AFP Information Exchange

(im)Proving Cause

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(im)PROVING CAUSE

Get your hands dirty

The Death of Cause Marketing

Reports of the death of cause marketing have been greatly exaggerated. Sorry to steal your line, Mr. Twain, but these obituaries too are premature.

Yet it is true that cause marketing needs to grow up—evolve—in order to enjoy a long and productive life. Much like sports marketers in the 1990s who realized that simply buying ads during broadcast sports was not cutting it as a partnership marketing plan, today's best cause marketers realize that transactional cause campaigns no longer amount to good strategy. Just as ads during games, races or matches are a worthy tactic if used as part of an integrated sports marketing platform, the right transactional cause campaign can make sense if it is part of a well-planned nonprofit partnership strategy. Without a bigger-game approach, however, that campaign becomes background chatter that consumers are quick to avoid or deride.

It is time for *all* nonprofits—and the companies they work with—to step up their strategic game and find the uniquely appropriate strategies to simultaneously solve companies' and causes' business problems.

CHANGING LENSES

Once American Express gave the “cause marketing” concept a life and audience in 1983, it did not take long for marketing partnerships between corporate sponsors and nonprofit causes to take off.

By the time cause marketing reached its teenage years, many blue-chip brands were spending real dollars to support nonprofit partnerships. With legitimacy came consumer demands for **TRANSPARENCY** in their cause marketing and communications. GuideStar went online in 1996; Charity Navigator was founded in 2001. The best-practice campaigns told consumers how much money was going to the cause, how much the company planned to contribute and/or match, and the value of any minimum and/or cap.

Propelled in part by the unsettled political, economic and social climate of the past decade, consumers soon demanded more than transparency. While consumers and employees searched for a purpose and a point to what they buy and what they do, they raised their expectations for how companies should demonstrate their **AUTHENTICITY** in nonprofit partnerships. Is the company making a real investment? Does the company actually have a commitment to the cause it is promoting?

Most importantly, what does the partnership accomplish?

The emerging and ultimate proof points for cause marketers are measurable and demonstrated **RESULTS** in both business and mission-based terms. Today’s consumer needs cause marketing to work and work hard.

TRANSPARENCY

PERCENTAGE

MINIMUM/CAP

STRUCTURE

INFORMATION

RATING SITES

AUTHENTICITY

MEANINGFUL COMMITMENT

EMPLOYEE INVOLVEMENT

COMPANY CULTURE

RESULTS

PROOF

DATA

IMPACT

SOLUTIONS

CURES

Real Threats

Those who pronounced cause marketing “dead” were on to something. While overall spending on corporate/cause partnerships is growing, too many campaign-centric partnerships fail to make a real impact. As companies fail to meet marketing and business goals with old-school partnerships, they will find and create new alternatives to accomplish their cause-related goals.

The items below examine two underlying problems facing cause marketers and their nonprofit partners today.

Transactional cause campaigns rarely solve long-term business or social problems.

Whether centered on retail, social media or another medium, transactional cause campaigns still comprise the majority of corporate/cause partnership programming. While these one-off efforts come in hundreds of varieties, the typical transactional campaign encourages a consumer to take one company-related action (e.g., buy, click or redeem) to trigger a donation to the cause. While activity abounds, transactional campaigns rarely make a verifiable difference.

A lack of proof is not surprising given the information gaps running rampant through partnerships. The most common complaint from IEG’s cause consulting clients is that they do not have access to their corporate partners’ business results. They may receive royalty statements, but they can rarely access actual company results. So even if the company translates its campaign outputs into business outcomes (and an elite group of companies do), neither the cause nor the consumer is often hearing about it.

Consumers definitely need such proof, as their expectations of companies are at an all-time high according to research like Edelman’s goodpurpose study and Cone’s Cause Evolution Study. Consumers expect corporations to stay in the black, offer high-quality products and services, keep and create jobs, treat their employees well, benefit the communities in which they do business, and market in an ethical and interesting way. Yet transactional cause campaigns typically work against only one or two business objectives, e.g., driving traffic or creating a temporary sales spike.

