

## Chapter 1

# Getting to Know What Cause Marketing Is All About

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### *In This Chapter*

- ▶ Discovering what cause marketing is and isn't
  - ▶ Breaking down the different types of cause marketing
  - ▶ Understanding why cause marketing is useful to causes and companies
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**C**ause marketing isn't the marketing of causes, nor is it a catchall for every type of promotion or fundraising program between a company and cause. Cause marketing is its own unique practice that has parameters, tools, and techniques. You don't play tennis with a bat, and you don't perform surgery with a pen (ummm, unless you have to). You also don't want to begin using cause marketing if you're unready or ill-equipped for the job.

In this chapter, we dig into what exactly cause marketing is. We also explore the most common types and talk about which ones are the best for you.

## *What Is Cause Marketing?*



Cause marketing is a partnership between a nonprofit and a for-profit for mutual profit. For example, you may be familiar with the partnership between Komen for the Cure and athletic shoe maker New Balance. Komen licenses its signature pink ribbon to New Balance, which is included on a line of products, including walking and running shoes.

Komen profits from the sale of these products and gains valuable exposure. New Balance enhances its favorability with a key demographic, women shoppers, and owns the rights to a must-have product for Komen's many walking and running events across the country.

Pinpointing exactly when the first cause marketing campaign was created is like asking who discovered America. The Vikings? The Chinese? The English? The Native Americans who lived here?

Regardless of who was the first to marry cause and company together for charity and commerce, the “Columbus moment” when people became aware of this new world was 1983 when American Express partnered with the Statue of Liberty restoration project. In this arrangement, the restoration project received a penny for each use of the American Express card, and a dollar for each new card issued. In just four months, \$2 million was raised for the project. American Express was a big winner, as well. Credit card activity increased 28 percent, and cause-related marketing, or cause marketing, as it’s more often called, was born.

## *Exploring the Most Common Forms of Cause Marketing*

Cause marketing isn’t one-size-fits-all. In fact, it comes in many different forms. At the checkout lane at your favorite store, a cashier might ask you to donate a dollar to the American Red Cross. You could stroll to another store and buy a mug, a percentage of which goes to UNICEF and ensures clean water for people in third-world countries. Yet another trip to the store may have you purchasing a product that’s part of a licensing deal between the company and cause.

Cause marketing isn’t just about raising money. Employees volunteer for non-profit projects; companies put their advertising might behind producing and promoting videos, advertisements, billboards, magazine ads, and a host of other promotional tools.

Lastly, cause marketing has expanded into the ether, the online world of the Internet and social media, as men and women of all ages blog, Facebook, check in, and tweet, among other things, for the causes they care about.

This section explores them all and takes a candid look at which forms of cause marketing are best for you.

### *Point-of-sale cause marketing*

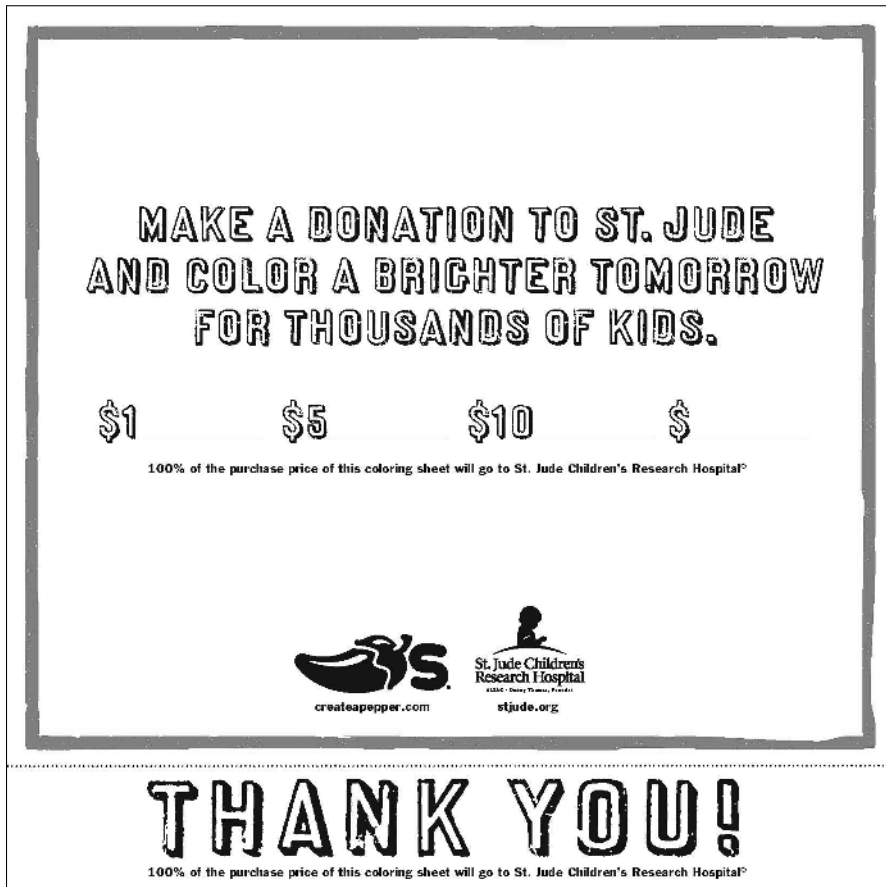
Point-of-sale cause marketing is when a consumer is solicited at checkout for a donation. Point-of-sale can take on two forms:

