
Philanthropy in the Millennial Age

Trends toward Polycentric Personalized Philanthropy

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In democratic societies, the voluntary sector plays an important role in the arena for civic participation. Besides facilitating mutual aid and charitable provision, voluntary associations and nonprofit organizations have also served as “schools of citizenship” and social bonding. As the millennial generation comes to maturity, however, philanthropy will be increasingly shaped by the values of the first generation formed by participation in the global digital social world. Millennials have been accused recently of “slacktivism,” a common descriptor of millennials taking action for a social cause often on social media, which requires little effort and generates little support for that social cause or nonprofit (Miller 2017). Nevertheless, the millennial story is more complex. Through its engagement in coproducing brands and consumer experiences, the millennial generation has the potential to positively shape philanthropy and to create more meaningful forms of civic participation conducive to the health of free and democratic societies.

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The concept of coproduction is not new for those involved in the public and nonprofit sectors. Roger Parks and his colleagues described the concept of coproduction as having “captured increased attention as a potential means of increasing the effectiveness and efficiency of local government” (1981, 1001). Consumers of public services, whether provided by government or nonprofits, are often considered to be coproducers of those services (Brandsen and Pestoff 2006; Pestoff, Osborne, and Brandsen 2006). Although the concept of coproduction has not changed, the technological advances that have shaped the millennial generation have increased the role of coproduction in nonprofits’ integrated marketing communications (IMC) efforts and turned toward a more nuanced peer-production model. As a consequence, brand promotion is increasingly peer produced and shared between a nonprofit organization and its donors, supporters, and even the users of its services (Booth and Matic 2011).

Just as for-profit enterprises must market their products and brand to potential customers, so too must nonprofit organizations market themselves to potential donors. Demographic trends are quickly presenting the millennial generation as the largest pool of potential donors for philanthropic organizations. In this paper, the literature on consumer marketing is adapted to the millennial generation in the context of the nonprofit sector. We argue that millennials are not lacking in public spirit and that their preference for decentralized and personalized¹ interactions requires a different approach to engaging them in the peer production of philanthropy marketing. Drawing upon recent literature exploring polycentric governance, coproduction, and emergent orders, we demonstrate that the organizations that will effectively reach the millennial market are those that adopt more polycentric and personalized approaches to their IMC efforts. This approach provides millennials with their desired level of participation, which results in increased peer production of their philanthropic experience.

Social Media: Polycentrism between the Commons and Coproduction

According to Michael Polanyi (1951), polycentricity can be defined as a structural attribute of social systems possessing numerous decision centers that have autonomous and limited prerogatives and operate within a set of overarching rules. The logical structure of polycentricity involves multiple decision centers and spontaneous order (Aligica and Tarko 2012).

In recent years, social media have emerged as a new public square within which polycentric organization is a natural feature. Social media sites, including Facebook, now have more than 2 billion users. Although social media platforms, such as Facebook, Twitter, Instagram, and Snapchat, are owned by various technology entrepreneurs,

1. We consider *personalization* an encompassing term that includes traditional forms of personalization in marketing communication and hyper-personalized communication that is the norm in digital environments (Pang et al. 2018).

their general appeal is that they provide an open-access common environment for individuals to interact with the social network that each site facilitates. Although social networking sites provide a forum with open access and endeavor to maintain an environment of relative free speech, it is also important to remember that they are privately owned, and in certain cases when individuals violate established community norms or policy, they can face restrictions or punitive actions from the social media platform. For instance, Facebook enforces guidelines that it refers to as its “community standards” (Facebook 2018). However, restrictions are open to appeal from the community, and some decisions have been reversed due to protests (Dwoskin and Jan 2018).

According to Robert Axelrod (2010), Elinor Ostrom’s (1990) work provides four key insights into the governance of social and web media.² First, governance by social media network users can be assisted through explicit regulations regarding actions that are permitted or prohibited. Ostrom’s work further implies that analogous rules can assist the common interest in the network’s security and reliability. Second, as with the Internet, monitoring of a social network is easily done by its members, who benefit from its norms and security. Through these efforts, common trust in the network can be enhanced. Third, in large and complex networks, there are nested layers. In social media’s case, individual users or philanthropists operate at a lower level, the nonprofits and other organizations operate at a middle level, and the social media site operates at the highest level in providing some general guidelines, as in Facebook’s community standards. In social media, every network, whether a private individual’s network or a nonprofit organization’s network, provides norms for its own members and is best at reinforcing these norms. Fourth, organizations, such as nonprofits, often take decades of trial and error to develop. These organizations need to be able to adapt quickly to problems and issues as they arise and evolve rapidly (Axelrod 2010).

