

Cause Marketing: An Innovative Fundraising Model

Meg Rayford 01 February 2010

Sustaining the work of nonprofit organizations requires continued funding, and most nonprofits rely heavily on membership and donor-based models to support their work. However, as individual giving has declined, especially in the present economic climate, nonprofits are looking for other fundraising approaches, and many are exploring the potential of cause marketing. Cause marketing provides the missing link between corporate support and societal needs, but the real power of cause marketing lies in its ability to engage individual consumers in the support of an initiative.

Cause marketing is defined by Cone Inc.

(www.coneinc.com) as "a business strategy that helps an organization stand for a social issue to gain significant bottom line and social impacts while making an emotional and relevant connection to stakeholders." Cause marketing expenditure has increased steadily over the last several years, with an approximate market spend of \$1.50 billion in 2008, according to the IEG Sponsorship Report (www.sponsorship.com).

Cause marketing involves the sale of a product or service with designation of a percentage of profits to a specific cause or nonprofit organization. Successfully utilized by the Susan G. Komen Breast Cancer Foundation and the Product Red Campaign, cause marketing creates a mutually beneficial relationship between an organization and the business supporting it. According to a 2007 survey of 1,000 adults conducted by Cone Inc., over 66 percent of Americans consider a company's business practices when deciding what to buy, 92 percent have a more positive image of a company that supports a cause they care about, and 87 percent are likely to switch from one brand to another if quality and pricing are the same, but the other brand is associated with a good cause (Cone Inc. 2007). As consumers become increasingly alert to the social and environmental impact of their purchases, more corporations are responding by exploring their own cause marketing opportunities.

By pairing its product or service with a nonprofit organization, a business can increase sales, improve brand image, generate positive public relations, and help save lives. Likewise, cause marketing benefits nonprofits by generating greater awareness of their cause and by raising money to fund their work. This approach allows businesses to engage in an important social issue while giving the public an easy way to help by simply choosing one product over another.

Case Study: A Drink for Tomorrow

A Drink for Tomorrow (ADFT) provides an example of the cause marketing fundraising model. Founded by Stephanie Weaver, of Moorestown, New Jersey, ADFT uses cause marketing to raise funds and awareness for the global water crisis. Currently, 1.2 billion people suffer because they lack access to clean, safe drinking water. This translates to one in every eight people globally who live without access to a basic need. Although the water crisis presents immense social problems, it is not insurmountable.

The technology needed to provide clean water is readily available. Water projects are one of the most effective ways to save lives and one of the most cost-effective investments in disease prevention. The World Health Organization estimates that every \$1 invested in water and sanitation yields between \$3 and \$34 in reduced medical costs and increased productivity. Therefore, funds raised for the cause can make a huge difference in the lives of those in water-poor countries.

ADFT's first campaign, "Turn Wine into Water," creates partnerships with members of the wine industry through promotions at businesses and restaurants. Through these partnerships, ADFT mobilizes the for-profit sector to advance support for a social cause, as has been done previously for funding and awareness for both AIDS and breast cancer. A crucial element of ADFT's strategy is that

it involves both the support of the partnering business and the involvement of the public. Through the purchase of items designated to donate a percentage of profits to the water crisis cause, consumers have the opportunity to make a financial contribution by simply selecting a partnering business's brand. In the face of a problem as potentially overwhelming as the global water crisis, it is important to provide individuals with an easy and direct way to contribute to a solution.

ADFT has partnered with both wine stores and restaurants through its "Turn Wine into Water" campaign. Partnerships with local wine stores encourage individuals to buy wine from selected stores with a promise that a percentage of their purchase will be donated to the organization. The wine storeowner has the discretion to choose which wines are available and the duration of the promotion. The wine store advertises with in-store flyers using the "Turn Wine into Water" campaign logo, and ADFT issues a press release to promote the campaign among its supporters. Other means of promotion are inclusion on ADFT's website and blog, additional media relations, and social networking sites. The Wine Cellar in Cinnaminson, New Jersey, is currently a wine store partner, and ADFT hopes to expand this opportunity with additional wine stores in the region.

Restaurants offering a selection of wine also make suitable cause marketing partners in this campaign. ADFT has partnered with Bridget Foy's South Street Grill of

Philadelphia to fund clean water projects. Each time a patron orders St. Clement Chardonnay or Baron Phillippe de Rothschild Pinot Noir, Bridget Foy's donates 10 percent of these wine sales to ADFT. This partnership raises awareness for the global water crisis as well as funds to alleviate the problem. Bridget Foy's and other business partners are allowing their customers to help save lives by simply enjoying a glass of wine. The funds generated from this and other similar partnerships are advancing ADFT's goal of providing clean water to communities across the world.

ADFT recently funded its first clean water project, a well in West Bengal, India, entirely through cause marketing campaigns such as "Turn Wine into Water." This young nonprofit hopes to continue engaging businesses and consumers in social change by pairing their products with the water crisis cause.

By promoting their cause through the products of business partners, nonprofits are bringing global social issues to the forefront of public conversation. If citizens are more aware of social problems, and how their money can be used to provide solutions and hope around the world, nonprofits believe, more individuals will join in partnerships to solve global problems.

Meg Rayford is Public Relations Director of A Drink for Tomorrow (www.adrinkfortomorrow.org).

Reference

Cone Inc. (2007). 2007 Cone Cause Evolution and Environmental Study. Available at <http://www.coneinc.com/research/archive.php>.