1 Good Intentions Aren't Enough: Why Some Marketing and Corporate Social Initiatives Fail and Others Succeed

When we come out of this fog, this notion that companies need to stand for something—they need to be accountable for more than just the money they earn—is going to be profound.[1]

—Jeffrey Immelt, Chairman and CEO, General Electric
At the November 2008 Business for Social Responsibility Conference

In the oft-cited 1970 article *The Social Responsibility of Business Is to Increase Its Profits*, economist Milton Friedman argued that business leaders had "no responsibilities other than to maximize profit for the shareholders."[2] Four decades later, the public statements of corporate leaders such as General Electric CEO Jeffrey Immelt quoted above and surveys of the general population indicate Friedman's argument is far from the majority view. A 2011 global consumer study by Cone Communications found only 6 percent of consumers in 10 countries agreed with the philosophy that the role of business in society is to "Just make money"[3] (see Figure 1.1).

More recently, Harvard's Michael E. Porter and Mark R. Kramer have argued that businesses must adopt a "shared value" mindset that seeks out and capitalizes on business opportunities to create "economic value in a way that also creates value for society by addressing its needs and challenges."[4] They criticize most companies for being "stuck in a 'social responsibility' mind-set in which societal issues are at the periphery, not the core."[5]

One need not be a follower of Friedman, Porter, or Kramer to agree that some activity carried out over the years in the name of social responsibility has

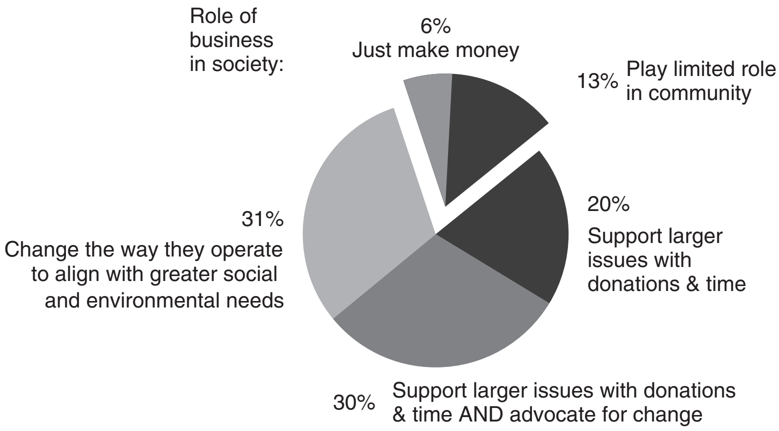

FIGURE 1.1 The overwhelming majority of consumers surveyed in 10 countries in 2011 for the Cone/Echol Global CR Opportunity Study indicated they believe businesses have societal responsibilities beyond generating profits.

been poorly conceived and ineffective at producing benefits for the companies or causes involved. Conceptualizing, creating, executing, and evaluating marketing and corporate social initiatives is challenging work. This book is intended to be a practical management guide for the executives tasked with allocating scarce resources to strategically craft policies and programs that do good for their companies and their communities.

We will distinguish *six major types of marketing and corporate social initiatives* and provide perspectives from professionals in the field on strengths and weaknesses of each in terms of benefits to the cause and benefits to the company. We've divided these initiatives into two groups: those that are marketing-oriented (cause promotion, cause-related marketing, and corporate social marketing) and those that more broadly express and advance corporate values and objectives (corporate philanthropy, workforce volunteering, and socially responsible business practices). To firmly familiarize you with the breadth of options, Chapter 2 provides an overview of the six types of initiatives and then each is covered in depth in its own chapter. (It should be noted that in practice, many programs are hybrid combinations of several initiative strains.)

Then we will guide you through recommended best practices for choosing among the varied potential social issues that could be addressed by a corporation; selecting an initiative that will do the most good for the social issue as well as the corporation; developing and implementing successful program plans; and evaluating program efforts.

This opening chapter sets the stage by providing a common language for the rest of the book. We highlight trends and statistics that demonstrate that corporations have an increased focus on social responsibility; describe the various perceived factors experts identify as fueling these trends; and conclude with current challenges and criticisms facing those attempting to do the most good.

What Is *Good*?

A quick browse of Fortune 500 websites reveals that the umbrella concept of *good* has many names including: *corporate social responsibility, corporate citizenship, corporate philanthropy, corporate giving, corporate community involvement, community relations, community affairs, community development, corporate responsibility, global citizenship, and corporate societal marketing*.

