



# Past. Present. Future.

The 25th Anniversary of Cause Marketing

Cone

# Cause the Past



## CAUSE PAST: THE BEGINNING

Twenty-five years ago, American Express embarked on an inspired, but seemingly simple marketing initiative. To increase consumer use of its card and recruit new users, the company partnered with one of the country's preeminent landmarks, the Statue of Liberty. Each time a consumer used his or her American Express Card during the course of the three-month campaign, one penny was donated to the restoration of the historic site, and for each new card application, American Express donated \$1.00.

The company contributed \$1.7 million to the Statue of Liberty through the promotion and proved to the business world that aligning with a cause is a viable strategy to boost sales - consumer card usage increased by 27 percent and new applications grew by 45 percent. Through this memorable campaign, American Express coined the term "cause-related marketing," which has today evolved from a marketing tactic to a powerful business strategy.

## CONE'S ROLE: A PIONEER

As one of the first agencies to specialize in cause marketing in the 1980s, Cone is proud to have worked with leading companies and nonprofits to create and execute enduring cause initiatives with significant business and social benefits, including the Avon Breast Cancer Crusade, JCPenney Afterschool, the American Heart Association's Go Red for Women, Procter & Gamble's Live, Learn and Thrive and PNC Grow Up Great.

To help educate executives on trends and the potential business returns of cause initiatives, Cone was the first to execute proprietary research of American consumers in 1993. Today, we continue to survey the landscape with the 2008 Cone Cause Evolution Study. In this report, we will examine the shift in American attitudes and behaviors and the current implications for business, as well as discuss:

- 🎀 Key cause-related milestones of the last 25 years
- 🎀 The 2008 Cone Cause Evolution Study
- 🎀 The 2008 Cone/Duke University Behavioral Cause Study
- 🎀 Marketing insights into the Socially Responsible Consumer
- 🎀 Predictions for the future of cause





*Cause is evolving to new models of social engagement and global citizenship as companies become drivers of change.*

## **WHAT IS "CAUSE"?**

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"Cause" has become a catch-all term that ultimately describes innovative ways in which companies and nonprofits integrate social and environmental issues into their brand DNA to generate bottom-line business and social benefits. Today's cause initiatives are multifaceted and often include: grant making, consumer and employee engagement, operations, policy and marketing communications.

Cause is no longer just about driving short-term sales, but also creating trusted and lasting relationships with diverse stakeholders. In the future, companies will increasingly recognize how societal needs and business growth are intrinsically linked. Cause is evolving to new models of social engagement and global citizenship as companies become drivers of change.

## CAUSE MILESTONES

A myriad of cause-related campaigns have appeared in the marketplace since 1983, emblazoned with ribbons of every hue, communicated in print, on pack and online, and impacting issues as diverse as early childhood education, women's self-esteem and endangered honeybees.

The 1980s saw the **Cause Pioneers**, the first to test the marketing waters and expand the notion of what relationships between companies and nonprofits and social issues could be. With the nineties came the **Cause Mainstreamers**, who, through the use of in-store promotions, celebrities and icons, brought cause to the marketplace in a big, bold way. And today, we see the **Cause Innovators** developing new fundraising models, launching global campaigns, enlisting new media and aligning their programs with core business needs to truly embody the oft-quoted axiom: doing well by doing good.

Along the way there have been many cause-related milestones, and while this is certainly not an exhaustive list of the campaigns that deserve recognition, this timeline highlights a few of the most sustainable, innovative and well-communicated programs that can be credited with shaping cause as we know it today:



### Ronald McDonald House Charities - 1984

#### **New Fundraising Models**

Tangible expression of the company's values that rallied consumers, employees, franchise owners and even other corporations. Took on a life of its own beyond the company by creating an independent brand synonymous with helping children.



Reebok Human Rights Award

### Reebok Human Rights Awards\* - 1988

#### **Youth Activism**

Leveraged an existing asset, its sponsorship of the Amnesty International Tour, to shine a light on courageous youth activists and place its brand in support of an edgy issue.

1983



### Statue of Liberty Restoration Project - 1983

#### **The Pioneer**

1984



### Gift of Sight - 1988

#### **Employee Engagement**

Harnessed unparalleled energy of employees by granting sabbaticals in developing countries to help provide free vision care and eyewear to those in need, changing both the life of the recipient and the employee.

1988



### For the Cure - 1990

#### Branded Corporate Sponsorship

Launched in 1982, Komen soon captured the attention of the nation, with its first national Race for the Cure in 1990, and of companies, who raced to tailor their own "For the Cure" cause promotions. Today more than 25 companies are part of the organization's Million Dollar Council.



### Viva Glam - 1994

#### Celebrity Engagement

Communicated its social conscience through the successful branding of a cause product and later energized the entertainment community to appear in ads and advocate for the issue in a highly provocative and memorable way.



### Take Charge of Education - 1997

#### Integrated Marketing

Infused its brand with the issue of education by communicating to consumers through extensive advertisements, in-store and point-of-purchase collateral and its revolutionary RED card.

