



# Enlightened Self-Interest: Selling Business On The Benefits Of Cause-Related Marketing

*It may be the most lucrative partnership you ever develop.*

BY JOSEPH J. PTACEK & GINA SALAZAR

**E**very day, nonprofits are dreaming up new ways to generate funds using cause-related marketing (CRM). They have to, because the squeeze on corporate profits and tightening of government budgets have forced nonprofits to be more creative and businesslike.

North American corporations will spend nearly \$500 million on CRM programs this year, according to Jim Andrews at *IEG Sponsorship Report*.<sup>1</sup> Even their ad agencies are seeing more advertising dollars diverted to sponsorship and CRM.

To get a piece of the action, you must be a skilled marketer, arming yourself with a strategically sound marketing plan that will drive sales. If the plan doesn't move product, it won't move marketers. You can't afford to ignore this vital marketing trend.

## What Is Cause-Related Marketing?

Cause-related marketing is corporate America's lexicon for working in financial concert with a charity. It is marketing that ties a company and its product to a cause. Its goal is to increase incremental sales and corporate image while contributing to the nonprofit.

Sales increases determine the success of the promotion. Make no mistake about it, CRM is about sales, not philanthropy.

One of the first public acknowledgments of this marketing strategy was American Express's 1983 partnership with the Statue of Liberty restoration. American Express contributed a penny to the restoration each time someone used its credit card. Use of its card rose 28% during that period, and American Express gave \$1.7 million to restore the Statue of Liberty.

*When nonprofits think like marketers, corporations listen.*

## What Are the Players' Motives?

To grasp the fundamentals of CRM, it's important to understand the motives

of the players. These motives include the following:

- The charity seeks funding.
- The corporation wants sales increases, image enhancement, and employee motivation.
- The consumer desires social responsibility and quality for a fair price.
- If celebrities are involved, they're looking for public exposure.

Isolated, these motives label the players as the self-interested parties they are. A properly designed CRM program raises these isolated self-interests to an enlightened level. Each need is not only satisfied but enhanced by the synergy of the relationship. Cause-related marketing becomes enlightened self-interest.

## What Are Its Roots?

Enlightened self-interest is an idea that resonates throughout the writings of Jean-Jacques Rousseau. The dehumanizing social conditions of 18th century France inspired Rousseau, one of the "Age of Enlightenment" philosophers, to pen a discourse called *The Social Contract*.<sup>2</sup> In it, he envisioned an ideal society built on harmonious relationships among the individual, the

# CREATIVE FUNDRAISING IDEAS

## Plumb the Depths of Every Connection

Networking paid off for the New Jersey Performing Arts Center. While the Center was under construction, its executive sought a supplier of lumber and other building products to help erect a mural. Researching suppliers, he discovered that Rickel Home Centers was owned by Merrill Lynch, whose executive vice president was on the Art Center's board. The board member talked to managers at Rickel, and they agreed to subsidize the construction.

## Have Temp Agencies Help with Special Events

March of Dimes chapters often network via local temporary employment agencies. The temp agency works with many companies in the area and knows which ones will be most interested in sponsoring and underwriting a nonprofit special event. For more on these and other sponsorships, see *IEG Sponsorship Report*, published by International Events Group (IEG), Inc., 640 North LaSalle, Suite 600, Chicago, Illinois 60610, 312-944-1727.

## Be Responsive

If opportunity knocks, open the door. When *Sports Illustrated* called Boys & Girls Clubs of America and four other organizations about a potential partnership, the others said, "Send us something in writing." Boys & Girls Clubs said, "We'll messenger a package to you within the hour and follow up by the end of the day." As a result, the magazine featured Boys & Girls Club on its cover and in an ad campaign as well as giving them a \$40,000 cash commitment.

society, and the state, paying particular attention to motives. Cause-related marketing is a contemporary interpretation of Rousseau's vision and is an "enlightened" approach to business.

### Why Has It Grown?

**Reason #1.** Cause-related marketing has grown because, when properly executed, it sells product, enhances image, and motivates employees. In 1987, before CRM was embraced as a conventional form of business for corporate America, Denver's Mercy Medical Center established one of its most successful and long-lived fundraising promotions. It wanted to expand the "Sack 'Em" fundraising program it had created with Bronco star Karl Mecklenburg. To do so, the medical center partnered with Wendy's International. Mecklenburg endorsed Wendy's without compensation. In return, Wendy's contributed to the medical center each time someone bought a jumbo sack of fries.