For purposes of this focused discussion and applications for best practices, we prefer the use of the term *corporate social responsibility* and offer the following definition:

> *Corporate social responsibility* (CSR) is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources.

This definition refers specifically to business activities that are *discretionary* as opposed to practices that are mandated by law or are moral or ethical in nature and perhaps, therefore, expected. We are referring to a voluntary *commitment* a business makes to choose and implement these practices and make these contributions. It will need to be demonstrated in order for a company to be described as socially responsible and will be fulfilled through adoption of new business practices and/or contributions, either monetary or nonmonetary. And when we refer to *community well-being,* we are including human conditions as well as environmental issues and communities from local to global that are defined by geography, demographics, challenges, aspirations, and many other factors.

We use the term *marketing and corporate social initiatives* to describe major efforts under the corporate social responsibility umbrella and offer the following definition:

> *Marketing and corporate social initiatives* are major activities undertaken by a corporation to support social causes, strengthen its business, and fulfill commitments to corporate social responsibility.

Causes most often supported through these initiatives are those that contribute to community *health* (i.e., AIDS prevention, early detection for breast cancer, timely immunizations); *safety* (i.e., designated driver programs, crime prevention, use of car safety restraints); *education* (i.e., literacy, computers for schools, special needs education); *employment* (i.e., job training, hiring practices, plant locations); the *environment* (i.e., recycling, elimination of the use of harmful chemicals, reduced packaging); *community and economic development* (i.e., low-interest housing loans, mentoring entrepreneurs); and *other basic human needs and desires* (i.e., hunger, homelessness, protecting animal rights, exercising voting privileges, anti-discrimination).

Support from corporations may take many forms including cash contributions, grants, promotional sponsorships, technical expertise, in-kind contributions (i.e., donations of products such as computer equipment or services such as printing), paid and earned media support, employee volunteers, and access to distribution channels. Cash contributions may come directly through the corporation or indirectly through foundations they have established.

Corporations may be sponsoring these initiatives on their own (e.g., Procter & Gamble's Tide Loads of Hope sends mobile clothes washing units to disaster zones) or in partnership with others (e.g., Food Network and Share Our Strength collaborate on public service announcements). They may be conceived of and managed by one department within the corporation, or by a team representing multiple business units.

What Are the Trends?

In the past decade, directional signals point to increased corporate giving and investment in cause sponsorship, increased corporate reporting on social responsibility initiatives, the establishment of a corporate social norm to do good, and a migration from giving as an obligation to giving as a strategy.

Increased Giving

In spite of the recession, corporate cash and in-kind giving in the United States rose 10.6 percent in 2010 to $15.29 billion (including $4.7 billion in grants and gifts made by corporate foundations), according to the Giving USA 2011 study.[6] Two-thirds of companies reported increasing their contributions from 2009 to 2010, according to the Committee Encouraging Corporate Philanthropy's annual survey.[7]

Growing at a rate of 6.7 percent, corporate cause sponsorship was the fastest-growing sponsorship segment in 2010, according to analysts at the IEG Sponsorship Report.[8] In 2011, corporate cause sponsorship grew a more modest 3.7% to $1.68 billion according to IEG.[9]

Increased Reporting Corporate social responsibility reporting is nearly ubiquitous among the largest companies and is growing rapidly around the world.[10] According to KPMG, a professional services firm, their 2011 survey found that 95 percent of the Global Fortune 250 companies reported on corporate responsibility activity.[11] That's more than double the level KPMG found in 2002.[12] "Almost half of the G250 companies report gaining financial value from the[ir] CR initiatives," KPMG reported.[13]

Establishment of a Corporate Social Norm to Do Good

Within those printed and digital reports, there are consistent and similar messages from CEOs, signaling that commitments to corporate social responsibility have entered the mainstream of corporate dialogue as a must do, as indicated in the following examples:

- General Mills: "Our goal is to stand among the most socially responsible consumer food companies in the world. Every day we work to earn the trust of consumers beginning with the safety of our products. Being a responsible corporate citizen is integral to maintaining that trust." —Ken Powell, chairman and CEO[14]
- IBM: "Addressing the issues facing the world now—from clean water, better healthcare, green energy and better schools, to sustainable and vibrant cities, and an empowered workforce and citizenry—does not

pose a choice between business strategy and citizenship strategy. Rather it represents a fusion of the two." —Samuel J. Palmisano, chairman, president, and CEO[15]