### Campaign for Real Beauty - 2004

#### New Issue Opportunity

Placed its finger on the pulse of the marketplace and successfully identified a niche issue, girls' and women's self-esteem, that deeply resonated with its core audience. Through extensive marketing and viral video, the campaign spread like wildfire and secured Dove's leadership position in the issue space.



### PRODUCT(RED)

### Product (RED) - 2006

#### New Cause Model

United diverse companies across industries under the same cause brand and provided consumers with a product that allowed them to express their social consciousness to the world.

1990

1993

1994

1996

1997

2003

2004

2005

2006

2008



### Breast Cancer Crusade\* - 1993

#### Multifaceted Cause Brand

Implemented a multifaceted campaign, under its global platform Worldwide Fund for Women's Health, including educational content for TV and brochures, large-scale fundraising walks, events and donations through new product lines, to raise more than \$525 million for the issue.



### Box Tops for Education - 1996

#### Loyalty Program

Fueled a simple shop-and-clip program that inspired parents and children alike to be loyal to hundreds of Box Top products to support their local schools. This grassroots program has evolved online and to new retailers and has generated more than \$200 million to date.



### Go Red for Women\* 2003

#### Nonprofit Cause Branding

Created a movement that inspired hundreds of cities, buildings and landmarks to go "red," 14,000 companies to wear "red" this year alone and millions of women to join the cause. More than \$150 million has been raised to address heart disease, the number one killer of women.



### Global Corporate Citizenship Platform 2005

#### Core Business Issue Integration

Leveraged its innovative software solutions and empowered employees to build more efficient global communities, as shown through the World Community Grid, and to help create new markets.



### Pampers' "One Pack = One Vaccine" Tampax/Always' "Protecting Futures"- 2008

#### Brand-Tailored Program

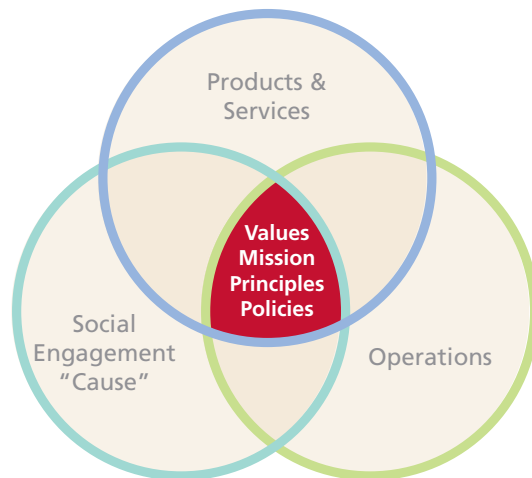
Created brand-specific programs supporting issues that are uniquely aligned with the product, yet consistent with P&G's global umbrella platform Live, Learn and Thrive to aid children in need.

\*Cone played a role in the creation of this program.

# Cause the Present

## CAUSE PRESENT: A BUSINESS STRATEGY

Leadership companies today approach their support of social or environmental issues as a way to demonstrate their values and responsible practices in action. As business becomes accountable to a variety of stakeholders within a highly transparent society, aligning with a cause has become an important and visible part of a company's corporate responsibility (CR) efforts. Increasingly, companies are integrating their cause commitments into their business operations and product development to ensure they are aligned and each is reflective of the company's core values, mission, principles and policies.



\*Adapted from the Boston College Center for Corporate Citizenship Management Framework

## CONSUMER EXPECTATIONS AND SUPPORT: AT AN ALL-TIME HIGH

Cone first began measuring the attitudes of Americans 15 years ago, and today, expectations of companies remain high. Despite the current economic downturn, 52 percent of Americans feel companies should maintain their level of financial support of social and environmental causes and nonprofit organizations. Twenty-six percent have set the bar even higher for companies, expecting them to give more in these trying times.

The resulting perception of companies that give back has not changed: In both 1993 and 2008, a full 85 percent of Americans say that they have a more positive image of a product or company when it supports a cause they care about. Today, however, Americans are much more supportive of cause marketing as a way to publicize that support and are more likely to shop with it in mind:

- 85% say it is acceptable for companies to involve a cause in their marketing, compared to 66% in 1993
- 79% would be likely to switch from one brand to another brand, about the same in price and quality, if the other brand is associated with a good cause, compared to 66% in 1993
- 38% have bought a product associated with a cause in the last 12 months, compared to 20% in 1993

# 79%

would be likely to switch  
from one brand to another  
brand ... if the other brand is  
associated with a good cause



## ISSUES: MEETING SOCIETAL AND BUSINESS NEEDS

While some remain staunch supporters of mainstream issues and others emerge as powerful leaders of niche causes, savvy companies today have gone far beyond selecting a cause simply because it is popular or easy to support. These companies undertake a thorough internal and external assessment prior to choosing the cause(s) they want to “stand for” by evaluating which issues are most aligned with their business and stakeholder needs, assets and goals, as well as where they stand to have real social and environmental impact. As a result, human rights, access to clean water and workforce training in developing markets are a few issues that are receiving increased attention. Companies consider:

