

Is a Cause-Related Partnership In Your Future?

By John Hester

More and more corporations are seeking partnerships with nonprofits. A cause-related partnership could amass enormous benefits for your organization.

Cause-related marketing, or CRM (also known as cause marketing, or CM), can be a valuable tool in your efforts to raise awareness for your cause, secure funding, and increase volunteerism. A simple definition from the American Cancer Society Web site: Cause marketing ties the cooperative efforts of a for-profit business and a nonprofit organization for mutual benefit.

It's important to note that cause-related marketing is different from corporate philanthropy, where corporations donate money, time, or products to a nonprofit without any expectation of a return. For the corporation, cause marketing isn't charity. There is a clear expectation for gain. Business leaders hope to receive favorable publicity, which they expect to lead to increased sales and profits.

What Are the Three Main Types?

There are three types of cause-related marketing campaigns:

1. Transaction-based promotions are centered around marketplace transactions such as the purchase of a product. Such campaigns usually run for a limited time. A well-known example is Yoplait's "Save Lids to Save Lives" campaign. For every yogurt lid mailed in, Yoplait agreed to donate 10 cents to Susan G. Komen for the Cure.¹

2. Joint-issue promotions occur when one or more nonprofits and corporations band together to tackle a social problem through such tactics as advertising or distributing products. Money may or may not pass from the corporation to the nonprofit. An example is the "Hand in Hand" campaign that brought together Glamour magazine, Hanes, the National Cancer Institute, the American College of Obstetricians and Gynecologists, and the American Health Foundation in an effort to encourage women to have regular breast exams.

Joint issue promotions include specific events to boost support for the cause. A local example is the "Here + Now" event to benefit Self Enhancement Inc. (SEI), a nonprofit in Portland, Oregon. Self Enhancement Inc. partnered with 12 local restaurants, wineries,

and brewers to host the event and raised \$83,000 for its cause. The corporate partners contributed no money to SEI but provided food, drinks, and marketing for the event.²

3. Licensing takes place when a company uses an aspect of a nonprofit brand in exchange for a fee. The Arthritis Foundation, for example, let Advil use part of its brand when it marketed an "Easy Open Arthritis Cap" on Advil bottles. Generally, only the biggest causes license their brands to corporations. Licensing is usually not an option for small, regional nonprofits.

What Are the Benefits?

Advantages of cause-related marketing for your organization include:

- **You can receive monetary and volunteer support.** There's a clear increase in funding and volunteerism when a nonprofit partners with a company in cause-related marketing.
- **You can raise awareness** and educate the public about your cause.
- **You may receive greater visibility,** access to new audiences, and valuable connections to people in the corporation's network.
- **The corporation may provide you with expertise** in marketing, strategy development, and other fields.

One survey found that nonprofit managers' satisfaction with cause-related partnership was high. Respondents said that the partnership

¹Yoplait, "Save Lids to Save Lives," <http://www.yoplait.com/SlsI>.

²Portland Monthly Magazine, "SEI Here + Now," <http://www.portlandmonthlymag.com>.

met or exceeded their expectations for five of 12 surveyed goals (public awareness of their organization, a long-term relationship with the corporate partner, cause awareness, event support, and networking contacts). For the seven goals that didn't meet or exceed expectations (short-term funding, public donations, long-term funding, improving how the nonprofit meets its mandate, finding new volunteers, gaining expertise, and improving internal procedures in the nonprofit organization), the highest differential was only .46 on a 10-point scale.³

Another research report shows that consumers want more companies to support nonprofit causes. Opportunities for innovation and deeper engagement are immense, according to the report. People are incredibly attuned to cause branding, but they aren't yet satisfied; 83% of Americans "wish more of the products, services and retailers they use would support causes" and 78% believe "a partnership between a nonprofit and a company they trust makes a cause stand out." Between 41% and 56% of Americans will actively support, donate to, or volunteer for a nonprofit as a result of a cause-related marketing partnership.⁴

What Are the Risks?

You need to be aware of potential problems so that you can adopt a strategy to avoid them. The main drawbacks are:

Extra effort and wasted resources. You must be sure that the effort and expense to manage the cause-related marketing campaign is worth it. Ask yourself whether you might put your resources to better use.

Reduced donations. Cause marketing may actually reduce contributions to your organization. Some donors, seeing that you're generating donations through the campaign, may decide that they no longer need to contribute to your organization directly. Others may stop donating because they feel alienated by your partnership with the for-profit world.⁵

Tainted partners. A tainted corporate partner may have a detrimental impact on your organization's reputation. Perform due diligence to ensure that a corporation's unsavory image won't rub off on you and spoil your own repute.