- Nike: "It's time for the world to shift. All companies face a direct impact from decreasing natural resources, rising populations and disruption from climate change. And what may be a subtle effect now will only become more intense over the next five to ten years. Never has business had a more crucial call to innovate not just for the health and growth opportunities for our companies, but for the good of the world." —Mark Parker, president and CEO[16]
- Seventh Generation: "We seek to build the most trusted brand on the planet. We seek to reach more consumers, partner with like-minded retailers, and collaborate with responsible suppliers, as we double our business in the next five years. We will anchor our growth by investing in the Seventh Generation Community and our brand and by discovering exciting and innovative ways to meet consumer needs more sustainably." —John B. Replogle, president and CEO[17]
- Starbucks: "Today, perhaps more than ever, people are looking to the business community to help address many of the complex issues facing our world. At Starbucks, we acknowledge that responsibility, and will once again set a new standard of corporate responsibility." —Howard Schultz, president and CEO[18]

A Shift from Obligation to Strategy

In a seminal article in the *Harvard Business Review*, Craig Smith identified *The New Corporate Philanthropy*, describing it as a shift to making long-term commitments to specific social issues and initiatives, providing more than cash contributions, sourcing funds from business units as well as philanthropic budgets, forming strategic alliances, and doing all of this in a way that also advances business goals.

A milestone he identified that contributed to this evolution was a Supreme Court decision in the 1950s that removed legal restrictions and unwritten codes that up to that point had restricted, or at least limited, corporate contributions and involvement in social issues. Subsequently, by the 1960s, most U.S. companies began to feel pressures to demonstrate their social responsibility and established in-house foundations and giving programs.[19]

One of the next milestones Smith cited was the *Exxon Valdez* oil spill in 1989 that brought into serious question the philanthropy of the 1970s and 1980s, a period when corporations tended to support a variety of social issues least associated with their line of business and turn over management of their giving to separate foundations. When Exxon then needed access to environmentalists for expertise and support, management was "without ties to environmental leaders nurtured by the foundation."[20] A final milestone that Smith identified was the emergence and visibility of models in the 1990s such as the one used at AT&T that was "designed as much to reform the company as to reform society."[21]

Hess, Rogovsky, and Dunfee suggest that another force driving this shift is *The New Moral Marketplace Factor*, which is creating an increased importance of perceived corporate morality in choices made by consumers, investors, and employees. They point to several examples of marketplace morality including "investors choosing socially screened investment funds, consumers boycotting Shell Oil because of its decision to sink the Brent Spar oil rig, and employees' desires to work for socially responsible firms."[22]

In the following section, we contrast the more traditional approach to corporate philanthropy with the now strategic approach in terms of our best practice issues of selecting, developing, implementing, and evaluating marketing and corporate social initiatives.

The Traditional Approach: Fulfilling an Obligation

Prior to the 1990s, decisions regarding the selection of social issues to support tended to be made based on themes reflecting emerging pressures for *doing good to look good*. It was most common that corporations would establish, follow, and report on a fixed annual budget for giving, sometimes tied to revenues or pretax earnings. Funds were allocated to as many organizations as possible, reflecting a perception that this would satisfy the most constituent groups and create the most visibility for philanthropic efforts. Commitments were more short-term, allowing the organization to spread the wealth over a variety of organizations and issues through the years. Interestingly (given where we are today), there was more of a tendency to avoid issues that might be associated with core business products, as this might be perceived as self-serving, and to steer clear from major and often controversial social issues such as AIDS, judging that these were best handled by government and nonprofit experts. Decisions regarding issues to support and organizations to sponsor were also more heavily influenced by preferences (and wishes) of senior management and directors of boards than by needs to support strategic business goals and objectives.

When developing and implementing specific initiatives, the rule of thumb might have been described as to *do good as easily as possible*, resulting in a tendency to simply write a check. Most were satisfied being one of many corporate sponsors, as visibility for efforts was not a goal or concern. And because it would require extra effort, few attempts were made to integrate and coordinate giving programs with other corporate strategies and business units such as marketing, human resources, and operations.

