, has shifted much of its dominant logic away from the exchange of tangible goods, with the logic now focused on “intangible resources, the cocreation of value, and relationships” (Vargo & Lusch, 2004a, p. 1). Izqueirido *et al.* (2005) went so far as to say that “the objective of the interaction between suppliers and customers is to create *and to share* value” (italics added for emphasis, Izqueirido *et al.*, 2005, p. 234). Finally, in 2007, the American Marketing Association task force proposed a new definition of marketing as “the activity conducted by organizations and individuals, that operates through a set of institutions and processes for creating, communicating, delivering, and exchanging market offerings that have value for customers, clients, marketers, and society at large” (Sheth & Uslay, 2007, p. 306), fully recognizing that the value of the exchange is not entirely utilitarian in nature.

By acknowledging that marketing and exchange involve not only tangible and intangible transfers, but also result in value creation, we open the door to examining the complexity of who determines what is valued and how value is created within the context of philanthropy. Examining value creation in the context of philanthropy permits a deeper examination of the cocreation construct, determining what is valued, by whom, and how value is created. Thus, I suggest the following research propositions:

P2a: The philanthropist reports that his or her donating behaviour involves the exchange of tangible and intangible transfers with the charitable organization.

P2b: The value created by the philanthropist’s donating behaviour will be subjectively defined by the parties involved and not objectively measurable.

4.2.2 Reciprocity

Reciprocity is a key component of value creation. Drawing on the literature review from Project one, *Quid pro quo* – the principle of reciprocity – is a fundamental part of social relationships. The “quid pro quo” arrangement leaves each party satisfied that they received something they deem of equal value for the item they gave – in other words, the parties achieve *symmetry* in an interpersonal exchange. In contrast to pure economic exchange, “the benefits of social exchange do not have an exact price in terms of a

single quantitative medium of exchange” (Blau, 1964, p. 94). The value extracted is defined by the parties within the transaction. Blau asserted that social exchange and strictly economic exchange are distinctly different, because social exchange entails “unspecified obligations” (Blau, 1964, p. 93). Further, Blau argued that “only social exchange tends to engender feelings of personal obligation, gratitude, and trust; purely economic exchange as such does not” (Blau, 1964, p. 94). Blau’s contribution legitimates the perspective that the reciprocity within the system is defined by the social actors within the system and is not necessarily reduced to the simple dyadic exchange transaction of economically rational actors in an independently valued transaction.

Whether the material or non-material items exchanged can be measured or valued independently is irrelevant; as long as the two parties engaged in the exchange are satisfied that symmetry exists, both parties are satisfied. For example, if a donor gives a charitable organization a gift of money and, in return, the charity thanks the donor publicly and honours the gift with a plaque on a prestigious or highly-visible wall, there is perceived symmetry in the exchange, provided that both the donor and the charity are satisfied with the value they received.

Recalling the 2007 revised definition of marketing previously discussed previously in Project one, the exchange becomes not about the value as objectively defined or measured, but as cocreated and evaluated by the parties engaged in the exchange or by the entire exchange system. Applying this definition to the context of philanthropy, the gift, therefore, is not only what might be tangible in the exchange, but is also the real and perceived value cocreated by the giver and the receiver. The reciprocal relationship itself creates value that extends beyond a finite transaction, and the value of that relationship is captured by the system in which it exists

The *types* of perceived value generated through a reciprocal exchange are also important to consider. Bourdieu (1983) argued that economic capital can be exchanged for prestigious “cultural capital” or “social capital.” For example, donors who have succeeded financially may still wish to transcend their birth “habitus” (the socio-economic strata to which they were born), by exchanging economic capital for social currency. Cultural capital can be attained through academic qualification; though symbolic in nature, I suggest that donors who give to educational institutions are

perhaps motivated by the desire to achieve greater cultural capital through their association with prestigious academic organizations. Likewise, social capital, defined as “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to a membership in a group” (Bourdieu, 1983, p. 248) may be desired on the part of a donor who aspires to greater social recognition or standing within a culture.

Donors are regularly recognized for their generosity in association with the charity, providing a form of reciprocity through association. Blau (1964) stated, “men make charitable donations, not to earn the gratitude of the recipients, whom they never see, but to earn the approval of their peers who participate in the philanthropic campaign. Donations are exchanged for social approval...” (Blau, 1964, p. 92). Socially embedded reciprocation, unlike pure economic exchange, requires trust and commitment (Blau, 1964, p. 98-99). In the context of a philanthropic exchange system, therefore, a donor may be motivated to give in order to achieve access to, or membership in, a network or group that would otherwise be inaccessible.

In his reflections of Mauss’s research on gift-giving and reciprocity, Weinbren (2006) conceived a model where a cycle of reciprocity and exchange underpins social relations and transactions, so much so that they are “socially embedded and supported by a normative infrastructure” (Weinbren, 2006, p. 323). Weinbren understood this type of reciprocity as becoming “normative” and part of the everyday interchange in social associations. Reflecting further on Mauss’s contribution to the study of gift-giving, Weinbren suggested that adopting this perspective means rejecting a more utilitarian or economically rational perspective in favour of “social solidarity.” As part of everyday life, reciprocity creates a moral bond that strengthens communities through obligations, relationships, reputation, trust, and reliability (Weinbren, 2006).

Taking this concept of reciprocity further, Sherry (1983) looked at traditional consumer research on gift giving from an anthropological perspective in order to examine the social, personal, and economic dimensions of giving. In his article “Gift giving in anthropological perspective,” Sherry developed a model of the gift-exchange process as consisting of three stages: gestation, prestation, and reformulation, through which

donors and recipients progress (Sherry, 1983, p. 163). Sherry's third and final "reformulation" stage of his model gives particular insight into the reciprocal nature of the relationship between the philanthropist and the recipient organization because of how the two work together to create the initial and ongoing sustainable exchange relationship. Sherry commented:

Reformulation is the final stage in the process of gift giving. During this time, attention is focused on the disposition of the gift, which is subject to consumption, display, or storage. It may also be exchanged (*i.e.*, returned or redistributed) or rejected. In the process of disposition, the gift becomes a vehicle by which the relationship of the donor and the recipient is realigned. The social bond may be strengthened, affirmed, attenuated, or severed in accordance with the partners' assessments of reciprocal balance. Disposition may be intended (and is frequently perceived) as an expression of the recipient's regard for the donor... A realigned relationship frequently takes the form of gift exchange role reversal, with recipient becoming donor. Thus the relationship may continue to develop. Conditions precipitating future gift exchange are strongly influenced by perceptions arising in the Reformulation stage. (Sherry 1983, p. 165)

In examining reciprocity in the context of the philanthropic exchange system, consumer researchers Lowrey, Otnes and Ruth (2004) examined social influences of third parties on the typically dyadic study a gift-giving exchange. As discussed and represented in Table 2-2 Characteristics of social influence on dyadic giving (Lowrey et al., 2004), on page 81 of Project one, the authors develop taxonomy of ten social influences on givers' behaviour and motivations. In doing so, the authors extended the body of marketing literature beyond the focus on the donor-recipient dyad to include the social context, network and communities (or system), within which the relationship takes place. The authors looked to external social relationship influences to help understand the gift exchange (such as multiple-party influence and the evolution of those influences over time).

Barman (2007) drew upon on institutional theory to show that macro level factors affect philanthropic behaviour. She examined field-level configurations of relationships within organizations in which donors and fundraisers are embedded. Barman's model highlights how the composition of the organizational field structures shape fundraisers' strategies of solicitation and, therefore, the extent of donor control. In doing so, Barman

suggested that the donor does not freely select their charitable recipients, but rather, that these are subject to a “socially mediated nature of altruism” (Barman, 2007, p.1448) whereby the field, or community (social system), mediates the charitable choice.

As I examine reciprocity and the philanthropic exchange system, each of these authors point to a system within which the donor and the charity exist, and through which they mutually reinforce their relationship through reciprocal actions that are valued by each and that create value for the system itself. Each of these authors describe the philanthropic exchange in the context of a complex social system in which the giver(s) and recipient(s) are inextricably linked, and in which a system of reciprocity has become the norm, whether or not it is explicit, and the value from which is individually and collectively determined.

The examination of the literature on reciprocity and exchange explored in this section has established that reciprocity is a collective, circular, and mutually reinforcing activity. Reciprocity is cyclical, enduring, longitudinal, and, perhaps, perpetual. As presented in Project one, Figure 3-4 Cycle of philanthropic reciprocity, describes the cyclical philanthropic system of reciprocity, where the gift giver (donor) and the recipient (cause) exchange places within the philanthropic exchange system. Thus, I suggest the following research propositions:

P3a: The philanthropist’s donating behaviour is positively reinforced by active reciprocal relationships with the organizations to which they give.

P3b: The philanthropist considers his or her donating behaviour as having created value that extends beyond his or her dyadic relationship with the charitable organization to the communities in which both operate.

P3c: The philanthropist considers his or her donating behaviour to be inextricably linked with his or her peer and community relationships.

4.2.3 Cocreation of value

Consumer cocreation of experiences and value has been discussed in contemporary marketing literature (Prahalad & Ramaswamy, 2004a, 2004b; Vargo & Lusch, 2004a,b;

Lusch & Vargo, 2006a,b; Ramaswamy, 2008; Vargo *et al.*, 2008). Select authors differentiate this burgeoning construct of cocreation from that of customization in the context of relationship marketing (RM) and customer-relationship management (CRM) (Prahalad & Ramaswamy, 2004b; Vargo & Lusch, 2004a,b; Lusch & Vargo, 2006a,b; Simonson, 2005). *Cocreation* is defined as the individual involvement of a consumer helping the organization to *define* experience options, selecting those with personal interest and meaning, and fulfilling the consumption “experience-of-one” with the assistance of the organization. This type of consumer participation is contrasted with *customization*, which involves the consumer selecting service options from a pre-determined set offered by the organization. For example, if situated along a continuum of consumer involvement in creating the consumption experience, customization would sit on the “low” end, while cocreation would sit on the “high” end.

Consumer cocreation is proposed as an element of marketing strategy that leads to enhanced value – to both the organization and the consumer (Prahalad & Ramaswamy, 2004a, 2004b; Vargo & Lusch, 2004a,b; Lusch & Vargo, 2006a,b; Ramaswamy, 2008; Vargo, Maglio, & Akaka, 2008). The current body of marketing literature suggests that engaging the consumer deeply in determining their consumption experience will lead to enhanced satisfaction and loyalty, and that enhanced consumer satisfaction and loyalty lead to enhanced value creation (Anderson *et al.* 1994; Mascarenhas *et al.* 2004).

The cocreation construct is of interest when examining the context of philanthropy; through cocreating the experience of philanthropy, the charitable organization invites the donor into the experience as an exchange partner, defining the experience and cocreating value with the charity for the gain of all parties involved in this particular social system.

Cocreation, customization, and service-dominant logic. As discussed above, “cocreation” is different from “customization.” Based on the existing literature, the roots of both of these definitions lie in the conceptualization of “market orientation” (Kohli & Jaworski, 1990; Prahalad & Ramaswamy, 2004b; Vargo & Lusch, 2004a,b; Simonson, 2005). Market orientation, was defined by Kohli and Jaworski (1990), focuses on two traditional pillars of the marketing concept – customer focus and coordination. These authors suggested that organizations “engage in activities designed

to meet select customer needs” (Kohli & Jaworski, 1990, p. 3). Prahalad and Ramaswamy (2004b) suggested that this is not enough – that indeed the activities must themselves be cocreated with the customer thus shifting from a firm-centric to a customer-centric model of engagement. Further, Prahalad and Ramaswamy (2004a) suggested that Porter’s 1980 “traditional conception” of the process of value creation, where consumers were “outside the firm” and value creation occurred within the firm through its activities, was shifting to include consumers, where value is “the result of an implicit negotiation between the individual consumer and the firm” (Prahalad & Ramaswamy, 2004a, p. 7). Where the roles of the consumer and the firm were once distinct (consumers were targets of firm offerings), the authors posited a convergence of these roles and of production and consumption (Prahalad & Ramaswamy, 2004a). Lusch and Vargo (2006a,b) proposed that the goods-dominant logic in the field of marketing practice and scholarship has transitioned towards a service-dominant logic. Building on the service-dominant logic concepts, cocreation can be seen as an evolution of customization – from a starting place of market orientation for both constructs – to one where cocreation leaps ahead of customization, the former involving the consumer to a much great extent by inviting them to help conceive the firm’s value proposition.

Cocreation and value. Marketing scholars have suggested firms wanting to sustain their competitive advantage and increase their value must ensure a strong level of market orientation and relationship management, specifically focusing on the participation of the customer in the consumption experience (Slater & Narver, 1995; Grönroos, 1994; Prahalad & Ramaswamy, 2004a, 2004b; Vargo & Lusch 2004a,b; Izquierdo *et al.*, 2005; Ramaswamy, 2008). Prahalad and Ramaswamy (2004a) suggested that “cocreation” of consumer experiences is the emerging basis for value creation; that is, value “will have to be jointly created by both the firm and the consumer” (Prahalad & Ramaswamy, 2004a, p. 7).

Scholars posit that by engaging the consumer earlier and more meaningfully in the marketing cycle, the concept of “the market” itself is undergoing significant change and “transforming the nature of the relationship between the consumer and the firm” (Prahalad & Ramaswamy, 2004a, p. 6). Together, these scholars point to increased

consumer involvement and consumer cocreation in the consumption experience as the basis for increasing value – value to both the firm and the consumer.

When applying this research to the context of philanthropy, I propose that by engaging the donor in cocreating value with the organization, the organization becomes a meaningful “influencer” of the philanthropist. Cocreated and mutually beneficial value creation becomes part of the reciprocal nature of the relationship for the entire social system of philanthropic exchange. Thus, I suggest the following research propositions:

P4a: The philanthropist reports him or herself as a cocreator of value through his or her donating behaviour.

P4b: The philanthropist reports that reciprocal and mutually beneficial value is derived from his or her exchange with the charitable organization.

The marketing literature reviewed clearly suggests that cocreated consumer experiences result in deeper and more satisfying long-term relationships with the consumer. Tying this notion back to the context of the relationship between the philanthropist and the charity, as well as the entire philanthropic exchange system within which they exist, I propose that cocreation of value is a reciprocal relationship that serves to mutually reinforce the engagement of the exchange parties, resulting in value creation not only for the donor and the charity, but for the entire philanthropic exchange system.

4.3 Methods

This qualitative field research study considered the informant’s interpretation of reality (the informant is the philanthropist). Field research emphasizes internal validity of the study, aiming to understand naturally occurring social events and processes. As a result, generalizability of the findings is secondary to clarifying theoretical understanding (Singleton & Straits, 2005, p. 314). As this research is not meant to be generalizable, the outcome of this research is intended, rather, to provide a richly detailed description and interpretation of this segment of the social world (Baines & Chansarkar, 2002, p.5; Singleton & Straits, 2005, p. 310).

This study took a structuralist approach to content analysis in the sociological tradition, “which treats text as a window into human experience” (Ryan & Russel, 2000, p. 769). I

analyzed free-flowing text transcribed verbatim from informant interviews, where each interview formed the unit of analysis (Ryan & Russel, 2000, p. 780). I used inductive coding while analyzing the texts for the purpose of discovering concepts and relationships in the raw data and then organizing these into a theoretical explanatory scheme that elaborates and extends existing theories and concepts explored in the Scoping study, in Project one, and as outlined in the research propositions above (Morgan, 1983; Ryan & Russel, 2000). To accomplish my goal, I created a Content dictionary of construct definitions against which I initially coded the relevant interview passages (see Table 4-1 Content dictionary - construct definitions on page 146). Based on this initial inductive coding process, I developed dominant and sub-dominant themes to describe the informant experiences in an over-arching model that extends the theories reviewed and aims to respond to the research propositions above. The dominant/sub-dominant theme groupings are found in Table 4-2 Constructs of interest and occurrence summary, in the Findings section of this paper on page 150.

Table 4-1 Content dictionary - construct definitions

<p>Altruism: Donor refers to giving without expectation of return; pure gift giving; globally voluntary; independent one-way transfer; other oriented (Kolm, 2000).</p>
<p>Cocreated value: Donor believes they were invited into the process of creating value. References to partnerships, working together, and deep involvement, such as volunteerism. Individual involvement of the donor in helping the organization define experiences; selecting those with personal interest or meaning; fulfilling their experience with the organization (Prahalad, 2004 a,b).</p>
<p>Exchange: Donor refers to a transfer of a good from one agent to another (Kolm, 2000); transfer of something tangible or intangible, actual or symbolic, between two or more social actors (Bagozzi, 1979); the creating and sharing of value (Izqueirdo, 2005).</p>
<p>Norms and culture: Donor refers to "normative behaviour," rules, religious beliefs, morality, cultural conviction, ethnicity (theirs or others'); socially embedded references supported by a normative infrastructure (Weinbren, 2006).</p>
<p>Peer and community relationships and exchange systems: Donor refers to relationships between peers, donors, and their communities; exchange of economic capital for social currency (Bourdieu 1932); exchange system: a set of social actors, their relationships to each other, and the endogenous and exogenous variables affecting the behaviour of the social actors in the relationships (Bagozzi, 1974); a complex system of meaningful social interaction through gifts (Giesler, 2006).</p>
<p>Reciprocity (and reciprocal exchange): Donor refers to giving with expectation; material or non-material items; recognition; cycling gift system that is society (Mauss, 1950); voluntary actions of individuals motivated by returns they are expected to bring and typically do from others (Blau, 1964); engenders feelings of personal obligation, gratitude, trust, commitment, reputation (Blau, 1964); philanthropist and recipient work together to create the initial and ongoing sustainable exchange relationship (Sherry, 1983).</p>
<p>Self-interest: Donor refers to giving with expectation of personal gain or return; self-centred motivation, rational choice, utilitarianism (Kolm, 2000).</p>
<p>Socialization: Donor refers to family influence on their development as philanthropist; learning from elders; instruction on giving through life experiences before adulthood.</p>
<p>Symbolic utility (non-utilitarian): Donor references non-material or intangible value achieved with their donation; no single quantitative medium of exchange (Blau, 1964).</p>
<p>Tangible utility (utilitarian): Donor references material value achieved with their donation; taxes are considered tangible value; quantitative medium of exchange (Blau, 1964).</p>
<p>Value creation: Donor refers to some measure of the effectiveness of the donation in achieving its intended purpose. The donor perceives something to have been achieved with their donation.</p>

While other data and findings emerged in the course of the analysis, I chose to exclude discussion on these at this point for the purposes of concluding this very focused piece of research for Project two. The additional data and findings will be reviewed and discussed more fully within the Linking document, if relevant and as appropriate.

4.3.1 Research design

Observation of the phenomenon of interest – transformational philanthropy – experienced in my twenty-year career as a professional fundraiser, led to my curiosity regarding how the cocreation construct might apply to this particular phenomenon of interest.

I decided to conduct field research in order to best study this phenomenon of interest. Field research is aimed at building a general, abstract understanding of a single social phenomenon (Singleton & Straits, 2005, p. 306). Further, the nature of field research “generally focuses attention on interactive social units such as encounters, social relationships, organizations, and communities” (Singleton & Straits, 2005, p. 312), and therefore, it seemed ideally suited to the particular research questions and context.

4.3.2 Research subjects

In keeping with the qualitative field research tradition, “the segment is not only necessarily small but also often selected on an ad hoc basis for reasons of availability and convenience” (Singleton & Straits, 2005, p. 310). Therefore, I conducted a nonprobability, non-random “purposive sampling” in Canada, based on my professional knowledge of and interaction with philanthropists, in order to identify my informants. Purposive sampling is appropriate as I aimed to gather information relevant to the limited scope of experiences with a population of elite-level transformational philanthropists, a small group that varies from the donating population at large (Singleton & Straits, 2005, p. 133). I sought interviews with donors who had made gifts of \$5 Million CAD or more, using this criteria to help define the “transformational philanthropist” — a threshold donation level often used in practice, and with an understanding that donations at this level can and do “transform” charities. This pool of informants was limited and extremely private; gaining access to them, therefore, was difficult. Given that this study focused solely on transformational donors, indicating a limited scope which precludes random selection, purposive sampling is deemed an

acceptable alternative to probability sampling. It has been suggested that a major weakness of purposive sampling is “making an informed selection of cases require[ing] considerable knowledge of the population before the sample is drawn” (Singleton and Straits, 2005: 134). Given that I come from practice in this particular field, having worked specifically with this donor population, I offered “considerable knowledge of the population.” Therefore, this particular suggested weakness of the method was considered to have little or no effect on this study.

I was unsure at the outset of the research project how many informants would respond to my request for interviews; therefore, I used my career-related contacts (peers, volunteers, professional fundraisers and other informants themselves) to help connect me to the informants. Ultimately, I conducted sixteen long interviews with informants from across Canada from August through December 2009 (please see Appendix H Project two informant summary report). Fourteen of the informants were men and two were women. Their ages ranged from 45 to 85 years of age.

4.3.3 Procedures and measurement

I conducted primary data collection through in-depth interviews with informants in person or by telephone, using a “life story” approach by engaging the informant in storytelling about their experiences as transformational philanthropists (Bertaux, 1984, p. 215; Tedlock, 2000, p. 455). A semi-structured interview guide was created to provide some focus for my interviews with the informants (McCracken, 1988). The guide was informed by the theoretical constructs and research propositions developed in the Scoping study, Project one, and above (and how these may/may not be reported as part of the experience of the transformational philanthropist). Please see Appendix B Project two interview guide, for the sample interview guide with related constructs of initial interest.

Interviews varied from 25 minutes to over one hour in length, with an average time of 47 minutes for a total of over 750 minutes of digitally recorded data. Interviews were transcribed verbatim and verified by the author. A total of 101,165 words were extracted for analysis (please see Appendix H Project two informant summary report, including interview times by informant).

Content analysis of each interview was conducted using NVivo™ software to provide structure for the analysis and inductive coding process. I started by organizing the information by questions asked; then began to develop my ideas around emergent patterns and categorizing these accordingly. Each interview was read and coded twice to ensure thorough review and consistency in applying the Content dictionary found in Table 4-1 on page 146. Finally, I reviewed groupings of text under each construct and concept to ensure similarity of the text coded and adherence to the Content Dictionary. An initial coding architecture was established as a result of grouping relevant and meaningful concepts and constructs (also referred to as “nodes”) found in the data (see Appendix J Project two initial constructs and constructs of interest). This initial coding architecture was refined further through the process of analysis and resulted in Table 4-2 Constructs of interest and occurrence summary, and ultimately the conclusions that integrate these across the informant interviews. This iterative analysis process formed the basis for the Findings section of this paper (Singleton & Straits, 2005, p. 337).

What follows in the Findings section of this paper are the main themes that have been developed as a result of this detailed coding and analysis process, node by node. Select data is used to support the conclusions, while the complete data set constitutes a 388-page report that exists separately from this paper in the interest of space. A demographic analysis of the construct references can be found in Appendix I. In Table 4-2 below, the number informants who referred to the construct is also noted, as well as the number of references to the construct itself.

Ultimately, the purpose of this research, in keeping with its research methods, is to use informant narratives to illuminate the understanding of these philanthropists behaviour, and to answer the research questions:

- *Why do donors make transformational donations?*
- *How does the cocreation construct illuminate the donating behaviour of the transformational donor*

4.4 Findings

Using the construct definitions found in the Content dictionary of Table 4-1 on page 146 to code the data, three dominant constructs emerged from the data and are enumerated

in Table 4-2 Constructs of interest and occurrence summary, below, with the related sub-dominant constructs noted beneath. Classifying the constructs in this way emerged from analyzing the interviews, as the sub-dominant constructs seemed to characterize and give a more meaningful level of understanding to the dominant construct.

These constructs are not mutually exclusive; therefore, referencing one construct does not mean that it is also excluded from another construct. There are passages from the interviews that are coded to multiple constructs. The informant narrative was coded without engaging in parsimonious efforts to exclude multiple construct references from the same text. Informant responses were treated as narratives from which meaningful segments were extracted and coded to the appropriate constructs.

Table 4-2 Constructs of interest and occurrence summary

Constructs of interest	Informants	References
1) Exchange and reciprocity	16	151
(a) Peer and community relationships (and exchange systems)	16	147
(b) Reciprocity (and reciprocal exchange)	16	175
2) Norms and culture	16	149
(a) Altruism	14	32
(b) Self-interest	13	47
(c) Socialization	15	50
3) Value creation	16	131
(a) Symbolic utility (non-utilitarian)	16	73
(b) Tangible utility (utilitarian)	16	103
(c) Cocreated value	13	57

**Note, the initial “utility” construct was subsumed into the symbolic and or tangible utility constructs above*

Drawing on marketing, sociological, and not-for-profit literatures reviewed earlier in this paper, and by adding the qualitative primary data, this research describes a dynamic social system or, metaphorically, a “philanthropic ecosystem,” in which philanthropists interact, through their giving, with charitable organizations, beneficiaries, peers, family members and communities.

I now examine the constructs of interest in the context of the informant’s experience.

4.4.1 Exchange and reciprocity

Exchange. The “exchange” construct was examined by looking for discourse where the donor (informant) refers to a transfer of something tangible or intangible, actual or symbolic, as well as providing evidence of sharing value. The sub-dominant constructs that further inform the dominant exchange construct are: *peer and community relationships*, defined as relationships between peers, donors, and their communities; exchange of economic capital for social currency; complex systems of meaningful social interaction through gifts; and *reciprocity*, defined as giving with expectation; material or non-material items; recognition; voluntary actions of individuals motivated by returns they are expected to bring; feelings of personal obligation, gratitude, trust, commitment, reputation; and the philanthropist and recipient working together to create the initial and ongoing sustainable exchange relationship.

Exchange was further characterized by “sharing value.” Informants spoke about “giving back” after they had enjoyed successful careers and achieved monetary sufficiency. Many referred to the fact that they could not take money “with them” (referring to their eventual deaths), or that it would be irresponsible or unnecessary to pass on extraordinary wealth to their next of kin or dependents. For example, Lyle Almont said, “Well, yes, you know, we’ve all fortunately been successful here in our lives, in our business endeavours and we’ve got more than I need or my children or grandchildren need, so you can take some of your good fortune to try to do something constructive.” Michel Berube reflected, “So I kind of sense, you know, when I die, I have never met a hearse or a coffin that has a money compartment. You don't take it with you. You come in with nothing and you leave with nothing. So the question is: What are you going to do with what's accumulated in the interim?” Both of these donors described their interest in doing something that goes beyond a dyadic exchange. Almont wanted to “do something constructive” and Berube wanted to “do [something] with what’s accumulated” – neither seemed satisfied with simply passing their money along through familial lines, rather, they wanted to contribute beyond their immediate circles of influence into building their communities.

Sharing value as a form of exchange was also described as building relationships and connections of interest, learning from others, and becoming personally involved in the causes. David Andrews summarized the sharing of value as follows:

I've got to form a relationship, I have to feel an emotional attachment and once I'm comfortable with that, I have to figure out...I don't want to build an addition to a school and have my name on it. That means nothing to me. Somebody else may say the opposite. To be honest, I'd rather pay for a [sports centre]. I want to feel an emotional attachment that what I'm doing, something that I'm making a change, an impact, doing something that I feel is important... I look at the pure philanthropic approach, so emotional attachment, create value for people that can't do it themselves. I would consider naming a school, not my name, but I would consider it. If I was considering doing it I would say put this money aside and I want free tuition for this group of candidates. So now *that* creates an opportunity for people that couldn't afford to go. It gives them an opportunity forever to be able to go to university and have my name attached [to that].

By sharing value, symbolic or tangible, all 16 informants considered engaging in philanthropy as a form of exchange. The exchange was rarely dyadic; rather, it was most often noted as something that is part of the greater good, such as contributing to the community at large. Philanthropic exchange, as described by these philanthropists, is the cornerstone of the “philanthropic ecosystem.” The donors desired to give some of what they have earned to sustain and enhance their communities and the lives of those within these communities.

Reciprocity. The “gift” is not only what might be exchanged that is tangible, but is also the real and perceived value created by the giver and receiver. The reciprocal relationship itself creates value that extends beyond a finite transaction, and the value of that relationship is captured by the system in which it exists. These cycles of reciprocity exhibit the tangible and intangible value captured within the philanthropic system of exchange, or ecosystem. Gerry Smith, an alumnus of a Canadian university from the 1950s, feels indebted to his first alma mater. He commented as follows:

[That university] I owe. So I wanted to do something there and they had a much more business-like president, and I was able to do a deal with [that person]... It's funny because they called me to give a talk for the fundraising drive and I started talking to all these people, an impromptu

talk, and I said ‘well, stop talking about what you are giving to [the university].’ I’m not giving anything to [the university], [the university] gave me a hell of a lot and all I’m doing is paying back the debt.

Researcher: so it’s quid pro quo then?

Smith: for [that university] it was... in [another city] I made a lot of money in business, I wanted to do something where I made the money... Yeah, there’s some connection where I’m trying to pay back.

For Smith, the education he received has enduring value. He wants to reciprocate because he feels indebted to the university for giving him an early opportunity, which has served him so well. Further, he feels that the communities in which he lives give him value and provide him with opportunity. He said, “I wanted to do something where I made the money,” the “where” indicating his attachment to the community in which he had business dealings. He feels as though he must reciprocate for the value provided to him – as he says, “Yeah, there’s some connection where I’m trying to pay back.” The notion of “paying back the debt” is, for Smith, the reciprocal exchange of value.

Similarly, Hank Dresdale feels “lucky” to be in Canada and to have had the opportunities his country afforded him. He said:

I guess the simple answer is: this country’s been so good to us; we’re so lucky to be here. My parents came from England in 1913 with grade 8 education, so I honestly believe that you should give something back and I guess one of our priorities has been education. I got a commerce degree from [Alma Mater University]. I would have still been in a [retail] shop [in small town], not that there’s anything wrong with that. So it’s been mostly on education and community type things. And it’s been very satisfying.

Dresdale is giving back to ensure that others have similar opportunities as he did. He recognizes that by providing community members with a university education, he provides opportunity for those who wish to transcend their “habitus” (socio-economic status at birth), to something else that might become possible with education, as it did for him. By investing in the philanthropic ecosystem, he is trying to have an impact – one that results in positive change and opportunity for the future.

Sergio Giordano humorously concluded that reciprocity is appropriate, but that there are limits to what donors should request as a “quid pro quo.” In reference to the “shades of gray” that exist in philanthropy, he stated:

I think that the only reciprocity is to ensure that the organization lives up to the agreements that were established when the gift was given. I don't believe, I don't believe that the reciprocity is, five years now, I can call you because my daughter can't get into school anywhere but ‘I gave you all that money so let me in.’

Giordano questions the type of reciprocity that results in personal gain, where the “influence” of the gift results in unfair advantage (*i.e.*, an unqualified daughter being admitted to university). For him, this type of reciprocity does not sustain or enhance the philanthropic ecosystem – rather, it creates an imbalance.

Similarly, Dario Gavino imbued his thoughts of reciprocity with moral or religious undertones, using phrases like “supposed to do” and “if we all do our part.” He referred to his “philosophy” which also places limits on appropriate reciprocity and recognition:

I have a philosophy - you do good, good will come to you... I don't believe in *you're a better person by the amount you give* - the fact that you are doing something to make a difference, to a food bank or something. So, you know, I think that the guy who gave a little bit of money, whatever he had, a little, I mean it can be anything he wants, with little recognition, or the guy giving a million saying, “I want TV rights” – I want, I want, I want to be on the CNN, uh, I don't believe he's any different than the other guy. The other guy just did what he was supposed to do. So I think the world needs to recognize that if we all do our part in life, it's a better place. Right? It's my thinking.

Gavino revealed that he believes in reciprocity, but not in self-interest to the extreme. In his interview, he invoked normative and religious references to justify his “moral code.” In this case, a “little” recognition is alright, but not a splashy public display (reference to “TV rights” and “CNN”). Reciprocity, for Gavino, must be moderate and must not over shadow the act of philanthropy. Again, there must be a balance in the “philanthropic ecosystem,” and, for Gavino, self-interest is neither an enhancing nor a sustaining aspect of philanthropy.

There is a reciprocal nature to the relationship between the philanthropist and the recipient organization because of how the two work together to create the initial and

ongoing sustainable exchange relationship. Smith commented on his sustained and enduring exchange relationship with many of the [charities] he supports:

To get back to your question, ego plays a role in it because you're trying to create some purpose, a legacy, to make Canada a better place for having been here... you don't go in trying to control the [university], the only control you have is if they're displeasing you a lot, you don't give them any more money. For someone like myself, the first gift to [charitable organization], I'm close to \$30 million, and I started there with about \$15 Million, and then up the line. So usually if you're in the game and you like what they're doing, you like to build your [philanthropy] as you go along. So I've got right now matching gifts in about five places where I say "if you get X, I'll give you Y."

Researcher: So this is the partnership you're talking about then, you do it together?

Smith: Yes, you're always dialoguing with the Deans, Presidents, and you're trying to make your place better.

In this passage, Smith referred to repeated giving and communication ("dialoguing"), as control mechanisms over the organization. He referred to being "in the game" and continuing to invest (through repeated giving) in the institutions where he feels the relationship is reciprocal and producing value. For Smith, the philanthropic ecosystem is in balance when the communication is strong and he sees a positive outcome from his philanthropy.

For all informants, reciprocity was not expressed in dyadic terms; rather, the philanthropists described their interests in extending value back "through" the charitable organizations (as opposed "to" the organization) in an effort to contribute meaningfully to their immediate communities of interest and beyond. This type of reciprocity suggests the interactivity of the philanthropic ecosystem metaphor. By giving "through" an organization to a community, the philanthropist's initial donation is compounded time and again through the positive impacts on the University, the satisfaction of the donor, and the benefits on the stakeholders and the community.

Peer and community relationships: In the context of a philanthropic exchange system, a donor may be motivated to give in order to achieve access to, or membership in, a network or group that would otherwise be inaccessible. Wyatt Brescoe is a young donor compared to some of the long-standing and elite donors in his community or

“stalwarts.” He spoke about some of the criticism he had received for appearing to align himself, for the purposes of his own “brand recognition,” with the stalwart with whom he had made a major “matching” donation. As Brescoe described:

Back to brand recognition, I stand beside [community stalwart]; he is an icon. [Business associate of Brescoe’s] took a strip out of me for doing what I did – for coat tailing on [stalwart’s] reputation. He said I had no business doing that and that some of his family is deeply hurt. I said, “well, let me talk to him,” but he refused... I finally sat down with a few of my key advisors and said “am I reading what I’m doing wrong?” [They said,] “It’s innate envy and insecurity on [business associate’s] part because he is far more successful than you financially, yet he doesn’t have your recognition or brand.”

In Brescoe’s interview, he frequently referred to building his own “brand.” He was keenly aware of his reputation and stated that he has made charitable donations specifically for the purpose of the publicity and marketing value that he received in return. In this passage, Brescoe was proud to be aligned with the community stalwart he called “an icon,” and was deeply wounded by a business associate who categorizes this type of self-serving peer association as inappropriate. Further, the business associate related to Brescoe that the stalwart’s family was “deeply hurt.” Brescoe’s associate does not necessarily agree with Brescoe’s desire to exchange economic capital for perceived social capital in the community, or what Brescoe referred to as “brand recognition.” While Brescoe was undeterred in his desire for “brand recognition,” the actual value of his brand was defined by his own subjective perception and not necessarily uniformly understood or valued similarly by others in his community. In keeping with Bourdieu’s conceptualization of exchange, Brescoe sees nothing wrong with using his economic capital to attempt to transcend his “habitus” and acquire greater social capital. For him, the philanthropic ecosystem achieves balance when it helps sustain and enhance his own reputation, in addition to serving the social need he is supporting financially.

Scott Davidson also understands the expectation that comes with peer association, and the exchange of social and economic capital. He referred to the “I.O.U.s” that are exchanged during fundraising campaigns, and how this expectation of reciprocity drives a significant portion of his philanthropy:

In the donor community, there is a certain obligation to build up. When I went after people for [university] in that large campaign at the time, they remembered it, and when they were running a campaign they came after me. So you leave a lot of I.O.U.s out there. So that's the only thing and it works. Whoever signs the letter is very important. We've had requests for things we wouldn't ordinarily give to, and then someone says "well look who signed the letter." Maybe somebody like [community stalwart] who we know so well, or one of our Directors... somebody who has given a lot to one of our causes... so you kind of pay attention to that. When we get letters through our foundation and it says "to whom it may concern" or "dear friend," we don't even look at it, we just throw it away.