Social media promotion has several properties that make it similar to the knowledge commons described by Charlotte Hess and Elinor Ostrom (2007). To elucidate the problems unique to the study of knowledge and information, compared to the more concrete situations where the two-way distinction between resource unit and resource system is adequate, Hess and Ostrom (2003) identify a three-way distinction in the biophysical characteristics of distributed digital information: the *artifact*, the *facility*, and *ideas*.

“An *artifact* is a discreet, observable, nameable representation of an idea or set of ideas” (Hess and Ostrom 2003, 129). In the context of online social media promotion, the artifacts include videos posted to YouTube, photos posted to Snapchat, short messages sent on Twitter, comments and reviews shared on Facebook, and so on. *Artifacts* are the individual communications that represent the flow from an information

2. Robert Axelrod (2010) lists six insights from Ostrom’s work on common-pool resources to the Internet. We highlight those four that are most pertinent to the application of the common-pool-resource model to networks on social media.

facility. Due to the digital nature of these artifacts, exclusion is complex, and the artifacts are quite durable.

“A *facility* stores artifacts and makes them available” (Hess and Ostrom 2003, 129). The *facility* is the resource system for the storage and distribution of artifacts. The facilities of social media promotion are the Internet and the software, programs, and applications that join users together.

The *ideas* are the intangible content and knowledge an artifact represents. Many artifacts can represent one idea. Use of *ideas* are nonrival, yet some people can be excluded from an idea when it is not shared and instead remains private.

At the core of Hess and Ostrom’s (2007) description of the knowledge commons is the goal of advancing scientific knowledge through the sharing of academic information and research. The goal of social media promotion is different, yet the exogenous biophysical characteristics of distributed digital information is the same. Thus, adoption of the Institutional Analysis and Development (IAD) framework can be of use to analyze social media promotion. Inside this framework, institutions are the formal and informal rules that are understood and used by the community engaging in social media promotion. They form the rules-in-use that dictate the conduct of actors in the community.

Along with biophysical attributes and rules-in-use, the attributes of the community contributing to and managing the resource also serve as an exogenous variable in the IAD framework. Attributes of the community include the *users*, the *providers*, and the *policy makers*. The *users* of social media promotion are the receivers of information and messages sent out via social media. The *providers* include the nonprofit (or for-profit) organizations seeking promotion, the creators of promotional messaging, and the digital platforms that providers make use of, such as Facebook, Twitter, and so on. The *policy makers* are those who govern the institutions and rules.

These three categories of exogenous variables together influence the action arena in which participants make decisions that result in patterns of interactions and outcomes. According to Hess and Ostrom (2007), you can enter your analysis at any of three main clusters of variables in the IAD. They suggest that it makes sense to begin an analysis at the action arena when trying to establish a new form of commons, such as the social media promotion commons we are interested in here. The outcome arena is also of critical import as the nonprofit community seeks to exploit and nurture the social media promotion commons to understand why some actors in the community contribute to positive promotion (propagation of the commons) and others create negative promotion (pollution of the commons).

The governance of social media networks has little influence on specific promotional and word-of-mouth initiatives. The highly decentralized nature of social media communications makes the enforcement of any community norms for promotional and word-of-mouth activities difficult if not impossible. The exception is that much word-of-mouth operates on a strict norm of reciprocity: “*You scratch my back, and I’ll scratch yours*” translates into “*You like (share) my post, and I’ll like (share) yours.*”

The very limited ways in which promotional activity falls under any governance structure beyond those imposed by the various social media outlets limits the utility of the framework, leading us to conclude that the commons framework, although enlightening, isn't entirely the best one to describe the nature of social media promotion and word-of-mouth initiatives.