And in terms of evaluation, it appears little was done (or asked for) to establish quantifiable outcomes for the business or the social cause, *trusting that good happened.*

The New Approach: Supporting Corporate Objectives, Too

As noted earlier, Smith described that in the early 1990s, many turned to a new model of corporate giving, a strategic approach that ultimately impacted what issues corporations supported, how they designed and implemented their programs, and how they were evaluated.

Decision-making now reflects an increased desire for *doing well and doing good*. We see more corporations picking a few strategic areas of focus, ones that fit with corporate values; selecting initiatives that support business goals; choosing issues related to core products and core markets; supporting issues that provide opportunities to meet marketing objectives such as increased market share, market penetration, or building a desired brand identity; evaluating issues based on their potential for positive support in times of corporate crisis or national policy making; involving more than one department in the selection process, so as to lay a foundation of support for implementation of programs; and taking on issues the community and customers and employees care most about.

Developing and implementing programs in this new model looks more like *doing all we can to do the most good, not just some good*. It is more common for managers to make long-term commitments, to offer in-kind contributions such as corporate expertise, technological support, access to services, and donation of retired equipment. We see more efforts to share distribution channels with cause partners; to volunteer employee time; to integrate the issue into marketing, corporate communications, human resources, community relations, and operations; to form strategic alliances with one or more external partners (private, public, non-profit); and to see funding coming from additional business units such as marketing and human resources.

Evaluation now has increased importance, perceived as critical to answering the question *What good did we do?* Trusting is not good enough. This input is valued, as a part of a strategic framework that then uses this feedback for course correction and credible public reporting. As a result, we see increased pressures for setting campaign goals, measuring outcomes for the corporation, and measuring impact for the cause. Even though there are increased pressures for evaluation of outcomes, program partners are still challenged with determining methodologies and securing resources to make this happen.

The rapidly escalating growth of digital, social, and mobile communications over the past five years has provided companies with new tools for engaging stakeholders in corporate social initiatives. Frequent changes on relatively established major platforms like Facebook, Twitter, and YouTube and the emergence of other specialized and mass online and mobile tools means that knowledge of how to best use them is still in its infancy. To provide insight into some emerging best practices, we've laced this book with *Social Media Spotlights*.

In addition to creating new opportunities, the changing digital landscape has also presented companies with serious challenges. The decentralization of communications tremendously amplifies and accelerates the power of individuals and groups to spread criticism of corporate efforts.

Why Do *Good*?

Most healthcare professionals promise that if we engage in regular physical activity, we'll look better, feel better, do better, and live longer. There are many who say that participation in Marketing and Corporate Social Initiatives has similar potential benefits. It appears that it looks good to potential consumers, investors, financial analysts, business colleagues, in annual reports, in the news, and maybe even in congress and the courtroom. It is reported that it feels good to employees, current customers, stockholders, and board members. There is growing evidence that it does good for the brand and the bottom line as well as the community. And there are some who claim that corporations with a strong reputation for corporate social responsibility actually last longer.

Let's examine the existing evidence that participation in marketing and corporate social initiatives can impact key performance factors, ones that could then support these claims.

Business for Social Responsibility is a leading non-profit global organization providing businesses with information, tools, training, and advisory services related to integrating corporate social responsibility in their business operations and strategies. Their research and experience concludes that companies have experienced a range of bottom-line benefits, including several of the following:[23]

- Increased sales and market share
- Strengthened brand positioning
- Enhanced corporate image and clout
- Increased ability to attract, motivate, and retain employees
- Decreased operating costs
- Increased appeal to investors and financial analysts

Increased Sales and Market Share

Cone Communications has been surveying U.S. consumers and employees on their attitudes concerning companies and causes since 1993. Perhaps spurred by the economic downturn, the 2011 U.S. data revealed some of the highest levels of consumer expectations and preferences Cone had ever recorded.[24]

- Ninety-four percent reported that they were likely to switch brands, about equal in price and quality, to one that supports a social issue—an all-time high. (That figure was 66 percent back in 1993 and 79 percent two months after September 11, 2011.[25])
- Ninety-one percent said they would buy a product associated with a cause if given the opportunity. Sixty-two percent said they had purchased a cause-related product in the past year.
- Eighty-one percent said they would donate to a charity supported by a company they trust, if given the opportunity. Seventy percent reported they had made such a donation in the past year.