Leveraging gifts from one another became an important theme in the discourse of the philanthropists. It was seen as a way to enhance well-being of those within the communities. These inter-relationships were deemed critically important to ensuring the maximum value is extracted and contributed back into the philanthropic ecosystem. Davidson referred to "throwing away" those requests that do not come from people known to him or his peers. While those requests could be in support of meaningful and deserving causes, the social capital is not there to leverage the exchange of the gift. Davidson is a part of the philanthropic ecosystem, both contributing to it because he wants to and contributing because it is expected of him. Almont referred to this type of leveraging of relationships when he said "I don't give to get, but I give to motivate others," expecting that his donations set an expectation for others to follow. Again, this type of behaviour suggests that an interactive aspect to the philanthropic ecosystem not only results in the compounding of benefits for all the stakeholders, but it also involves the leveraging of relationships around donating that are circular and mutually reinforcing.

In an interview with Bill Borden, a mid-60-year-old philanthropist who immigrated to Canada to go to university in the 1960s, Borden spoke directly to the need to participate in philanthropy as part of his peer association. Borden commented as follows:

Researcher: Is it about respect?

Borden: Absolutely. That you're recognized as someone...you come from a rough and tumble business, the money business is fairly rough and tumble,

you're out there in the big bad world doing things that not everybody agrees with, so it's nice to get the respect of your community, that you recognize the importance of supporting people less able than you are to support themselves, particularly people that have debilitating diseases...

Researcher: The gift that resulted in naming a school, that's more about legacy or legacy and respect?

Borden: I'm a kid from [country of origin]. It's amazing that I can do it. That's it. I have the capability to do it. Canada has been good to me... industry has been very good to me. I like to leave a legacy that people say where did this guy come from? From nowhere.

Borden gives into the philanthropic ecosystem to support causes in which he believes and, in return, he expects to be recognized for doing so. He believes in "supporting people less able than you," however, in return, he wants "respect" and perhaps a form of absolution for what he considers to be a career that contributed to his wealth, but that some people may think is morally questionable, or, as he says "... doing things that not everybody agrees with." Borden exchanges his philanthropy for recognition, legacy, and respect, which he may feel otherwise lacks in this life. As another example of interactivity, Borden draws upon the philanthropic ecosystem as well as contributes to it.

Margaret Anderson referred repeatedly to the peer associations made through her engagement in philanthropy. For her, peer association is inextricably linked with the purpose and the benefit of philanthropy. Her peers, her community, and her giving – of time and money – are all part of a reciprocal system that she nurtures and that nurtures her. She commented as follows:

I've had marvellous people to work with. Hank Dresdale comes to mind. I did a campaign with him for the [university]. That was just a real treat. It was marvellous to be involved with him. The President of the university was just, again, a wonderful person to be involved with and you look forward to spending time with him, not only the working time and the visits, but just the company, and that's important to me. [Peer name], just an absolutely prince of a fellow that always was ... these people really know what they're doing, they're well prepared, they're very articulate, lots to learn from those three men that I've mentioned. [Peer name] I worked with who is a lawyer here with [names firm]. Clearly, they really are thinking people, so you don't just float along, you're learning the whole time, and I learned a great deal from the people that I've been fortunate to be involved with.

Anderson valued not only the experience, but the opportunity to meet and engage with these people on an intellectual level, using words like “important” and “fortunate,” to describe how she felt. She was willing to trade her economic capital for both social and cultural capital – the ability to transcend her humble beginnings as a lower-middle-class girl from a rural region to a recognized peer of the wealthy urban elite associated with a university. The philanthropic ecosystem in which she has invested time and money reciprocates a sense of intellectual stimulation, an education, and a social standing that comes from her participation. The interactivity, for Anderson, involves her contribution of time and financial capacity, and she draws from these a social standing and intellectual capital, as well as a sense of personal accomplishment. Her interaction with the philanthropic ecosystem sustains her as does she it.

4.4.2 Norms and culture

Norms and culture played a large role in the informants’ conceptualization of their philanthropic behaviour. They regularly referred to "normative behaviours" such as rules, religious beliefs, morality, cultural conviction, and ethnicity (theirs or others'). Sub-dominant constructs include: *altruism*, where donors referred to voluntary giving without expectation of return; independent one-way transfers; or other oriented acts; *self-interest*, where informants referred to giving with expectation of personal gain or return; self-centred motivations; rational choice; or utilitarianism; and *socialization*, where informants referred to family influence on their development as a philanthropist; learning from elders; and give instruction on giving through life experiences before adulthood.

Norms and culture. Every informant referred in some way to the normative behaviours or thoughts that drive their philanthropy. Personal “culturally-embedded” references abound within the narratives the philanthropists use to describe personal normative schemes and rules they have established to frame their philanthropic engagement. Many used absolutes and personalized clichés to express their norms. For example, Almont said, “You have to be able to do these things,” and Berube said, “For those who’ve been given a lot, give back.” Brescoe added, “My argument is that giving while living is far more rewarding than coaching from the grave” in reference to his present-day philanthropy versus the option of giving it to a foundation or to his children to distribute

upon his death. Gary Marsden is sanguine about his personal norms – he labeled his own philanthropy as follows, “I’m a humanitarian. I, I believe in, in helping others... I really don’t have any dogma, this is just how I feel about stuff.” In contrast, Sandy Reimer referred to his specific rules around his giving “policy,” stating, “I should have brought my philanthropy policy, I actually have it written out.” He positions his policy as part of his overarching philosophy that stated, “... if we make money ... or we have talents, we should be giving some of that to others.” References to “should” indicated that Reimer saw his philosophy as a guideline or normative structure that he espouses as part of his personal ritual.

Anderson commented that her involvement has become a sort of “stamp of approval” for others to get involved – that she has created a “norm” that is valued by others:

Often people who I know will give to my charity because they know me and they know if I’m doing it, I must have researched it and it’s a good thing to do because I wouldn’t have asked them unless it was. That comes along with your reputation and with your own standards of how you conduct yourself and what you believe in. I think people do give because of who they’re giving to. I certainly do.

Borden has created a norm for giving to his friends’ charities, above and beyond his own interests; he understands that giving to support his friends’ interests is part of the expected normative behaviour amongst his peers. Referring to this “standard,” he said:

How other people influence us is, that it's very difficult to say “no” to friends who have issues that they want us to support. We basically say if it's a close friend we'll give \$100k ...one time we'll give them that. We don't say that, but that's what we do. So we've established that standard for ourselves.

Rita Carson echoed this type of giving by referring to the echelon of donors from whom most of the charity comes when she says, “I guess [city] being more of a blue collar city with old money, [it] tends to be the same people that are the big supporters of the various initiatives.” The reality frustrates her, as she would like to see this norm change to include others as donors. She coaches professional fundraisers in her city, saying, “You need to go now and start nurturing the 35-45 age group because some of them have been very successful, and none of them have really learned about how to give back

to their communities.” Gavino, Reimer, and Smith engaged in similar discussions regarding the “establishment,” and how they do not feel a part of it, but that they gave in spite of it, or they gave in different ways in support of their own communities or interests, and not just because it’s an expectation or norm amongst their peers. The philanthropists in this study have codified their own behaviours, which they then consider to be a “norm.” Contributing to the philanthropic ecosystem is something they just do because it’s expected, not only from others, but from themselves.

Culturally, narratives around religious and ethnically-rooted interest towards charitable giving, as well as references to nationality and national pride, are sustained and honoured through the donor’s giving behaviour. Davidson reflected that, “I think we owe it. The country’s been good to us and there’s only so much money that your children need...,” adding that giving to the university can assist with the perpetuation of wealth and knowledge for the country. He stated:

I think the [Alma Mater University] one is the one [donation] I’m most proud of because more and more of our donations have become.. and my donations, my brother’s, the company foundation, and so on, more and more are devoted to increasing the knowledge base of Canada. I think that’s the most important in the country - to increase the knowledge base, increase the research and development.

Giving to the philanthropic ecosystem also becomes a way of perpetuating a philanthropist’s own source of economic livelihood, in addition to his or her cultural and other personal interests.

Giordano, a member of an Italian community in a large city, speaks about how his community grew to establish a culture of mutual support, including philanthropy, similar to his perception of the Jewish community. He reflected:

... this is in the 50s. And you know the Italian community raised a lot of money for, for flood relief. And this happened twice I think in within a space of ten years. And so that's, that I guess is where it starts in our family. And then throughout, throughout my father's career and business he was always very generous with his time and to the point that he could with his money for community-minded organizations that were trying to resolve problems or needs that primarily the Italian community had because there was nobody really representing the Italian community at large, unlike the Jewish community which, because of history, probably, there's always

someone there to, to cheer them on to take up, take up the battle if, if, if they feel the community is not being treated properly. The Italian community didn't have that.

To Giordano, the investment in the philanthropic ecosystem ensures his specific community is served, but his awareness of how to serve his community has been created by observing another community in the philanthropic ecosystem – the Jewish community. One community in the philanthropic ecosystem has touched another, and the ripple effect of their philanthropy has extended value beyond their initial group of interest to others.

Informants of multiple religious backgrounds refer to those of the Jewish faith as being most charitable and influential. Borden reflected on learning from his Jewish friends:

The other big influence has been my Jewish friends. It's so much a part of their culture, it's quite remarkable. You see everywhere the number of names that are Jewish around this town and you know them...from a very young age they are taught to give back, it's part of their culture, and you have a lot of respect for that. I didn't get any of that from my upbringing. You gave money at church to the plate, but that was for the church. You don't really get a sense of anything material beyond that, because it was a very minimalistic system that I lived in. It was a small working class town where everybody was working class and there were no divisions. You didn't get taught that at all. Getting to know my Jewish friends over the years, you see just how much a part of that is cultural, and you have respect for that. It has an influence, no question.

Giordano's comments were similar to Borden's reflections, comparing Italian community to the Jewish community in the reference above, by saying, "You know the Jewish community is, is, they don't ask each other, they just tell each other what they have to give." The perception of a norm in the Jewish culture was echoed by the informants of the Jewish faith. In reference to the norm of giving, Len Jacobs said, "I don't see anything noble. It's part of life." When prompted to explain Jewish culture and the seemingly prolific philanthropy, Jacob explained:

Well, in the Bible it tells you that you have to give 10 percent of it, you have to tithe. So that's an obligation. There's also something, if you read the Old Testament, you'll see when you go in, in the field and when you harvest you're not supposed to harvest the corner because you have to leave for the

poor people to go in and, and the fact that they came up that you can only work six days and the seventh day you can't work, your animals are not supposed to work and your, your slaves are not supposed to work, so we brought in all these humane type of things and also - things as to how you have to support the poor people, but – and also the Bible tells you if you lend money you can't even charge interest. It was, all due respect to the Arabs, they have that, too. So it's all built in already and also when you say your prayers you say your prayers are being answered through prayers and, and asking forgiveness and also giving to charity, 'cause that's one of the conditions that you're gonna be forgiven for your sins, if you give to charity.

He added humorously that “it's part of the religion, it's part of... it's also in the genes!”

Within the context of norms and culture, the norms espousing a giving ethos in individuals are also expressed with communities and across communities. The interconnections between seemingly disparate communities become visible within the philanthropic ecosystem. Through giving within a community, or to a charity outside that community, one community has an impact on others, if not through specifically designated financial support, then through capacity building and leveraging of more financial support from others. The webbing of communities through peer interaction within and between communities sustains and enhances the entire philanthropic system of exchange.

Altruism. Not one of the informants was wholeheartedly in agreement that philanthropy should be “altruistic.” Most were more comfortable describing their own normative code as giving and recognition being linked through a system of reciprocity. With varying levels of comfort pertaining to public recognition, most felt that there were both tangible and intangible rewards to engaging in philanthropy. Andrews had the most “strict” definition of the philanthropist – what he termed the “overall philanthropist.” His was the closest description to altruism that was found amongst informants. He said:

The *overall philanthropist* is rather special. I don't think there's a heck of a lot of them, and we tend to do it independently, we don't put our name on anything. We do 99% of our philanthropy that way. But also under that we look at what impact does it have and who is going to benefit. So that is where that emotional attachment comes.

Andrews seeks emotional return, not public recognition. Borden, on the other hand, spoke of philanthropy in exchange for respect, and that given anonymously, the

donation would not engender that respect, which is important for him. He said, “I’d say I’m not secure enough to do it anonymously.” Dresdale cautioned about expecting anything in return, saying, “Well, you better give it from your heart and not expect anything back. If you expect anything back, you’ll probably [be disappointed]... and it’s not fair to the person that’s receiving it.” He went on to explain that these types of expectations in the past have led to disappointment in the relationship and, thus, his approach has been to give freely, without any expectation in return.

Gavino reflected on the community aspect of recognition and why altruism is not in keeping with the purpose of giving – which was, to him, part of engaging in community relationships, not the recognition itself. He said:

Then there’s those who give money absolutely anonymously and don’t want to be mentioned, for anyone to know anything about it. And I think that’s to the extreme. I’m sort of like a little bit more towards, like, I don’t mind giving, you want to put my name on the wall, it’s great because I understand that people see it. And you know, we have thousands of employees that go to these places, and it’s great for them to know we are part of the community. That’s the part I like. After that, it’s like, to me, it’s over. I don’t need to tell the world *this is what I did*. I just think you end up, you know, being out there a little too much. I don’t know. That’s just my philosophy.

Marsden was similarly inclined, stating that the benefit of giving “goes both to the person who’s giving and to the person who’s receiving,” making altruism a moot point when it comes to intangible value of the exchange. As Brescoe stated, “...the reality is that all giving does have something in return. Even if you give anonymously, there’s goodwill and good feel and hopefully you get to see the product from the resources that you’ve provided.” Sharing value and being recognized for it is seen as part of the equation. The philanthropic ecosystem thrives on the individual identities and stories as their philanthropy is as unique and sustaining as they are. Surprisingly, in a predominantly Christian country such as Canada, altruism was not necessarily valued; rather, it seemed irrelevant, even amongst those philanthropists who are religious. Being publicly lauded and recognized for one’s contributions to the philanthropic ecosystem seemed to be a welcomed expectation of the informants, and, in fact, an important part of the value derived by the philanthropists from the ecosystem. Community recognition of philanthropy, therefore, is not part of the dyadic experience between the charitable

organization and the philanthropist; rather, it is part of the interactivity of the philanthropic ecosystem. The reciprocity in the philanthropic ecosystem is valued by the philanthropist and was experienced by each in very personal ways.

Self-interest. Tax relief was often referred to by informants as a gain that, while not necessarily a motivator for giving, was a benefit that permitted the philanthropist to direct their taxes directly to the charity, instead of the government doing this on their behalf. In this way, receiving tax relief may have been considered by some as acting in self-interest. Ben Amsel referred to seeking tax relief as “nothing to be ashamed of.”

In a different take on self-interest, Davidson thought it was appropriate to desire acknowledgement – through public recognition, or by meeting the beneficiaries of his philanthropy, such as students who receive scholarships. He reflected on that “good feeling” as he described the meeting with scholarship recipients, saying, “This is what I’ve done, this wouldn’t be here unless I did it.”

Brescoe mixes self-interest with competitiveness with his peers. He referred to the benefits he has received from making one gift, and how this compares with one of his peers. In the extreme, Brescoe delights in the achieving his self-interest:

I’ve benefited from the Wyatt Brescoe Center for [academic] excellence; it’s extraordinary. I’m getting as much profile for that as [peer name] is getting for his entire donation for the naming of a [university department/school] because [Wyatt’s academic area] extends across all. It’s become the public brand. I’m co-hosting an event with the [government leader] shortly for the Brescoe Center runs out of the [peer’s] philanthropy. If [peer] really understood the value that I’m getting relative to what he got, am I going to have to put up more to keep the Brescoe Center alive and running?

This form of competitiveness was echoed by Smith, who said, in reference to why men are philanthropists, “... men will do a lot of things for love, they’ll do everything for envy. Men love being envied by other men...”

Like Brescoe, Gavino wanted to understand the value and return-on-investment from his philanthropy, but unlike Brescoe, he did not want the publicity. Gavino runs events of personal and professional interest to him to raise money and profile for the causes, but shies away from receiving personal attention. Smith, on the other hand, gives to

perpetuate his own legacy. He stated that he started making donations because he did not want to be forgotten – that he wanted a legacy. He reflected that upon “waking up at 55,” he was one of the richest men in the country, yet “no one knew who I was.”

Jacobs gives in the interest of his community – the Jewish community. His self-interest in relation to his community was unapologetic in the following remark:

I’m trying to push to see what Jews are contributing to civilization in general and specifically even to different -- these days, how we participate and support organizations in cultural and medical and musical and every other field that we participate beyond our number of population that we’re doing. And that’s why I insist that they should have a Star of David to show that this is a Jewish institution that supports the city. I had a big fight with them ‘cause they didn’t want to put the Star of David and because, I don’t want to mention the guy’s name, but one of the executive guys said if the Jacobs name goes on the hospital they’ll know it’s a Jewish hospital ‘cause Jacobs is a Jewish name.

Jacobs’ identity as a Jewish man, and as part of his community, is inextricably linked, and his philanthropy is, in large part, in support of causes that perpetuate the Jewish culture and faith. However, his philanthropy also supports the communities-at-large. His desire for recognition extends beyond his personal name to that of the Jewish community. As he stated above, he wants to “push to see what Jews are contributing to civilization... how we participate in and support organizations in cultural and medical and musical and every other field that we participate beyond our number of population...” His self-interest is inextricably linked with that of his most closely associated community – that of the Jewish faith. By contributing to the surrounding communities, he wants to ensure that not only is he recognized, but that the Jewish people are also recognized for being contributing members of society “beyond our number of population.” While at the centre of his own giving, the ripple effect of his contributions to the philanthropic ecosystem are intended to extend well beyond his person, to the extent of his faith and those who identify culturally with Jews.

As exemplified in these informant anecdotes, the philanthropic system of exchange includes self-interest as an influence on the philanthropist making donations – self-interest that extends into the complexities of the definition of “self” and “identity.” Desiring some form of reciprocal value – tangible or intangible, even if it’s self-

interested – is seen as a dignified and positive outcome of the philanthropists’ gift giving.

Socialization. All but one of the informants discussed linkages between their philanthropy and their socialization. While the initial analysis of the interviews looked to reveal the socialization of the philanthropist, upon review and further analysis of the interviews, this definition was extended to include how the philanthropists, in turn, are socializing their own children and grandchildren to be philanthropic. These philanthropists have been affected by the social system in which they live, and, in turn, aim to affect others’ well-being, not only through their monetary contributions, but also by teaching their offspring similar lessons that led them to give charitably. This socialization becomes another contribution to the philanthropic ecosystem – a contribution of philanthropists teaching others how to give.

Almont referred to his parents as “very good communal citizens” and remembered living in a house “that had a record of helping others.” Amsel, although poor, remembered that his mother “had nothing, still gave away,” while Borden, also poor, recalled the opposite in terms of his socialization – where Borden came from, you kept what you made because it was a scarce resource. Reflecting on his upbringing, his wealth, and the socialization of his own children, Borden remarked:

But we’re going to give away as much of it as we can without being silly in our lifetime. So I mean I didn’t want to create great wealth for my children and that I’ve been lucky enough to have reasonable wealth, I really want to give it away. I came from a working class background so it wasn’t like I was taught that. I mean in the world I came from you kept everything you could get, not give it away.

Like Borden, Marsden was raised poor. He was marked by seeing children living in “orange crates” and by having to work cleaning dirty linen at the hospital. Referring to these early memories, he said, “...yeah, I’ve been exposed to a lot of, of people who were under strain,” noting that when he became wealthy it was “a wonderful thing for me to say ‘okay, how can I help some other people who may be in the same situation?’” He added that today he likes to bring his family together to build houses for the homeless. In doing so, he remarked, “I love taking my kids there and showing them what the rest of the world lives like. And, and it’s a very – to me, it’s a very powerful

thing.” Marsden is re-creating the impressions left on him as a child of poverty by exposing his family to similar experiences, through which he aims to teach them the value of philanthropy and contributing to the well-being of one’s community.

In contrast, Berube is the twelfth generation in his family line with some wealth, and being philanthropic was deeply ingrained in his upbringing. Contextually, he does not see his wealth as his own; rather, he feels he is but the “steward” of his fortune. He said:

We decided, we're going to give back because I come from a family who has been in Canada for close to four hundred years. I am a twelfth generation, always in family business, and every one of those generations have been philanthropists in their community. Over four hundred years. My ancestors helped. I am a funny person in that, contrary to a lot of my friends, I made a lot of money – more than I thought I would ever make, But, I think I am the *steward* of that money. I could not have made that if I was in the Soviet Union -- it's not *me* that made it. I had a role, but it's the employees, it's the management, it's the clients, it's the customers, it's the people who listened to us. I lived in a country where there was peace, where they allowed me to create a climate that allowed me to make that money.

Berube saw himself as inextricably linked with his family and his community – the community is as much a part of his socialization as his family, present and past. The philanthropic ecosystem is shown here to transcend time, as well as social boundaries of the immediate family and peers. Berube was clear that it is the socio-economic context of his communities that ensured his success and, therefore, as the “steward” of his fortune, he must reciprocate to enhance and sustain the same system that provided him with opportunity for financial success.

Carson, also part of a multi-generation wealthy family, referred to her father as having started the family foundation in the 1970s – the same one she and her siblings manage today. But her father, a medical doctor, did not always have cash flow to support others, so he would treat patients for free, a form of philanthropy Carson remembered well from her upbringing.

Davidson, an informant from another wealthy Canadian family with multi-generational wealth said that his sense of philanthropy came from his “family culture.” His grandfather was a “tither in the church” and gave 10 per cent, sponsored ball teams, and

taught the family that they should support things in which they were interested. Referring to the family lore, he remembered his grandfather's counsel, "He always used to tell my father: somehow if you give a nickel away you get ten cents back."

Gavino, a working-class informant who has done well in his life financially remembers learning about philanthropy through the patrilineal line in his family, "it was through them [fathers, uncles], in the early years learning, you work and you give something back, through the Jewish communities, and our community [Italian]." Giordano's comments were similar and talked about how the community must "see that we get the next generation involved."

Each of these informants referred to their own experiences, as well as those of their family, past or present in terms of how their socialization had an impact on their philanthropic behaviour. Their experiences with others less fortunate, as well as the guiding hand of parents and community members, helped define their own sense of what it means to be a philanthropist. A sense of longitudinal community responsibility emerges as each informant relates how they learned to give to a community context, once again reinforcing the idea that the philanthropic ecosystem is a reciprocal system of exchange.

4.4.3 Value creation

Marketing and exchange involve not only tangible and intangible transfers, but also result in value creation. Here I examine the complexity of who determines what is valued and how the value is created. The philanthropist may enter into the exchange because of the value proposition presented by the charitable organization and exchange a financial gift to ensure the realization of that proposition. The dominant value creation construct is illuminated through donor references to some measure of the effectiveness of the donation in achieving its intended purpose, that is, the donor perceives or desires something to have been achieved with their donation. The subdominant constructs that further characterize value creation are: 1) *utility*, where the donor refers to the perceived "usefulness" in their donation, either *symbolic* – non-material, qualitative medium of exchange – or *tangible* – material, quantitative medium of exchange, and 2) *cocreated value*, where the donor believes he or she was invited into the process of creating value.

Cocreation refers to partnerships, working together, and deep involvement such as volunteerism and the experience of joint value creation.

Utility – symbolic and tangible. Most of the informants referred to some sort of “utility,” return on investment, or value received from their gift giving (be it symbolic or tangible). For example, Almont referred to “some kind of bottom line” he seeks before he makes a gift. While Reimer referred specifically to the tangibility of the return he receives from his donation. He said:

I think I look at the organization and whether my gift will help the organization to do something meaningful with it, for which it's intended and whether their values line up with my own values. So do I have confidence that if I give a gift to [local university], the objectives of that donation in fact be realized? So in my own case, first of all, the application is to seniors but I'm also very entrepreneurial and the [university] is a very entrepreneurial institution. So I look at [university] and say I believe that if I donate there, the purposes of my donation will be realized. I have a high confidence that that will happen.

Anderson referred specifically to the community and to creating something of value for those closest to her, “There is a kids museum in there that is just awesome... We're lucky to have it in [city]. We want it here, we want it to be good, so you need to work for those things and they need a lot of private money, so I'm willing to do the receptions and hosting them and encourage other donors.” These philanthropists look for and perceive a tangible return on their investments. For example, a tangible return might also be conceived as a positive evolution of their communities to which they contribute through their philanthropy. The donors want to see practical (material) outcomes from their philanthropy, and this criterion influences their personal involvement (volunteering) and financial contribution.

In terms of symbolic value, virtually all informants referred to “joy” and “pleasure” they feel from their gift giving. Amsel referred to giving in his lifetime “gives us a lot of pleasure” and “wherever we give, it's the pleasure that it gives.” Berube reflected upon the emotional or intangible aspects of the exchange:

A long time ago, two years ago, I was at a university we organized in [Europe], and we were dressed up, black tie, with Nancy, at a ball... and it

was unbelievable. And we were dancing on the floor and someone tapped me on the shoulder, he says, “Look you don't remember me, but we attended one of your courses and you changed our lives. Because of you, my family is still together.” That's the recognition I got. I got it once. And it's the most touching thing that I've had in my life. I didn't solicit it. It just came.

Reinforcing the concept of the symbolic value of the exchange, consider what Brescoe said as he described his gift, matched by a friend, to support a major medical institute:

My hope was, when we raised the profile of this, was to raise the profile of [type] cancer awareness. Two real men, who are both [type] cancer survivors: we both had fathers who had [type] cancer, we both lost friends to [type] cancer... it was the old and young generation coming together and doing something and it was really cool.

Brescoe was focused on the “profile” and “awareness” he was creating through his philanthropy. This tangible exchange of financial support results in perceived value for him, although “profile” and “awareness” are hard to measure as a tangible return. Further, the more “intangible” aspect of the exchange is his expression of the more symbolic value of joining a peer group of “survivors” and contributing to multi-generational support resulting in what he says is something “really cool.” The exchange, therefore, is valued by the organization (university/hospital research centre) differently than by Brescoe, the donor. While the former receives tangible financial value and can leverage greater value through the transaction, the donor receives more intangible/symbolic value in return what he describes as a feeling of “doing something really cool.” For Brescoe, becoming part of the philanthropic ecosystem means he is contributing financially to a cause he cares deeply about, but he also feels the reciprocal benefits as a result of his engagement in the community.

Brescoe, however, was also deeply interested in the reciprocation and “brand” building that his giving provoked – both from a corporate and personal perspective. In the following excerpt from his interview, he acknowledged that his giving was strategic and provided a tangible return. For Brescoe, the distinction of tangible and intangible value is irrelevant, that one does not take higher “moral” ground over the other. The dichotomy of altruism and self-interest becomes a moot point as Brescoe sees all positive value extracted from the transaction as desirable:

The debate over whether altruistic giving is right or wrong or relevant: should all giving not have something in return? And, in fact, the reality is that all giving does have something in return. Even if you give anonymously, there's goodwill and good feel and hopefully you get to see the product from the resources that you've provided... I think it's illusory as well [altruistic giving] because there still is an expectation that you'll go to heaven. Like you're expecting something. So it's a falsehood that that was set up. So I just stripped that away and said I'm going to call bullshit on this and we're going to extract every dollar of value we can from our charity budget.

Similarly, Almont enjoyed both the tangible and intangible/symbolic utility resultant from his gift. Referring to his gift to a health-related cause, he remarked, "This is kind of a model in this country. People who have been here and looked at it and were very impressed with some of the results we're getting and it's really getting these folks closer together and working together. That is one of the feel good things that I've done." Almont had made a contribution to a health institute and positive results were being heralded from the researchers. However, Almont also personally valued the research community he had helped to create, as well as the results, and referred to this value as one of the "feel good things" that he had accomplished. This intersection of symbolic and utilitarian value is further expressed by Almont as he weaved a discourse of tangible outcomes with his sense of "pride." He said:

It's a big world out there and doing some smart things with money and that has some kind of a pride to make sure that where we're putting funds that had some payoff, that care was better, that care was different or research was going down a road that eventually was going to lead to something better than we have today. It's a personal kind of a thing.

Almont acknowledged that his philanthropy made a tangible difference and that it resulted in an enhancement to the existing state of the community. For these philanthropists, their contributions result in tangible and intangible value – both of which perpetuate the philanthropic ecosystem for the better.

Philanthropists also create the value proposition by making a financial gift, which creates value for the organization, and which, in turn, it may exchange for tangible and intangible transfers with others. For example, a philanthropist might make a gift of \$20 Million to an academic faculty of a university, which uses these funds to recruit world-

renowned academic researchers. In making this gift, the philanthropist has funded what becomes a “hotbed” of research, which, in turn, enhances the reputation of the faculty/university, increasing its prestige among prospective students, alumni, and others. The university may then capitalize on its enhanced reputation to attract increased funding from public and private sources. The philanthropist sees that his or her gift has created great value for the university and for multiple communities that benefit beyond the initial dyadic transaction. This example is drawn from the experience of philanthropist Smith:

I didn't think there was enough recognition for teaching, so I set up teaching awards and virtually every benefaction I've done has teaching awards, and they're big. They're tax free, 15-25 grand. All of a sudden here's some recognition for the people that are good teachers as well as those doing good research... I guess some good has come out of it. So I wanted to try to change the culture so that teaching would be more, or equally as, important as research. So, you want to put your brand on things, [my] brand on places. I didn't start out with the idea... I look at how many kids are involved as years go by... I think they're good investments in more talent... you're doing this to elevate the place and make it better. I think the faculty has risen from nothing at [University Name] to probably the biggest faculty in the place.

The Smith example demonstrates an exchange where the philanthropist gives a gift of money and receives little that is tangible in return. Value, as perceived by Smith, becomes the currency of reciprocation. Smith, in this case, sees the value of his gift in changing university culture to validate and value the role of the “teacher,” as well as the researcher. He also sees the transfer of “good teaching” into an investment in “more talent” in the students. Ultimately, Smith feels he has “elevated the place” from where it was before his donations. The initial financial gift is subordinated by the donor as the value resulting from the transaction becomes the measure of the philanthropist's satisfaction. He has contributed not only to this particular university, but has also, through this gift, raised the profile and importance of teaching excellence, which, in turn, has had countless ripple effects of value creation throughout the philanthropic ecosystem.

Cocreated value. The donor and the charity exist in a “community” or system in which they mutually reinforce their relationship through reciprocal actions that each one

values, and through which they cocreate value for the system itself. Brescoe's experience speaks to the reciprocal and mutually reinforcing nature of leadership and financial investment, while suggesting that the community in which he lives mediates the understanding of his charitable acts:

There's enough private wealth in this country that we can affect social change by directing our dollars strategically, so if people are intelligent about directing their dollars ...there's three things we can give as humans, if you will, to charity: time by the hour (working in a soup kitchen, painting a wall), dollars, but the third, and probably most important, is leadership. In my mind, and that's where I'm willing to put my neck on the line and say, "here's a cause I believe in." That's called leadership. You risk being attacked whenever you attempt to lead because there's someone else who is either jealous or envious or doesn't like where you're going. That's fine, the world's big enough for lots of leaders and lots of directions and lots of different views.

Brescoe is acutely aware that his donations only go so far, and that it is "leadership" that will make a difference in the "system" (or the country as he refers to). He acknowledged that those within the system differ in their points of view and approaches, but welcomed "lots of directions and lots of different views," as being part of the necessary drive for cocreating a system that meets the tangible and intangible needs of human beings. The exchange to which Brescoe referred is far from dyadic. That is, he invites "the world" to participate in leadership within the system; encouraging participation and leadership are key elements of the exchange system. Here, Brescoe is clearly imagining value creation beyond the dyad of philanthropist-charitable organization into multiple spheres of influence that cocreate the experience for the philanthropist and the charity, and includes the community input as well. Indeed, Brescoe's thoughts illustrate the metaphor of the philanthropic ecosystem because more than the philanthropist and the charity are involved in the cocreation of value for the system.

Berube echoed Brescoe's approach, referring to the community in which he lives and works, and the contributions that he makes that have far-reaching implications beyond the dyad. Berube took particular pride in engaging deeply in the causes he supported as an active volunteer, often driving the organization forward. He stated:

You're talking to people who are involved in the real, economic, social fabric and backbone of our society, which are families in business. And they

are the ones that we're encouraging to start their own foundations so we are encouraging [entrepreneurs] and we teach them in [many locations] across the country to do things ... encouragement to start in the field of philanthropy, to give back, to make it worthwhile.

By “making it worthwhile,” Berube is speaking of the value that these entrepreneurs have created economically, and he is encouraging them to share it in their communities. He goes on to speak of his own example of community engagement, beyond the specific dyad: “We have become good social citizens, participants; we've made our community a little bit better because of our involvement, not because we're that great, but because we showed up, we showed interest, we show our support, we gave them some money, we encourage them, we hold them accountable...”

Borden echoed Berube's sentiments as he reflected upon a campaign for which he provided leadership as Chair, as well as substantial philanthropic support. His identity as a community member is linked with his desire to support and preserve the community through philanthropy. He said:

There was some pressure [for the community] to move the camp off the lake because Lake [name] was the most expensive lake in [region]... So my motivation was, and the tag line I used to raise money was, "A community is defined by how it looks after those less fortunate than itself." And I believe that we're not a community if we don't protect the people that are not as advantaged as we are, and it's a reflection on the community.

Each of these respondents described the philanthropic exchange in the context of a complex social system in which the giver(s) and recipient(s) are inextricably linked, and in which a system of reciprocity has become the norm, whether or not it is explicit, and the value from which is individually and collectively determined. The philanthropic ecosystem is seen to sustain its communities as a collective, with value cocreated and extracted well beyond the initial dyadic transaction.

Andrews is a wealthy young entrepreneur who has semi-retired and is now mostly focused on his philanthropy. Throughout his interview, he spoke of the need to drive new value for the communities and projects in which he invests. It is not enough for him

to passively give, he wants to engage in the process and he is passionate about what he accomplishes. He does not simply fund the visions of others; he is intimately involved in “cocreating” the value, as is the charity in “cocreating” his experience as a philanthropist. Andrews reflected on one of his donations:

We have schools in this area where they didn't have any musical instruments. They were over in the poor sections of town... So we tend to support the schools that are underprivileged, that just can't raise that money. We put in theaters; we put in white board systems; we've upgraded the computer systems. We've taken two schools and put in a lunch program, breakfast program, and elevated that school to a point where it's actually changing the dynamics of the community. People are actually moving into that area because they want their kid to go to that school because they have the best computers, the best musical/theater program. That attracts the best teachers now, that then attract the best students, and the parents are actually moving to that area of town. So you can have a tremendous impact by doing that in that area.

Together with the underprivileged schools, Andrews was helping to determine the needs and transforming the landscape for learning in this community. His level of engagement created a commitment to deep community involvement and in cocreating value where the exchange is both utilitarian and symbolic.

As discussed in the literature review, cocreated consumer experiences result in deeper and more satisfying long-term relationships with the consumer. In context of the relationship between the philanthropist and the charity, as well as the entire philanthropic exchange system within which they exist, cocreation of value is a reciprocal relationship that serves to mutually reinforce the engagement of the exchange parties, resulting in value creation not only for the donor and the charity, but for the entire system. Consider Reimer's reflection on cocreating value with an educational institution, as well as a care facility in his community:

Researcher: Tell me about the value you think you create when you commit these kinds of donations to an organization?

Reimer: I am not sure if I am creating a value or not, but I think I am. Just using the senior donation [to a senior's centre], our primary thrust, I think the value of respecting the seniors in our society is something that I am trying to create. And I'm trying to create it with all sectors, whether it's the

seniors themselves, they are not throwaways to be warehoused. They are important people with rich life histories. And they are the center of the community. We're not going to tuck you off to the edge of society. Right through to government, where I'm trying to push the value of more research, through to our community colleges, training nurses, nursing curriculum including university-training programs in medicine. We are trying to influence the curriculum for training our present workers in the field of seniors care. So an increased value on seniors care and we are, I think, being successful because we have gotten [names college], for example...in fact, this is where our expertise and time goes along with the money...in addition to a research chair in enhanced seniors care, at [college] we've assigned one of [colleagues] to on an extraneous basis work with [multiple colleges]... where they are working with us in redesigning their curriculum to build in more gerontology content. So nurses and nurse practitioners and RPN's and PSW's, rather than them rather by default ending up in the field, they go into acute care for a while and then when they've burnt out, they say we'll work in a retirement or long-term care home... and in order to do that they have to have co-op placements, they have to have content in their program that helps them to select if that is the passion for their life. So we have created that value in that particular area.

