

# Cause-marketing



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Cause Marketing - Research Paper - Arts Marketing AAd 565 Emily Saunders  
-[email protected]edu I chose to research the topic of cause marketing to benefit the nonprofit cancer community, specifically nonprofit cancer survivor camps for children, teens and young adults. These camps have not used this fundraising strategy and I believe they could benefit from it greatly. This research will provide the tools and understanding of how to design a custom program with for-profits which will fit their marketing and business goals, while raising profits for the camp's operational costs.

Introduction to Cause Marketing Cause Marketing is the cooperative efforts of a for-profit business and a non-profit organization for mutual benefit. (Wikipedia) The company puts the power of its brand and marketing behind the nonprofit's cause to generate profits for both. (Daw, p. 1) The for-profit has the ability to reach consumers the nonprofit would not be able to for donations, while making the for-profit appear more socially responsible to consumers. " Numerous studies have shown cause-related marketing has helped increase a company's profits. (Wikipedia) It also raises awareness for the nonprofits cause and reaches more supporters while increasing funding for the cause. " Today, more and more companies are realizing they can no longer afford to be anonymous benefactors or disengaged citizens. " (Daw, p. 28) In recent years the term has come to describe a wider variety of marketing initiatives based on the cooperative efforts of business and charitable causes. However it is important to differentiate cause marketing from corporate philanthropy or sponsorship, it is in fact an intersection of the two. Sundar, p. 208) The objective of all cause-related marketing programs is sales and a promotional campaign is undertaken to that end. Sponsorship

and corporate philanthropy is a fixed amount of money which is negotiated and donated in advance to a nonprofit organization for an event or program. (Sundar, p. 208) In return for sponsorship the nonprofit uses its marketing to promote a companies involvement and support of the cause. For example, the company's logo will appear on the nonprofits marketing materials for an event. Overview of Findings Studies done by Cone Inc. a marketing communication agency that tracks American attitudes towards corporate support of social issues, have brought cause marketing data into sharp focus. (Sundar, p. 207) In the Cone Corporate Citizenship Study the consumers' answer to the statement, " I am likely to switch from one brand to another that is about the same in price and quality, if the other brand is associated with a cause. " has been staggering. In 2001 81% agreed they would switch brands, in 2004 86% would switch and in 2006 89% stated they would switch brands if associated with a cause. Cone Case Studies 2001, 2004, 2006) " Cone research reports...have identified key motivators that are driving changes in the corporate sector: employees, communities, and consumers are all demanding that companies play an active role in building community and demonstrate what they stand for. " (Daw, p. 31) Cause related shopping is the second and third means of providing charitable gifts for those who planned to give a charitable donation over the holiday season. (Daw, p. 2) In fact the British Business in the Community 21st Century Giving Research showed that 83% of those who participated in a cause initiative said it enabled them to support a charity more that they would have otherwise done. (Daw, p. 32)This is dramatic indicator of consumer attitudes and an important differentiator for product marketing. Another indicator is

the incredible rise in spending on cause marketing by companies in the United States. IEG Sponsorship Report of Spending by Companies in U.

S. on Cause Marketing | 1990 |\$120 million | | 2005 |\$1. 11 billion | | 2007 | \$1. 44 billion | | 2009 |\$1. 57 billion |

These findings show cause marketing is a powerful marketing tool that businesses and nonprofit organizations are increasingly leveraging. Another reason for companies to support a cause is that 92% of consumers have a more positive image of a company that supports a cause they care about; 74% are more likely to pay attention to a company's message when they see that the company has a deep commitment to a cause; and 83% will trust a company more if it is socially responsible. (Cone Millennial Cause Study, 2006) Overall, cause marketing can help a company raise its' corporate social responsibility in the eyes of the consumer.

Corporate Social Responsibility is when a business makes decisions not based solely on dollars, but social and environmental consequences of business activities. (Wikipedia) Simply put the companies that support charitable causes are also promoting their business. Keys to a Successful Cause Marketing Campaign It is essential for a for-profit and nonprofit to have a well planned strategy when it comes to a successful cause marketing campaign. To begin it is crucial to have a solid, quality, synergistic fit in the partnership. (Cause Practices website, Sundar, p. 07) A nonprofit organization needs to look for a company with a solid history and strong brand image who would like to make a contribution that is significant and clearly defined to the consumer. (Better Business Bureau Standards for Charitable Accountability website) It is also important for the company to

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reach a wide variety of audience members. This raises awareness for the cause and gives specific information about the cause being marketed. " A nonprofit needs to look for a match between their needs and the for-profit's assets, programs and resources.

