

## **Proving that Cause Marketing is a Win-Win** **(<http://www.causemarketingforum.com>)**

Jessica Stannard-Friel, associate director in the philanthropy division of Changing Our World, Inc., published this extremely valuable compilation of statistics on the impact cause-related marketing campaigns have had for nonprofits and businesses.

In 2004, American companies are expected to spend nearly \$1 billion on cause related marketing campaigns, according to the IEG Sponsorship Report. A growing philanthropic strategy, cause-related marketing helped American Express raise \$1.7 million in 1983 for the Statue of Liberty restoration; it was behind \$9 million McDonald's gathered for the Ronald McDonald house in 1994; and it's also the engine through which Avon has generated over \$300 million to date to fight breast cancer worldwide.

These numbers demonstrate that cause-related marketing is a very successful source of funding for nonprofits. However, philanthropy professionals often find themselves pressured to create programs that not only profoundly impact their communities but also have a measurable impact on their companies' bottom lines.

- **Coca-Cola:** In 1997, Coca-Cola donated 15 cents to Mothers Against Drunk Driving for every case of Coca-Cola bought during a 6-week promotion in more than 400 Wal-Mart stores. Coke sales in these stores increased 490% during the promotion.
- **TUMS:** In 2003, through its "TUMS Helps Put Out More Fires Than You Think" campaign, TUMS pledged to donate 10 cents to the First Responder Institute for every bottle of TUMS sold. In addition to donating \$238,000 to the Institute, which in turn funded 60 fire departments throughout the United States, TUMS saw a 30% increase in the number of displays shipped to stores and a 16% increase in sales volume.
- **McDonald's:** In 1994, McDonald's sold a CD featuring Garth Brooks, Elton John, and Tina Turner to raise funds for the Ronald McDonald House Charities. In addition to raising \$9 million for the cause, the promotion increased restaurant sales by 5%.
- **Briggs & Stratton:** In 2002, Briggs & Stratton worked with the National Wildlife Federation to educate the public on the importance of lawn mower maintenance in cutting pollution emissions. After sponsoring a website, [www.tuneupmonth.com](http://www.tuneupmonth.com), that included information on lawn mower tune-ups, tips for reducing pollution and energy inefficiency, and educational information, the company saw a tripling of tune-up kit sales.

- Dollar-Rent-A-Car: In 1993, Dollar-Rent-A-Car joined forces with the Special Olympics, donating \$1 to the nonprofit for every car booked during the 6-week campaign. Bookings by travel agents increased 25% during the promotion.

## **FREQUENTLY ASKED QUESTIONS**

*How do cause-related marketing campaigns impact consumer perceptions and behaviors?*

- 92% of consumers consider it important for corporations to contribute to nonprofits.
- Almost 90% of teenagers said they would switch to a brand affiliated with a good cause, if price and quality were equal.
- 76% of American consumers surveyed have taken part in at least one cause-related marketing campaign.
- 60% of consumers surveyed planned to buy a product during the 2004 holiday season through which a portion of the purchase price would be donated to a cause.
- 77% of women and 64% of men expected to consider a company's reputation for supporting causes when purchasing gifts during the 2003 holiday season.
- 48% of American and British consumers surveyed reported that, in the past, they had been motivated by a cause-related marketing campaign to change brands, use a product more, try new products, or get information about new products.
- When surveyed consumers were aware of a given company's cause-related marketing efforts, they consistently rated the company more highly in the categories of trust, endorsement, bonding, and innovation.
- Corporate citizenship practices are more important to consumer impressions than brand reputation or financial factors, according to an international survey of 25,000 people on consumer perceptions regarding corporate citizenship.

*Does cause-related marketing have an impact on corporate employees?*

- A 2003 study of MBA graduates from 11 top American and European business schools, conducted by professors at Stanford University and UC Santa Barbara, found that more than 97% of respondents were willing to give up a certain degree of financial compensation to work for a company reputed

to be socially responsible and ethical. They would sacrifice an average of 14% of their expected income.

- Assuming equal location, pay, benefits, and responsibilities, 72% of Americans say they would choose to work for a firm that supports charitable causes over one that does not.
- In a 2000 survey, 85% of American business executives said that one of the most important effects of cause-related marketing is to increase employee loyalty. A survey the previous year reported strong loyalty toward their employers from 87% of employees at companies with cause-related marketing programs, compared to two-thirds of employees at firms without such programs.

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