Similarly, few causes convert monies raised by corporate partnerships into actual problems solved or constituents helped. While most causes have statistics about what $1 pays for related to the organization’s mission, the task of actually connecting a company’s support to permanent, meaningful change stymies the organization.

While many a corporate or nonprofit CFO would welcome a short-term influx of cash, will that $1 million or even $20 million translate into a long-term difference? In certain anomalous situations, for instance a company’s product launch or a cause’s disaster response effort, the impact is immediate and potentially significant.

However, when cause partnerships aim to advance everyday business and nonprofit goals, how do they measure up?

Unfortunately, transactional cause campaigns fall short because they fail to successfully recruit participants for the long haul. Without mobilizing individuals as loyal supporters (of company and organization), campaign participants are unlikely to solve any true business problems for either partner. While several studies (including those by Cone and Edelman) verify the high likelihood of a consumer to switch brands to support a cause, how likely are consumers to invest in the company or organization for good? Many consumers are motivated by a campaign or a friend’s request to “like” a Facebook page, buy a product, or give a one-time gift in support of a fundraising effort. Yet the high volume of such repetitive and competitive activity undermines the efforts to create unique and strong connections between company, cause and consumer.

Without a doubt this causes a lot of hand wringing for nonprofit organizations. Do they say “no, thanks” to a cause marketing campaign that adds to the clutter or “yes, please” to any decent offer to bring in more dollars for their mission? Many clients have come to IEG with their feet planted in “yes, please” and one certainly can’t blame them.

Yet companies, causes and especially consumers eventually see diminishing returns. Consumers can participate in campaign after campaign without ever building any personal attachment to any of the companies or organizations involved. Without measuring and proving sustainable behavioral changes, cause marketing is another drive-by, click-and-run marketing tactic good for a quick boost but lacking in staying power.

Non-traditional cause marketing alternatives threaten to divert attention and budgets away from classic corporate/nonprofit partnerships.

Cheap social media tools allow new competitors to enter the cause marketing fray every day. Yet the number of nonprofit organizations is growing at a much faster rate than corporate spending on cause partnerships.

That said, the nonprofit sector is not merely a cage match where the biggest and strongest players win. As transactional cause campaigns approach saturation, a number of alternatives are gaining ground and diverting corporate budgets away from where nonprofit executives want them.

Corporate foundations/charitable subsidiaries

When stand-alone nonprofit organizations do not fill a company’s business needs, the company can craft its own perfect partner by giving its corporate foundation a brand and public face or starting a separate charitable subsidiary. Jones New York in the Classroom (JNYITC), for example, is a 501(c)(3) nonprofit started by The Jones Group Inc. Rather than rely on its outside nonprofit partnerships to deliver on its objectives, Jones New York built its own organization from the ground up and serves as its lead sponsor. Jones New York is able to work on several objectives simultaneously, e.g., engage employees, build loyalty with an important customer segment (teachers), build retail relationships, and gain positive media impressions. JNYITC collaborates with corporate, media, celebrity and nonprofit partners, to be sure, but the core program is its own to operate and control. If something is not working for Jones New York, Jones New York can fix it.

The Avon Foundation for Women and Lee National Denim Day are two examples of company initiatives that have made names for themselves beyond serving as corporate philanthropic funnels. Each of them administers cause marketing programs, raises and donates funds, buys and earns media, recruits celebrity ambassadors, and works with other nonprofit organizations to award grants and fund projects.

Corporate umbrella campaigns

Where brands like Avon and Jones New York are using their foundations to build a cause platform, other companies are building multi-cause platforms by creating umbrella campaigns. These campaigns give them the best of all worlds: they draw the benefits of partnership with dozens of organizations without [necessarily] having a one-on-one partnership with any of them. Pepsi Refresh Project and American Express Members Project are prime examples. Instead of convincing consumers to support their cause partner, they ask consumers to bring their favorite cause to the party. Pepsi and American Express give each consumer repeated opportunities to support a cause the consumer (or his network of friends) cares about without having to go through the work of actually partnering. While these are very complex and relatively generous programs, the overall return on investment has the potential to knock many nonprofit partnerships out of consideration. These companies are borrowing the imagery and loyalty of thousands of charities, while only actually supporting a select few of them financially. The charities and their ambassadors do much of the work with no guarantee of a pay-out.

