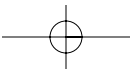
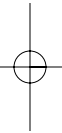
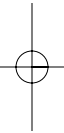
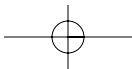
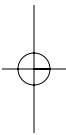
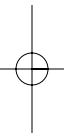
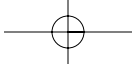


PART I

The Cause-Marketing Movement







The New Corporate–Nonprofit Engagement

Corporations have long been involved in supporting community, but when the first cause-marketing programs were successfully implemented, it signaled a dramatic shift in nonprofit–for-profit relationships: one that recognized corporate community support could be positioned at the intersection of business objectives and societal needs.

Cause marketing was initiated over 25 years ago. At the time many nonprofit professionals viewed it as a fledgling idea, one that should not be considered part of any serious fund development or nonprofit program. As well-constructed programs reaped benefits for companies and nonprofits alike, the number of programs continued to grow. Now more than two decades later, cause marketing has evolved and developed into a firmly established practice, a new way for corporations and nonprofits to achieve significant bottom-line results and community impact.

CAUSE MARKETING: A TURNING POINT IN CORPORATE–NONPROFIT RELATIONSHIPS

Cause marketing was officially launched by American Express in the early 1980s. Between 1981 and 1984, American Express used this approach to support more than 45 local causes. Jerry Welsh, a senior vice president of American Express at the time and the architect of the cause-related marketing concept, believed that by giving people a local cause to rally around, it would encourage card members to use their American Express for local purchases.¹ “We were giving money away, but we’re doing it in a way that builds business and helps the cause,” he explained. The cause promotions were successful and as then-Chairman of American Express Travel Related Services, Louis Gerstner Jr., said, “We now know we can do well by doing good.”²

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The early success of their local San Francisco cause-marketing initiatives led the company to coin and trademark the term “cause-related marketing” in 1983. That same year American Express pioneered the concept at a national level when it launched a three-month marketing campaign around the Statue of Liberty Restoration project. The objective: to increase card use and new card applications and at the same time raise money, awareness, and support for the nonprofit Restoration Fund. American Express donated one cent for every card transaction and one dollar for every new card application. The company also made donations based on purchases of their travelers’ checks and travel packages, excluding airfares, sold through its vacation stores.

American Express supported the promotion with a \$4 million advertising campaign to reach existing customers and encourage new ones. The results were impressive. In just three months, the Restoration Fund raised over \$1.7 million, and American Express card use rose 27%, while new card applications increased by 45% compared to the previous year.

When its first national cause-related marketing (CRM) program was initiated, then-Chairman and CEO James D. Robinson III sensed the company was introducing an innovation that could support a nonprofit organization while simultaneously increasing use of their card and differentiating the company. What he didn’t realize was that this early cause-related marketing program would be a turning point—one that demonstrated that mutually beneficial relationships could be built; nonprofit organizations had valuable assets and brands that, when combined with a corporate partner’s brand, marketing, and people, would appeal to the public and create shareholder and social value and publicly communicate the value of those involved. Cause marketing was to take corporate–nonprofit relationships to a new plateau.

Growing in Number, Range, and Sophistication

Over the past two decades, cause marketing has manifested itself in various ways and from its early beginning has grown in numbers, range, and depth. Today, cause marketing can include product sales, promotions, and program-driven collaborations between companies and nonprofit causes. The relationships include everything from one-off cause sale promotional activities to broader, longer term marketing relationships to what industry expert Carol Cone today calls Cause Branding: companies that make long-term commitments to causes that eventually become part of their corporate identity, culture, and corporate social responsibility palette.

Whatever the type or level, cause marketing can be seen everywhere. Check out at the drugstore and support the local food bank by adding a donation to your bill. Go to your local hair salon and a portion of the proceeds from the day’s sale

goes to support the woman's shelter in your town. Pick up a recent issue of a prominent women's magazine, and readers will find ads encouraging them to "Go casual for a cause." For almost 10 years, Lee Jeans has supported Lee National Denim Day, the world's largest single-day fundraiser for breast cancer research, by encouraging women to wear jeans to work for a \$5 donation. Since 1996, Lee National Denim Day has raised more than \$40 million to benefit the Susan G. Komen Breast Cancer Foundation. At the grocery store, your purchase of a box of Cheerios during their three-month "Spoonful of Stories" promotion supports the national charity, First Book, with the goal of "encouraging kids to read" and supporting literacy. In Canada, support breast cancer research by signing up for the Canadian Breast Cancer Foundation CIBC Run for the Cure at the local bank branch.