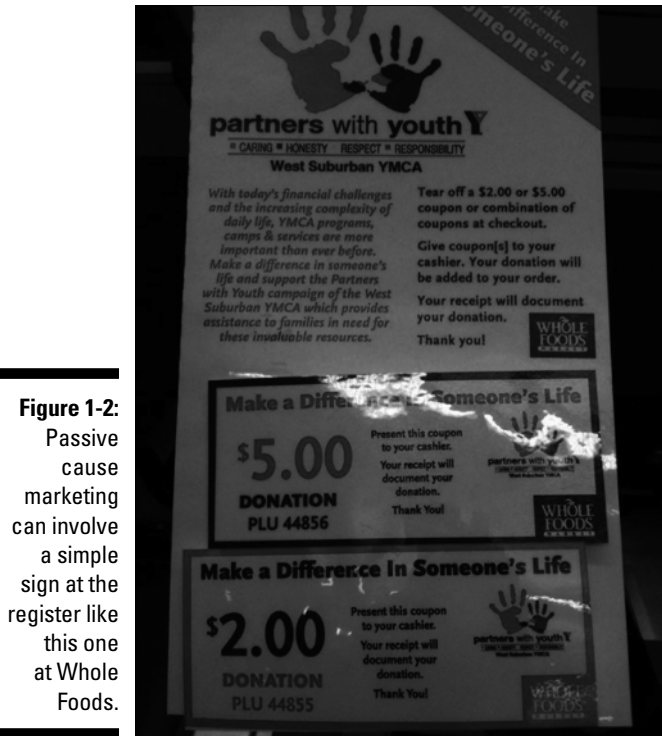
- ✓ **Active cause marketing** is when a cashier asks the consumer to donate to a cause. This type is one of the most effective forms of cause marketing because it’s direct (one-to-one and timely because the consumer literally has his wallet out) and personal (people give to people).

For example, in Figure 1-1, this *pinup* — our name for icons like this one that are sold and usually displayed in businesses — is sold annually by servers at Chili’s Grill & Bar restaurants nationwide, benefiting St. Jude Children’s Research Hospital in Memphis, Tennessee. The pinup, also advertised as a coloring sheet during the brand’s *Create-A-Pepper to Fight Childhood Cancer* campaign, sells for as little as \$1 (although there is the option to donate more, which we like!), and sales have been hotter than a chili pepper! Since 2002, Chili’s has raised more than \$35 million for St. Jude.

✔ **Passive cause marketing:** This, too, happens at the checkout, but signage or electronic displays do the asking. For example, an increasingly popular way to ask consumers to support a cause is to have the electronic terminal solicit a donation after the customer swipes their credit card for payment. Shoppers can choose to add a \$1 or more to support a cause. Other times, you may see a sign with a code for the cashier to use when the customer requests to make a donation (see Figure 1-2).

**Figure 1-1:** Some of the most successful cause marketing campaigns are point-of-sale programs that involve selling a pinup, such as this one sold at Chili’s Grill & Bar (back).