While this type of campaign runs the risk of over-exposure, those first into the pool have made quite a splash.

If companies choose to go solo or
play the field, where does that leave the nonprofit
organizations looking to grow sustainable,
one-on-one relationships?

Finding the Answers

To overcome the considerable threats to cause marketing success, each nonprofit organization must look (a) within itself and (b) within the business of its corporate partner or prospect. The following approach illustrates how each cause can uncover its own point of partnership with each prospect.

Segment and qualify the nonprofit organization's audience—in general and in the context of corporate partnerships.

Many large companies and organizations have profiles of their core, emerging and desired audience segments. They may even have personas and names, such as:

> *Suzy is 52, an upper-middle class professional who spends her day on the computer, is a divorcee and empty nester who is looking for hands-on ways to reconnect with her community and meet new people.*

This type of information drives countless decisions and should inform most, if not all, of an organization's strategic plan. Whether or not an organization ever has a corporate partner, it must know its current audience—who it is, who it isn't, and how that compares to the organization's ideal audience.

THE AUDIENCE IS THE ASSET

Every organization must find a way to answer the questions about its audience that will allow the organization to match audience members with the right marketing programs and messages. The list below is a starting place for the kind of information each nonprofit organization should gather.

- What does a map of our audience look like?
  - By role
  - By entry point
  - By current engagement point and/or medium
  - By activity level
  - By engagement level
- Who are our high-value supporters or "rabid fans"?
  - What is their profile? Can we establish any demographic, psychographic, or lifestyle conformities among the group?
  - What makes them high-value supporters? (Gift size? Dollars fundraised? Number of volunteer hours?)
  - How did we get them to become rabid fans?
  - What do they want us to do more? Less?
  - What motivates them?
- Who are our high-potential audience members?
  - What is their profile? Can we establish any demographic, psychographic, or lifestyle conformities among the group?
  - How could we move them to become high-value supporters?
  - What kind of offer will they respond to?
- Who are our outer-ring audience members?
  - What is their profile? Can we establish any demographic, psychographic, or lifestyle conformities among the group?
  - What percentage of them will ever engage?
  - What kind of offer will they respond to, if any?
  - What percentage of them should we count as active audience members?
  - What is the cost-benefit analysis around marketing to them?
- Who are our desired audience members?
  - What is their profile? Can we establish any demographic, psychographic, or lifestyle conformities among the group?
  - What kind of offer will they respond to, if any?

Map out a unique partnership program by finding the links and opportunities between the nonprofit organization's route to mission and the company's route to market.

For illustration, imagine a partnership between:

> *Prototype Healthcare Cause (PHC), a healthcare cause whose mission is to support advancements in care and cure of a life threatening disease, while educating and supporting patients living with the condition.*
>
> *— and —*
>
> *Consumer Packaged Goods Company (CPG Co.), an international marketer of lifestyle products and personal care items.*

PHC has a clear audience segmentation and supporter profile. And PHC has gathered information about CPG Co.'s likely audience profile from research and early conversations. PHC's initial analysis will compare the audience profiles of each partner to find any overlapping or complementary targets. For example, PHC and CPG Co. have high-value customer prospect profiles that overlap, while the profile of one of CPG Co.'s business customers matches up with the audience for PHC's workplace giving program.

Determining the potential audience overlap and transfer—the "who"—is a foundational step in qualifying a potential partnership. The results of this "who" analysis will then provide a key ingredient in setting goals for, and later evaluating the partnership's success. Without the "who," the nonprofit cannot uncover, let alone sell, the "how" or "why" of a potential partnership.