Although many programs are straightforward, American Express, a leader in cause marketing, is an example of growth in sophistication and complexity of many of today's cause-marketing initiatives. Beginning in 2003, AMEX Blue Card teamed up with VH1's Save the Music Foundation to support school music programs while connecting with younger consumers. Through a series of year-round events, programs, and exclusive offers, American Express Blue Card members had unique music experiences that lent support to the Foundation.

The Blue for Music program and the Save the Music Foundation launched a year-long fundraising Blue for Save the Music at the Grammy Awards with a Grammy Viewing Benefit Event. Tickets for the benefit were available first to Blue customers. Proceeds from the evening went to the program. Following the launch ceremony, musical instruments and memorabilia used by awards show performers were auctioned via an Internet auction.

The goal of the partnership was to bring greater attention to the lifelong benefits of music education and to help restore music education in America's public schools. Blue from American Express pledged to raise at least \$1 million during 2003 toward restoring public school music education programs. In addition to financial support American Express contributed significant visibility via promotions, special events, and advertising. Boyd Tinsley, along with artists Sheryl Crow, Mary J. Blige, The Counting Crows, and Wyclef Jean, appeared in nationwide Blue for Save the Music PSA-style television ads that reveal how music has influenced their lives.

The multilayered program involved as part of the larger Blue for Save the Music Initiative an "Amplify Tomorrow" tour. This saw Infinity Broadcasting, one of the world's largest radio broadcasting companies, and Blue from American Express conducting fundraising events in New York, Los Angeles, Chicago, Boston, and San Francisco through the summer of 2003. Many events were hosted at concert venues by station DJs and featured music performances by some of the industry's hottest talent. Infinity Stations provided a series of on-air promotions

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and specialty programs. Onsite at the events, concert attendees were encouraged to visit the “Amplify Tomorrow” school bus and to purchase raffle tickets for musical instruments and memorabilia signed by famous artists. In addition, funds were raised through special ticket packages for concerts and exclusive showcases.³

The Nonprofit Response

In some nonprofit circles, the early cause-marketing programs were viewed with apprehension. Would cause-marketing programs satisfy individuals’ charitable commitments and result in a decline of individual support? Would programs commercialize nonprofit organizations and take them away from their mission focus and scare off loyal donors? Would it result in corporations cutting back on their traditional philanthropic charitable giving?

Charitable donation concerns proved unfounded; despite a few bumps commercialism has not overtaken nonprofit–corporation relationships, and what was viewed with skepticism is being recognized as a way to build new corporate and individual revenue sources, extend message reach, and achieve important mission, project, and behavioral outcomes. Equally important, nonprofit organizations have begun to realize they too have valuable assets, including their own brand that could appeal to potential corporate supporters and be leveraged for significant additional support.

Harry Abel, a nonprofit pioneer in cause marketing, was hired from a marketing position at Coca-Cola to start a corporate relations department at the Arthritis Foundation. Joining the organization in the late 1980s, he took the advice of a corporate colleague and aimed to “think like a for-profit.” “I was advised to think linkages and to look at opportunities that could work for both our organization and a corporate partner.”⁴ It was a new way of thinking for nonprofit organizations, and Harry oversaw the launch of a number of cause-marketing programs including the first corporate–nonprofit commendation program. The Arthritis Foundation’s “Ease of Use” is a seal of approval for particular product attributes of benefit to arthritis sufferers that companies could apply and receive approval, for a fee, to use the logo on their product. He initiated a number of cause-marketing initiatives for the organization. He states, “Have senior leadership buy-in, chose your partners carefully, do risk assessment, and have carefully considered processes and procedures in place.”⁵

Many national nonprofit organizations were leaders in creating cause-marketing relationships. Companies were looking for national causes with local implementations possibilities. Today, nonprofits at every level—local, regional, and national—are entering the field and developing purpose-built cause-marketing initiatives, hiring dedicated staff, and putting a major push on using cause marketing to leverage corporate resources.