The concept of coproduction arose from the idea that both the consumption and production of public services can require the participation of citizens (Ostrom and Ostrom 1977; Alford 2014). The citizen as coproducer transforms his or her role in society from passive recipient of public services to active participant in the joint solving of social problems. The citizen as coproducer complements the millennial social entrepreneurship trend (Martin and Osberg 2007). As a consequence, citizens contribute additional resources in the form of time, expertise, and effort to achieve a goal. However, in the process of coproduction, they manage additional risk and share greater responsibility in return for more control over resources and decision-making power (Horne and Shirley 2009; Linders 2012).

Elinor Ostrom describes coproduction as “the process through which inputs to produce a good or service are contributed by individuals who are not ‘in’ the same organization” (1996, 1073). Ostrom’s description allows for the usual model whereby the user of a service, the client, is a coproducer, thus opening the door for citizens to “play an active role in producing public goods and services of consequence to them” (1996, 1073). Coproduction can be applied not only to the provision of services by nonprofits (Verschuere, Brandsen, and Pestoff 2012) but also to the nonprofits’ promotional activities, including IMC efforts as they relate to informing potential clients about services but even more so as they relate to fund-raising and donor relations.

Before the Internet era, the nonprofit’s (and even the for-profit’s) promotional activities could be controlled by the nonprofit because it took place primarily through mass-mediated communications of the nonprofit’s own design, direct communications through the postal service, and organized events. However, the modern age of the Internet and social media have changed the paradigm. No longer is promotion produced centrally. Rather, it manifests organically through social media networks, facilitating a two-way communication process that enables coproduction. The nonprofits’ coproduced promotional communications emerge naturally through collaborative efforts involving the nonprofit, the clients it serves, the donors who fund it, and those who are completely external yet still participate in the social media dialogue regarding promotion.

Coproduction is central to the emergence of social media. Before Web 2.0, the ability to disseminate information on the Internet was limited to a few people with high-level computer-programming skills. Social media platforms now allow individuals to participate in philanthropy in ways that they were not been able to previously. Through the advances in social media technology, nonprofit groups can treat their supporters more like partners, expanding the role of benefactor or volunteer to the role of advocate

or activist as individuals work more deeply with the philanthropy to coproduce its mission and its image through social media. Coproduction can facilitate a more polycentric nonprofit by allowing additional centers for organization and activism. Brands, even nonprofit brands, are not created by the organization alone. Because of social media, private individuals can influence an audience's perception of a nonprofit's brand.

The appropriate lens for examining social media promotion is the notion of commons-based peer production introduced by Yochai Benkler (2006). The Internet revolution has sparked a level of interconnectedness that would have been impossible to imagine earlier. This newfound interconnectedness and networked aspect of society fueled by social media have further served to spark new forms of "nonmarket and nonproprietary production, both by individuals alone and by cooperative efforts in a wide range of loosely or tightly woven collaborations" (Benkler 2006, 2).

The commons-based peer-production model combines the needed elements of the commons and coproduction into one framework that adequately describes social media promotion. Commons-based production is characterized by "the freedom to interact with resources and projects without seeking anyone's permission" (Benkler 2006, 62). The inputs and outputs of commons-based production are shared and are equally available to be used by anyone however the individual chooses.

Peer production is a refinement of commons-based production that further imposes that production be decentralized and self-selected. "Its primary attribute is the separation of the locus of opportunities for action from the authority to choose the action that the agent will undertake" (Benkler 2006, 62). Peer production is a form of coproduction in which the division between client and provider is eliminated. Although clients in a health-care system can be considered coproducers of health outcomes along with health-care workers, this example cannot be described as peer production for two reasons: the set of opportunities available for action depends on each side's action choices, and each side does not have equal authority for actions. Such is the nature of the coproduction of most public services. However, the production of social media promotion fits nicely inside the confines of commons-based peer production.

The inputs to the production of social media promotion are the individual posts, likes, comments, reviews, shares, tweets, and photos of the users of social media. Message content on social media is not owned by any one individual but can be consumed by all individuals on the respective platform. These messages then combine into promotion for movements, products, organizations, firms, and nonprofits. The promotion, be it positive or negative, is the cumulative output of all the inputs combined. No single actor owns the inputs or outputs because they are a part of the public sphere. Individuals do not require permission before sharing on social media, and the promotional output is shared collectively so that the production of social media promotion clearly falls under the label *commons-based production*. Social media content is generated through a decentralized polycentric process in which each individual decides for himself or herself to participate or not, so that this content can be

characterized as peer produced. The commons-based peer-production model accurately describes the process of generating social media by word of mouth.