ADVICE TO CAUSES

When looking for long-term, measurable partnership, get very realistic about the size and engagement level of your active audience rather than always using the seductive numbers of your total, largely passive audience.

IEG uses many different metrics to qualify and quantify our clients' audiences. The number of Facebook fans your cause has, for example, may be one input toward quantifying the awareness level of the cause. This figure does not, however, quantify the likelihood that those fans will support a corporate partner. Get very realistic when crafting your corporate partner pitches to ensure you are aligning audience figures with the type of return you can deliver. If a corporate partner aims to hit a lot of eyeballs with a promotional announcement, then those Facebook fans may come in handy. If the metrics are around customer conversion or loyalty, a large percentage of those Facebook fans (75%-90% in most cases) are not going to be the right audience to measure against.

Facebook is just one particularly ripe example—certainly your donor database is another place tailor-made for striation and extrapolation. Your day-of-event participants are another. It has been said countless times: anything that can't be measured is discretionary. Nonprofits that take a hard-nosed look at their audiences separate themselves from the cause marketing pack.

ONCE AUDIENCE FIT IS ESTABLISHED, THE FOLLOWING STEPS ENSURE A STRATEGIC APPROACH TO BUILDING A PARTNERSHIP PROGRAM:

(a) sketch the *route to mission* for the nonprofit organization,

(b) sketch the *route to market* for the company, and then

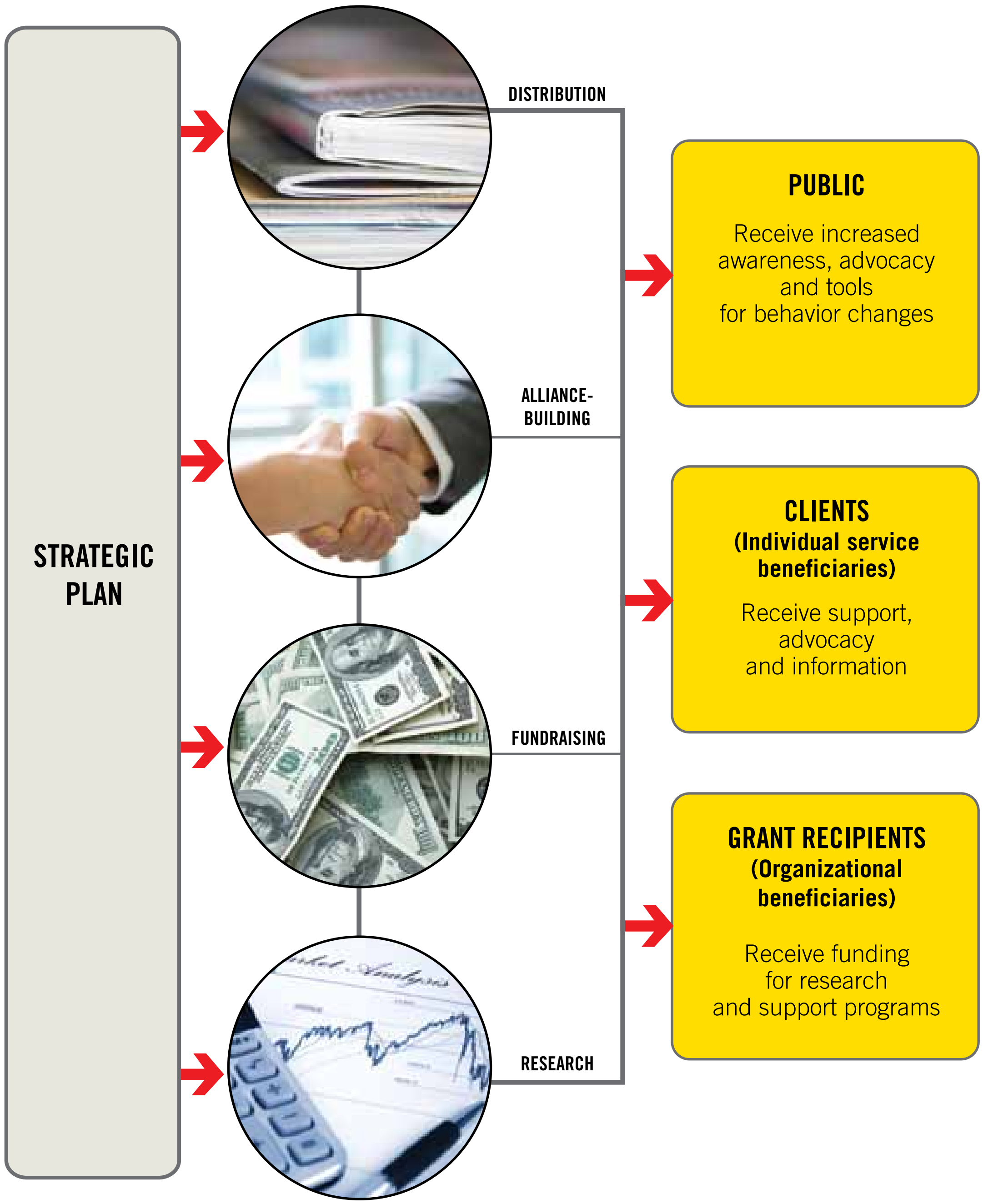
(c) find the areas of opportunity within each partner's objectives.

