

Advertising Age®

Yes, There Is an ROI for Doing Good

But Numbers Are Hard to Come by for Efforts by McD's, Sears and Others

By [Jack Neff](#)

Published: May 26, 2008

Surely all the companies investing in cause marketing must be earning points in afterlife. Unfortunately, under both Delaware law and the tenets of most major religions, corporations technically don't have souls and hence aren't eligible for heaven.

And so the question remains, are they making any money at this?



Haagen Dazs' HDlovesHB aims to save shrinking honeybee population.

Cause Marketing:
[Top Advertisers Add Meaning](#)

It seems impolite to ask. But make no mistake: Though you might not always glean this by looking at the home pages of the consumer-products giants touting their latest philanthropic or earth-saving gestures, these are for-profit entities.

While the cynical outlook, repeated endlessly across the blogosphere, is that cause marketing is all about making money, perhaps the more mature, post-cynical outlook is, yes, of course it is, and, well, it should be.

Mike Hess, director-global research and consumer insights for Omnicom Group's OMD, New York, has spent his career quantifying the return on marketing investment for several firms and argues that not only should cause marketing have a positive ROI, it should actually generate a better return than other outlays.

Lacking numbers

After all, if cause marketing doesn't pay off at least as well as other approaches why not pour all that time and money into conventional pitches, avoid the complexity of roping a nonprofit into your brand planning, and just earmark some of the proceeds for donations?

Mr. Hess doesn't really know how well these programs stack up to others, because in nearly two decades working with marketing-mix models, no

to Marketing

P&G, Others Aim to Aid, Not
Invade, by Crafting Purposeful
Campaigns

Paul Bloom: Everyone's Waxing
Philanthropic These Days

But Cause Marketing Pays Off
If You Do It Right

one's ever actually had him crunch the numbers.

But he suspects cause programs may pay off considerably better than most ad campaigns. Having worked on two major meta-research projects on advertising effectiveness, he said the "coefficient" of cause marketing (i.e., the multiplier effect of the first year's sales lift) may well be higher for cause marketing than your ordinary TV ad because consumers' emotional connections in equating a cause with a brand may be stronger than the connections forged by other advertising.

Gregg Ambach, managing director of Analytics Partners, Cincinnati, hasn't run a model on a cause-marketing program, either, though he's a veteran of both Kraft Foods and Campbell Soup Co., where they have plenty of cause-marketing efforts and love of analytics.

But Mr. Ambach's gut (yes, even analysts have those) tells him some of these programs must pay off handsomely.

Fat payout

He recalled Campbell's Labels for Education program, which years ago would give a van to the school that collected the most labels. One school in Louisville, Ky., won three years running with more than a million labels each year, he said.

If even 5% of those labels represented incremental purchases because of the program, factored against the (likely discounted) cost of the van and tax write-off considerations, the program likely paid out without even counting all the schools that didn't win but still collected labels, Mr. Ambach said.

Running a marketing-mix model on that or General Mills' "Box Tops for Education" (also syndicated to marketers such as SC Johnson and Kimberly-Clark Corp.) is difficult, considering they've been around for decades, take place year-round and rely largely on entirely untrackable unpaid media, such as PTA meetings and letters home in book bags. But Mr. Ambach said such programs almost certainly pay out, especially considering the low investment.

P&G, whose decades-long commitment to the Special Olympics has helped move a lot of soap each January when the related consumer and retail promotions kick in, has in recent years been layering on a number of similar efforts.

These include shipping cases of Dawn to clean up birds slimed by oil slicks, starting with the Exxon Valdez spill in the late 1980s; the Crest Health Smiles 2010 program that provides dental care for urban youth, launched in 2000; and providing clean drinking water, tetanus shots for expectant moms and feminine products for schoolgirls (through Pur, Pampers, and Always and Tampax, respectively).

Continued success

Does P&G track the ROI for these programs? Certainly, according to people familiar with them. Is it divulging the details? No way.

"It would be difficult to say whether 'cause' marketing provides a higher ROI, because every brand is different," a spokeswoman said in an e-mail.

But it's unlikely that P&G, which measures everything, would keep reapplying the model across ever more brands if it didn't make money at least as well as other efforts.

In a January interview, Global Marketing Officer Jim Stengel said the Pampers program with Unicef has likely provided the best return among recent efforts, creating "a tremendous impact on our business. When you do it in the right way, with the right tone and the right authenticity, consumers reward us for it," he said.