The link can and must be one that does not jeopardize either organization's core values and mission. " (Daw, p. 159-160) It needs to be noted that traditionally cause marketing has been initiated and driven by the needs of the for-profit, with far less attention directed to the needs of the nonprofit or its role of creating value for the partnership. (Gourville, p. 39) Other risks that de-value a nonprofit include: wasted resources of time and money, reduced donations from private donors and a tainted for-profit partner leading to the negative image of the nonprofit. (Andreasen, p. 50-55) Research demonstrates that nonprofits first goal is for support of a particular event and sources for funding while the second goal is for resources from the for-profit, networking and raising public awareness. (Runte, p. 265) It was also found that nonprofits with less cause marketing experience tend to have gaps between their goals and experienced outcomes; whereas nonprofits with more experience report a closer match between goals and outcomes. (Runte, p. 265) Cause marketing is marketing...the focus is on the cause, not the charity; its emphasis is on local impact and implementation. ... Presentation of the cause stresses making a difference and taking action, and presents the issues in a compelling uplifting way. " (Daw, p. 37) For-profit businesses choose cause marketing to " help them stand out, capture customer attention and build brand loyalty, all while providing real value to the customer and society. "(Ogden, p. 2) To do this well for-profits need to

choose a charity that is based on measurable effectiveness, which can be translated to the customer.

The company needs to tell the customer how much of the proceeds will go to the charity and how the funds will be used by the charity. Publishing follow-up information after the marketing campaign is finished will help build confidence in the brand and set the stage for future campaigns. (Ogden, p. 2) “ Companies have the budget and time scale necessary to research charities and narrow it down to ones that are highly effective and measure results. Just as importantly, they have the communications infrastructure to publicize their research and findings to target customers.

That means that a cause marketing message can move from a very generic statement to one that’s very specific. ” (Ogden, p. 2) The company uses the cause as the focus of its marketing tactics; they incorporate the traditional four P’s of marketing: product, price, promotion and place. “ Product ties to cause. Price includes a donation or percentage to the cause. Promotion focuses on the cause connection. Place reaches consumers in an untraditional way, often supported by in-store point of purchase advertising. ” (Daw, p. ) Issues with Cause Marketing Cause marketing makes philanthropy simple and convenient for the consumer. However, several behavioral economic studies have shown that consumers who buy cause marketing products end up giving less money to a social cause or charity. (Krishna, p. 1; Eikenberry, p. 53; Ogden, p. 1) One study of 300 college students at the University of Michigan found that charitable giving is lower if consumers buy a cause-related product, even if the consumer already had planned to buy it, regardless of its connection to cause. Krishna, p. 1) This

means that consumers who support socially responsible companies believe they have already done their philanthropic share. “ When people link their charitable donations to their preexisting consumption decisions, they need not exercise a deeper sense of moral responsibility. ...very little sacrifice, if any, is required...and they need not be aware of the supposed beneficiary of their actions. ” (Eikenberry, p. 54)

Cause marketing may have long-term costs including individualized solutions to collective problems; replacing virtuous action with mindless buying; and hiding how markets create many social problems in the first place. (Eikenberry, p. 51) This begs the question are the short-term benefits of raising much-needed funds and educating the consumer about charities while improving corporate sales, widening publicity and improving the corporate image worth it? “ The most benevolent philanthropic agenda would not be infused with consumption.

Instead it would give a voice to those who suffer. ...when the aggrieved speak and the more powerful listen, policies, political processes and public perception can change. ”(Eikenberry, p. 54) It is suggested that nonprofit organizations should focus more on cultivated meaningful and diverse relationships with donors, rather than raising funds through consumption. However, in society based primarily on instant gratification consumption philanthropy may make the most sense when a charity hopes to raise massive amounts of individual contributions through the help of products.

One example is the Product Red campaign launched in 2006 to support nonprofits like the Global Fund to Fight Aids, Tuberculosis and Malaria. So far Red products have contributed \$59 million to charity. I just don't see this

amount of money being donated by more meaningful donor relationships. In fact the British Business in the Community 21st Century Giving Research showed that 83% of those who participated in cause (marketing) initiatives said it enabled them to support a charity more than they would have otherwise done. (Daw, p. 2) Shopping is synonymous with the American way, so why not benefit from the consumption already taking place? Another issue in cause marketing involves the consumer misinterpreting the cause marketing and being falsely misled to believe the message on the products are endorsements by the nonprofit partner of the product. Even though many nonprofits have policies stating their cause marketing initiatives are not intended to represent endorsement. (Bower, p. 113-114) This could lead to the nonprofits reputation being damaged.