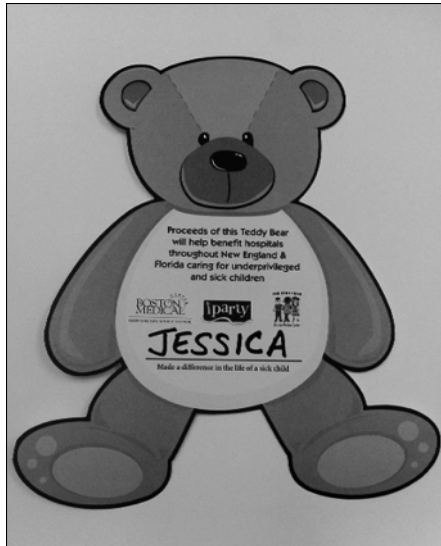
**Figure 1-2:** Passive cause marketing can involve a simple sign at the register like this one at Whole Foods.

Most active cause programs involve more than just the cashier asking shoppers to donate money. They usually (but not always) include some type of pinup that the shopper adds his name to and then it's displayed somewhere in the store (see Figure 1-3).

## *Purchase or action-triggered donations*

A purchase or action-triggered donation occurs when a consumer performs a particular *action* — donating a coat, liking a Facebook page, and so on — or *purchases* a product or service. In both instances, a donation is made to a cause (see Figure 1-4). For example, when you buy the RED app for iPhone and iPod touch, Shazam contributes 20 percent from the \$5.99 price tag to the Global Fund to invest in HIV/AIDS programs.

**Figure 1-3:**  
If you've ever donated to a cause at a store, you may have been asked to sign your name to a pinup, which is then hung in the store.



**Figure 1-4:**  
An example of a purchase-triggered donation.



## Licensing

*Licensing* is when a company pays a fee to use a nonprofit's brand on its product. Licensing typically includes a certification process by the nonprofit before the company is allowed to use the logo. A longstanding licensing pact is the Arthritis Foundation's Ease-of-Use Commendation for the Advil Caplets Easy Open Arthritis Cap (see Figure 1-5).



Cause marketing licensing is practiced by only large causes with the iconic brands, such as Komen for the Cure and the American Heart Association. These well-established causes can drive consumer buying and have the legal teams to ensure that pacts are executed properly. Cause marketing licensing is not a realistic option for small companies and causes.

**Figure 1-5:**  
Arthritis  
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Easy Open  
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Cap.



## Message promotion

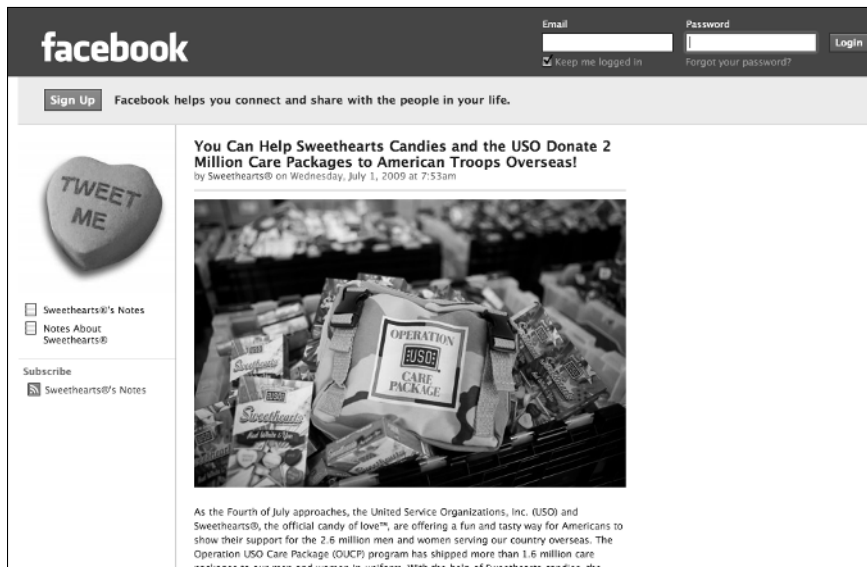
Message promotion is when a business puts its resources to work to promote a cause-focused message. For example, pet food company Iams recruited celebrity spokesperson Hilary Swank, a two-time academy award winner and the owner of two adopted dogs, for ads in support of the Helen Woodward Animal Shelter. Swank's voice was used in a pair of moving public service

announcements showing shelter dogs and cats bonding with their new owners. “The real reward in adopting a pet,” Swank says, “is when the pet adopts you.”



To watch this video, scan the QR code to the left with your smartphone or visit <http://youtu.be/ggpOKsJUkYc>.

