Cause-related Marketing

A Critical Look at Marketplace Meeting Philanthropy

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Abstract

The following discussion offers a critical look at cause-related marketing (CRM), a strategic partnership between a corporate and nonprofit entity in which a portion of product sales, or a one-time donation, is given in support of a cause. CRM is an extension of a corporation's social responsibility efforts in a push to meet increasing consumer demand for organizational accountability and social-consciousness. The discussion examines factors that have fed the mandate for corporate social responsibility, including a connection through online platforms and a generational cohort with a demand to "give back." Research shows benefits of implementing CRM; however, many ethical issues must be considered when organizations attempt to blend for-profit motives with altruism. CRM and its impact on the definition of philanthropy will be evaluated through the investigation of two campaigns—the Susan G. Komen Pink Campaign and the ALS ice bucket challenge.

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In today's marketplace, consumers expect businesses not only to meet individuals' needs through products or services but also to be socially responsible by giving back to society. Do-good campaigns promoting a charity or cause have revolutionized the way businesses are advertising and selecting a strategic position within the marketplace. Businesses engaging in philanthropic acts and partnering with 501(c)(3) tax-exempt, non-profit organizations is a concept that has brought about "the redefinition of the relationship between private and nonprofit sectors" (Caesar, 1986). Cause-related marketing (CRM) is a strategy introduced in the 1980s that combines consumer purchase transactions with a company donation (Caesar, 1986).

Since its introduction in the 1980s, CRM has seen significant rates of growth:

"Among corporate sponsors, cause marketing expenditures went from almost zero in

1983 to an estimated \$1.3 billion in 2006, according to IEG Inc., a Chicago-based firm

that tracks cause-related activities in the United States" (as cited in Luigi, Oana, Mihai, &

Simona, 2011, p. 80). While there are different variations CRM can take, the dominant

form CRM takes is the transactional model. The transactional model follows a format in

which every purchase a consumer makes during a cause related marketing campaign, a

company will donate a designated part towards an established cause (Luigi, Oana, Mihai,

& Simona, 2011). Other popular approaches to CRM taken by corporations include a

one-time company donation or an ongoing public stance to support a given organization.

New communication platforms brought about by technological advancements—namely social media—have enabled a new level of social activism (Sheedy, 2011). In

2000, twenty years after CRM was introduced, a PMA and Gable Group "survey of corporate members of the Promotional Marketing Association and leaders of major non-profit organizations indicated that over 85% of corporations and 65% of non-profit organizations had participated in some form of CRM" (Basil & Herr, 2003, p. 60). One of the greatest factors behind the success of this marketing strategy is the connection it makes with the millennial consumer—a generation of socially conscious shoppers looking to make a difference through their shopping cart. CRM is a strategy that has the potential to "build the reputation of a brand, increase profit, develop employee loyalty to the company, and add to their reputation as good corporate citizens" when implemented effectively (as cited in King, 2001, p. 123). CRM campaigns are shown to be successful when formed through a strategic context and tied into the mission and vision of the organization. An effective implementation of CRM comes when social and economic objectives are fused into one (Kramer & Porter, 2002).

At first glance, CRM appears to be a strategy that is beneficial for all parties involved. Consumers enjoy the product and the satisfaction of doing good, companies make a profit while enhancing corporate brand image, and nonprofits are receiving donations to do impactful work around the globe. However, CRM has potential downsides that must be taken into consideration. Company CRM campaigns are as widely critiqued as they are praised as the campaigns seek to blend both altruistic and profit-driven motives while partnering with a nonprofit entity. Research has explored the following downsides: "misalignment between the charity and the corporate sponsor, wasted resources, customer cynicism, or tainted images of charity" (Eikenberry, 2009). Ethical concerns surround the core assumptions of CRM—namely, that it is beneficial for

all parties involved—and the implications it may have on the definition of philanthropy (Nickel & Eikenberry, 2009). With donation caps, campaign times, and funding allocations, many customers are unaware of how CRM works and how much money is actually going to the cause. Some argue that it would be more beneficial for customers to go directly to the nonprofit organization rather than through a corporate middleman. CRM also raises concerns as it fosters an "exaggerated perception of corporate generosity" for consumers (Polonsky, & Wood, 2001, p.15).

Scholars and field practitioners have addressed questions such as whether or not companies can effectively apply a double-bottom line and raise support for charity.

Existing research shows how CRM can affect purchasing behavior as well as how it can benefit businesses. However, field discussion and research also points to the potential hazards businesses' can bring upon themselves when choosing to implement the popular CRM strategy. The following discussion will provide a definition and history of CRM under the framework of a company's corporate social responsibility initiatives. The discussion will also explore one of the most prominent CRM campaigns in American history, followed by a more recent campaign example that has resonated specifically with the millennial consumer. A critical analysis will follow each of the CRM campaign descriptions, highlighting both the positive impacts and negative implications of each.