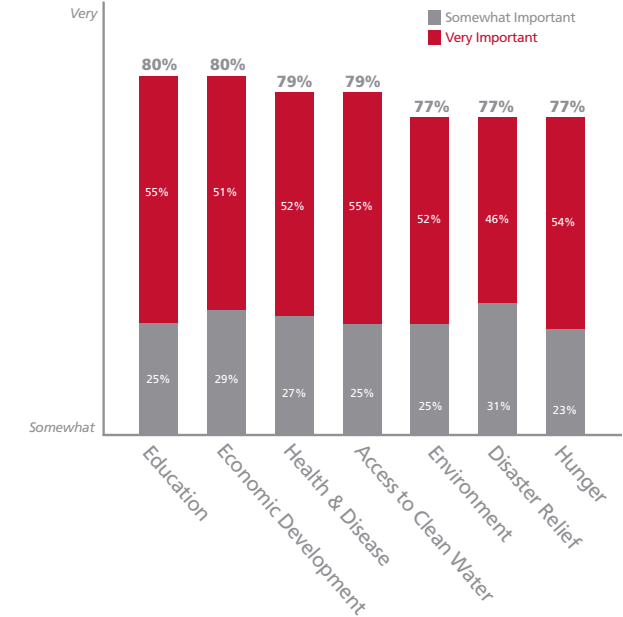
- ✂ What social or environmental issues are core to their business?
- ✂ What assets can they leverage to maximize societal impact?
- ✂ What issues matter to their stakeholders?
- ✂ Whom do they want to reach? (both beneficiaries and stakeholders)
- ✂ How is the issue affecting the marketplace?

Given the complexity of business and social needs today, many companies are not focusing on a single issue, but rather creating a broader global platform with multiple branded programs, each addressing different issues that are material both to the business and relevant stakeholders.

The causes that companies choose to support often reflect national and international economic pressures and events. Over the last 15 years, American sentiment has shifted regarding which issues are the most important for companies to address. In 1993, Americans ranked crime/violence prevention, the environment and homelessness as priority issues. In 2004, education, health and disease and the environment were paramount. Today, we have seen Americans slightly reprioritize again, with many issues neck-and-neck, such as education, economic development and health and disease.

And although Americans’ desire for companies to support issues that improve the quality of life locally remains supreme, we are witnessing a subtle shift in their priorities to a more global perspective over time, likely facilitated by a combination of globalization, far-reaching technology and the influence of celebrities and other powerful figures.

### Leading Issues Companies Should Address



### Companies should prioritize support of issues that affect:

	2008	1993
The quality of life locally, in local communities	49%	55%
The quality of life nationally, in the United States	36%	30%
The quality of life globally, in countries around the world	15%	10%



**PARTNERSHIPS AND NEW MODELS:  
COLLABORATION ACROSS SECTORS**

In the 2008 Cone Cause Evolution Study, nearly nine in 10 (89 percent) Americans said it is important that business, government and nonprofits collaborate to solve pressing social and environmental issues. The line between sectors is increasingly blurred as companies, through their vast infrastructure and unique resources, are sometimes proving more nimble at addressing issues, such as natural disasters, than the government agencies or nonprofit organizations designed to manage the task. Utilizing the company's resources and reach and the government's or nonprofit's issue expertise will prove a powerful way to address world problems.

At the same time, there is growing collaboration among companies or industries as organizations separate themselves from the competitive forces that traditionally drive business to unite under a shared objective: creating a future workforce, extending lives, transforming developing countries and more.

Over the last 15 years, nonprofits have also become increasingly sophisticated in building upon their critical role in society by partnering with companies to raise awareness and funds. They recognize that fundraising is a powerful form of marketing and that their brands are emotional causes that will capture the hearts and minds of future supporters. In fact, many Americans stated they were more likely to lend support and advocate for a charity upon learning about its corporate partnerships:

*Nearly nine in 10 Americans said it is important that business, government and nonprofits collaborate to solve pressing social and environmental issues.*

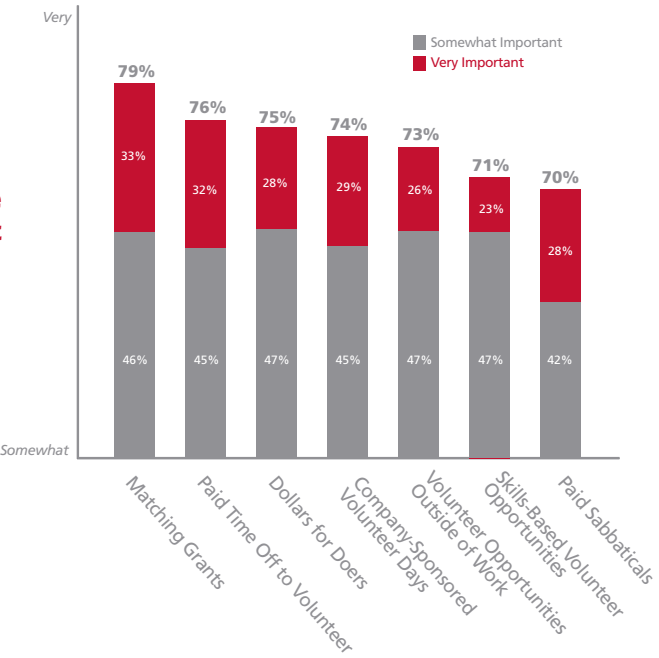
	More Likely	Less Likely	No Difference
Tell a friend about the charity	42%	8%	50%
Donate money to the charity	36%	9%	55%
Participate in the charity's programs and events	29%	9%	62%
Volunteer for the charity	23%	11%	66%



