

Companies are putting their names and resources to work fighting breast cancer and child hunger. But they need to figure out how to meet their business objectives at the same time. Usually, the answer isn't obvious.

Causes and Effects

by Carol L. Cone, Mark A. Feldman, and Alison T. DaSilva

IN 2001, U.S. COMPANIES devoted \$9 billion to social causes. Few, however, approached their charitable activities with an eye toward enhancing their brands. Those that did committed talent and know-how, not just dollars, to pressing but carefully chosen social needs and then told the world about their cause and their dedication to serving it. Through the association, both the businesses and the causes benefited in ways they could not have otherwise.

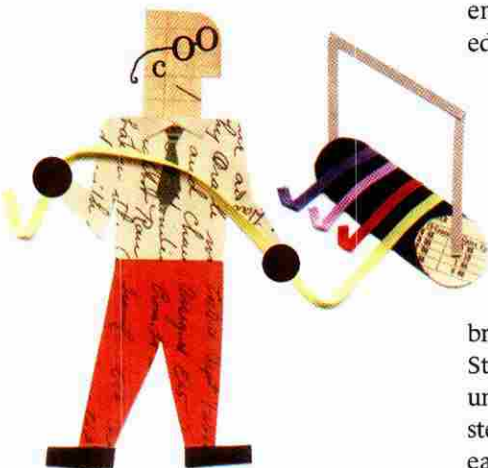
Over the years, such cause-branding strategies have helped social causes enjoy financial rewards and unprecedented support both inside and outside companies. They've also helped corporations enhance their reputations, deepen employee loyalty, strengthen ties with business partners, and even sell more products or services.

In 1993, the cosmetics giant Avon committed itself to raising breast cancer awareness in the United States, particularly among medically underserved women, as an essential first step toward early detection of the disease. Avon's independent sales repre-

sentatives now routinely distribute educational materials on their sales calls and participate alongside customers in fund-raising walks. All told, Avon has raised and contributed \$250 million for the cause.

ConAgra Foods, another leader in cause branding, has embraced the cause of combating child hunger by underwriting 100 after-school cafés now serving about one million hot meals each year. The program, called Feeding Children Better, also encourages employees to raise money and serve meals, donates products and trucks to food banks across the United States, and leads a national public-service advertising campaign to raise public awareness of child hunger.

In both these cases, the causes have acquired not only additional funds but a higher profile and a bigger cohort of supporters. Meanwhile, the companies have witnessed employees' increasing commitment to the causes and to their jobs. That's especially worthwhile at a time when a wave of corporate wrongdoing has left the public clamoring for good corporate citizenship. Companies



like Avon and ConAgra Foods that demonstrate a sense of social responsibility stand out in a world of increasingly undifferentiated goods and services.

Indeed, going public with a cause program can make a company significantly more attractive to stakeholders. According to our 2001 Cone/Roper Corporate Citizenship Study, 88% of employees aware of cause-related programs at their companies feel a “strong sense of loyalty” to their employers. And 53% of employees at companies with such programs chose to work at the organizations partly because of their employers’ expressed commitment to various social issues.

Consumers, for their part, increasingly shop with a cause in mind and consider a company’s support of social causes when deciding which products to buy and recommend to others. Aware of that trend, County Line, a ConAgra Foods brand, conducts an annual Christmas promotion in which it lets customers know it will donate one cent to Feeding Children Better for every pound of County Line cheese sold. In the past three years, the program has raised more than \$210,000.

Despite its many advantages, cause branding does have limitations and pitfalls. It is not, for example, an antidote to a damaged reputation. Rather, it is a way of making a strong brand even stronger. Nor can a cause ever turn a brand into something it’s not. A tobacco company, for example, might love to affiliate itself with an organization dedicated to fighting smoking by minors, but the public wouldn’t buy it, even if the organization’s leadership did. And if a company supports a cause that’s embraced by dozens of other firms but fails to claim a special piece of the cause as its own, it won’t be able to differentiate itself in the marketplace. Companies typically make a bigger difference in a less popular area than a crowded one.