Corporate Social Responsibility

CRM is a marketing strategy that falls under the umbrella of corporate social responsibility. Corporate social responsibility can be defined as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the

local community and society at large" (Holme & Watts, 1999). In today's marketplace, corporate social responsibility is not just an added benefit a company can use to bolster its image (although this is a real byproduct when a social responsibility program is implemented effectively). Corporate social responsibility is now a necessity, as consumers are mandating that companies not only provide increasing dividends to shareholders but also use influence and resources to begin to solve some of society's social, economic, and environmental ills, such as starvation or lack of clean water.

In a 2013 Cone Communications/Echo Global CSR Study, 10,000 consumers from 10 of the highest GPD producing countries shared their thoughts about corporate social responsibility initiatives. The study found the following results:

- Just 6% of consumers believe the singular purpose of business is to make money for shareholders.
- 91% believe companies must go beyond the minimum standards required by law to operate responsibly.
- 93% want to see more of the products and services they use support CSR.
- More than [8-in-10] consider CSR when deciding where to work (81%), what to buy or where to shop (87%) and which products and services to recommend to others (85%) (Cone Communications, 2013, para. 12).

In addition, the study found that corporate social responsibility programs tied to strategies such as CRM exerted significant influence over consumers' purchasing habits. In the study, 91 percent of consumers said they would switch to a brand that supports a cause, given price and product were similar. Also, 67 percent of participants had bought a cause-related product within the past year (Cone Communications, 2013). Consumers relayed

that if a company promoted a cause-related product under a corporate responsibility program to give back, they would feel personally responsible to do their part to help solve social issues and purchase the products that would help further that goal. Corporate social-responsibility could be seen as the underlying framework that supports a sales and marketing strategy such as CRM.

While CRM is seen in stores through products on a shelf or online through an ecommerce website, corporate social responsibility is the overall company's philosophy or plan of action as to how it will give back to society through long-term unwavering commitments. In other words, CRM is an approach some corporations may choose to take in order to help support their social responsibility program. Some professionals within the marketing field have argued the CRM is not philanthropy at all and should not be used as means to achieve social responsibility as companies are expecting a return on their investment through increased sales performance and brand awareness. However, a study of one is incomplete without the discussion of the other. The 2013 Cone Communications study shows that corporate social responsibility—specifically the promotional strategy of cause-related marketing—is not only a topic of relevant conversation but is also a topic demanding increasing attention as the traditional roles of marketplace, consumer, and business philanthropy have started to shift.

Definition of Cause-related Marketing

Not every socially responsible act on behalf of a company qualifies as a CRM strategy. By definition, CRM is not a foundation donation. Donations made as a result of a CRM campaign do not come from the corporation's philanthropic foundation account.

Rather, a portion of the organization's budget that would have been used for advertising

is set aside for a donation after the specified time period of the CRM campaign. In a CRM campaign, corporations often spend more money on advertising promoting the cause than they do in donations (Varadarajan & Menon, 1988). As far as the United States' tax definition is concerned, CRM is not considered charitable contribution and is not tax deductible (Polonsky & Wood, 2001).

Although CRM is not defined as a charitable contribution, a contribution might happen in the context of a CRM campaign. However, the contribution is generally made with an expectation that profit will be earned by consumer purchasing of cause-related product offerings. CRM campaigns often have donation minimums and maximums written in fine print—the minimum amount of money a company promises to give through a CRM campaign as well as a donation cap. CRM campaigns may also only run between specific dates. Other times, the product sales may not contribute to the cause at all. Rather, the company has made a one-time donation to the nonprofit entity and is simply taking a public stance in support of the issue.

Cause-related marketing, also coined "consumption philanthropy", comes in three forms (as cited in Luigi, Oana, Mihai, & Simona, 2011). The first form is transactional CRM in which a portion of the proceeds from each unit/product sold is donated to a designated cause. Authors Laurenţiu Dan Anghel, Georgiana Florentina Grigore, and Mihai Roşca define a CRM campaign as having the following elements: "[the] CRM campaign involves an offer that is valid for a period of time, refers to a specific product of the company and performs for the benefit of nongovernmental organizations, or another partner, who has legitimacy in the selected cause and the ability to manage money" (Anghel, Grigore, & Roşca, 2011, p. 73). This model is the most popular form of

CRM campaigns. An example of the transactional CRM model is the PRODUCT (RED) campaign started in 2006 by Robert Shriver and partner Bono from the band U2. The (RED) campaign partners with major national retailers such as Gap and Apple to sell (RED) products in order to raise money to combat the fight of HIV/AIDS in Africa (Wirgau, Farley, & Jensen, 2010). When a consumer purchases a (RED) iPod, for example, Apple makes a \$10 donation to The Global Fund. The Global Fund is an organization that provides grants to African countries in order to fund disease treatment and prevention initiatives. Another deviation of this model is the emerging buy-one, give-one (BOGO) approach that has brought, arguably, the greatest deal of awareness to cause-related marketing within the past ten years.