**STAKEHOLDER ENGAGEMENT:  
PROVIDE A SPECTRUM OF OPPORTUNITIES**

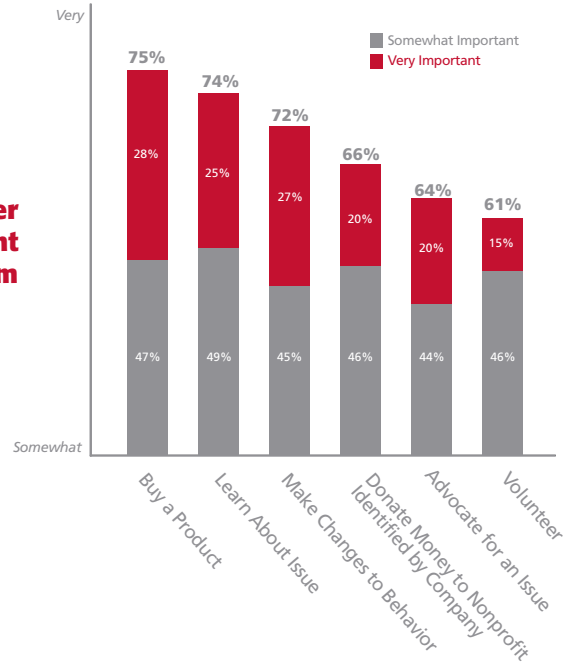
Employee Engagement: While the cause marketing of the past primarily targeted consumers in sales transactions, cause marketing today is often concerned with a company's strongest ambassadors - its employees. Thanks to 24/7 technology and the increasingly blurred line between work and home, employees are seeking more purposeful work. Companies that provide substance and meaning will be rewarded with high employee pride, morale and retention. Cone's research shows that there is a spectrum of opportunities employees feel it is important for their employers to provide, including:

**Employee Engagement Spectrum**



**Consumer Engagement:** Donating a portion of a product's sale to a cause is still a popular means for companies to directly involve consumers in their support of key social or environmental issues. In fact, this is the leading way in which consumers want to be engaged by companies, particularly among women. But it is not the only way. Like employees, consumers believe that it is important for companies to offer them a spectrum of opportunities to support issues they care about, including:

**Consumer Engagement Spectrum**



The potential for change is also key. Prior to purchasing a cause-related product, 80 percent of Americans believe it is important that the company can have a significant impact on the cause and 75 percent consider whether they stand to make a difference themselves.



## COMMUNICATION: CONSUMERS WANT TO HEAR MORE

The days of humility are over. Ninety-one percent of Americans believe that companies should tell them how they are supporting causes. And yet, there is a communication disconnect - only 58 percent believe companies are providing enough details about their cause marketing efforts. Today's consumers want to know how much is given to the cause and over what time period.

For the first time, Cone's 2008 Cause Evolution Study explored the much debated question among cause marketers - when indicating that a portion of the product's sales will go to support a cause, is a dollar amount or a percentage of the sale more influential, assuming the resulting charitable donation would be the same? Not surprisingly, the findings show that the semantics do not matter. Nearly half (45 percent) of consumers say it makes no difference at all, and the rest are almost equally divided: 28 percent prefer percentages and 27 percent prefer dollar amounts.

Clearly, it is the bigger picture, from transparency in message to a substantial commitment level, that counts.

In fact, 50 percent of consumers believe the government or other third parties should regulate cause marketing by companies. As the relationships between nonprofits and corporations grow closer, consumers and the government will demand increased transparency and diligent disclosure.

*Companies and nonprofits alike are using new media as a way to not only increase awareness and engage stakeholders, but to create advocates and ignite change.*

Traditional channels such as advertising and word-of-mouth remain the leading ways consumers want to hear about corporate efforts. Fifty-five percent of Americans, especially younger generations, also report turning to the Internet and new forms of media to learn about and support social and environmental causes:

	Average	18-24	25-34
Search for information about causes or issues	33%	37%	42%
Forward a message to family and friends about causes or issues, such as emails or text messages	29%	30%	37%
Engage in grassroots activism, such as write legislators, sign petitions or email companies, etc.	17%	12%	22%
Donate money online	15%	14%	22%
Join or visit social networking sites, such as MySpace, Facebook or Idealist, that focus on causes or issues	14%	26%	27%
Blog (As a reader or active participant)	10%	24%	13%
Identify volunteer opportunities online	10%	15%	14%
Use a mobile device to support or access information about a cause	4%	11%	9%



## MILLENNIALS: HARNESS THEIR PASSION

It is hardly surprising that members of the Millennial generation are considerably more active in many new media forums when it comes to learning about and supporting causes, but this pro-social group also has unique perspectives in a number of other areas.