For more than a decade, we’ve been helping corporations create new cause-

branding programs and evaluate existing ones, we’ve been interviewing chief executives, and we’ve been tracking Americans’ attitudes and nationwide trends. More than anything else, we’ve learned that cause-branding programs must be approached with the same diligence as other long-term business and branding strategies. In these pages we introduce our findings, presented as four guiding principles, to help steer corporate executives through their own cause-branding efforts.

Select a Cause That Is Aligned with Your Corporate Goals

Most cause-branding programs should be, at their heart, about enhancing corporate brands in ways that are meaningful to key constituencies: customers, employees, communities, public officials, or suppliers. Avon’s customers—primarily women over 30—didn’t need to be convinced that breast cancer posed a threat to themselves or to women

in general. Someone at the organization noticed that one of the victims had been the owner of a cherished vintage Chevy truck. But the alignment wouldn’t have made sense if the program had not served one of Chevrolet’s specific business objectives. In particular, the organization wanted to add the drivers of the future, who were worried about remaining safe throughout the school day, to its customer base. It also wanted to forge a stronger connection with its dealers, which serve as the business’s entry point to local communities, so it decided to match dealers’ cash contributions to local youth-development programs. The program, called Chevy ROCK (Reaching Out to Communities and Kids), reached a new audience and added a compelling facet to the Chevrolet brand. Chevrolet also sponsors the National Association of Students Against Violence Everywhere (SAVE) as part of Chevy ROCK. The automaker helps finance SAVE’s school-violence

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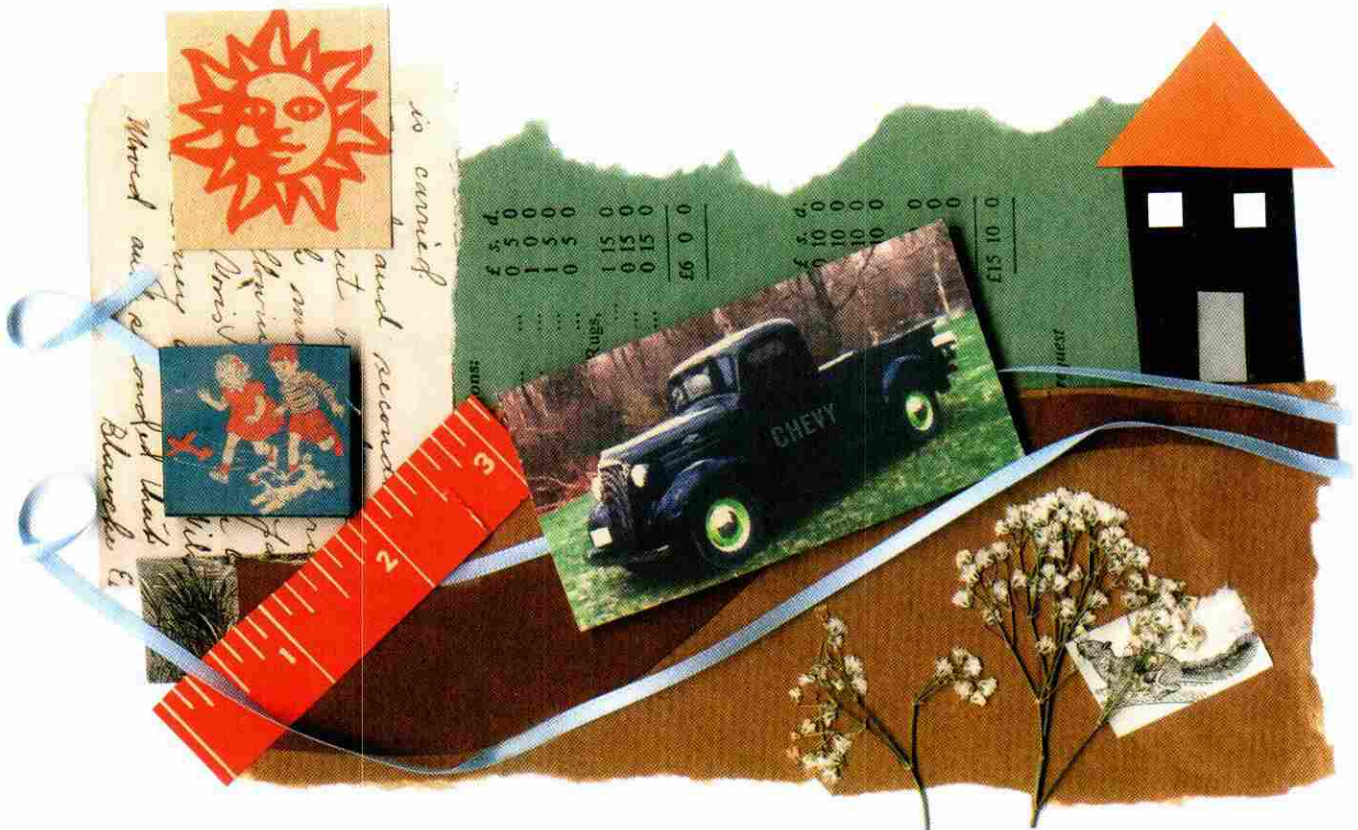
generally. But not every company can be like Avon and find a cause that fits its brand like a glove; that’s okay, because it’s not strictly necessary. The target audience for a product doesn’t even have to be the prime beneficiary of the cause. ConAgra Foods’ prime consumer is obviously not a child who goes to bed hungry, but the link between the company’s product and its chosen cause is clear, and the association has helped win the loyalty of other stakeholders such as suppliers and retailers.