Stanford Social Innovation Review authors Christopher Marquis and Andrew Park take an in-depth look at the progression of the buy-one, give-one model as more socially conscious entrepreneurs join in the movement. After visiting Argentina and noticing that many children were without shoes, Blake Mycoskie founded TOMS Shoes in 2006 with the mission of donating a pair of shoes to a child in need for every pair purchased from the company (Marquis & Park, 2014). Many other companies followed after TOMS's example, matching everything from eyeglass purchases to blankets. In order to maintain a sustainable model such as the one TOMS has created, companies account for donations through product sales "by charging a premium price for their product, finding ways to reduce costs, or accepting a lower profit margin with the hope of selling more units because of their social cause" (Marquis & Park, 2014, p. 30). For example, one-for-one eyeglass retailer Warby Parker reduces costs by selling quality frames at \$95 a piece ("Culture," 2015).

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Marquis and Park examine the long-term sustainability of the model as well as the potential concerns that arise as buy-one, give-one finds itself in the trend stage. However, despite the popularity with consumers, Marquis and Park point out some concerns with the new model. First, buy-one, give-one models are more effective in some industries than others. Buy-one, give-one models are most popular in the consumer products industry, especially within apparel. Apparel and fashion accessories provide a platform for word-of-mouth advertising, allowing customers to share the story of the brand and how the product purchase gave to a need. Other industries, such as the food industry, face struggles when providing a product that is consumed rather the worn. Another additional concern includes loss of originality as more businesses try to implement the same model. Also, some have agued that while the buy-one, give-one model may meet physical needs such as through a donation of a toothbrush, it is not addressing underlying problems such as lack of healthcare or societal infrastructure.

The second form of CRM, promotion-based CRM, is when companies make charitable contributions to a cause and take a company stance to support it, often through the creation of a foundation. Promotion-based CRM is not based on individual consumer transactions but rather an overarching support to a societal cause. For example, Whole Foods Market, a retailer that offers a wide selection of organic produce and products, takes a public stance to support sustainable agricultural practices and environmental stewardship ("We Practice," 2015). While proceeds from individual product sales do not go to support sustainable farming, the company started the Whole Planet Foundation to give back. Through customer donations, the Whole Planet Foundation provides monetary support to the Whole Foods stores' suppliers and farmers. The Whole Planet Foundation

states the following on its website: "We provide grants to microfinance institutions in Asia, Africa, the Americas and the Middle East, who in turn develop and offer microenterprise loan programs, training and other financial services to the self-employed poor" ("About the Foundation," 2014). Product packaging may appear misleading in cases when this model is used. Even while a cause may be advertised on the product packaging, companies may have made a one-time donation or are advertising their separate philanthropic foundation without any of the individual product proceeds going to support that cause.

The third form, licensing CRM, is a strategy in which a charity allows a corporation to use its name and logo in exchange for part of the product proceeds (Luigi, Oana, Mihai, & Simona, 2011). An example of licensing CRM is the NFL's use of pink colored gear to raise awareness of breast cancer. The ribbon-adorning pink gear worn by the players is a licensed agreement between the NFL and the American Cancer Society. While some CRM campaigns may fall into one category, other campaigns and product offerings may fit into more than one of the three CRM categories listed.

History of Cause-related Marketing

The expected roles and purposes of business in the 21st century have evolved from years past. Before 1980, many people followed renowned economist Milton Friedman's belief that the sole role of the corporation was to maximize profits and ensure a return on investment for stakeholders (Luigi, Oana, Mihai, & Simona, 2011, p. 80). Milton states the following in his 1962 book entitled *Capitalism and Freedom*:

There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within

the rules of the game, which is to say, engages in open and free competition, without deception or fraud. (as cited in James & Rassekh, 2000, p. 662)

During this time, popular thinking held that it was the responsibility of the government, churches, and nonprofits to raise money for causes and that the agendas of profit and charity be kept separate. Laws limited corporate giving and to whom they could donate.

Corporations were seldom allowed to make donations to charity, and in the rare cases that they were, the corporation had to show that the donation would be a direct benefit to shareholders. The 1883 case of *Hutton v. West Cork Ry. Co.* determined, after a company's board of directors tried to give pay to a retiring member, that only those donations that produced "some direct, tangible benefit" to shareholders would be permissible (Gramm, 1961, p. 207).

In 1953, Friedman-inspired thinking began to change as A. P. Smith Manufacturing Company donated a \$1,500 amount to Princeton University. The action was brought before the New Jersey Supreme Court the following year. The 1954 decision upheld the validity of the \$1,500 donation and the legal limitations for corporations to prove a direct benefit were lifted (Gramm, 1961). Armed with newfound freedom, companies began to search for ways to combine the consumer's emerging call to give back to the community with the need to make a return on marketing investment.

The concept of cause-related marketing was introduced in 1983 when American Express joined in the Statue of Liberty restoration project. Every time an individual used his or her American Express card or a new member signed up, the company would make a one-cent donation to the project. According to authors Luigi, Oana, Mihai, and Simona, the results were staggering. The authors state that within "just 3 months, 1.7 million

dollars were gathered for the cause and the usage rate of AmEx cards increased by 27%, while the new subscription rate rose by 45%" (Luigi, Oana, Mihai, & Simona, 2011, p. 79). The marketing department at American Express was first to coin the term "cause-related marketing" during the duration of the campaign. With the pairing of product sales and donations to a cause, American Express birthed what is now considered to be the modern day CRM movement within the marketplace (Caesar, 1986). CRM can be defined as a marketing agenda that seeks to grow the business by creating profit derived from supporting a worthwhile cause through product sales (Varadarajan & Menon, 1988).