Benkler describes the property of modularity as “the extent to which it can be broken down into smaller components, or modules, that can be independently produced before they are assembled into a whole” (2006, 100). Highly modular production processes in which individuals can choose what their incremental contribution will be and when it will occur are well suited for success in a commons-based peer-production framework. When the modules are highly granular, requiring little time or effort, the suitability of the framework is further enhanced. “The granularity of a module sets the smallest possible individual investment necessary to participate in the project” (Benkler 2006, 101). Because social media production is high in modularity and very fine-grained, it can be feasibly produced in a decentralized system, and minimal incentive is required to induce its production. For the nonprofit, mission buy-in can be enough incentive to encourage participation.

Benkler contrasts the emergence of the networked public sphere with the traditional control of the public sphere by mass media. The “possibility of maintaining interactive conversations with large numbers of people through sites like Slashdot, the cost of being a speaker in a regional, national, or even international political conversation is several orders of magnitude lower than the cost of speaking in the mass-mediated environment” (2006, 213). Although Benkler didn’t foresee the onset of social media at the time he wrote his book, it is clear that the online social media communication innovation is consistent with his conception of networked information.

The Millennial Generation

The millennial generation, also known as Generation Y, continues to grow in influence and power. Establishing a firm age range for the millennial generation can be difficult. Because a definitive endpoint for this generation has yet to be established, the span of years that defines it remains in flux. According to the Pew Research Center, the members of the millennial generation were born between 1981 and 1996 (Fry 2018). The millennial generation is predicted to overtake the Baby Boomers in 2019 as the millennial population increases to 73 million and the Boomers dip to 72 million (Fry 2018). The largest generational cohort on record, millennials compose almost one-quarter of the U.S. population and are the largest segment in the U.S. labor force (Fry 2018). During the next decade, the millennial generation is expected to experience the most rapid increase in net wealth of any generation. However, their share of national household wealth is projected to remain less than 20 percent (Srinivas and Goradia 2016). Although their wealth will not soon exceed previous generations, millennials’ consumption habits are expected to make a significant impact. Their value-conscious consumer behavior is already altering long-established market norms (Srinivas and Goradia 2016). Millennials are the first fully digital generation and are heralded for their multitasking ability. However, they also are criticized for their lack of work ethic and the

difficulty they seem to have in fitting into organizational environments (Hartman and McCambridge 2011).

A fundamental tension exists in millennials' consumer behavior. One popular lens that marketers use to understand this generation is its use of technology. Millennials are understood as digital natives because they are the first truly digital generational cohort (Donnelly and Scaff 2013). Despite millennials' digital prowess, however, marketers wonder if they will conform to previous generations' buying norms or if they are reinventing consumer behavior (Donnelly and Scaff 2013) through their social media habits. Although their digital presence is strong, millennials also value local craftsmanship and artisanal living. In addition to a computer-mediated experience, millennials also seek a firsthand connection with the products and services they consume. They have a longing for community (Morgan and Allen 2017). When shopping, millennials expect a personalized, consumer-centric experience. They expect to be welcomed as valued customers and be courted with loyalty programs that cater to their personal needs and preferences. Millennials can be brand loyal, but they also expect organizations, including nonprofits, to work to earn that loyalty (Donnelly and Scaff 2013).

Social media use is very high among millennials. Eighty-one percent of Americans from eighteen to twenty-nine years old are on Facebook, 64 percent are on Instagram, and 40 percent are on Twitter. These percentages are significantly greater than the percentages for the average adult population, 64 percent of which are on Facebook, 35 percent on Instagram, and 24 percent on Twitter (Pew Research Center 2018). One of the primary reasons that people connect with social media is they want to find product information. For this reason, advertisers expect to spend about half of their budgets on digital channels, specifically social and mobile media (Sterling 2018). This level of spending is merited because millennials expect their digital experience to complement any in-person encounters (Donnelly and Scaff 2013).