Researcher: Would you say that in some ways you've *cocreated* that value with your partners?

Reimer: It's definitely been a partnership, and there again is where working with the right institutions and the right people is so critical because philanthropyin many ways it is for us a partnership.

In Reimer's experience, the reciprocal exchange system in which he participates cocreates value for the benefit of the entire system. He has been invited into the organizations to help define and fund key areas of need, and, as a result, he has developed a much deeper commitment to the philanthropic ecosystem, not only the single organization to which he made an initial donation. The cocreated value is a function of the enduring relationship between the donor and his community, and is further perpetuated through a complex cycle of exchange and reciprocity.

4.5 Discussion

Marketing literature suggests the exchange is not about the value as objectively defined or measured, but as cocreated and evaluated by the parties engaged in the exchange, or by the entire exchange system (Prahalad & Ramaswamy, 2004a, 2004b; Vargo &

Lusch, 2004a,b; Lusch & Vargo, 2006a,b; Ramaswamy, 2008; Vargo *et al.*, 2008).

Applying this definition of exchange to the context of philanthropy, the gift, therefore, is not only what might be exchanged that is tangible, but is also the real and perceived value created by the philanthropist in concert with the recipient. The data revealed that this value is also created and received by the communities in which the philanthropist and recipient live and work. The reciprocal relationship itself creates value that extends beyond the dyadic transaction as the value of that relationship may be captured and experienced throughout the entire system of communities in which the initial relationship is found.

As the literature reviewed in this paper suggested, the data revealed that the philanthropist is unlike the concept of the utilitarian “economic man,” who sees value in an efficient, self-interested financial or barter exchange; rather, the philanthropist is more like Bagozzi’s “marketing man,” (Bagozzi, 1975): sometimes rational, sometimes irrational; motivated by tangible and intangible rewards, as well as internal and external forces; engaged in both utilitarian and symbolic exchanges; proceeding with incomplete information, weighing both economic and social costs/benefits; sometimes striving to maximize leveraged effect of his or her donation, and with exchanges that do not occur in isolation, but rather are subject to individual, social and community constraints.

Blau (1964) suggested that individuals engage in social exchange, affected by personal obligation, gratitude, and trust, in order to bring returns from their peers, while Bourdieu (1983) suggested that such social exchanges are also leveraged specifically for the purpose of transcending one’s birthright or social network at birth in order to attain greater social recognition or standing within one’s culture. Both Blau’s and Bourdieu’s conceptualization of exchange within the social system and, indeed, as the very fabric of the social system, are useful as the data from the informants within this study revealed that through their donations, philanthropists do engage with and through their peers in social and philanthropic exchanges, resulting in leveraged change for themselves and for the communities in which they interact.

In addition to the research propositions embedded within the Literature review above, I proposed a set of influences in Project one (Figure 3-3 Influences on the philanthropic exchange system on page 106) on the social actions of the philanthropist within the

system of philanthropic exchange – and that these influences be considered as a dynamic set, as opposed to a dichotomized scale or continuum. In doing so, I suggested that this set of influences, dynamic in nature, would characterize more fully the entire philanthropic system. Together with the constructs of interest, the research propositions and the set of influences served as the basis for the examination of the research questions:

- *Why do donors make transformational donations?*
- *How does the cocreation construct illuminate the donating behaviour of the transformational donor*

By mapping the Findings onto the research propositions in Table 4-3 Research propositions and supporting data, below, I find strong evidence in support of a *philanthropic system of reciprocal exchange* from the informant responses:

Table 4-3 Research propositions and supporting data

Research propositions & <i>*strength of findings</i>	Relationship to Table 4-2 – Construct summary							
	Exchange & reciprocity		Norms & culture			Value creation		
	Peer, com'nity relatin'shp & exchange systems	Reciprocity /reciprocal exchange	Altruism	Self-interest	Socialization	Cocreated value	Symbolic utility	Tangible utility
P1a: The philanthropist's account of his or her donating behaviour does not reflect a dichotomized experience of "altruism" and "self-interest." <i>*All informants</i>			X	X	X			
P1b: The philanthropist considers his or her donating behaviour as an experience involving multiple normative and cultural influences simultaneously. <i>*All informants</i>			X	X	X			
P2a: The philanthropist reports his or her donating behaviour as involving the exchange of tangible and intangible transfers with the charitable organization. <i>*All informants</i>							X	X
P2b: The value created by the philanthropist's donating behaviour will be subjectively defined by the parties involved and not objectively measurable. <i>*Some evidence but requires further analysis (Project three)</i>						X	X	X
P3a: The philanthropist's donating behaviour is positively reinforced by active reciprocal relationships with the organizations to which they give. <i>*All informants</i>		X						
P3b: The philanthropist considers his or her donating behaviour as having created value that extends beyond their dyadic relationship with the charitable organization to the communities in which both operate. <i>*All informants</i>	X							
P3c: The philanthropists consider his or her donating behaviour to be inextricably linked with his or her peer and community relationships. <i>*All informants</i>	X							
P4a: The philanthropist reports his or herself as a cocreator of value through his or her donating behaviour. <i>*13 informants</i>						X		
P4b: The philanthropist reports that reciprocal and mutually beneficial value is derived from his or her exchange with the charitable organization. <i>*All informants. Requires confirmation from organizational perspective (Project three)</i>		X				X		

Proposition 1(a,b) finds strong support with all informants. The philanthropists do not consider their experience of philanthropy as being entirely altruistic or self-interested; moreover, there is consistent support for multiple and simultaneous normative and cultural influences on their philanthropic behaviour. This finding supports the proposed philanthropic system of exchange in which multiple influences act on the philanthropist.

Proposition 2(a) was strongly supported with the informants reporting both tangible and symbolic utility with the organizations of interest. For example, donors were looking for some form of tangible or material “return on investment” (ROI) as a form of utility (as experienced through a successful implementation of a building project, for example). These donors also referenced the symbolic utility of the donations, referring to the “joy” and the “pleasure” experienced from their philanthropy.

Proposition 2(b) was supported by the philanthropists through their lengthy and subjective accounts of their own philanthropic behaviour and its impact on the charitable organization. While they measure the success of their philanthropy through descriptive accounts of their perception of value created for the organization and surrounding communities, this finding requires further analysis within the context of Project Three, where the perspective of the organization will be studied.

Proposition 3(a,b,c), relating to reciprocal relationships, was fully supported by the informants as described in the Findings section of this study, lending further support to the conceptualization of the proposed philanthropic system of exchange. For example, donors referred to giving back to communities where they had experienced their financial successes, either directly or through public good institutions such as universities and hospitals; receiving and enjoying public and peer recognition; and exchanging philanthropy with other like-minded community members.

Proposition 4(a) was supported by thirteen of the sixteen philanthropists interviewed. While the concept of “value creation” was well received, not all philanthropists felt that they were “cocreating” that value as defined specifically in the Content dictionary (Table 1). Of those who did not report cocreated value specifically, it was found that they did not engage in a parsimonious description of their role in “helping the organization define experiences; selecting those with personal interest or meaning; or

fulfilling their experience with the organization” (definition used in the Content dictionary). In other words, they were less inclined to describe their experience specifically as one of cocreating value; rather, they defined their experience less precisely and more simply as creating value of some kind.

Proposition 4(b) was strongly supported with all informants speaking of the value they created with the organization, and the nature of this mutually beneficial and reciprocal partnership; however, this finding also requires further analysis within the context of Project Three, where the perspective of the organization will be studied. Positive support of Proposition 4 suggests that the proposed philanthropic system of exchange is indeed characterized by reciprocal and mutually beneficial value creation that extends beyond the dyad of the philanthropist and the organization to those engaged within and by the surrounding communities.

Philanthropy – a social system of reciprocal exchange and cocreated value

The support of the research propositions described above suggests that reciprocity is a collective, circular, and mutually reinforcing activity that serves to engage the philanthropists, the charitable organizations they support, and the people and communities in which they live. Through this philanthropic social system of reciprocal exchange and cocreated value – or metaphorically, the philanthropic ecosystem – the philanthropists and the charitable organizations cocreate value for the benefit of themselves and for the communities they serve and in which they live and operate. The norms and cultures of these individual benefactors, as well as those present in their communities, serve to further inform, engage, and reinforce the interrelationships formed within the system.

Figure 4-1 The philanthropic ecosystem, on the following page, depicts the reciprocal system of cocreated value.

Figure 4-1 The philanthropic ecosystem



In Figure 4-1, the cycle of reciprocity exists because the donor and the recipient continue to value what each gives to the other; together they create greater value for themselves and for the entire system. The cocreation of the value for themselves and their communities becomes mutually reinforcing so that each feels symmetry in the exchange process. The value is both sustaining and enhancing, and transcends generations. A multiplying effect is created when the philanthropy results in value experienced beyond the initial dyad and extends to multiple relationships, communities, and cultures around the globe.

The research revealed that these philanthropists' perceptions and decision making are inextricably linked with the inter-relationships of the multiple communities in which they are engaged, resulting in tangible and intangible cocreated value, not simply for the benefit of the dyadic relationship between the donor and the charitable organization, but also for the entire system in which they interact. The actions and interactions of the philanthropists have a "compounding" effect on the philanthropic ecosystem, resulting in value creation that transcends the original dyad and extends its impact well beyond the boundaries of the initial relationships.

Through their exchange and reciprocity within the philanthropic ecosystem and with all its members (directly or tangentially through the compounding effect), philanthropists engage deeply in sustaining and enhancing their communities. Peer relationships are inextricably linked with the perceptions and decision making of transformational philanthropists. Relevance for community sustainability, as well as individual and collective legacy, is of paramount importance to philanthropists as they look to cocreate meaningful change by investing deeply in the organizations that build and serve their communities now and in the future. Ensuring a balance, or mutualistic symbiosis, in the philanthropic ecosystem is essential to its long-term sustainability.

Norms and cultural experiences affect the way in which the philanthropists extend their generosity within the community – be it in building and sustaining relationships, or through their financial support. The data revealed that these philanthropists are a product of their own socialization, but not only through their families of origin; the normative behaviours they witness and participate in throughout their lives through personal and professional interactions also serve to reinforce their interest in community

building and charitable engagement, and, in many cases, raise their sights to make even greater contributions through witnessing the examples of their peers.

Applying marketing theory to the context of philanthropy helps to illuminate the influences on the transformational philanthropist's gift giving. Cocreating value with the philanthropist becomes an innovative way for charitable organizations to reciprocate and enhance their long-term relationship with the donor. Through their interactions, they become inextricably linked with the communities they serve, directly or as a part of the greater "philanthropic ecosystem."

The data revealed evidence of symbolic and utilitarian exchange resulting in value creation. Cocreated value is evident in cases of philanthropy where the donor, the charitable organization, and the communities in which they operate, reciprocate tangible and intangible value. Reciprocity becomes the conduit for cocreated value.

This research suggests that reciprocity is a collective, circular, and mutually reinforcing activity that engages the philanthropist, the organizations they support, and the people and communities in which they live and work. Through this philanthropic ecosystem, the donor and the organizations cocreate value for the benefit of themselves and for the communities they serve.

4.6 Future research directions

On the basis of this study, I suggest that the organization that engages in and learns from the cocreation experience will succeed in enhancing its value proposition, resulting in greater value creation for the entire system. It is not enough, however, to be sensitive and inclusive of donors' interests, offering *customized* choices; rather, it is essential that the charitable organization cocreate the process, choices, and, thus, experience with the philanthropist and the communities they serve. The cocreation of the experience, however, is not limited to the dyad of the philanthropist and the organization; rather, it extends deeply into the entire philanthropic ecosystem. It is in the interest of the organization, therefore, to also engage deeply in the community context and interrelationships therein if they are to be successful in maximizing the power and relationship capacity of individual philanthropists within the philanthropic ecosystem.

Cocreated, reciprocal philanthropic experiences result in deeper and more satisfying long-term relationship with the donor. In the context of the relationship between the transformational philanthropist, the charitable organization, and the philanthropic ecosystem within which they exist, cocreation of value is a reciprocal relationship that serves to mutually reinforce the engagement of the exchange parties, resulting in value creation for the entire system and communities in which they interact. Through their reciprocity, these individual actors create a system in which the transaction's value is a cocreated experience involving, reinforcing, and sustaining a full spectrum of community relationships.

In Project three, I will explore similar questions from the perspective of the charitable organizations and their senior fundraising professionals, creating a rich dyadic data source for further analysis and comparison in the Linking document.

**5 *Project three: Transformational philanthropy in Canada – the
professional fundraiser’s perspective***

5.1 Introduction

Drawing on the literature reviewed in the Scoping study, and in Project one, this paper focuses on the analysis of qualitative primary data for the purposes of further exploring the transformational philanthropist's donor behaviour. In Project three, I explore similar questions asked in Project two of the transformational philanthropist-informants; however, this paper looks to the perspective of the senior fundraising professionals who work with transformational philanthropists, creating a rich dyadic data source for further analysis and comparison in the Linking document.

The marketing literature reviewed in the Scoping study and in Project one suggested that cocreated consumer experiences, in a for-profit context, resulted in deeper and more satisfying long-term relationships with the consumer. To the best of my knowledge, prior to this study there has been no empirical work examining cocreated experiences between the transformational philanthropist and the charity (*i.e.*, the not-for-profit context), and how these experiences might affect philanthropic behaviour. In addition, the for-profit oriented context of the extant literature did not empirically examine the exchange of both tangible and intangible forms of value, which are prevalent in not-for-profit context, specifically that of philanthropy.

As a result of these literature reviews, I proposed that, in the context of philanthropy, cocreation of value is a reciprocal relationship that serves to mutually reinforce the engagement of the exchange parties, resulting in value creation not only for the donor and the charity but for the entire philanthropic exchange system within which they exist. Further, I proposed that cocreated reciprocal experiences and value propositions for both the donor and the organization as well as the entire philanthropic exchange system result in the kind of deep engagement of the philanthropist that result in transformational-level donations. I suggested that by considering concurrent social and cultural influencers on the philanthropist's donor behaviour, this research might contribute a multi-dimensional and robust understanding of transformational philanthropy, specifically as exemplified in the case of post-secondary education in Canada (or their affiliated medical institutes).

In Project three I have chosen to focus on senior fundraisers' contributions to my research questions. As per Table 5-1 below, I have kept the research questions

developed at the outset of my DBA Thesis research project; however, for Project three, I have added the last question, “*What kind of experiences between the donor and the organization result in the donor making transformational donations?*” This last question is specifically focused on the organizational perspective as told to me by the senior fundraising professionals.

Table 5-1 Project three: research questions

#	Question:
1	Why do donors make transformational donations?
2	How does the “cocreation” construct illuminate the donating behaviour of the transformational donor?
3	What kind of experiences between the donor and the organization result in the donor making transformational donations?

In Project three, I collect and analyze empirical primary data aimed at answering the research questions. Specifically, and based on the literature reviewed in both the Scoping study and in Project one, as well as the data collected in Project two, I consider complex and concurrent social and cultural influencers, that may influence acts of transformational philanthropy.

As a result of Project two, I proposed a “philanthropic ecosystem,” in which philanthropists interact, through their giving, with charitable organizations, beneficiaries, peers, family members, and communities. My research showed that the philanthropists’ perceptions and decision making within this ecosystem were inextricably linked with the inter-relationships of the multiple communities in which they are engaged, resulting in tangible and intangible cocreated value, not simply for the benefit of the dyadic relationship between the donor and the charitable organization, but also for the communities in which they interact. In addition to examining the research questions, Project three considered the metaphor of the ecosystem through the research process.

Project three examined qualitative data collected from long interviews with professional fundraisers who had worked with transformational philanthropists having made donations of \$5 Million (CAD) or more to post-secondary educational institutions.

Through the analysis of these interviews, I aim to contribute to the existing body of research a deeper understanding of transformational philanthropists' behaviour in Canada.

In summary, the analysis from Project three suggested that cocreated transformational philanthropy results in value that is determined not only through the process and experience of making the donation, but also through the exchange of competencies between the donor, the organization (and its representatives) and even the ultimate beneficiaries of the philanthropy. This cocreated value creates the ultimate impact of the philanthropic investment. It can be concluded, therefore, that it is the sum of the philanthropic experience plus the successful outcome or “value” attached to the entire philanthropic exchange with the organization that constitutes the total cocreated value derived from the interaction. The data suggested that cocreated, reciprocal philanthropic experiences resulted in deeper and more satisfying long-term relationships with the donor. In the context of the relationship between the philanthropist, the charitable organization, and the communities and social systems within which they exist, cocreation of value was determined to be a reciprocal relationship that serves to mutually reinforce the engagement of the exchange parties, resulting in value creation for the entire system and communities in which they interact. Through their reciprocity, these individual actors created a contextualized system in which the transaction's value was a cocreated experience involving, reinforcing and sustaining a full spectrum of community relationships. Project three confirmed the findings of Project two; the existence of the philanthropic ecosystem. However, Project three further defines the philanthropic ecosystem to include characteristics of a self-sustaining constellation of networks, comprising symbiotic interrelationships among stakeholders.

The three main sections of this paper are:

- **The “transformational” donor** – defining this concept *a posteriori*
- **Influences on the transformational donor** – an exploration of the capacity to cause an effect on the donor's philanthropic behaviour
- **Cocreated experiences and involvement of the transformational donor** – and how these illuminate the donor's philanthropic behaviour

5.2 Methods

This qualitative field research study considered the Informant's interpretation of reality (the Informant is the fundraising professional). Field research emphasizes internal validity of the study, aiming to understand naturally occurring social events and processes. As a result, generalizability of the findings is secondary to clarifying theoretical understanding (Singleton & Straits, 2005, p. 314). As this research was not meant to be generalizable, the outcome of this research is intended, rather, to provide a richly detailed description and interpretation of this segment of the social world (Baines & Chansarkar, 2002, p. 5; Singleton & Straits, 2005, p. 310).

This study took a structuralist approach to content analysis in the sociological tradition, "which treats text as a window into human experience" (Ryan & Russel, 2000, p. 769). I analyzed free-flowing text transcribed verbatim from Informant interviews, where each interview formed the unit of analysis (Ryan & Russel, 2000, p. 780). I used inductive coding while analyzing the texts for the purpose of discovering concepts and relationships in the raw data and then organizing these into a theoretical explanatory scheme that elaborate and extend existing theories and concepts explored in the Scoping study, and in Projects one and two (Morgan, 1983; Ryan & Russel, 2000). Based on an inductive coding process, I developed themes to describe the Informant experiences with an aim to responding to the research questions presented in the Introduction of this paper.

While other data and findings emerged in the course of the analysis, I chose to exclude discussion on these at this point for the purposes of concluding this very focused piece of research for Project three. The additional data and findings will be reviewed and discussed more fully within the Linking document, if relevant and as appropriate.

5.2.1 Research design

Observation of the phenomenon interest – transformational philanthropy – experienced in my twenty-year career as a professional fundraiser, led to my curiosity regarding how the cocreation construct might apply to this particular phenomenon of interest.

I decided to conduct field research in order to best study this phenomenon of interest. Field research is aimed at building a general, abstract understanding of a single social phenomenon (Singleton & Straits, 2005, p. 306). Further, the nature of field research “generally focuses attention on interactive social units such as encounters, social relationships, organizations, and communities” (Singleton & Straits, 2005, p. 312), and therefore it seemed ideally suited to the research questions and context as stated in the Introduction of this paper.

5.2.2 Research subjects

In keeping with the qualitative field research tradition, “the segment is not only necessarily small but also often selected on an ad hoc basis for reasons of availability and convenience” (Ryan & Russel, 2000, p. 780; Singleton & Straits, 2005, p. 310). To identify my segment of fundraisers, I conducted a non-probability, non-random “purposive sampling” in Canada, based on my professional knowledge of, and interaction with, philanthropists and professional fundraisers, in order to identify my informants. Purposive sampling was appropriate as I aimed to gather information relevant to the specific limited scope of experiences with a population of elite-level transformational philanthropists, a small group that varies from the donating population at large (Singleton & Straits, 2005, p. 133). I sought interviews with professional fundraisers who had worked with donors who had made gifts of \$5 Million CAD or more. This pool of informants was limited and extremely private due to the confidential nature of their interactions with an equally private group of donors. Moreover, this group of highly skilled senior professionals also varied from the overall population of fundraising professionals, as there are very few donors at this level, requiring a specific kind of fundraising approach (and, thus, fundraiser) to draw out these donors. The relationships with these donors are so crucial to the financial success of the organization that very few professional fundraisers are entrusted with this level of donor. Given that this study focused solely on transformational donors and the fundraisers who work with them, indicating a limited scope which precludes random selection, purposive sampling was deemed an acceptable alternative to probability sampling. It has been suggested that a major weakness of purposive sampling is “making an informed selection of cases require[ing] considerable knowledge of the population before the sample is drawn”

(Singleton & Straits, 2005, p. 134). Given that I come from practice in this particular field, having worked specifically with this donor population, I offered “considerable knowledge of the population.” Therefore, this particular suggested weakness of the method was considered to have little or no effect on this study.

Sixteen long interviews with informants were conducted across Canada from February through April 2010. Eleven of the informants were men and five were women. Please note that the Informant names, as well as those of the donors, were changed to protect their privacy and personal identities. However, pseudonyms were used to keep the personalized nature of the relationships discussed as well as the inter-relationships between the individuals mentioned across the interviews. Please see Appendix K Project three informant summary report.

5.2.3 Procedures and measurement

I conducted primary data collection through in-depth interviews with informants by telephone, using a “life story” approach by engaging the informant in storytelling about their experiences with transformational philanthropists (Bertaux, 1984, p. 215; Tedlock, 2000, p. 455). A semi-structured interview guide was created to provide some focus for my interviews with the informants (McCracken, 1988). Please see Appendix C Project three interview guide.

Interviews varied from 37 minutes to over one hour in length, with an average time of 54 minutes for a total of 877 minutes of digitally recorded data. Interviews were transcribed verbatim and verified by the author.

Content analysis of each interview was conducted using NVivo™ software to provide structure for the analysis and inductive coding process. I started by organizing the information by questions asked, then began to develop my ideas around emergent patterns and categorized these accordingly. Each interview was read and coded twice to ensure thorough review and consistency. Finally, I reviewed groupings of text under each construct and concept to ensure similarity of the text coded. An initial coding architecture was established as a result of grouping relevant and meaningful concepts and constructs (also referred to as “nodes”) found in the data (see Appendix D Project

three initial coding of concepts and constructs (node summary)). This initial coding architecture was refined further through the process of analysis and resulted in conclusions that integrate these across the informant interviews. This iterative analysis process (Singleton & Straits, 2005, p. 337) formed the basis for the Findings section of this paper.

5.2.4 Coding process – an exemplar case-study sample

To facilitate the understanding of the coding process, I present below the preliminary architecture for the first question asked of the sixteen informants – *Tell me about your experience as a major-gift fundraiser – how many years, types of roles in your career, etc.* In asking this question, I was interested in finding out if there were common career paths and competencies (this paper uses the definition of competency as knowledge, an ability or skill) that led these particular people to become successful fundraisers (arguably, those practitioners trusted to work with the organization’s transformational-level donors would be considered as top of their field based on their success in establishing fruitful relationships with these donors – *i.e.*, raising gifts of \$5 Million plus). Further, I was interested in understanding their role in cocreating philanthropic experiences between the donor and the organization, and what insights this might lend to the behaviour of the philanthropic donor (in other words, the importance of the interpersonal relationship between the donor and the fundraiser in creating the experience that results in transformational philanthropy).

Fifteen of the sixteen informants responded to the question (the one who did not, simply drove the interview forward and time did not permit returning to this question). In terms of process, I began by coding each of the Informant responses into a single “node” entitled “Career Path,” using NVivo™ software. Once complete, I was able to isolate these fifteen responses, which resulted in a total of 18 “references” to career. I began with a preconceived notion derived from my own professional experience that professional fundraisers involved in transformational gifts would have a long history of fund raising, as typified by a career trajectory from more junior through senior positions in the field (and, therefore, I called this career path “typical”). I then began to code the individual references into “typical” and “atypical” career trajectories accordingly (see

Table 5-2 Node summary – Career path, below, for the initial “Node summary” used). During the coding process, I added two more emergent categories seen in Table 5-2, “private-sector career” and “political.”

Table 5-2 Node summary – Career path

Name	Sources	Ref'ces	Created On	Modified On	Analyzed On	Definitions
01. Career Path	15	18	03/26/2010 2:57 PM	06/21/2010 12:48 PM	Aug 30	Tell me about your experience as a major gift fundraiser. How many years, types of roles, etc.
01. (a) Typical career trajectory	8	10	03/26/2010 3:43 PM	06/11/2010 2:53 PM	Aug 30	
01. (b) Atypical career trajectory	10	11	03/26/2010 3:43 PM	06/21/2010 12:48 PM	Aug 30	
01. (b-1) Private Sector Career	8	8	03/26/2010 3:44 PM	06/21/2010 12:48 PM	Aug 30	
01. (b-2) Political	3	3	06/09/2010 2:33 PM	06/21/2010 12:48 PM	Aug 30	

Upon conclusion of the coding, I realized that there were more “atypical” career trajectories than “typical” under the “Career Path” node. Pursuant to this new interpretation, I re-grouped the relevant data under two meaningful headings, “Characteristics and competencies of the fundraisers interviewed” and “Types of career and community experiences.” What you see below in Exhibit 5-1, is the final outline for the first stage of analysis of this data.

Exhibit 5-1 Coding process – an exemplar case-study sample

- 1. Characteristics and competencies of the fundraisers interviewed:**
 - a. Organizational Leadership
 - i. Examples of increasingly responsible roles leading to “executive” or “top” position within organization (median number of years experience of those in fundraising positions where they are working with “transformational” donors is 20.)
 1. Policy development
 2. Negotiation
 3. Participatory role
 4. Organization development
 5. Ability to “start up” a new shop
 - b. Community network / connections
 - i. Personal
 - ii. Family
 - iii. Professional (*e.g.*, Boards of Directors)
 - iv. Volunteer
 - v. 50% do or have worked for their own alma mater.
- 2. Types of career and community experiences:**
 - a. Charitable Sector
 - i. By sector
 1. University –within and outside Advancement (mostly within)
 2. Hospital
 3. Social Services
 4. Cultural, Arts
 - ii. Individual philanthropy
 1. Annual/workplace fundraising campaigns
 2. Major gift (lower end, then higher)
 3. Planned gift
 - iii. Corporate philanthropy
 - iv. External relations
 1. Public/media relations
 2. Alumni relations
 3. Government relations
 - b. Private Sector
 - i. Banking, financial services
 - ii. Corporate sponsorship
 - iii. Media
 - iv. Marketing
 - v. Communications
 - vi. CRM – strategic customer relationship management
 - vii. Consumer sales, services provider
 - viii. Corporate manager, administrator
 - ix. Consultant
 - x. Legal
 - c. Public sector
 - i. Politics (elected officials)
 1. Provincial
 2. Municipal
 3. School Board/Trustee
 - d. Volunteering
 - i. For the organizations directly
 1. Alumni associations
 2. As student (50% are or have been students at their university of employment)
 - ii. Community organizations
 - iii. Political organizations
 - iv. Boards of Directors
- 3. Miscellaneous:**
 - a. Career choice a result of serendipity
 - b. Most deeply committed to the profession – long career trajectory in the field (median 20 years, average 17)
 - c. Personal lifestyle choices
 - i. Desire to focus on family obligations
 - ii. Interest in “meaningful work”
 - d. Trajectory of learning
 - i. From US consultants in “early days” of Canadian philanthropy
 - ii. From courses and conferences and professional networks
 - e. Professionals in the field leaving organizations to become consultants
 - f. Importance of mentoring the new generation of fund raisers

However, during the coding process of the entire interview, I was also able to integrate meaningful data from responses to two other questions asked during the interviews – namely:

- *What was your approach in raising the “transformational” gift?*
- *Has your approach changed over time? Why?*

In addition, significant data was gleaned throughout the interview and coded under the “Relationship influences – Organizational leadership and staff members” node, which contributed greatly to the understanding of the professional fundraiser’s career and role in potentially influencing the transformational donor. To this end, I modified my initial thinking on this topic and decided to proceed with a significantly different interpretation of how the role of the fundraiser might influence the transformational donor. Whereas at the outset I was looking at a very simplistic “career path” trajectory to find insights into my research questions, what resulted was a more robust picture of the fundraiser’s role in influencing the behaviour of the philanthropist.

As a result of this coding process and analysis, what started as a simple analysis of the “career path” of the professional fundraiser, resulted in an insightful component of Project three. The next step was to create a narrative, not only from the outline in Exhibit 5-1 but also from the new groupings of data gleaned from the rest of the interview (in the interest of space I have not included an exhibit for each stage of the data analysis). This provided a conclusive summary paragraph found below that draws together the over-arching themes found in the data that add insight to the research questions.

According to these informants, their interpersonal relationships with the donor are an integral part of the cocreated experience with the organization. Professional fundraisers are a trusted source of information; a conduit to the organization’s network of relationships (from the organization’s leadership and to other meaningful relationships with, for example, professors); community networks of relationships; and a source of competency in helping to develop the vision for the donor’s philanthropy and how they might achieve their philanthropic interests through investment in the organization. Professional fundraisers are seen not only as a contact within the network, but also as a meaningful player – as negotiator (internally and externally); tactician (*e.g.*, financial planning aspects of the gift

implementation and expenditure); and trusted source of accountability (being responsive to the donor's desire to understand the impact of their donation (*i.e.*, value creation) and steward of the idiosyncratic interests of the donor inside and outside the organization. As such, the professional fundraiser considers him or herself a motivator / influencer of the donor. Their competencies have been developed through a long career history requiring honed relationship-building skills; networking; and an interest in community development.

What follows in the Findings section of this paper are the main themes that were developed as a result of this detailed coding and analysis process, question by question and node by node. In the interest of space, the thorough process described above as an exemplar "case" is not repeated for each node in the main body of the paper; however, select data are used to support the conclusions and the complete data set is available for review upon request.

Ultimately, the purpose of this research, in keeping with its research methods, is to use Informant narratives to illuminate the understanding of these philanthropists behaviour, and to answer the research questions:

- *Why do donors make transformational donations?*
- *How does the cocreation construct illuminate the donating behaviour of the transformational donor*
- *What kind of experiences between the donor and the organization result in the donor making transformational donations?*

5.3 Findings

To recap from the Introduction of this paper, in alignment with the research questions, the three main sections of this paper are:

5.3.1 The "transformational" donor – defining this concept *a posteriori*

5.3.2 Influences on the transformational donor – an exploration of the capacity to cause an effect on the donor's philanthropic behaviour

5.3.3 Cocreated experiences with the transformational donor – and how these illuminate the donor's philanthropic behaviour

5.3.1 The transformational donor

Transformational donor – definition. At the outset of this research project, I used an *a priori* definition for the transformational donor as being one who had made a single donation of \$5 Million CAD or more to a charitable organization. Although subjective, the term “transformational donor” is often used in practice with the specific level of donation tied to the particular charitable organization, referring to a donation level that does, indeed, “transform” the organization. Generally speaking, in the context of post-secondary education in Canada, it would be commonplace in fundraising practice to refer to a gift of \$5 Million or more as “transformational” and, thus, I began with the use of this term within the context of my study. As I analyzed the data, it became apparent that I would develop an *a posteriori* definition as a contribution to the field of study. Therefore, in the process of coding the data for Project three, I added to my set of research questions: What are the characteristics of a “transformational donation” and by extension, the “transformational donor”?

The informants (professional fundraisers) were asked:

- *How do you define the transformational donor?*
- *How big was the donation?*
- *What was the gift intended to achieve?*

Based on the Informant responses, what follows is my analysis and interpretation, grouped into an explanatory scheme developed in the coding and analysis process, as follows:

- Characteristics of the “transformational” donor
- Characteristics of the organizations receiving transformational donations
- Purpose and intent of the donation
- Factors affecting the size of the donation

5.3.1.1 Characteristics of the “transformational” donor

Informants, such as Meester and Drake, described these donors as visionary leaders who are passionate about the cause, “I define a transformational donor as one with vision and passion first and tremendous financial capacity.” (Meester) “Transformational giving is usually aligned with a donor’s passion, and that

passion could be in the field of education or research or the arts or healthcare, the social sector, but it's major giving, so it's not simply giving what spare cash one has to a worthy, deserving cause, but it goes well beyond that." (Drake)

In these transactions, alignment of vision and values between the donor and the organization remained paramount. Chisholm said, "A donor that changes the perception of an institution by putting their support in that institution, which, in and of itself, is an indication that they believe in the values and the direction of the institution." Informants agreed that these donors believe in and care deeply for the organizations they choose to support. Donors were engaged. They understood the organizations, and were described as being "educated" about the organization and as having done their due diligence before making their philanthropic commitments. As Patterson stated, "...the bigger the gift levels, you know, it's, it's an investment, you know, beyond, beyond a simple gift. There's a lot of thought that goes into it and I, I think that shrewd investors like, like strategic philanthropists do a lot of due diligence on their own." He pursued this thinking further:

And then I would say... where somebody has had, you know, a specific interest in, you know, a health or a medical related issue and they, they know where, or they're seeking to find the best sources of research or opportunity to impact. And again, they've done a lot of their own thinking and, and shaping on the particular issue.

Researcher: So you feel like they come to the table with a real intention as to what they want to achieve?

Patterson: I think so. And there are, there are transformational gifts that will arise because the institution has made a very powerful, a very powerful cause, or case, or maybe reached out to the individual because of, you know, common themes in that person's life or relationships or, or value system and so forth.

Further, these donors were characterized as those who plan ahead and are strategic. Their transformational-level gifts required thinking that went beyond a more transactional level, as Drake suggested:

In my thinking, transformational giving is strategic by its very nature and it's strategic in a number of ways, and one of them is that it's not simply a blind, impulsive generosity. That's not, that's not what transformational giving is in my view. For instance, after a major natural disaster like the earthquake in Haiti... That generates a kind of philanthropic impulse that is different, I think, fundamentally, than what I would call transformational giving, which by its very nature is more planned, it's more strategic, and it seeks to leverage support in a way that can achieve a large objective that's aligned with the individual donor's passions.

In conclusion, the informants characterized the transformational donors as being visionary, passionate leaders who adopt or align their vision and values with those of the organizations they support philanthropically. They care deeply for the organization and are engaged and knowledgeable about its purpose. These donors were described as having done their due diligence and as making planned and strategic donations in keeping with their personal interests.

5.3.1.2 Characteristics of the organizations receiving “transformational” donations

Organizations that have benefited from transformational donations were said to have a “change-friendly” organizational culture – meaning that they had both a desire for, and were ready for, change. This culture, in keeping with the interests of the donor to affect change, created a positive climate for the receipt of a transformational donation. The leadership of these organizations expressed a clear vision for the future and a broader picture of their organization in the context of the communities in which they exist and which they serve. Thomas reflected on the necessity for change-friendly culture and clear vision of the leadership, “One of the things that a transformational donor wants, particularly if they don't have a long-standing relationship with your institution, is to get a feel for what's the place like; what's the vision; what's the leadership; what's the culture, you know, what is the scope to make transformational change.”

These organizations were said to be ready to move beyond status quo and to understand what is possible to achieve without financial constraints. Allen commented on this organizational readiness:

A transformational donor for us in this particular case is somebody who engages with us, embraces the cause, and provides sufficient fundraising

capability, funding to allow us to move ahead significantly or to move in a, in a new significant direction... [that] came at a crucial time when we needed to move ahead significantly in recruiting and attracting certain faculty positions... so they [the donor] were transformational in their own right in our particular context at the time.