The Push for Social Responsibility

The increasing demand for companies to be socially responsible is derived from a number of factors. The first factor is the phenomenon of globalization through the emergence of the Internet. Globalization has resulted in a smaller, connected world in which individuals are not held back by physical location. Through the Internet, individuals can connect with others across the globe with the click of a few buttons.

Because the world is becoming more connected and technology has made information readily accessible, consumers are more aware of social issues and have more leverage in the marketplace. George Pohle, VP and Global Leader of Business Strategy Consulting at IBM Global Business Services, says the Internet transforming how companies are approaching customers and corporate social responsibility initiatives:

...[Internet] allowed greater visibility into the actions companies are actually taking. So they know more about what companies are doing today than they ever have in the past. The second thing that it's doing is it's allowing consumers to band together to create advocacy groups much easier than they ever could do in

the past and to exert influences on corporations once they've banded together ("IMB Study," 2008).

The Internet has allowed customers to have a voice that was not possible twenty years ago. Before the invention of the Internet and information technology, the only way to contact a company was through a phone call or letter voicing a recommendation or complaint. In today's marketplace, customers can engage with companies not only through those traditional methods but also through online means such as e-commerce by purchasing products as well as authoring blog posts or content on social media sites.

The widespread reach of social media has also revolutionized the way customers are able to interact with companies and participate in CRM campaigns. The 2013 Cone Communications/Echo Global CSR Study revealed that almost two-thirds of consumers take to social media to communicate with companies in regard to their corporate social responsibility efforts. Positive corporate social responsibility actions taken by a company can be spread faster and more effectively with social media (Cone Communications, 2013). Customer voices are now amplified, whether they bring about compliments or criticisms. Successful companies are listening to consumers, joining the conversation, and responding by taking action. New communication technologies allow customers to challenge company actions and hold them to a higher standard of social responsibility and accountability.

Resonating with the Millennial Consumer

Consumers of all ages are beginning to demand a level of social-consciousness, the millennial generation, or Generation Y, is at the forefront of this movement, calling for corporations to be held to a higher standard of corporate social responsibility. Bolder

corporate social responsibility programs have surfaced, and cause-related marketing has seen an immense wave of growth because this strategy resonates deeply with the millennial consumer. The millennial generation can be defined as individuals born in the United States from around 1980 to the late 1990s, who are now aged roughly from 18 to 29 (Kohut, et al., 2010). Some defining characteristics of the millennial generation include the following: "disciplined and accepting of authority, well-educated and competitive, upbeat and open-minded, and entitled" ("The 2006 Cone Millennial Case Study," 2006). Millennials are also the most educated, most ethnically diverse, and most connected generation in the United States.

Accenture, a leading consulting, technology, and outsourcing firm, estimate that millennials spend nearly \$600 billion on products and services each year. Accenture authors Christopher Donnelly and Renato Scaff state the following: "While Millennials are already a potent force, they will truly come into their own by 2020, when we project their spending in the United States will grow to \$1.4 trillion annually and represent 30 percent of total retail sales" (Donnelly, & Scaff, 2013, p. 2).

In addition to millennials' billion dollar spending level, social activism remains one of the top marks of a millennial. A 2006 millennial study conducted by Cone Communications/AMP Agency revealed that millennials are active participants in their communities and are defined as "pro-social" ("The 2006 Cone Millennial Case Study," 2006). The study had 1,800 participants and sought to understand millennial behavior in regards to joining causes and social movements. Out of the respondents surveyed:

• 69% consider a company's social and environmental commitment when deciding where to shop.

- 66% will recommend products or services if a company is socially responsible.
- 74% are more likely to pay attention to a company's messages if the company has a deep commitment to a cause ("The 2006 Cone Millennial Case Study," 2006, p. 9).

Millennials believe that what they purchase will make an impact, and cause-related marketing seeks to tap into this belief. Not only will millennials reward companies for being socially responsible, but they will punish companies as well if they fail to support a cause. Forty-five percent of participants said that they would refuse to buy a product from a company if it was irresponsible ("The 2006 Cone Millennial Case Study," 2006).

Businesses' bottom lines are beginning to be affected solely based on what causes they do or do not support in the public eye. In 2012, Chick-fil-A customers revealed that they would reward a company that supported a cause that the customers also supported. On August 1, 2012, Chick-fil-A hit record sales after Arkansas Governor Mike Huckabee organized a national Chick-fil-A Appreciation Day to support CEO Dan Cathy's public stance in support of traditional over gay marriage. Thousands of people from around the country went to dine at a Chick-fil-A to show their support (Bingham, 2012).