Although millennials are known as social media natives, they use Facebook and other social media sites differently than many marketers might expect. They hold a pragmatic view of brands on social media. Millennials tend to "like" social media pages to find the best value; they want consumer reviews and discounts. Conventional wisdom asserts that there is no such thing as bad publicity. However, poor word-of-mouth reviews on social media can be very detrimental to nonprofit brands that target millennials (Donnelly and Scaff 2013). Millennials use digital media extensively to research any organization, including a nonprofit, before engaging with it in person. Negative word of mouth or a lack of social media presence might prevent millennials from engaging with a nonprofit.

Another popular issue that confronts nonprofit brands wanting to court millennials with philanthropic interests is the perceived lack of brand loyalty. Creating a firm brand relationship with millennials can be challenging, but fostering the millennials' loyalty is not impossible (Lazarevic 2012). If millennials feel that they have been treated well and have received good service, they can be extraordinarily brand loyal

(Donnelly and Scaff 2013). Treating millennial donors well usually involves providing a personalized nonprofit experience. For instance, millennials value loyalty programs and donor- or customer-focused brand experiences.

Contrary to popular belief, millennials do not depend exclusively on social and mobile media for information about brands, including nonprofit brands. They prefer a seamless and personalized integration of digital media and in-person experiences. However, the level of personal integration required to engage with millennial philanthropists and deliver a hyper-personal experience is difficult to achieve for many large organizations, including nonprofits. The large bureaucratic structure of global or national nonprofit organizations or NGOs creates difficulty when quick and personalized interaction is required. Donors (customers), in particular millennials, demand that charitable causes be culturally relevant and connected with current events. To maintain their connection with a digital audience, nonprofit organizations need to be continually developing and refining their message strategies, services, and branding based on audience feedback. Smaller and more nimble organizations have a distinct advantage given this current market dynamic (Scott 2011).

Likewise, the in-person donor (customer) experience should both complement and extend this digital trend. Millennials value quality. For entrepreneurial-minded millennials, sticking to the values of quality, localism, and social responsibility is not merely a preference. It is how they do business (Turpault 2015). Trend-setting millennials subscribe to the *glou glou* aesthetic. *Glou glou* is a term that derives from the natural-wine movement. “It is how millennials do snob” (O’Connor 2018, 43). However, within the context of marketing communications, “do[ing] snob” can also be interpreted as a generational ideal. These ideals are useful for developing personalized and aspirational nonprofit marketing.

Glou glou is a stripped-down renovation that showcases a building’s “bones.” It’s not wearing makeup and looking great, because you’re well rested and have an elaborate skin-care routine. (Natural wine, like natural beauty, requires long-term commitment. Minimalism works best when it’s minimal only on the surface.) *Glou glou* is passing a Polaroid camera around the party (then arranging the Polaroids into an artful display and photographing *that* with your iPhone). *Glou glou* is serving caviar with potato chips, as they do at Brunette, a natural-wine bar run by a married couple, designers who ditched New York City for the Hudson Valley. The tabletops are unadorned marble. The walls are whitewashed brick. (O’Connor 2018)

Millennials aspire to attain a high-end simplicity. However, this trend has inspired what one might call a generational closed loop in which millennials patronize organizations and nonprofits established by members of their own generational cohort. Millennial market values, such as making a product locally and caring for employees and the environment, are perceived as the cost of doing business (Turpault 2015). If nonprofits

want to cultivate the next generation of donors, they need to create communications campaigns that break into the generational closed loop. Personalized communications campaigns generated by polycentric or localized nonprofits are likely to resonate with millennials. Creating campaigns that are culturally relevant to millennials will be increasingly necessary to ensure a nonprofit's survival. A key way for nonprofits to succeed on these margins is to engage the millennial generation in commons-based peer production of promotional communications.

According to the Blackbaud Institute's report *The Next Generation of American Giving* (2018), the Baby Boomers remain the most generous generation. Generation X and millennials lag behind the Boomers because of their desire for more "control" over their philanthropic experiences. Previous generations were satisfied with very traditional nonprofit marketing that included traditional mass-marketing efforts and brand loyalty. However, millennials are depending more on their social networks for word-of-mouth information about philanthropy. And, following the millennials' lead, the other generations are starting to adopt the same preferences (Smith 2018).