Indeed, almost any social cause can find a home in some cause-branding program. In the aftermath of the Columbine shootings in 1999, Chevrolet decided to put its muscle behind school-violence prevention and helping youth

prevention programs nationwide and funds their annual summit, which attracts more than 1,000 youths each year.

As it happens, most companies’ chosen causes tend to cluster under the consumer-friendly umbrellas of education, health, and children. But some companies have successfully branched out and taken more risks. When Levi Strauss was considering taking up the cause of AIDS prevention in the early eighties, discussion of the syndrome still provoked dismay in middle America. Yet the company’s image was edgy and nonconformist, and it was headquartered in San Francisco, a city where a relatively large proportion of the population was affected. So the organization went ahead. Not long ago, most companies would have avoided associating themselves with hard realities like AIDS, but those realities no longer seem quite so dissociated from customers’ own

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lives. In the words of Kurt Ritter, the general manager at Chevrolet who launched ROCK, "We are Main Street America, but Main Street has changed."

Ritter puts his finger on another reason not to play it entirely safe: the problem of crowding. "You can jump in and help fight breast cancer," he says, "but you're going to be one of many. It's a relatively well-understood cause, whereas school violence is something that is not well understood and isn't well funded."

Avon coped with the problem of crowding when it first decided to become involved with breast cancer (more than 300 businesses have since gravitated to the cause) by avoiding any association with research, the focus of support at the time. The cosmetics company initially addressed underserved women's critical unmet need for access and screening. As other companies took up the themes of awareness and screening, Avon, instead of abandoning the field, expanded its commitment by adding new, innovative programs such as the Avon Walk for Breast Cancer, thereby preserving its distinctive profile.

Avon notwithstanding, it's possible that the fit between brand and cause can be too close. Financial literacy is an obvious issue for banks to embrace—so obvious and overdone that most of the banks' multitude of programs no longer inspire employees or capture the public's attention.

ConAgra Foods set itself a somewhat easier task than Chevrolet did by selecting a critical social problem that would be a natural fit for a food company. It had a history of donating food to the needy, but when it took a systematic look at what was being done, it discovered that hunger, like breast cancer, was a fairly crowded field. None of the existing programs, however, went out of its way to help hungry children. Because ConAgra owns brands such as Healthy Choice, Butterball, and Orville Redenbacher's but isn't a consumer brand itself, the company's initial business goal was to strengthen ties with its employees and its retail and food-service customers. Since the launch of its Feeding Children Better program more than three years ago, over 100 ConAgra plants

and facilities have contributed approximately 200,000 pounds of food to America's Second Harvest, a nonprofit organization that distributes donated food to hungry adults and children. Among retailers, Quizno's, a national chain of 2,000 restaurants, stood out by donating a portion of the proceeds from its sales of its turkey subs, made with Butterball ingredients, to the Feeding Children Better program.