Another reason that cause-related marketing efforts resonate with millennials is that the strategy offers immediate gratification. Millennials have been raised in a child-centric society, with continuous parental/societal reassurance of personal worth and value. Millennials are often said to be entitled and believe they can achieve and make an impact based upon personal efforts (Cone Communications, 2006). Millennials, along with other age demographics, are looking for companies to which they can connect emotionally. A study conducted in 2003 by the Leicester Business School of De Montfort

University examined the effects of the consumer's personal and emotional involvement in the breast cancer cause as a determinant of purchasing behavior. Evidence from the study revealed how consumers of all ages are moved to participate in CRM campaigns when they feel involved and personally connected to the cause (Broderick, Jogi, & Garry, 2003). Customers who felt the strongest connection had either personally been affected by breast cancer or knew of someone close who had been affected. Many cause-related marketing advertisements use emotional appeals in an attempt to establish this deeper connection with the customer.

Millennials, being the most ethnically and culturally diverse of any previous generation, define community in larger terms. As noted in earlier discussion, Internet and communication technologies, namely social media, have allowed the millennial generation specifically to connect with others on a whole new level. Physical location is no longer a barrier. Today, issues such as environmental pollution or lack of clean drinking water are "touching more than the people directly involved" ("The 2006 Cone Millennial Case Study," 2006, p. 4). However, millennials are not only exposed to more of the world through communication technologies and social media, but they are also exposed to the issues of the world through travel. The United Nations has estimated that 200 million international travelers are people who fall within the millennial age range (as cited in Machado, 2014). These travelers account for over \$180 billion in tourism revenue each year. Millennials are curious about the world and want to explore new regions and issues for themselves.

The Pew Research Center attributes the millennial model of thinking to "cohort effects" (Kohut, et al., 2010, p. preface). Cohort effects are pervasive trends that impact

an age group while members are forming a self-identity and selecting the values that will matter to them for the rest of their lives. One of these pervasive trends has been pro-bono action in support of a cause. Cause-related marketing has become successful largely because of commonality it holds with the millennial value set.

Criticism Surrounding Cause-related Marketing

Companies are responding as millennial customers demand opportunities to give back while simultaneously purchasing products. One successful CRM model in the United States is the Susan G. Komen campaign. Many consumers are aware of October as Breast Cancer Awareness Month. Customers can choose from a plethora of products, from bagels shaped like ribbons to pink tube socks to financially support the organization. The Susan G. Komen Network is the force behind the massive wave of pink—an organization dedicated to eradicating the disease of breast cancer. The organization is named after Susan G. Komen, who lost the fight to breast cancer in 1980. Komen's sister, Nancy Brinker, started the organization in remembrance of her sister in order to raise awareness and remove the stigma that surrounded breast cancer during that time. Up until Brinker's actions in the public eye, breast cancer was largely a taboo topic. Brinker was able to personify the disease through her sister and connect with others who also knew of someone battling breast cancer (Selleck, 2010).

Pink hasn't always been the color of the breast cancer movement. The pink awareness ribbon so commonly known today was by originally a peach color. In the early 1990s, a woman named Charlotte Haley began distributing peach ribbon to her friends and family in order to show support for her grandmother, mother, and sister who had all battled breast cancer. What started out as a grassroots at-home project took off as *Self*

Magazine caught wind of the ribbon movement, advised Haley that she change the ribbons to a pink color. From there, Self Magazine and beauty cosmetic company Estee Lauder partnered together, handing out the pink ribbons at the 1991 Race for the Cure in New York City. The following year, Self Magazine and Estee Lauder partnered to hand out over 1.5 million pink ribbons to women. From that moment, the commercialization and widespread movement of the pink ribbon took off across the country (Selleck, 2010). Although the awareness ribbon had previously been used to show support for the military and AIDS, The New York Times would call 1992 "The Year of the Ribbon" as other organizations began to claim their ribbon colors with breast cancer leading the way ("History", 2011). CRM has made pink a breast cancer icon.

From the beginning, the 501(c)(3) Susan G. Komen organization was founded with the hopes of becoming a household name and a multi-million dollar operation. Since 1982, the organization has seen explosive growth and has exceeded that original goal. According to the Susan G. Komen website, the organization has invested over \$2.5 billion towards research as well as has advocacy and community programs in over 30 countries around the globe ("Susan G. Komen," 2015). The website currently lists 92 corporate sponsors, with ten of those corporations pledging over \$1 million in donations each year ("Meet Our Partners," 2015). The organization proudly displays its mission on the homepage of their website: "To save lives and end breast cancer forever by empowering others, ensuring quality care for all and investing in science to find the cures" (2015).

While CRM campaigns launched by organizations such as Susan G. Komen bring many benefits, CRM has some inherent shortcomings. With donation caps, campaign

times, and funding allocation, many customers are unaware of how CRM works and how much money is actually going to the cause. Parent company General Mills got into trouble in 1999 during its Yoplait "Save Lids to Save Lives" campaign. Yoplait did not put the \$100,000 maximum donation details on the lid. Therefore, consumers thought more money was going to the cause than actually was. The Georgia attorney general's office started an investigation and found that 9.4 million lids were returned, with what customers thought was a 50 cents donation per piece. In order to resolve the situation, General Mills paid a large sum to the Breast Cancer Research Foundation (Jacobs, 2010).

