

Published in the **Santa Clarita Valley Business Journal**  
January 2008

## **Businesses Do Well by Doing Good: A Primer in Marketing for a Cause**

by Teresa Todd

There's fierce competition for mind share in the world of marketing and promotion. Add a sluggish economy to the mix and for many businesses the challenge becomes survival-of-the-fittest. To combat shrinking television viewership caused by emerging technologies and the resulting erosion of the commercial ad, marketers have turned away from traditional advertising venues in favor of public relations activities, such as cause marketing promotions, to reach consumers and influence purchase decisions.

On average, Americans now get more than 3,000 marketing messages each day, up from 100 messages a day in 1984, cites Newsweek contributor Sarah Sennott in her article 'Gone in 30 Seconds.' That number increases as new media technologies continue to emerge.

What does that mean for businesses competing for top of mind position? More companies are adopting socially-aligned business initiatives to break thru the mind clutter and influence consumer behavior. These are long-term, multidimensional strategies that can have the greatest and most sustainable impact on a company's bottom line.

### **Marketing For a Cause**

Cause marketing refers to a type of marketing involving the cooperative efforts of a for-profit business and a non-profit organization for mutual benefit. For example, the for-profit business might have a goal to increase sales; whereas, the non-profit might be interested in expanding awareness for their cause in front of a new audience. Cause-related marketing marries the two entities for a specific campaign that when executed properly will be mutually beneficial.

Marketing initiatives based on the cooperative efforts of business and charitable causes first emerged on the scene in 1983 when American Express developed a campaign for the Statue of Liberty Restoration project. From the onset, the term cause marketing has been used to describe efforts made to support social welfare or charitable causes in a way that also promotes business.

In a world where CSR (corporate social responsibility) continues to dominate discussions and impact purchase decisions, consumers look to do business with companies they consider socially responsible. In fact, 89 percent of Americans (aged 13 to 25) said they would switch from one brand to another brand of a comparable product and price if the latter brand was associated with a "good cause," according to the 2006 Cone Millennial Cause Study. This civic-minded generation not only believes it's their responsibility to make a difference in the world, but 78 percent believe companies have a responsibility to join them in this effort.

More recently, the Cause Evolution Study conducted by Cone in 2007 indicated an evolutionary shift in consumer thinking about the way businesses interact with society. More than two-thirds of Americans said they consider a company's business practices when making a purchase decision.

Cause marketing has the potential to be a triple-win for all parties involved. The non-profit organization has the increased ability to promote their cause with the assistance of a business's greater financial resources, along with the ability to reach supporters through the company's customer base. A business gains favorable public relations, improved customer relations, increased sales and additional marketing opportunities. Consumers get to buy something they need or want, while contributing to a "greater good" at the same time.

But there are potential pitfalls. Before a business engages in a cause marketing campaign, a few ground rules should be observed. First, the cause must resonate with the business's target audience and align with the organization's brand and business. Second, while consumers prefer to support a social or charitable cause, they necessarily won't pay more to participate. A campaign should be more about gaining a competitive advantage and building brand equity than charging a premium.

And finally, a campaign must provide real benefit to a cause. The charitable benefit cannot be too small, nor can the campaign turn into a carnival-like promotion. It must stay true to its core value of providing a social benefit. Some companies have been zinged with negative media when it became apparent to the public that they were spending far more on advertising and promotion for the campaign than actual benefit to the non-profit. It's a fine line, but certainly makes a good argument for a strong public relations component to gain earned media and exposure.

One example of a successful cause marketing campaign came last year as Campbell Soup aligned with the Susan G. Komen Breast Cancer Foundation. Monthly sales doubled over the previous year to reach 7 million cans when Campbell's printed pink ribbons on soup can packaging to celebrate Breast Cancer Awareness Month. The promotion associated Campbell's with a moral and just cause, enhancing the brand's image in the public eye. Moving forward, consumers are likely to associate Campbell's with a sense of high values. The pink label promotion certainly helped the foundation with increased awareness and monetary donations.

## **Mixing Hope and Wine**

Taking cause marketing to a new level, an Orange County-based winery developed a line of cause products: Hope Wine. Each varietal of Hope Wine's product line backs a different cause, with its label boldly showing a support ribbon. Chardonnay benefits breast cancer, Merlot promotes AIDS awareness, and Cabernet Sauvignon supports autism awareness.

Semi-annually, the company donates 50% of their profits to partnered charities. "Our goal is to provide the average wine drinker a great wine at a great value while giving the consumer the opportunity to support a great cause," said Jake Kloberdanz, founder and CEO of Hope Wine in a company statement. All wines are award-winning, and produced and bottled in the heart of Sonoma County by Hope Wine's partnered winery Sonoma Wine Company.

Created and established last year by eight young professionals all under the age of thirty, Hope Wines has already donated over \$40,000 to various charities across the country. By partnering with retailers, such as Vino 100 Valencia, the company projects to donate over \$300,000 by the end of this year and over \$900,000 by the end of 2009.

During the month of May, Vino 100 Valencia will feature Hope Wine's coastal California Chardonnay benefiting the wine's partnered charity: Susan G. Komen for the Cure. Adding a local component, Vino 100 will also donate 10 percent of Hope Wine Chardonnay sales during May to the Sheila R. Veloz Breast Imaging Center located on the campus of the Henry Mayo Newhall Memorial Hospital in Valencia. The message

carried by Hope Wine is an effective way to engage people in the fight to defeat breast cancer, while offering them real value with a quality wine.

“This is a great opportunity for Vino 100 to support Hope Wine and their partnered charities,” said Lil Lepore, co-owner of Vino 100’s Valencia location. “We’re excited that when customers purchase Hope Wine’s Chardonnay during the month of May, they are not only contributing to Susan G. Komen for the Cure, but they are also supporting a local cause: the Sheila R. Veloz Breast Imaging Center, which provides quality care and cancer detection services within our community.”

Vino 100, located on Newhall Ranch Road at the intersection of Copper Hill Drive in Valencia, will feature the entire line of Hope Wines in coming months: Autism Awareness in August featuring a Cabernet Sauvignon to benefit partner charity ACT TODAY! and Merlot during September benefiting Hope Wine’s partner charity AIDS/Lifecycle. For more information, call (661) 294-6886 or visit [vino100valencia.com](http://vino100valencia.com)

## **Start Close to Home**

Campaigns range from long-term commitments to short-term promotions. Infinity MedSpa in the Promenade Town Center in Valencia is an example of a business that offers to help area schools fundraise for their organizations on a one-time or as needed basis. Earlier this year MedSpa teamed up with West Ranch High School boosters to offer a special promotion involving a percentage of sales that benefited the high school sports team. While the school received a cash donation at the end of the event, Infinity MedSpa was able to introduce their service to a new clientele brought through the door by the non-profit. A certain number of those clients are likely to return to MedSpa again, which builds brand equity and establishes customer loyalty.

There is a huge opportunity for small businesses to gain market share, increase sales and build customer loyalty with cause marketing. A word of caution: stay true to the business’s core values and take sufficient time to build relationships and campaigns that key stakeholders can embrace. When crafting a cause-related marketing campaign, consult with a public relations professional, who can provide strategic counsel on best practices and assist throughout the process.

# # #