That first year, the medical center received \$26,000, a renewing corporate partner, and a new community profile.

The partnership was just as valuable for Wendy's. Sales of its jumbo sack of fries increased 34.5% that first season. Wendy's also established itself as a CRM pioneer in Denver.

That potent combination of a consumer product, a cause, and an NFL superstar was driven by enlightened self-interest. "We were looking for an opportunity to tie in to the Broncos or one of their high-profile players," explains Wendy's regional marketing director Mark Voss. "We had no idea that the response would be so strong."

**Reason #2.** It has grown because consumers are demanding more of corporations. They expect businesses to use their resources to address community concerns. When corporations contribute to the communities they serve, they make a powerful connection by sharing their customers' and employees' values.

One such value held by many in the Denver area was helping homeless people with immediate housing and long-term self-sufficiency. TCI of

Colorado knew that the homeless issue was important in the communities it served. It welcomed the chance to partner with the Colorado Coalition for the Homeless (CCH) for the 1995 Holiday Sweet Deal.

In this CRM campaign, existing and 12,000 new TCI customers helped donate \$89,145 to Colorado homeless issues. This donation, which resulted from a \$5 contribution for each upgraded or new TCI subscription, was the largest single donation in CCH's 13-year history. In turn, the campaign doubled TCI of Colorado's average response rate during that two-week period in December. "It's amazing what we can do when we work together with our customers to benefit such a worthy cause," says Steve Santamaria, TCI of Colorado's Denver metro manager.

**Reason #3.** CRM has grown because it is fueled by a new era of advertising which is "respectful, not patronizing; dialogue-seeking, not



monolingual; responsive, not formula-driven; it speaks to the highest point of common interest, not the lowest common denominator,” according to Don E. Schultz, Stanley I. Tannenbaum, and Robert F. Lauterborn, authors of *Integrated Marketing Communications*.<sup>3</sup> Remember Starkist’s Charlie the Tuna? Contrast that with today’s dolphin-safe-fishing tuna ads.

**Reason #4.** It has grown because it is accountable. The better the sales, the greater the contribution. The results are trackable.

### How Does CRM Increase Sales?

The gateway to a corporate partner is guarded by the corporation’s need to increase sales. So, your first mission is to show the corporation that a partnership will increase its sales. To do so, you need to provide evidence that CRM works and that it appeals to consumers.

You might, for example, quote statistics from a recent survey of public attitudes about CRM.<sup>4</sup> This benchmark study shows that, given a choice between two products of similar price and quality:

- 78% of adults would be more likely to buy a product associated with a cause they care about.
- 66% would change brands to help a cause.
- 62% would switch retailers in support of a cause.
- 54% would pay more for a product that backed a cause they care about.
- 33% said that, after price and quality, they consider a company’s responsible business practices the most important factor in deciding whether to buy a brand.

This survey shows that consumers prefer companies with socially responsible attitudes. Business is listening. Statistics from the survey are a valuable presentation tool to underscore the consumer’s preferences for CRM.

## How to Find, Greet, and Recruit a Corporate Partner: A Primer

There is no mystery to planning and carrying out a CRM program. It requires the same tenacity, assertiveness, and organizational skills as professional fundraising. In dealing with the corporate world, however, efficiency and effectiveness are especially important. Here are the steps to a corporate partnership:

### 1. Target Prospects.

Any company that maintains a strong media presence and can make a large contribution develops its marketing budget at least nine months out. Remember, you want your partner to bring its media buys to the table as well. So, based on your marketing plan, begin researching prospects nine months to a year before anticipated kick-off.

You may already have a key contact. Don’t ignore your own extended family. Interview each member of your board of directors. You may be surprised by the contacts they have among their neighbors, friends, co-workers, and family.

To get additional leads, call ad agencies, PR, and marketing firms. Such firms typically provide strategic planning, marketing, and communications services. Thus, they probably represent accounts who may be interested in CRM.

Your research should include questions designed to weed out inappropriate prospects, focusing on:

**Corporate positioning:** Is the prospect philosophically inclined to support your cause? (Wendy’s Inc., for example, primarily supports adoption programs.)

**Corporate ownership:** Is the targeted partner owned by a tobacco or alcohol company? Does that create a conflict of interest?

**Demographics:** Do your donors have the same demographic make-up (age, gender, income, and so on) as the customers of the prospective partner?

**Contacts:** Who is the corporation’s local contact? Can that person make decisions, or are marketing decisions made nationally? Discovering who to contact is probably the most important element to a quick reply. Otherwise you will be handed off interminably.