Polycentricity and Millennial Market Values

Traditionally, an organization's marketing and branding were centrally controlled by an organization's management. Many marketers define their practice according to the four Ps of marketing developed by Jerome McCarthy: product, place, price, and promotion (Constantinides 2006). This model of marketing assumes a transactional approach instead of a relational approach to cultivating customer relationships. Because customer relationships are assumed to be transactional rather than relational, a fifth P comes into play: planning. Under the traditional marketing model followed by previous generations, the marketing efforts for an entire year are planned well in advance. The marketing communications efforts constitute a one-way process that focuses exclusively on imparting product benefits. However, more genuine customer relationships cannot be perfectly planned, tend to occur organically, and require a two-way communication process between the organization and the customers to thrive. Although the millennial generation helped generate the current relational model that embraces word of mouth and user-generated content, Boomers and Gen X are adopting the millennials' social media expectations (Schultz 2015).

Due to the millennials' social entrepreneurial spirit and appreciation of customized and community-based goods and services, a polycentric approach to marketing charitable organizations and philanthropies will be more effective at engaging this generation. A polycentric or decentralized approach is well aligned with millennials' localitarian preferences that prioritize the community and its particular needs and concerns. Polycentrism also allows for a more personalized approach to IMC efforts. The hyper-personalization and user-generated content trends in IMC are especially important on social media; millennials are digital-media natives and accustomed to highly personalized marketing from social media influencers as well as to contributing to

a brand's image on social media through comments and reviews. A polycentric approach enables the desired two-way communication process that focuses on cultivating relationships rather than a financial transaction. Polycentrism also fosters the entrepreneurial spirit that the millennial generation embraces, and it enables organic two-way communication between the organization and the donors that cultivates a more genuine relationship with the millennial audience. This organic two-way communication generates philanthropic coproduction. In addition to complementing a nonprofit's IMC efforts, a more decentralized approach may foster additional brand loyalty and repeat giving because of the increased rewards that are gleaned from perceived control and coproduction, including a potential increase in well-being, autonomy, and self-governance, all of which in turn build trust in the community. Millennial market values should create a fertile environment for the nonprofit sector and organizations that wish to become involved in charitable causes. However, organizations must now embrace the four Ps of millennial market values: polycentrism, personalization, peer production, and philanthropy.

The personalized and polycentric approach of commons-based peer production provides an efficient marketing approach given the increasing diversity of audience preferences. Marketing that targets a monolithic mass audience is decreasingly effective, even among the older generations. Change and creative destruction are driving the markets (McCracken 2006). According to Grant McCracken, "We are a culture and economy that allows [*sic*] for most everything to be transformed by novelty that enters at the chaos gate and exits at the rigidity gate. This is our adaptive advantage" (2006, 6–7). One of the strengths of Western economies is that they select, encourage, and harvest change (McCracken 2006). A polycentric marketing strategy is essential in this divergent and emergent consumer-driven environment.

To generate peer or coproduced social media branding, speed and rapid response are key. The many organizations and businesses inhabiting social media networks compete to interact with the millennial market. Organizations such as nonprofits that respond quickly to the cultural and social environment and current events earn attention and coproduce relevant brands. Those that are not responsive to the social network and to the political and cultural news that concern their markets are excluded from the conversation on social media and do not reap the benefits of a coproduced brand that appeals to the millennial market. Speed and agility are essential for success in the consumer-driven social media environment, which requires real-time, two-way communication efforts to peer produce or coproduce the brands that are personally relevant to the millennials. The Internet and social media have deeply altered the pace of commerce, compressing time and rewarding speed (Scott 2011). Large bureaucratic organizations that struggle to respond to events quickly are invisible in the millennial market and are perceived as being out of touch with this generation because the brand and the market have not successfully cocreated the brand experience. A lack of brand-market collaboration can result in nonprofits and philanthropic causes becoming irrelevant to the millennial market.

Alternately, small nonprofits that are in tune with social concerns and lack bureaucratic organizational structure and authority are more likely to get the sort of participation needed for peer production from their social media network, which David Scott (2011) calls a “World Wide Rave,” where a chain reaction takes off and members of the social media community voluntarily spread the nonprofit’s ideas and posts on social media. The small and nimble nonprofits are at an advantage because they have multiple actors with the ability to engage in two-way communication on social media and fewer layers of authority needing to consent to or approve of social media participation. This concept of a “World Wide Rave” relates closely to how activism and civic involvement work in the social media age. Two-way engagement creating peer-produced social causes and philanthropy is highly dependent on word of mouth in social networks. Peer-to-peer cause-related engagement often begins with sharing a hashtag or profile picture frame. The majority of Americans (69 percent overall and 73 percent of millennials) believe that these social media efforts are important for accomplishing important social and political goals (Anderson et al. 2018). However, if a nonprofit wants to foster this type of identification with its cause, timing is essential.