The Food Bank of New York City is a great example of a nonprofit that has recognized the potential to generate additional corporate support, extend awareness and reach, and advance the mission. The 23-year nonprofit organization established an external outreach unit in 2001–2002 with a focus on building longer, deeper corporate cause-marketing partnerships. The program has helped to generate new funds, expand the amount of food collected, and extend awareness for the organization. Although corporate philanthropic financial support is still larger, cause-marketing relationships are growing in importance and provide significant awareness value as well as financial support.⁶

AN ESSENTIAL NEW LINK FOR CORPORATE–NONPROFIT ENGAGEMENT

Since the first cause-marketing programs were launched, the face of corporate community support has transformed and expanded. Corporations are moving beyond traditional philanthropic giving where they were anonymous, benign donors to an active and engaged approach that looks to create marketing and business benefits for the company and broader financial and resource benefits for the community.

With the ever-present emphasis on shareholder value, community involvement and corporate social responsibility are often being tied to business and marketing objectives, to ensure corporate profitability, manage costs, and creatively extend limited corporate resources in a competitive environment. As well, it isn't enough for companies to do good; they want to be seen doing good and to obtain business and marketing benefits beyond just a halo effect.

As cause marketing becomes more prominent and the benefits proven, corporations are taking this new approach that combines corporate self-interest with altruism. According to experts in the nonprofit field, more and more traditional corporate philanthropic support is being replaced or augmented by cause-marketing arrangements and business-driven objectives. As a result, these more active cause-marketing relationships, although a component of corporate giving and social responsibility, are emerging as the new way many corporations are contributing to the community.

Marketing professors Philip Kotler and Nancy Lee's 2005 book, *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause*,⁷ looks at the role of corporations in contributing to social causes and initiatives. Of the six areas they describe, cause-marketing elements are squarely attached to three: *corporate cause promotions*, *cause-related marketing*, and *corporate social marketing*. Cause marketing is indirectly linked to two other areas: *community volunteering* (frequently a component of cause-marketing programs) and *socially responsible business practices*. The latter includes "investments to support causes," an example of

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which is Starbucks working with Conservation International to support farmers to minimize impact on their local environment. Starbucks' advertising of their involvement falls into the cause-marketing realm. Only corporate philanthropy described in the book lacks a connection to cause marketing. Clearly, cause marketing is an important tool in the corporate social responsibility palette.

The Committee to Encourage Corporate Philanthropy (CECP) is a national organization whose membership represents companies that account for 45% of all reported corporate giving. Their tracking reflects this shift to cause-marketing-oriented giving. In 2004, "traditional" charitable giving by CECP members represented just under 49% of all corporate giving. Strategic giving, much of which is cause-marketing driven where a company's community support closely aligns with commercial and strategic business needs, represented 36%, and strictly commercial relationships was 15%. Together strategic and commercial relationships represented the highest percentage of corporate giving. The Committee analyzed where corporate community support emanated, finding that 36% came from corporate community affairs, 27% from corporate foundations, and the rest, 37%, coming from corporate operations, including marketing budgets.⁸

The overall trend line is now well established. According to nonprofit and industry experts backed up by available statistics, more and more philanthropy involves input from the marketing team, and if a nonprofit can't offer concrete ways for businesses to connect with tangible benefits including cause supporters or target audience, funding is less likely. The formerly quiet philanthropy providing support to a variety of deserving comers is being replaced by an emphasis on bottom-line, market logic for a growing portion of corporate support. Cause marketing is becoming the new corporate marketing and citizenship tool.

Supporting a specific cause and being public about this support gives companies identifiable personalities, demonstrates what they stand for, and helps them connect with customers, suppliers, investors, employees, and the community. Today consumers, employees, and other company stakeholders are thinking with their hearts, not just their heads, when they consider whom to work for or do business with.

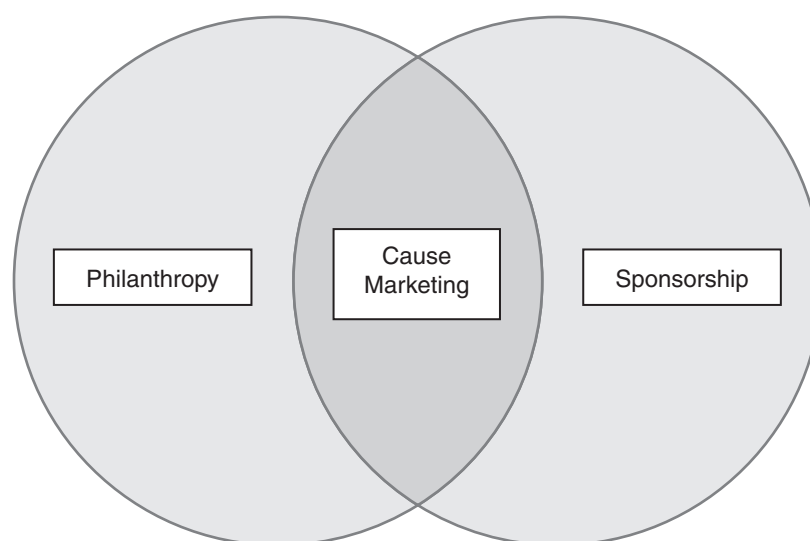
The New Third Way: Cause Marketing—Part Marketing, Part Philanthropy

