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It may be past but it's not over. A previous lead story.



Can branding save the world?

By Ron Irwin

What do Ben & Jerry's, Avon and Patagonia all have in common? They are committed to high-profile corporate philanthropy programs, sometimes called Cause Related Marketing. How do they determine what causes to support, and is this the best way for a company to build its brand or is it just a veneer under which to hide business as usual?



Cause Related Marketing has been with us since the first local store set up a collection box by the cash register. The term was coined by American Express in 1983 to describe a campaign to raise money for the Statue of Liberty: every time someone flashed his card, one cent was donated to the statue's restoration project. The result? Card use jumped 28 percent and the number of new users grew by 17 percent. Presumably the Statue of Liberty also received a boost by the reported US\$ 1.7M AmEx raised.

A company's commitment to causes that appeal to both consumers and employees can increase the numbers of the former and the quality of the latter. Kendell Webb, CEO and Founder of JustGive.Org, a nonprofit organization that matches charities to business and individuals, points out that consumers are looking for more meaning in the products they're buying and "they really buy into the idea of corporate giving."

Not surprisingly, Webb points out, "2001 was an exceptionally good year for corporate branding through philanthropy, especially since September 11. The tragic events opened people's hearts and minds to giving and brought awareness to the multiple causes and social issues around us."

But does it actually affect the bottom line? According to research conducted by Cone Inc., a marketing consultancy in Boston, 81 percent of US consumers are more likely to switch brands to support a cause (when price and quality are equal). This figure rose 27 points from the 54 percent similarly polled *before* September 11. Eighty percent polled following September 11 reportedly felt that "a company's commitment to causes is important when I decide which business I want to see in my community," compared with only 58 percent before September 11.

Carol Cone, CEO of the company, feels strongly that this is a new trend: "Prior to September 11," she says, "there was a huge proliferation of what we call dot-com mania." Now, according to Cone, people are re-evaluating their relationship with their jobs and communities, as well as the companies with which they work and do business. She points to the recent Enron debacle as adding further impetus to the shift in values. As this Titanic of the boom economy slowly slipped beneath the waves of recession and its bloated crew scrambled for lifeboats, consumers, employees and top executives began "looking for companies with integrity."

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To illustrate that theme, Cone points to the Home Depot, a North American DIY brand, which gives away millions through its program of Good Works, creating what she calls an "ethos of differentiation."

Other examples she cites are the adventure outfitter Patagonia, cosmetics line Avon and quirky frozen food manufacturer Ben & Jerry's as the grandparents of modern brand building through giving. These are companies that have made the cause the brand, and vice versa – companies where consumers feel secure that a small percentage of their dollars are going to a good cause.

Patagonia uses its extensive website and seasonal outdoor gear catalogues to promote corporate responsibility in the minds of health- and cause-conscious yuppie consumers – all of whom appear to like the idea of their dollars going to save the rainforest, prevent arctic drilling, and fight genetic engineering, and who best of all, are willing to pay just a bit more for it.

According to Lu Setnicka, Director of Public Affairs at Patagonia, the company has woven, what she calls, "a piece of environmental responsibility" into all of its products. Since 1985, Patagonia has donated 10 percent of its annual profits (or one percent of sales, whichever is greater) to hundreds of grassroots environmental groups. It has also kicked in US\$ 17 million in cash and another several million in gear. Patagonia's corporate responsibility program, Setnicka feels, has helped people "interrogate their values."

According to Setnicka, the average Patagonia buyer is not only buying a very quality piece of clothing, but he also believes that he is investing in "cleaner air, land and water." The company has been promoting its efforts to use 100 percent organically grown goods in its products, absorbing the financial drawbacks of working with these smaller, more expensive growers. This kind of real-life commitment from Patagonia is apparently paying off: the company has enjoyed a constant growth in sales volume since 1996.

But one of the sweetest philanthropic corporate efforts has to come from Ben & Jerry's Ice Cream, which commits 7.5 percent of its pre-tax profits to philanthropy.

Chrystie Heimert, the company's director of Public Relations, is quick to point out that Ben & Jerry's is "shy" of Cause Related Marketing. "Cause Related Marketing is a tough gig," she says. "We prefer the idea of Values Led Marketing, and our people are trying to support programs that are replicable and sustainable." Ben & Jerry's "built a business on the concept of Values Led Marketing, making a difference at the root of a problem, as opposed to throwing money at a problem." According to Heimert, the company has a threefold mission, which is to promote the company's product quality, ensure its profitability, and live up to its social mission.

"We don't have customers at Ben & Jerry's," Heimert says, "We have fans." These fans are "incredibly involved" with the brand, routinely logging onto the company's website, sending email, and calling in about the corporate responsibility programs – programs which include everything from fighting the greenhouse effect to sponsoring the 1999 World Bog Snorkeling Championships in an effort to raise money for various local charities.

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The employees at Ben & Jerry's all seem to share that casual but committed tone of roadies following a cool band. Heimert pointed out that Ben & Jerry's staff is left "pretty much alone" to run the company the way they see fit. To this end, she confides that Ben & Jerry's has even given a substantial sum of money to fight globalization despite the worldwide scope of its parent company, Unilever. In fact, Unilever, the proud parent of this slightly rebellious company as of April 12, 2001, has added US\$ 5 million to its philanthropic efforts with a minimum commitment of US\$ 1 million per year.

Indeed, The Man might own Ben & Jerry's, but the boys still rock to their own tune. The company keeps a separate board, which focuses on its social mission and the integrity of the brand. And the folks who work there all seriously believe that good ice cream just might change the world. "Values Led Marketing offers Ben & Jerry's a point of differentiation," Heimert points out. Giving publicly to causes that are congruent with the interests of the company or its customer is a "part of our brand identity," she says.

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