

"Cause Marketing" Moves to the Forefront for Corporate Promotion

The corporate trend toward utilizing cause marketing techniques to reach their audience is growing. Corporate cause marketing efforts can raise the awareness of corporate responsibility to not only remaining profitable, but also sensitivity to socially responsible behavior within the corporation. It also dovetails nicely with Buying Influence, Inc.'s call for consumers to make conscious, informed buying decisions that support responsible corporations, as highlighted in our mission statement:

Buying Influence Inc. is non profit organization committed to positively impacting substandard business practices so that corporations act fairly and in a socially responsible manner. This will be accomplished through two channels: First by gathering and disseminating specific facts about corporate behaviors; and second, by educating consumers regarding the power they possess to alter corporate behavior with every purchasing decision they make.

What is Cause Marketing?

Several sources approach the definition of cause marketing from different viewpoints, purpose and expected outcomes, yet all are similar in context.

Wikipedia defines cause marketing or cause-related marketing as referring to a type of marketing involving the cooperative efforts of a "for profit" business and a non-profit organization for mutual benefit. The term is sometimes used more broadly and generally to refer to any type of marketing effort for social and other charitable causes, including in-house marketing efforts by non-profit organizations. Cause marketing differs from corporate giving (philanthropy) as the latter generally involves a specific donation that is tax deductible, while cause marketing is a marketing relationship generally not based on a donation.

American Express, the grand-daddy of cause marketing, says that by linking your brand to a nonprofit group or charity — called "cause marketing" by many — you can often boost business and give back to your community at the same time.

American Express first came up with the idea back in 1983. For several months, each time a cardholder charged an item, the company donated a penny toward restoring the Statue of Liberty. The result was a few million dollars to refurbish the Lady, plus glowing press, consumer goodwill, and increased sales for Amex. Cause marketing has been growing ever since. For-profit businesses are expected in 2005 to spend more than \$1 billion in sponsoring nonprofit causes, according to the IEG Sponsorship Report, a Chicago-based industry newsletter.

The Foundation Center, a resource for non-profits, refers to 'cause marketing' as 'cause-related marketing,' or CRM. They define CRM as "the public association of a for-profit company with a nonprofit organization, intended to promote the company's product or service and to raise money for the nonprofit." Cause marketing is generally considered to be distinct from corporate philanthropy because the corporate dollars involved in cause marketing dollars are not outright gifts to a nonprofit organization, hence not tax-deductible. In their efforts to diversify and enhance their funding base nonprofits have embraced cause marketing. The practice has evolved to include a wide range of activities from simple agreements to donate a percentage of the purchase price for a particular item or items to a charity for a specific project, to longer, more complex arrangements. Corporations too have been drawn to cause marketing due to the competition of the expanding global marketplace and the need to develop brand loyalty. A number of recent studies have documented that consumers carefully consider a company's reputation when making purchasing decisions and that a company's community involvement boosts employee morale and loyalty.

Rosica says that cause marketing is one of the most important and powerful marketing tools in existence. It is the partnership between for-profits and not-for-profits that help both organizations elevate awareness and

revenues. All parties benefit from a well-intentioned cause marketing partnership. Corporate culture changes for the better while employees and the general public become inspired to help the cause.

What is the Purpose of Cause Marketing?

Joe Marconi, in his book *Cause Marketing*, says that two-thirds of Americans report having greater trust in companies aligned with a social issue. Cause-related marketing programs not only enhance a company's image but also increase employee satisfaction. Ninety percent of employees in companies with such programs report feeling proud of their company.

Cause-related marketing is a powerful marketing tool that business and nonprofit organizations are increasingly leveraging. According to the Cone Millennial Cause Study in 2006, 89% of Americans (aged 13 to 25) would switch from one brand to another brand of a comparable product (and price) if the latter brand was associated with "good cause". The same study also indicated that a significant percentage surveyed would prefer to work for a company that was considered socially responsible. This can be linked to the increase in workplace giving programs. Earlier studies by Cone indicate an upward trend in the number of Americans who associate their own buying habits with cause marketing as well as an expectation that companies to be "good corporate citizens". These studies also show a substantial increase from just before to just after the September 11, 2001 attacks.

