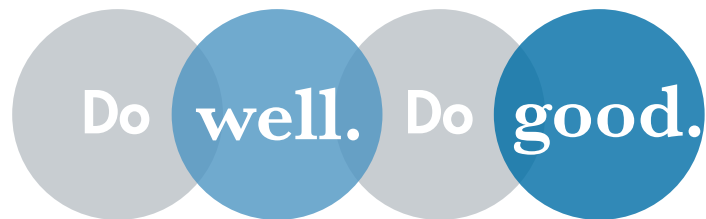


The Do Well Do Good  
Public Opinion Survey on

**CAUSE-MARKETING**

Summary Report



Find the soul. Focus the message. **Tell the world.**

## OVERVIEW

Two years ago, the world was in turmoil. The foundations of the global economy nearly collapsed as banks were afraid to lend to each other. Companies began shedding workers swelling unemployment to their greatest length in decades. And then the worst was over and we find ourselves in a shaky post-recession economy. In some circles, the cultural excess that drove our economy to its knees has been shunned. Austerity is now no longer looked down upon – one would hope at least. It is in this post-crisis context that we at Do Well Do Good, LLC conducted our first public opinion survey on cause-marketing and corporate social responsibility. What do American consumers expect of the companies they buy from? How do employees view their company's responsibility to society and the environment? Our intent with these surveys is to look deeper than surface-level feelings and to identify the extent consumers and employees say they would change their behavior.

## Cause-Marketing Defined

Cause-marketing and corporate social responsibility programs are two tools of modern business practices that promise opportunities for companies to do well financially by doing good in society. While cause-marketing and CSR initiatives are fundamentally different, they can help a company enhance or create new approaches in the workplace, with the workforce, and in the marketplace. They are more than just the “right thing to do.” These programs can improve the bottom line and help a company meet the expectations of their customers, employees, and stakeholders. For the purpose of this survey, we define cause-marketing as “a potentially profit-making initiative by a for-profit company or brand to raise awareness, money, and/or consumer engagement in a social or environmental issue.” To read the companion Summary Report on corporate social responsibility, please visit [www.dowelldogood.net](http://www.dowelldogood.net). We report the results of these surveys by looking at the response by the total population and we also segmented the results to identify how men, women, and moms view the questions asked.

## Vox Populi: The Voice Of The People

Consumers expect a lot of companies **The Do Well Do Good Public Opinion Survey on Cause-Marketing** confirms that there is a large consumer demand for corporations to reach out to charities and nonprofits to support causes. Related to the general expectations of companies:

- 88% of consumers think companies should try to accomplish their business goals while still trying to improve society and the environment.
- 83% of consumers think companies should support charities and nonprofits with financial donations.
- 71% would like companies to increase their advertising to tell what the companies are doing in the community.

## What consumers say and do.



Bought a product where a money is given back to a charity as a result of my purchase

71%

Donated my own money directly to a non-religious charity / nonprofit:

67%

Volunteered with a non-religious charity/nonprofit

29%

88% of consumers agree companies should try to accomplish their business goals while still trying to improve society and the environment

88%

83% of consumers think companies should support charities and nonprofits with financial donations.

83%

32% of employees would seriously consider finding a new job if the company they work for gives little money to charity

32%

## Consumer Behavior: Going The Extra Mile (And Paying The Extra Dollar)

But do consumers and employees match their expectations of companies with their own behavior? In the past twelve months, American consumers have done the following:

- 71% have bought a cause-product
- 67% have donated to a non-religious charity
- 29% have volunteered with a non-religious charity

In addition, only 19% of consumers report that they have cut back on donating to charities because they have bought cause-marketing products. If we take a more in-depth look, how much – specifically - extra are consumers willing to pay for a cause supporting product? We call it “a proxy for price elasticity.” In economics, price elasticity measures marginal changes in demand as a response to marginal changes in price. Our proxy flips that equation and identifies specific dollar amounts American consumers would be willing to pay for products that costs specific dollar amounts \$1, \$5, \$10, \$50, \$100, or \$1,000.

However, it is very important when looking at these numbers to also consider the percentage of consumers that indicated they expect to pay no amount extra at each of the price points.

- For a \$1 product, 45% of the consumers expect to pay no extra amount .
- For a \$5 product, 45% expect to pay no extra amount.
- For a \$10 product, 30%.
- For a \$50 product, 29%.
- For a \$100 product, 29%.
- For a \$1,000 product, 30%.

Consumer loyalty also manifests in how much people are willing to travel out of their way to buy a product that supports a cause. Nearly 70% of consumers would be willing to travel nearly 11 minutes to go to a specific store to purchase a product that supports a cause that means a lot to them.

The most amount of time I would be willing to travel to a specific store to purchase a product that supports a cause I care about is:



### Everyone

10.89 minutes

### Men

11.35 minutes

### Women

10.43 minutes

### Moms

10.92 minutes

The Price Elasticity of Cause- Marketing Products: If you needed and wanted to buy a product that costs \$ \_\_\_\_\_ what is the most ADDITIONAL amount you would be willing to pay if that extra amount were sent to a cause / nonprofit/charity you care about.