The millennial generation’s social norms are challenging older forms of philanthropic engagement. Nonprofits have always needed to find ways to foster connection through giving, and these ways have been various over the years, from offering membership subscriptions in a cause to hosting gala dinners for social elites to make donating to a cause a form of virtue and/or social status signaling. Today, nonprofits must adapt to the different social norms and values of the millennial generation. Social and web media allow nonprofits to provide millennials with the hyper-personalization and peer production that they desire through extreme customization. For instance, in addition to having a responsive social media community, Purposity allows donors to purchase an item off Amazon for a local family in need; New Story allows benefactors to build a specific house in Haiti; and Compassion International allows sponsorship of individual children in countries around the world (Miller 2017). Philanthropic social networking, such as GoFundMe, are popular among millennials. These sites allow for peer-to-peer advocacy and a community giving experience (Miller 2017). Such personalized approaches combine nonprofit transparency with coproduction in the marketing sphere.

Social media influencers are brand ambassadors who broadcast their personal or secondhand stories about a brand or organization on social media to their networks and community at large. These individuals can become a nonprofit’s storytellers and strongest advocates. Nonprofits must listen to what is being said to monitor whether the conversations are positive or negative. Tracking the valence of the conversation is necessary to discern how they should respond to shape their image. Social media focuses on building relationships and enabling conversations in the marketplace. Nonprofits cannot control what is said, but they can try to influence the conversation (Booth and Matic 2011). Having a decentralized network of social media influencers is an asset in that these individuals can assist with a nonprofit’s social media presence and monitor

what is communicated. According to a recent survey by Linqia (2016), most marketers surveyed were spending between \$50,000 and \$100,000 on influencer marketing. According to a recent survey of marketers, influencer marketing outperforms any other type of marketing initiative (Statista 2017). One compelling advantage for the nonprofit sector is that many activists will promote a cause voluntarily, requiring no monetary outlays. This is one of the key features of this form of commons-based peer production. If influencers can be convinced to buy into the mission of a nonprofit organization, they can become a significant source of voluntary word-of-mouth promotion. In addition, because of their networks, these influencers provide content that is more personally relevant and localized than a centralized campaign generated by a nonprofit's corporate headquarters.

Social activism on social media creates a form of spontaneous order that can serve a nonprofit organization. Expanding on Polanyi's work, Vincent Ostrom defines spontaneity as "patterns of organization within a polycentric system [that] will be self-generating or self-organizing in the sense that individuals will have incentives to create or institute patterns of ordered relationships" (1999, 59). The nonprofit sector can deploy voluntary activists who serve as influencers. Individuals connecting on social media can use hashtags and promote the cause within their social networks as they see fit.

According to Polanyi (1951), the market should be viewed as a polycentric system involving a network of numerous players who constantly adjust their actions according to others' actions. In contrast, socialism suggests that the system should be a monocentric one (Aligica and Tarko 2012). Millennials seem to recognize that the optimal scale of production is not universal. Some services may be more efficiently produced on a large scale, whereas others are best when produced locally on a smaller scale (Ostrom, Bish, and Ostrom 1988). In fact, millennials prefer the existence of overlapping and interacting multiple agencies. The overlap and duplication result from the fact that different philanthropies require different scales to be truly customized and personalized to fit the community, individual, and situation that they are working to assist. The monocentric public sector struggles to provide the level of fit that millennials desire.

In the ideal polycentric system—where numerous decision-making centers operate within an existing set of rules or norms—participants enjoy the freedom to make individual choices and personal contributions. Likewise, the market ideal is to provide the optimal distribution of goods and the optimal production processes. The actual marketplace falls short of this ideal because agents lack perfect information and human activity includes externalities (Aligica and Tarko 2012).