### 18- to 24-year-old Millennials are more receptive to cause marketing:

- **88 percent** would be likely to switch from one brand to another brand, about the same in price and quality, if the other brand is associated with a good cause (compared to an average of 79 percent for all adults)
- **51 percent** have bought a cause-related product or service in the last year (compared to 38 percent for all adults)
- And interestingly, unlike the rest of the population, this age group *does* have a preference when it comes to the language used in cause promotions: **41 percent** prefer the message that a percentage of the purchase of each product (e.g., 1%, 5%, 10%) will go to support the nonprofit organization (compared to 28% for all adults)

### They are also more likely to act. After hearing about a corporate-charitable partnership:

- **45 percent** are more likely to donate money to the charity (compared to 36% for all adults)
- **36 percent** are more likely to participate in the charity's programs and events (compared to 29% for all adults)
- **32 percent** are more likely to volunteer (compared to 23% for all adults)



Research Study

## 2008 Cone/Duke University Behavioral Cause Study

Fifteen years ago, Cone conducted the nation's first benchmark on the attitudes and self-reported behaviors of American consumers to help demonstrate to the corporate world that cause marketing was a powerful business strategy. Today, we are proud to once again share consumer insight with the nation's first behavioral research, which clearly shows that aligning with a cause can positively impact actual consumer choice and exponentially drive sales.

In partnership with Duke University's Fuqua School of Business, Cone executed a two-tier research study in which we measured consumer purchase behavior as participants made real shopping decisions among four consumer packaged goods product categories.



## PHASE 1: SHOPPING IN A CONVENIENCE STORE

During the first phase of our research, 182 individuals, ranging in age from 18- to 62-years-old and broadly representative of the average American consumer, participated in a behavioral research study at Duke University. Under the pretext that a consumer magazine was considering an expansion into a new region of the country, we asked participants to review and evaluate the content of the publication which was also embedded with a selection of advertisements. The participants were randomly assigned to either a “control” group, which viewed a generic corporate ad, or a “cause” group, which viewed a cause-related ad for the same target brand.

After reviewing the magazine, study participants entered a mock convenience store with almost 150 SKUs and several small shelf tags which highlighted either a control (“great value!”) or cause (“proud supporter of...”) brand attribute. Like any shopping experience, participants then made actual purchases among a variety of options, paid for their products using real money and took home any remaining change.

After comparing the shopping choices of the “control” versus the “cause” magazine shoppers, we observed the following changes:

### Sales increase:

At least a modest increase in actual purchase in all four product categories (shampoo, toothpaste, chips and lightbulbs) tested as a function of a cause message

# 28%

**increase in actual purchase  
for a toothpaste brand when  
associated with a cause**

*(64% of participants who saw the cause message chose the target brand vs. 50% who viewed the control advertisement)*

# 74%

**increase in actual purchase  
for a shampoo brand when  
associated with a cause**

*(47% of participants who saw the cause-related message chose the brand while only 27% of those who saw the generic corporate advertisement chose the brand)*

### Cause affiliation leads to high brand recall:

- When aided (presented with a list from which to choose), 61% - 96% of participants (across the four different product categories) were able to state the name of the company associated with the cause based on one in-magazine and one in-store exposure.
- When aided, 48% - 66% of participants (across the four categories) recalled the specific cause associated with the brand.

## PHASE 2: ONLINE SHOPPING

In the second phase of our research we replicated the basic procedure but drew a nationally representative online sample (1,051 participants). Once again, participants were asked to evaluate the content of an expanding regional magazine and viewed embedded control and cause-related advertisements. In the online study, we tested the two products that saw the most success in the lab – toothpaste and shampoo – to validate that cause associations would increase sales for these products. After reviewing the magazine, participants selected both a toothpaste and shampoo product out of six brands to receive via mail upon completion of the study. Once again we compared the decisions of the “cause” versus the “control” magazine shoppers and observed the following changes:



### Sales increase:

The online phase largely replicated the results of the in-store shopping study. For both products tested, the cause-related message again led to a substantial sales lift relative to the generic corporate advertisement.

**19%** increase in sales for a brand of toothpaste when it was associated with a cause, versus a control message for the same brand

**5%** increase in sales for a shampoo brand based on an association with a cause

Throughout both phases of the study, traditional demographics did not prove a significant factor in predicting cause-related purchasing behavior, with one notable exception: The sales lift among females, the target audience for the featured shampoo brand tested online, was dramatically larger than the general population. There was a 13.7 percent sales increase among women who had seen the cause ad versus those who had not.

### Cause helps break through the marketing clutter:

The online study also allowed us to examine participants’ interaction with the magazine and its contents. In particular, we measured the length of time participants viewed the cause-related advertisements versus the control advertisements, and the results were astounding:

*Participants spent nearly twice as long (49% more time) examining ads with a cause affiliation, in each of the product categories, versus the control.*

The careful attention given to such messages provides additional insight into the high awareness and recall for the cause campaigns featured in the in-store study and is likely a driving factor in the dramatic increases in sales.

