



Merchandise – Protestant Agency for Diakonie and Development

EWDE's sale and distribution of branded products

Summary

The German umbrella 'Protestant Agency for Diakonie and Development' (EWDE, Evangelisches Werk für Diakonie und Entwicklung) maintains a unit for the sale and distribution of branded products of 'Diakonie Deutschland', its national social welfare organisation, 'Diakonie Katastrophenhilfe' (DKH), Diakonie's emergency aid programme, and 'Brot für die Welt' (BfdW, Bread for the World), EWDE's development and relief agency, as well as some external clients. With the sale and distribution of products, it is functionally located at the interface of public relations and fundraising. This double role of the unit makes it worthwhile to maintain despite its limited scope of immediate fund acquisition.

EWDE's sales and distribution unit of the umbrella agency was not established as such, but has developed out of a campaign mailings service: Formerly, its purpose was to distribute information and advertising material to church communities, parishes and subsidiary organisations. The first branded product that was sold around 20 years ago and has remained to be the flagship product, is the popular wall calendar of BfdW. Because the unit had the wider structures ready to distribute material nationwide, it was the one most apt for selling the calendar all over Germany. Over time, other products have been added to the portfolio, which nowadays, is quite broad and offered in catalogues and online shops. Today, the unit, next to donation marketing and fundraising, fulfils the function to make people aware of the brands and strengthen them. "We hope that our products are perceived positively and thus help create a positive image of the brand", explains Mr. Bartels, head of sales and distribution at EWDE.

Strengthening brands as a basis for successful fundraising

The unit tries to make a profit but, due to the nature of its service, does not always achieve this: only 20-25% of the products are distributed against a cost, which means that most of the products, sent out free of charge, incur costs but generate no immediate returns. Especially the production and distribution of such materials as campaign posters, brochures or donation bags, sent out all over Germany every year without charge, take up a lot of resources and effort. They contribute to driving donations rather than directly generating an income. For payable products, the pricing is done in a cost-covering manner. The organisation tries to keep prices low so as to ensure that products match the organisation's image and to increase their reach on the national market.



The annual turnover of all branded products together of 650,000 euros thus has to be seen in the light of a service that is much broader than direct profit generation. The financial maintenance of the unit itself is covered by an internal resource related billing system: for the distribution of a product, the commissioning organisations pay a fee to it, with the rate depending on the associated expenses and efforts. The budget therefore varies from year to year. If a surplus is generated, the funds are added to the donation-based general budget

of the organisations, because on the national scale, on which the umbrella organisation's unit operates, tying products to a specific activity or project would increase their cost. While many regional organisations sell products on the regional and local markets successfully, scaling up such efforts to a nationwide distribution would make it necessary for these products to be more competitive, which usually, is difficult to achieve.



Accessing the national market

The major challenge faced in the sale of branded charity products is the confined market for these. BfdW, for example, is a popular brand with a very positive and appealing brand image. The products have a group of enthusiastic supporters who buy them with the idea of contributing to 'saving the world'. However, to market the products to the general public and access the broader market beyond the sphere of the church is difficult since there is a lot of competition and sometimes envy from other charity organisations. For Diakonie products, in turn, the market is confined because the brand is not as well-known. Diakonie's organisational structure is diverse and its identity is not as clear to the public. Mr Bartels points out that "as a brand, Diakonie conveys the picture of 'serving one's neighbour' – also a high moral value, but one that has less drawing power than that of BfdW". He concludes that overall, there are few possibilities to extend the markets for the organisations' branded products. An exception are organic and fair trade products, for which he sees a growing demand that BfdW, with its work around sustainable production conditions thematically matching these, could possibly exploit further.

The double role of the sale and distribution of branded products contributing to the organisations' public relations as well as their fundraising efforts makes it possible to further maintain them, despite the rather limited profit generated directly through them. Mr. Bartels believes that, without the function of distributing campaign material, it would probably not be worthwhile to keep up such a structure. Therefore, he recommends that only organisations of a certain size and reach in terms of possible markets engage in the sale and distribution of branded products at that scale.

Further information:

Diakonie Germany: <http://www.diakonie.de/the-social-welfare-organisation-of-the-protestant-church-in-9306.html>

Diakonie Katastrophenhilfe: <http://www.diakonie-katastrophenhilfe.de/english.html>

Brot für die Welt: <http://www.brot-fuer-die-welt.de/en/bread-for-the-world.html>

Diakonie online shop (in German): <https://diakonie-webshop.de/>

Diakonie Katastrophenhilfe online shop (in German): <http://www.diakonie-katastrophenhilfe.de/shop/index.php>

Brot für die Welt online shop (in German): <https://www.brot-fuer-die-welt.de/shop/>

Contact:

Peter Bartels
Head of Sales and Distribution
Evangelisches Werk für Diakonie und Entwicklung
Karlsruherstr. 11
70771 Echterdingen
Germany
Tel: +49 711 2159-751
bartels@diakonie.de