

Philanthropy Today & How A Cause Can Rise to the Top



State of the Nation



- **Consumer trust in US business in the 35 to 64 age range fell to 38% from 58%**
- 61% of US consumers are in favor of more government control to solve problems like the credit crisis, global warming, and energy costs
- **60% of respondents said they need to hear information 3 to 5 times before believing it**
- Only 17% of US consumers trust information from a CEO
 - “Survival of the Fastest”
- 20 years ago, the US spent \$614B on food, and \$2B on technology (300:1 ratio). In 2009, ratio is 1:1
- We process information 400x faster than our ancestors 100 years ago



Mind of the Consumer



- 68% would **remain loyal to a brand** during a recession if it supports a good cause
- 71% say even in economic downturn, they have **given the same or more time and money** to good causes
 - 63% say companies **spend too much money on advertising in a recession and should be putting more into good causes**
- 76% say even in a downed economy, they **like to buy brands that make a donation to worthy causes**



Sponsorship Spending Trends



- **51%** of companies will **decrease sponsorship giving** this year. Only 14% of sponsors plan to spend more, while 36% said their budgets would stay the same as last year.

40% of sponsors say they will **decrease activation spending** this year compared to last, while 17 percent will increase it and 43 percent will hold their leveraging budgets steady from '08.

- **47%** said they were **seeking to get out of some of their current sponsorships** even though those deals were not currently up for renewal.

One bright spot... **60%** of sponsors say they would consider signing first-time sponsorships in '09.

(Annual IEG/Performance Research Sponsorship Decision-makers Survey - 2009)



Mind of the CEO



- **65%** of senior executives believe **ROI from cause efforts increased** in past few years

- **84%** of executives believe **making broader contributions to the public good should accompany generating high return** to investors

- **61%** of executives say **corporate citizenship makes a tangible contribution** to their company's bottom line





The Case for Cause



MAC
VIVA GLAM



What exactly is Cause?



“Cause” has become a catch-all term that ultimately describes innovative ways in which companies and nonprofits integrate social and environmental issues into their brand to generate bottom-line business and social benefits.



Why would Cause matter to a Company?

Americans consider a company's commitment to social issues when making decisions on where to work, where to shop and what to buy...

View the sponsoring company as a leader in the community	91%
Raises your opinion about the company	91%
Makes you want to buy that company's product	81%
View the company as wanting to give something back to the community	96%
Promotes a good image for the sponsoring company	97%



CAUSE PAST: The Birthplace of Cause Marketing



Twenty-five years ago, American Express embarked on an inspired, but seemingly simple marketing initiative. To increase consumer use of its card and recruit new users, the company partnered with one of the country's preeminent landmarks, the Statue of Liberty. Each time a consumer used his or her American Express Card during the course of the three-month campaign, one penny was donated to the restoration of the historic site, and for each new card application, American Express donated \$1.00.



The company contributed **\$1.7 million** to the Statue of Liberty through the promotion and proved to the business world that aligning with a cause is a viable strategy to boost sales - **consumer card usage increased by 27 percent and new applications grew by 45 percent.** Through this memorable campaign, American Express coined the term “cause-related marketing,” which has today evolved from a marketing tactic to a powerful business strategy.



CAUSE PRESENT: A BUSINESS STRATEGY



<http://www.youtube.com/watch?v=m9lytXuJ8wg&feature=channel>

- ✿ What health, social or environmental issues are core to their business?
- ✿ What assets can they leverage to maximize societal impact?
- ✿ What issues matter to their stakeholders?
- ✿ Whom do they want to reach? (both beneficiaries and stakeholders)
- ✿ How is the issue affecting the marketplace?
- ✿ How does this affect their company's core values, mission, principles and policies?



CAUSE FUTURE: BETTER BUSINESS. GREATER GOOD.

As the sea of pink ribbons washes over the country today, there is no question that corporate support of causes is here to stay. However, leading organizations are **moving away from “assembly line cause” (selecting an issue and partner off the shelf) as they evaluate the shared value of how societal needs and business growth are intrinsically linked.** Companies must not only answer, “What do you stand for?” but also “What do you do?”