Stephenson added:

To me, transformational allows an organization to move far more closely to its – towards its vision and, and even perhaps helps to create a new vision that they may have not have thought possible or thought was so far out in the future that it was unlikely. And that's – you know – it's, it's always interesting in strategic planning when, when you work with organizations and talk about vision and how limited sometimes the vision is. And it's just cause people feel so constrained by resources and, and the current circumstances. A transformational gift really allows an organization to, to lift its head up and say, *Boy, you know, this is now possible when we didn't think it was, it was possible and in fact, it creates new opportunities and possibilities for us.*

These organizations were said to have clearly defined values and direction, where new opportunities and possibilities are mapped out and welcomed by the leadership. As Chisholm reflected, “So it's those who change the way the organization thinks about itself, what it thinks it can accomplish and recognizes that in many cases those big gifts are toward loftier goals... The funds are needed to support that, so consequently that gift allows that to take place.”

In conclusion, the informants characterized beneficiary organizations as those that are open to change and those that have a strategic vision for what would be possible with new transformational-level funding. These organizations have clearly defined values and direction, espoused and expressed by the leadership.

5.3.1.3 Purpose and intent of the donation

In terms of the purpose and intent of the donations, informants responded that donors are interested in the following:

- Affecting transformational change
- Having an effect beyond the organization, extending to communities of interest
- Personal self-actualization

Affecting transformational change. Without exception, informants focused on the transformational donor's desire to make an impact. They described the donor's "intent" as being the desire to have an impact, or to transform through their benefaction, as stated by Jefferson, "... the gift itself is not the transformation, but the impact of the gift is the transformation." The intent of the benefaction is said to have a "transformational impact" on the organization. Patterson reflected:

I think what's really important is... what, what is the impact of a gift and how does it, you know, shape the destiny of an institution and how does it help change the direction of the institution and how does it really add meaning to, to what, to that particular cause. I would also say that transformational is, is two-sided so the donor, you know, she or he also has to – should feel that they've transformed something, that they've done one of the most important acts in their lives to, to impact, to impact a charity.

Practitioners felt that the financial amount of the donation was subordinated to its intent. The amount of the donation was only important insofar as it facilitated the actual transformation of the charitable organization or the cause, as suggested by Meester, "Because you know, a transformational philanthropist could be somebody who has very modest means, but who has the vision and the passion to convert whatever those means are into something that could transform an organization. A \$100,000 from somebody could be transformational for a very small charity. Just as a \$100 Million gift from [donor] is transformational for the [x university]." Kerry echoed her thoughts, "...someone who will have a, whose gift will really change the operations of the institution after it's been made. And it's a big dollar amount, but it [the donor] can, it can give a lot of money and not, not really change the operations. But a transformational donor is someone who's going to really change, really change the operations."

Informants replied that donors are looking to transform (change) the organization for the better, significantly, and meaningfully; there was a distinction made between benefactions that are "important" and those that are "transformative" for an organization. Transformative donations were reported to seek to fund aggressive, visionary goals – not just to maintain the status quo. "Well I see the transformational donor as someone who's prepared to make a gift that's big enough to fundamentally change the direction or focus of a program or service of a major charity. Though it's not about supporting status quo, it's about actually shifting the game in terms of the way

charities behave.” (Newman) These donations were considered “the height” of philanthropy, uncommon, relationship-based (non-transactional) and aimed at driving excellence. As Thomas reflected, working with transformational donors “... made me completely understand the importance of relationships in major gift fundraising as opposed to simply being transactional. It's made me appreciate that you've got to take time and have patience to bring people along, as opposed to trying to meet some kind of artificial or annual target.” Drake added, “...acts of genuine transformational philanthropy are not common. They’re not everyday occurrences. They’re the height. They’re at the very top of the food chain in the ecosystem of philanthropy, and they can’t be common...” In pursuit of change, these benefactors were reported to intend their donations to shape the destiny of the organization; to change direction of the organization; to “take you into another league,” as Lester commented. “The transformational donor is that unique subset of donor that sees beyond the typical [discipline] plan of what a charity may have to offer and, and wants to see the, the ultimate version, the what would happen if you, if you had a gift that could take you to a whole other league” (Lester). It was also reported that in making these types of transformational donations, the benefactors helped organizations achieve greater vision, clarity, and purpose, often resulting in changes in perception of the institution, both internally and externally.

Having an effect beyond the organization, extending to communities of interest.

Informants suggested that donors were interested in affecting change – they had a desire to create something new and better, and wish to change society *through* the organization. Stephenson said, “You know – from a staff perspective, we can do the research and the prep work and talk strategy, but at the end of the day, if the gift is really donor centered, then it, then it really has to be a conversation with the donor about what they’re trying to achieve and, and how you can help them achieve their, their philanthropy and their vision through your institution.” Jefferson told an anecdote that exemplified how donors are attracted to investing in the societal-level changes that result from making a transformational donation in an organization, which in turn transforms the world around it. Referring to the good the organization can do “for the good of personkind,” Jefferson underscored the role of the organization in making social-level change, on behalf of the donor:

I said, What you want to do is interesting but can we just set it aside for a second and what I'd like to do is tell you about the vision of something really spectacular where you can make a difference. Transformation. Right? And the human genome has been, the mapping's done and so what, what do we need now? We need, we have, somebody coined a phrase, not me, we have a collision of disciplines. You've got bioinformatics a/k/a computer scientists. You've got geneticists. You've got molecular biologists. You've got people working together who've never even talked with one another before and we have to create a center that brings them all together and this is where you can make your mark in this city, in this country. End of the day he did it. He did it. He did it not because of me. He did it because of the work of the dean, of senior faculty members, of people who just deeply, deeply cared about what we're trying to do for the, for the good of personkind, if you can be so grandiose about it. It wasn't about raising money. Right? It was about transforming something, not about transformative giving, and so there you have the [Davis] Center. It's a spectacular success.

These donations were reportedly intended not only to re-shape organizations, but also to shape communities within which the organizations exist and which they serve. The benefactors and their donations demonstrated community leadership and established long-term, enduring commitments that represent the intersection of the organization and society. These donations drive a meaningful confluence of ideas and organizations. The donor's philanthropy was reported to help build greater capacity for the organization, which in turn was thought to influence the surrounding community and greater society, – that is, it created an impact. The informants were clear that the gift itself was not the impact; rather, the gift *had* an impact on the organization's cause and its ultimate intended beneficiaries within the given organization's community and towards those whom the organization served. Kerry reflected:

But there was an understanding that education, and having an educated populous, is fundamental to the long-term competitive positioning of a country; that, that investing in the future, which is investing in the future of individual minds, but also the well-being economically of the country, and that you did that by investing in education. That was a way we would, Canada would, compete in the world stage... you invested, then, in your universities that were either close to you or you believed had an ability to impact in an area of teaching and research important to you.

In terms of value creation, these donations created leverage within the community; they provided examples for others to follow and a “ripple effect” ensued where a donation would lead to multiple tangible and intangible impacts, not just one outcome. Patterson commented, “In another case it might be an individual who set out on a path where they knew they had a particular goal in mind in terms of, of changing the landscape in a particular area, or in a particular field. And their hope is that they’re not only going to impact the institution that, that they are benefactoring, but they’re going to set the standard for other institutions to also be benefacted in similar or even, even better ways.” For Patterson, the tangible outcome was not only the direct philanthropic investment in a “particular goal,” but also a more intangible outcome such as increased philanthropy toward other institutions.

As per the Patterson example, informants suggested deep interest on the part of the philanthropist in leveraging the donation to increase its value and impact for the organization and its surrounding communities. While the value created by the donation was said to be “achievement” oriented, the goal of the donation also included value creation that had both tangible and intangible outcomes such as what Kerry called the “reputation enhancement,” along with more “subtle” (intangible) outcomes. Kerry commented specifically on the “ripple effect” within communities of transformational philanthropy:

But, you know, you say transformational philanthropy is supposed to be changing the way you do, the organization does business. It will not have that, it won’t have that kind of impact. Now, that said, the effect of that gift, it’s being the size and the reputation, enhancement and the things it will do collectively will, in fact, change the positioning of that part of the hospital. So it’s just, it’s not, it’s, it’s probably going to be more subtle, it’s interesting, it’ll probably be, it will have a, it will have a long term impact, no question, a very positive impact, it will be a more subtle impact and it will come as a ripple effect, not as a direct effect.

Personal self-actualization. Informants observed that transformational philanthropy sometimes served as an “identity” project for the donor. Their benefactions became an extension of their sense of personal identity (the organization, therefore, was a conduit of the identity project). Deacon commented, “It’s because there must be something at, at

the heart of whatever you're giving to that is part of your main essence.” Through their donations, benefactors were said to establish a different “persona” for themselves, outside of their professional sphere of success. Deacon continued:

I think people who end up giving transformational gifts or large gifts, which, from their perspective, are the most they've ever dreamed of, okay, it's what you can dream - if you can't dream, then how can you give it? ...[It] relates to their place in the world. So I might put it into the historic context too. It depends upon who they've been, who they've become, and how they fit into that new world. So you have your, you have your [donor] who grew up into sort of a very wealthy guy, but from a very modest background. Or [Bob Piper] from a very modest background, okay. It's a way of creating a different persona, of impacting on the world personally in a different way.

Some informants observed donors who sought to fulfill a desire for human connection through their donations. Transformational philanthropy was represented as a result of, or resulting in, self-actualization and creating a personal legacy, or a long-lasting testament to a donor's existence. In this light, the donation was considered one of the most important acts of their lives. Doons and Newman reflected, “ So what he's trying to do is show leadership, give back to his, his – the alumni...ultimately he cares about putting his name on something because there is ego by all of these donors. But it's not – ego's not what, what drives them. They get that all day everywhere else. What drives them is creating leadership through legacy.” (Doons) “But, as I said, when it comes to self-actualization, this may be the most important thing that this person does in their life, other than have a family.” (Newman)

Donors were also reported to be pursuing personal-dream fulfillment. Preston commented on her experience with one such donor, “But at the time that he decided to name a [discipline] school, and he was shopping around, he really liked what [x university] had to offer and what the dean had to offer. So I think that there's some donors who - who just want to transform things and they shop around looking for a place who can fulfill their dreams, and that would've been an example.” These benefactions were viewed as demonstrations and celebrations of a donor's successes in life, as well as of their relationship with the organization. Jefferson and Chisholm commented:

...[Paul] cares less about, about the fact that his name is on the [discipline] school; I mean he's proud of the fact that his name is on the [discipline] school, but the, the reason he's proud of it is that the [discipline] school under [dean's] leadership is doing fabulous things. So if, if it's quid pro quo, it's delivered on the promise of what you ask me to do. [Tom Davis] is quid pro quo. It's likely that there's gonna be a Nobel Prize or two come out of, of the [Tom Davis] Center. That's his quid pro quo. [John Smith], [John Smith]'s quid pro quo is a, is a generation of students who are coming out of, of the program that he's funded and will do fabulous things. Maybe the next [internet success] is coming out of that program. (Jefferson)

So it's those who change the way the organization thinks about itself, what it thinks it can accomplish... it ranges from a donor who recognizes that values are similar and wants to support, or believes in post – a post-secondary education, or may believe in a specific discipline, or may believe in a specific institution, and that allows them to, for the most part, give back and to celebrate their own personal successes, and professional successes, with a like-minded organization, and create something that's long lasting and has some recognition, not so much for the philanthropist, but there is an element of that, but provide some recognition of the importance of giving to and helping to change ultimately society. (Chisholm)

In conclusion, the informants suggested that the purpose and intent of the transformational donations were to: affect transformational change; have an effect beyond the organization, extending to the community level; and to facilitate the donor's personal self-actualization. This correlates well with the findings of Project two, which suggested the existence of a “philanthropic ecosystem” of reciprocal exchange and value cocreation.

5.3.1.4 Factors affecting the donor's size of gift

Based on the informant responses, the main factors mentioned as affecting the “size” or amount of the gift were:

- Donor's wealth and financial capacity
- Donor's level of desired impact on the cause
- Regional and peer-driven culture of philanthropy
- Competency of fundraiser

Donor's wealth and financial capacity. The size of the gift did not drive the informants' definition of the "transformational donor." It was often stated, however, that the size of the gift and its nature of being "transformative" was relative to the donor's wealth and financial capacity. For example, Jefferson commented, "... if I have \$100,000 of net worth and I give away a thousand and, for me, that's transformative giving...if I'm [Gerry Smith], and I'm sitting on a billion and I give away a hundred Million, am I being transformative or am I just giving in accordance to my wealth?" The actual size of a given donation was said to depend on the donor's wealth and financial liquidity, and potentially a financial "triggering" event (*i.e.*, an event that results in a sudden influx of cash, such as a positive investment (stock rally), sale of a business or property, inheritance, *etc.*), that results in a great philanthropic act that might not otherwise have been possible for the donor at that point in time. Doons commented on the importance of "triggering" events to the impetus for transformational giving, "Triggering event... we should have our sights set on every one of those suspect donors based on triggering, the selling of his or her business." Allen reflected on a gift of over \$25 Million from a benefactor, and the effect of this "triggering event" on his giving behaviour:

...he started in 2000, 2001 or so... went from something like \$50 Million to \$25 billion in the course of eight years, and so if you, you know, he, he was the CEO and, and presumably significant shareholder of this little upstart, rebel, you know, [industry] start-up in, in the early 2000s and, and, you know, I, you can just see the multiplier effect on his wealth all the way through. I mean he, there, there were some disclosures about, about, you know, insider, insider disclosures of some sale of [corporation] stock and so on and so forth at various points leading up to that, and I'm sure that has something to do with it, but essentially he set up a foundation which he funded, I believe, by liquidating part of his, part of his [corporation], part of his [corporate] holdings and, and that's what, that's what then fed the pledge process.

In addition, the donor's perception of his or her own wealth was stated to be important. Does the donor think they have enough to survive on – enough for their families? Deacon mused, "... and it's mostly as you would know, what I call 'LOLs', Little Old Ladies, I'm raising money from. The difficulty with Little Old Ladies is getting them to understand how wealthy they are." The amount of the donation might also be considered a matter of creating a living legacy – that is, the philanthropist chooses to

make the donation while they are alive so they can enjoy seeing the benefit or outcomes of their benefaction (as opposed to making a bequest in their last will and testament).

Mooney shared an anecdote to make this point:

He told me when I was speaking with him about a year ago that he and [wife] had been doing their bequest planning. And they have two children, and he said, *You know, children can only use so much money, or... you know, he's a farm boy from [province]. He said, or it can taint them.* And he said, *So that, this is what causes us now to be more generous in our current giving, or potentially be thinking about what we're going to do for the future.* So I think there's an age and stage in certain people's lives where they, where they have made their, their peace with what their fortune is one way or the other, you know, with, with what their estate is, and they then say, we can afford to give X away over a period of time.

Some organizations measured the size of the gift not in isolation, but, rather, in cumulative donations over time. Therefore, it was not a single gift that is considered “transformational,” but a relationship with a repeat donor who transforms an organization through many gifts over time. Mooney reflected on a conversation with a donor, “...That person had given very significantly. So the request for five Million dollars was really, you know, as a current request for their current campaign... So, in fact, this was ... an opportunity to see and to steward how that past money had been used, and also accentuate how that new money would be used and how it would be postured in a way that was going to recognize the cumulative giving. Postured in a way to their peers, right?”

Donor's level of desired impact on the cause. The size of the gift was linked to the desire of the donor to build greater capacity for the organization both in terms of value and leveraged value, both by the donor personally doing so through their own philanthropy, and also by helping the organizational leaders to develop the competencies to do this for themselves through other means (recalling that this paper uses the definition of competency as knowledge, an ability or skill). What was “transformational” was seen to be relative to the size and scope of the organization, as well as relative to the need and the vision for change. The size of the gift was inextricably linked with how much money was required to actually “transform” the organization or project. Newman stated:

And, you know, the first every such gift that I was personally involved in goes back to working with the [Bill Sheldon] family. And creating the institute for [research area] at [x university], which was a \$10 Million gift... And I think, you know, one of the initial shocks to all donors including the [Bill Sheldon] family was how much money is really required to do the work they want to do. And, you know, the truth is that a \$100,000, and even the low Million dollars at the end of the day, does not generate the kind of systemic change that one needs to create in an institution where there is a budget of a half a billion dollars. Right? So you can have major gifts at that low end that have an impact. No question about it. But it's if one looks at the kind of critical mass of people, programs, and other things, and significantly around the kinds of communications resources required, you know, putting together a bolus of funding in excess of \$5 Million is really the minimal amount it will take to make systemic change in any charity in my view. And I think part of the challenge with all of these negotiations is, is getting enough money to get things rolling.

As mentioned above, the size of the gift did not drive the informants' definition of the "transformational donor." Rather, it was often stated that the size of the gift and its nature of being "transformative" was related to the size and scope of the organization, and the potential for dramatic impact of the gift on the cause, as referenced by Stephenson and Robertson, "So, yeah, for some organizations, a transformational gift might, you know, it might be \$25,000 or \$30,000 for a smaller organization with, with very limited resources. For others, you know, it might be \$10 Million or \$100 Million. It's, it's more – it's – I, I think it has more to do with vision and the impact it has on an organization's vision than it does on gift value." (Stephenson) "You know, it can be somebody who makes a, an important but not necessarily a huge donation, but an important donation to an area that they really believe in and that really needs that support ... I can think of, of gifts of \$1 Million or \$2 Million or \$5 Million that have really transformed a program at the university, and, as a result, you know, transformed the experience of, of the students, which is what it's all about." (Robertson)

A gift at the right time was seen to be potentially more "transformative" if the outcomes of the investment could be leveraged by the organization towards change that resulted in greater capacity or value in the long term. In other words, the donor was said to have a greater impact on the organization, depending on the timing of the gift. Preston gave the

following example of donor Smith who gave \$5 Million to leverage other funding at a critical juncture in time:

Then the fact that [Gerry Smith] was already connected to the school gave him – I think he was on the board of [x university] at the time as well – gave him opportunity to convey to the president, at the time, his vision of how he thought a new building would really transform the [discipline] school, and how that would be good for [x university]. So he was incredibly influential in terms of that decision within [x university] to allocate any funds that came in from - for new capital to the [discipline] school, but he [Gerry Smith] also was willing to put up the \$5,000,000 that was needed to leverage those funds because you had to prove that you had community support before you could - you could access them.

As discussed, donors were also reported to be affected by the organization's ability to leverage matching funds; for example, from government, or public-private partnerships, as a way to increase the impact of their benefaction. Meester recalled a dramatic negotiation between a donor and government officials, where the donor was trying to leverage greater government funding, but in the process, was also helping build the organization's competency in negotiating this type of leveraged additional funding for itself. By doing so, the donor was driving greater financial capacity for the organization, and was also building greater competency in this critical area of leveraged funding:

He basically said, *I believe in this and I put my money on the table and now it's time for you to match my investment*, you know, "*you keep*" 'you' as in he's speaking to government leaders, *you keep saying that the private sector has to step up to the plate*, well, *I'm here, where are you?* and he just held no prisoners. It's like, you know, look – he's incredibly blunt. I participated in two of the conference calls and we were just sitting back and like, wow, I bet these guys aren't used to being talked to like this, but he really believed in it, but it was a very, very narrow investment. It wasn't about, you know, sort of community. It wasn't about, you know, inspiring other, other donors to commit to his cause. He, he wanted to be as focused as possible and just wanted the scientists to have the money that they need to advance.

Donors were also reported to have given smaller amounts to many organizations instead of one large amount to one organization, as they felt that the impact through transformation they were seeking would be possible by “adding up” the value created

across the “constellation” of organizations supported. Drake spoke of a particular experience:

He was asked by [x university] if he would consider a major gift of \$20 Million to help build a building that would have his name on it, and he thought about that and he didn’t like the idea of simply putting his name on a building. He thought, rather than give \$20 Million to [x university], or putting his name on a building, he could do better than that, and he could have a bigger impact, and what he decided to do instead was to establish 20 individual chairs at 20 different universities in Canada, contributing a Million dollars to each university and requiring them to match, at least single match if not double match, his investment and thereby his idea was that he could have a much greater impact because he could have 20 chairs established at 20 different universities in a variety of disciplines but overall having a much broader impact intellectually and for the betterment of Canada.

Regional and peer-driven culture of philanthropy. Some informants reflected on the size of the donation as being relative to the culture of philanthropy in the given community or region. For example, some cities in Canada are both very “wealthy” and their citizens very “philanthropic”; other regions are more depressed, with less wealth, and, perhaps consequently, less of a culture of philanthropy, in which case very large gifts may be less frequent or even non-existent. Deacon reflected, “It is relative because in [region] of Canada, \$5 Million is a big gift... [Campaign chair] thought [through] the plan for the first year and resigned. He said we were asking, we were planning to ask people for far too much money. So, for example, we were going to ask [Scott Davidson] for \$1 Million. Well I don't know if anybody had ever been asked for \$1 Million in [region] at that point, so we're talking 1990-92 at this point. Okay, so we were way behind the curve on this stuff.”

It was also suggested that the size of the gift is subject to peer influence. Robertson said, “I mean, I think where the influence comes in, and I’ve said this to [David Michaels] many times, you know, I’m sure that the magnitude of his gift influenced other people across the country or whatever when they sat down to think about the magnitude of their own giving, but I don’t think it motivated other people to give. It just motivated others

to perhaps give more than they might have otherwise.” Doons offered a similar example:

I've learned in a gift from him that as a fundraiser, you may never be in front of him, but he is very influenced by people he has high regard for in the community. If he has friends in the community that he, that strongly believe he might want to consider doing something and take something to him, [Lyle Almont] taking it to him, for example. He – the – those – I find that leadership donors have – are very – it's very important that their friends see this as a, as the right thing to do, also.

Competition amongst philanthropists was also recounted anecdotally. Preston and Stephenson reflected, “A person's not gonna make a big decision like that in isolation. They're gonna maybe chat about it with their friends, you know, not specifically, *Oh I'm thinking of giving ten Million to the hospital, what do you think?* But, you know, just I think they would be testing the idea. They'd want to see what people would think about it too.” (Preston) “The story is that [donor] gave \$105 Million because the [wealthy] family had given \$100 Million and [donor] wanted to be the biggest gift. So... – you know – *I'll tack an extra \$5 Million on* – you know – *I'm looking for impact*, but at the same time, *let's make this the biggest gift ever*. For some people – you know – you can't separate ego out of the equation.” (Stephenson)

Competency of fundraiser. The size of the gift was also linked with the organization's ability to research the appropriate amount to request. Deacon gave an example, “And what's happening with the [donor] family is the other interesting thing first. A friend of mine worked out that each of the three children has over \$800 Million under investment. ... Let's say that I would suggest that they only give away a Million and a half a year...I mean, you know, you read in the paper that he's got 400. Okay if you have \$400 Million in [province] bank shares, what do you think the rest of your portfolio looks like?” In this case, the professional fundraiser, in setting the bar high enough and negotiating the gift successfully, is said to play a role in whether or not the gift achieved its financial potential to be “transformational.”

Similarly, the fundraiser's knowledge and skill – related to understanding donor wealth – was said to play a role in maximizing the potential size of the donation, as discussed by Robertson and Allen, "... we did as much research as we could possibly do on, you know, his financial position at the time and then... they talked about some research that they had done which indicated that most of the \$100 Million-plus gifts, and there hadn't been many of them at that point, represented about ten per cent of the donor's net worth, so that's in a way, how we arrived at what we thought would be a comfortable number." (Robertson) "We had multiple engagement points and multiple moves and things were kind of progressing, you know, along the lines of, of a cultivation strategy, not knowing at that point, we didn't yet know at that point exactly how successful his [industry] endeavours were going to be, we didn't know exactly how much wealth was going to be created, but obviously we had a good feeling and we were tracking, we were tracking some indicators." (Allen)

Ultimately, the professional fundraiser must have the competency to work effectively with the transformational donor to negotiate the gift. As Thomas remarked, this competency is important to the future of philanthropy and the very value that is exchanged in Canada, "...we need to groom a new set of major-gift fundraisers from the profession standpoint. I think there are very, very few really, really highly effective major-gift fundraisers in this country who have invested in this as a career and who understand how to get it right, and we've got a major responsibility to mentor the next generation with top fundraisers because I don't see them coming up perhaps, you know, as apparently or readily as they should be."

In summary of this sub-section, the informants suggested the following factors that affect the donor's size of gift: donor's wealth and financial capacity; donor's level of desired impact on the cause; regional and peer-driven culture of philanthropy; and competency of the fundraiser.

In conclusion, this section has discussed how the transformational donor is understood through exploring the characteristics of the donor, the characteristics of the beneficiary organizations, the purpose and intent of the donation, as well as the factors affecting the size of the donation. Based on the data from the informants above, the *a posteriori* definition of *the transformational donor* is defined as one who is primarily focused on

creating value by funding change in society through their organization of choice – an organization that can fulfill a visionary promise and make an impact that achieves the intended dream of the donor. Organizations bring competencies to this equation in the form of articulating and developing organizational capability that, indeed, have a positive impact on society. Organizations that are both open to change, and that have leadership and staff who can both communicate this need and fulfill the promise, are those organizations that are most likely to receive such benefactions. Donor's wealth is important insofar as it can fund the intention of the gift and, as a corollary; organizations that understand a donor's wealth are best positioned to negotiate the optimal size of gift in support of the vision.

5.3.2 Influences on the transformational donor

This section of Project three provides an exploration of the influences on the transformational donor from the perspective of the professional fundraiser, based on their experiences. Recalling from my Scoping study research that philanthropic behaviour can be examined from the “inside out” or “outside in” perspectives, for example, where the “inside-out” perspective explores donor's behaviour from the internal perspective (*e.g.*, psychology) while the “outside-in” examines the donor's behaviour by exploring the external and social influences on the individual (*e.g.*, anthropology, business, economics, philosophy, and sociology), for the purposes of my research, I chose to concentrate on the “outside-in” perspective, exploring philanthropic behaviour by examining the external influences from the disciplines of business (marketing), economics and sociology, and by exploring the not-for-profit and voluntary sector context-specific literature. While the “inside-out” analysis provides an important area of study for donor influence, the field of psychology is beyond my area of interest and expertise, and therefore beyond the scope my research.

In keeping with the interview guide, the informants were asked:

1. *Describe your experience of a particular instance working with a transformational donor on a major gift:*
 - a. *How big was the donation?*
 - b. *What was the gift intended to achieve?*

- c. *What do you believe influenced the donor to make this gift?*
- d. *Why did the donor(s) make the gift at this point in their lives?*
- e. *Is there a single influence you feel had great bearing on the gift?*
2. *How important are peer relationships in influencing the transformational donor to make the ultimate gift? [e.g., volunteers, community peers, cultural context, etc.]*
3. *In your experience, how important are the transformational donor's volunteer activities with the organization in setting the stage for the ultimate gift?*
4. *What organizational characteristics do you believe are important in influencing the transformational donor to invest in your particular organization in such a deep and meaningful way?*
5. *Are transformational donors looking for a quid pro quo [reciprocity] – do they want something in return? Tangible? Intangible?*
6. *Is recognition important to transformational donors? What kind of recognition?*

To analyze the data from these questions, I used the definition of the word influence, as presented in the Oxford dictionary, “the capacity to have an effect on the character, development, or behaviour of someone or something, or the effect itself... the power to shape policy or ensure favourable treatment from someone, especially through status, contacts, or wealth... a person or thing with the capacity to have an influence on someone or something.” In addition, and where appropriate, the Content dictionary from Project one was used again to ensure consistency in construct definition for the overarching research project (see Table 4-1 on page 146).

What follows is my analysis and interpretation of the Informant responses about the influences on the transformational donor. I have grouped the findings using the following explanatory scheme (these are influencers that emerged from the data):

- Value creation and value exchange
- Leveraged value
- Wealth
- Cultural and community context
- Experiences with the organization

5.3.2.1 Value creation and value exchange

Value creation. As discussed in the *a posteriori* definition of the transformational donor in the previous section of this paper, the professional fundraisers reported that the transformational philanthropists are interested in creating value for the organizations in

which they invest. For example, Meester linked a donor's interest to that of the country, "He's scientifically curious. He wants – he, he believes that Canada should, should raise its game intellectually and he wanted to be involved in the advancement of science and technology himself, and I think it was just personal interest." Further, value was defined by the informants as having both symbolic and tangible value to the donor. Examples of symbolic value include the following: Drake referred to "spiritual" value, "...at the level we're talking about, it's something really different that motivates people, and I think at the level we're talking about its broader, and it's multi-sectorial, and it's a kind of engagement that's both intellectual and, one could even say, not to become too vague about this, it could be spiritual as well." Mooney referred to "inspirational" motivations, "And so I think motivations are sometimes inspirational based on, as I say, the cause and the need." She went on to explain the "feeling" of giving as a symbolic form of value derived from giving:

... it's the feel-good timing. It's, it's, when does it feel right? Like, I was told by this [school] graduate. When he does, it feels right personally and from a family perspective. But "feel good" meaning... *I feel so great when I've done this. And I feel personally, I, I feel as if I'm transforming myself every time I do that. And if I'm transforming myself into whether it's a better citizen of Canada, better citizen, better, better student of philanthropy if I'm learning and doing more, if I'm having impact.* Then, you know, *if I'm transforming myself... they're buying into the fact that giving can be transformational in and of itself for them as people.*

Robertson recounted an experience with a donor who was looking to attract talent from around the world and saw that ability as a tangible investment of his benefaction:

Well, I think he, he got excited about the, the possibility of kind of taking the [discipline] school to the next level and we, we've always had a, a [discipline] school with a very strong, strong reputation and I think he was able to be convinced that with this kind of support we could, we could get that much better and better in areas of interest to him, as well as in ways that would, you know, really attract some, some great people; and he's, he's a person who really believes in the importance of great talent and was, was certainly convinced that this kind of gift would allow us to attract the best from around the world; and, you know, those were the things that motivated him.

The value created was also reported to extend beyond the organization to include the communities the organization serves. Deacon reflected on a donor's interest in value creation, "He believes in [x university] as an instrument of economic change and that would be his prime motivator." The purpose of the benefaction was, therefore, suggested to create value – value that results in positive change for and through the mission of the organization for the benefit of its intended recipients.

Value exchange. Informants discussed the role of the professional fundraiser in developing and communicating a clear value proposition – that is, what does the organization stand for and where does it want to go? This focus on value proposition is evidenced in the following quotation, "... it's been increasingly requiring the asker, the donee to be, be very clear and be distinctive and compelling on the impact, ... you're investing in a, in a mission, and if you've got that mission defined correctly, then the gift totally lines up with accomplishing that mission, and it's about, about achieving, achieving that final impact in society, whether it's education, health, or social services." (Kerry)

With regard to value exchange, the fundraiser's understanding of the prospective donor's interests facilitated an exchange of value between the donor and the organization. In other words, the role of the fundraiser was seen as focusing first on what the donor is trying to accomplish with their philanthropy, then on helping them to appreciate the value, outcome, and impact of their gift-giving on, and ultimately through, the given organization. As Allen suggested of his interaction with a \$25 Million donor, "...you anchor the relationship, you accelerate the relationship, perhaps you even establish the relationship on some exchange of value, and you're smart if you can provide value before you ask for value... the critical turning point in our relationship was him hiring our students, was us providing value to him. This gift was accomplished, in part, by demonstrating the value and impact the gift would have, and by communicating successes to date." Informant Mooney concluded that the return on investment (ROI) is ultimately what is important to the donor as a tangible evidence of the value exchanged. She said:

Then I think there are those that are wanting to see current value for money, basically. So there are the entrepreneurs, the social entrepreneurs, or those

people like the [business man] in [city], the [business man] in [another city], or Social Venture Partner Partners out in Calgary. There are all these people who are motivated, I think, by wanting to see something of value for their gift in their lifetime. And they are serious, and they talk to me very seriously about wanting to have impact now. And they are prepared to invest significant dollars, but they are thinking entrepreneurially. They're thinking about that ROI.

In terms of tangible value exchange, Allen commented on the donor's interest in perceived student success as a form of "tangible" exchange for his investment, "And, so he saw in her [student intern] the product, the positive product of a program that he had graduated from and he had benefitted from and that kind of was really the catalyst of, I guess, value exchange and his perception of the value that he was getting by reconnecting with us, you know, all, the whole thing coloured by his, his memory of the value of the program it had for him."

5.3.2.2 Leveraged value

The informants reported that donors are interested in the leverage their donation can provide, and that donors enhance their own contribution and the value proposition itself by leveraging more money. For example, Drake, referencing a Christian miracle as an analogy, made this point:

Organizations were approaching him, primarily universities, asking him to consider doing things like, you know, help with infrastructure or chairs and things, and he thought about this and he was kind of troubled by the approach. He thought it was too small, too narrow, and not impactful enough. So while the germ of the idea was not his own, it was really stimulated by individuals like you and I approaching him, the idea to do something that was broader, more impactful and requiring, you know, it's almost Biblical in its way. You know, you don't, you don't give someone, you know, a fish and a loaf of bread and ask them... but you multiply the fish and the loaves of bread and you encourage them to figure out how to catch fish themselves and bake bread themselves. So he, you know, in his own way he felt that this could be positive to get the universities not to simply hold out their hands and ask for money, but to require them to match it, and that's where his own strategic bias and impulses became important that go well beyond simply wanting to do good. (Drake)

This imperative for organizations to provide leverage through matching opportunities was often referenced. Newman and Preston each described the interaction between the donor and the organization in achieving this outcome:

Yet the other side of that question, though, is that, and I think we learned this with the [Gerry Smith] gift at [x university], that once you have that bolus of funding, it does create a momentum for a program, or a department, or a service that has the potential to inspire the donor to do more after, as well as attract new donors to a project. So... [Gerry Smith], who I suspect you've spoken to, would, would be the first to say that one of his intentions with all of his philanthropy is to start the ball rolling... I think you know for all of those kinds of gifts that I've been involved with I don't think it's unrealistic for those donors to expect that an institution could leverage up their donation five to ten times in the first ten years. (Newman)

I think that, you know, that matching gifts or - or, you know, any kind of leverage is - is something that organizations have to be more aware of and certainly, well, look at - look at the - the end of the building campaign for the [discipline] school at [x university]. You know, we got the \$3 Million matching gift to encourage alumni to give, so we were able to get those last \$3 Million because we had that matching money on the table. We had a deadline. We had a target and we had a chance to double your money. (Preston)

In the following excerpt from the Doons interview, he explained the potential for additional organizationally-driven value creation through the leveraging of one gift for another. He reported that the “leadership” of the transformational donor’s gift provides value in and of itself, and that the value can and should be used by the beneficiary organization to leverage other relationships and donations. He added that this type of leveraging is not being capitalized upon as much as he perceives is possible:

Researcher: [Donations are] for leadership? Is what you're saying?

Doons: Yeah I believe it's really more than ever before... taking leadership and trying to drive that leadership for that institution so that others will follow. I think that a lot of institutions do a piss poor job, though, of creating the... the wave – the synergy behind it. They, they rest on the laurels of the gift.

Researcher: So if I'm paraphrasing correctly, you're saying that the donors make these donations to provide leadership for change and that the

organizations who accept the gift, take the gift for its value but don't necessary leverage it. Is that what you're –

Doons: I would say that only a few of them leverage it. They seem to sit on the glow of the gift. And, and they don't drive it hard. And I don't think that they use the donor's leadership in, in a – and I don't think they use the donor in a way... The donor becomes synonymous with the institution. And my sense is just that you're not seeing – you're seeing a gift done, you're the, the glow of that gift. Look what we've done and it's not being followed up by other large gifts. I don't see that happening. So for example, you have [Hank Dresdale]'s gift then – you have [Gerry Smith] gift in [city] and then you have [Tim Daring]'s gift. What's after [Tim Daring]? How many years ago was [Tim Daring]'s gift? Four, five? In a – and this not a beat up, but in a – in an [industry]-based marketplace that is just pumping out dollars. So no, no piggybacking, no, no synergy coming out of those. Where's the next – where, where are the other ones?

Other informants witnessed that the donors leverage their own giving through the influence of their relationships, namely, with business and organizational associates, peers, family, community members, individually, and through constellations of networks. Several informants mentioned the Davidson family, for example. Leverage was used inside the family between family members, as well as outside the family with government through reputation and influence. Chisholm summarized:

But it was a significant statement by the [Davidson] family that they were willing to support [x university], particularly [discipline], and help develop the next generation of [area of interest]. And then they lent themselves in a variety of ways, not just with capital-campaign donations or scholarship donations, but also supporting programs, special events, and activities, and, as I said, sending grandchildren to the school. So that was a significant one in terms of really solidifying the university's position, and it came at a time when there was a rationalization discussion underway in [province] that might have seen the demise of one or two universities or, or the consolidation of [discipline] programs at one university. As it was, it strengthened [x university] to become the preeminent [discipline] school in [region of] Canada.