The possible benefits of cause marketing for nonprofit organizations include an increased ability to promote the nonprofit organization's cause via the greater financial resources of a business, and an increased ability to reach possible supporters through a company's customer base. The possible benefits of cause marketing for business include positive public relations, improved customer relations, and additional marketing opportunities.

Numerous other studies have also been conducted to show that cause-related marketing has helped to increase a company's profits. For example, in the cause marketing campaign by American Express (to which the term "cause marketing" is attributed), the company saw a 17% increase in new users and a 28% increase in card usage.

The Corporate Approach to Cause Marketing

Three tips from the cause marketing gurus at American Express:

1. Identify a cause that fits your business.

The goal should be to align your brand with a synergistic nonprofit cause or organization in order to create win-win marketing. Your customer will feel good about buying your product. Your company will gain profile, a reputation for caring, and, depending on the campaign, increased sales. The nonprofit will generate publicity and awareness for its cause. Win-win, indeed. But all of that only works when your product and the cause share natural affinities. If you own a steakhouse, for example, don't partner with a group that promotes the vegan lifestyle. "Look at what you sell and understand the targets you're trying to reach. Then align yourself with causes that will bring out the emotions of that audience, from a grassroots, a community and a media standpoint," advises Rodger Roeser, who, at Justice & Young Public Relations in Cincinnati, has concluded several deals for small businesses with such groups as Habitat for Humanity, March of Dimes and more.

2. Don't manufacture your concern.

There's no point in supporting an issue you don't really care about — people are bound to catch on. Having a genuine passion or interest in the cause means you'll stay engaged and you'll still feel successful even if marketing efforts fall a tad short. Plus, when the owner is engaged, employees tend to get involved as well. An example of successful cause marketing is Lisa Bell, who owns Tivoli Partners, a Charlotte, N.C., direct-

response marketing agency, chose a cause she cares deeply about that also resonates with her community and clients.

"For more than five years, we've been a major supporter of the Charlotte affiliate of the Susan G. Komen Breast Cancer Foundation," Bell says. "In Charlotte, so many lives are touched by breast cancer. Clients and potential clients appreciate our work for Komen and view us as a good corporate citizen. It's definitely helped our business."

"Cause marketing is most successful when the mission of the nonprofit truly resonates with the values of the sponsoring company," says Jeetendr Sehdev, a New York brand strategist.

3. Define your cause marketing goals.

Decide upfront why you're getting involved in cause marketing and what you want out of the partnership. There's a range of possible marketing benefits from such sponsorships. Non-tangible benefits of cause marketing include building company credibility, enhancing your reputation, differentiating the brand, strengthening customer loyalty, and improving employee pride and retention. Tangible benefits of cause marketing might include increased sales and specific publicity, such as increasing the company profile by having the name highly visible on walkathons and festivals or on posters and Web sites. You also might seek local media coverage.

Examples of Cause Marketing

- One example of cause-marketing would be the partnership of [Yoplait's](#) "Save Lids to Save Lives" campaign in support of the [Susan G. Komen Breast Cancer Foundation](#). The company packages specific products with a pink lid that consumers turn in, and in turn Yoplait donates 10 cents for each lid.
- The Kindness Revolution™. A growing company that is an advocacy group raising awareness in local communities to Stop Bullying in schools and the workplace.
- In 1979, [Wally Amos](#) the National Spokesperson for the Literacy Volunteers of America. According to the organization, Wally has alerted more people to the illiteracy problem than any other person in history. This strategic cause-marketing tie-in helped to tell the Famous Amos Cookie story while maintaining visibility and is responsible for many new and expanded literacy programs.
- An example of a nonprofit certification of a product (business) includes the [American Heart Association's](#) stamp of approval on [Cheerios](#), the popular breakfast cereal.
- Launched in early 2006, [Product Red](#) is an example of one the largest cause-related marketing campaigns to date given the number of companies and organizations involved as participants as well as its reach worldwide. It is also an example of a cause marketing campaign that is also a brand on its own. Product Red was created to support [The Global Fund to Fight AIDS, Tuberculosis & Malaria](#) (aka "The Global Fund") and includes companies such as [Apple Computer](#), [Motorola](#), [Giorgio Armani](#), and [The Gap](#) as participants