For nonprofit organizations, cause-marketing relationships are uniquely different from traditional corporate philanthropic gifts or sponsorship. Building the case for support and making the "ask" is the focus of philanthropic corporate giv-

ing. Philanthropic support is often centered on specific areas such as education, health care, or arts and culture and strategic in its approach—giving in specific geographic regions or to matters that are of interest to the company or their employees. Contributions are provided to support good causes without the expectation of profile beyond customary recognition in annual reports or on the Web site. Sponsorship, the most commercial form of corporate community involvement, focuses on a value exchange, the measurable value a business can get from sponsoring a specific event or activity. Sponsorship is guided by the hope and goal of so many impressions and specifically tying it to product sales spike, tank, or level set.

Cause marketing, the new third way, is the intersection of the two (see Exhibit 1.1). In cause marketing the emphasis is on an exchange of value, how a nonprofit relationship and nonprofit assets can help a company achieve marketing and business goals with a direct link to providing a philanthropic component that advances the organization's mission: self-interest combined with altruism; marketing combined with corporate social responsibility. Occasionally, cause marketing is called different names—from philanthropic marketing to values-led marketing to gift-based marketing to corporate citizenship. But whatever it may be called,

EXHIBIT 1.1 THE NEW THIRD WAY



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what is happening is clear. Corporate support is being tied to company marketing and business objectives geared to affecting the bottom line.

Cause marketing is a combination of philanthropic benefits, support for a cause, and tangible business benefits focused on driving profitability. Sometimes the benefits are overtly commercial, designed to increase sales and market share; other times they are more subtly focused on positioning and building the reputation of a product, brand, or company. Either way, the goal is clear. Companies are seeking to strategically align their support of a cause with critical business objectives to achieve mutual benefits of creating social and shareholder value; connecting with key stakeholders, including employees and consumers; and publicly communicating values and contribution to community.

Often confusion exists between sponsorship and cause marketing. Kevin Martinez, Director of Community Affairs at The Home Depot, a leader in cause marketing, is an advocate of the difference. He asserts,

Cause marketing is not about sponsorship. It is about a partnership that advances and forwards a community based organization, and marketing that allows us to enhance our core profitability, service, and product. Cause-marketing relationships allows us to mentor, advance the mission or vision of our partner nonprofit organization. The relationship is always with a community-based institution in the 501 C3 area.

Our cause-marketing partnerships include as part of our responsibility to also get that mission statement out there. So when we do sell a product through cause marketing or align a service through cause marketing the question is do the consumers also understand the mission of the nonprofit that we are advancing. If they don't we have failed. That's a critical thing. In most companies, the marketing department drives sponsorship while community affairs drive partnership. When we do cause marketing, both come together and both are measuring different things. You have to have great corporate culture that affords you to have both those conversations.⁹

Kathy Rogers, Vice President, Cause Initiatives and Integrated Marketing at the American Heart Association, also believes there is an important difference between cause marketing and sponsorship.

Our first national sponsorship program was the American Heart Walk. The corporate support was very much around the event and the benefits and value we could provide, not around supporting the cause. These early corporate sponsorship relationships were very important in helping us to learn how to work with companies. However, they were not tied to cause, the mission of the cause or to helping us to promote the cause and achieve our mission. Cause marketing and cause branding programs give us a higher level messaging and provide business benefits, but are very much tied to helping our cause promote and achieve its mission."¹⁰

ACHIEVE MISSION, GENERATE REVENUE, AND OTHER BENEFITS

Cause-marketing benefits go well beyond a traditional donation. Take the example of IKEA contributing to the UNICEF's Right to Play program. They could make a direct cash donation that is a direct contribution to the program. Rather, by selling a specially designed Brum Bear with a portion of the proceeds going to the program, their public values are communicated; IKEA's message about the program is more broadly disseminated, and revenue is contributed to the program; individual consumers purchasing the bear feel they have made a contribution; and IKEA's staff has a sense of pride in (and knowledge of) their company's community commitment.

