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Growing through giving

Long defined by large corporations, smaller companies jumping into cause marketing

Atlanta Business Chronicle - by [Kate Carter](#) Contributing Writer

Consumers care, more than ever, whether companies are naughty or nice, research shows.

If quality and price are relatively equal, people spend their money on companies that tie their mission to philanthropic causes. As a result, there has been a surge in cause-related marketing, and small and midsized businesses are following the path of larger companies.

Cone Inc., a Boston-based strategy and communications agency engaged in building brand trust, researches cause-related marketing. According to Cone's most recent survey of corporate citizenship, eight in 10 Americans say a company's support of causes will win their trust.

Additionally, 80 percent of Americans can name a company that stands out in their mind as a good corporate citizen -- an increase from 26 percent in 1993.

Measuring return on investment is tricky, say experts. Employee satisfaction, customer loyalty and brand strength are all items to take into consideration, and often the evidence is anecdotal.

The Cause Marketing Forum, which helps companies and nonprofits "do well by doing good," includes a few case studies on its Web site that illuminate the kind of return companies can reap. One example is that of Atlanta-based The Coca-Cola Co., which in 1997 donated 15 cents to Mothers Against Drunk Driving for every case of Coca-Cola bought during a six-week promotion in more than 400 Wal-Mart stores. Coke sales in those stores increased 490 percent during the promotion.

Strategic partnerships

InterContinental Hotels Group Plc (IHG), with its Americas headquarters in Atlanta and \$16.9 billion in global sales in 2006, has forged strategic partnerships with nonprofits for each of its seven brands.

Vicki Gordon, senior vice president of corporate affairs for IHG's Americas region, said several years ago the company looked at its portfolio of brands and researched nonprofits that would be good fits for each. They are in different stages of development.

One of IHG's brands, Holiday Inn Express, created a partnership with Reading Is Fundamental (RIF), an organization that motivates children to read. Through IHG's Web site, a consumer can make a reservation and direct 9 percent of the payment to RIF.

"It's a good fit. Holiday Inn Express has limited service, with a breakfast bar and a breakroom area, which is a good place to bring people in from the local community to do book distributions," said Gordon.

IHG encouraged Holiday Inn Express franchisees to hold fundraising events for RIF, and enabled them to distribute books to local RIF affiliates.

IHG's other six brands have partnerships with organizations ranging from Big Brothers Big Sisters to UNICEF. While the company is tracking its return on investment through measures like room nights that can be attributed to the partnership, she said the company is "very early" in the process.

"If I pulled up numbers today, I would imagine they would be small," said Gordon. "But the strategy is to build the relationship over time."

Small companies join in

Mollye Rhea, president of Atlanta-based For Momentum LLC, which has six employees and provides marketing strategies on behalf of for-profit and nonprofit companies, said the maximum benefit to corporations and charities comes when they work as partners to decipher how they can best leverage each other's strengths and assets.

"A really successful strategic alliance isn't going to be a donation," she said. "It's going to be a strategic initiative that generates both awareness and income for the nonprofit and helps generate awareness and business for the for-profit."

Rhea said studies show that when companies work with nonprofits to help the community, they see benefits in terms of employee satisfaction, stakeholder satisfaction and a greater willingness of people to welcome the companies into their communities.

The most famous examples involve big companies, but small and mid-sized businesses are joining the trend, said Patience Allan-Glick of Benevolink Corp., an organization whose Web site allows shoppers to purchase from 500 companies and donate a percentage spent to a charity of their choice.

"The real trend, the real room for growth and the next evolution of all this is matching medium and small-sized businesses and medium and small-sized nonprofits," said Allan-Glick. "I think a lot of the time small and medium-sized businesses think they can't do that."

Barron Segar, Southeast regional director of the United States Fund for UNICEF, said the global nonprofit will forge partnerships with small, local companies as long as the minimum guarantee is in place. UNICEF, ranked one of the top five U.S. nonprofit brands, has created an online form for these companies. They must outline fundraising ideas, implementation strategies and expenses. He said the Atlanta office routinely receives requests from small, local companies and franchisees.