Mooney also spoke to the kind of peer influence prevalent in many Canadian cities among the transformational donors and which acts as leverage, "... you kind of have a bit of a rivalry going on as you know in [city] with some of the big [industry owners].

You know, well, if, if he can put up five then I can put up five. If he can put up ten then I should be able to put up ten. You know, that kind of thing. And so you're seeing a little bit of that. So I think peer, peer initiated leverage if you want to call it that, or peer initiated influence I think also has a, makes a difference.”

Informants also reflected on the leveraging of multiple-party level networks and constellations of networks. For example, Meester described a situation where a small circle of transformational donors got together to challenge others outside their own network to join the campaign. She reflected on how this approach to leveraging affected her own giving (although not at the “transformational” level):

...[we were] sort of reaching a plateau in our fundraising efforts and they once again, the three of them, on their own, got together and decided, well, we should all step up to the plate again, we should all give more. So they all decided to give another \$2.5 Million and to announce it and to use that as leverage to get others to consider giving more. And then, given we hit another plateau, we were moving into Phase 2 with the campaign, once again they, with a larger group of people, got together and thought we need to come up with a way of getting people to raise their sights and, and join us at the \$5 Million level, and so they worked with the foundation to create a new donor category called [Millennium Founders]. And it was just infectious and, of course, what it did is, you know, [husband] and I just kept giving more, too. I mean – and it's all relative. Like for me, I mean, I might be giving, you know, an additional \$5,000 per year, you know, so by the time we left, I mean, [husband] and I sort of lost track, like what are we up to now?

In this second excerpt, Meester chronicled the experience with a donor who worked a constellation of networks through the organizations with which he was associated:

But he's, he's one who's very involved in the expenditure of his philanthropy, so he wants regular reports on, you know, the hiring of chairs and what kind of outreach have you done and, you know, where is my leverage, where is my match. He always looks at leverage, you know. If he got two for one from government, he wants two for one from the university. We can find it from whatever source, he doesn't care, just find it, match it, and let's leverage. So, very much on top of that. He's, you know, chair of the board of [Y]. He sits on the advisory board for the [X]. He's no longer the

chair. So he's quite engaged personally and really enjoys that, that investment.

Mooney described a constellation that included citizens in different locations within the country who were networked through media:

...[I read an] editorial which talked about the embarrassment, or the potential embarrassment, or how [wealthy citizen] and [wealthy citizen] should, and [Wayne Coutts] should be embarrassed by this gift by this woman from [city]. Because they had only ever given at that point in time, [wealthy citizen] had only given three Million, [wealthy citizen] I don't even think had given five yet, just a kid, I'm not even I'm sure he's even paid off that pledge, but, but five, and [Wayne Coutts] hadn't. And it prompted [Coutts] to give the first 25 Million dollars to [x university]. And he made mention of the fact that he was, he was, he, he had been somewhat embarrassed by the fact that it took this gentle woman from [city] to show up these big time business guys. So that I think from the influencer, she was the influencer. And also media influence. I think there's some media influence there too.

Informants also reported donors wanting to leverage the competencies developed and exchanged in these transactions. For example, Jefferson referred directly to the competencies developed through a donor's investment, and how the donor expected those engaged in the project he had funded to exchange their competencies:

[Peter's] view on it, why [Peter] put \$200 Million of his own money into it to get it started, [Peter's] view was if you can create an [project]... you create an [project] that is completely independent of universities, of any other institutions, and have none of the silos of, of departments which we have in universities... you don't have to fight for tenure, you don't have a group of ... undergraduates in front of you ... but you break down the silos and you don't have, because you're well-resourced, don't spend your time writing grant applications and you are completely free to study whatever the heck you want. That, that's the [project] and that's why it's doing fabulous things. Why am I telling you this? The, the challenge within the [project] is, the ethos within the [project] is that, that everybody challenges everybody else. Right? That, that if you, if you've got a nice, comfy little theory and everybody says that's, that's very nice, Jane, and you're not getting anywhere so that the notion of, of kind of collision of disciplines and, and challenging is part of the [project] ethos.

In this quotation, Jefferson referred to the donor's interest in breaking down "silos" and

other barriers to perceived success so that the researchers can share competencies and challenge one another through a shared “collision” of disciplines.

Newman referred to a \$20 Million gift he was helping to negotiate, and how this gift was inextricably linked with the institutional strategy, programming, and research grants. The initial donation was to leverage not only this funding, but also the competencies inherent to each organizational department or party in the relationship, in order to truly fulfill the expectation of the donor, “...the institution is now saying, as part of their rollout plan for this gift, ... *How do we leverage this against the gifts of others and so that building really fundamentally an institutional strategy, new campaign, new programs, that all be dependent upon their ability to leverage up this government money, other donations and research grants.*” Newman went on to discuss the future of leveraging outside of government funding, where competencies must be shared between public and private sectors through innovative partnerships, “... as we enter an era where there's less opportunity for government, matching institutions particularly need to think about how, how they're going to, to provide that leverage largely through specialized fundraising campaigns, and also through the availability of other kinds of grants and, and private-sector partners. And I think you know we're getting more and more into the potential for interesting public-private partnerships down the road.”

In conclusion, the research suggested that the transformational donor is interested in the leverage their donation can have, be it through matching of organizational or government funds, through their own relationships or through/with those of the organizations, or through affiliated or tangential (constellation) networks. Fundraisers also understood these donors to want the competencies gained from the gift to provide additional leverage inside and outside the organization. This also supported the finding of a philanthropic ecosystem of reciprocal exchange and cocreated value.

5.3.2.3 Wealth

In and of itself, wealth was reported to be a pragmatic or practical influencing factor for the transformational donor. For example, Meester reflected on the fact that high-net-worth individuals are capable of making donations simply because they have the disposable wealth to do so, “Well, it's because they can. I think it's..., I think it's simply

because they can. They have capacity. I mean, so much of this is capacity. When people have capacity, they start to think about what they can do. You know, and sometimes what they can do is something very selfish, buy a race car and learn how to race cars. For others it's 'start a foundation' and 'change the world'... because when you're worth, you know, \$1 Billion, I guess it makes it that much easier." Preston echoed this experience, "There's a switch that goes off in someone like [Mike Richards] who's hoarded all his money and it's his money and he earned it and he deserves it, and then one day, you know, he writes that big check."

It was reported that if wealth is in place, and donors are charitably inclined and interested in creating value through investment in charitable organizations, wealth and charitable inclination combined to influence the behaviour of the transformational donor. Drake reflected, "...he had now come into wealth that he had never imagined, and he actually had an idea." Newman offered a similar perspective, "... the trigger being primarily a realization of one has more money than one needs and has, one has the capacity to act on an issue that one cares about."

As discussed previously, when defining the transformational Donor with regard to the "size of the gift," achieving some level of success and financial security, and the timing of that occurrence in the donor's life, was said to influence the transformational donation. Financial capacity to make a gift that transforms an organization, or community, through a given organization, is often achieved through a financial triggering event (cash flow liquidity event from positive investment, or successful business venture). Doons explained, "I would say that not a lot of these gifts are being done unless there is – they're close to the institution, they're passionate about the institution, they already have the capacity, and there is some type of [financial] triggering event happening."

Further, donors looking to ensure positive taxation efficiency at the time of a liquidity event were said to accelerate their timeline towards achieving their philanthropic goals. (Note, in Canada, high-net-worth donors receive a base tax credit of approximately 46 per cent for their donations. Depending on a multitude of factors, including the type and structure of the charitable donations, the tax credits can offset as much as eighty to ninety per cent of their high-net-worth donor's income. Therefore, in a tax year, where a

financial-liquidity event takes place, high-net-worth individuals receive a large taxable income and, therefore, may be more inclined to give some of that income to charity rather than to the government through taxation.) As Doons suggested, efficient-tax planning could affect the size and timing of the gift, “That is the single greatest today, I think, reason why they look for a manner in which to give back in a tax-efficient way to create leadership. So, it has to be tax efficient. Triggering events create tax-efficient opportunities and they want to show leadership.”

Formalized estate and legacy planning presented another set of transactional influences. While a strong and engaged relationship with the organization was most often already in place, the need and timing for this type of financial and tax planning was also said to influence a donor’s philanthropic action at a given period in time. Newman commented:

Third is around money. And, and whatever the trigger is, it's maybe the sale of assets, it's maybe going public. It's waking up to one day and finding that, *My God you know I've got \$5 Million in my cash bank account and no way to spent it, right?* Or you have advisors saying, *You know, sir, what are you going to do with this \$100 Million windfall?* and it being a tax strategy. Who knows what it is, but there's a financial trigger that says suddenly *I have more money than I'm, I don't, than I know what to do with.* And, usually, that comes at point where *I also feel like I don't need to be reinvesting in my own business enterprise anymore.* It's usually a sale, or somebody stepping aside, or they've reached an age where they're willing to step aside.

The data reveal that high-net-worth individuals seem to focus on three stages of wealth management: creation, preservation, and dissemination. Once these donors feel secure in their “creation” of wealth and they have a strategy set to “preserve” that wealth, they begin feeling comfortable with the thought of “disseminating” some of their wealth, and this moment is when the transformational donation may occur. As Newman stated, “For most of their lives, they obsessed about making money and there comes a magical point in their lives when they go, *I'm there.*” Lester pointed out, however, when individuals are still focused on creating wealth, and perhaps even feeling vulnerable about the potential creation and/or preservation of their wealth, charitable giving is not as prevalent, “Well, the crystal ball's a little cloudy, but I feel like we were on the brink [of receiving a donation] with a whole lot of folks in their young fifties before the market tanked. And they're not quite ready yet – whether they're, you know, skittish 'cause they

realized their money is actually vulnerable at times and they didn't realize that, or whether they'll come back and, and when... – yeah, not sure.”

To conclude, the research indicated that having high-net-worth (wealth) influences transformational donating behaviour.

5.3.2.4 Cultural and community context

Participation, inclusivity, acceptance, and recognition of individuals, as well as communities of common interest (*e.g.*, communities of faith, ethnicity, Diaspora, *etc.* - hereafter “micro--communities”) within a greater regional community are reported as important drivers of philanthropy. Organizations within these communities also play an integral role by investing in their own development and prosperity as well as that of the communities they serve. These three types of actors – individuals, micro- and greater communities and organizations – combine to form a constellation network that influence the philanthropist, and in turn, may be influenced by and benefit from the philanthropist’s behaviour. Individuals, communities and organizations work together in a dynamic fashion to create cultural norms of participation in philanthropy, often resulting in what is termed “social standing.” For some actors, these norms are more apparent or stronger than for others.

Jefferson explained the importance of participation in philanthropy within a community as a means of achieving one’s social standing within that community:

...I'm not sure how to, quite sure how to go at it. It's, and I use the word, I use the word “community” in terms of the [hospital] experience. If you, if you, if one looks, for example, within, within that context of community, there is a history, there's a tradition, there's an expectation... let me just use the narrow context of the [city] Jewish community, you cannot function within the [city] Jewish community with money and not be philanthropic... there is a tradition which you well know, within, for example, the Jewish community where, where, where stand-, standing in the community, one's philanthropic activities have an impact on standing within the community... I had the great privilege of working within the heart of the [city] Jewish community and, which is actually where I learned the concept of community. And, with-, within that community there, there is, there is a, a definite tradition of, of peers encouraging one another to be supportive...

In this segment of his interview, Jefferson focused on the “philanthropic activities [that] have an impact on standing within the community” and on the “definite tradition of peers encouraging one another to be supportive.” Jefferson was highlighting that one’s philanthropic commitments could lead to recognition and social standing, and also could create material peer influence within the micro-communities and greater communities within the constellation network.

More specifically, most respondents commented specifically on the positive philanthropic culture within the Jewish community. Preston summarized it this way:

And there's also some cultural things. I think in [Gerry Smith]'s case there is some ingrained thinking about philanthropy in some cultures, like in the Jewish community. I think that from what I've observed, it's not such a big leap for someone who's grown up in the, the Jewish milieu, to think that they should be donors. It's more ingrained in the culture. Giving back. You don't have to convince them that, that someone who's grown up in that culture, that they, they should be giving back. It's kind of - you - you have to do a lot of work to get the level up, but it's more ingrained in the culture.

Preston then juxtaposed the style or approach of different micro-communities, “There's other cultures, I think, that aren't as attuned to that, so then you have to do a bigger job on selling philanthropy in general before you get to projects specifically, or even really major gifts. So you have to know your starting point. And I think the starting point is different in different places.” Similarly, Mooney suggested varying modes of influence between micro-communities in what was referred to in the quotation that follows as the difference between the Jewish and “WASP” (White Anglo-Saxon Protestant) micro-communities, “...speaking of culture, I think the Jewish community uses that type of peer leverage, you know, the arm on the back thing, you know, *Thou shalt give. If I'm giving a hundred grand, you're not getting out of this room until you give a hundred grand*, that kind of thing. That does, I do not believe that works with all cultures. And I think it can be a real turn off to certain cultures. The WASP culture does not respond well to that.”

As is seen in the preceding informant data, some micro-communities within communities were reported as being stronger or weaker in terms of historical entitlement and support. Some micro-communities draw more fully on philanthropy,

and have members who are more engaged in philanthropy, while members of other micro-communities do not participate as deeply. In other words, it has become a cultural “norm” in some micro-communities to participate in philanthropy as a means of developing and sustaining their micro-community through institutions inextricably linked with a greater community’s prosperity and well-being (in the form of public goods, as well as socially minded organizations).

These differences in norms might also be attributed by geographical community. Below, Newman commented on a specific region within Canada, by geography alone, where there are visible differences in philanthropic participation, “And then people take it for granted now but... [city] marketplace is very different from, from other places. You know we still have people in other parts of the country that don't feel that sense of obligation. You know, [city].” Deacon similarly reflected upon her experience in a less philanthropic region of the country that was inhabited historically by a specific immigrant population seemingly less inclined towards philanthropy:

... [community member / scholar] said that the problem with [province], and I won't go beyond [province], is that the people who came here in the beginning came here because they were hungry, they were cold, they were damp, and they're dour. And he said they see this glass, the prevailing mentality among the Scotch Irish, who were on the dark side and the English, as a fifty-per cent-empty perspective. It is a, not a, not the people didn't build big empires and do that sort of thing but what, but that was unusual. It was a way of looking at it. It was always the return on investment. It was always, you know there wasn't that sort of charismatic, you know, cause-related buoyancy and excitement. It was a very dour way of looking at things... So, so there isn't, there's this way of looking at things that – ... it's not that they have an entitlement... but it's looking at the world through a slightly dark glass, as opposed to a optimistic pioneering glass.”

These types of examples and perceptions, whether grounded in “historical truth” or not, permeated the discussion among the informants.

Often, not-for-profit organizations play a relevant role in developing thriving communities through the provision of public goods (*e.g.*, universities and hospitals). As part of a reciprocal exchange, participation, membership, and standing in a greater community has an influence on its members’ philanthropic

actions. As a result, thriving communities demand that organizations inextricably linked with their prosperity transform to engage the community's diversity – to be representative of the community's constellation of micro-communities if the community is to enjoy strong philanthropic support from all members of the network(s). Thomas considered the implications for philanthropy within changing communities:

... [a] paradigm that's gonna have to shift is around ethno-cultural giving, and identifying the fact that there is major wealth that's being created in this country in various visible minority communities and that, quite frankly, we have not done a good job at sourcing that wealth from the point of view of developing major benefactions. And I think, you know, you look at the Toronto population, the 63 per cent visible minorities within the next twenty years, and you think about the major benefactors in Toronto today. They're all white and they're all white and they're all men. They're all people who have done really well from a business perspective. That is not going to be the profile of a major-gift donor in the future, and we've gotta start laying the groundwork to be able to get to that. I go back to the point around this issue of engagement and involvement and that, that to me is also pivotal, if we look at sort of that next generation, the one who is the social investor or the value investor, who really is not gonna be satisfied making a transformational gift unless there is a great deal of involvement and engagement, and far more than probably we're even giving major donors at this stage 'cause, you know, they are the people who are the activists. They do need that hands-on experiential, and, honestly, we have to transform our organizations a bit to be able to deliver on that, so I think that's certainly gonna change.

Thomas spoke of the need for organizations to develop relationships with the diverse membership (micro-communities) within the community's constellation network, using Toronto's shifting demographics as an example. Without a long-term perspective, he feared that the organizations that rely in the present context on successful "white men," as he puts it, will not thrive in the long-term unless they seek to "engage" the diversity of the community's membership in the short-term. As he stated, the future investor is "not gonna be satisfied making a transformational gift" unless they have been engaged by the organization.

Philanthropy was also reported to thrive in communities that include and accept diversity in their membership. Chisholm commented on a specific experience that reinforced this point with a small-yet-transformational donation:

... it was just a small gift. It was a \$75,000 gift, but it came from a leader in one of the, the ethnic communities here in [city], and it was a signal to the community that this was a school worth supporting because it had been accepting and inclusive of students who spoke Arabic. And it, it helped on a recruitment front. It helped on reputational front. And, as I say, the gift wasn't big... But again it was, it was – the impact of the dollars, certainly that's notable. But what's more – in my mind it's always been more important is how it enhances, transforms the reputation of the university to something that those inside believe it should be, but which would take much longer simply trying to build it student by student by student or program by program or year by year by year.

Education and healthcare, specifically, are two commonly accepted public goods that are relied upon as institutions inextricably linked with the community's prosperity. As chronicled by Bourdieu (1983), education, for example, is a form of cultural capital, the participation in which micro-communities (for example, Diaspora or religious communities) may choose to exchange for “social capital” – a legitimating of social standing through an objective third-party institution.

A mutual interest in benefiting from, as well as sustaining, strong levels of education and health care, link otherwise disparate micro-communities. As a result, these public good institutions act as conduits of a community “ecosystem,” helping to connect and network a constellation of micro- and regional communities. These institutions also, in part, help sustain the community and are sustained, in turn, by philanthropic benefactors – citizens of the communities. This form of “civic virtue” and reciprocity creates a circular, mutually reinforcing constellation of communities in which the institutions become networked and embedded. Jefferson commented:

If you got dough and you're, you're not engaging, your, if your, your annual [cultural organization] gift is not up to snuff, or it's not there at all, if you're not supporting [hospitals] or any number of the organizations in the city, you, your, your social standing is going to like a rock downwards. So, there is, there is, that, that so, maybe that's a kind of highly magnified ecosystem. I'm on the [city] Community Foundation Board and, and there again the

word community comes up. There, there's a sense of, of the importance of health in the community, I mean that health, not in the medical sense but, but general health in the community. A sense of community, a sense of, of people, so there's, there's a kind of, you can't function in this city, you can't visibly function in this city and not be seen as being appropriately philanthropic. Right? You're... part of the community, you're part of the, the, the, the sort of charitable social scene and, and you're there.

Preston focused on the influence of a constellation network (she calls the “web”) of influencers that surround the transformational donors within their communities. She stated, “I’m a pretty big believer in the - in the web... I think it has to be a whole network of things coming together at the right moment in order for that to happen.” In terms of social standing and public recognition within a community, Preston also contributed her thoughts regarding public recognition and its role in encouraging the exchange of economic capital for social capital (standing), “I think it must have been risky for the person who got their name in the ten-foot-high letters on [city health care/education enclave]. Right? I think it was risky for them because it was like, *Oh, who do you think you are*, you know? But then once that first name was there, it's like, *Oh, this is an exclusive club. I could be part of that club.*”

Drake also reflected on a constellation of communities that he feels must come together to influence a transformational gift:

That it’s never a linear process in life [inaudible] to get from simply A to B when it comes to major acts of philanthropy. That there’s a networking dimension to major acts of philanthropy that necessarily require collaboration, and it’s usually collaboration not simply amongst two sectors. In other words the, let’s say the university sector and the business sector. It’s more complex than that. It’s more textured. It’s more nuanced. And I think major acts of philanthropy, major leadership in charitable giving, comes from individuals who have accomplished a lot, who have a high net worth, who have accumulated wealth, and they have the capacity, therefore, to give at a significant level, but that in itself is insufficient. It usually also comes from individuals who, yes, fit that profile, but more than that, have had broader experience in the arts, intellectually in the world of research, in the social sector. They sometimes have a social passion or a social reach. It might even be religious in nature in some cases. But the nature of the collaboration is usually multi-sectoral, not simply cross-sector from business to the sector where they’re giving.

Where Drake referred to collaboration that is “multi-sectoral,” he was referring to the need for the “networking dimension” of communities (be they regional, cultural, religious or indeed “sector” related, such as by business industry or by public good – hospitals and universities). He was clear that he does not mean dyadic “cross-sector” relationship but instead, he referred numerous times to the word “collaboration” and “multi-sectoral,” “nuanced” and “textured,” – even “complex” – while trying to express his belief that donors at the “transformational” level expect collaboration from a constellation of meaningful networks within a community, and not just a few dyadic efforts.

In conclusion, the data revealed that the cultural and community context of a donor’s existence form a dynamic constellation network of influencers their philanthropic behaviour. With particular attention to the constellation of micro-communities within a greater community, the Informants describe a network of social and cultural norms, engagement and exchange where organizations also play an important role as a valued actor within the network. This concept of the constellation network of philanthropic influences supports the existence of the philanthropic ecosystem of reciprocal exchange and cocreated value.

5.3.2.5 Experiences with the organization

As outlined in the Introduction of this paper, research question number three states: What kind of experiences between the donor and the organization result in the donor making transformational donations? Based on the data, informant responses regarding experiences between the transformational donor and the organization were divided into two groups:

- Tactical and transactional
- Meaningful and strategic relationship-building efforts

Both were seen as important, but the long-term, meaningful relationship-building was seen as a strong influence on the transformational donor.

Tactical and transactional. The importance of fundamental, early transactional steps in cultivation of the donor was seen as setting the stage for the relationship. Informants discussed starting with the basic steps in fundraising: discovering the notable alumni by

region, looking at industries of interest, cultivating relationships, engaging donor interest, continuing to refresh the pool of prospective donors (*i.e.*, not relying solely on the few existing donors or well-known names), and tracking the meaningful data for use in programming. Robertson concluded, “I think that the fundamentals today are, are still gonna be relevant 25 years from now. I think that people are still gonna give because, you know, they believe in the cause, they believe in the leadership. There’s good stewardship. Good cultivation has occurred. There’s a real meaningful engagement at some level, and so on and so forth.”

Referring back to the *Pareto Principle*, Mooney discussed the need to engage the “masses” – the eighty per cent of the donors who typically give only twenty per cent of the donations – in order to build the base from which the top donors eventually emerge. This tactical strategy is implemented through the “annual fund” versus the “major gift” programming:

...[we did] a study to [find out] what would happen if we cancelled our annual fund, and we put all of the resources that we typically would use to, you know, for the annual fund, in other words the telemarketing, and the direct mail, all of that stuff, and put it just into major gifts. Well [the study] said, *Don't do it...* Because, you know, that is your connection. You still have to keep that connection and keep that base of support coming at the \$100, \$200, whatever level you're getting, right? The most recent grads may be fifty bucks, you know, 'cause it's a case of beer or something. But I said *you*, you know, *have to keep doing it*. If [we] had done that, if [we] had cancelled that and only dwelled on major gifts, and this is a major university, think where [we] would have been in the fall of 2008 and 2009 [during the global economic recession]. You know [we] would have been you know, SOL [shit out of luck].

Thomas reflected on the need to track the “moves” or interactions with a donor to ensure the intelligence-gathering over time can be used to develop long-term meaningful relationships with those donors capable of transformational donations:

...the diligence and the rigor that you need in being able to track a person's relationship with your organization over time; just a, a basic thing... Well, if you believe in the value of, you know, relationship as it equates to philanthropy, if you're not keeping a record of how that relationship with the donor evolves over time and going back and analyzing the history and analyzing the, the motivations and the actions that go along with it, then you really aren't, you don't have a good concept of what major and

transformational giving can be, and you're not learning from what, what you've been able to, to, to do with that particular donor over a period of time.

Deacon cautioned organizations on relying too heavily on the well-known prospective donors, rather than refreshing the donor pool through basic fundraising tactical work. As she said, this reliance can result in a long period of time with a relatively low return on investment:

Yes, you know, for example, [Davidson] was on the board and he ran the campaign before last... And at that point, according to the tenor of the time, he was very generous but, but [donor] is the one-trick pony... it took university 15 years, which is short in some ways, to get \$250,000 to name the building. Okay, that's how much money. That's all... They named it for 250. That's it - since though received ... a couple Million ...another Million or two from the [Davidson]. But that's a 25-year strategy to get up to less than five Million.

In terms of fundraiser competencies, initiating appropriate research of the prospective donors' wealth and capacity to give, as well as tracking the indicators of imminent financial "triggering events," (potential financial windfalls due to successful investments, inheritance, sale of business, *etc.*) were noted as basic "tactical" functions of the fundraiser, as were his or her understanding and use of tax-efficient gift planning strategies.

As another tactical item, recognition opportunities were outlined both as a means to honour the donor, and to encourage other potential donors to give. Thomas reflected, "You have to celebrate these kinds of accomplishments in order to inspire others to give." Newman added, "It's all right to create the kind of momentum where it's suddenly no longer acceptable to have \$200 Million net worth and be giving \$500 to the annual fund. You know it, you need, you need that kind of buzz and these inspirational benefactors... You know, example, isn't the main thing. It's the *only* thing." Newman suggested further that although recognition was important, it was but one tool in the negotiation, as opposed to a driving influence on the donor's behaviour, "While there

have been lots of focuses on the, on, on donor recognition, I think that's a falsehood. I think that recognition is, is a, a tool in the box to, to negotiate these gifts that relate to an individual's personal legacy, but aren't really about - it, it still has to fundamentally be about: *How is this money gonna change the way in which we do business?*”

Meaningful and strategic relationship-building efforts. Relationships of all kinds were said to influence the donor. These included: relationships with peers; relationships with volunteers and through the act of volunteering; family relationships; ties with community members and the effect of membership in the community; relationships with organizational leadership and staff members, as well as politicians and government; and, finally, the relationship with ultimate recipients of the benefaction. These relationships have been discussed in various sections of this paper. This section focuses specifically on meaningful and strategic *relationship-building* efforts divided into two distinct groups: those the fundraisers must build *inside* the organization and those that they build *externally* to the organization. This section is therefore divided accordingly.

Relationship-building inside the organization. Inside the organization, successfully negotiating the long-term versus short-term goals was viewed as essential to the successful relationship-building efforts with transformational donors. Focus on short term “scorecard” mentality within the organization was described as limiting long-term results. In order to achieve long-term results, strategic relationship-building internally was deemed necessary on the part of the professional fundraiser in order to educate the leadership as to the benefits of the long-term approach of (and investment in) the fundraising department, especially as it pertains to this level of donor. For example, Thomas explained, “...you're gonna have to take a longer-term view of, of major giving if it's such a transactional place, it's about how much money you bring through the door in a given year, as opposed to thinking about, okay, what's our longer-term horizon in, in terms of what the institution needs and what we can raise?” Robertson added, “I think that one of the threats that we always have to deal with is, is convincing our, our colleagues at budget time that, you know, this stuff needs to be done because every example you point to is, is an example of a long-term investment that doesn't realize a return until sometime down the road.” Newman concluded, “...the distance between the

beginning of the conversation and, and the actual realization of the gift is a twisted and lengthy journey that vary considerably from donor to donor. And in my experience, those journeys are, are five years to seven years in the making in terms of the overall relationship, while the focus on a transformational kind of gift is really a two, is the last two or three years of that.”

Building strong and candid internal organizational relationships was reported as being important to ensuring organizations could meet donors’ expectations around visionary value creation. It was deemed insufficient for the leadership to simply want a transformational-level donation (*i.e.*, the monetary gain); instead, it was suggested that the leadership must be genuinely interested in affecting change that is in keeping with the mutual interests of the donor and the organization. Meester commented, “...my approach inside is just as transparent as my approach with the donors... my message here is very clear to people that if you’re prepared to receive, you know, Million plus gifts, you have to be ready to receive the donor’s desire and expectation to be engaged if they want to be engaged.” Patterson provided a similar perspective, “...in terms of a transformational gift, is an institution has to be really ready to accept a transformational gift?” Drake reflected on his work with an organization whose leadership wanted the money, but did not really want to change. The culture of that organization was such that it did not focus on the long-term strategic perspective; rather, just the potential singular opportunity for monetary gain. This approach limited that organization’s capacity to inspire transformational donors. Drake said of the experience, “Well, let me, let me leave you, perhaps, with a final note on the word ‘transformation’ - and this is encapsulated in my experience...What happens if neither the institution nor the donor really wants to change?”

In sum, the internal organizational “constellation networks” required to work together were well chronicled by the informants. It takes multiple parties within the organization to work together in raising and stewarding funds – *e.g.*, professors, department heads, deans, vice-presidents, presidents, and even students, along with the fundraiser. Allen outlined the importance of these relationships in the experience with a transformational donor:

... faculty, staff, students, alumni would benefit, but I think that only became more and more obvious as he experienced himself the ascent of the school and the gratitude of the school and the enthusiasm of the students and his interactions, you know, in the late stages of cultivation at the, at the announcement of the gift and ever since. So, I think his appreciation of the impact on the broader ecosystem that was students and faculty and alumni was an ongoing work in progress that I think continued to increase in intensity, if you will, even, even, even post-gift.

Relationship-building external to the organization. Externally, the reputation of the organization, based on its ability to articulate and deliver on its strategic mission and vision, remained paramount in cementing the relationship between the organization and the transformational donor. The strength of reputation of the organization was seen as essential to strategic relationship-building externally. Thomas commented, “I think seldom do donors also take a big leap of faith that an organization that doesn't have a reputation, track record.”

In a similar vein, it was reported that the skill of the organization's leadership in articulating the messaging also served to reinforce its reputation. This messaging was said to have a profound influence on the prospective donor. Robertson reflected, “And the leadership of the institution was the number one thing and I would say that that's true certainly in the, in the few cases I've mentioned to you. Not always the same person, but generally the leadership of the institution and, and, and their commitment to, to move the institution.” Meester added from her experience, “...some donors are drawn to crises and they have a hero complex, and they want to save struggling organizations, but most are drawn to winners, to organizations that have a clear path, are, are doing, doing good and doing well and have really solid leadership.”

Informants agreed that the organization's leadership was a key strategic relationship that must be cultivated with the donor. Chisholm described the importance:

In all instances, they [the donor] were very involved in a very positive way. There was no infringement on the university, particularly in a classroom, that would have directly impacted a faculty member or a program... but in terms of the announcement, in terms of explaining why... [donor] said, *I want to be sure that people understand why I'm doing this. And I'm not doing it because of ego or an oversized bank account or trying to protect myself from CRA [Canada Revenue Agency, responsible for taxes]. All of*

them said *it's important people understand I'm doing this because I want to; I believe in the school and I believe in the leadership*, and, I'll come back to leadership in a minute, *and I can do it*. And then the next question was, *How can I help you raise more money?* And the leadership was fundamental to this. The, you know, [x university] has had good leadership at the presidential level for a long period of time, as I think most Canadian universities have. The one connection is, *I want to meet the president, I want to hear what his/her vision is, where is she/where is he taking this*. And that was always the pivot upon which the donation would go or not go.

The professional fundraiser was most often the representative and strategic relationship manager for the organization with the transformational donor. Therefore, the positive relationship between the fundraiser and the donor was noted as being essential. Informants suggested that fundraisers who were empowered to act on behalf of the organization were most effective. As Jefferson stated, “We are very important custodians of the relationships with our institutions.” It was suggested that the fundraisers who have vision (with and on behalf of their organization), who are action-oriented and nimble, and who are able to act quickly, are those have great success negotiating with donors. Newman, empowered by the organization as its representative, recounted an experience with a donor where he built a fruitful long-term, visionary relationship with the donor on behalf of the organization:

... usually, it's a friend or a colleague, and occasionally it's a leader of a charity, who says, *You know, if you ever had the chance, would you do something like this?* It's a soft ask, but, but it starts a thinking process. And [Len Jacobs] was very much, was like this. I mean, you know, seven years before he made his, you know, \$50 Million gift to [charity], you know, he asked me if I would... call it the Jewish [charity] if he gave a Million bucks. But really I said, *Well how about we name it the [Len Jacobs] [charity] if you gave us 50 Million bucks...* it wasn't well planned, it wasn't super structured, it was, you know, banter back and forth between he and me. And that time he was just making his, you know, early first commitments to the, to the [charity].... But you know it planted a seed in his head that I think over time grew... And as certainly he grew his philanthropy, you know, made a \$1 Million gift, made a \$5 Million gift up to \$17 Million, and then to \$50 Million, you know, that was a seven-year process.

Jefferson, a professional fundraiser who had raised many tens of millions of dollars, reflected on the personal nature of his relationship with donors and how it goes beyond the function that he fills for the organization, "...I have never asked for a gift in my life and I'm not in the fundraising business... This is all about deep, personal relationships, and in finding the intersection between people's personal values, people's personal interest, people, what they want to do, and what your institution's all about."

Informants stated that building trust with the donor over time was one of the most critical pieces in relationship-building with the transformational donor. Newman likened this process to the trust that might exist with any other advisory professional, "If you've got money to be investing, why do you, why do you trust your broker? Why do you trust your banker? If you have, have health issues, why do you trust your, your physician? Why do you build, why do you build trust generally? I don't think it's any different.... They're on the same page and there's trust." Drake linked the engagement of the donor, and the very essence of the idea-generation for the gift through that engagement, as hinging on the development of trust:

Well, that collaboration, I think, is more common than not because the process of coming up with a great idea for transformational giving is necessarily, in most cases, I think, the act of a partnership, and it's the product of a dialogue. That doesn't happen instantaneously. I mean, you know, I've talked in the past about how, how philanthropy at this level isn't simply transactional but it's relational. It's based upon a relationship, and the cultivation process for a major gift takes a fair amount of time, and it's during that time, it's during that relationship-building phase, during the period when trust is built, and trust is the key word here in my opinion, that the equivalent of cocreation really occurs. And the idea that either party started with ends up in likelihood being a little bit different at the end as a result of that dialogue because as time passes, the idea might even be bigger than either party had ever thought about; it might be different; it might be better.

Thomas suggested that the relationship between the donor and the professional fundraiser may become so trusting that it transcends the organization:

... it's trust. So much of what is important in transformational giving is the trust that starts to build between the donor, the institution, and the people representing the institution. And I can't tell you the number of gifts, major gifts, that I've secured in my lifetime where, you know, yes, everybody

knew about the reputation, the needs, and the vision of the organization, but it often boiled down to the one-on-one sort of personal relationship and trust that you're able to build with the donor. I remember one big benefactor in China who looked across the table at me and he said, *You know, I now trust you so I can, I'm ready to give.* I, I think of so many gifts over my lifetime. One, in fact, even [Gerry] recently said to me. He said, *Garth, I, I'm really not somebody who believes in giving to hospitals, particularly [hospital]s...* Then he said, *you know what, I will do something for you because it's you,* and, and I guess that boils down to this, you know, point that there's a personal trust in the relationship that builds between fundraiser/donor.

Informants cited candid behaviour on their part (and on behalf of the organization) as being influential – characteristics such as: transparency, honesty, reliability, trustworthiness, and leadership. Patterson explained, “You want transparency; you want people to understand the strength of what you bring to the table. It’s okay not to be perfect because that’s one of the reasons that a transformational gift might make a difference. But if you don’t have the right building blocks for the gift to have the impact that the donor wants, then it’s, it’s a greater disservice to go forward with it.” Meester added, “I don’t bullshit... do any of the shmirmey, syrupy, sugar coating.” Newman offers a similar perspective, “... you know, too much obvious ass kissing in, in this kind of game de-professionalizes our roles as advisors to families in these big decisions.”