ROUTE TO MISSION SAMPLE DIAGRAM

Prototype Healthcare Cause (PHC)

“Route to mission” refers to the ways a nonprofit delivers its programming to its audiences. In other words, the nonprofit organization’s route to mission is a map of how it goes about its business. The company’s route to market is a representation of the company’s supply chain that shows how the company gets its products or services to its end customer(s).

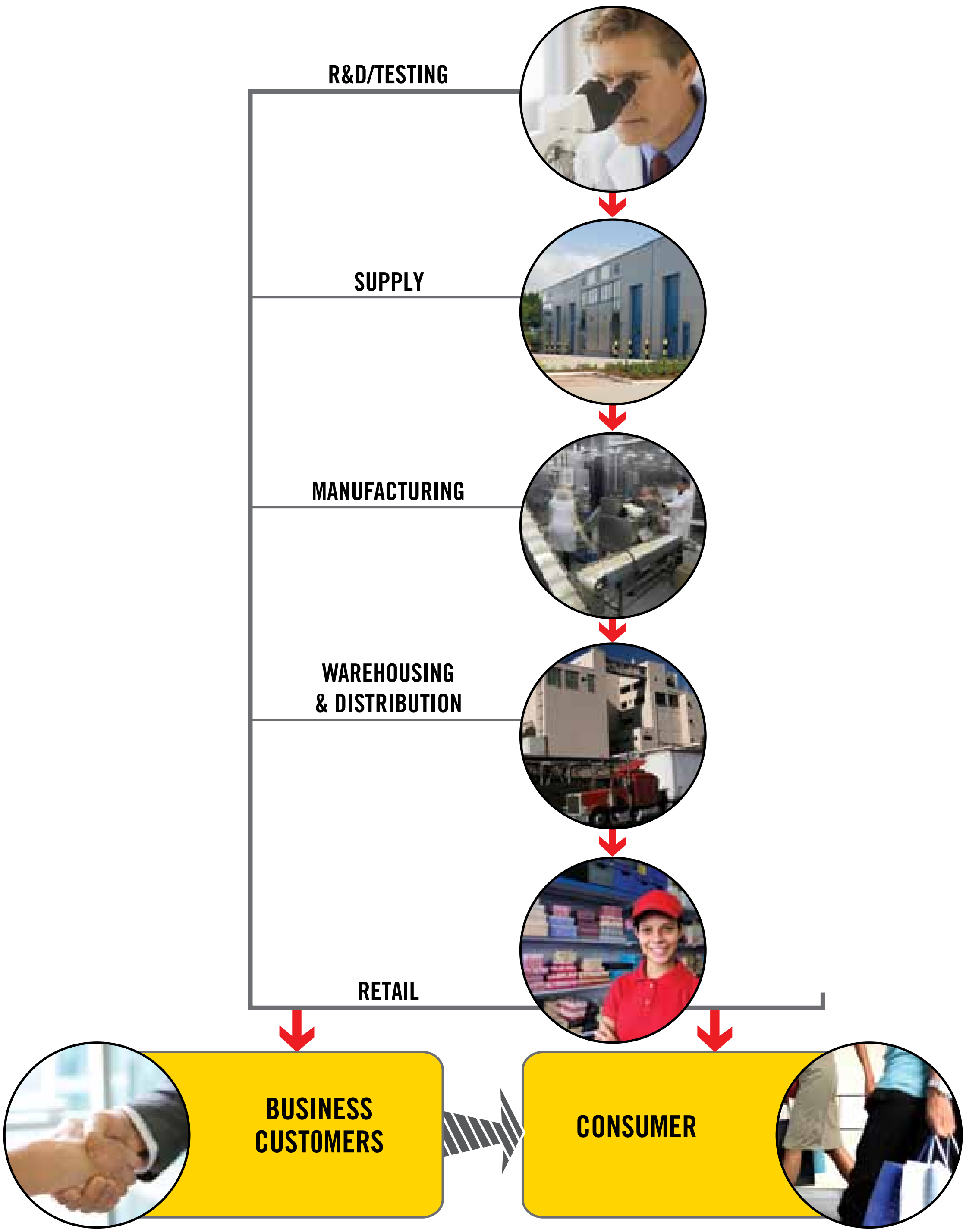
There are countless ways to visually represent these routes, and there is no one right way. The important considerations are capturing it simply, accurately, and thoroughly and using it to drive partnership decisions and design promotions. The diagram below provides a prototype illustration of PHC’s route to mission.