Cause marketing allows a corporation to put its brand, marketing might, and people behind a nonprofit cause that can provide significantly more benefits than a straight philanthropic gift. In fact, these other mission-based benefits can be more important than the financial contribution. First and foremost, every cause-marketing initiative must be done because it advances a nonprofit mission.

Mission-Related Benefits:

- ***Access to a Wider Audience:*** Cause marketing offers the potential to gain marketing exposure. At no direct cost to the nonprofit, they can reach the public in nontraditional places (i.e., shopping centers, car dealerships) and ways (ads, marketing collateral pieces such as in-store promotions, hangtags on products, events) through programs that can raise awareness of both their organization and the cause. Cause marketing offers visibility, public awareness of issues, and an innovative way to reach a broad base of consumers with important educational and action-oriented messages. Cause marketing enables nonprofits to reach audiences they would normally never reach.

For example, the Susan G. Komen Foundation, leaders in cause marketing, have developed a relationship with Ford Credit, a subsidiary of Ford Motor Company, and NASCAR Race Events that has helped them reach a whole new audience with educational information that encourages them to think about breast health and action through early detection. "Race Fans for the Cure" also provides a way for fans to support the Komen Foundation. For a \$1 donation at the booths, fans will personalize a pink paper ribbon for inclusion on a banner that is displayed at Ford Credit's end-of-year check presentation to the Komen Foundation. Ford Credit helps make fan support go even further by matching dollar-for-dollar every donation made.

- ***Promote Mission-Based Messaging and Action:*** Nonprofit organizations can take full advantage of cause programs to engage potential supporters and to move them from awareness of an issue to action. American Express's cause

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program, “Blue for Save the Music” in support of music education in schools, is a good example of how this can be achieved. In advertising and promotional material developed for the program, specific information is provided on how to save music education programs in local communities. As well, people are encouraged to write their congressional representative (names and addresses supplied) to advocate for music education.

Cause programs can encourage and modify behavior through broad awareness and action-oriented programs. Their effectiveness can be greater than any traditional brochure or education program undertaken by a nonprofit organization. As one cause marketer stated, “When we’re on the back of a cereal box which is read on average 8 times by multiple viewers and it has a shelf life of 3 weeks the potential to impact behavior is huge. What brochure gets read that many times—ever?”

Financial Contribution:

- ***Direct Revenue:*** Cause marketing provides new sources of revenue beyond the traditional community investment pool. Marketing and other corporate budgets are accessible for nonprofit support. As well because cause marketing is a value exchange, not just a direct donation, dollars generated are not necessarily tied to a specific program or activity. They can be applied to the overall work of the organization and help pay critical operational costs.
- ***Additional Financial Support:*** Active cause-marketing relationships can result in significant additional financial support for the cause. For example, some cause-marketing programs will trigger additional financial support. Walgreen’s cause-marketing program, *Hope Blooms with You*, gives individual consumers a chance to make a donation directly at the checkout to support breast cancer programs of the American Cancer Society. The cause relationship between Canadian Imperial Bank of Commerce and the Canadian Breast Cancer Foundation sees the bank selling pink jelly beans, circle-of-strength necklaces, and pink bracelets at the teller’s desk and online, all in support of the cause.
- ***Employee Volunteers:*** Encouraging employee volunteers can be drivers in cause-marketing programs, and nonprofits can benefit enormously from this support. Cause partners can be critical sources of human muscle and brain power for cause programs like events or programs. London Children’s Museum’s cobranded program, “3M Science in Your World Gallery,” would not have been possible without the financial commitment of 3M. But equally significant was the contribution of the company’s science staff in developing messaging, experiments, and activities that made the gallery come alive.

- ***Extend Existing Fundraising Programs:*** Cause-marketing programs can and should extend nonprofit organizations' traditional fundraising tools. They will never replace traditional philanthropic approaches, but used strategically cause marketing can be a tool to enhance nonprofit fundraising initiatives. Cause-marketing activities can help nonprofit organizations link with their corporate partner's employees, for both individual donations or through an employee contribution foundation. They can also enhance the credibility of nonprofits with other funders who see that organization as passing a corporate acceptability test. As an added bonus, partnering with one corporation can create a multiplier effect; one collaboration leads to another. Cause marketing should also strengthen links with existing individual donors and introduce new donors to the cause. Innovative tools can help build lists of people interested in the nonprofit's work through information or contests. They can also provide nonprofits with immediate financial contributions and in-kind support as well as the potential to build future revenue opportunities.
- ***In-Kind Support:*** In addition to a financial contribution, many organizations also receive valuable in-kind support such as goods or services that add to an organization's bottom line. In-kind corporation contributions can include involving product donations and additional marketing support. These can be central benefits for nonprofit organizations involved in cause-marketing programs.