In terms of strategic relationship-building, organizations were encouraged to ensure respect of the donor’s time frame for making the gift. While organizations may wish to drive donors because of their internally set timelines and campaigns, a “donor-centered” approach was seen as most effective. Stephenson reflected on the importance of respecting the donor’s timeline, “You know – it has become – especially the transformational level – so much more donor focused – so much more focused on when is it the right time for the donor to do this. You know – and less campaign dependent and more depending on – you know – the donor’s life stage and, and their, their thinking.” Robertson reported a similar experience:

...the sort of donor centeredness is, you know, has must become more and more important in really understanding and respecting their timeline, understanding that for some a campaign can be a motivator, but not really for the large, the really large donors. They don’t really care about that. They’ll give when they’re, when they’re ready, and so I’ve certainly learned

the importance of great stewardship, the importance of demonstrating the impact of, of their giving along the way, and the importance of, of respecting their timeline.

Successful external relationships were described as developing a result of fostering a long-term relationship-building culture between the leadership of the organization, the prospective transformational donors, and those who influence them. Drake reflected on his experience:

...in my experience, transformational donors who are contributing to an organization at the level we're talking about, do want to have some engagement with the CEO of that, of the organization, the president of a university, for instance. That's highly desirable. It may not be the deciding factor, but it can certainly, it can certainly turn a donor away if in their desire to meet the CEO they end up not clicking, or they end up not really having an easy and natural rapport. And, therefore, the role of the CEO is important at some point, not in the cultivation necessarily, not in the early stages of the relationship often, but at some point in terms of sealing the deal. Having a relationship with the head of the organization, whoever that is, is important and sometimes essential in terms of moving forward on idea into reality.

Strategic relationship-building with the donor also involved conceptualizing the full life-cycle with that donor. The donor's lifetime, and that of their family, by extension, created another constellation network involved in the community of relationships. As mentioned previously, donors focus on three stages of wealth management in their lifetime: creation, preservation, and dissemination. Once these donors feel secure in their creation of wealth, and they have a financial plan or strategy set to preserve that wealth, they begin feeling comfortable with the thought of disseminating some of their wealth. Typically, they will create a last will and testament for their estate, ensuring the transfer of wealth to the next generation. Given that these donors are reported to consider their family obligations in their wealth management and planning, it is important for organizations to consider the family interests as well. This view requires professional fundraisers to engage other family members in the organization's cause. Multi-generational relationship development (or other familial relationships) were regarded as important in securing not only present-day gifts, but also in potentially securing gifts through the estate and other family members. Thomas reflected on his experience with a few transformational donors and their families:

...you had to really engage in top-notch stewardship and top-notch relationship-building, because, you know, with a guy like [Gerry], there are tens of Millions of dollars of additional monies that can come to the institution through his estate if you, in fact, manage their relationship properly. And so it really becomes not a single act of, of transformational giving, but a lifetime relationship in which the transformational donor will continue to give. I think that, to me, also is the real defining part of transformational giving. It isn't just a one-time kind of exercise. I, I think of the [Sparrow family] in, in [city] as well and, and they certainly have believed in that. It's generational giving at a transformative level that is made possible when donors believe in your vision, and you do a really good job of keeping them connected to the institution.

Thomas also reflected on how this the dynamic has changed over time:

... I would say that's one of the big changes I've seen sort of over my two decades of fundraising: that spouses are playing a much more significant role in the philanthropy, major-gift philanthropy, and that, you know, you may have the relationship with one person but the decision is now being made by two, and, in some cases, it's where major donors are now also starting to engage the next generation in the decision making. So I think that is a, that is a very, very important change that I see occurring in how we undertake our major-gift work.

Newman commented on the case of a donor who never married nor had children. In this case, it was the relationship with the brother that remained paramount. Eventually, the brother ended up being as equally philanthropic as the initial donor, to the extent of tens of Millions of dollars in donations, “In this case, [Len] was the driver and [his brother] was the passenger. You know, in some respects, [brother] is the, the business is run like that, and families are like that. And the driver never goes anywhere without making sure the passengers is happy to be along for the ride...But, and at various points you might bring in the passenger into the process to show them respect and let them know that they, they, you understand that they're part of that process.”

Mooney recounted an experience with a family working together on a transformational gift. Not only was the relationship centered on one principal donor, but also on the collaborative effort of many family members. Strategically, the professional fundraiser had to work to build individual and group relationships as a result:

...[I] look very seriously at this as a family gift. But it will be, it hasn't come to fruition yet, but when it does, it will be the largest gift this organization will have ever received. And it is very significant. And I'm looking at it on two levels. I'm looking at it from who are the influencers and who are the champions. So taking those two different contexts or, and two different groups of people, and really strategizing at a very high level... if the family gives this particular, this particular money, you know, which is in the high-eight-figure level, then it is going to be it is going to be a combina-, it's going to be, it is going to be all of the family coming together on this.

Newman commented on the extended constellation of relationships with advisors. They played an influential role in the donor's decision-making process:

...you know that's really, really important is that, you know, with all of these situations have some kind of peripheral advisors. Whether they're family, business partners, or trusted advisors, their lawyers and accountants who all have to be managed, not just the person wants to do the deal, but he or she is going to have all their own, they're going to have to bring their own people with them. And you have to provide resources and arguments for that person to bring those people along for the ride. And, and, and so, you know, up against that when we get into sort of the personal-professional advisors, you know, by and large those trusted insiders are people who have spent their entire lives helping to building the net worth of that individual. So they're big on capital accumulation. They're really bad at capital distribution because it's not in their interest to do so. So they tend to be, you know, they tend to be the obstacle places in that process.

Volunteers were also considered part of the external constellation of networks cultivated and deployed by organizations for the purpose of motivating and influencing donors who make transformational gifts. Allen recounted an experience with a transformational donor where he did not personally engage him (Lemieux), but, rather, worked through intermediary volunteers to achieve access and to accomplish the solicitation of the gift:

I was able to build a relationship with the people who surround [Lemieux] because I don't have access. I, as a fundraiser, don't have access to [Lemieux]. I have access to people who surround him and then consult him when and if appropriate. So people like [volunteer] and [volunteer], who are the key people who surround [Lemieux], you know, acknowledged and recognized at one point that, that he had sort of made a commitment to funding a chair in [discipline] and, *Did we want to make that happen?*

In conclusion, positive relationship experiences with the organization were regarded as key motivators and influencing factors for transformational donors. Tactical and transactional components, as well as meaningful and strategic relationship-building efforts were reported as being important to the fundraising process. Both were seen as important, but the long-term, meaningful relationship-building was seen as a stronger influence on the transformational donor. Deep engagement with organization and its mission / vision-driven “case for support” was very influential, as is the donor’s engagement with the organization’s leadership and professional fundraising staff. Trust in the relationship with the organization was often noted as being of great importance – trust emerges primarily because of the leadership’s ability to deliver on the intention of the gift (accountability), as well as through key interpersonal relationships on which the donor relies; for example, the president, a faculty champion, or the professional fundraiser.

5.3.3 Cocreated experiences with the transformational donor

This section of Project three provides an exploration of cocreated experiences with the transformational donor– from the perspective of the professional fundraiser, based on their experiences. Specifically, this section is focused on research question three: How does the “cocreation” construct illuminate the donating behaviour of the transformational donor?

In keeping with the interview guide, the informants were asked:

- 1) *Describe your experience of a particular instance working with a transformational donor on a major gift*
- 2) *Are transformational donors “hands-on”?*
- 3) *How involved are they in creating the “vision” for the gift? [cocreation] – hands on? Practical? Visionary?*

This section begins with a very brief review of the pertinent literature from the marketing discipline on the cocreation construct. Next, the informant responses are analyzed with a view to responding to the research question. The section is grouped as follows:

- Cocreation – a literature review
- Cocreated experiences with transformational philanthropists, the fundraiser's point of view

5.3.3.1 *Cocreation – a brief review of the literature*

As discussed in Project one of the DBA research project, *cocreation* is defined as the individual involvement of a consumer helping the organization to define experience options, selecting those with personal interest and meaning, and fulfilling the consumption “experience-of-one” with the assistance of the organization.

Service-Dominant Logic (S-DL). Where the roles of the consumer and the firm were once distinct (consumers were targets of firm offerings), authors in the literature review posited a convergence of these roles and of production and consumption (Prahalad & Ramaswamy, 2004a). Vargo and Lusch (2004a) asserted that the customer is an integral “operant” resource rather than the targeted “operand” resource, involved in the entire value and service chain (Vargo & Lusch, 2004a, p. 11). Prahalad concluded that successful firms “focus on experience, not on products, as the basis of value... focus on the *convergence* of traditional roles of the firm and the consumer” (Italics by author, Leavy, 2006, p. 8). In a forum market, where service is the dominant logic, the customer is considered a cocreator of the service in which, “marketing is a process of doing things in interaction with the customer. The customer is primarily an operant resource, functioning only occasionally as an operand resource” (Lusch & Vargo, 2006a, p. 11). The good, therefore, is only the conduit of the service, and it is the cocreated service experience itself that provides value to the consumer. Lusch and Vargo (2006b) define a service as “the application of specialized competences (knowledge and skills), through deeds, processes, and performances for the benefit of another entity or the entity itself” (Lusch & Vargo, 2006b, p. 283). In doing so, they do not aim to contrast “goods” from “services,” rather they suggest that goods are simply the “appliance used in service provision” (Lusch & Vargo, 2006b p. 283).

Value creation. Value can be considered a key measure of the strategic effectiveness of consumer cocreation as an explicit component of marketing strategy. In the marketing literature, authors tied value creation to marketing strategy, and, ultimately, into overall

firm strategy. Mizik and Jacobson (2003) stated that “marketing strategy is concerned with creating sustained competitive advantage, which, in turn, leads to superior financial performance...involve[ing] the creation of customer value (*i.e.*, innovating, producing, and delivering products to the market); [and] appropriating value in the marketplace (*i.e.*, extracting profits)” (Mizik & Jacobson, 2003, p. 63). Prahalad and Ramaswamy (2004b) also suggested that value determination can be seen as a source of competitive advantage, “new strategic capital is about challenging the traditional approach to competition and value creation. It entails new ways to think about opportunities, access competence, leverage and reconfigure resources, engage the whole organization, and compete to cocreate value based on experiences” (Prahalad & Ramaswamy 2004b, p. 148).

In sum, cocreation, the service-dominant logic, and value creation are all constructs within the marketing literature that have provided a lens through which to examine the role that the cocreated experience plays in the donating behaviour of the transformational philanthropist.

5.3.3.2 Cocreated experiences with transformational philanthropists

Data from the professional fundraisers interviewed suggested that the philanthropist engages with the organization as an individual involved in helping the organization to define the philanthropic experience options; that these philanthropists select experiences with personal interest and meaning, and that they help fulfill their “consumption experience-of-one” with the assistance of the organization. For example, some philanthropists were reported to be deeply engaged in helping cocreate the vision, while others were reported to be deeply engaged in the process of the organization’s decision making. The level of contribution of each philanthropist was unique to the donor and the organization, as well as to the “problem” or cause/case to be solved with the donation. According to these informants, for the transformational philanthropist, it is the “impact” (value creation) that matters most. In terms of value creation, these donors are engaged in ensuring a significant “step change” away from the status quo to something profoundly different – something “transformational” for the organization. Newman, in the quotation that follows, discussed the need for organizations to engage the donor in a

“meaningful dialogue” about creating value for the organization that includes innovation, not the status quo.

Yeah I think one of the most difficult things around these transformation gifts is the donors actually want things to change, and most of the institutions want the money to fund their core operation... You know, build a building or, or, or name this faculty or, and, you know, *We want to support, you know want to have essentially an operational subsidy or capital subsidy for that.* Those actually say, *Well no, no wait a second. What I want to do is I'm happy to help contribute part of this money for the building but surely, surely we need to populate this with interesting new people and interesting new things, there are going to be interesting new projects and, and that kind of thing?* ...buildings are problematic for naming rights and for legacy transformational gifts because buildings actually don't change very much unless they're built around innovative concepts. So, and the biggest challenge, I think, at a Canadian university is they need, they need buildings, but they're not prepared to engage in a meaningful dialogue about the new concept. So I think that's a particular challenge. I think it's one of the reasons why we're seeing the trend to more program transformational gifts rather than building gifts.

This sort of meaningful dialogue becomes part of the philanthropic “service” experience with the donor, and forces the organization to think about how to deliver on that service experience in order to engage the donor, especially for projects that might not easily fit into conceptual changes.

Further, Newman reflected on an experience with a transformational donor where cocreating the philanthropic experience characterized the interaction – referring again to the “dialogue” necessary to the organization being “agile,” and to the donor’s need to “have a say”:

So it's, you know, when we look at a [donor] making strategic investments in non-traditional leaders at non-traditional leading universities creating a, you know, virtual university as it were. He's picking, he's picking unpolished gems and saying, *Look, you know, we can take this to become...* – it's a lot easier to take an unpolished gem and create something sparkling than it is to go into a well-established leading program and get it to change. Because there's a certain *We're here we don't, you know, we're already smart enough. You know we don't need to change. What we need are people to support all our existing levels of excellence.* So I think the dialogue – and,

and again on the, on the \$20 Million gift that I've helped within the last few months, the donor is clearly saying this institution which is a, a, a second-tier institution in the healthcare market in [city] is also small enough and agile enough to become world class with this money. Whereas at a major academic health institution it would be not able to do, he would not, he, he would not be able to do this at say [hospital] or [charity] because it wouldn't be enough money and, and, and be, he wouldn't get, he wouldn't have the say in how things roll out the way he does at this institution.

Whether or not the donor is deeply engaged in specifically defining that outcome, these donors are indeed deeply engaged in the process of ensuring the organization thinks through their vision, and that the investment made ensures the desired ambitious outcome. Meester summarized her experiences with transformational donors, indicating that the donor's level of engagement in cocreating the experience was as unique as each individual donor, "...where [Peter] got more engaged was when he made his investment, and there was an opportunity to really turn the [program] for [research field] into this global [research field] think tank, and then he was very engaged, on the advisory board, doing the strategic planning, creating the vision, outlining what the five-and-ten-year strategy could be. So they get very engaged, and the more engaged, the more they give. So engagement is really good." She continued:

They're all different. You know, say a [John and a Tim and a Donna] were as hands-on as they needed to be given they were chair of their respective boards that they were governing, but they weren't hands-on with the application of their gift at all because they were giving to the [charity] and the big idea that was "the" [charity], so you know, where would you begin. Whereas, you know, a [Bruce] is very involved because it's entertainment for him. He really enjoys it. He's involved in, you know, the strategic planning for [program] but, I mean, not only is he the lead donor, he's also chair of the board, so that's a different kind of relationship. Similarly with [Peter] and [program]: he's the major donor and he's the chair of the board.

Whereas Meester's story illustrated two different types of donor engagement – the donor who believes the charitable causes and understand what it accomplishes, and the other donor becomes engaged because he finds the entire relationship and process fulfilling and even “entertaining,” Newman's experience, described below, looks at “bureaucratic arrogance” that can kill the philanthropic experience. Through this description, Newman underlined the need for meaningful relationship-building between

the leadership of the organization and the transformational donors, with a view to truly creating an innovative change for the organization with the donor's input, both intellectually and financially. This type of reciprocal relationship serves as part of the cocreated philanthropic experience. As Newman reported:

... there are many institutions in Canada that exhibit the qualities of highly bureaucratized public institutions. Those are the ones that exhibit the least receptivity to innovation around philanthropy. There are those, they are the institutions that say, *We're so great we should, we should have donors support what we already do because we're, we're smarter than they are in the way money gets spent.* They - this bureaucratic arrogance is, is a killer for philanthropy. So, you know, so on, so the corollary to that, of course, would be inspired innovation and experimentation, a desire to change status quo. These are fundamental characteristics of, of institutional leaders, whether they're presidents, deans, or chiefs of medical departments, or research, or heads of research institutes. You know, that whole, whole shared-vision thing that is mission critical.

Newman specifically referred to the interpersonal relationship of the fundraiser and the donor in cocreating the philanthropic experience over time. Together with the donor, Newman was able to articulate the case for the charitable organization – one that might not have been possible without the relationship in place and the willingness of the donor to participate in that experience:

...you know it planted a seed in his head that I think over time grew. And as certainly he grew his philanthropy, you know, made a \$1 Million gift, made a \$5 Million gift up to 17 and then to \$50 [Million] you know that was a seven-year process. Always he – I, you know, you know I always remember when I had a formal lunch with him when I first really wanted him to seriously consider the naming rights for our new building. You know, you know, he basically said "no" flat out, he would never see it. Then I described the project some more. Next thing you know we're in his, you know, convertible Bentley driving around the block, right, looking at the sites. So he's saying, *No I'm not interested in this, no I'm not interested in this.* But, you know, the, you know it, it got, it got this, it got the, the, his interest up right.

Also referring to the way relationships unfold between the donors and the organizations, Meester described an experience with a transformational donor, articulating some of the

potential complexities of the interaction and how these complexities affected the philanthropist's experience:

I mean, so often, you know, when you, when you see the effect of this kind of giving on, on the individuals, when the relationship is functional, sometimes it's a horrible process for, for donors to go through 'cause there's so much pushback and fighting, but when, when it really works out well and they feel valued and appreciated and they see the impact of their gift, it just feels really, really good to do it. And I think for many of them it's 'cause it feels so good to do it and that good can come from, you know, it, it inspires them or they get a thrill out of seeing, you know, all the kids coming through a [culture] gallery that was made possible because of their gift, or they love the fact that they're on the premier's sort of select list of people that he calls because you've invested in one of his projects or, I mean, but all those different things just make them feel good.

Lester described a number of different experiences with these donors. First, with donor Smith, she described him as a cocreator of the vision itself, "I would say it depends. [Gerry Smith] was part of the architect of the vision, I think because the vision he heard at first wasn't quite as grand as he had in mind. So, and now we're in synch, but I think he had a, he had a hand in how it turned out." Second, Lester described a few instances where the involvement of the donor was unique to how that donor experienced pleasure or engagement, and that ultimately, their satisfaction lay in the final outcome or impact of the investment they made.

...if [Tim] has dived into any details, it's on the actual construction of the thing [capital building project], but that's more of a job-related interest for him than as a donor. You know, *Is that HVAC system really as good as it should be?* They just can't help themselves. But in terms of do they wanna hear every detail of assurance that *Here's where your money went and it was a good choice* and *we said no to this and yes to that*, [no], they don't care. They don't wanna hear it. They wanna see big vision final product. And they're happy.

As referenced above, marketing theory suggests that the "good" is merely a conduit for the cocreated service-experience. The good in the illustration above was the philanthropic donation to a capital building project. The service, in part, involved the exchange of specialized competencies unique to the individuals engaged in the experience. (As defined earlier in this paper, competencies are defined as abilities or

skills.) Therefore, the cocreated service-experience involves an exchange of competencies between the donor and the organization (its representatives), not only the exchange of the donation for the finished product (*i.e.*, the building). Again, using the illustration above to explain this fully, the donor was interested in the capital building project where he could lend his work-related competencies (*e.g.*, the construction and the HVAC system choice), whereas he relied on the competencies of the organization to fulfill the philanthropic intent of the project (*e.g.*, the reference to the donor not wanting “every detail of assurance” while the project was completed.)

The data revealed that in the context of philanthropy, this exchange of competencies is highly valued by both the organization and the philanthropist and creates an opportunity for exchange that becomes part of the philanthropic experience. For example, Jefferson talked about an experience with donor, “Tom Davis,” who was deeply interested in architecture. Davis’s particular competencies became part of the exchange-experience and resulted in a cocreated effort between the organization and the donor, “... in the case of [Tom Davis]... he got very involved in, in an absolutely non-directive sense, but in a, in a helpful suggestion sense, in the actual design of the building 'cause he's very interested in how, how people interact, how, how physical spaces help to accomplish what you're setting out to accomplish.” Jefferson also differentiated between involvement and interference, and articulated how this exchange of competencies became part of the personal engagement with the transformational donor:

Well, he, in, in the [Mel Banks] case, in the [John Smith] case, in the [Tom Davis] case, in the [Wayne Coots] case, which I haven't mentioned, but in all of those cases and, what, what you had were, were donors who were, who were deeply respectful of the autonomy of the institution. That's not the right way to put it. They, they were deeply respectful of, of the principles of academic freedom. They weren't, they weren't dictating what could be done... [John Smith] was very involved in, very involved, not in the design of the program academically but in understanding how it worked, and it was, it was he who, he who actually picked up on, on a, on a flaw, on a problem and that is the, to do a joint [discipline] program... , the point I'm trying to make here is the difference between giving the money and kind of bugging off and saying, *Now let's get on with the next bit of my life to, to investing the money in something that you actually care about ...* It's a sense of personal engagement.

Allen also spoke to the exchange of competencies, reflecting on the success of the business-person come high-net-worth transformational donor. It is the deployment of these competencies in the donor's own life that has culminated in his or her successful personal value creation – and, therefore, it is these same competencies that are exchanged in the process of cocreating the philanthropic experience with the organization. As Allen described:

...In order for somebody to have the wealth necessary to be a transformational donor... let's assume we need Millions, right? In order for someone to have accumulated that wealth, they have to have been extremely successful in some kind of business enterprise, for example, which I would think would, would qualify most of these people as being highly pragmatic, no nonsense, action oriented but visionary at the same time. And, so, I guess my reaction is, [that]... anybody who has achieved the kind of wealth required to be a transformation donor, and they are, and that's how they behave [in a transformational fashion]. And so I would think that they would apply, or let shine through, the same personal characteristics, more or less, in their giving that they do, that they did in their private or business life... I think that they have to be people of ambition and of faith and of vision... They need to be able to grasp the vision that is being pitched to them and to buy into it and to have enough of common sense, pragmatic sense, business experience, action orientation, if you will, to say, *Okay do I see evidence that these people are actually doing what they see. Do I see evidence of success? Do I see evidence that if I give them what would in nearly any other circumstance be considered a large crazy significant amount of money, can I apply my pragmatic sense, my experience from that, I believe that they can get the things done that they need to get done to meet the vision and to execute what they're telling me they're going to do with my money?*

As has been evidenced in this research project, in the case of transformational philanthropy, the gift must support the strategic mission/vision of the organization. Often, the philanthropist and the organization also work together also to create a new and unique outcome in support of that strategic plan. As stated in this quotation from Allen, philanthropists are often very successful business people, resulting in great wealth creation – for themselves and for a variety of economies (*e.g.*, regional, national, global, by industry segment, *etc.*). In light of this, it is not surprising that they often bring a new set of competencies to the university setting and engage in problem solving

with the organization from an external vantage point. As stated by Allen in the final few phrases of his remarks, the donor asks himself “can I apply my pragmatic sense, my experience,” referring to his interest in using his own competencies; and “I believe they can get things done,” referring to his interest in assuring that the organization has the competencies to fulfill the philanthropic intent of the gift. Being an outsider to the organization, coupled with great success in business, the donor helped the organization to think beyond its status quo in order to cocreate new sources of competitive advantage. In this example I understand Allen to be observing a subtle exchange, between the donor and the organization, of their respective competencies.

Jefferson also recounted such an experience:

... potential donor says, You're thinking too small. You haven't got it right, that in, in [discipline], it's a discipline which is dying. There are very few spots in the world. There's the [university] School of [discipline] which is doing terrific things. The Russians are doing good things but they won't tell anybody what they're doing so the, the [university abc] program is slipping. Don't want that ... The [university abc] program is slipping and, and the [x] program, which has been around for 100 years, is virtually moribund and, and one chair isn't gonna do it. After the conversation, and he then sketched out his vision for what you could do if you did it right, after the conversation I had a, after the meeting, I had a conversation with [president]. I said to [president], I don't think we should have donors telling us what to do, and [president] had a line which I, which I have never forgotten... He said, I don't mind being told what to do if it's in the best interest of the university. The donor was [Mel Banks]. Mel put up \$15 Million in the [Banks] [discipline] program now known as [Banks] Institute at the [x university]. It's probably the best [discipline] program and [academic], who used to be at [university abc] is, is the director of the program, and it's probably the best program in the world. That was transformation. That was, that was deeply personal, visionary, and, I'm not gonna come and tell you what to do and then walk away. I'm gonna tell you what you need to do and I'm gonna put my money behind it. That, that, if you want to talk about transformational philanthropy, that was transformational philanthropy.

In this illustration, Jefferson referred to a donor, Mel Banks, who initiated a conversation about what he felt needed to be supported in terms of a university discipline. He “sketches out his vision” for the president, offering the latter his

competencies gained through his particular work in this field. This donor understood the worldwide terrain of this specific discipline and wanted the university to get behind a need that he perceived. The donor was received positively by the president because the president understood that the donor was acting “in the best interest of the university.” As Jefferson stated, the gift was “deeply personal, visionary” and did not involve the donor simply giving the financial support blindly, but rather, he engaged in an exchange of ideas, using his personal abilities and skills (competencies) to evaluate a need, to express it, and ultimately to help transform the organization to position itself in a more competitive fashion in this particular field, thereby cocreating greater competitive advantage for the university as a whole.

Patterson’s experience also affirms the presence of an exchange of competencies between the organization and the transformational donor, arguing that the relationship or “partnership” itself, developed in part through the exchange of idiosyncratic competencies, becomes part of the cocreated value derived from experience. He said:

... you’ve got philanthropists who are outstanding business people and, you know, they know business strategy, and they’ll try and translate that into the charitable sector. And at this point it’s now, *This is my, this is my business partner*, right in some ways or whatever – not business, but *This is my partner, this is something we’ve worked on together and we share this dream and we share this vision. This is this person’s role, but one of my roles is to make sure that, that I continue to invest and, and, and give the, give it the strength it needs.*

Drake reported that competencies (he referred to the “businessman’s savvy”) not only be exchanged, but also be leveraged for the greater communities touched by the philanthropic exchange. In that way, the cocreated value is extended beyond the dyad of the donor and the organization to the constellation of communities in which they exist. He said, “I don’t think this is being done just because of an impulse to do good. It goes beyond that. An impulse, yes, to do good, but also using a businessman’s savvy to have... his contributions leveraged significantly and to have a broader impact nationally in Canada, and, that, by my definition, would be transformational.”

Newman called this type of engagement through competency exchange “mission critical.” He related his experience in cases where organizations expected donors to fund new opportunities presented to them without their prior involvement. And at the level of the transformational donor, he articulated how this level of financial investment is simply not possible without the early stages of cocreated experiences – or, as he puts it, “shared piece of vision.” He said:

So, I think the biggest mistake that an institution makes is it says, *Okay, we've got this government grant for this new building or this new program: let's go out and find a donor for it...* I've been involved in two or three of those projects and they're really hard gifts to fund because essentially it's like a major-gift ask. *Here's our project. Would you consider supporting it?* So there's not really that shared piece of vision. I think the biggest mistake institutions make around their institutional planning is their weakness, including potential high-level donors in the planning exercise itself. So, the most success I've had with these kinds of gifts are always situations where the donor is one of the people around the table throughout the planning process. Now institutions don't like having donors around the planning process because they ask hard questions, and they ask, you know, *Why? Why does a research institute need, need, need a cappuccino and latte bar?* You know, and stuff like that. You know they're, they're gonna ask hard questions about, *Why things cost so much and why couldn't we do it cheaper and how, why, why is this and why is that.* And, and there's a certain institutional resistance to having external eyes and ears on their own planning process. But, in truth, if you really expect these things to be funded by external groups, then getting them involved in the very early stages of the project conceptualization and planning is, in my view, mission critical.

Stephenson related a similar experience about a donor whose cocreated philanthropic experience through the engagement in the idea-generation process was a critical precursor to his act of giving:

And [Julie Allen] was very interested in writing and, and, and arts and humanities. And [Mark Allen] saw that, because – and would always tell the story about being the, the only [discipline student] in the – in an [discipline] class – about how much he appreciated – well – the different perspective. But, over time, as [Mark] continued to, to give to, to the university, there was, there was far more conversation about what he thought to be, you know, some of the major challenges that, that society was facing and for a while it was very much focused on healthcare. So, you know, we went from

a, a gift for [discipline] program, to chair in another [discipline] in the faculty of [discipline]. And that, that was coming along because of, of the opportunity to talk about what he saw as being important, how he wanted to have impact and what he thought needed to be changed within the system. And finding ways to allow him to do that.

Thus, the research suggested that cocreated transformational philanthropy results in value that is determined not only through the process and experience, but also through the exchange of competencies that becomes a part of the complete impact of the philanthropic investment. It can be concluded, therefore, that it is the sum of the philanthropic experience, plus the successful outcome or “value” attached to the entire philanthropic exchange with the organization, that constitutes the total *cocreated value* derived from the interaction. For example, in the case of the philanthropist (in marketing theory, the operant resource), it is not only the value derived from the cocreated experience of giving, but also the impact value created through the donation that constitutes the total cocreated value derived from the interaction.

5.3.4 Summary of findings

Project three explored transformational philanthropy in Canada, specifically from the perspective of the senior fundraising professionals who work with transformational philanthropists. This Project focused on responding to the over-arching research questions for my doctoral work, restated here:

#	Question
1	Why do donors make transformational donations?
2	How does the “cocreation” construct illuminate the donating behaviour of the transformational donor?
3	What kind of experiences between the donor and the organization result in the donor making transformational donations?
4	What are the characteristics of a “transformational donation” and by extension, the “transformational donor”?

The three main areas of interest explored in Project three were:

- The “transformational” donor

- Influences on influences on the transformational donor
- Cocreated experiences and involvement of the transformational donor

5.3.4.1 *The “transformational” donor*

At the outset of this research project, I used an *a priori* definition for the transformational donor as one who had made a single donation of \$5 Million CAD or more to a charitable organization. As a result of this research, and in response to research question number four, I propose a more textured and nuanced definition, based on the experiences of the professional fundraisers. In summary, informants (the professional fundraisers) characterized the transformational donors as being visionary, passionate leaders who adopt or align their vision and values with those of the organizations. These donors care deeply for the organization and are engaged and knowledgeable about its purpose. They are described as having done their due diligence and as making planned and strategic donations in keeping with their personal interests. Informants characterized beneficiary organizations to be those that are open to change and those that have a strategic vision for what would be possible with new funding. These organizations have clearly defined values and direction, espoused and clearly expressed by the leadership. The informants also described the purpose and intent of the transformational donations as: affecting transformational change, having an effect beyond the organization, extending to the community level, and facilitating the donor’s personal self-actualization. Further, the informants suggested the following factors as affecting the donor’s size of gift: donor’s wealth and financial capacity, donor’s level of desired impact on the cause, regional and peer-driven culture of philanthropy, and competency of the fundraiser.

The transformational donor and the context within which they make great philanthropic gifts is understood by exploring the characteristics of the donor, those of the beneficiary organizations, the purpose and intent of the donation, as well as the factors affecting the size of the donation. In conclusion, the *a posteriori* definition of *the transformational donor is defined as one who is primarily focused on creating value by funding change in society through their organization of choice – an organization that can fulfill a visionary promise and make an impact that achieves the intended dream of the donor.*

5.3.4.2 Influences on the transformational donor

In response to research questions number one and three, respectively: *Why do donors make transformational donations?* and, *What kind of experiences between the donor and the organization result in the donor making transformational donations?*, this section outlines the influences on the transformational donor from the perspective of the professional fundraiser.

Informants suggested that transformational donors are interested in creating and exchanging intangible and tangible value with beneficiaries. The research suggested that the transformational donor is also interested in the leverage their donation can provide, be it through matching of organizational or government funds, through their own relationships or those of the organizations, or through affiliated or constellation networks. Fundraisers also understood these donors to want the competencies gained from the gift to provide additional leverage inside and outside the organization.

The research also indicated that high net worth (wealth) influences transformational donating behaviour, as does the donor's cultural and community context. With particular attention to the constellation of micro-communities that exist within a greater community, the informants described a network of social and cultural engagement and exchange. Positive relationship experiences with the organization were also a primary influencing factor. Tactical and transactional components, as well as meaningful and strategic relationship-building efforts, were reported to make an impact. While both were seen as important, the long-term, meaningful relationship-building was seen as having the most influence on the transformational donor. Deep, trusting engagement with the organization's leadership and professional fundraising staff were influencing factors.

According to these informants, their interpersonal relationships with the donor were an integral part of the cocreated experience with the organization. Professional fundraisers are a trusted source of information, a conduit to the organization's network of relationships (from the organization's leadership, to other meaningful relationships with, for example, professors), community networks of relationships, and a source of competency in helping to develop the vision for the donor's philanthropy and how they might achieve their philanthropic interests through investment in the organization.

Professional fundraisers were seen not only as a contact within the network, but also as a meaningful player – as negotiator (internally and externally), tactician (*e.g.*, financial planning aspects of the gift implementation and expenditure), trusted source of accountability (being responsive to the donor’s desire to understand the impact of their donation (*i.e.*, value creation), and steward of the idiosyncratic interests of the donor inside and outside the organization. As such, informants in this research considered the professional fundraiser as a key influencer of the donor.

5.3.4.3 Cocreated experiences and involvement of the transformational donor

This segment of the research looked to address research question number two: *How does the “cocreation” construct illuminate the donating behaviour of the transformational donor?*

Cocreation, service-dominant logic, and value creation are all constructs within the marketing literature that helped to examine the role that the cocreated experience plays in the donating behaviour of the transformational philanthropist. In the context of transformational philanthropy, these gifts were received not as a result of the fundraiser (or organization) “acting on” the philanthropist; rather, they were received as a result of the fundraiser working *with* the donor in a cocreated philanthropic experience.

Furthermore, “customer” relationship management on the part of the organization extended beyond the individual philanthropist as “the customer,” to include his or her extended family. In this case, the “customer” is indeed the philanthropist, but the relationship extends to those who either share the wealth in the present day (*e.g.*, spouse) or those who will inherit the wealth in the future (*e.g.*, decedents). Therefore, CRM in its traditional sense is extended to include multiple people – a network – and not just one individual. The desire to build long-term satisfaction resulting in loyalty and repeat giving should thus extend to the entire family, not just to the initial philanthropist. The cocreated experience, therefore, may include the family, as well as an extended constellation of networks if the “customer (donor) lifetime value” (CLV) is to be maximized and even transcend the “lifetime” of the transformational donor.

This research indicated that professional fundraisers were involved in cocreating the philanthropic experience with the donor, not only in playing the role of “translator” between the academic faculty and the philanthropist. But, in most cases, these were very

senior people entrusted with decision-making capacity that can and do affect the outcome of the philanthropic behaviour. The more empowered the fundraiser was to act on behalf of the organization, the deeper the cocreation experience for the philanthropist. The involvement of an extended constellation of community members within the organization also played a role in ensuring the cocreated experience was rich and meaningful. It was suggested that the fundraiser, however, be senior enough to possess leadership capacity that inspires the philanthropist and the organization to engage in the journey of transformational change.

The empirical evidence presented in this study confirmed that cocreated transformational philanthropy results in value that is determined not only through the process and experience of making the donation, but also through the exchange of competencies between the donor, the organization (and its representatives), and at times, the ultimate beneficiaries of the philanthropy. This cocreated value creates the ultimate impact of the philanthropic investment. It can be concluded, therefore, that it is the sum of the philanthropic experience plus the successful outcome or “value” attached to the entire philanthropic exchange with the organization that constitutes the total *cocreated* value derived from the interaction.

5.4 Discussion

The marketing literature reviewed in the Scoping study and in Project one offered insights into exchange behaviours in a for-profit context. Of particular interest to my research is the literature that focuses on the cocreation of experiences and value with the consumer, as reviewed briefly in this paper. In the context of this research project, I have drawn a parallel between the for-profit “consumer” and the not-for-profit “philanthropist,” proposing that in the not-for-profit context of philanthropy, empirical data might deepen our understanding of the cocreation construct and that in turn, this construct might provide greater insights into the phenomenon of interest – that is, transformational philanthropy. Prior to this study, empirical evidence did not exist that provided an understanding of cocreated experiences and value in a not-for-profit context. As a result of my research, I confirm the theoretical understandings of cocreated experience and value as the basis for increasing unique value for both the

organization (firm) and the philanthropist (consumer). In keeping with the structure of the research questions, I discuss my findings below:

1. *Why do donors make transformational donations?* This study presented evidence that donors make transformational donations because they want to have an impact not only on an organization, but in their communities of interest, through their investment in the organization. In other words, the donor gives *through* the organization in support of their interests. The investment they make has a meaningful impact, and the donor is interested in maximizing the value created for the organization through leveraging – leveraging relationships that ultimately contribute more financially or extend the competencies of the organization (and perhaps even enrich their own). Fundamentally, the donors make transformational donations because they care to affect change – not simple or ordinary change, but dramatic change. Making a transformational gift in a community is inextricably linked with social and cultural relationships that can be fostered and exchanged by multiple people and organizations within the community context.