One interesting example is the Yoplait “ Save Lids to Save Lives” campaign which has been criticized because the yogurt may have been made with milk from cows treated with rGBH, which is believed to increase the risk of breast cancer. (Bower, p. 114) Analysis of Specific Trends of Cause Marketing for Cancer Breast Cancer Awareness Month (October) was named the #1 cause marketing campaign in 2010. (Newell, p. 1) The Komen Foundation raises approximately \$30 million dollars a year through 130 corporate partnerships. (Eikenberry, p. 53) It is phenomenal that pink products and ribbons are synonymous with breast cancer awareness. However a little known fact is that the death rate from breast cancer hasn't changed in a decade, despite all of this awareness raising. (Ogden, p. 1) Another interesting fact is that although cancer is the leading cause of death for women ages 35-64, skin cancer is the most common form of cancer, and lung cancer is the leading



cause of death among women diagnosed with cancer. (Eikenberry, p. 3) It is also interesting to note that companies as unlikely as KFC fried chicken and Chambord liqueur support breast cancer awareness month. (Ogden, p. 5) Does KFC's partnership with Komen really help raise breast cancer awareness or just raise eyebrows? Nonprofits need to have alliances with for-profits as a strategic partnership for more than just profits. It is not just about encouraging people to buy more to feel better about a cause, it is about nonprofits raising awareness about their cause in a way that makes sense. Many nonprofits have established minimum requirements for a cause-related marketing relationship.

An example is the Pancreatic Cancer Action Network which requires: a minimum of one year of established business operations, a minimum contribution of 10% of the retail price of a product, dissemination of educational material about pancreatic cancer with every initiative, and their name/logo/website on every cause marketing initiative. Once a partnership that makes sense is established it is then important to consider how the nonprofit will connect with consumers via their website. Connecting with consumers is no longer about advertising and having a one-way conversation, it's about two-way dialogue. Daw, p. 31) One example of this is the Lance Armstrong Foundation which now encourages cancer survivors to "share your story on Livestrong.org". These stories can then be read by potential donors via the website. Case Study A local cause marketing campaign for the revenue generation, profile building and achievement of mission for a local community-based nonprofit organization. Canadian Cancer Society and Cause Partner Thrifty Foods The nonprofit built on an

annual fundraiser typically done selling daffodils door-to-door. ? Daffodils are an instant brand recognition image for the nonprofit ?

Nonprofit's Campaign Corporate Sale Coordinator proactively went to the companies' owners and presidents to see about support with a cause marketing campaign. ? A for-profit food store that is community minded & care-oriented was interested Partnership Agreement made: ? Thrifty food would provide the daffodils, promotional support and facilitated donations at the till for one month (cancer awareness month). ? The food chain would donate \$1 for each bunch of daffodils sold and the customer could also round up their bill at the till to be donated to local cancer services. Volunteers of the Cancer Society were in the stores to inform people of their services and programs ? The flowers were sold for \$2. 50, so the store would recoup the cost of the flowers ? Press Releases sent out, Radio Promotions, Store Fliers, In-store Signage: all reinforcing the program message and highlighting different programs the nonprofit offered Donation Results: ? \$20, 000 raised thru daffodil sales ? \$8, 000 raised thru individual donations made at the till ? Post-review was done by nonprofit to see what worked and what did not work ?

Agreement established for the next year with the for-profit ? A risk free way of generating donations and reaching customers with the organizations message " This is a simple model and one that any organization could do. The beauty of the program is partnering with a company and benefiting from their expertise, marketing, brand, people and willingness to use their resources to help the organization. " -Manager of the Community Fundraiser

for the Canadian Cancer Society. (Daw, p. 242) Theoretical Strategies for Cause Marketing of Cancer Survivor Camps

Cause marketing is a fundraising strategy untapped by the young cancer survivor camp Camp Mak-A-Dream. I am currently building a marketing plan for this nationally renowned camp, as well as working for this camp this summer. This nonprofit camp currently raises funds through 3 annual fundraising events: a bike-riding fundraiser, a golfing fundraiser, and a fishing fundraiser. These fundraisers are locally operated, yet the camp serves young survivors from nation-wide. I believe the camp would be able to serve more young cancer survivors by initiating a cause marketing campaign with a care-oriented for-profit company.

This campaign could be run locally at first, but then expand beyond the borders of Montana. The fact that these young survivors come from all across the nation to be provided a “ medically supervised, cost-free Montana experience, in an intimate community setting” tells me they should begin to search for fundraising contributions on a nation-wide scale. St. Jude’s Children Research Hospital is a good example of a local organization that runs national campaigns. They raise millions of dollars a year in every state, despite the fact it is just a 70 bed hospital in Memphis, Tennessee. (5 Reasons, p. ) Camp Mak-A-Dream is similar in that it gives children, teens and young adults a safe-haven to bond and relax away from the stressful world of cancer. The camp’s extraordinary work in helping young cancer survivors would be of interest to many for-profits. Supporting this cause would bring the for-profit an enormous amount of Corporate Social Responsibility, while simultaneously helping the camp serve more young

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