

potentially unsafe donations. Additionally, while the ARC was aware of these problems, the organization repeatedly failed to investigate the consequences of its mistakes.

Part of the problem is the size of the American Red Cross' blood donation program. The system is comprised of 36 regions with five testing laboratories, making internal communication difficult. The ARC is in the process of developing a comprehensive database to track donations, but the project is severely over budget. The high employee turnover rate and low wages also make it difficult for the organization to properly train its employees on how to screen donors and collect donations.

MARKETING CHALLENGES AT THE RED CROSS

After much bad press, the American Red Cross faces many challenges in marketing itself as an ethical and transparent nonprofit organization. The ARC must effectively reduce perceived risk associated with donations and must carefully choose partnerships with private corporations that will continue to encourage blood donations. The organization must also effectively handle any lawsuits that might damage its reputation. Lastly, the ARC must focus on marketing the positive impacts the organization has on society, including the vital role it plays in disaster relief. These marketing efforts will ideally translate into increased positive exposure and enhanced support for the organization.

Perceived Risks of Charitable Giving

Unfortunately for the ARC, many donors have been put off by the numerous reports of fraudulent use of donations. They question whether the funds will be used properly. In addition, the number of nonprofit charities searching for donor funds has increased dramatically in the past twenty years. There are more than 1 million charities in the United States, a 59 percent increase in the last decade alone. This growth obviously increases competition for charitable donations, especially in tough economic times. In order to maintain a strong donor base and continue to increase donations, the ARC must increase transparency to assure donors that their money is being used responsibly.

"The ARC must increase transparency to assure donors that their money is being used responsibly."

Partnerships in Marketing

In 2004 the ARC joined in a unique marketing partnership with the independent film studio Lionsgate to comarket the release of a horror film entitled *Saw IV* while promoting blood collection services. The *Saw* "Give 'Till It Hurts" blood drive was a key element of the marketing campaign for the fourth installment of the most successful horror franchise of all time. Due in large part to promotions like the *Saw* blood drive in 2004, blood donations increased from 4,200 pints to 41,000 pints by 2007. In 2008 the *Saw* franchise again held a nationwide blood drive to draw attention to the release of *Saw V*. These marketing efforts benefitted both the film producers and the ARC. Many marketers believe that this sort of age-specific marketing strategy, accompanied by word-of-mouth advertising, is the best way to reach a new pool of potential volunteers.