

CAUSE RELATED MARKETING

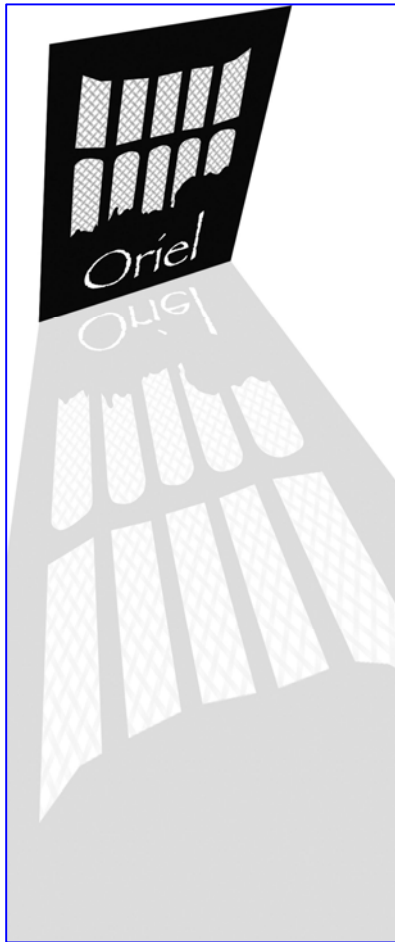
Giving something back to the local community is now big business. Corporate social responsibility is top of the agenda for Tesco, BT and Unilever. But what can a small business do, and does it make a difference?

It is almost 25 years since American Express teamed up with the restoration fund for the Statue of Liberty and pledged to raise money for them. Each time a customer used their card, one cent was donated to the fund and for each new account opened, they gave one dollar. They promoted the scheme heavily and over a three month period, \$1.7 million was channelled into the restoration fund. The money was raised by a 28% increase in card usage and a 45% increase in new accounts opened. Cause related marketing was born.

Nowadays we are bombarded with cause related marketing, whether we realise it or not. Which of us has not been offered Tesco vouchers for schools, or Comic Relief red noses in Sainsbury's? The most sophisticated marketers in the business do it for one simple reason: it drives sales. Research by MORI shows that over half of all British consumers choose a product or service because the company has a reputation for responsible business practice. And given the choice between a product linked to charitable giving, or one that's not, people prefer to do their bit for society and buy the charity linked product.

But for a smaller local business, how can it work? Surely a link with a good cause is just a diversion from driving the business forward?

Research done over the years by Business in the Community has amassed a wealth of evidence to the contrary. Companies of any size can benefit hugely from devoting time, money and energy to a cause related marketing programme, provided it is properly planned and well-executed. The key to success lies in being clear about your business objectives. Are you doing it to



build awareness of your brand? Or to generate team spirit? Or perhaps to attract new recruits in an area of high employment? All these can be good reasons for putting a toe in the water.

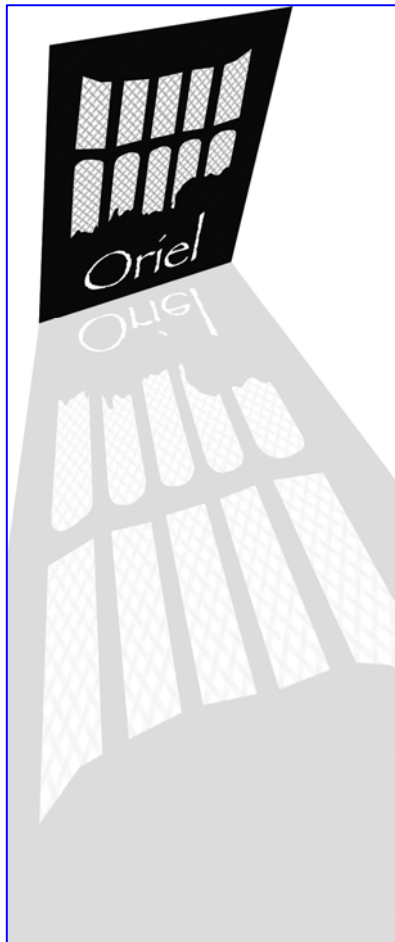
One of our clients, based in Hampshire, has chosen this route as a way of building their profile as a good employer in the local area. They source and print promotional pens and employ 45 people in their offices and factory. But when it comes to recruitment, they find it hard to attract people with the right set of skills from their local area.

Their MD, comments; “We feel that it is vital for local businesses to put something back into the community, because unless an area is thriving, businesses can’t recruit people or sell their products. We want local people to know us as a good employer, so we have decided to look for an opportunity to get involved. As we are in the business of pens and pencils, it seems logical to link with an educational cause. We need well-educated people to join our workforce and round

here there is a real problem with literacy amongst both adults and children.”

It is vital to choose a cause that you personally feel passionate about, because the bedrock of a successful relationship is mutual respect between the two parties. Companies must not go into the relationship with a feeling of superiority. They need the charity as much as the charity needs them. So make sure both sides are happy with the arrangement.

Once you have chosen a potential partner, it is important to be clear about what you can offer. Sometimes an offer of cash is the answer, but more often, the relationship works better with personal involvement in the shape of staff volunteering to take some action. Research undertaken last year by Barclays showed that 92% of employees say they would prefer to work for a company with an employee volunteering project in place. Not only can this demonstrate that you are a good employer, but also gives staff opportunities to develop new skills and take on responsibility in a safe environment.



Our client has chosen to link up with a local infant school, which is passionate about raising literacy standards amongst the families of their pupils. Many children come from homes where their parents are not confident readers and so find it hard to help their children during their early years of learning. So the team has chosen to make Story Sacks, a well-established literacy tool to help children and parents read together. These colourful drawstring bags contain a story book and a range of props to help illustrate the story. Each team in the office is tackling a different story, and competing to produce the best Story Sack. And the competition will be judged by the children, of course.

A good programme should be an equal partnership that stands the test of time and delivers tangible value to both sides.

So what are the keys to a successful partnership?

- Have clear objectives about the scope of your relationship and be open and honest with your partner organisation.
- Think about the risks. What is the worst that can happen? Financial disaster or damage to your reputation?
- Active management. Keep on top of it and keep developing new ideas.
- Communicate your plans. Talk to your stake holders at all stages, including your customers, share holders and your staff.
- And finally evaluate. Has it raised funds for the charity? Driven sales for your business? Led to positive media coverage? Or had a positive effect on the community?

First published in Surrey Business News Extra in June 2007.

**If you need to understand what makes your customers tick
call Oriel Marketing on 01252 727625**

www.oriemarketing.com

© Oriel Marketing Ltd 2007