Structural atrophy. If your campaign is a huge success, you may be tempted to become complacent and stop looking to other avenues of income. Don't let that happen. Money generated by cause-related marketing should encompass only a small portion of your overall funding.

How Do You Find the Right Partner?

Before you start looking for a corporate partner, take a good look at your organization. Ask yourself:

- **What's your primary mission?**
- **What are the organization's** core competencies and expertise?
- **Who** are you serving?
- **What assets** do you bring to the table, including such intangibles as your reputation and community good will?
- **What compelling stories** can you tell about people you've served and how you've changed the world for the better?
- **What types of partners** would benefit most from what you have to offer?
- **How will your board and staff members feel** about partnering with a corporation? Do you have their full support? Do you need to educate them about the benefits of partnering before you move forward? Without their complete endorsement, you'll have trouble supplying the amount of time and energy that's needed.

Next, put together a list of potential partners. For each one, carefully review:

- **the company's** annual reports
- **speeches** by corporate leaders
- **news reports** related to the company.

Inquire deeply to find answers to the following questions about the corporation and its leaders:

- **What's their record** on human rights and other issues of importance to you?
- **Do they share** your organization's values? Does their mission align with yours?
- **What other areas of fit** can you find? Do they have a geographic reach similar to yours? Is there already an existing relationship between someone in your organization and someone who works for them?
- **How do employees of the company** feel about your organization's cause?
- **Does the company have a collaborative** mindset? Have they partnered with other groups? If so, how successful were those alliances?
- **How do your donors feel** about the potential partner?
- **What is the public's perception** of the corporation? Does it have a solid reputation?

What Are the Steps to Recruiting a Partner?

1. Find a connection to the corporation you've chosen as your ideal partner. Any introduction from an employee or board member of the corporation is better than a cold call. Keep networking till you find that golden connection.

2. Set up a meeting. Prepare for it by developing a presentation that shows you understand their business and the value partnering with your nonprofit will provide.

3. At the meeting, spend time asking questions and gathering information about the corporation. Show that you've done your homework, and explain the benefits of a partnership with your organization. For example, you can help the company boost its image and reinforce its positive views on social, environmental, and other issues the public cares about.

4. Submit a proposal to the corporation. Describe the benefit of a partnership with your organization to the company and the community. Spell out the time commitment needed by both partners.

5. Be clear about the following:

- **How much money** will the company guarantee to provide your organization? Will this amount be a percentage of profits, a percentage of revenues, or a set amount? If there is a minimum or maximum amount guaranteed by the company, what are those amounts?
- **What marketing efforts will the corporation undertake** to promote the cause-related marketing campaign?
- **What customer base** will the campaign be targeting?

³"The Impact of Cause-Related Marketing on Nonprofit Organizations," *Proceedings from International Nonprofit and Social Marketing Conference: Partnerships, Proof and Practice*, New South Wales, Australia: Centre for Health Initiatives, <http://ro.uow.edu.au/insm08/2>.

⁴*Cone Nonprofit Marketing Trend Tracker*, <http://www.coneinc.com/2010-cone-nonprofit-marketing-trend-tracker>.

⁵"Profits for Nonprofits," *Harvard Business Review*, 74(6).

Many experts believe the nonprofit should receive some or all of the money at the beginning of the partnership, since the corporate partner gets the benefit of using the nonprofit's name as soon as the campaign starts. They also suggest that the nonprofit shouldn't bear any costs for the campaign.⁶

Continue to talk with leaders from the corporation until both sides are happy with the arrangement. If you can't reach an agreement that meets your needs, be prepared to walk away from the deal.

How Can You Assure a Successful Partnership?

To maintain a positive relationship, put time and effort into coordinating the campaign. Here are some important steps to take:

- **Meet on a regular basis** with representatives from the corporation to track progress toward the campaign's goals.
- **Be sure you have final approval** over all parts of the marketing campaign. You want to be sure you know exactly how your organization's name is being used.
- **Stay involved**, and stick to the time schedule.
- **Continue to focus** on the campaign's goals. 

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⁶See: "The Power of Pink," *Journal of the American College of Radiology*, 6(1), 26-32; Cause-Related Marketing, *Journal of Nonprofit & Public Sector Marketing*, 11(1); and "Cause Marketing: 10 Cautionary Principles for Nonprofits," <http://www.eeffect.com/tools-for-change/articles/cause-related-marketing/>.

“People are incredibly attuned to cause branding.”

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Articles from *Nonprofit World*

(www.NonprofitWorld.org/members):

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