2. *How does the “cocreation” construct illuminate the donating behaviour of the transformational donor?* Consistent with the literature, from the perspective of the fundraiser, engaging the donor in the experience of defining and creating value for the organization remains of crucial importance to developing long-term relationships that result in transformational-level gifts. These donors do not simply want to be asked to support an existing “slate” of organizational priorities – nor are they interested in supporting the status quo. They want to cocreate the vision, sometimes the concrete outcomes of the gift, and often the experience and interaction with the organization’s multiple relationships (presidents, deans, professors, students *etc.*). The fundraisers also must engage the donor with their surrounding constellation of networks – from peers to family, social to business associations; organizations should not expect that these types of gifts are a result of a simple “transaction;” rather, they are the result of meaningful relationship-building efforts. Arguably, as donors become more sophisticated in their charitable interests and pursuits, cocreating the value and the philanthropic experience with the donor will become increasingly important.

3. What kind of experiences between the donor and the organization result in the donor making transformational donations? As discussed, donors want to make a significant and often unique impact with their philanthropy. The organization is seen as a conduit through which they can affect change. The organizations that foster relationships where donors can experience this type of visionary change, are those that seem to benefit greatly from these types of donations. These relationships cannot be superficial and driven only toward financial gain. Transformational donors are looking for meaningful, sometimes intellectual, engagement. They see their investments in an organization as inextricably linked with their commitment to “public good” institutions and, as a result, as being important drivers of long-term community sustainability. Deep, trusting engagement with the organization’s leadership and professional fundraising staff are also influencing factors.

4. What are the characteristics of a “transformational donation” and by extension, the “transformational donor”? At the outset of this research project, I used an *a priori* definition for the transformational donor as one who had made a single donation of \$5 Million CAD or more to a charitable organization. As a result of this research, and in response to research question number four, I propose a more textured and nuanced definition, based on the experiences of the professional fundraisers. The informants described the purpose and intent of the transformational donations as: affecting transformational change, having an effect beyond the organization, extending to the community level, and facilitating the donor’s personal self-actualization. Further, the informants suggested the following factors as affecting the donor’s size of gift: donor’s wealth and financial capacity, donor’s level of desired impact on the cause, regional and peer-driven culture of philanthropy, and competency of the fundraiser. As a result of this empirical research, I contribute this *a posteriori* definition of *the transformational donor as one who is primarily focused on creating value by funding change in society through their organization of choice – an organization that can fulfill a visionary promise and make an impact that achieves the intended dream of the donor.*

Upon conclusion of Project two, based on data collected from the transformational philanthropists, I suggested that the organization that engages in and learns from the cocreation experience will succeed in enhancing its value proposition, resulting in

greater value creation for the entire system. Consistent with the data from Project three, it is not enough, however, to be sensitive and inclusive of donors' interests, offering *customized* choices; rather, it is essential that the charitable organization cocreate the process, choices, and, thus, experience with the philanthropist and the communities they serve. The cocreation of the experience is not limited to the dyad of the philanthropist and the organization. It extends deeply into the entire philanthropic ecosystem. It is in the interest of the organization, therefore, to also engage deeply in the community context (and interrelationships within and externally to each of these communities) if they are to be successful in maximizing the power and relationship capacity of individual philanthropists within the philanthropic ecosystem.

The data gathered and presented confirm that engaging the transformational donor in the cocreation of value creates a reciprocal relationship that serves to mutually reinforce the engagement of the exchange parties, resulting in value creation not only for the donor and the charity but also for the entire philanthropic ecosystem within which they exist. By extending the value beyond the dyadic relationship between the donor and the organization, the transformational donor can affect greater social change.

This research concludes that that cocreated reciprocal experiences and value propositions for both the donor and the organization as well as the entire philanthropic exchange system result in the kind of deep engagement of the philanthropist that result in transformational-level donations. As suggested by the literature and confirmed by this research, value is determined by the negotiation process between the donor and the organization and the gift itself is but a conduit for the entire philanthropic experience. Further, this research confirms that it is the process, the experience and the outcome that have value for the donor and the organization. I have contributed empirical evidence to what was formerly a theoretical conceptualization alone.

Cocreated, reciprocal philanthropic experiences result in deeper and more satisfying long-term relationship with the donor. In the context of the relationship between the transformational philanthropist, the charitable organization, and the philanthropic ecosystem within which they exist, cocreation of value is a reciprocal relationship that serves to mutually reinforce the engagement of the exchange parties, resulting in value creation for the entire constellation of networks and communities in which they interact.

Through their reciprocity, these individual players create a philanthropic ecosystem of reciprocal exchange in which the transaction's value is a cocreated experience involving, reinforcing, and sustaining a full spectrum of community relationships. As a result of this research, I further define the philanthropic ecosystem as a "self-sustaining constellation of networks, comprising symbiotic interrelationships among stakeholders."

5.5 Managerial implications

As a result of this research, I offer insights that are beneficial to organizations as they pursue relationships with the transformational donor. In sum, these donors are characterized as visionary and passionate leaders who adopt or align their vision and values with those of the organizations they choose to support. These donors plan ahead and are strategic and as such, their thinking goes well beyond the "transactional" level. These donors seek "change-friendly" organizational cultures, where there is a positive climate for the receipt of a donation that truly *transforms*. The beneficiary organizations are ready to move beyond the status quo and understand what is possible to achieve without financial constraints. Donors are looking for leaders of the organizations to express a clear vision for the future of their organization, within a broader context of the communities in which they exist and that they serve. They are looking to invest in organizations where their impact is significant, meaningful and funds aggressive, visionary goals.

Taking a deeper look at the findings, the transformational donor wants to have an impact and to transform not only the organization itself but also "society" and or related communities *through* the benefaction to the organization. The organization is not necessarily the end-point, but rather, the conduit. Leaders of these organizations must be prepared to enter into a dialogue with the donor to contextualize and articulate the organization's vision within the greater communities in which it interacts, with a view to ensuring that their organization reflect the diversity of their membership and serve the role of "public good" inextricably linked with community prosperity. This dialogue forms part of the cocreated experience for the donor, which is of value to them and should authentically be considered of value to the leadership of the organization.

Transformational donors are looking to create significant value both in a direct way (through their monetary investment by means of the donation) and also through the

leveraging of other relationships (peer, family, organizational, networks, *etc.*), sometimes inextricably linked with important additional financial resources. In other words, value is derived not only from the donation itself but also from the value offerings of the additional relationships, monetary or not. Engaging the donor in a fulsome relationship experience where they are valued for their competencies, connections, as well as their financial capacity to make visionary aspirations a reality, is an essential component of building successful relationships with donors who have the capacity to make transformational donations.

Transformational donors engage in the cocreation of value – from vision creation to an exchange of idiosyncratic competencies. In this way, these donors offer the organization outstanding opportunities for engagement of the donor’s expertise and as a result potentially cocreate unique aspirations and outcomes for the organization. This type of value exchange should be understood and genuinely sought for its “mission-critical” mutually beneficial outcomes, and not seen as a superficial tactic with which to entice a donor.

These donors are pursuing their own dream-fulfillment and self-actualization through their philanthropy, and often regard what they transform as an extension of their own identity. The legacy they create becomes a tangible outcome that they appreciate and enjoy. Public donor recognition can play an important role in helping the donor feel personally affirmed and recognized in their communities. This recognition can also be used to leverage greater value for the organization through the attention it attracts within the constellation of networks associated with the donor and the organization as well as their respective communities of interest.

Competency of the fundraising professional from the more tactical/transactional interactions through to those that emerge as more meaningful aspects of relationship-building, are essential to the long-term approach to successful transformational philanthropic benefactions. Understanding the donor’s wealth and financial capacity is essential to negotiating the appropriate size of the donation in alignment with the aspirations of the organization for transformation. The size of the gift is also affected by the donor’s financial liquidity, often precipitated by a positive financial “triggering” event (sudden influx of cash flow through a positive investment, sale of business,

inheritance, *etc.*). Comprehending the donor's perception of his or her own wealth and readiness to transition from wealth creation and preservation to wealth dissemination is important. Understanding and engaging tangential relationships such as family members, volunteers, professional advisors (financial, legal, *etc.*) are also essential to building a successful relationship with the transformational donor. The organization's professional fundraisers must have the ability to articulate the organization's vision as well as to engage the appropriate relationships that further the mutual interests of the donor and the organization. As the representative of the organization who is often closest to the donor, the professional fundraiser must be a well-respected and trusted senior member of the organization's leadership team.

Often, organizations are goal-driven; and in a fundraising operation, the goals are financial. For professional fundraisers, they have a critical role to play within their organizations to foster a long-term "donor-centered" perspective, focused on value creation and appropriate timing, and not on "landing the big money" to seemingly solve the organization's financial woes in the short-term. This shorty-term approach does not succeed. The professional fundraiser and members of the organization's leadership who understand deeply these aspects of philanthropy are best positioned to engage the transformational donor in long-term, trusting, service-oriented relationship experiences on behalf of the organization. What emerges is an authentic relationship between the transformational donor, the professional fundraiser, and the organization – one that results in long-term value. Agile organizations that facilitate internal collaboration both during the cultivation of the prospective transformational donor as well as in the on-going stewardship phase of the relationship, are those that prove most prepared to work with the transformational donor. Organizations with a reputation for facilitating successful dynamic relationships with donors at this level attract additional support from like-minded donors.

Ultimately, it is the organization that is open to cocreating the vision, the impact and ultimately the value of the exchange relationship, that succeeds in attracting the transformational philanthropist.

5.6 Limitations and future research

Limitations. This research focuses on donors having made philanthropic contributions of \$5Million CAD or more, therefore its findings describes this segment of the population alone. Because of its methods, an obvious limitation of this research might be the generalizability of its findings. However, the universe of transformational philanthropists in Canada is inherently small, therefore the methods chosen to study this group are in keeping with my research interest to provide rich qualitative descriptions of this segment of donor population versus statistically generalizable or predictive analysis of this group. Moving forward, as I attempt to work with this DBA research project toward publishing in a peer-reviewed scholarly journal, my interest is in collaborating with one or more academic co-authors to discuss and confirm joint findings through inter-coder reliability in an effort to increase the credibility, dependability, and confirmability of my findings (Johnson *et al.*, 2006).

I acknowledge that my own professional experience as a fundraiser may introduce a particular danger of bias. To control for this, I include *multiple* confirmatory quotations from the original verbatim transcripts of informants in order to illustrate the concepts and theories I develop in the paper. Further, upon completion of each of the Project phases of this DBA research Thesis to date, I have submitted a formal written copy to a panel of academic colleagues, led by my doctoral supervisor, for review and oral defence.

Finally, this research is meant to extend the current theoretical understanding of for-profit consumer-oriented literature in a not-for profit context, based on empirical evidence. Despite the empirical evidence, the applicability of the findings in a for-profit context may not be appropriate.

Future research. Future research may explore the findings of this study with donors having given less, financially, than the “transformational” philanthropist, to understand the implications for cocreated value where the sums of the investment are not as great, but perhaps the mutual interests of the donor and the organization to cocreate value remain similar. The access gained to this exclusive group of professional fundraisers may present an opportunity to follow one or more of the organizations longitudinally in a unique research setting offering deep case study of one or more emerging

philanthropists over time. Continuing to follow the literature surrounding the service-dominant logic and cocreation construct may provide opportunities to refine the findings of this study as the for-profit context of research evolves. On the immediate horizon, Project three offers data to be compared and contrasted with that gathered and presented in Project two. This analysis of the joint findings will be presented in the Linking document.

Appendix A Jacline Abray-Nyman - professional biography

Jacline Abray-Nyman is an accomplished leader in the public sector with 20 years of demonstrated success in senior roles within Canadian universities. Jacline's career has focused stakeholder and external relations and philanthropic fundraising. Acting in the capacity of principal gifts director and campaign counsel, Jacline has personally negotiated many significant philanthropic gifts and business partnerships, and worked on fundraising efforts totalling in excess of \$120 million since 1999.

In 2008, she joined Queen's School of Business as the Executive Director of Development and Alumni Relations. In this capacity, Jacline provides leadership for developing meaningful relationships with QSB's alumni and donors as well as with community and corporate leaders. As an Adjunct Professor (Lecturer - Marketing), Jacline teaches social responsibility and marketing ethics and has research interests in marketing, philanthropy and the social-mission sector. Jacline is a doctoral candidate (2011); her dissertation is entitled "Transformational philanthropy and networks of cocreated value in Canada."

Jacline has worked as a consultant providing advice to clients on relationship building, resource development, marketing and strategic planning. She has also held the position of Vice-President of Fundraising and Donor Relations for the York University Foundation; Director of Development and External Relations, for the Haskayne School of Business (University of Calgary); Director of Development Communications (University of Calgary); Director of Advancement Services (University of Ottawa); and Manager of Student Recruitment (University of Ottawa). Prior to joining the university sector, Jacline worked in private sector business administration and marketing.

An active conference speaker, Jacline has spoken on the topics of marketing, accountability, strategic business planning, major gift fundraising, social responsibility and philanthropy. She has served as a volunteer on the Board of Directors for Toronto's Centre for Social Innovation (Secretary); as Chair of the Peter F. Drucker Canadian Foundation for Nonprofit Innovation; as Corporate Secretary, Chair of Communications, and Editor of *Ensemble* for the Canadian Council for the Advancement of Education (CCAEE); as a volunteer Big-Sister Mentor in Calgary; and has been a Director of the Calgary Chapter Board for the Association of Fundraising Professionals (AFP). Jacline is currently a member of the advisory board of the Queen's School of Business Centre for Responsible Leadership.

Jacline holds a Bachelor of Administration (Ottawa), an MBA (Calgary), and is completing her Doctorate in Business Administration (Cranfield, UK). She lives in Kingston (Canada) with her husband and daughter.

Appendix B Project two interview guide

Question (in proposed order)	Research concept reference
1. Please tell me about your <i>philanthropy</i> . a. Are there one or two gifts you are particularly proud of? Why? b. What would be the largest gift you have made and what did it achieve?	Norms, culture
2. What organizations do you choose to support and why?	Peers, norms, culture
3. When you think of the organization to which you gave a major, transformational gift, what are the key characteristics you feel were in place for you to commit such a vast sum? a. Is there a particular person or leader who inspired you (perhaps someone involved in the approach to ask you to give?)	Value creation, reciprocity
b. What are the defining values and experiences that you have had with this organization?	Cocreation
4. For you, is there a difference between “philanthropy” and “charity”?	Norms, culture
5. Does your volunteer activity or involvement with the organization affect your philanthropy?	Cocreation / Systems, peers
6. How does your philanthropy affect or influence your relationship with your friends and family, and vice-versa? a. Does giving become an “expectation” from your peers? b. Why is it expected?	Exchange - symbolic utility, norms & culture
7. Is being a “philanthropist” part of your identity? Explain how.	Exchange systems + symbolic utility
8. Has your family a history of philanthropy? Is this something that you were “raised” to do?	Exchange systems – socialization, norms & culture
9. Are you honoured when the organization offers you recognition? ... for example, naming a department or a building in your family name?	Reciprocity
a. When you think of your own philanthropy, or that of your friends and family, how important is recognition? b. Why is it important?	Reciprocity
10. Is philanthropy a two-way street (<i>quid pro quo</i>)?	Reciprocity
11. Does philanthropy have to be purely “altruistic”? a. What are the “shades of grey” in these kinds of relationships?	Norms, culture, dichotomies, continuums, and systems
12. What do you feel you have helped to create by making these donations? a. For the university... for society?	Value creation
13. Does “tax relief” affect your philanthropic decision making?	Exchange – utility – tangible

Appendix C Project three interview guide

1. Tell me about your experience as a major gift fundraiser. How many years, types of roles, *etc.*
2. How do you define the “transformational” donor?
3. Describe your experience of a particular instance working with a transformational donor on a major gift:
 - a. How big was the donation?
 - b. What was your approach in raising the “transformational” gift?
 - c. What was the gift intended to achieve?
 - d. What do you believe influenced the donor to make this gift?
 - e. Why did the donor(s) make the gift at this point in their lives?
 - f. Is there a single influence you feel had great bearing on the gift?
 - g. Has your approach changed over time? Why?
4. Are transformational donors “hand-on”? How involved are they in creating the “vision” for the gift? [cocreation]
 - a. Are these donors more practical or visionary?
5. How important are peer relationships in influencing the transformational donor to make the ultimate gift? [*e.g.*, volunteers, community peers, cultural context, *etc.*]
6. In your experience, how important is the transformational donor’s volunteer activities with the organization in setting the stage for the ultimate gift?
7. What organizational characteristics do you believe are important in influencing the transformational donor to invest in your particular organization in such a deep and meaningful way?
8. Are transformational donors looking for a quid pro quo [reciprocity] – do they want something in return? Tangible? Intangible?
9. Is recognition important to transformational donors? What kind of recognition?
10. I’m going to describe to you some of my findings from my interviews with transformational donors.

This research suggests that:

Describe the “Philanthropic Ecosystem” metaphor

- Multiple relationships are engaged and affected and reinforce philanthropic behaviour:
 - Donor
 - Charitable organization
 - Recipient(s)
 - Communities
 - Peers
 - Families
- Relationships are inextricably linked with perceptions and decision making of philanthropists as they engage fully in the inter-relationships of their community
- Resulting in value creation for the entire system and communities in which they interact
- Relevance for community sustainability is of paramount importance to these philanthropists as they look to cocreate meaningful change by investing deeply in the organizations that build and serve their communities.

- a. What are your thoughts about these findings?
 - b. Is this consistent with, or different from, your experience?
 - c. How do you think this ecosystem will evolve?
11. Is there anything else you would like to tell me about “transformational” donors that I haven’t asked?

Appendix D Project three initial coding of concepts and constructs (node summary)

Node Name	References	Sources	Created on	Modified on
01. Career Path	11	23	26/03/2010 2:57 PM	09/06/2010 1:44 PM
02. Transformational Donor - Definition	6	26	26/03/2010 2:58 PM	08/06/2010 5:31 PM
03. Experiences with transformational donors	16	215	26/03/2010 2:59 PM	09/06/2010 1:32 PM
03 (a) Size of gift	12	192	26/03/2010 2:59 PM	09/06/2010 2:22 PM
03 (b) Approach to fundraising	16	110	26/03/2010 3:05 PM	09/06/2010 2:11 PM
03 (c) Gift intention	9	14	26/03/2010 3:06 PM	09/06/2010 2:23 PM
03 (d) Donor motivation	16	106	26/03/2010 3:07 PM	09/06/2010 1:34 PM
03 (e) Gift Timing	9	21	26/03/2010 3:08 PM	09/06/2010 1:45 PM
03 (f) Gift influence	3	6	26/03/2010 3:09 PM	08/06/2010 5:45 PM
04. Donor co-creation & involvement	6	29	26/03/2010 3:10 PM	08/06/2010 6:06 PM
04 (a) Hands-on & Practical	16	40	26/03/2010 3:11 PM	09/06/2010 1:33 PM
04 (b) Visionary	14	32	26/03/2010 3:12 PM	09/06/2010 1:34 PM
05. Influences on donor giving	6	111	26/03/2010 3:19 PM	09/06/2010 10:55 AM
05 (e) Cultural Context	16	56	26/03/2010 3:16 PM	09/06/2010 1:27 PM
05. (a) Relationship influences	6	58	26/03/2010 3:14 PM	09/06/2010 10:48 AM
05 (a-1) Peers	16	41	26/03/2010 3:14 PM	09/06/2010 1:28 PM
05 (a-2) Volunteers	16	53	26/03/2010 3:15 PM	09/06/2010 1:28 PM
05 (a-4) Family	16	135	26/03/2010 3:18 PM	09/06/2010 1:46 PM
05 (a-5) Community members	16	107	26/03/2010 3:18 PM	09/06/2010 1:29 PM
05 (a-6) Organizational leadership and staff members	15	111	04/06/2010 2:36 PM	09/06/2010 1:30 PM
05 (a-7) Business partners or competitors	1	2	04/06/2010 2:38 PM	08/06/2010 2:53 PM
05 (a-8) Politicians and government or public policy	12	36	04/06/2010 2:41 PM	09/06/2010 1:49 PM
05 (a-9) Recipient of benefaction	14	43	08/06/2010 2:50 PM	09/06/2010 1:52 PM
05. (b) Volunteering as influence	5	20	26/03/2010 3:22 PM	09/06/2010 10:44 AM
05. (c) Organizational characteristics	16	176	26/03/2010 3:37 PM	09/06/2010 1:26 PM
05. (d) Reciprocity	16	57	26/03/2010 3:38 PM	09/06/2010 1:25 PM
05. (d-1) Tangible	15	30	26/03/2010 3:39 PM	09/06/2010 2:26 PM

Node Name	References	Sources	Created on	Modified on
05. (d-2) Intangible	16	34	26/03/2010 3:39 PM	09/06/2010 2:28 PM
05. (d-3) Recognition	16	49	26/03/2010 3:40 PM	09/06/2010 1:31 PM
Influence = capacity	3	9	08/06/2010 2:59 PM	08/06/2010 5:00 PM
07. Ecosystem feedback	16	84	26/03/2010 3:41 PM	09/06/2010 2:02 PM
07. (a) Positive	5	6	26/03/2010 3:41 PM	09/06/2010 10:56 AM
07. (b) Negative	0	0	26/03/2010 3:42 PM	26/03/2010 3:42 PM
07. (c) Suggestions	5	14	26/03/2010 3:42 PM	09/06/2010 10:59 AM
07. (d) Ecosystem - my framing	6	11	04/06/2010 2:22 PM	09/06/2010 10:57 AM
08. Other Insights	6	23	26/03/2010 3:42 PM	09/06/2010 11:01 AM
08. (a) Influence of donor on others	6	11	03/06/2010 2:03 PM	09/06/2010 10:40 AM
08. (a-1) Politicians and government or public policy	2	2	04/06/2010 2:42 PM	08/06/2010 4:52 PM
08. (a-2) Peers of donor	2	2	04/06/2010 2:44 PM	09/06/2010 10:38 AM
Commitment	13	30	09/06/2010 1:24 PM	09/06/2010 1:24 PM
Community	16	127	04/06/2010 2:56 PM	09/06/2010 10:56 AM
Demographic differences in donors	3	6	08/06/2010 2:58 PM	08/06/2010 4:59 PM
Intergenerational wealth and relationship building	16	135	08/06/2010 3:00 PM	09/06/2010 1:23 PM
Leadership	15	113	04/06/2010 3:00 PM	09/06/2010 10:55 AM
Legacy - estate giving - in memoriam	13	29	08/06/2010 3:00 PM	09/06/2010 2:30 PM
Leverage	11	29	03/06/2010 1:52 PM	09/06/2010 1:29 PM
Long-term perspective of relationship building	5	15	08/06/2010 3:00 PM	09/06/2010 1:57 PM
Trust	10	22	08/06/2010 3:00 PM	09/06/2010 1:30 PM
Value Creation	16	146	08/06/2010 3:00 PM	09/06/2010 1:55 PM

Appendix E Scoping study literature review

Original date: June 13, 2008 + Re-created September 14, 2008

This table provides a detailed chronology and listing of the literature review process. Notes on the inclusions and exclusions are found in Appendix F Scoping study literature review – inclusions and exclusions.

Database	Keyword	Special parameters (KW = keyword)	# Matches – all	# Matches – peer reviewed / scholarly	Relevant for review *See “inclusions” in Appendix G2	Reasons for exclusions / notes
ABI / Inform Proquest	“philanthropy”	KW in citation and abstract	6252	726		This first search resulted in many non-related areas of research that are noted in Appendix G under “exclusions.”
	“philanthropy” AND NOT “corporate”	KW in citation and abstract		484		The first layer of exclusion is corporate giving. The focus of my research is on personal giving.
	“philanthropy” AND “donations” AND NOT “corporate”	KW in citation and abstract		50	15	This second layer of exclusion refines the results to include only financial donations as opposed to gifts of other types (see exclusions in Appendix G)
	“philanthropy” AND “consumer”	KW in citation and abstract	175	40	9	This search is aimed at finding literature on philanthropy that involves the consumer.
	“charity”	KW in citation and abstract	45955	1644	12	This new key word is used to deepen the literature search based on its usage discovered through preliminary reading of the texts reviewed to date.
	“gift giving”	KW in citation and abstract	1192	162	6	This new key word is used to deepen the literature search based on its usage discovered through preliminary reading of the texts reviewed to date.

Database	Keyword	Special parameters (KW = keyword)	# Matches – all	# Matches – peer reviewed / scholarly	Relevant for review *See “inclusions” in Appendix G2	Reasons for exclusions / notes
	“nonprofit organization” AND “fund raising”	KW in citation and abstract		142	11	This new search stream seeks to add to the literature base through the practice of fundraising within nonprofit organizations.
	“nonprofit organization” AND “philanthropy”	KW in citation and abstract		76	13	Refining the preceding search, this ensures inclusion of the broader area of “philanthropy.”
EBSCOhost	“philanthropy”	KW in citation and abstract		3925	8	Changing databases, this search aims to find additional literature not covered in ABI/Proquest.
	“philanthropy” AND NOT “corporate”	KW in citation and abstract		3643	6	Changing databases, this search aims to find additional literature not covered in ABI/Proquest.
	“charity”	KW in citation and abstract		50	14	Changing databases, this search aims to find additional literature not covered in ABI/Proquest.
	“gift giving”	KW in citation and abstract		278	7	Changing databases, this search aims to find additional literature not covered in ABI/Proquest.
Scholarsportal	“charity”	KW in citation and abstract		454	21	Changing databases, this search aims to find additional literature not covered in ABI/Proquest or EBSCOhost. With a deeper understanding of the language used in the literature, the term “charity” is selected to refine the search.
	“gift giving”	KW in citation and abstract		218	5	Changing databases, this search aims to find additional literature not covered in ABI/Proquest or EBSCOhost. With a deeper understanding of the language used in the literature, the term “gift giving” is selected to refine the search.

Database	Keyword	Special parameters (KW = keyword)	# Matches – all	# Matches – peer reviewed / scholarly	Relevant for review *See “inclusions” in Appendix G2	Reasons for exclusions / notes
	“gift” AND “charity”	KW in citation and abstract		33	8	With a deeper understanding of the language used in the literature, these terms are selected to refine the search.
SAGE Journal Search: <i>Nonprofit and Voluntary Sector quarterly</i>	“fund raising”	KW in abstract	17		4	Search of specific journal where many articles had been found through above searches and subsequent to preliminary reading of the texts reviewed to date. I am focusing on the practice of fundraising.
	“donor”	KW in abstract	36		all	Search of specific journal where many articles had been found through above searches and subsequent to preliminary reading of the texts reviewed to date. I am focusing on the individual donor.
SAGE Journal Search: <i>Nonprofit and Voluntary Sector quarterly AND “Journal of Nonprofit and Public Sector Marketing</i>	“major” AND “gift” AND “donor”	KW in abstract	87		all	I changed the search string word because previous searches had already turned up the relevant literature. Here I am probing other words within this key journal to see what might turn up.
EBSCOhost Journal Search: <i>Journal of Consumer Research</i>	“gift”	Abstract (1974 – Sept 2007)	15		4	Knowing about one key journal article (Giesler) from past reading on the topic of “gift” economies led me to search further within this journal using this keyword.

Database	Keyword	Special parameters (KW = keyword)	# Matches – all	# Matches – peer reviewed / scholarly	Relevant for review *See “inclusions” in Appendix G2	Reasons for exclusions / notes
Chicago Journals Journal Search: <i>Journal of Consumer Research</i>	“gift”	Sept 2007-2008	27		3	This adds one year to the previous database search.

Note: while other formats of research strings might seem more efficient, I found that critical pieces of literature were not appearing when the string used symbols for truncation (*e.g.*, *). Therefore, separate research strings and keywords were used to ensure a review of the literature.

Appendix F Scoping study literature review – inclusions and exclusions

Phenomenon of interest & contextual placement	Inclusions	Exclusions
Donor Aka: Resource Provider; Funder	Individual Philanthropists (private gifts)	Corporations / Commercial activity Foundations - other than those driven by family wealth and through which individual philanthropists make their donations. Government support
Charity Aka: Social mission / nonprofit organization; third sector; not-for-profit	Institutions of Postsecondary Education	All other organizations within the social-mission sector such as: -religious -social justice -government -cultural/ethnicity based -political -gender-based -health care
Culture	North America (Canada excluding Quebec; United States of America) United Kingdom	Other geographic / cultural areas
Type of donation or gift	Financial, “major,” “transformational” or elite” over \$10 Million in single / one-time gift Gifts-in-kind – e.g., art collection	Time / voluntarism “helping activities” Body parts Gifts of less than \$10 Million Seed funding / venture philanthropy Government grants
Types of philanthropy (using the broadest definition of the word) Aka: Altruism; Charitable giving; Donations	Financial / Assets	-Activism -Community Relations -Corporate Social Responsibility (CSR) -Developing Nations -Public Administration -Public Good -Public Sphere -Social Advocacy -Social Change -Social Justice -Social Welfare

Appendix G Scoping study philanthropy literature review (categorization of ideas and concepts)

Note: Core texts are considered those that are specifically related to or pertinent to the topic of influences for major gift giving **[found in bold text]**. Peripheral texts are of interest, but are either not directly related to major gift giving, or are not concerned with donor influences.

Author & title	Methodology / data collection	Year	Location of study	Field(s)	Notes / contribution
T: Theoretical literature; R: Research literature; Pol: Policy literature; PR: Practice literature; LR: Literature Review					
Bag, P. and Santanu, R. "Repeated Charitable Contributions Under Incomplete Information." <i>The Economic Journal</i> , 2008, p.60-91.	T. Mathematic modelling	2008	n/a	Economics information	<p>Making announcements during a campaign can increase the overall amount of funds raised, moreso if information regarding donor information remains incomplete (incomplete information about the type of donor leads to less "free-riding" in later stages of the campaign and increases repeat giving by some donors during the length of the campaign). (Bag, 76)</p> <p>"...donors simply care about the public good provided by the charity" (Bag, 63)</p> <p>"...there is an important role for announcement of contribution in raising the size of the funds generated." (Bag, 64)</p>
Barman, E. "With Strings Attached: Nonprofits and the Adoption of Donor Choice." <i>Nonprofit and Voluntary Sector Quarterly</i> , 37 (1), 2008, p.39-56.	Pol.: Qualitative / Case	2008	USA	Donor control	<p>One must understand donors interests to understand the structures and practices of the nonprofit; charities are "conceived to be beneficiaries of social trust" by donors because of information asymmetry but just the same, they are not immune from donor interests; donor preference determines whether they are given a formally say by the charity in the distribution of resources. (Barman 2008, 51-52)</p> <p>"The nonprofit sector is imbued with a distinct set of responsibilities in American society. It is deemed the space in which demand for public goods is met through nonprofit organizations' voluntary and private provision of services." (Barman 2008, 39)</p>

Author & title	Methodology / data collection	Year	Location of study	Field(s)	Notes / contribution
T: Theoretical literature; R: Research literature; Pol: Policy literature; PR: Practice literature; LR: Literature Review					
					<p>“Extant research has noted that organizations rely on critical resources in the environment to achieve their goals, but these external goods typically are accompanied by the demands of resource providers. This perspective suggests that organizations will conform to the expectations of donors.” (Barman 2008, 44)</p> <p>The disjuncture between donor choice and organizational mission causes three main issues: 1) some nonprofits receive revenue while others are overlooked; 2) modifications to governance, organizational practices and public discourses to suit donor’s interests; 3) donor designation versus unrestricted giving effects change on organization’s ability to fund mission-based projects in favour of donor-driven interests. (Barman 2008, 41)</p>
Barman, E. “An Institutional Approach to Donor Control: From Dyadic Ties to a Field-Level Analysis.” <i>American Journal of Sociology</i>, 112(5), 2007, p.1416-57.	Pol. Qualitative	2007	n/a	Economics Sociology Social networks “Elite” donors Donor control	<p>Dyadic ties between the charitable organization (not just the fundraiser) and the donor (social, macro-level analysis) as well as “donor control” explains the variation in patterns of charitable giving. (Barman 2007, 1418)</p> <p>Micro-level analysis of charitable giving looks at psychological composition of donors or social characteristics (demographics, age, education, gender, income, race, religion and wealth, class, etc.). Macro level looks at reciprocal relationship between the donor and the fundraiser’s tactics and practices. (Barman 2007, 1417) Moreover, “The structure of the organizational field determines the strategies of solicitation offered by nonprofits to donors, shaping the extent of donor control.” (Barman 2007, 1424)</p> <p>Economic rationale for giving tries to “reconcile the apparently contradictory act of charitable giving with the utility-maximizing model of rational choice theory. They do so by</p>

Author & title	Methodology / data collection	Year	Location of study	Field(s)	Notes / contribution
T: Theoretical literature; R: Research literature; Pol: Policy literature; PR: Practice literature; LR: Literature Review					
					<p>emphasizing that individuals make donations in expectation of a return. In effect, individuals exchange a charitable contribution for a material, emotional or prestige-based benefit.” (Barman 2007, 1421)</p> <p>Social rational for giving – “the act of giving is not motivated by tangible benefits for the individual but instead by societal norms and obligations... giving does not derive from the exchange of material goods but instead from the social relationships that it engenders.” (Barman 2007, 1421) “Reciprocity involves social or moral obligations between givers and recipients.” (Barman 2007, 1421)</p> <p>Charitable giving: “charitable giving has been defined as an activity or exchange distinct from those that take place in the market or the political sphere.” (Barman 2007, 1418)</p> <p>Donor control: 1) “whether or not individuals attach conditions to their gifts.” (Barman 2007, 1419) donors “designate or restrict their contributions when they select what causes and services to fund within the recipient organization.” (Barman 2007, 1419)</p>
Belk, R.W., and Coon, G.S. “Gift Giving as Agapic Love: An Alternative to the Exchange Paradigm Based on Dating Experiences.” <i>Journal of Consumer Research</i>, 20, 1993, p.393-417.	R: Qualitative: in-depth interviews; questionnaire; journal analysis.	1993	U.S. and International	Consumer behaviour; gift-giving	<p>Non-exchange paradigm analysis of gift-giving.</p> <p>Concept of “love” as a motivator.</p>
Brison, J. <i>Rockefeller, Carnegie, and Canada. American</i>	T. Book,	2005	Canada / USA	History	Situating American philanthropy within Canadian cultural and intellectual development in the pre-Canada Council era.

