

How Social Responsibility Gets Results

What is Cause-Related Marketing (C-RM)?

The Marketing Edge

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Cause-Related Marketing (C-RM) is a partnership between a for-profit company and a non-profit organisation which increases the company's sales while raising money and visibility for the cause. A C-RM campaign may use advertising, public relations and other marketing tools, and is paid for by the sponsoring company.

C-RM boosts corporate sales as it develops public awareness, targets new markets, improves the corporate image, boosts employee morale and commitment, differentiates the company from its competition, improves customer loyalty and contributes to building a better community.

Besides increased profits for an organisation involved in a C-RM campaign, community partnerships profit everyone involved. C-RM campaigns are a win-win-win proposition for the company, the charitable organisation and the consumer, who contributes to the cause simply by responding to the promotion.

Altruism. Corporate responsibility. Philanthropy. These are often used to describe C-RM, Embracing a cause makes good business sense.

Powerful marketing edge

C-RM can become a cornerstone of your organisation's marketing plan. Your C-RM activities should highlight your company's reputation within your target market. C-RM can positively differentiate your company from your competitors and provide an edge that delivers other tangible benefits, including:

- Increased sales
- Increased visibility
- Increased customer loyalty
- Enhanced company image
- Positive media coverage

By choosing a cause you are passionate about, C-RM is emotionally fulfilling. It's a way to merge your profit centre with your 'passion centre' and build a business that mirrors the organisation's cultural values, beliefs and integrity. If the cause identified also resonates with your target market, your activities will generate tremendous goodwill and media attention can be its side effect.

Getting Started

C-RM yields mutual benefit. Look for partners with a similar agenda whose goals can be better achieved by partnering with your business. Take inventory of the assets that make you an appealing partner in a cause-related venture.

There are many types of mutually beneficial relationships you can form with your cause-related partner.

Today, more than ever, the corporate sector is letting consumers know they are becoming socially responsible. Corporate commitment to causes is growing because consumers demand it. In a world where consumers view many products as identical in terms of price, quality and value, an organisation which identifies itself with a socially-responsible cause differentiates itself from its competition in a valuable, philanthropic manner. The consumer's perception of the company improves, and this is reflected in higher sales.

The Business in the Community Cause Related Marketing Tracker 2003 has found that £58.2 million was raised by over 60 businesses benefiting over 60 charities and good causes through over 80 Cause Related Marketing programmes.

The Cause Related Marketing Tracker, launched last year to track Cause Related Marketing programmes undertaken during 2003, was developed by Business in the Community to track and celebrate the impact of Cause Related Marketing on UK society.

The Cause Related Marketing Tracker is designed to capture all the different ways that businesses are benefiting charities and good causes through Cause Related Marketing partnerships including financial donations and additional support leveraged through customers, suppliers or employees.

Business in the Community launched the findings of the Cause Related Marketing Tracker 2003 on 13th July 2004 with the following findings:

Key findings

- £58.2 million was raised by 67 businesses benefiting 64 charities and good causes through 82 Cause Related Marketing programmes. This is a 15% increase compared to 2002
- Over £24 million of the total amount was leveraged funds through staff, customer and supplier fundraising
- Over £16 million worth of gifts in kind were given as part of 24 of these Cause Related Marketing programmes
- Over £10 million worth of staff time was devoted by 11 of these CRM programmes
- The total value of leveraged funds is over £24 million

(continued overleaf)

Key findings (continued)

- Retailers made a contribution of over £41.7 million to the total value of impact generated through Cause Related Marketing during 2003, 26% more than the amount raised in 2002. In total, the Retail sector accounted for 72% of the total, up 6% on 2002
- In 2003 over £25.5 million was raised for health charities through Cause Related Marketing, generating 45% of the total value of impact in 2003
- Over £9.5 million was raised for development causes through Cause Related Marketing in 2003. Comic Relief alone raised 99% of this total
- Over £9 million was raised for children's charities in 2003 compared to over £7.5 million raised for children's charities in 2002. As a percentage of the total value of impact, this figure has grown from 13% to 16% between 2001 and 2003
- Nearly £9 million was raised for the educational cause through Cause Related Marketing in 2003, down from £12.4 million in 2002

Planning a Successful C-RM Campaign

A successful cause-related marketing campaign includes the following steps:

1 CHOOSE YOUR CHARITY

You must establish a relationship with the charity of your choice before any promotion begins. The most common failures in C-RM efforts stem from not knowing your charity, and failure to properly assess the purpose and objectives of your cause-related campaign.

Look for natural relationships. What causes are your organisation currently involved with? What community boards and non-profit organisations do your company leaders support? Do your employees give time and money to selected causes?

2 DETERMINE CORPORATE GOALS AND OBJECTIVES

What is the intent of the C-RM campaign for your company?

- Increased sales
- Increased visibility
- Increased employee involvement
- Better corporate morale
- Enhancement of corporate philanthropic efforts

3 SEEK PARTNERS WITH MISSIONS RELEVANT TO YOUR CUSTOMER

To be effective, your target consumers must understand the purpose of the charity and agree with its mission. Customers are more likely to respond when they are involved with the charity directly.

4 PARTNER WITH PROFESSIONALS

Make certain your charitable partner operates in a professional manner. The image of your organisation is at stake, and is linked to the image and actions of the charitable partner.

5 INVOLVE YOUR PARTNER

Do not develop a campaign where only your corporate goals are considered. Include your charitable partner in every decision and at every creative meeting. Have them detail their expectations and goals

6 DEVELOP A WRITTEN CONTRACT, WHICH INCLUDES:

- Corporate and charity goals
- Goods and services to be offered
- Geographic area to be covered
- Dates for starting and ending the campaign
- Creative specifications, such as allowable usage of logos, names and images of the partners
- Details on how funds will be accounted for and what portion of sales will be given to charity
- Pre-set limits, both ceilings and floors, on financial amounts to be raised
- Information on the legal / financial system in place to track and distribute funds.

7 BE CREATIVE

Creativity is critical to the success of a C-RM campaign. The message, images presented, the look and feel of the campaign must cause the consumer to act. Present a message of hope and caring that captures the heart of the consumer.

8 INVOLVE YOUR EMPLOYEES

One of the greatest benefits of a C-RM campaign comes from the inspired involvement of employees. A strong campaign can develop a sense of self-worth and corporate loyalty. Productivity increases and employees find more enjoyment in their work.

9 EVALUATE

Develop a system that examines and analyses the campaign from start to finish. Keep track of the campaign goals and consumer's perceptions.

10 CELEBRATE SUCCESS

Thank your customers for giving. Thank your employees for their leadership and involvement. Thank your partner for their service to the community and for giving your organisation the opportunity to help them in their mission.

How C-RM Benefits Your Company

- Differentiates your company
- Increases customer loyalty
- Builds your business while you build the community
- Increases social responsibility
- Increases sales
- Develops new customers
- Targets specific consumers
- Enhances your corporate image
- Develops employees and improves employee relations
- Achieves positive media coverage

How C-RM Benefits a Non-Profit Organization

- Raises funds
- Gains exposure for the mission / cause
- Increases involvement of people in the community
- Develops new donors, volunteers and leaders