Sometimes message promotion is combined with a charitable gift. In the case of “Red, White & You” from New England Confectionary Company (NECCO), their print ad was combined with a \$75,000 donation to the United Service Organizations (USO) and enough sweetheart candies for 3,000 care packages (see Figure 1-6).



**facebook**

Email  Password

Keep me logged in  Forgot your password?

Facebook helps you connect and share with the people in your life.

**You Can Help Sweethearts Candies and the USO Donate 2 Million Care Packages to American Troops Overseas!**  
by Sweethearts® on Wednesday, July 1, 2009 at 7:53am

**TWEET ME**

Sweethearts®'s Notes  
 Notes About Sweethearts®

Subscribe  
 Sweethearts®'s Notes

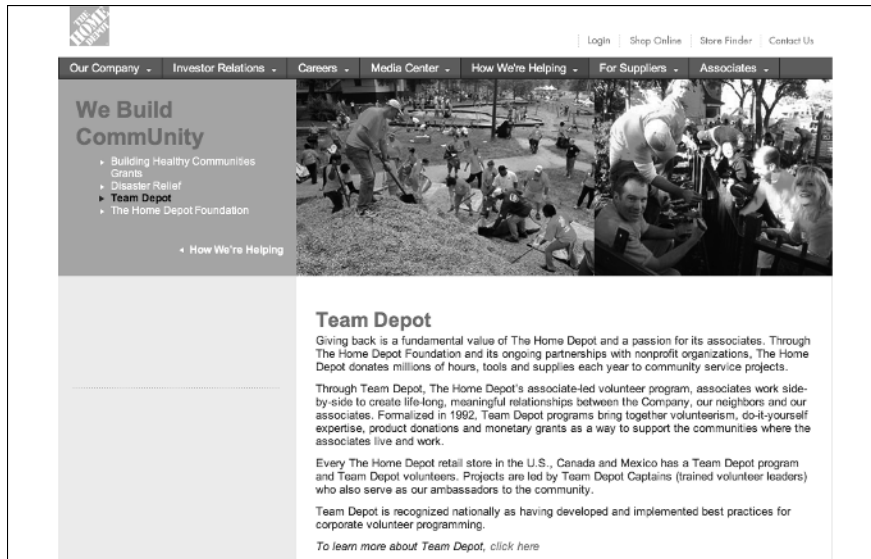
As the Fourth of July approaches, the United Service Organizations, Inc. (USO) and Sweethearts®, the official candy of love™, are offering a fun and tasty way for Americans to show their support for the 2.5 million men and women serving our country overseas. The Operation USO Care Package (OUCP) program has shipped more than 1.6 million care packages to our men and women in uniform. With the help of Sweethearts candies, the

**Figure 1-6:**  
NECCO's  
Sweet-  
hearts *Red  
White &  
You.*

## Employee engagement

*Employee engagement* is when a company leverages its workforce for social good. Employee involvement with a cause marketing campaign can range from employees supporting a point-of-sale program at the register to volunteer programs that take employees out of the workplace and put them to work on a community project. A great example of this was The Home Depot's partnership with KaBOOM!, which involved nearly 100,000 Home Depot employees building *1,000 Playgrounds in 1,000 Days* (see Figure 1-7).

**Figure 1-7:** In addition to volunteers, Home Depot donated \$25 million to building 1,000 playgrounds in 1,000 days.



## Digital programs

The web, social media, and especially *location-based services* — services like Foursquare, Facebook Places, and SCVNGR that use mobile technology to track and engage users — will dramatically impact cause marketing and change the way we execute current cause marketing tactics. To leave out digital programs or to lump them in with another area like message promotion is to leave out the future of cause marketing and how cause and companies will partner in the years to come.

One example of the intersection of cause and digital is TwitChange, a celebrity tweet auction created by Shaun King, an Atlanta pastor during the summer of 2010 (see Figure 1-8). The concept of TwitChange was simple: Celebrities auctioned off their Twitter influence to the highest bidder. The typical celebrity Twitter package on eBay looked something like this:

*“Ryan Seacrest will follow you on Twitter for a minimum of 90 days, will retweet one of your tweets, and will send out a tweet including your @twitterhandle.”*

TwitChange was a big hit. Its first campaign raised over \$500,000 for aHomeInHaiti.org.