### 2. Get Your Foot in the Door.

Now that you’ve made a prospect list, the next step is getting an appointment. Here are some tips:

**Call first.** Don’t send a proposal. If you do, it will be permanently filed. Instead, use the telephone. Describe your idea succinctly and enthusiastically to the marketing contact over the phone. Follow up by sending a one-page executive summary. Be prepared to be put off for weeks at a time. One in 10 calls may result in a meeting.

**Be confident.** Introduce yourself as the person in charge of cause-related marketing for your organization. Be sure you’ve done your homework and have a good knowledge of CRM.

**Meet with the marketing contact.** If possible, avoid meeting with someone from community affairs or public relations unless you know that person is driving the CRM efforts. Usually, decisions about your idea are made by marketing people because CRM is about sales.

**Ask for 20 minutes.** If you ask for more, you will be less successful.

### 3. Make the Presentation.

It’s your job to sell the CRM idea to the corporation. Before you meet with the corporate marketer, prepare a convincing proposal. Here are keys to remember:

**Focus on the marketer, not you.** Corporate marketers don’t care that you have the greatest or worthiest cause. They want to know how your cause will increase their sales, affect employee morale, create excitement, and enhance their image. Tell them how your idea will help them meet their goals. Make it clear why they should work with you.

**Everything must be turnkey.** Your challenge is to make sure the program requires as little effort as possible by the corporate marketers. Don’t expect them to come up with ideas. It’s up to you to show how your idea conforms to their plans to increase sales. Think your concepts through so that you’re ready for questions.

**Make it clear and simple.** Translate your ideas into bullet points. Present your proposal as a handout or, better yet, a flip chart with good graphics and color. The presentation should include: an overview, objectives, strategies, financials, and benefits. Use statistics, such as those from the Cone/Roper survey (see footnotes), to sell the demand for CRM.



## How Does CRM Enhance Image?

Be ready to tell a corporation how a partnership with you will enhance its image. Reasons include the following:

- In the eyes of consumers, a business has more integrity if it is associated with a nonprofit.
- The media like to cover stories of good causes. Association with you will help the corporation gain positive news coverage.
- Dovetailing with a nonprofit's mission allows a corporation to build a reputation of compassion and caring.

In Denver, Smith Barney and the Colorado Coalition for the Homeless developed a CRM partnership called "Smith Barney's Project Home." The partnership gave Smith Barney a chance to strengthen its community image by taking a stand on homeless issues and marketing with a Denver Bronco celebrity player. In return, Smith Barney agreed to contribute \$1,000 for every Denver Bronco touchdown.

"We had become increasingly aware of a need to assert our presence at the local level, and a sports-oriented cause-marketing program with a local focus fit our needs exactly," says Smith Barney Senior V.P. Al Barrows. "This was an excellent opportunity to reach individual investors who were looking for an investment company interested in them and their community."

## How Does CRM Motivate Employees?

A CRM program is a chance for corporate partners to motivate and excite their employees. TCI of Colorado's 1995 Holiday Sweet Deal created opportunities for employees to contribute holiday ornaments and decorate Christmas trees at homeless shelters in the Denver area. Each homeless child and mother also received a gift. That opportunity to connect with the community, born out of kindness and mutual respect, provided a

rewarding experience for everyone involved.

## Not for the Marketing Challenged

Corporations' marketing budgets are about selling their products, not helping charities. Thus, you must prove that CRM can sell product. You must be a creative and disciplined marketer.

An understanding of marketing fundamentals and a readiness to change some entrenched attitudes will help you navigate the hallways of corporate America. A comprehensive CRM plan is essential. The very act of completing a

*Corporations  
will spend nearly  
\$500 million on  
CRM programs  
this year.*

plan will be an enlightening experience and prepare you for networking the corporate landscape.

## A New Reality

The appearance of cause-related marketing ushers in a new reality for nonprofits and their corporate partners. No longer does charity need to rely solely on corporate America's philanthropic budgets. No longer must business sink money into unaccountable mass marketing. Rather, both can succeed by listening to

their customers. When nonprofits learn to start thinking and planning like marketers, business will listen and be grateful for the opportunity to partner with them. It is an enlightened time for all. ■

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### Footnotes

<sup>1</sup>IEG Sponsorship Report, "the newsletter of sports, arts, events, and cause marketing," is published by International Events Group (IEG), Inc., 640 North LaSalle, Suite 600, Chicago, Illinois 60610.