*Cause marketing can  
significantly impact sales*

#### Implications for marketers:

Given that the cause affiliation exponentially impacted only two of the four product categories of the lab study, Cone explored potential explanations and gleaned insights from the 2008 Cone Cause Evolution Study to help guide marketers in creating and communicating effective cause initiatives:

- **Emotional appeal and personal relevance are key:** 83 percent of Americans state that, to influence their support of a company's cause efforts, the cause should be personally important to them
- **The nonprofit matters:** 80 percent state that the specific nonprofit is an important consideration in their decision
- **Dual-benefits are powerful:**
  - 77 percent say practical incentives for involvement, such as saving money or time, are important
  - 65 percent find emotional incentives for involvement, such as it makes them feel good or alleviates shopping guilt, important
- **Consumers want control:** 84 percent state that selecting their own cause is an important factor in determining their support of a company's cause efforts.

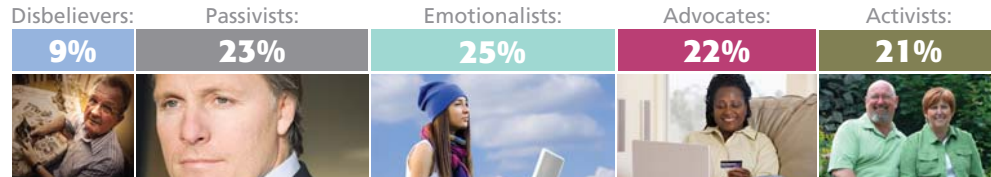
## Clearly...

...personal relevance and interaction are key to consumers. While these findings provide companies with great opportunities for program innovation and meaningful engagement, they also raise a new set of challenges as companies strive to stand for something focused and pertinent to both their consumers and their business.

Overall, the Cone/Duke University Behavioral Cause Study confirmed that cause marketing can significantly impact sales. For half of the products tested (shampoo and toothpaste), the cause affiliation drove a dramatic sales increase in-store and a substantial increase when replicated with a nationally projectable sample online, equating to considerable potential sales for the brands. It is much easier to make a purchase by clicking a button than it is to pick up and experience a brand in the richer store environment; the results of our study likely lie between the impulsive online shopper and the deliberate in-store shopper.

The results underscore that the various elements of a cause campaign, from the alignment between the issue and the product, to the nonprofit beneficiary, to the messaging, all play a role in creating an effective program. Cause is not a failsafe to drive product sales, particularly amidst the cluttered marketing space, but when deliberately executed, its proven ability to generate awareness and impact product sales is immense.

## THE SOCIALLY RESPONSIBLE CONSUMER SPECTRUM



Cause is an effective way for companies to strengthen relationships and loyalty among their consumers, but naturally, all consumers are not created equal. Although many Americans have exceedingly high expectations of companies, these organizations must recognize that there is not a one-size-fits-all cause solution that will appeal to their entire consumer base.

Fortunately, consumers are often ripe for cause alignment, but their needs and beliefs are varied. The key to reaching different audiences is better understanding the spectrum of consumers and how their unique attributes affect their receptivity to cause. To that end, Cone analyzed consumers' beliefs about the role of business in society and segmented consumers along a spectrum of socially responsible consumption behaviors in order to help companies better understand the business and marketing implications of engaging diverse consumer groups.

## Disbelievers:

9%



Typically male, between the ages of 55-64, the “disbelievers” base their purchasing decisions largely on price, quality and convenience. For them, businesses exist strictly to make money for shareholders and are not responsible for supporting social or environmental issues.

Disbelievers will not proactively seek cause-related products, nor will a company's support of issues affect their loyalty to the brand. That is not to say that this segment is uncharitable or will reject a company for its efforts; they are simply skeptical of corporate cause marketing and are likely to seek more traditional involvement in issues, such as attending fundraising events. Cone's research shows this group prefers companies support local issues (61%) and tell them about their support of cause programs (75%).

### Business Strategy: Be Pragmatic

Companies should approach disbelievers pragmatically; price, quality and convenience are paramount and should not be overshadowed by the cause. Instead, offer traditional community-oriented opportunities for engagement, beyond marketing promotions - and never overpromise or over-hype cause efforts. It is the issue and impact that will resonate with this segment, versus the role the company is playing.

## Passivists:

23%



Typically male with a higher household income, “passivists” do not believe they have the ability to impact societal issues and therefore do not use their purchasing power to reward companies for good corporate citizenship. Across the board, they seem comfortable with the status quo as it relates to cause. Although they do feel companies should play a limited role in the communities in which they are based, they do not necessarily hold them responsible for supporting larger social or environmental issues, and at 66 percent, they are the most likely of all five consumer segments to believe companies are providing them with enough details about their cause marketing programs.

At the same time, passivists may support a company’s cause program if it is personally relevant and if there is a functional dual benefit, such as saving time or money. They are just not particularly motivated to invest their own time and money beyond their purchase.

### **Business Strategy: Simplify and Incentivize**

To engage passivists, companies should offer turn-key promotions that highlight the corporate financial commitment and impact on the issue, as well as what the consumer may stand to gain as a result. Help educate and inspire these individuals about the issues and provide easy access to information about the program.