In 2011, Cone added citizens in nine other countries to its research and found that "consumers globally believe companies have an explicit responsibility to help change the world."[26] Taken together, 94 percent of 10,000 citizens surveyed in Canada, Brazil, the United Kingdom, Germany, France, Russia, China, India, Japan, and the United States indicated they were likely to switch brands to one associated with a cause.[27]

Such contentions that corporate involvement in social causes can increase brand preference are corroborated by other surveys by public relations and branding firms (e.g., the Edelman goodpurpose study[28] and PRWeek/Barkley Cause Survey[29]), as well as academic researchers.

Bloom, Hoeffler, Keller, and Basurto, for example, contend:

> Consumers these days monitor and pay attention to how brands are marketed, and if they like the way that marketing is done because they have some type of positive feelings about or affinity toward the social cause being supported in the marketing program, then consumers will weigh the brand's marketing approach more heavily and positively compared to how they would weigh a brand's marketing program if it were supporting a non-social cause (e.g., commercial sponsorship in forming preference).[30]

In the chapters to come, you'll find many case examples of programs that increased sales and market share. A pioneering program that has inspired many others over the years is the American Express restoration of the Statue of Liberty campaign, a cause-related marketing initiative in the early 1980s. Instead of just writing a check to help with the cause, American Express tried a new approach: They pledged that they would make a contribution to a fund to restore the Statue of Liberty every time their card was used and would apply an additional contribution for every new card application. The campaign generated $1.7 million in funds for *the lady*, a 27 percent increase in card usage, and a 10 percent jump in new card member applications.[31]

Strengthened Brand Positioning

In their book *Brand Spirit*, Pringle and Thompson make a strong case for the contribution that linking a company or brand to a relevant charity or cause can make to the "spirit of the brand." They contend that consumers are going beyond "the practical issues of functional product performance or rational product benefits and further than the emotional and psychological aspects of brand personality and image. Consumers are moving towards the top of Maslow's Hierarchy of Needs and seeking 'self-realization.'"[32] What they are asking for now and are drawn to now are demonstrations of good. "In an anthropomorphic sense, if consumers know how a brand functions and how it 'thinks' and 'feels,' then the new question that has to be answered is 'what does it believe in?'"[33]

Bloom, Hoeffler, Keller, and Basurto see

> . . . marketing initiatives containing a larger amount of social content having a more positive effect on brand judgments and feelings than initiatives that are similar in size and scope but contain less social content. By 'social content' we mean activities in the marketing initiative that are meant to make tangible improvements to social welfare. Thus a program that would make a donation to an environmental organization every time a purchase was made would be higher in social content than a program that gave a consumer a free toy every time a purchase was made.

Consider, for example, the spirit that participation in corporate social initiatives has given to the Ben & Jerry's brand. Thanks to years of company activity and communication, the words *Ben & Jerry's* conjure up for many consumers an image of a philanthropic company that promotes and supports positive social change through such efforts as the PartnerShops program that waives standard franchise fees for nonprofit organizations in order to offer supportive employment; the *Lick Global Warming* campaign that teaches people how to reduce their carbon dioxide emissions and to advocate for policies that fight global warming; or the sourcing of brownies for their ice cream from Greyston Bakery, a nonprofit that provides employment and support services to former homeless, low-income, and disenfranchised people. For many consumers, the product of the brand's many pro-social activities is a positive feeling toward Ben & Jerry's lineup of ice creams in the grocer's freezer section.

Improved Corporate Image and Clout

Several existing and respected reports cover standards and assessment of performance in the area of Corporate Social Responsibility, including the following:

- *Fortune* publishes an annual list of the "World's Most Admired Companies" and social responsibility is one of the eight attributes executives and securities analysts around the world are asked to rate companies on. Among those topping the 2011 social responsibility rating list were Statoil (Norway), Ferrovial (Spain), Walt Disney (USA), ENI (Italy), and Whole Foods Market (USA).[34]
- *Corporate Responsibility Magazine* publishes a list of "100 Best Corporate Citizens," recognizing companies' corporate social responsibility toward stakeholders including the environment and the community. In 2011, the top five Best Corporate Citizens were Johnson Controls, Campbell Soup Company, IBM, Bristol-Myers Squibb, and Mattel.[35]

In addition to positive press from reports such as these, "Companies that demonstrate they are engaging in practices that satisfy and go beyond regulatory compliance requirements are being given less scrutiny and more free reign by both national and local government entities,"[36] according to *Business for Social Responsibility*.