ROUTE TO MARKET SAMPLE DIAGRAM

Consumer Packaged Goods Company (CPG Co.)

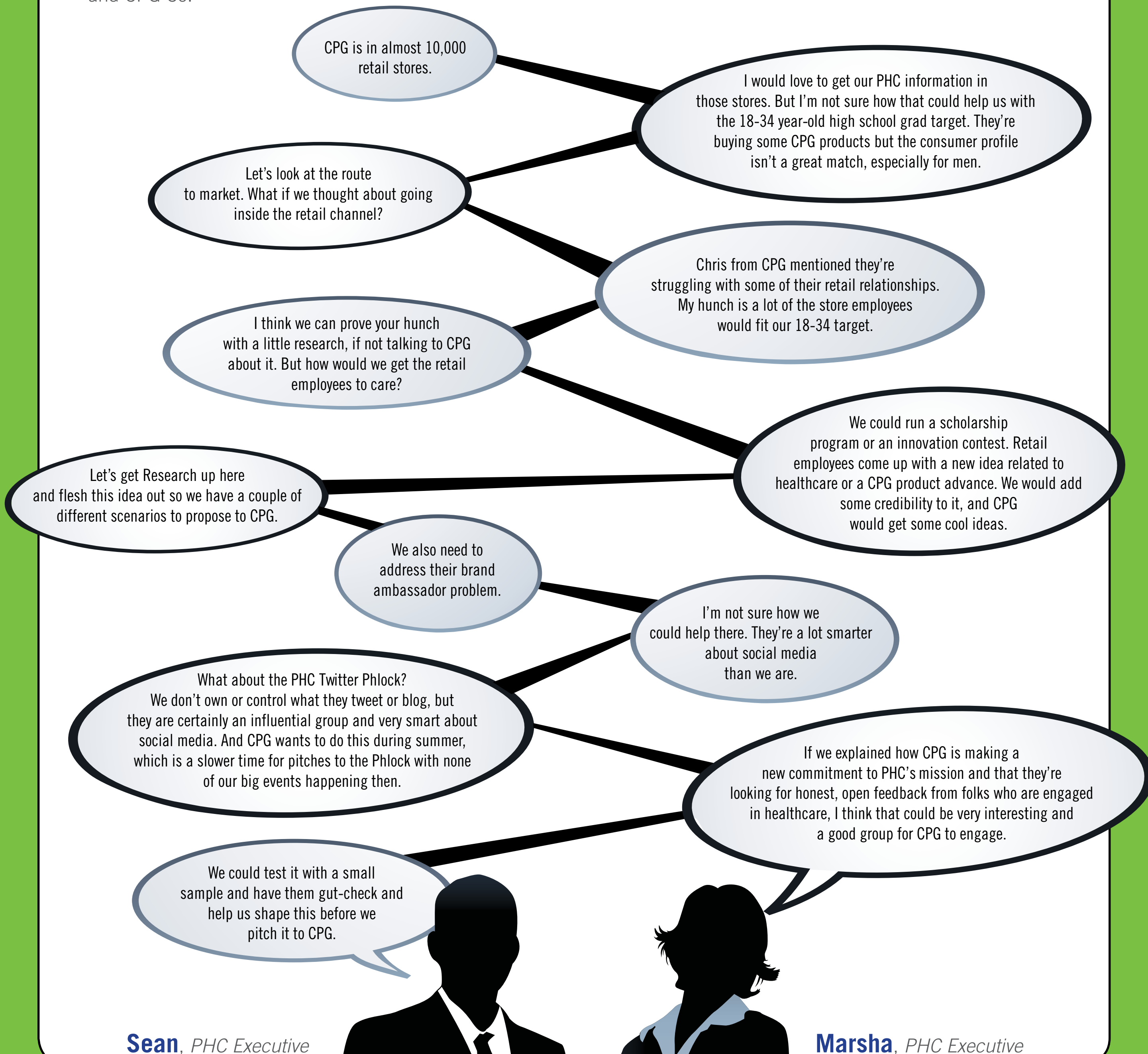
The diagram below provides a basic prototype illustration for CPG Co.'s route to market. Designing a partnership based on route to mission and route to market will lead the cause to discover new business ideas and business-driven marketing strategies for its pitch. Many innovative ideas live within a link in the chain, and many live in the spaces between steps. The spaces between links—the transition points—are often where the critical communications happen, where connections are made, and where measurable goals are achieved.



BRAINSTORMING: FINDING AREAS OF OPPORTUNITY WITHIN EACH PARTNER'S OBJECTIVES

Two PHC executives — Marsha and Sean — have mapped out the PHC route to mission and the CPG Co. route to market. They have isolated a few objectives from the PHC strategic plan they think CPG Co. could help them achieve. And from their initial conversations with CPG Co., they have a list of marketing and business objectives CPG Co. needs to accomplish. Using the routes to mission and market as guides and inspiration, Marsha and Sean are brainstorming to create a partnership proposal that addresses specific, measurable objectives for both PHC and CPG Co.

- PHC: Over the next 12 months, gain 10% improvement over current benchmark in 18-34 year-old high-school grads reporting, via survey, that they believe in personal responsibility for preventing disease.
- CPG Co.: Build and leverage a group of 250 brand ambassadors via social media to conduct test launch of new product and gain feedback during summer promotional period 2012.



(im)Proving, in Action

Several partnership programs over the past year demonstrated this objective-driven thinking informed by a mutual understanding of routes to mission/market.

Timberland and Yele Haiti
Timberland's original, revised, and ongoing partnership with grassroots support organization Yele Haiti—reforestation, then disaster relief, and once again reforestation, plus sustainable agriculture and economic stimulus—reflects an active commitment to understanding Yele Haiti's changing mission and goals and how they intersect with Timberland's business, marketing and CSR goals. Timberland has worked throughout its supply chain (manufacturing, distribution, retail and online, and elsewhere) to make a real difference for Yele Haiti. And in turn, Timberland is now opening a factory in Haiti, which in a recent blog post, CEO Jeff Swartz says will "build our manufacturing capacity in a region that's closer to our major markets; the abundant, motivated workforce is pretty attractive, too. If the goal is to expand our manufacturing capacity in a manner and a location that makes economic and logistical sense, Haiti looks pretty good."