**Figure 1-8:** TwitChange was so successful in September 2010 that it now plans to run four to six campaigns a year.

The image shows a screenshot of a TwitChange auction page. At the top, it says "TWITCHANGE" in large, bold letters, followed by the tagline "Changing the World, One Tweet at a Time." and a small bird icon. Below that, a banner reads "The First EVER Celebrity Tweet Auction September 15th - 25th, 2010". The main heading is "Ryan Seacrest Twitter Package for TwitChange". There are three portrait photos of celebrities: Ryan Seacrest, Kim Kardashian, and Justin Bieber, each with their name underneath. Below the photos, there is a quote: "It's easy to look back now and call TwitChange a big success. But that's not what it looked like at the beginning. In an [interview with the Wall Street Journal](#), Shaun King, the Atlanta pastor behind the effort said 45 of the 50 friends he initially pitched the idea to thought it wouldn't work."



Maybe you don't have the luxury of a celebrity partner. Digital programs can be used by anyone, especially if you have a Facebook page. For example, for each Like of its Facebook page earlier this year, Gerber donated \$1 up to \$500,000 to Rachael Ray's cause Yum-o!

You can find out more about digital tools and how to master them in Part IV.

## *Making the Case for Doing Cause Marketing in the First Place*

We're excited about cause marketing, but we understand that you may be just curious, or maybe even a bit nervous on whether it's right for you. Here are five good reasons to love cause marketing and to jump in with both heart and feet:

- ✓ **Cause marketing is a growth industry.** In 2010, corporate cause sponsorship was up 6.7 percent to \$1.62 billion, making it the fastest growing sponsorship category that IEG, a company that provides measurement information to the global sponsorship industry, tracks. By comparison, in 1990, cause sponsorship was a \$120 million industry. Causes and companies of all sizes can be part of cause marketing's bright future.

- ✔ **Consumers want more cause marketing.** Despite cause marketing's tremendous growth, consumers would like to see even more. According to the 2010 Cone Cause Evolution Study, 83 percent of Americans wish more of the products, services, and retailers they used would support causes. Not only is cause marketing growing, but consumers want and expect companies and causes to work together on cause marketing pacts.
- ✔ **Consumers want companies to act locally.** This point is critical for local causes and businesses that may feel that cause marketing is only for bigger charities and companies. Nearly half of the respondents to the Cone study said companies should focus on issues that impact local communities. And 91 percent said that companies should support an issue in the communities where they do business (Cone, 2010).
- ✔ **Technology is leveling the playing field.** If large causes and companies had an advantage in the past, that's changing thanks to new technologies, such as social media, the mobile web, location-based services, and *quick response codes* (QR codes) — offline hyperlinks that smartphone users can scan to access online content — which promise to arm local companies and causes with the tools they need to compete. Check out Chapter 10 where we discuss enhancing your program by using QR codes.
- ✔ **Consumers are fans of transactional cause marketing.** Shoppers surveyed actually prefer point-of-sale (81 percent) and purchase-triggered donation (75 percent) cause marketing. This news is great for local causes and businesses as they both have an easy point of entry and generate excellent revenue and awareness.

## Why cause marketing is the Borg

The battleground is anywhere in the world. Governments are out of money, and museums, historical sites, and cultural institutions are turning to the private sector and to consumers to keep their doors open and visitors moving through the turnstiles. For example:

- ✔ Shiny electric cars sit outside one Rome museum after a business paid \$110,000 for a sponsorship.
- ✔ The Louvre in Paris is exploring licensing its name to a line of elegant watches.
- ✔ In Spain, an art museum is keeping its lights on by promoting its utility partners.

Everyone talks about the growing reliance on corporate partnerships, but it's only the beginning of the commerce and consumerism nonprofits will have to adopt to survive. And cause marketing will be part of the vanguard.

With government funding decreasing annually and limits on how much donors will pay for tickets to a gala or an exhibition, nonprofits have to be more creative than ever in generating revenue, exploring untapped assets, and watching expenses.

Beautifully situated on the left side of the Seine, the Musee d'Orsay, a museum in Paris, has leveraged its location for profit by displaying giant posters for Air France and even H&M Clothing.

The days of going hat-in-hand are over, as nonprofits have to hold onto their hats — and keep their heads — amid charges and retreats, victories and setbacks. Cause marketing may straddle both cause and commerce, but consumerism and elitism will always be wary of the other.

In the *Star Trek: The Next Generation* series, the Borg was a relentless race of antagonists that expanded and conquered the universe despite human efforts to contain them. The Borg's mantra was "Resistance is futile." It's a mantra that could be a battle cry of good for cause marketers and others who want to see funding flow to the causes they care about and are open to new, innovative strategies.