A poor attitude toward the business/brand can also potentially transfer over to a poor attitude towards the charity that it is partnering with (Basil & Herr, 2003). A powerful example of this was Susan G. Komen for the Cure's decision in 2012 to stop giving \$680,000 in grants to Planned Parenthood, the largest abortion provider in the nation. Many saw the move as the organization's taking a stance against abortion, which caused great controversy. Because the organization received such a high level of criticism, it restored the grants. However, many consumers were still enraged and refused to continue supporting the Komen organization. On the other hand, pro-life supporters began to boycott Komen and its affiliated products due to its connection to Planned Parenthood. Critics began to accuse Komen of offending "both sides of the political spectrum" (Wallis, 2012, para. 12). The Komen Foundation's support and affiliation with other organizations ultimately hurt its ability to raise support for the cause of curing breast cancer.

CRM can also lead to the over commercialization of a cause and can actually be harmful. Adverse effects include the overstated generosity of a corporation, worthy

causes losing funds because they are not as marketable, an increase of consumer skepticism, or a tainted nonprofit/cause image (Polonsky & Wood, 2001). For example, while many consumers would know that pink represents breast cancer awareness, would they know what color blue or orange represents? Causes that have not been marketed as heavily might not receive as wide of recognition. While some might not consider this a shortcoming inherent in the CRM model, it is a point one must consider when marketing philanthropic causes.

Research also shows that the definition of philanthropy can potentially be altered and lose some of its transformative qualities when engaging in CRM campaigns. Rather than encourage consumers to take further action and get personally involved in the cause, activism by means of consumption keeps CRM from actively initiating social change (Nickel & Eikenberry, 2009). Consumers are fed a platform that could lead them to believe that the only way they can create substantial change in the world is through opening their checkbooks and filling their shopping carts. CRM provides customers with a desired "feel good" feeling and can lead to laziness over activism.

One of the largest critiques of the CRM approach is the amount of money that actually ends up going to the designated cause. Research has shown that not as much money is going to the cause as consumers might think. For example, the National Football League's players wear pink accessories and equipment during October (an example of promotion-CRM). Football fans can also buy pink-branded NFL products through the transactional model of CRM. However, a small amount is actually going toward cancer research. According to author Cork Gaines, "[F]or every \$100 in pink merchandise sold, \$12.50 goes to the NFL. Of that, \$11.25 (a little over 10 percent) goes

to the American Cancer Society (ACS) and the NFL keeps the rest. The remaining money is then divided up by the company that makes the merchandise (37.5%) and the company that sells the merchandise (50.0%), which is often the NFL and the individual teams" (Gaines, 2013, para. 4). Some argue that consumers could more effectively support a cause by going directly through the cause organization itself rather than through a business. These critics would claim that consumers should donate directly to the American Cancer Society rather than through the purchasing of NFL products. Author Cord Gaines states that in total only about "8.01% of money spent on pink NFL merchandise is actually going towards cancer research" (Gaines, 2013, para. 6). American Cancer Society then uses 71.2% of the funds it raises for research, narrowing down the money that goes to actual research even more (Gaines, 2013).

This is true of other campaigns as well. Since General Mills' trouble with the Yoplait "Save Lids to Save Lives" Susan G. Komen campaign, they have continued with campaign seeking greater transparency. However, when looking at General Mills as a corporation, their donation to the breast cancer cause remains less than one percent of net sales. In 2008, the company sales made \$10.1 billion. During that time, General Mills promised to give 10 cents to the cause for every lid that was mailed back with a \$500,000 minimum donation and a \$1.5 million maximum. Compared to the net sales, the maximum donation would only be .10% of the total. That is a tenth of a percentage point and hardly "a drop in the bucket" for a company such as General Mills (Selleck, 2010, p. 130).

Many have called the phenomenon "pinkwashing", a "quasi-philanthropic marketing strategy" in which part of the product proceeds go to support the Komen

Foundation (Selleck, 2010, p. 130). Author Laurie Selleck states the following: "When one considers it would take buying over 100 yogurts to make a \$10 contribution, the viability of pinkwashing for corporate America is revealed. Questions as to why consumers do not simply make a direct donation remain" (as cited in Selleck, 2010, p. 130-131). While consumers may feel as if they are doing good, the breast cancer cause would receive more funding if the corporation was taken out of the equation and people donated directly.

Some companies have integrated more action on the part of the consumer in order to combat this criticism. In January 2013, General Mills' made a public stance in support of the American Heart Association. According to the Cheerios website, "Studies show that three grams of soluble fiber daily from whole grain oat foods, like Cheerios cereal, in a diet low in saturated fat and cholesterol, may reduce the risk of heart disease" ("Happiness," 2015). General Mills' decided to tie this supposed health benefit of the Cheerios product with a cause by providing customers a code inside the cereal box. For a year, customers could enter the code from the box on Cheerio's website. For every code entered, General Mills made a \$1 donation to the American Heart Association "up to a maximum of \$100,000 for each entry" (American Heart Association, 2013). General Mills' required action on the part of the customer and made the donations a thoughtful process.