### \$1 product

\$2.12

### \$5 product

\$2.59

### \$10 product

\$2.98

### \$50 product

\$4.53

### \$100 product

\$6.41

### \$1,000 product

\$14.93



36.1% were able to correctly identify (RED) as supporting HIV / AIDS relief in Africa (59.5% didn't know),

36.1%

69.3% were able to identify the Komen Foundation with supporting breast cancer research (28% didn't know), and

69.3%

15.3% were able to identify Pepsi as the beverage company that allows members of the public to nominate, vote, and select charities to receive the company's financial donations (72.6% didn't know).

15.3%

## Consumer Awareness

As the data confirms, consumers want, are willing to pay more, and willing to go further to buy products or use companies that support a cause. However, how effective are major cause-marketing brands and initiatives in connecting with the hearts and minds of consumers?

We benchmarked one of the most well known cause brands, the *Susan G. Komen Foundation* and two prominent cause-marketing initiatives: *Product (RED)* and the *Pepsi Refresh Project*. Here's what we found:

- 36.1% were able to correctly identify (RED) as supporting HIV / AIDS relief in Africa (59.5% didn't know),
- 69.3% were able to identify the Komen Foundation with supporting breast cancer research (28% didn't know), and
- 15.3% were able to identify Pepsi as the beverage company that allows members of the public to nominate, vote, and select charities to receive the company's financial donations (72.6% didn't know).

In each of these cases, the respondents were also given the option to select from two "dummy" answers in addition to being able to select the correct answer and "I don't know."

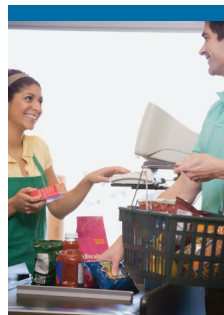
## How To Answer The Public's Call

The question then becomes what are the most effective ways of getting participation with cause-marketing efforts?

The results of the survey show that if a company or store creates a causemarketing program that involves either donation solicitation or a causeproduct, different methods will yield different response. Namely, consumers have mixed feelings about being asked to donate at the register. Across all demographics measured,

- 30% liked being asked to donate at the register whereas
- 35% did not like the experience.

In fact, only 38% of consumers said being asked to donate at the register would make them likely to participate in a cause program. This number improves to 49% if a customer is told by an employee why a cause is important and why the company is supporting it – which offers an important insight to empower employees with key messages.



30% liked being asked to donate at the register whereas

30%

35% did not like the experience

35%

So if customers respond unevenly when being asked to donate at the register, which cause-marketing tactics work the best? The answer is resoundingly clear: matching funds. A strong 79% said that a company matching donations would make them likely to participate in a cause program. Nearly half of those said it would make them “very likely” to participate. In addition:

- 79% said selecting a charity in-store would make them more likely to participate,
- 67% said selecting a charity online,
- 58% said signage in the store that explains the charity and why the cause is important, and
- 64% said having a product branded (such as with a logo) would make them more likely to participate.

Consumers appeared indifferent to large advertising campaigns backing the cause program. They also indicated that a celebrity endorsement and small disclaimer text would make them relatively unlikely to participate. It should be noted, celebrity endorsements aren’t necessarily a poor choice of tactics as they can be useful in obtaining publicity and raising awareness. Rather, the data indicates that a consumer is unlikely to be swayed by celebrity participation in-store.

Cause-marketing and corporate philanthropy can also extend to the workforce. Slightly over a third - 33.9% - of the employed survey respondents claim their employer has inspired them to donate money to a charity within the last year. In addition:

- 25% say that their employer has inspired them to volunteer with a nonprofit or charity within the past year.
- 15% say that their employer allows them to volunteer “on company time.”

Of those whose companies allow them to volunteer on company time, the respondents report a median of 20 hours per year that they volunteered in the last year.



I would buy a new brand if it supported a cause, regardless of my involvement with that cause:

47%

I would buy a new brand if it supported a cause that I care about:

65%

I be more likely to participate in a cause-marketing program if an employee tells me why a cause is important and why the company supports it:

49%

I would be more likely to participate in a cause-marketing program if I am allowed to choose which charity is selected in-store:

73%

## About the Survey & About Us

The Do Well Do Good Public Opinion Surveys on Cause-Marketing and Corporate Social Responsibility were conducted through an online panel organized by Qualtrics Labs, Inc.. The survey was conducted between September 23-25, 2010 with 1,017 respondents consisting of 503 women and 514 men. The survey is estimated to have an error rate of + 3.1%.

Do Well Do Good partners with companies and nonprofit organizations whose leadership wishes to increase the positive impact of their corporate social responsibility, cause-marketing, and philanthropy initiatives. We provide the tools and enhance the skills of program managers in order to implement a clear and comprehensive strategy, improve communication between internal and external audiences, and integrate programs throughout all levels of the company.