Will some of the world's most famous paintings be sponsored by Starbucks, Target, and Walmart? No one can predict the future. But we are sure of this: Resistance is futile.



"Resistance is futile."

## Benefiting from Cause Marketing

The essence of cause marketing is win-win — good for the cause, good for the company. But the benefits of cause marketing will vary. Your local food bank will profit differently than the restaurant chain it partnered with. The key is knowing the unique rewards of each so that you can land a partner (see Chapter 3), execute a program, and measure your success when it's finished (see Chapter 11).

### For the cause

The benefits of cause marketing to nonprofits are clear — new revenue, greater awareness, and more opportunity:

- ✓ **Cause marketing is a new source of revenue from companies.** While the community relations arm of a company awards grants, and senior management are prospects for individual gifts, cause marketing taps the marketing muscle of the company. It opens a new door in the corporate suite.
- ✓ **Cause marketing generates awareness.** This awareness is invaluable for causes that neither have the expertise nor resources to promote themselves. Cause marketing gives these causes a voice, a presence, in an increasingly crowded and competitive world.

- ✔ **Cause marketing opens new doors.** We speak from experience on this point. Our involvement with cause marketing has led to a more progressive and innovative approach to fundraising. As cause marketing evolves, we've kept pace with advances that have benefited our work and our cause. Nothing more clearly illustrates this point than the link between cause marketing and technology. At the beginning of the new millennium, we had to learn how to use the web for new campaigns and promotion. Next came social media and tapping Facebook, Twitter, and blogging to enhance our efforts and to raise money. Today, we're opening doors with location-based services and mobile technology — key drivers on the road ahead. Technology is a journey we must keep up with if we are to grow and compete.
- ✔ **Cause marketing can reach new donors.** Many causes want to target a new, younger generation of donors. It's hard to find a group that's more enthusiastic about cause marketing — except perhaps moms — than *Millennials*, the men and women of today that are in their 20s and 30s and came after Generation X. In the 2010 Cone Cause Evolution Study, questions to Millennials on influences of social/environmental causes on making brand decisions had affirmative answers as high as 90 percent (see Figure 1-9).

How moms and Millennials compare:

Shopping attitudes and behaviors:	Total	Millennials	Moms
Believe cause marketing is acceptable	88%	94%	95%
Bought a cause product/service in past 12 months	41%	53%	61%
Likely to switch brands	80%	85%	93%
Willing to try a NEW brand or one they've never heard of	61%	73%	73%
Willing to buy a more expensive brand	19%	26%	27%

Cause branding is important when they decide:	Total	Millennials	Moms
Which companies they want to see doing business in their communities	79%	88%	90%
Which products and services to recommend to other people	76%	86%	88%
What to buy or where to shop	75%	84%	88%
Where to work	69%	87%	79%
Which stocks or mutual funds to invest in	59%	79%	74%

**Figure 1-9:**  
2010 Cone  
Cause  
Evolution  
Study.

## For the business

Businesses benefit from cause marketing with increased favorability and loyalty with two key audiences — household decision makers (usually moms) and employees:

- ✔ **Cause marketing builds favorability and drives sales.** The Cone Study reports that 85 percent of those surveyed believe that companies that support causes should be rewarded with a positive image. The study also found that 1 in 5 consumers will pay more for a cause-related

product. A cause will prompt 61 percent to try a product they've never heard of. And a whopping 80 percent of consumers would switch to a brand that supports a cause when price and quality are equal.

- ✔ **Cause marketing targets the key consumer.** Moms are the primary household shoppers and are overwhelmingly supportive of cause marketing. According to the 2010 Cone Cause Evolution Study, moms are by far the nation's most active cause consumers. A near-unanimous 95 percent find cause marketing acceptable, and 61 percent have purchased a cause-related product in the past 12 months.
- ✔ **Cause marketing attracts and keeps employees.** Sixty-nine percent of Americans consider a company's social and environmental commitments when deciding where to work. Once employed, employees active in company causes are happier; 93 percent say they're proud of their company's values, while 92 percent say they feel a strong sense of loyalty to their company.

## Understanding What Cause Marketing Is Not

Many people have the perception that cause marketing is anything that involves marketing with causes or corporate giving. But cause marketing is something we clearly define as a win-win partnership between cause and company involving specific tactics. We strongly believe that if cause marketing doesn't stand for something, it won't mean anything.