The business objective of a cause-branding campaign can be anything from increasing sales, forging new business relationships, and improving customer loyalty to something as broad as enhancing overall reputation. The philanthropic objective could be raising awareness of a critical need, inspiring consumers and partners to take action, or raising money. But finding a single cause that satisfies both a business and a philanthropic objective, reconciles them, and at the same time does not clash with the brand identity is a highly complex undertaking. And if the business objective of the cause-branding program isn't also a strategic goal of the

company, even the worthiest cause will fail to engage the energies of the company as a whole and demonstrate staying power. That should be a welcome truth, since it means that companies don't have to choose between altruism and self-interest. For a company even to consider putting its finite resources behind a cause, the competitive logic

ability, advance intelligence, and hands-on experience. But the primary role of charities in any cause-branding effort should be to channel resources to people in need, not to shape the corporate brand. Moreover, any given charity should serve as only one link in a chain of participants. For example, Wal-Mart has a strong alliance with Children's

shouldn't be sprawling. If your company decides to focus on education, it should consider what aspect of education to address – early childhood, K–12, scholarships, or some other area. Ronald McDonald House Charities started out by simply offering a nearby place where the families of ill children could stay. LensCrafters' Give the Gift of Sight



for supporting the initiative should be clear to senior executives in HR, marketing, sales, community relations, government affairs, and other key areas.

Keep in mind that it takes years to ameliorate a social problem and just as long to build a brand. "You have to make sure that senior management understands this is long term. Do not confuse this [commitment to a cause-branding program] with the monthly or the quarterly promotion plan," Ritter advises. Ronald McDonald House Charities, probably the world's most recognized cause program for well over a decade, has been in operation for almost 30 years.

First Commit to a Cause, then Pick Your Partners

A charity is an organization; a cause is a big tent. Under a cause's sheltering expanse, a host of charities can prosper. But unless you've chosen a cause before you've made your affiliations, your program will be too dependent on an organization's own evolution and staying power as the program begins to attract imitators. No question, partnering with charities is essential. Organizations like Habitat for Humanity and America's Second Harvest bring knowledge, cred-

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Miracle Network, but it also sponsors other fund-raising, giving, and volunteerism efforts on behalf of almost 50,000 local community organizations through its Good Works program.

There are more than 850,000 registered nonprofit charitable organizations in the United States and tens of thousands more nongovernmental organizations (NGOs) around the world, each bringing its own philosophy, approach, and level of sophistication to fulfilling its mission. Such attributes can add up to an organizational identity just as indelible as that of any for-profit organization. When a nonprofit consciously shapes and publicizes its identity, it too has a brand. And when a corporation embraces a single charity in lieu of a cause, it runs the risk that the distinct character of the charity's brand will interfere with the message the corporation is trying to convey.

A charity will have its own mission and priorities, which may not fully correspond with the corporate sponsor's goals. And it may have a dramatically different management style. It may have a decentralized structure that prevents it from controlling its programs at the grassroots level. It could also have many sponsors, some from the same industry, all competing for attention.

The selection of a cause poses fewer hazards, since the company is free to broaden, narrow, or otherwise redefine the cause as conditions evolve and a program makes headway. Though causes are broader than organizations, they

initiative doesn't purport to cure blindness; it provides eyeglasses to underprivileged people. No company, however large, has the resources to "own" a cause as multidimensional (or as heavily supported) as combating cancer, but a company can succeed in moving to the front of people's minds when they think about the cause. Avon, for instance, is the first company that American women associate with the corporate fight against breast cancer.

Put All Your Assets to Work, Especially Your Employees

A serious commitment to a cause can sometimes warrant a significant financial investment. Many companies with cause programs, however, are not necessarily giving massive amounts of cash. Rather, they're strategically leveraging their resources, whether they be professional skills and technical knowledge or such physical assets as distribution networks.

ConAgra's Rapid Food Distribution System, for instance, draws on the company's command of information technology and logistics to help increase efficiencies in distributing donated food to the needy before it spoils or becomes unaccounted for. (An estimated 200 million pounds of food each year fail to reach intended recipients.) As ConAgra brings its electronic inventory-control systems to food banks and they start to use the dozens of new trucks the company is providing, the incidence of waste should substantially decline.

