

GIBBS & SOELL

Insight

FOR MARKETING AND COMMUNICATIONS PROFESSIONALS

March 2010

Cause Marketing in Times of Crisis: *Credible Compassion*

When a 7.0 earthquake ravaged Haiti in January, the eyes of the world turned to the small Caribbean nation. As everyone from middle-school students to corporate CEOs scrambled to respond, record amounts of aid poured in. In crisis situations that require immediate and immense response, the for-profit sector is often better able than individuals to react with financial resources. And while it's refreshing to see businesses helping out simply for the sake of helping out, do the acts of doing the right thing and making smart business moves have to be mutually exclusive?

Happily, the answer appears to be no. In the 27 years since American Express coined the term "cause-related marketing," Americans have become increasingly supportive of partnerships between the for-profit and non-profit sectors. According to the 2008 Cone Cause Evolution study, 79 percent of consumers are likely to switch from one brand to another if the other brand is associated with a good cause. That number increases to 88 percent in the 18-to-24 age group.

Gavan Fitzsimons, a Duke University marketing professor who contributed to the study, noted, "One thing we know for sure - consumers are paying more attention to cause-related marketing messages, and as a result, are more likely to purchase." And when times of crisis highlight the need for corporate social responsibility, businesses that respond in a way that's both sensitive and effective will earn greater credibility.

Opportunity

In the cult-classic *Newsies*, a musical flick about the 1899

newsboys strike, the paper-peddling youngsters sing about the way big headlines boost business: "We need a good assassination/we need an earthquake or a war." These tongue-in-cheek lyrics illustrate how exploiting crisis for profit can be a real pitfall in a world where sensationalism sells.

After the earthquake in Haiti, Boston Medical Center's Cause Marketing Director Joe Waters addressed this issue in his blog, *Selfish Giving*, saying: "Cause marketing isn't philanthropy first, it's marketing. And the situation in Haiti requires philanthropy first. Any company that tries to swap that with marketing will be duly punished by consumers." While consumers expect corporate action, showing more concern for your bottom line than your beneficiaries not only undermines your efforts but can harm your reputation. At the same time, many consumers want to help and look for avenues to use their purchasing power for good, which creates opportunities for businesses to position themselves as caring corporate citizens.

Stand Out from the Crowd

In general, cause marketing tends to create memorable connections. Another behavioral study conducted by Fitzsimons found that cause affiliation leads to higher brand recall; in some cases, as many as 96 percent of study participants could connect a company with a cause after viewing an advertisement and in-store placement of a product. However, in times of crisis when everyone is reacting to the same situation, how do you avoid blending in?



One way is to find a company-specific way to respond. Whether they were pharmaceutical companies donating antibiotics or mobile providers offering free minutes for calls to Haiti, some of the most memorable responses to the Haiti disaster were contributions of goods and services alongside of monetary donations. As an example, Pepsi supplied bottled water and Gatorade in addition to \$1 million of aid. Not only did these actions distinguish these companies as strategic stewards of their resources, but their contributions actually allowed them to put their products to work and build brand recognition.

For a smaller business, connecting with your community while responding to disaster can break through the marketing clutter. As the editor of any community newspaper can attest, the key to success is to find a local angle within an issue of national interest. This was the strategy that a downtown Raleigh, N.C., bistro employed when selecting beneficiaries for an earthquake relief fundraising event. Rather than benefiting several large charities as originally planned, the restaurant opted to donate to a small organization based in Raleigh. This allowed the restaurant to connect with local media and reach its limited consumer base in a way that a donation to an international charity would not have. To get in front of an audience that eats locally and buys locally, why not give locally?

Something to Tweet About

The earthquake in Haiti sparked conversation among audiences who might never have connected otherwise. According to a joint study by Convio, Edge Research and Sea Change Strategies, text-to-donate campaigns have resulted in \$50 million of aid, and in the days following the quake, watch-

ing the news from Haiti unfold on social networks like Twitter shed new light on the power of social media. Not only did these outlets prove to be a valuable media relations tool for companies and nonprofits, but they created an opportunity to connect with unlikely sources and audiences.


Actor Rainn Wilson, best known as Dwight on the hit NBC sitcom "The Office," tweeted extensively about Haiti following the earthquake, and in many cases, he retweeted messages from individuals and small non-profits to his followers. In an instant, these entities that might have otherwise struggled to get attention were able to reach anyone who is a fan of beets, bobbleheads and mustard yellow shirts.

"Weisure Time"

Whether or not your philanthropic efforts inspire news headlines or Twitter buzz, aligning with a cause is a great way to reach one of your most important and often overlooked stakeholders – your employees. As smart phones, flex hours and social media have created more "weisure time" – a term coined by New York University sociologist Dalton Conley for the blurring line between work and leisure – American workers are increasingly seeking meaningful work.

According to Cone, approximately 70 to 80 percent of workers felt that employer efforts such as matched donations, paid time off to volunteer or company-sponsored charitable events were somewhat to very important factors in their level of engagement with the company. And while it can sometimes be hard to find a cause that everyone will support, crises like the earthquake in Haiti create situations with which everyone can connect. Socially responsible companies may see benefits

from increased worker dedication, loyalty and morale, while instilling pride in employees. If your company is a purposeful and holistic organization that employees are proud to be a part of, they will quickly become your most powerful brand ambassadors.

Since January, major earthquakes have occurred in Chile and Turkey, and the need for ongoing support in Haiti continues. As you read the headlines each morning, think about ways your organization can respond to crises around the world and in the community. You just may find that the right thing to do, if done well, can also be good for business. 

G&S Contact Information

Cos Mallozzi
CEO

+1 212 697 2600
cmallozzi@gibbs-soell.com

Luke Lambert
President

+1 212 697 2600
llambert@gibbs-soell.com

New York

Luke Lambert +1 212 697 2600
llambert@gibbs-soell.com

Chicago

Doug Hampel +1 847 519 9150
dhampel@gibbs-soell.com

Raleigh

Kerry Henderson +1 919 870 5718
khenderson@gibbs-soell.com

Zurich

Kevin Horsley +41 (0) 44 205 5565
khorsley@gibbs-soell.com

Beijing and Shanghai

Amanda Zhao +8610 6530 7783
amanda_zhao@inhere.com.cn

Tokyo

Rachel Barrow +81 3 5561 2915
barrow@cosmopr.co.jp



GIBBS & SOELL

Your business
is our *passion*.

www.gibbs-soell.com