VALUE OF CAUSE MARKETING

Cause-marketing support has grown enormously in the last two decades as companies, nonprofits, and constituents from employees and suppliers to retailers and consumers continue to react positively to the outcomes and benefits of joint business collaboration. The result: companies continue to find more money and resources in their budgets. The numbers tell the real story.

Putting a true cash dollar value on cause marketing is a challenge. However, the International Events Group (IEG) began estimating spending in 1990. IEG, established to make sponsorship the fourth arm of marketing, alongside advertising, promotion, and public relations, provides services, research, and advocacy for the profession. They estimate spending only "on payments by corporations to nonprofit sponsors in unrestricted fees in exchange for a marketing affiliation or relationship." As they themselves note, many cause-marketing initiatives combine contributions from philanthropic, advertising, and other company budgets."¹¹ However, by looking at the IEG numbers, it is clear to see the growth in cause marketing.

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In 1990 IEG estimated that \$125 million was being spent. In 1998, it had jumped 400% to \$545 million, and by 2003 cause-marketing spending had almost doubled to \$922 million. This rapid growth continues, and in 2004 cause-marketing spending grew by 7.5% to just under \$1 billion; by 2005 it rose to \$1.08 billion, a 9% growth.¹²

In addition, IEG projects the value of additional in-kind marketing benefits, including advertising and media exposure, which extends messaging and builds brand awareness for the nonprofit recipients, to be approximately three times the amount of the cause-marketing fees themselves.¹³ Add in the value of cause relationships helping achieve mission, gaining corporate expertise, and assistance, and the contributions to nonprofit organizations increase significantly. As outlined earlier, not only do companies make contributions to support their chosen cause, but the programs also themselves frequently trigger additional donations and support from employees, consumers, and other company constituents.

Philanthropic Giving versus Cause-Marketing Support

Historically, funding from corporations has been a relatively small portion of the support base of nonprofit organizations. In 2003, Giving USA estimated that individuals, estates, foundations, and corporations gave \$240.72 billion to charitable causes. Of that, corporate support represented about 5.6%, at \$13.46 billion (cash and in-kind). In Canada corporation contributions represent a higher percentage of overall support. Relatively new to the philanthropic marketplace,

WOMEN'S HEALTH ISSUES: BREAST CANCER

Avon's Breast Cancer Crusade and Worldwide Fund for Women's Health raised and contributed \$300 million in its first 11 years since it committed itself to raising breast cancer awareness in 1993. Avon's program is particularly focused on medically underserved women and to encouraging early detection of the disease through self-examination. Avon's sales representatives regularly distribute educational materials on breast cancer awareness including information about making additional donations. As well, their support of the annual fundraising walk, Avon Walk for Cancer, drew over 600,000 participants in 2004. Revenue is generated by financially contributing to the walk and by pledges collected by walk participants themselves. In addition, the value of the promotion and awareness created through the program has made a major promotional contribution to the profile of the issue of breast cancer—one that is difficult to value financially.

UNICEF

Although there are a few nonprofit organizations that generate the majority of their support from cause-marketing relationships, organizations like UNICEF are more typical of the financial benefit of cause marketing. In 2004, they generated \$65 million in corporate gifts. And although the majority of that support comes from philanthropic gifts, the fastest growing area is from cause-marketing programs.¹⁴

Canadians' charitable contributions in 2003 were estimated to be at \$9.105 billion. Individual giving accounts for the highest percentage of contributions at 72% of total Canadian giving. Corporations follow in second place at 16%, and foundations provide 12% of all recorded giving.¹⁵

Comparing this traditional philanthropic support with cause marketing is difficult, if not impossible; a quick calculation demonstrates how cause marketing has become a growth area for nonprofit support. In 1990, traditional philanthropic corporate giving in the United States was pegged at about \$7 billion (cash and in-kind).¹⁶ By contrast, cause marketing's value, cash and in-kind, was approximately \$500 million (\$125 million plus approximately \$375 million in-kind), representing about 14% of corporate philanthropic support.