## Emotionalists:

25%

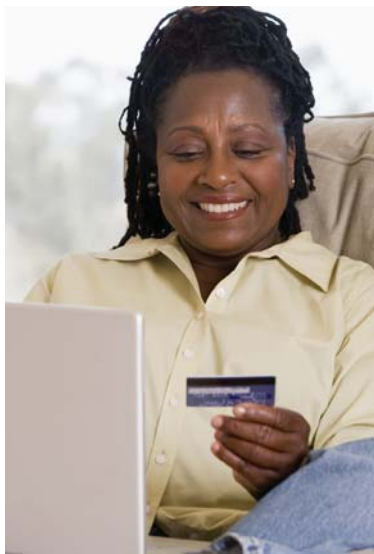
Typically female, 18-35 years old, “emotionalists” will often base their purchasing decisions on cause, if it is emotionally compelling, personally relevant and does not require major lifestyle changes. They are the most likely to cite emotional incentives, such as feeling good or alleviating shopper’s guilt, as the primary motivation behind their support of a company’s cause efforts (74%). They believe businesses have a responsibility to support larger social or environmental issues through volunteerism or by donating products, services or dollars, but they are somewhat overwhelmed by the saturation of cause products and feel it is difficult to learn about companies’ efforts.

### **Business Strategy: Exemplify Emotion**

Companies can capture emotionalists’ attention through poignant messages and brand touch points that align with their daily lives and help fulfill their unmet emotional needs. Retain their loyalty by providing simple, easy-to-find, educational messages about the cause and the impact they are personally having.

## Advocates:

22%



Typically female, aged 35+, “advocates” are the most likely to base their purchasing decisions on corporate support of social and environmental issues and serve as champions for a company’s cause and overall responsibility efforts. Across the spectrum, they are the most socially engaged when it comes to consumption. They believe businesses should not only support, but also advocate for change in larger social or environmental issues.

Almost unanimously, advocates believe cause marketing is an acceptable business strategy (96%), and they want companies to tell them what they are doing to support social and environmental issues. Eighty-nine percent will switch from one brand to another, when price and quality are the same, to support a cause; however, their support extends well beyond shopping with a cause in mind. This segment is most willing to invest their own time and money to support and advocate for a company’s cause efforts, and they are the most fervent supporters of the issues across the board. Advocates are also curious and are more likely to use the Internet to learn about causes and the details of a company’s efforts, as well as to enlist the support of their social networks.

### Business Strategy: Cede Control

To break through, companies should offer multiple opportunities for involvement with the issue, beyond just selling a product tied to a cause. Provide a sense of ownership over the issue and open a dialogue to learn how advocates want to be engaged (this segment is most likely to want to select its own cause to support). Do not neglect to communicate the tangible personal impact consumers are having on the issue. Give them a call-to-action and provide them with the tools to spread the word to family and friends.

Both male and female, 35-54, “activists” lead, by far, the most socially engaged lifestyle, which goes well beyond their consumer habits; however, they are not necessarily the most receptive to cause-related consumption. They behave in a responsible manner and expect companies to do the same. The catch - the bar is set very high. It is not enough for companies to engage with cause; they must change the way they operate to align with greater social and environmental needs.

Although activists are willing to switch brands or stores to support a cause, they view cause-related consumption as only one small piece of what companies should be doing to effect social change. They are not easily impressed by corporate efforts in the cause space, simply because they see cause, and to a greater extent, corporate responsibility, as a have-to-do, not a nice-to-do. As a result, these consumers may be less willing than other consumer segments to look to companies to provide them with outlets for learning about or supporting causes.

## Activists:

21%



### Business Strategy: Avoid Assumptions

The best way for companies to interact with the most socially responsible of consumers is to be transparent about ongoing efforts to drive social change. Activists are educated on the issues, often very personally involved, and not unlike the disbelievers at the opposite end of the spectrum, likely to be skeptical of corporate efforts. More than any other segment, they will have a keen eye for credibility and authenticity in corporate cause initiatives.

*Companies must be willing to not only sell or communicate, but to also listen and educate.*

#### **Opportunity for Companies**

The good news is that the greatest opportunity for companies lies across 70 percent of the population - with the passivists, emotionalists and advocates. The lesson, which bears repeating, is that cause is not a one-size-fits-all customer acquisition and loyalty strategy. Companies must be willing to not only sell or communicate, but to also listen and educate. Simply because an individual is a highly active and engaged citizen does not imply that he or she will be the most receptive to the company's cause efforts, nor are the seemingly "anti-socially responsible" individuals a lost "cause." The middle segments of the spectrum may be most receptive to cause, but the allure is unique to each group. By recognizing the needs, beliefs and attitudes that influence a consumer's support of cause efforts, companies can appeal to consumers where they stand and help them progress to more responsible consumerism.



# Cause the Future

## CAUSE FUTURE: BETTER BUSINESS. GREATER GOOD.<sup>SM</sup>

As the sea of pink ribbons washes over the country today, there is no question that corporate support of causes is here to stay. However, leading organizations are moving away from “assembly-line cause” (selecting an issue and partner off the shelf) as they evaluate the shared value<sup>1</sup> of how societal needs and business growth are intrinsically linked. Companies must not only answer, “What do you stand for?” but also “What do you do?”

In the future, companies will look beyond a single program representing a discrete moment in time to a longer-term, comprehensive approach that translates their values into action. Cause is evolving to new models of social engagement and global citizenship as companies evaluate opportunities to drive change. Leaders will approach their Cause Branding initiatives with renewed vigor, reasserting their responsibility to society, not solely as philanthropy, but as a driving force of business growth, including reputation management, license to operate, new market development, product innovation and employee recruitment and retention.