A strong reputation in the community can be a real asset in times of crisis. Hess, Rogovsky, and Dunfee describe a dramatic example of this in the McDonald's experience during the 1992 South Central Los Angeles riots. "The company's efforts in developing community relations through its Ronald McDonald's houses and its involvement in developing employee opportunities gave the company such a strong reputation, McDonald's executives stated, that rioters refused to harm their outlets. While vandalism caused tremendous damages to businesses in the area, all sixty of McDonald's franchises were spared harm."[37]

Increased Ability to Attract, Motivate, and Retain Employees

Consumer surveys indicate that a company's participation in social initiatives can have a positive impact on prospective and current employees, as well as citizens and executives. According to the 2011 Cone Cause Evolution Study, 69 percent of Americans indicated that a company's commitment to social and environmental issues would influence whether they would want to work there.[38] Employees involved with their company's cause programs were far more likely than those not involved to say they had a strong sense of loyalty to and pride in the company.[39] "Companies who are not fully engaging their employees are clearly leaving equity on the table," according to Cone.[40]

Perceiving an increased desire among students in social entrepreneurship and careers with socially responsible companies, graduate schools of business have been increasing their course offerings related to examining the social, environmental, and ethical impacts of business decisions, according to the Aspen Institute's 2011 *Beyond Grey Pinstripes* survey.[41]

Decreased Operating Costs Several business functions can cite decreases in operating costs and increased revenue from grants and incentives as a result of implementing marketing and corporate social initiatives, especially altering business practices. One arena easy to point to is the adoption of environmental initiatives to reduce waste, reuse materials, recycle, and conserve water and electricity.

At AT&T, for example, a program that entices customers to sign up for paperless, electronic billing statements by offering to contribute to The Arbor Day Foundation has cut the company's paper, printing, and mailing costs by millions of dollars, saved trees from being harvested to make paper and funded the planting of hundreds of thousands of trees.[42]

Another area for potential reduced costs is in advertising expenditures, especially as a result of increased free publicity.

From its founding in the 1970s, The Body Shop was noted for its stands on issues such as fair trade, protecting the environment, and using animals for cosmetic testing. According to an article in the World Council of Sustainable Development, "The Body Shop was launched on the basis of fairer prices for fairly produced cosmetics. Anita Roddick, its founder, generated so much favorable publicity that the company did not need to advertise: a win-win on the cost-benefit front, leaving aside the do-gooding."[43]

More recently, the social entrepreneurs at TOMS Shoes have ridden a wave of consumer and media fascination with the company's philanthropic business proposition: Buy one pair of shoes and a pair is given to a child in need. An advertising agency executive happened to hear a television report on the company in 2008. That started a chain of events that led ATT to feature the company in a widely aired commercial in 2009, which generated millions of dollars worth of business-building free publicity for TOMS Shoes.[44]

Increased Appeal to Investors and Financial Analysts

Some argue that involvement in marketing and corporate social initiatives can increase stock value.

- In *Firms of Endearment*, Rajendra Sisodia, David Wolfe, and Jagdish Sheth present data indicating that firms that "endear" themselves to all stakeholders wildly outperformed the broader stock market during the 3-, 5-, and 10-year periods ending June 30, 2006.[45] "Great companies sustain their superior performance over time for investors, but equally important in our view, for their employees, customers, suppliers, and society in general," the authors contend.
- In "Corporate Social Responsibility and Shareholder Value: The Environmental Consciousness of Investors," Caroline Flammer of the MIT School of Management studied the relationship from 1980 to 2009 between corporate announcements of positive and negative environmental news and stock movement. "We find that companies that are reported to behave responsibly towards the environment experience a significant stock price increase, whereas firms that behave irresponsibly face a significant stock price decrease."[46]
- According to the Social Investment Forum Foundation's *2010 Report on Socially Responsible Investing Trends in the United States*, "Sustainable and socially responsible investing (SRI) in the United States has continued to grow at a faster pace than the broader universe of conventional investment assets under professional management. At the start of 2010, professionally managed assets following SRI strategies stood at $3.07 trillion, a rise of more than 380 percent from $639 billion in 1995 . . . Over the same period, the broader universe of assets under professional management increased only 260 percent from $7 trillion to $25.2 trillion."[47]

What Are the Major Current Challenges to Doing Good?