In 2003, corporate giving (cash and in-kind) was about \$13.46 billion. When compared with recorded cause-marketing dollar contributions (approximately \$1 billion direct and \$3 billion in-kind) at the same time, these more active and engaged corporate–nonprofit relationships had grown to represent about 29% percent of overall corporate giving, up from 14% in 1990, a dramatic rise, demonstrating its rapid growth and increasing importance.

Another way to look at it is strictly from a growth perspective. Cause marketing grew from \$125 million in 1990 to just under \$1 billion by 2003, a 900% increase. During the same time frame, corporate giving rose 200%—from approximately \$7 billion in 1990 to just under \$14 billion in 2003. Either way, cause marketing is here to stay and grow.

CAUSE-RELATED MARKETING INTERNATIONALLY

Cause marketing is not restricted to North America. It is now a global phenomenon. Campaigns are prominent throughout Britain, Europe, and Australia. Jerry Welsh, the originator of the concept of cause-related marketing, has established programs in China.¹⁷

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The UK in particular has put muscle behind a national campaign to encourage cause-marketing programs. In 1995, the UK national organization Business in the Community launched an initiative to develop a center of knowledge, information, and best practices to promote cause-related marketing (now called Cause Related Business Campaign) as a means of making a positive impact on key social issues.

In the UK, Business in the Community's Cause-Related Marketing Tracker 2003 presented the amount raised for charities and good causes. Pegged at £58.2 million or over \$90 million U.S. contributed through cause-related marketing programs, this is an increase of over 15% from 2002. Of this, £24 million or \$37.2 million U.S. dollars were funds leveraged through staff, customer, and supplier fundraising.¹⁸ This amount focuses on the dollars raised in 2003 and does not include the other benefits associated with cause marketing. During this year 67 businesses and 64 charitable causes collaborated and undertook 82 cause-related marketing programs.

European Experience

Europe, a latecomer to the field, is starting to recognize the value cause marketing can provide businesses, nonprofits, and the community. In 2000, CSR Europe released its first report on cause-related marketing (CRM), looking at this growing trend in Europe. CSR Europe, the organization dedicated to encouraging corporate social responsibility, looked at how CRM is proving itself as being the "first step towards profitably combining social and commercial marketing goals."¹⁹ The report highlighted the changing consumer attitude and expectation of social and environmental need, coupled with the desire to see companies do more to address these issues. Although used by a relatively small

TESCO, COMPUTERS FOR SCHOOLS

Several major initiatives were launched, one of the best known being Tesco Computers for Schools. Started in 1992 as a one-off promotion, the program has developed into a long-term strategic initiative for the grocery chain. Tesco provides its customers a voucher for every £10 spent in-store. Shoppers donate their vouchers to the school of their choice, which exchanges them for brand-new computer equipment. Parents have collaborated to increase the number of vouchers collected for their school. Tesco continues to run the highly successful cause program. One of the interesting facets of the program is the way support is provided to the community directly from shopper to school of choice. No one nonprofit cause partner is involved.

ALLIANCE CARTON NATURE AND UNICEF (FRANCE)

The Program:

Alliance Carton Nature and UNICEF in France launched a joint initiative to recycle beverage cartons, which would then be turned into wrapping paper and sold in supermarkets to support UNICEF projects. Since the program was launched in 1996, every year approximately 300,000 children ages 9 to 11 are invited to participate in the project. The children bring empty beverage cartons to school, which are then sent to a recycling factory. The cartons are turned into wrapping paper. Through a contest organized in the schools, a child's drawing is selected to decorate the wrapping paper. Each Christmas the paper is sold through retailers in France. The projects from the sales are contributed to a different UNICEF initiative each year.

Program Goals:

Entitled "Brikkado" the project was initiated to improve the environment while helping children in developing countries. Alliance Carton Nature, the French arm of the Alliance for Beverage Cartons and the Environment, aimed to develop policy makers' and public authorities' awareness of the effectiveness of recycling beverage cartons. They also wanted to present beverage cartons as being ecologically friendly and to communicate complex environment issues to the public and businesses through the help of educational institutions.

UNICEF's main objective was to reach families and the general public through children about their organization. As well, they wanted to develop a product that would complement, not compete with, their UNICEF Christmas card program.

Results:

The project continues today, and the profits from the program contribute to different major UNICEF projects each year through a direct donation from Alliance Carton Nature. Since its inception well over 800,000 euros were donated through the Brikkado wrapping paper program.