<sup>2</sup>By Jean-Jacques Rousseau, translated by G.D.H. Cole, published by Everyman, 1913, reprinted by J.M. Dent, Charles E. Tuttle, Rutland, Vermont.

<sup>3</sup>Published by NTC Business Books, a division of NTC Publishing Group, Chicago, Illinois.

<sup>4</sup>The Cone/Roper benchmark survey on cause-related marketing is the most defining survey of the industry, demonstrating that CRM is appealing to the consumer. In 1993, Cone Communications, a marketing and public relations agency that specializes in cause-related campaigns, commissioned Roper Starch Worldwide Market Research Company to conduct a comprehensive survey of public attitudes about CRM. The results were published in 1993 as *The Cone/Roper Study, A Benchmark Survey of Consumer Awareness and Attitudes Towards Cause-Related Marketing*, by Cone Communications, 90 Canal Street, Boston, Massachusetts 02114.

### Selected References

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Bergan, Helen, *Where the Money Is*.





Caesar, Patricia, "Cause-Related Marketing: The New Face of Corporate Philanthropy," *Nonprofit World*, July-August 1987.

Muehrcke, Jill, *Are You Sitting on a Gold Mine? Fundraising Self-Assessment Guide*.

Muehrcke, Jill, ed., *Fundraising and Resource Development, Leadership Series*.

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Strand, Bobbie J. and Susan Hunt, *Prospect Research: A How-to Guide*.

Wagner, Lilya and Robert Thompson, "Cause-Related Marketing: Fundraising Tool or Phony Philanthropy?," *Nonprofit World*, November-December 1994.

Weisman, Carol E., "The Care and Nurturing of Corporate Friends," *Nonprofit World*, January-February 1996.

These publications are available through the Society for Nonprofit Organizations' Resource Center. For ordering information, see the Society's *Resource Center Catalog*, included in this issue, or contact the Society at 6314 Odana Road, Suite 1, Madison, Wisconsin 53719 (800-424-7367).

### Fundraising Software Resources

Chronicle Guide to Grants, 1255 23rd Street, N.W., Suite 700, Washington, D.C. 20037 (202-466-1000).

Crescendo planned giving software, 1601 Carmen Drive, Suite 103, Camarillo, California 93010 (phone 800-858-9154; fax 805-388-2483).

Donor Perfect fundraising software, SofterWare, 540 Pennsylvania Avenue, 2nd Floor, Fort Washington, Pennsylvania 19117 (800-220-8111).

Enterprise fundraising software, Access International, 432 Columbia Street, Cambridge, Massachusetts 02141 (phone 617-494-0066; fax 617-494-8404).

Executive Data Fundraising, Executive Data Systems, Inc., 1640 Powers Ferry Road, Building 27, Marietta, Georgia 30067 (phone 800-272-3374; fax 770-955-3374).

Federal Money Retriever, access to all Federal Assistance Programs, IDI Magic Technologies Corporation, available through the Society for Nonprofit Organizations' *Directory of Service/Product Providers*, 6314 Odana Road, Madison, Wisconsin 53719 (phone 800-424-7367; fax 608-274-9978).

Fund-Master 7.0 fundraising software, Master Software Corporation, 5975 Castle Creek Parkway N. Drive, Suite 300, Indianapolis, Indiana 46250 (phone 800-950-2999; fax 317-849-5280).

Manage!, Omega C.G. Limited, 377 East Butterfield Road, Suite 975, Lombard, Illinois 60148 (phone 800-443-3481; fax 708-969-8690).

ParaGon planned giving software, Blackbaud, 4401 Belle Oaks Drive, Charleston, South Carolina 29405-8530 (phone 800-443-9441, Ext. 307 or 803-740-5400; fax 803-740-5410).

Planned Giving Manager (PGM) software, PG Calc Incorporated, 129 Mount Auburn Street, Cambridge, Massachusetts 02138 (phone 617-497-4970; fax 617-497-4974).

The Raiser's Edge fundraising software, Blackbaud, 4401 Belle Oaks Drive, Charleston, South Carolina 29405-8530 (phone 800-443-9441, Ext. 307 or 803-740-5400; fax 803-740-5410).

Special Events software, Lifeline Information Services, 1776 Woodbine Place, Oceanside, California 92054.

TARGET 1 Fundraising software, Echo Management Group, 1620 Main Street, Center Conway, New Hampshire 03813 (phone 800-635-8209; fax 603-447-2037).