High employee engagement is not only a boon to any such cause-branding effort, it is sometimes the point. Timberland, for example, pays its employees for up to 40 hours of volunteer work each year. The program is one of the major factors landing the company on *Fortune's* 2003 list of Best Companies to Work For.

We said earlier that cause-branding programs enhance employee loyalty and aid recruitment. They can also make employees more enthusiastic about their regular jobs. That's one of the main reasons the best programs are a far cry from basic checkbook philanthropy.

The typical *Fortune* 500 company contributes 1.3% of pretax earnings to charity; best-in-class companies are devoting 5% or more. It's easy to say that companies should increase their giving, but what they really need to do is increase the types of support and better leverage their existing assets. Bringing skills and resources to a cause can inspire an entire community of employees, suppliers, customers, and public officials to make the cause their own. Each of these individuals in turn interacts with people further afield. Support for the cause then spreads, and the brand is more widely propagated.

To Bernie Marcus, cofounder of Home Depot, cause-branding efforts have to work that way. "Habitat International came to us in 1991.... 'Write a check to us,' they said, 'and we will distribute it to our affiliates.' But we said no. If we really want to have an impact in these communities..., then we have to build relationships." Throughout the United States, Home Depot's employees labor to build and rehabilitate affordable housing for the elderly and the poor. Like Marcus, leaders such as Wal-Mart's Sam Walton, ConAgra Foods' Bruce Rohde, Avon's Jim Preston, and Starbucks's Howard Schultz have all viewed their employees as brand ambassadors.

When cause branding has a volunteerism component, employees' positive feelings about their company are further reinforced. According to a 2001 National Employee Benchmark Study on volunteerism and philanthropy by



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the research firm Walker Information, 62% of employees at companies with volunteer programs recommend their companies as places to work, while just 39% at companies without such programs recommend their employers. And among employees very involved with their companies' volunteer programs, 73% say their employer's support for their efforts has made them more committed to their jobs.

As we mentioned, employees can do a lot more than help with traditional efforts like fund-raising. Instead of donating money for a new gym floor at a Boys & Girls Club, for example, one Home Depot store actually enlisted employees to install the floor, helping serve the community while also giving workers training. Initiatives like these are apt to make employees feel personally responsible for social improvements, further strengthening their loyalty to causes and to their companies.

As Kurt Ritter says, "Supporting a social issue gives people a larger cause than the next monthly sales report...or the next quarter's profit statement. It makes people feel good about themselves. A company can't compete without great products, great advertising, great traditional marketing. But it has got to do something else on top of all those things."

Communicate Through Every Possible Channel

While the media confer greater credibility than a company's own publicity efforts do, they are rarely the most direct, or most available, vehicles for spreading word of your accomplishments. Much more effective than either is sponsorship of programs that customers can participate in and promote informally. The beauty of the Avon Walk for Cancer, for instance, which last year drew 600,000 existing and potential customers and Avon sales representatives, or Reebok's Human Rights Program, which holds a well-attended annual ceremony honoring courageous young activists around the world, is that it turns participants into ardent advocates for the brand.

Journalists are inundated with announcements of corporate activities and new grants, and they often view a corporation's involvement in social issues with skepticism. But they will respond to genuinely newsworthy, highly innovative, and substantive programs. For instance, ConAgra's purchase of defunct dot-com grocer Webvan's refrigerated trucks for food banks was reported in the *Wall Street Journal* and *USA Today*. Such reporting is unusual. Even so, local journalists often want to hear how programs affect their neighborhoods. For example, every single one of the 19 openings of ConAgra-funded Kids Cafes in 2002 was covered by local media.

Too much time and money spent bragging about your philanthropic efforts is no better than being silent about them.

According to the 2002 Cone Corporate Citizenship study, nine out of ten Americans want to hear about companies' charitable activities. But companies need to put their energies into accomplishing something – and building solidarity with partners – before looking for recognition. Too much time and money spent bragging about your philanthropic efforts is no better than being silent about them – and can even be damaging. When it came out that Philip Morris had spent \$75 million on good works in 1999 and then \$100 million publicizing them, much of the good those works had done for its brand disappeared. So skewed a ratio casts doubt on the sincerity of a company's commitment to a cause.