CRM requires a high level of public transparency in order to be effective. As previously mentioned, Bono's (RED) campaign partnered with companies such as Dell and Apple with a portion of proceeds going to the Global Fund. According to authors Wirgau, Farley, and Jensen, the campaign took the focus off the beneficiary African

citizens and placed it on the consumer instead (2010). By doing so, the RED campaign capitalized on suffering, while allowing consumers to buy products and pat themselves on the back at the same time. All the materials put out by the campaign seldom discussed how the funds were being distributed, to whom they were going, and how consumers could further get involved (Dadush, 2009).

Authors Wirgau, Farley, and Jensen argue that the premises of supporting causes through consumption are built on three assumptions (2010). The authors' first assumption is that CRM campaigns imply that people are not aware or paying attention to the needs of others or suffering in the world. The second assumption the authors make is that when others' needs are brought to the attention of the consumer, the consumer will respond in the most convenient way possible—through buying products. The third assumption is built upon the first two, concluding that corporations and businesses are the entities within society that should be handing out the aid (2010). Using these three assumptions, the authors build their case and critical discussion of the (RED) campaign. The authors as well as others within the marketing field are raising concerns about the effects of CRM on the definition of philanthropy. Authors Wirgau, Farley, and Jensen state that "philanthropy is a relationship between donor and recipient that is interactive and allows both parties to be givers and receivers" (Wirgau, Farley, & Jensen, 2010, p. 614). Some argue that CRM is not an interactive process but rather a process that is one-way. Consumers hand over money with little further thought, conviction, or action in regards to the advertised cause.

ALS Ice Bucket Challenge and Its Criticisms

Susan G. Komen's pink campaign focuses largely on a transactional, product-donation model between corporate sponsors and the nonprofit organization. However, physical products on a store shelf are not always inherent in the CRM model. The ALS Ice Bucket Challenge campaign that took place roughly between June and September of 2014 was a manifestation of the CRM approach, focusing on the connection between individual consumers and the non-for-profit ALS Association. The Ice Bucket Challenge took the online world by storm and became one of the largest viral caused-related marketing efforts during 2014.

The ALS Association, started in 1985, is an organization committed to treating and finding a cure for amyotrophic lateral sclerosis, or Lou Gehrig's disease. The ALS Association displays the following mission statement on its website: "The mission of The ALS Association is to lead the fight to treat and cure ALS through global research and nationwide advocacy, while also empowering people with Lou Gehrig's disease and their families to live fuller lives by providing them with compassionate care and support" ("About Us," 2015). According to the SLS website, 30,000 Americans currently suffer from the disease ("About ALS," 2015).

The basic premise of the challenge is that a family member or friend nominates an individual to either donate \$100 to the ALS Association or have a bucket of ice-cold water dumped on his or her head. The individual then has a set amount of time to complete the challenge and nominate other people in response. The Ice Bucket Challenge was not originally tied to the ALS cause. Before the widespread recognition of the challenge's tie to ALS, the challenge was designed to donate money to an individual's

cause or charity of choice. The Ice Bucket Challenge became linked to ALS after golfer Chris Kennedy selected ALS as his charity of choice to support a relative who is suffering from the disease. After he nominated the wife of the relative who was suffering from the disease, the small New York town that they lived in began to respond.

Through the publicity generated by the town's outpouring support, the campaign began to connect with individuals who were suffering from the disease and had a large following on social media. From there, the Ice Bucket Challenge movement supporting ALS took off (Sifferlin, 2014). As the movement grew, celebrities began to get involved, doing their own Ice Bucket Challenges. Pop singer Justin Bieber received one million "likes" on his Ice Bucket Challenge video on Instagram (Townsend, 2014, para. 3). President Obama participated by turning down the bucket of water and donating \$100 to the ALS Association ("Obama," 2014). Numerous other celebrities joined in the movement, including pop singers Justin Timberlake and Lady Gaga, Oprah Winfrey, and Facebook creator Mark Zuckerburg (Fishwick, 2014).

In a September 22, 2014 ALS press release, the organization announced that they had hit the \$115 million mark during the summer through the Ice Bucket Challenge.

The organization also experienced a "30 to 100 percent increase in registration" for the organization's Walk to Defeat ALS ("Ice Bucket Challenge," 2014). The numbers quickly revealed that the CRM Ice Bucket Challenge was a success. During the timeframe of July 29 to August 28, the ALS Association raised \$98.2 million. In contrast in 2013, the organization raised only \$2.7 million during that same timeframe (Townsend, 2014). The campaign heightened awareness on social media and other online platforms. During the summer of 2014, there were over 2.4 million ice bucket videos

uploaded to Facebook, 28 million ice bucket related comments, and over 3.7 ice bucket videos on Instagram (Townsend, 2014). Not only did ALS-related social media activity spike during the course of the campaign, but online search and website visits did as well. Data company Dataviz measured the number of ALS Wikipedia page visits during the duration of the campaign, and the results were staggering: "From 1 August to 27 August this year, the ALS Wikipedia page had 2,717,754 views. This compared with the 1,662,842 people who had visited the page during the whole of the preceding 12 months..." (Townsend, 2014, para. 12).