Part of understanding what cause marketing truly is means clearly understanding what it is not:

- ✔ **Cause marketing is not philanthropy.** While philanthropy is one of the goals of cause marketing, giving is not its primary end. As the name indicates, it's about cause *marketing* (marketing is the things we say and do to get and keep customers). If a company just wants to engage in philanthropy, it could just donate money to the cause, anonymously if it wanted. And if a cause was just interested in raising money, it could stick with proven fundraising practices like individual giving and grants from foundations. Cause marketing has benefits for both cause and company that extend well beyond the dollars raised or received. (See the section "Benefiting from Cause Marketing," earlier in this chapter, for more information.)
- ✔ **Cause marketing is not sponsorship.** It's easy to confuse sponsorship with cause marketing. *Sponsorship* like cause marketing is win-win. What distinguishes the two are tactics. Consider the longstanding sponsorship of the Boston Marathon by financial services giant John Hancock (see

Figure 1-10). Is it a win-win partnership between a cause and company? Yes (the marathon is managed by the Boston Athletic Association, a nonprofit). Is it cause marketing? No. Cause marketing goes deeper and involves a close partnership between cause and company to execute a point-of-sale, purchase or action-triggered donation, licensing agreement, or other type of program for mutual gain. The good news is you can relax. Knowing the difference between cause marketing and sponsorship is not as important as knowing how the two can work together.


- ✔ **Cause marketing is not the road to riches.** Based on our own experiences and what we've seen in the nonprofit world, we believe most causes can raise an additional 5 to 15 percent of their revenues from cause marketing. So if you're a \$2 million organization, with time and effort, you may one day raise an additional \$100,000 to \$300,000 from cause marketing. This estimate is modest. Some nonprofits raise more, some less, but what they will all share are modest results in raising money with cause marketing. No one is hitting the lottery. Even for large causes like Susan G. Komen for the Cure that annually raises \$35 million and more from pink sneakers, mixers, and pens, cause marketing is very visible but modest compared to the \$265 million they raise from other sources. Yoplait, for example, has donated \$25 million to Komen for the Cure over the past 12 years through a variety of programs (see Figure 1-11).
- ✔ **Cause marketing is not impossible for small companies and causes.** Any organization can do cause marketing by using the strategies we outline in this book and by following the lead of bigger causes and companies. But you need to scale them for your organization and be realistic about what you can accomplish. A clear understanding of what cause marketing is and how it works and its function for both causes and companies is critical to your success.

**Figure 1-10:**  
John Hancock's support for the Boston Marathon is a good example of sponsorship, not cause marketing.

### Helping To Keep The Race Running

As principal sponsor since 1986, John Hancock provides substantial financial support, including the first-ever prize money.

In addition, the Company also contributes a wide range of financial support and other services to the eight communities along the Marathon route - Hopkinton, Ashland, Frammingham, Natick, Wellesley, Newton, Brookline and Boston - in appreciation for their support of the race.



Each year, John Hancock recruits the world's top distance runners and brings these elite athletes to Boston for the Marathon, where they stay in the John Hancock Elite Athlete Village at the John Hancock Conference Center. The Company also sponsors the John Hancock Sports & Fitness Expo, which is the official location for picking up entry bibs and other important race information. The Expo serves as a hub for Marathon participants and their guests throughout Race Weekend, drawing 200 exhibitors and 80,000 visitors annually.

To support the local, national and international media representatives who travel to Boston each spring to cover the race, John Hancock assists in the production of the race's official media guide, coordinates press materials and credentials, and operates the Boston Marathon press room.

On race day, John Hancock makes several of its facilities near the Copley Square Finish Line available for use by the Marathon, and hundreds of employee-sponsored volunteers assist with race-related tasks. And anyone who has stood seven people deep along the course at the Finish Line can tell you how important the John Hancock-provided giant television screen is to the public's view of the race.