## Future Trends Include:

- **Social Consciousness Elevation:** Companies will serve as a catalyst in increasing understanding and fostering empathy among mainstream consumers about the ways in which complex, often unfamiliar global issues, such as access to clean water, human rights and gender equality, impact business and the health of society.
- **Product Innovation:** Companies will increasingly create new products or market existing ones with an eye toward manufacturing responsible goods that meet the everyday needs of their customers. Such products will provide consumers with ways to meet their functional demands while fulfilling emotional needs. Such dual-benefit products will help consumers embrace cause as a core shopper value that is given comparable weight to price, quality and convenience.
- **Widespread Collaboration:** Companies will look beyond NGOs as the sole source of their credibility halo. Partnerships will be redefined as organizations recognize that social issue leadership requires the collaborative expertise of many powerful voices, including competitors, inter-industry alliances and representatives from government, media and academia.
- **Global Customization:** Multinationals will steer away from focusing on a single issue to creating global citizenship platforms, tailoring their efforts to meet the needs of key markets. Global corporate leaders will empower their brands and business units to invest in localized solutions to meet societal needs in the areas in which they operate.



- **Stakeholder Customization:** To harness the passion and actions of their stakeholders and to deepen engagement, companies will identify legitimate opportunities to co-create cause efforts. Companies will seek to better understand stakeholder motives and behavior to provide them with a voice and relevant outlet to get engaged. Employee- and consumer-driven efforts create more vocal advocates that will promote the program virally.
- **Transparent Operation:** To effectively build trust among even the most skeptical stakeholders, companies will disclose not only the details of a specific cause program, but also of the peripheral business issues that impact their actions, including diversity, hiring and promotion practices, compliance, environment, etc.
- **Business-to-Business Translation:** As with any sea change, the implications will extend beyond large, consumer-facing institutions, to the entire private sector. In particular, business-to-business companies will become more accountable to their unique stakeholders, including employees, customers and vendors, and will brand, package and communicate their citizenship efforts.
- **Measurement and Justification:** Companies are in an arms race to make the biggest donation, but consumers and the media are asking, "So what?" Companies will be forced to redefine measurement metrics no longer based on outputs, but on the outcomes for society and their business. Stakeholders will hold companies more accountable to align their business practices with cause-related initiatives. Ultimately, all efforts will be in vain unless these companies can truly demonstrate that they are striving for, and achieving:

**Better Business. Greater Good.**

**About Cone:** Cone, LLC ([www.coneinc.com](http://www.coneinc.com)) is a strategy and communications agency committed to building brand trust. Cone creates stakeholder loyalty and long-term relationships through the development and execution of Cause Branding, Corporate Responsibility, Brand Marketing and Crisis Prevention and Management initiatives. Cone is a part of the Omnicom Group (NYSE: OMC) ([www.omnicomgroup.com](http://www.omnicomgroup.com)). Omnicom is a leading global advertising, marketing and corporate communications company.

Cone is the nation's leading agency in the field of Cause Branding<sup>SM</sup>, and for more than 28 years, has been at the forefront of creating and implementing innovative, strategic cause and citizenship initiatives for corporations and nonprofits. Notable campaigns include: Avon Breast Cancer Crusade, Procter & Gamble Live, Learn and Thrive, Reebok Human Rights Awards, American Heart Association's Go Red for Women, T-Mobile Huddle Up and JC Penney Afterschool.

Cone is also a leading Corporate Responsibility strategy and communications expert, helping companies such as Starbucks, Mattel and Nestlé Waters North America, build business value and reputation while realizing societal gains.

Some of Cone's services include:

- Global corporate citizenship platform development
- Signature cause program development and execution
- Cause promotion development and execution
- Strategic philanthropy and partnerships
- Fundraising products and services
- Organizational development and policy refinement
- Corporate responsibility strategy
- Stakeholder engagement
- Corporate responsibility reports
- Integrated marketing communications and media relations
- Online new media strategy and execution

**About Duke:** The Fuqua School of Business at Duke University is dedicated to advancing the understanding of management through research, putting research knowledge at the service of business and society, and providing the highest quality education for business and not-for-profit leaders worldwide. Fuqua offers a wide range of MBA study options, including daytime and executive programs, and seeks across all its programs to help create leaders of consequence.

**About the Research:**

**The 2008 Cone Cause Evolution Study** presents the findings of an online survey conducted August 14-15, 2008 by Opinion Research Corporation among a demographically representative U.S. sample of 1,071 adults, comprising 500 men and 571 women 18 years of age and older. The margin of error associated with a sample of this size is +/- 3%.

**The 2008 Cone/Duke University Behavioral Cause Study** consists of a two-phase research methodology. The first phase was conducted throughout October and December 2007 in a behavioral lab study at Duke University among a random sample of 182 participants, ranging in age from 18- to 62-years-old. The second phase, conducted online in July 2008, consisted of a demographically representative U.S. sample of 1,051 adults, including 625 women and 426 men.

**For more information about Cone's research and services, please contact:**

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