In the future, companies will **look beyond a single program representing a discrete moment in time to a longer-term, comprehensive approach that translates their values into action.** Cause is evolving to new models of social engagement and global citizenship as companies evaluate opportunities to drive change. Leaders will approach their Cause Branding initiatives with renewed vigor, **reasserting their responsibility to society, not solely as philanthropy, but as a driving force of business growth, including reputation management, license to operate, new market development, product innovation and employee recruitment and retention.**



External Case Study:



Fostering self-esteem around the world

We developed the Dove Self-Esteem Fund to make **real change in the way women and young girls perceive and embrace beauty**. We want to help free ourselves and the next generation from beauty stereotypes. Too many girls develop low self-esteem from hang-ups about looks. Consequently, many fail to reach their full potential later in life. The Dove Self-Esteem Fund is an **agent of change to educate and inspire girls on a wider definition of beauty**.

To make change possible, the Dove Self-Esteem Fund focuses its efforts to foster positive image-related self-esteem in two areas of activity:

- The Fund develops and distributes resources that enable and empower women and girls to embrace a broad definition of beauty
- The Fund provides needed resources to organizations that foster a broader definition of beauty

It is our mission to continue to provide the tools and support to individuals, groups and organizations. We recognize that we alone can't make changes in the way beauty is defined. We invite you to get involved.

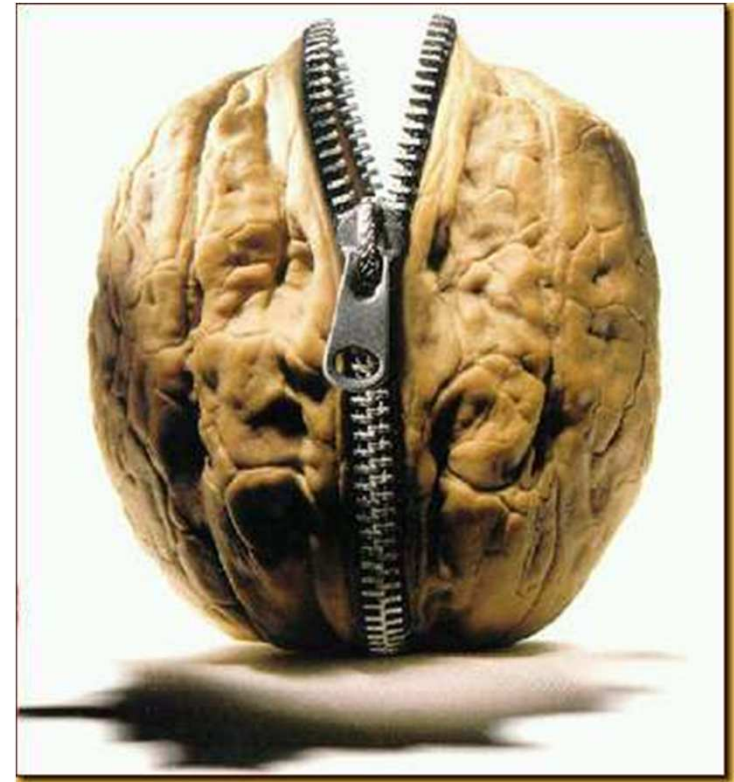


<http://youtu.be/iYhCn0jf46U>



In a Nutshell

- *Successful* Cause of the Future must bring:
 - Employee Engagement
 - Employee Retention
 - Increased Sales
 - Connection to Corporate Mission
 - Connection to Consumers
 - Innovation
 - Ability to leave a legacy



Why AHA has a Competitive Advantage:

- **WE RESONATE:** *Heart Disease affects more people than any other illness.*
- **WE EDUCATE AND EMPOWER:** *Our 2020 goals focus on prevention*
- **WE HAVE A BROAD PLATFORM:** *nutrition, diet, exercise, advocacy, healthy spirit, women, children, families, research*
- **WE ENGAGE EMPLOYEES:** *Heart Walk, Wear Red Day, NSW*
- **WE OFFER COUNSEL AND SOLUTIONS:** *MyStart! Online, Start Walking Program, Heart Check Up*
- **WE HAVE HARD NUMBERS THAT SHOW SALES RESULTS AND BOTTOM LINE IMPACT:** *Jiffy Lube, Hamilton Beach, Reduction in Health Care Costs*





My Heart. My Life.

Heart Walk.

Sponsored nationally by
SUBWAY® restaurants.



SUBWAY® is a registered trademark
of Doctor's Associates Inc.



**Purpose
drives profit.**

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ROI from cause efforts has increased
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61% of executives say corporate
citizenship makes a **tangible**
contribution to their company's
bottom line

84% of executives believe
making **broader contributions** to
the public good results in a **high**
return to investors



Questions ?

Thank you

Katie Seay, APR
American Heart Association-First Coast Market