Author & title	Methodology / data collection	Year	Location of study	Field(s)	Notes / contribution
T: Theoretical literature; R: Research literature; Pol: Policy literature; PR: Practice literature; LR: Literature Review					
<i>Philanthropy and the Arts and Letters in Canada</i> . Kingston. McGill-Queen's University Press, 2005.	historical research.				Influence of American philanthropists on Canadian institutions.
Brooks, A. "Does Giving Make Us Prosperous?" <i>Journal of Economics and Finance</i> , 31(3), 2007, p.403-411.	R. Economic modelling: publicly available survey data	2007	USA	Economics Finance SROI	<p>Giving leads to prosperity – "charity and prosperity are mutually reinforcing" (Brooks, 404)</p> <p>He "...identifies strong evidence that money giving does, in fact, influence income." (Brooks, 403)</p> <p>"Perhaps the most obvious variable influencing giving – and the one that has received the most attention in the literature – is income. Not surprisingly, income and charity are positively correlated. (Brooks, 403)</p> <p>SROI – "Social return on investment" – "the trust and social cohesion in a community that comes from civic acts that are related to voluntary charity." (Brooks, 405)</p> <p>Cites Robert Putnam – "Charitable acts, such as giving and volunteering activities, tend to strengthen social networks between people. These networks are a key factor in economic success." (Brooks, 405)</p> <p>"...less intensive forms of charitable behaviour are clearly positively correlated with both happiness and good health." (Brooks, 409)</p> <p>Brooks citing Roper SCCBS data (Social Capital and Community Benchmark Survey)</p>

Author & title	Methodology / data collection	Year	Location of study	Field(s)	Notes / contribution
T: Theoretical literature; R: Research literature; Pol: Policy literature; PR: Practice literature; LR: Literature Review					
					<p>“...people who gave money charitably were 43 per cent more likely to say they were “very happy” than nongivers, while nongivers were three and one-half times more likely than givers to say they were “not happy at all.” (Brooks, 409)</p> <p>“In terms of health effects, givers in 2000 were 25 per cent more likely than nongivers to say their health was excellent or very good, while nongivers were about twice as likely as givers to say their health was poor or fair.” (Brooks, 409)</p>
Bourdieu, P. Ökonomisches Kapital, kulturelles Kapital, soziales Kapital.” In <i>Soziale Ungleichheiten</i> (Soziale Welt, Sonderheft 2), edited by Reinhard Kreckel. Goettingen: Otto Schartz & Co.. 1983, p.183-98. Translated by Richard Nice as excerpted in Knowledge Policy, http://www.knowledgepolicy.com/2005/08/bourdieu-forms-of-capital.html. p.241-255.	T	1983	n/a	Sociology	<p>Forms of Capital – Exchange of Financial Capital for Social Capital and cultural capital.</p> <p>Form of reciprocity.</p>
Dann, S. <i>et al.</i> “Commentary: Reigniting The Fire: A Contemporary Research Agenda For Social, Political And Nonprofit Marketing.” <i>Journal of Public Affairs</i> , 7(Aug.), 2007, p.291-304.	T	2007	n/a	Social marketing	Definition of social marketing: Citing Kotler, “a process that applies marketing principles and techniques that create, communicate and distribute value in order to influence target audience behaviours that benefit society (public health, safety, the environment and communities) as well as the target audience.” (Dann, 292)
Ealy, L.T. and Ealy, S.D. “Progressivism and Philanthropy.” <i>The Good Society</i>, 15(1), 2006, 35-42.	T	2006	n/a	Political/ Historical context of philanthropy	The early Progressive charity organization movement was aimed at curing social disorders and distressed conditions that were seen to be caused by centralized government and their inherent subsequent abuses. (Ealy, 36)

Author & title	Methodology / data collection	Year	Location of study	Field(s)	Notes / contribution
T: Theoretical literature; R: Research literature; Pol: Policy literature; PR: Practice literature; LR: Literature Review					
				in USA in Progressive era (1890-1920)	<p>Rooted in religious obligation, “the moral fulcrum of aid was no longer to be the personal discretion of givers about the moral fitness of a recipient but was to be anchored in a postmillennial pietism that sought to build the kingdom of God on earth.” (Ealy, 36)</p> <p>Progressives aimed toward social control. They “paved the way for displacement of dispersed, conscientious, personal judgment of citizens by the centralized, rationalized, professional administration of civil servants.” (Ealy, 36) They rationalized and reformed social need through the development of “social scientists” who studied the issues through social, economic and political conditions, creating a more “scientific philanthropy” that was aimed at beneficial legislation that could “cure” social ills. (Ealy, 36)</p>
Frumkin, P. “ <i>Strategic Giving: The Art and Science of Philanthropy.</i> ” Chicago, IL: University of Chicago Press, 2006. Cited in: Cnaan, R. <i>Journal of Sociology & Social Welfare</i> , 34(4), 2007, p.172-74.	T & Pol	2007	n/a	Politics Democracy	<p>Identifies the tension “between democratic principles and donors’ control and power...” (Cnaan, 174)</p> <p>Elite philanthropy can unilaterally assess and reward select causes as “worthy” – those with extreme wealth therefore shape society profoundly. This makes the values of the wealthy philanthropist a powerful driver in defining what constitutes a “social problem” to be “fixed” and also gives philanthropists unusual power in shaping society through acts of philanthropy, “challenging the democratic foundations of our society.” (Cnaan, 172).</p> <p>“Frumkin suggests... in a democratic society like the United States, the elected officials are opting out of many areas of care and philanthropists are setting policies with their various foundations and wealth that may or may not be what society as a</p>

Author & title	Methodology / data collection	Year	Location of study	Field(s)	Notes / contribution
T: Theoretical literature; R: Research literature; Pol: Policy literature; PR: Practice literature; LR: Literature Review					
					whole needs and desires.” (Cnaan, 172)
Giesler, M. “Consumer Gift Systems.” <i>Journal of Consumer Research</i>, 33, 2006, p.283-290.	R. Qualitative: netnographic and ethnographic study	2006	Global through Internet + North America.	Gift giving	Review of gift giving literature (sociological, anthropological, consumer). Critique of dyadic model of consumer gift giving. Extension of classic paradigm. Conceptualization of consumer gift system.
Guilhot, N. “Reforming the World: George Soros, Global Capitalism and the Philanthropic Management of the Social Sciences.” <i>Critical Sociology</i>, 33, 2007, p.447-477.	R & Pol. Case Study	2007	Global	History Philanthropy & education Politics: Neoliberalism Globalization	<p>Progressive era: “Philanthropic practices allow the dominant classes to generate knowledge about society and regulatory prescriptions, in particular by promoting the development of social sciences.” (Guilhot, 447)</p> <p>“Philanthropy offers a privileged strategy for generating new forms of “policy knowledge” convergent with the interests of their promoters.” (Guilhot, 447)</p> <p>“Investing in higher education does not only earn philanthropists some social prestige: it allows them to promote “scientific” ideas about social reform and to define the legitimate entitlements to exercise power by reorganizing traditional curricula and disciplines. Educational philanthropy allows specific social groups, using their economic and social capital, to shape the policy arena not so much by imposing specific policies as by crafting and imposing the tools of policy –making...congruent with their own interests.” (Guilhot, 449)</p> <p>Philanthropic foundations of the 19th and early 20th centuries (Carnegie, Ford, Rockefeller) had as their objective to support social sciences in the production of an “applied science of the social world that would increase “social control”.” (Guilhot, 452)</p>

Author & title	Methodology / data collection	Year	Location of study	Field(s)	Notes / contribution
T: Theoretical literature; R: Research literature; Pol: Policy literature; PR: Practice literature; LR: Literature Review					
Guy, B.S. and Patton, W.E. "The Marketing of Altruistic Causes: Understanding Why People Help." <i>The Journal of Services Marketing</i> , 2(1), 1988, p.5-18.	T	1988	n/a	Marketing	Marketers of altruistic causes must: 1) provide need satisfaction; 2) generate awareness that needs exists; 3) instil sense of personal responsibility; 4) demonstrate ability/competence to help; 5) remove barriers. (Guy, 1988).
Hamer, J. "English and American Giving: Past and Future Imaginings" <i>History and Anthropology</i>, 18(4), 2007, p. 443–457.	Pol. Historical analysis	2007	n/a	History: Victorian Era English & American Progressivism Mauss's gift	English – paternalistic control of land as property – concerned with "improving and reinforcing the stabilization of society." (Hamer, 456) -Victorian Era -"paternalistic giving" (authoritarianism, hierarchy, organicism and pluralism) - through duty and honour, those of higher status must give to those of the "lower rank" in order to maintain social order. (Hamer, 443) American "Enlightenment inspired, progressive, idealism... future directed, based on the belief that all people would ultimately acquire rational, individualistic, freedom in terms of both body and spirit." (Hamer, 456) Marcel Mauss's concept of the gift: "For Mauss giving requires personal participation, the creation of a sense of obligation, and an object(s) that arouses a moral consciousness which the parties to the exchange realize requires a return in kind (Godelier, 14-15) "Mauss's classic view of prestation involves at least four generalizations... first, there is the implication of human generosity and cooperativeness...second, the use of force or power must be avoided because the gift is its own reward even to the point where outlandish giving in itself brings prestige to the giver... third, the gift is most appropriate for small groups because of emotional commitment, rather than contractual... fourth, though the stress on giving is connected with the moral

Author & title	Methodology / data collection	Year	Location of study	Field(s)	Notes / contribution
T: Theoretical literature; R: Research literature; Pol: Policy literature; PR: Practice literature; LR: Literature Review					
					generosity of the giver, the process concerning reciprocation is not without sanction when a return is considered appropriate.” (Mauss, 34-35)
Handy, F. “How We Beg: The Analysis of Direct Mail Appeals.” <i>Nonprofit and Voluntary Sector Quarterly</i> , 29(3), 2000, p.439-454.	Survey	2000	Canada	Sociology Trust	Principal-agent problem: when a third-party is involved (between the donor and the ultimate recipient), <i>i.e.</i> , the charitable organization, there exists potential for fraudulent behaviour by the agent. Donors may be deterred from giving because of the principal-agent problem, therefore charities must judiciously use signals to communicate “trustworthiness” in order to receive gifts. (Handy, 451)
Harbaugh, W. “The Prestige Motive for Making Charitable Transfers.” <i>American Economics Review Papers and Proceedings</i> , 1998, 88 (2), p.277–282.	R. Economic modelling from publicly avail. Data	1998	USA	Economics	Two types of benefits that donors gain from making a gift: 1) intrinsic benefit (donor’s own knowledge of what he has given); and 2) prestige benefit (donor gets when other people know how much he has given. (Harbaugh, 277) This article demonstrates that a substantial, measurable portion of donations are attributable to the “prestige benefit.” (Harbaugh, 281)
Hecht, B. “Wholesaling Social Change: Philanthropy’s Strategic Inflection Point.” <i>Nonprofit and Voluntary Sector quarterly</i> , 37(1), 2008, p.163-173.	R. Theory building from publicly available data collection.	2008	Global	Strategic inflection point Social change Internet/ Technology	Technology facilitates communication between donors and intended recipients without the “agent” or charitable Organization as a filter. Those nonprofits who harness this form of effectuating social change will be more successful. “Nonprofits are facilitating social change on a wholesale, not retail, basis.” (Hecht, 172) Intranet as a method for effectuating social change (through virtual collaboration): aggregation, dissemination, customization, collaboration, and vocalization. (Hecht, 165)
Hibbert, S. and Horne, S. “Giving to Charity: Questioning the Donor Decision Process.” <i>Journal of</i>	LR	1996	n/a	Consumer behaviour	Charities should consider influencing decision-making processes of donor rather than trying to understand or affect motivations. (Hibbert, 9)

Author & title	Methodology / data collection	Year	Location of study	Field(s)	Notes / contribution
T: Theoretical literature; R: Research literature; Pol: Policy literature; PR: Practice literature; LR: Literature Review					
<i>Consumer Marketing</i> , 13(2), 1996, p.4-13.				Decision-making Cognitive approach	
Katz, S.N. "Where did the Serious Study of Philanthropy Come From, Anyway?" <i>Nonprofit and Voluntary Sector Quarterly</i> , 28(1), 1999, p.74-82.	Essay	1999	US	Study of philanthropy	Personal career essay of the emergence of study of philanthropy in the US since the 1970s.
Komter, A. "Gifts and Social Relations: The Mechanisms of Reciprocity." <i>International Sociology</i>, 22(1), 2007, p.93-107.	T	2007	n/a	Gift-giving Reciprocity Sociology: Social relations	<p>Review of gift-giving as "a multi-purpose symbolic 'utility' that transcends both its utilitarianism and anti-utilitarianism." (Komter, 94) Komter reviews the object, the occasion, the ritual, the relationship, the spirit, and the principle that guides the gift-giving behaviour. He notes that there exist huge cultural differences in each of these aspects of the gift. Therefore, there is no one sense with which to understand a gift – it doesn't exist. Further, he argues that "gifts can be altruistic and agonistic, beneficial as well as detrimental... the moral meaning of the gift depends on the nature of the social relationship within which it is given, and on the conscious and the unconscious purposes and motives of those involved in that relationship." (Komter, 104)</p> <p>Motivations for giving are dependent on the social relationships and their connection to the spirit of the gift. Komter uses four types of human relationships "based on community, authority, equality and market" that correspond to motives to give. (Komter, 104)</p> <p>"Five elements of reciprocity ... its survival value, the recognition of the other, the three obligations implied in it, the moral bond it creates and finally, the combination of altruistic</p>

Author & title	Methodology / data collection	Year	Location of study	Field(s)	Notes / contribution
T: Theoretical literature; R: Research literature; Pol: Policy literature; PR: Practice literature; LR: Literature Review					
					and self-oriented concerns represented in it... the gift reflects a multi-purpose symbolic 'utility' that transcends both utilitarianism and anti-utilitarianism. (Komter, 104) Gifts are "vehicles and instruments for realities of another order: influence, power, sympathy, status, emotion; and the skilful game of exchange consists of a complex totality of manoeuvres, conscious or unconscious, in order to gain security and to fortify one's self against risks incurred through alliances and rivalry." (Levi-Strauss, 19)
Lowrey, T.M., Otnes, C.C., Ruth, J.A. "Social Influences on Dyadic Giving over Time: A taxonomy from the Giver's Perspective." <i>Journal of Consumer Research</i>, 30, 2004, p.547-558.	R. Longitudinal qualitative data collection: interviews, observation.	2004	USA	Consumer Behaviour; Sociology; Gift Giving	Lowrey <i>et al.</i> (2004) examine social influences on dyadic giving to develop a taxonomy of ten social influences on givers' behaviour and motivations. Rather than focusing on the psychological dimensions of the gift giver, the authors look to external influences to help understand the behaviour.
Lindahl, W.E., and Conley, A.T. "Literature Review: Philanthropic Fundraising." <i>Nonprofit Management & Leadership</i>, 13(1), 2002, p.91-112.	LR	2002	Global	Literature Review	Review of relevant literature to ~2000. Includes review of psychological and sociological influences/motivators; intrinsic and prestige benefits; satisfaction; role of the fundraiser; free-riding donors; public relations vs. sales orientations; marketing & customer relationship management.
Ostrander, S.A. "The Growth of Donor Control: Revisiting the Social Relations of Philanthropy." <i>Nonprofit and Voluntary Sector Quarterly</i>, 36(2), 2007, p.356-372.	LR	2007	Global	Nonprofit.	Review of philanthropy and social relationships (donor control).
Radley, A. and Kennedy, M. "Charitable Giving by Individuals: A Study of Attitudes and Practice." <i>Human Relations</i> , 48(6), 1995, p.685-709.	R. Qualitative interviews.	1995	UK	Social Psychology	Experiencing the need motivates giving.

Author & title	Methodology / data collection	Year	Location of study	Field(s)	Notes / contribution
T: Theoretical literature; R: Research literature; Pol: Policy literature; PR: Practice literature; LR: Literature Review					
Sargeant, A. <i>et al.</i> “Does Perception Matter?: An Empirical Analysis of Donor Behaviour. <i>The Service Industries Journal</i> , 24(6), 2004, p.19-36.	R. Quantitative, questionnaire, SEM.	2004	UK	Marketing Economics	Donor perception about a charity affects contributions.
Sargeant, A. and Woodliffe, L. “Gift giving: an Interdisciplinary Review.” <i>International Journal of Nonprofit and Voluntary Sector Marketing</i> , 12(4), 2007, p. 275-307.	LR. T.	2007	Global	Nonprofit, Marketing, Economic	Interdisciplinary model of giving behaviour.
Sargeant, A. and Woodliffe, L. “Building Donor Loyalty: The Antecedents and Role of Commitment in the Context of Charity Giving.” <i>Journal of Nonprofit and Public Sector Marketing</i> , 18(2), 2007, p. 47-68.	R. Qua./Quant: Focus Groups, Survey, SEM	2007	UK	Nonprofit, Marketing	A study of donor loyalty and commitment.
Schervish, P.G. “The Moral Biography of Wealth: Philosophical Reflections on the Foundation of Philanthropy.” <i>Nonprofit and Voluntary Sector Quarterly</i> , 35(3), 2006, p.477-492.	T. Historical / Philosophical research.	2006	Global	Philanthropy History Sociology Philosophy	Describes the philanthropist’s motivation for giving through the analysis of their ‘moral biography’. Foundations of gift giving.
Sherry, J.F. “Gift Giving in Anthropological Perspective.” <i>Journal of Consumer Research</i> , 10, 1983, p.157-168.	LR	1983	n/a	Marketing, Consumer Behaviour, Gift Giving	Literature review on gift giving and model of the gift exchange process is developed.
Weiner, A.S. and Solomon, J.R. “Historical Overview of Philanthropy and Aging.” <i>Generations</i> , 31(2), 2007, p.12-16.	T	2007		Social work Age	Definition: “philanthropy refers to the love of mankind which is expressed through acts of goodness in the form of charity towards the poor and less fortunate members of the society.” (Weiner, 12)

Appendix H Project two informant summary report

Please note: pseudonyms are used to protect the identity of the informants.

Informant name	Informant		Interview
	Gender	Age range	Time
Lyle Almont	M	66-70	25:29
Ben Amsel	M	81+	52:13
Margaret Anderson	F	71-75	46:06
David Andrews	M	45-50	48:55
Michel Berube	M	81+	1:08:20
Bill Borden	M	66-70	38:11
Wyatt Brescoe	M	51-55	54:13
Rita Carson	F	51-55	35:33
Scott Davidson	M	71-75	46:12
Hank Dresdale	M	71-75	42:42
Dario Gavino	M	45-50	34:17
Sergio Giordano	M	61-65	39:42
Len Jacobs	M	81+	56:15
Gary Marsden	M	71-75	41:02
Sandy Reimer	M	66-70	48:26
Gerry Smith	M	66-70	1:17:12

Appendix I Project two constructs and informant demographics

Age Groups & Number of informants	Age = 46 - 50	Age = 51 - 55	Age = 56 - 60	Age = 61 - 65	Age = 66 - 70	Age = 71 - 75	Age = 76 - 80	Age = 81 +	Gender = Male	Gender = Female
	2	2	0	1	4	4	0	3	14	2
Construct / concept of interest										
Exchange	2	2	0	1	4	4	0	3	14	2
Peer and community relationships (and exchange systems)	2	2	0	1	4	4	0	3	14	2
Reciprocity (and reciprocal exchange)	2	2	0	1	4	4	0	3	14	2
Norms and culture	2	2	0	1	4	4	0	3	14	2
Altruism	2	1	0	1	4	4	0	2	13	1
Self-interest	2	1	0	1	3	3	0	3	13	0
Socialization	1	2	0	1	4	4	0	3	13	2
Value creation	2	2	0	1	4	4	0	3	14	2
Cocreated Value	2	2	0	1	4	2	0	2	11	2
Symbolic utility (non-utilitarian)	2	2	0	1	4	4	0	3	14	2
Tangible utility (utilitarian)	2	2	0	1	4	4	0	3	14	2

Appendix J Project two initial constructs and constructs of interest

Initial constructs of interest	Sources	References
Exchange	16	151
Peer and community relationships (and exchange systems)	16	147
Reciprocity (and reciprocal exchange)	16	175
Norms and culture	16	149
Altruism	14	32
Self-interest	13	47
Socialization	15	50
Value creation	16	131
Cocreated value	13	57
Utility	7	59
Symbolic (non-utilitarian)	16	73
Tangible (utilitarian)	16	103

Appendix K Project three informant summary report

Please note: pseudonyms are used to protect the identity of the informants.

Nickname	Gender (M/F)	Elapse (Min.)
Dale Jefferson	M	59:41:00
Garth Thomas	M	49:05:00
Doug Allen	M	61:00:31
Gladys Deacon	F	52:05:00
Trevor Robertson	M	42:59:00
Mark Patterson	M	41:48:00
Bruce Chisholm	M	37:34:00
Harriet Lester	F	63:37:00
Gord Kerry	M	60:44:00
Sandra Mooney	F	52:31:00
Ollie Newman	M	64:28:00
Barry Doons	M	65:35:00
Barbara Meester	F	49:52:00
Ronald Stephenson	M	56:33:00
Sherry Preston	F	65:16:00
Maurice Drake	M	54:56:00
TOTAL MINUTES		877:44:31
TOTAL HOURS		14:37:45
AVERAGE LENGTH		54:51:32

References

- Adloff, F., & Mau, S. (2006). Giving social ties, reciprocity in modern society. *Archives Europeennes De Sociologie/European Journal of Sociology*, 47(1), 93-123.
- Alderson, W. (1957). *Marketing behavior and executive action*. Homewood, IL.: Richard D. Irwin, Inc.
- Anderson, E. W., Fornell, C., & Lehmann, D. R. (1994). Customer satisfaction, market share and profitability: Findings from Sweden. *Journal of Marketing*, 58(July), 53-66.
- Arnett, D. B., German, S. D., & Hunt, S. D. (2003). The identity salience model of relationship marketing success: The case of nonprofit marketing. *Journal of Marketing*, 67(2), 89.
- Baines, P., & Chansarkar, B. (2002). *Introducing marketing research*. Chichester, UK: John Wiley & Sons Ltd.
- Barman, E. (2007). An institutional approach to donor control: From dyadic ties to a field-level analysis. *The American Journal of Sociology*, 112(5), 1416.
- Barman, E. (2008). With strings attached: Nonprofits and the adoption of donor choice. *Nonprofit and Voluntary Sector Quarterly*, 37(1), 39-56.
- Belk, R. W., & Coon, G. S. (1993). Gift giving as agapic love: An alternative to the exchange paradigm based on dating experiences. *The Journal of Consumer Research*, 20(3), 393-417.
- Berry, L. L. (1983). Relationship marketing. In L. L. Berry, G. L. Shostack & G. Upah (Eds.), *Emerging perspectives on services marketing* (pp. 25-26). Chicago, IL: American Marketing Association.
- Bertaux, D., & Kohli, M. (1984). The life story approach: A continental view. *Annual Review of Sociology*, 10, 215-237.
- Blau, P. (1968). Interaction: Social exchange. *International Encyclopedia of the Social Sciences*, 7, 452-458.
- Blau, P. (1964). *Exchange and power in social life*. New York: John Wiley & Sons Inc.
- Bourdieu, P. (1983). Ökonomisches kapital, kulturelles kapital, soziales kapital. In Reinhard Kreckel (Ed.), *Soziale ungleichheiten (soziale welt, sonderheft 2)* (Richard Nice Trans.). (pp. 183-198). Goettingen: Otto Scharzt & Co.

- Brison, J. (2005). *Rockefeller, Carnegie, and Canada: American philanthropy and the arts and letters in Canada*. Kingston, ON: McGill-Queen's University Press.
- Brooks, A. (2007). Does giving make us prosperous? *Journal of Economics and Finance*, 31(3), 403-411.
- Brown, S. (1985). AMA board approves new marketing definition. *Marketing News*, 1.
- Brown, E., & Ferris, J. M. (2007). Social capital and philanthropy: An analysis of the impact of social capital on individual giving and volunteering. *Nonprofit and Voluntary Sector Quarterly*, 36(1), 85.
- Coviello, N. E., Brodie, R. J., Danaher, P. J., & Johnston, W., J. (2002). How firms relate to their markets: An empirical examination of contemporary marketing practices. *Journal of Marketing*, 66(July), 33-46.
- Ealy, L. T., & Ealy, S. D. (2006). Progressivism and philanthropy. *The Good Society*, 15(1), 35-42.
- Frank, R. (1996). Motivation, cognition, and charitable giving. In J. B. Schneewind (Ed.), *Giving: Western ideas of philanthropy* (pp. 130). Bloomington and Indianapolis: Indiana University Press.
- Frumkin, P. (2006). *Strategic giving: The art and science of philanthropy*. Chicago, IL: University of Chicago Press.
- Gerard-Varet, L. -, Kolm, S. -, & Ythier, J. M. (Eds.). (2000). *The economics of reciprocity, giving and altruism*. Great Britain: Macmillan Press Ltd.
- Giesler, M. (2006). Consumer gift systems. *Journal of Consumer Research*, 33, 283-290.
- Grönroos, C. (1994). From marketing mix to relationship marketing: A customer relationship management approach. *Management Decision*, 32(2), 4-32.
- Grönroos, C. (2000). *Service management and marketing: A customer relationship management approach*. West Sussex, UK: John Wiley & Sons Ltd.
- Guilhot, N. (2007). Reforming the world: George Soros, global capitalism and the philanthropic management of the social sciences. *Critical Sociology*, 33, 447-477.
- Gummesson, E. (1994). Broadening and specifying relationship marketing. *Australasian Marketing Journal*, 2(1), 31-43.
- Gummesson, E. (2008). Extending the service-dominant logic: From customer centricity to balanced centricity. *Academy of Marketing Science Journal*, 36(1), 15.

- Gummesson, E. (2002). Relationship marketing and a new economy: It's time for de-programming. *The Journal of Services Marketing*, 16(7), 585.
- Gummesson, E. (2004). Return on relationships (ROR): The value of relationship marketing and CRM in business-to-business contexts. *The Journal of Business & Industrial Marketing*, 19(2), 136.
- Guy, B. A., & Patton, W. E. (1988). The marketing of altruistic causes: Understanding why people help. *The Journal of Services Marketing*, 2(1), 5-18.
- Haeckel, S. H. (1999). *Adaptive enterprise: Creating and leading sense-and-respond organizations*. Boston, MA: Harvard Business Press.
- Hamer, J. (2007). English and American giving: Past and future imaginings. *History and Anthropology*, 18(4), 443-457.
- Handy, F. (2000). How we beg: The analysis of direct mail appeals. *Nonprofit and Voluntary Sector Quarterly*, 29(3), 439-454.
- Harbaugh, W. (1998). The prestige motive for making charitable transfers. *American Economics Review Papers and Proceedings*, 88(2), 277-282.
- Hecht, B. (2008). Wholesaling social change: Philanthropy's strategic inflection point. *Nonprofit and Voluntary Sector Quarterly*, 37(1), 163.
- Hibbert, S., & Horne, S. (1996). Giving to charity: Questioning the donor decision process. *Journal of Consumer Marketing*, 13(2), 4-13.
- Hirschman, E. C. (1987). People as products - analysis of a complex marketing exchange. *Journal of Marketing*, 51(1), 98-108.
- Homans, G. C. (1958). Social behavior as exchange. *The American Journal of Sociology*, 63(6, Emile Durkheim-Georg Simmel, 1858-1958), 597-606.
- Homans, G. C. (1961). *Social behavior*. New York: Harcourt, Brace and World.
- Houston, F. S., & Gassenheimer, J. B. (1987). Marketing and exchange. *Journal of Marketing*, 51(4), 3-18.
- Hunt, S. D. (1976). The nature and scope of marketing. *Journal of Marketing*, 40(3), 17-28.
- Iansiti, M., & Levien, R. (2004). *The keystone advantage: What the new dynamics of business ecosystems mean for strategy, innovation, and sustainability*. Boston, MA: Harvard Business Press.

- Influence. In Oxford Dictionaries Online. Retrieved September 3, 2010, from oxforddictionaries.com,
- Izquierdo, C. C., Cillán, J. G., & Gutiérrez, S. S. M. (2005). The impact of customer relationship marketing on the firm performance: A Spanish case. *The Journal of Services Marketing*, 19(4), 234.
- Johnson, M. D., Herrmann, A., & Huber, F. (2006). The evolution of loyalty intentions. *Journal of Marketing*, 70, 122-132.
- Katz, S. N. (1999). Where did the serious study of philanthropy come from, anyway? *Nonprofit and Voluntary Sector Quarterly*, 28(1), 74-82.
- Kolm, S. -. (2000). Introduction. In L. -. Gerard-Varet, S. -. Kolm & J. M. Ythier (Eds.), *The economics of reciprocity, giving and altruism* (pp. 1). Great Britain: Macmillan Press Ltd.
- Komter, A. (2007). Gifts and social relations: The mechanisms of reciprocity. *International Sociology*, 22(1), 93-107.
- Kotler, P. (1984). *Marketing essentials*. Englewood Cliffs, NJ: Prentice-Hall Inc.
- Leavy, B., & Moitra, D. (2006). The practice of co-creating unique value with customers: An interview with C.K. Prahalad. *Strategy & Leadership*, 34(2), 4.
- Lévi-Strauss, C. (1996). The principle of reciprocity (orig. pub. 1949.). In A. Komter (Ed.), *The gift: An interdisciplinary perspective* Amsterdam: Amsterdam University Press.
- Lindahl, W. E., & Conley, A. T. (2002). Literature review: Philanthropic fundraising. *Nonprofit and Voluntary Sector Quarterly*, 13(1), 91-112.
- Lowrey, T. M., Otnes, C. C., & Ruth, J. A. (2004). Social influences on dyadic giving over time: A taxonomy from the giver's perspective. *Journal of Consumer Research*, 30(4), 547.
- Lusch, R. F., & Vargo, S. L. (Eds.). (2006a). *The service-dominant logic of marketing: Dialog, debate, and directions*. Armonk, NY: M.E. Sharpe, Inc.
- Lusch, R. F., & Vargo, S. L. (2006b). Service-dominant logic: Reactions, reflections and refinements. *Marketing Theory*, 6(3), 281.
- Lusch, R. F., Vargo, S. L., & Malter, A. J. (2006). Marketing as service-exchange: Taking a leadership role in global marketing management. *Organizational Dynamics*, 35(3), 264.

- Lusch, R. F., Vargo, S. L., & Tanniru, M. (2010). Service, value networks and learning. *Academy of Marketing Science Journal*, 38(1), 19.
- Maklan, S., & Knox, S. (2009). Dynamic capabilities: The missing link in CRM investments. *European Journal of Marketing*, 43(11/12), 1392-1410.
- Maklan, S., Knox, S., & Ryals, L. (2008). New trends in innovation and customer relationship management: A challenge for market researchers. *International Journal of Market Research*, 50(2), 221.
- Mascarenhas, O. A., Kesavan, R., & Bernacchi, M. (2004). Customer value-chain involvement for co-creating customer delight. *The Journal of Consumer Marketing*, 21(7), 486.
- Mattsson, L. -. (1997). 'Relationship marketing' and the 'markets-as-networks approach' -- a comparative analysis of two evolving streams of research. *Journal of Marketing Management*, 13, 447-461.
- Mauss, M. (1950). *The gift: The form and reason for exchange in archaic societies* [Essai sur le Don] (W. D. Halls Trans.). Great Britain: Routledge.
- McCracken, G. (1988). *The long interview (qualitative research methods series, no. 13)*. Thousand Oaks, CA: Sage.
- Mizik, N., & Jacobson, R. (2003). Trading off between value creation and value appropriation: The financial implications of shifts in strategic emphasis. *Journal of Marketing*, 67(January), 63-76.
- Morgan, G. (Ed.). (1983). *Beyond method: Strategies for social research*. Newbury Park, CA: Sage Publications, Inc.
- Morgan, R. M., & Hunt, S. D. (1994). The commitment trust theory of relationship marketing. *Journal of Marketing*, 58(July), 20-38.
- Normann, R., & Ramirez, R. (1993). From value chain to value constellation: Designing interactive strategy. *Harvard Business Review*, 71, 65-77.
- Ostrander, S. A. (2007). The growth of donor control: Revisiting the social relations of philanthropy. *Nonprofit and Voluntary Sector Quarterly*, 36(2), 356.
- Ostrower, F. (1997). *Why the wealthy give: The culture of elite philanthropy*. Princeton, NJ: Princeton University Press.
- Palmatier, R. W. (2008). *Relationship marketing*. Cambridge, MA: Marketing Science Institute.

- Panas, J. (1984). *Megagifts: Who gives them, who gets them*. Chicago, IL: Pluribus Press.
- Payne, A., & Frow, P. (2005). A strategic framework for customer relationship management. *Journal of Marketing*, 69(October), 167-176.
- Philanthropy. In Merriam-Webster Online Dictionary. Retrieved on September 3, 2008 from merriam-webster.com.
- Prahalad, C. K., & Ramaswamy, V. (2004a). Co-creation experiences: The next practice in value creation. *Journal of Interactive Marketing*, 18(Summer), 5-13.
- Prahalad, C. K., & Ramaswamy, V. (2004b). *The future of competition: Co-creating unique value with customers*. Boston, MA: Harvard Business School Press.
- Prahalad, C. K., & Krishnan, M. S. (2008). *The new age of innovation: Driving cocreated value through global networks*. New York, NY: McGraw-Hill.
- Radley, A., & Kennedy, M. (1995). Charitable giving by individuals: A study of attitudes and practice. *Human Relations*, 48(6), 685-709.
- Ramaswamy, V. (2008). Co-creating value through customers' experiences: The Nike case. *Strategy & Leadership*, 36(5), 9.
- Ravald, A., & Grönroos, C. (1996). The value concept and relationship marketing. *European Journal of Marketing*, 30(2), 19-30.
- Ryan, G. W., & Russel, B. H. (2000). Data management and analysis methods. In N. K. Denzin, & Y. S. Lincoln (Eds.), *Handbook of qualitative research* (2nd ed., pp. 1232). Thousand Oaks, CA: Sage Publications, Inc.
- Salamon, L. M. (1992). *America's nonprofit sector: A primer*. New York: Foundation Center.
- Sargeant, A., West, D. C., & Ford, J. B. (2004). Does perception matter?: An empirical analysis of donor behaviour. *The Service Industries Journal*, 24(6), 19-26.
- Sargeant, A., & Woodliffe, L. (2007). Gift giving: An interdisciplinary review. *International Journal of Nonprofit & Voluntary Sector Marketing*, 12(4), 275-307.
- Schervish, P. G. (1998). Philanthropy. In R. Wuthnow (Ed.), *Encyclopedia of politics and religions* (pp. 600-603). Washington, DC: Congressional Quarterly.
- Schervish, P. G. (2006). The moral biography of wealth. Philosophical reflections on the foundation of philanthropy. *Nonprofit and Voluntary Sector Quarterly*, 35(3), 477-492.

- Sherry, J. F., Jr. (1983). Gift giving in anthropological perspective. *The Journal of Consumer Research*, 10(2), 157-168.
- Sheth, J. N., & Uslay, C. (2007). Implications of the revised definition of marketing: From exchange to value creation. *Journal of Public Policy & Marketing*, 26(2), 302.
- Simonson, I. (2005). Determinants of customers' responses to customized offers: Conceptual framework and research propositions. *Journal of Marketing*, 69(January), 32-45.
- Singleton, R. A. J., & Straits, B. C. (2005). *Approaches to social research* (4th ed.). New York, NY: Oxford University Press.
- Slater, S. F., & Narver, J. C. (1995). Market orientation and the learning organization. *Journal of Marketing*, 59(July), 63-74.
- Statistics Canada (2009). Caring Canadians, involved Canadians: Highlights from the 2007 Canada survey of giving, volunteering and participating. Catalogue no. 71-542-XPE. Ottawa, ON: Ministry of Industry.
- Sulek, M. (2010a). On the classical meaning of philanthropy. *Nonprofit and Voluntary Sector Quarterly*, 39(3), 385-408.
- Sulek, M. (2010b). On the modern meaning of philanthropy. *Nonprofit and Voluntary Sector Quarterly*, 39(2), 193-212.
- Tedlock, B. (2000). Ethnography and ethnographic representation. In N. K. Denzin, & Y. S. Lincoln (Eds.), *Handbook of qualitative research* (2nd ed. ed., pp. 1232). Thousand Oaks, CA: Sage Publications, Inc.
- Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a methodology for developing evidence-informed management knowledge by means of systematic review. *British Journal of Management*, 14(3), 207.
- Trollope, A. (2006). *The duke's children (1880)*. London, UK: Penguin Classic.
- Vargo, S. L. (2009). Toward a transcending conceptualization of relationship: A service-dominant logic perspective. *The Journal of Business & Industrial Marketing*, 24(5/6), 373.
- Vargo, S. L., & Lusch, R. F. (2004a). Evolving to a new dominant logic for marketing. *Journal of Marketing*, 68(1), 1.

- Vargo, S. L., & Lusch, R. F. (2004b). The four service marketing myths: Remnants of a goods-based, manufacturing model. *Journal of Service Research : JSR*, 6(4), 324-335.
- Vargo, S. L., & Lusch, R. F. (2008a). From goods to service(s): Divergences and convergences of logics. *Industrial Marketing Management*, 37(3), 254.
- Vargo, S. L., & Lusch, R. F. (2008b). Service-dominant logic: Continuing the evolution. *Academy of Marketing Science Journal*, 36(1), 1.
- Vargo, S. L., Maglio, P. P., & Akaka, M. A. (2008). On value and value co-creation: A service systems and service logic perspective. *European Management Journal*, 26(3), 145.
- von Mises, L. (1949). *Human action: A treatise on economics*. New Haven: Yale University Press.
- Weinbren, D. (2006). The Good Samaritan, friendly societies and the gift economy. *Social History*, 31(3), 319-336.