One indicator of that is the recent rollout of the Pampers program in the U.S., which had retailer support strong enough for P&G to extend it two additional months. Advertising behind the effort provided the strongest copy-test scores for a pan-franchise "equity" campaign in the brand's history. With P&G's feminine-care program, the return may be even bigger, if harder to quantify ultimately. Beyond the goodwill generated by ads in the U.S., the product donations are developing markets for the brands in countries where none existed before and even helping break down trade barriers for some other P&G brands.

But, as with many of the cases below, the impact of cause marketing often gets measured -- or at least reported -- in fuzzy noncurrency terms, such as millions of media impressions generated or millions of people helped, rather than the hard dollars returned for dollars spent that data marketers increasingly try to generate for other programs.

And while spending money on heavier-duty analytics to measure the financial payback of these programs might look bad, it might not be. If more marketers knew conclusively that it paid to do good, they might just do it more often.

HÄAGEN DAZS

With no obvious connection, Häagen Dazs' support for the effort to curb the declining honeybee population might cause suspicion it is attaching its name to a timely cause to generate some positive, um, buzz. But upon further inspection, it becomes clear the brand has reason for backing this cause.

In fact, it has 30 reasons. That's how many of Häagen Dazs' 73 flavors contain ingredients pollinated by honey bees. The company refers to them as honeybee-dependent flavors and is tagging them with an HDlovesHB icon. Katty Pien, brand director at Haagen Dazs, said this marks the first time the brand has ever lent its support to a cause.

"From a brand perspective, it was important to take on a cause that was integrally linked to who we are," she said. "We didn't want to be another brand profiting from the latest cause of the day."

How serious is the ice cream maker about its campaign? Ms. Pien said it is seven-figures serious.

International press attention

The push began with a press release three months ago that was picked up in the U.S. by the AP, sparking coverage in parts of Europe as well as Japan and China. That was followed by national cable TV spots and one network TV spot that aired during "60 Minutes," which had done a story on the honey-bee population. Print executions also ran in the May issues of magazines such as Gourmet, National Geographic and Martha Stewart. All promotional material directs consumers to helpthehoneybees.com, where they can make donations and learn more about how to help.

In the June 9 green-themed issue of Newsweek, the marketer is running an ad printed on 100%-recycled linen paper embedded with flower seeds that consumers can rip out of the magazine and plant. The ad from Goodby, Silverstein & Partners, which will appear in regional markets including San Francisco; Portland, Ore.; Miami; San Diego; and Seattle, will sprout wildflowers, Ms. Pien said. For the PR effort, the marketer is working with Ketchum.

In store, it is launching a Vanilla Honey Bee flavor. A portion of the proceeds from the new flavor and all HDlovesHB-labeled flavors will go to the effort. The company has also donated \$250,000 to UC Davis and Penn State to fund Colony Collapse Disorder research as well as honeybee-sustainability research. Moreover, Häagen Dazs is visiting community gardening groups with the hope of issuing more than a million plant seeds to be used to grow honeybee-friendly gardens.

It's produced a big PR payoff. Ms. Pien said the campaign has generated more than 186 million media impressions since February, shattering its goal of 125 million for the year. While she had no exact numbers, Ms. Pien said the campaign has resulted in "a very healthy increase in our baseline volume in retail sales."

MCDONALD'S

If cause marketing has a granddaddy, it might just be the Ronald McDonald House Charities.

The fast-feeder opened the first Ronald McDonald House in 1974 in partnership with the Philadelphia Eagles and former Eagles tight end Fred Hill, whose daughter battled leukemia. McDonald's won't disclose how much it's raised, but says the return on investment is its perceived interest in children's welfare.



Ronald McDonald House Charities provides housing and care for sick children.

"We look for our partnership to better tell our story about how we really care about kids," said Heather Oldani, director-U.S. communications at McDonald's USA. McDonald's has "internal business tracking measures" to gauge consumers' feelings about the brand as well as the causes it's associated with.

Tania Haigh, a McDonald's U.S. marketing manager, said that awareness of Ronald McDonald House has consistently registered above 90% for the past five years, and "we're always trying to improve that."

As of 2006, the organization had a \$32 million budget, and the company said it has raised more than \$110 million since 2002. The company spent \$2.5 million in measured media to boost awareness of the namesake charity, according to TNS Media Intelligence. A key component of those efforts has been advertising right before the Super Bowl. Arc Chicago and DDB Chicago are the national marketing and advertising agencies for Ronald McDonald House.