Although the fragmentation of authority and overlap that local and small-scale philanthropy creates can be perceived as generating chaos (Aligica and Tarko 2012), it fits the millennial ideal of a customized and localized fit for a nonprofit. Polycentricity can thus be embraced as a nonhierarchical, institutional, and cultural framework that facilitates the peaceful and efficient coexistence of numerous nonprofits with objectives

and values that are personalized for a variety of donors with individual charitable desires (Aligica and Tarko 2012).

Discussion and Conclusion

Based on our analysis, the maturation of the millennial generation is creating a fertile landscape for a more polycentric social order that could be facilitated by nonprofits. The millennial generation is most satisfied by high-quality and personalized experiences that emerge from their local environment and communities. Millennials also crave authentic simplicity and high-quality experiences. Commons-based peer production emerges as one of the most efficient ways for nonprofits to connect with the millennial market and to shape the future of the philanthropic landscape. Nonprofits can best facilitate such production by adopting a decentralized approach that allows localized and personalized engagement with prospective millennial donors. Charitable organizations should seek out ways for millennials to make philanthropic causes their own. Social media provides individuals with an unprecedented ability to participate in the promotion of causes they believe in and to participate in solving the social problems that their communities face. Millennials desire personalized community engagement, and the technology exists to facilitate real-time interaction for those willing to advocate for social causes.

One particularly compelling example of the potential use of social media for social activism was the “We the People” petitioning system, launched in 2011 by the Obama administration to engage with socially active young adults using Web 2.0 technology. Individuals could use the system to start petitions about social issues that interested them. Petitions needed to surpass the 100,000-signature threshold within thirty days to elicit a government response (We the People 2018). However, critics noted that the “We the People” system suffered from frequent glitches, that it was used as a propaganda or public-relations tool, and that it had little real effect on governance (Nelson 2015). The Trump administration promised to change the platform but has yet to make substantive changes.

However, the ineffectiveness of the “We the People” platform demonstrates that large governing systems are ill equipped to actualize the full potential of the social networks and media that can facilitate the coproduction of solutions to social problems. The multiplicity of incoming message streams contributes to information overload and overwhelms the White House staff. Moreover, the governmental hurdles that a software solution would face would be nearly insurmountable (Bridges, Appel, and Grossklags 2012).

However, the failure of the “We the People” petitioning platform does not signal the failure of coproducing solutions to social problems. It merely demonstrates the difficulties that large centralized bureaucracies face when trying to create collaborative solutions to social issues. The millennial generation seems to understand that decentralized action allows for a more personalized and customized solution. And these

customized solutions tend to be of higher quality than the generalized, one-size-fits-all approach that large bureaucratic entities produce.

A localitarian polycentric voluntary approach can achieve the millennial ideal. Through peer production, localized nonprofits can find success where the government could not. Small groups of engaged citizens can respond to social issues in real time. Groups of local volunteers can create a hands-on experience that is communal and personal. When those who are affected by an issue are allowed to resolve it, they are empowered and feel in control. Having control and fulfilling preferences increase well-being and satisfaction (Crescioni et al. 2016; Li et al. 2017).

Philanthropic enterprises that manage to stay relevant and engaged with the changing demographic tide presented by the coming eminence of the millennial generation will increasingly be those that have adopted the polycentric and personalized approach to philanthropic marketing that we have described. The traditional fund-raising practices effective with Baby Boomers and Generation X do not appeal to the millennials' localitarian (Mitchell 2015; Dewey 2017) and social entrepreneurial (Martin and Osberg 2007) market values, which currently lead IMC trends. Although nonprofit organizations prefer to focus on the social issues and causes that their missions strive to alleviate, their continued ability to operate is dependent on ongoing access to funding sources. Organizations that fail to adapt to the needs and demands of the rising millennial generation will see their resources and their effectiveness dwindle as they are replaced by coproduced polycentric philanthropic organizations that have adapted to the fast-paced, decentralized, personalized approach.

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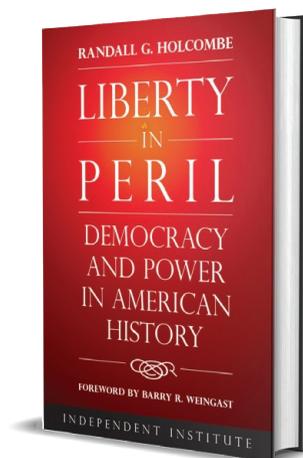
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