Managers and program planners are challenged at each of the fundamental decision points identified throughout this book—decisions related to choosing a social issue; selecting an initiative to support this issue; developing and implementing program plans; and evaluating outcomes. In the next few pages, we identify issues that commonly crop up within organizations. Guidance on grappling with these issues is a key component of the chapters to come.

Choosing a Social Issue

Challenges are perhaps the greatest in this very first step, as experience has shown that some social issues are a better fit than others, and this first decision has the greatest impact on subsequent programs and outcomes. Those making the recommendations will end up juggling competing priorities and publics. They will be faced with tough questions, including:

- How does this support our business goals?
- How big of a social problem is this?
- Isn't the government or someone else handling this?
- What will our stockholders think of our involvement in this issue?
- Is this something our employees can get excited about?
- Won't this encourage others involved in this cause to approach us (bug us) for funds?
- How do we know this isn't the *cause du jour*?
- Will this cause backfire on us and create a scandal?
- Is this something our competitors are involved in and *own* already?

Selecting an Initiative to Address the Issue

Once an issue has been chosen, managers will now be challenged regarding recommendations on what initiative or initiatives among the six identified in Chapter 2 should be selected to support the issue. Again, they will need to be prepared to answer tough questions:

- How can we do this without distracting us from our core business?
- How will this initiative give visibility for this company?
- Do these programs really work? Who pays attention to these?
- What if consumers perceive the amount of the sale that actually goes to the cause is too small?
- Have you calculated the productivity cost for giving our employees time off for volunteering?
- Giving visibility, especially shelf space in our stores for this cause, doesn't *pencil out*. Shouldn't we just write a check or give a grant?

Developing and Implementing Program Plans

Key decisions at this point include whether to partner with others and if so, who; determining key strategies including communications and distribution channels; assigning roles and responsibilities; developing timetables; and determining budget allocations and funding sources. The questions continue, especially around issues of time and money:

- How can we do this when money is needed for increased performance?
- What do we say to stockholders who see this as money that belongs to them?
- Why is our department being asked to fund this?
- Will having partners bog down the decision-making process and therefore take more of our staff time?
- Will we be doing as much good for the cause as we spend?
- Isn't this just brand advertising in disguise?
- What is our exit strategy?
- How do we keep from looking hypocritical?

Evaluation

Ongoing measurement of marketing activities and financial investments for corporations has a track record, with decades of experience in building sophisticated tracking systems and databases that provide analysis on returns on investments and compare current activities to benchmarks and gold standards. By contrast, the track record for measuring return on investments in Corporate Social Initiatives is very young with little historic data and expertise. Marketing professionals and academic experts in the field confirm this challenge.

- Curt Weeden, former CEO of the Association of Corporate Contributions Professionals and formerly the vice president in charge of Johnson & Johnson's corporate philanthropy, put it this way: "Full-scale, highly quantitative evaluations are simply not practical or affordable for 99 percent of the contributions a company elects to make."[48]

- Sinha, Dev, and Salas describe, "Since the benefits related to CSR are not directly measurable, and most firms do not disclose expenses related to such activities, it is difficult to directly assess the return on CSR investment."[49]
- McDonald's, for example, reports that even measuring a major event is challenging: "Most of our current goals and measurements are related to processes, systems development and standard setting . . . We are 70 percent franchised around the world: Currently, we do not have systems to collect and aggregate what some 5,500 independent owner/operators do for their community, people and environment at the local level."[50]
- Gourville and Rangan confirm this difficulty: "Rarely do firms fully assess a cause marketing alliance and its potential impact on both the for-profit and the non-profit entities. Yes, there are several stunning success stories . . . but most for-profit businesses would be hard pressed to document the long-term business impact of their cause marketing campaigns and most non-profits would have trouble pin-pointing the value they bring to the partnership."[51]

Fortunately, many of the case examples in this volume include valuable data on program impact. Businesses and society at large have so much to gain from well-conceived, well-designed, and well-executed corporate social initiatives. Read on for practical knowledge generously shared by dozens of practitioners intended to help future managers escape the pain of avoidable mistakes and craft more successful programs moving forward.