Ms. Haigh said the spots, such as the one used in February, tell "heartfelt" stories about people whose lives have been touched by Ronald McDonald House Charities, which has three primary components: the 276 houses where people spend the night while children in their care are getting medical treatment; 123 Ronald McDonald family rooms in hospitals that allow families to stay near their children; and 32

Ronald McDonald Mobile Care programs that provide medical and dental care, among other services.

McDonald's uses several annual events to drive donations and boost awareness, including World Children's Day in November, when the marketer donates a portion of the profits from specific menu items. Customers may also purchase a "Give a Hand" for \$1. The chain also sponsors an annual McDonald's All-American basketball games, which recognize top male and female high-school athletes and include tours of Ronald McDonald Houses.

SEARS

Sears Holdings has a long history of charitable efforts, but last year it broke new ground with the launch of Heroes at Home.

A partnership with Rebuilding Together, Heroes at Home aids military families in need by the remodeling and refurbishing of their places of residence. In some cases, homes are made accessible for veterans who have suffered injuries, and in others, homes are simply refurbished to improve the family's living situation.



Sears Heroes at Home refurbishes and remodels army-family homes.

Don Germano, sponsor of Sears Holdings' military network and senior VP-general manager at Kmart, said the program represents an extension of the company's existing military-support program, which holds jobs for deployed personnel, among other things. It also plays to the retailer's theme of home renovation and maintenance. A media integration with ABC's "Extreme Makeover: Home Edition" has been an enormous success for Sears.

While the "Heroes" program has generated more than \$4 million in its first year, Sears is using a different yardstick for success. "The return on investment is really the program itself," Mr. Germano said. "It's knowing we're out there doing something that matters to our customers and associates."

Raising funds, awareness

Sears holds two fundraising drives per year. The first kicks off on Memorial Day and runs through the beginning of July, while the second is geared toward the holiday season. Customers can donate in store, online or by purchasing a Heroes at Home gift card.

Last year, 30-second and 60-second commercials featuring Army specialist Ryan Major, the first beneficiary of the program, ran in an effort to raise awareness. Y&R, Chicago, did the advertising; Euro

RSCG Worldwide, New York, handles PR.

"As we get into cause-related initiatives, it's humbling to see how generous our customers are," Mr. Germano said. "And our associates who are volunteering ... feel they are making a difference."

As the program grows, Sears is bringing on other companies whose products are carried at its stores to participate. Hershey will donate \$100,000 to the cause this year and sell chocolate kisses wrapped in flag-printed foil at Kmart.

LEXUS

This past September, Lexus Prestige Communications Manager Nancy Hubbell woke from a sound sleep, concerned that no one would participate in the automaker's about-to-launch cause-marketing initiative, the Lexus Environmental Challenge, which asks teams of middle- and high-school kids to create and implement environmental programs in their communities to improve land, water, air and climate conditions.

She needn't have worried. The automaker anticipated 250 teams would take part and instead got 350, representing 3,500 students.



The Lexus Environmental Challenge asks teens to create environmental programs.

Ms. Hubbell said Lexus chose to target future and not current drivers with this effort based on the feedback it got when it asked current consumers what kind of philanthropy program it should start. "[Our customers] said any way Lexus could 'pay it forward' would resonate with them," Ms. Hubbell said.

To promote the campaign, Lexus, in partnership with Scholastic, distributed books to students providing information about the program and drove them to scholastic.com/lexus to find out more about the contest, which awards over \$1 million in scholarships and grants to the winners. The two also e-mailed some 100,000 teachers about the effort.

To get its customers and 223 dealers involved, Lexus created a kit containing information on the program, a letter explaining the importance of getting people to take part in the challenge and a large stack of postcards for the dealers to send out to customers. Customers were encouraged to take those postcards to their children's schools and ask their teachers to visit lexuschallenge.com and consider taking part in the program.

Ferris Communications handled the PR component, and Team One managed the advertising element. Ms. Hubbell wouldn't discuss the cost of the campaign but said "administration/PR is definitely under

seven figures."

The return on investment? Let's just say Ms. Hubbell won't lose any sleep over it when it returns this fall.

~ ~ ~

Contributing: Michael Bush, Emily Bryson York, Natalie Zmuda.

Copyright © 1992-2008 [Crain Communications](#) | [Privacy Statement](#) | [Contact Us](#)