However, despite the heightened awareness through the course of the campaign, the ALS Ice Bucket Challenge must be critically examined as it poses some ethical concerns. The first concern inherent in this model is that not everyone who participated in the challenge was donating. In many models of the challenge, individuals would not have to donate if they soaked themselves with icy water (Townsend, 2014). One millennial blogger who has accused the Ice Bucket Challenge of breeding a level of narcissism with millennials writes, "Is avoiding charity the new giving to charity?" (Brave and Bold Thinking, 2014).

Others believe that the ALS promotes what is now referred to as "slactivism" or "activism without meaningful action" (Crandell, 2014, para. 9). Participants can compete in the Challenge without any personal sacrifice on their part. Also, the celebrity buzz around the campaign causes some to question the authenticity of such a viral approach to CRM and if the ALS organization will be able to transform one-time donations into repeat ones (Crandell, 2014).

A pro-life organization, the American Life League, has listed ALS as a cause "unworthy of support" due to its support of embryonic stem cell research. Carrie Munk, ALS Association communications and marketing officer, has stated that the "organization primarily funds adult stem cell research but also funds one embryonic stem cell study through contributions from a specific donor" (Crandell, 2014, para. 5). ALS embryonic research may continue to grow in the future. In order for donations not to go towards embryonic stem cell research, donors must specify that instruction on their donation.

As the ALS example shows, a criticism of supporting causes, especially those tied to disease-related research, is that the money may actually go towards something the consumer does not support. Ethical boundaries can be crossed, depending on the beliefs of the person supporting the campaign financially. This leads to an important ethical question: Is it the responsibility of the consumer to educate himself on where all the money will be going? Is it the responsibility of the nonprofit organization to be upfront? And what role does the corporation play in between these parties? While these questions are posed for consideration and for future research, this discussion does not attempt to answer the questions.

Still, others question the educational aspect of the campaign. Many people participated in the Ice Bucket Challenge but have the same level of knowledge they had about ALS as they did before (Crandell, 2014). While individuals may have participated in the Challenge, their knowledge base regarding the cause may not have expanded. CRM campaigns can come with unforeseen backlash as ALS experienced despite its overwhelming fundraising success. Critics have called the Ice Bucket Challenge campaign wasteful due to the fact that California, as of August, was in a phase 2 drought.

An article written by Long Beach Post estimated that "nearly 19,000 homes' daily water usage has been wasted" (as cited in Stevens, 2014). People took to Twitter, using the hash tag "#droughtshaming" to voice their criticism of the Ice Bucket Challenge in the middle of California's severe drought. While the ALS Ice Bucket Challenge did not involve product sales, it remains a variation of the CRM model, putting the focus on the consumer and encouraging immediate gratification through the feeling of doing good and potentially spreading the cause. This campaign took to social media, connecting with the millennial consumer through a platform that allows individuals to share the message easily. However, the definition of philanthropy may be in jeopardy, as consumers believe they are doing good by turning down the chance to donate to the cause and pouring a bucket of ice water on their heads instead.

Conclusion

Because CRM is a strategy that is loosely regulated, many corporate and nonprofit partnerships are left in an ethical gray area. In an American society where consumption is prevalent, it might seem as if even philanthropy would be a natural extension of it. While consumers may be more aware of a cause after donating through a product purchase, they may or may not be more educated on the cause and prompted to further action. Can consumption philanthropy be called philanthropy at all if the corporation is seeking a level of self-interest? Would consumers be better off donating directly to the cause? Many would argue that way.

This discussion poses questions for future research. Is it the responsibility of consumers to be educated on the donation details or is it the responsibility of the company? What information should the campaign be required to disclose? How will the

millennial generation continue to respond to CRM and the call to give back to society? The Susan G. Komen Pink Campaign and the ALS ice bucket challenge reveal the multimillion dollar successes of CRM as well as some ethical concerns for future consideration. Although CRM as a strategy appears to be beneficial to all parties involved, this strategy does not go without ramifications. Companies can bring a flood of negative publicity and media attention upon themselves when CRM campaigns take a turn for the worst. CRM campaigns also have the potential to impact purchasing behavior—both positively and negatively.

Research is now showing that CRM strategies can impact and alter the way consumers define philanthropy. Consumption as a means of raising awareness and supporting a cause may potentially discourage consumers from taking further action to advocate the cause on their own. However, a potential argument could be raised that some action is better than nothing. One person alone may not be able to stop world hunger, and yet, a CRM purchase could go to feed one. Others argue that CRM can detach and disengage consumers by promoting consumption as the only way to solve ills and injustices in the world. CRM is a popular approach as there are benefits to having businesses promote causes. However, the strategy also comes with drawbacks as many point to the fact that corporations exist to make a profit and not singlehandedly solve social ills in the process.

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