The program has received significant publicity and several major awards. In 2004, for the second year in a row, the UNICEF Christmas Wrapping Paper was designated as an environmentally sustainable product by the French Ministère de l'Environnement et du Développement.

Employees, clients, suppliers, retailers, and schools are regularly updated on the program. Since its inception, millions of children have participated in the recycling program. The project has become a model for cause-marketing collaborations. UNICEF and Alliance Carton Nature brought together two different cultures, an entrepreneurial and nonprofit ethos to make the project work.

18 THE CAUSE-MARKETING MOVEMENT

number of companies to date, CRM programs were touted as a way, if part of a broader CSR program, to “make good, profit making, business sense.”²⁰

CONCLUSIONS

When cause marketing was launched over 25 years ago, it was viewed as a fledgling idea. Today, cause marketing is a global phenomenon that has developed into the new way for businesses and nonprofit causes to collaborate to achieve mutual benefits. Cause-marketing partners a nonprofit cause’s brand and assets with the power of a corporation’s brand, marketing, and people to achieve social and shareholder value while communicating values.

Cause marketing has come a long way from its early days, has become increasingly sophisticated, and now includes everything from one-off cause sale promotional activities to broader, longer term marketing relationships to companies that make long-term commitments to causes that eventually become part of their corporate identity, culture, and corporate social responsibility palette. Today, cause marketing can include product sales, promotions, and program-driven collaborations between companies and nonprofit causes.

Nonprofit organizations have responded by proactively seeking cause partnerships and recognizing the value of these corporate marketing relationships and the benefits beyond traditional philanthropic contributions. Done right, cause marketing can help achieve mission, generate additional revenue, extend reach, get out important messages, change behaviors, and enhance awareness of a nonprofit and the cause.

Cause marketing is augmenting traditional corporate philanthropic support and becoming the new way corporations and nonprofits organizations are working together. Different from philanthropy or sponsorship, cause marketing combines the two—the community benefit associated with philanthropy and the business value tied to sponsorship—self-interest combined with altruism.

Cause marketing’s time has come, and companies continue to find more money and resources in their budgets for cause marketing. This segment of corporate giving and corporate social responsibility is a growing phenomenon and an important new marketing and corporate citizenship tool to create profitability and a new fundraising and marketing tool for nonprofits to generate revenue and achieve critical mission goals.

ENDNOTES

1. Interview with Jerry Welsh, April 6, 2005.
2. Sue Adkins, *Cause Related Marketing, Who Cares Wins* (Boston: Butterworth-Heinemann, 1999), pp. 14, 15.
3. www.home3americanexpress.com/corp/latestnews/blue-music.asp, April 17, 2004.
4. Interview, Harry Abel, January 27, 2005.

5. Ibid.
6. Interview, Matthew Goldstein, Director, Business Partnerships, Food Bank of New York City, May 23, 2005.
7. P. Kotler and N. Lee, *Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause* (New York: John Wiley & Sons, 2004), pp. 23, 24.
8. www.corphilanthropy.org.
9. Interview, Kevin Martinez, March 25, 2005.
10. Interview, Kathy Rogers, January 24, 2005.
11. Information from the 1999 Attorney General's Report, "What's in a Nonprofit Name? Public Trust, Profit and the Potential for Public Deception," www.oag.state.ny.us/press/reports/nonprofit/full_text.
12. IEG Sponsorship Report, 2004, projected a 7.5% growth from the previous year. Their recording of cause-marketing programs shows its growth from 1990 at \$125 million to over \$1 billion projected in 2005. Cause marketing is now the third largest sponsorship category recorded by the International Event Group.
13. Information from the 1999 Attorney General's Report, "What's in a Nonprofit Name? Public Trust, Profit and the Potential for Public Deception," www.oag.state.ny.us/press/reports/nonprofit/full_text.
14. Interview, Anne Marie Grey, Chief, International and Corporate Alliances, UNICEF, April 5, 2005.
15. "Philanthropic Trends," Spring 2005, KCI, Ketchum Canada.
16. AAFRC Trust for Philanthropy/Giving, USA 2003.
17. Interview, Jerry Welsh, April 6, 2005.
18. www.bitc.org.uk/programmes/programme-directory/cause_related_business/index.html
19. "Cause Related Marketing: CSR, Europe, 2000", Foreword.
20. Ibid. Section 1, Introduction.

