

TOP 10 ARGUMENTS FOR INITIATING OR CONTINUING CAUSE-RELATED MARKETING EFFORTS IN A DOWN ECONOMY

What to tell corporate managers when budget cuts are looming

The latest downturn in the economy may have companies questioning their spending on cause-related marketing (C-RM). If you are the C-RM Champion in your company, or would like to be, it may be up to you to make the case not only for maintaining C-RM, but for ramping it up to meet business goals. Companies that make C-RM central to business objectives can be successful in challenging economic times.

The last thing a company should do to weather a temporary downturn is cut back in areas deemed critical to future competitiveness. In hard times like these, your corporate values will show through and loyalties are built, and your employees and other stakeholders will notice.

1 Brands should buck conventional wisdom and differentiate themselves in a meaningful and relevant way.

C-RM is a strategic business partnership between a for-profit company and a non-profit organization that provides a positive return on investment for the business while raising money and visibility for the cause. When executed correctly, C-RM is a win-win for a social cause or nonprofit and the corporation. It's a business-building tool and a true marketing strategy, not a charitable contribution or write-off.

2 Consumer mistrust of public and private sector leaders is at an all time high, and for good reasons.

Bailouts, CEO golden parachutes, corporate greed and scandals continue to be headlines. Product or service price reductions may have you wondering why you should implement or continue C-RM in these challenging times. The answer: Cutting back or cancelling C-RM activities now can damage your brand and lead to accusations of using your partnerships with causes merely for public relations.

3 Marketing is about making connections.

Utilize C-RM to link your brand to the wants, needs, lifestyle and interests of your stakeholders. Doing so will help you connect with them in a way no other marketing tactic can. If you choose to reduce C-RM, it could break that critical link.

4 Consumers demand corporations be socially accountable.

A Snider, Hill & Martin Study (2003) found that 82 percent of respondents believe that firms should engage in social initiatives, while 76 percent believe these initiatives would benefit not only society but also the firm. These findings were confirmed in the Cone Cause Evolution Study (2007), which reported that 83 percent of Americans believe companies have a responsibility to support social causes, and 92 percent value companies that positively impact social issues more than those who do not.

5**C-RM is a proven tactic in improving employee recruitment and retention efforts.**

In 2007, Harris Interactive found that 87 percent of college students want to work for companies that support charitable causes. That trend isn't just among Millennials. A 2004 Deloitte Touche Study found 72 percent of all employees in the U.S. want to work for companies that support charitable causes.

Your company can leverage the power of motivated, passionate employees for profitable growth and employee recruitment, retention and productivity. Companies with C-RM that is focused on business objectives, based on issues material to each individual company and responding to societal needs are often successful in challenging economic times.

6**Do more with less. C-RM does not have to cost a dime.**

Imagine your workforce establishing and engaging in meaningful efforts and relationships beyond the holiday party or summer outing. C-RM will enable your brand to capitalize on the 'volunteerism' trend. Numerous studies have shown the positive effects of volunteerism — not just for the cause or nonprofit but for developing superior leadership skills and encouraging cross-function teamwork among employees. Like your consumers, your employees are also looking for meaningful connections.

7**Help your employees become brand evangelists.**

Your employees can be your brand's best spokespersons and boosters, and C-RM efforts can help make your entire workforce become vested in the business. The result: Your employees work for you not because they have to, but because they want to.

This is especially true with larger retailers that have historically have high turnover rates. One such company, Staples, is combating the trend with C-RM. Through the Staples Soul Program, the retailer donates the proceeds of sales of its Easy Button — up to \$1 million annually — to Boys & Girls Clubs of America. Also, Staples will donate \$3 to local schools for every eligible ink and toner cartridge recycled at their stores. C-RM efforts such as these help boost worker retention and will encourage your employees to be brand evangelists.

8**C-RM is a proven way of driving sales.**

In 2003, a Cause Evolution Study found that 87 percent of Americans would switch from their current brand to one associated with a good cause if price and quality are similar.

Five years later, Duke University's Behavioral Cause Study verified this finding. In the study, 182 consumers were exposed to cause-related and traditional corporate print ads for one of four brands in a regional magazine, then were sent to shop in a mock store featuring 150 products. The result: Consumers bought brands associated with causes. A shampoo brand with a C-RM ad saw a 74 percent increase in sales while a toothpaste brand experienced a 28 percent lift.

The second phase replicated the study among 1,000 online shoppers. It found consumers spent almost twice as long reading cause-related ads versus generic ads. Shampoo sales gained five percent while toothpaste sales increased 19 percent.

The bottom line is that cause-related marketing helps drive sales while creating good public relations for your company.

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Brand specific ROI measures are proprietary, and nobody is sharing. But that doesn't mean C-RM isn't working.

Proctor & Gamble has practiced C-RM for decades, executing both brand specific and corporate-wide programs here and abroad. Do you think P&G tracks the return on investment for these programs? Of course it does. While the company isn't releasing ROI numbers, P&G would not continue supporting and increasing their C-RM efforts if the returns did not perform at least as well as their other efforts. Just because we don't know the numbers doesn't mean it's not working.

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The needs of the community will be increasing.

Strong businesses need strong communities, and vice-versa. Communities will reward the brand heroes that made a true connection with them. The beauty of C-RM is that it is a win-win tactic for the corporation and the social cause or non-profit. The cash infusion from corporations into the non-profit sector is critical, especially today given continued cut-backs in public sector contributions, and an anticipated drop in private sector contributions.

In the aftermath of past economic downturns, there have been winners and losers. Bradlees and Lechmere gave way to Target and Best Buy. Pan Am gave way to Jet Blue and Southwest, and so on. The current situation will be no different, except this time brands have the opportunity to form lasting connections with consumers by utilizing C-RM. But your C-RM efforts must have purpose and must be complement your other marketing efforts. When executed correctly, C-RM will pay dividends in both the short and long-term by positively impacting your community, your consumers, your employees, and most importantly, your bottom line.

When I started causemedia a decade ago, our mission was to help our client partners promote positive behavior. We believed brands could do well by doing good, and we were right. Today, C-RM is one of the most talked about, fastest growing marketing tactics worldwide. There is proof in virtually every industry sector that C-RM benefits both the brand and the cause or non-profit, in up markets and down. Sure, we'll need to work even harder during these trying times, but the outcomes and rewards will be there.

Benefits of Cause-Related Marketing