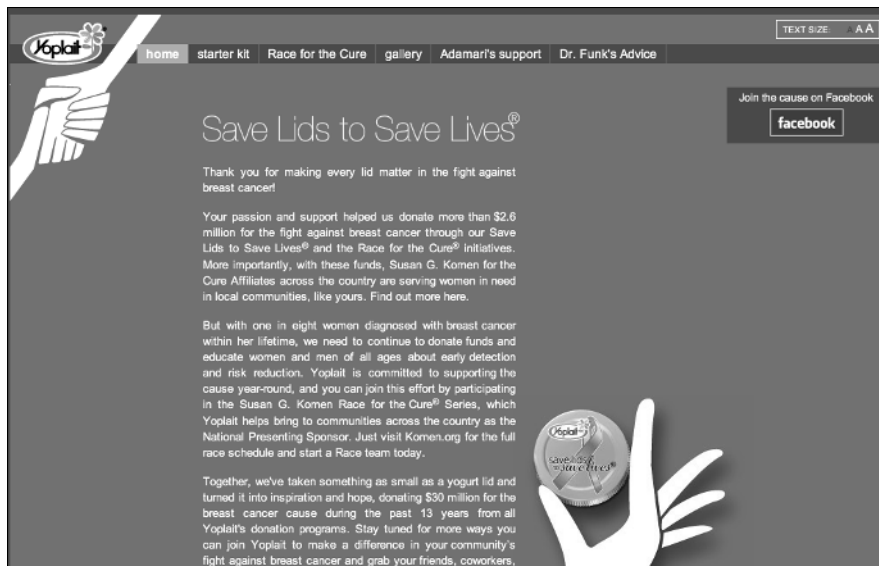
#### Related Resources

- 2011 Boston Marathon Media Guide
- [Visit Website](#)

#### Boston Marathon News

- 03/04/11 John Hancock Announces Changes To The 2011 Boston Marathon Elite Field
- 03/02/11 John Hancock Financial And Manulife Employees Commit To Run 2011 Boston Marathon For Non-Profits
- 02/10/11 2011 Boston Marathon International Elite Field Announced
- 01/26/11 John Hancock Financial Twitter Site Celebrates 26th Year of Boston Marathon Sponsorship
- 12/14/10 Top Americans Kara Goucher & Desiree Davila To Run 2011 Boston Marathon

**Figure 1-11:** While not as lucrative as some other forms of fundraising, monies raised from cause marketing can be 5 to 15 percent of a nonprofit's revenue.



## *Preparing for the End of Corporate Philanthropy*

Nestle SA Chairman Peter Brabeck-Letmathe is just one of the top business leaders to recently make the case against corporate philanthropy. His concern is that corporate philanthropy may lead to a misuse of funds. What businesses like Nestle are more in favor of are social investments that align with business goals.

While not everyone is thrilled with charitable support being driven by business decisions, social investing is the future of corporate giving for both small and large businesses. Thankfully, the timing is right for several reasons.

With the drumbeat of earnings and return on investment stronger than ever, companies can no longer fund generous philanthropy programs. Investment in causes, not giving, must be the mainstay if companies are to continue to play a meaningful role in addressing societal issues.

Thoughtful consumers get it. Research shows today's consumers understand that companies have to turn a profit but also believe that they can be engines for social change at the same time.

To engage more small and medium size businesses with causes, partnerships need to be win-win as only the biggest companies can afford big budgets for philanthropy.

But the shift away from corporate philanthropy won't be easy for many causes. Going from receiving generous handouts to working for a living will take a bit of getting used to, and not all nonprofits will survive.

Here are three ways nonprofits can begin the shift away from corporate philanthropy:

- ✔ **Embrace the brave new world.** Nonprofits shouldn't feel guilty that they have to engage businesses as, well, businesses and not donors. Remember, companies still want to make a difference, but they want to help you and society while they help themselves. Think win-win-win.
- ✔ **Make it easy for companies to work with you.** Don't lay on the guilt just because you have to work for the money you originally just got in the mail for doing nothing. And don't wait for companies to tell you to step up your efforts and offer them more. Connect the dots so that they don't have to. Create opportunities and programs that are tailored to their needs and goals.
- ✔ **Use what you learn from this book.** Whether you use point-of-sale, purchase or action-triggered donations, or online programs, cause marketing can help reduce your dependence on corporate charity and give businesses a new way to work with you.

Don't worry; corporate philanthropy won't just disappear. It will be reduced, perhaps a lot. But corporate philanthropy will always be there. Keep your tin cup handy. Just don't expect to use it as much, which we think will be a good thing.

A world with *less* corporate philanthropy is here. The challenge for causes is to adapt or die. What seems like the end of corporate philanthropy will actually be a new beginning of opportunity for nonprofits that are up for the challenge.

Is it an ending or a beginning for your cause? Only you can decide.