In short, media coverage and greater public awareness can be double-edged. Companies should expect their cause-branding programs to be scrutinized the way their labor, environmental, and other business practices are. The proliferation of Web outlets allows initiatives to take off, but it also allows damaging news to circulate more rapidly. Now

more than ever, companies should be prepared to live by the standards they preach. This may entail changing internal policies, as Avon did by adding reimbursement for employee mammograms to its health benefits package when it launched its Breast Cancer Awareness Crusade.

The most successful programs use a range of internal and external communication channels, including the Web, annual reports, direct mail, and advertising. Target promotes its Take Charge of Education program through extensive in-store signage – at the register, on shopping bags, on receipts, as well as in creative print and television ads. And the U.S. Postal Service's semipostal stamp program uses the organization's signature product – stamps – as its medium of communication. The program takes part of the proceeds from sales of its Heroes of 2001 stamps and donates it to the Federal Emergency Management Agency. FEMA then distributes the money to the families of relief personnel who were killed or permanently disabled in the line of duty following the September 11 attacks.


The cause-branding efforts most likely to be accepted by the public and the media will appear neither improbable nor forced. A bad fit would be an organization that in accepting help from a particular donor betrays its principles. In March of this year, newspapers reported a recent alliance between the American Academy of Pediatric Dentistry and the Coca-Cola Foundation. It looked like the maker of soft drinks containing sugars and acids associated with tooth decay was cynically exploiting the bona fides of an organization dedicated to promoting healthy teeth.

Equally dangerous are situations in which a respected nonprofit seems to be endorsing a company's products for purely mercenary reasons. In June 1994, McNeil Consumer Products, a subsidiary of Johnson & Johnson, obtained a license to use the Arthritis Foundation's name and logo in marketing four of its over-the-counter analgesic products, for which it would pay an annual fee and royalties. In October of that

year, the company and the foundation launched a nationwide multimedia advertising campaign. The attorneys general of 19 states subsequently alleged that various claims the campaign made, such as that a portion of the proceeds of each sale would go toward finding a cure for arthritis, were false and violated consumer laws. In a 1996 settlement, McNeil and the foundation agreed to reveal fully the nature of their financial arrangements in all their future advertisements.

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Cause branding is a middle ground between the purely passive philanthropic practices of most corporations and the stringent approach set out by Michael Porter and Mark Kramer in their article "The Competitive Advantage of Corporate Philanthropy" (HBR December 2002). Porter and Kramer call for transforming the "competitive context" in which a business functions. By that they mean producing public and private benefits that are not simply related but inseparable. This is a worthwhile goal but also an ambitious one. We, too, believe companies should not "distance their philanthropy from the business"; likewise, we support programs to which companies apply their "unique assets and expertise." But we would hate to see otherwise eager companies hesitate to become more considered and strategic in their charitable efforts just because they are not ready for a commitment of this kind.

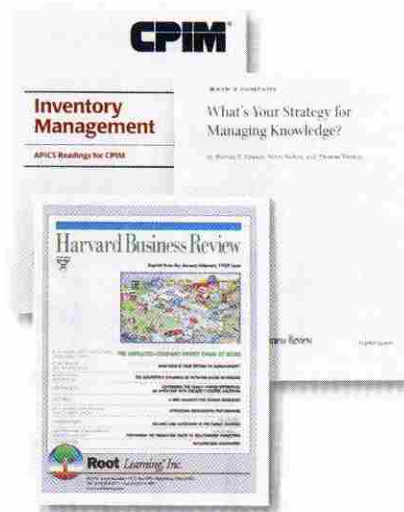
In today's world, companies cannot escape being viewed as forces in both the marketplace and in society. In the wake of recent scandals, their treatment of investors, employees, and the environment has become a matter of intense public concern. Cause branding is a way to turn corporate citizenship, generally thought of as a set of obligations, into a valuable asset. When the cause is well chosen, the commitment genuine, and the program well executed, the cause helps the company, and the company helps the cause. 

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