Susan G. Komen for the Cure and KFC
Susan G. Komen for the Cure drew criticism for its 2010 partnership with KFC. Some loud voices disagreed with the breast cancer organization's choice to partner with the quick-service restaurant chain. Yet, if we put the controversial players aside, the program's *design* provided an instructive example of finding areas of overlap between route to mission and route to market. Put simply, a segment of the company's customers represented an important yet hard-to-reach group the cause had a mission-related goal to inform and engage. And this partnership gave them a way to do that while raising a large sum of money. The company, in turn, was able to engage its employees, franchisees, and customers across 5,000 restaurants in one clutter-busting program. A quote from Komen's CFO Mark Nadolny in the post-program press release said the program "helped to reach hundreds of thousands of people with breast cancer information while raising funds for the research and community outreach programs that support women and men with breast cancer." Fit is in the eye of the beholder, but the results of this program in outreach and financial terms reveal a strategic design process and model for finding mutually beneficial ways to meet complementary goals.

Triscuit and Urban Farming
Triscuit and nonprofit partner Urban Farming are working to spread a Home Farming Movement. Triscuit found insight in its market research that showed that nearly two-thirds of Americans are interested in growing food in a backyard garden. They then saw a way to add credibility to their brand positioning as a wholesome, simple food by partnering with Urban Farming. Rather than do a transactional cause campaign to benefit the cause, they used their packaging and retail mechanisms to include seed cards and branding on 4 million packages. And by using local alliances, as well as media, celebrity, and blogger relationships, the partners spread word of their Home Farming Movement to audiences including and beyond current Triscuit customers and Urban Farming supporters.

Next Step

Without a doubt, cause marketing programs must evolve toward a data- and results-driven design process. Each cause that chooses to work with corporate partners is up against considerable competition and inertia caused by years of looking to the transactional campaigns as the solution.

It is time to take a few big steps forward and create collaborative programs driven by each partner's people and business. Is your organization ready for the change? Ready or not, the change is underway. Join us in driving it forward.

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About IEG

IEG is the premier global consultancy in partnership strategy, evaluation and measurement for leading sponsors and nonprofits.

IEG helps its clients navigate the complex universe of corporate relationships and optimize the true worth of their partnerships.

Founded in 1982 and acquired by WPP in 2006, IEG pioneered thought-leadership in sponsorship.

The company's creative approach, combined with analytics, data and the deep experience of its team, helps clients make informed strategic decisions that maximize their return.

IEG's role as standard-setter and unparalleled information resource through its Annual Conference and *IEG Sponsorship Report* informs its client relationships and helps ensure partnerships play a pivotal role in executing business strategies.

IEG's consulting experience crosses all types of brands and properties. Clients include Aon, Dr Pepper, ExxonMobil, Subway and Visa, as well as UNICEF, Make-A-Wish Foundation, American Cancer Society, Special Olympics, Susan G. Komen for the Cure and World Wildlife Fund.

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About IEG, LLC

IEG is the world's leading provider of independent research, consulting, training and analysis on sponsorship. Founded in 1981, IEG provides corporations and properties with the strategies and tools to harness the sales and marketing power of sports, arts, entertainment and cause marketing.

IEG offers services that include sponsorship consulting, competitive intelligence and valuation. IEG also publishes IEG Sponsorship Report, the international biweekly newsletter on sponsorship; the IEG Sponsorship Sourcebook, the definitive guide to sponsors, properties and agencies; and other industry publications and sources. IEG also is the leader in sponsorship training. Its internationally renowned Sponsorship Conference, now in its 28th year, attracts a capacity crowd of delegates each year. Through its conferences, seminars and webinars, IEG has trained more than 45,000 sponsorship executives worldwide.

For more information about IEG and the sponsorship industry, please visit www.sponsorship.com or call 800-834-4850 (outside the U.S. and Canada, 312-944-1727).

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