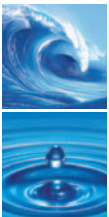


Business in the

Community

Brand Benefits

How Cause Related Marketing impacts
on brand equity, consumer behaviour
and the bottom line



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The case for Cause Related Marketing

Over the last decade, Cause Related Marketing (CRM) has played an increasingly vital role in the marketers and fundraisers toolkit. Whether the focus is the provision of school equipment, the relief of poverty, public health or overseas aid, the links between commercial brands and good causes continue to grow stronger.

Cause Related Marketing is not philanthropy or altruism. It is based on a recognition by businesses that linking with charities or good causes can be mutually beneficial. It is a way of addressing current social issues by providing resources and funding, whilst addressing business marketing objectives.

You might simply associate CRM with sales promotions, but it goes beyond that, taking in the entire spectrum of marketing activity - sponsorship, advertising, direct marketing, and PR for example. In essence, CRM harnesses what businesses do best - marketing their products and services - and links it to wider societal benefits.

CRM is intuitively appealing: it provides a win, win, win situation for all involved - for the business, the charity or good cause and the consumer. Two out of three people want more businesses to run CRM programmes - a clear call to action. But how well does it actually work?



What Is Cause Related Marketing

Business in the Community defines Cause Related Marketing as “a commercial activity by which business and charities or causes form a partnership with each other to market an image, product or service for mutual benefit.”

Brand Benefits - the scope of the research

To further understand the impact of Cause Related Marketing on companies and brands, Business in the Community undertook a major study in partnership with Research International, LightSpeed and dunnhumby. Brand Benefits is probably the most holistic CRM study ever carried out. We conducted the first part of the research in 2003 and talked to over 6,000 consumers - 4,000 in the UK and 2,000 in the US. We explored the impact of CRM on brand affinity, loyalty, and actual buying behaviour - and for the first time we quantified the impact on the bottom line.

The results show conclusively that CRM campaigns do work - they have an impact on brand affinity and in turn brand equity, as well as consumer perception, loyalty and actual buying behaviour. Also, CRM campaigns can have a greater impact on loyal customer spend than more conventional point-of-sale promotions.

What is Brand Affinity?

Brand Affinity is a measure of consumer identification with brands - the positive perceptions that help motivate people's buying decisions. Research International's model of brand affinity - developed over many years - enables companies to understand brands' appeal to customers in great detail and to devise strategies for improved performance based on this understanding.

A rising tide

The success of Cause Related Marketing is reflected in remarkable levels of consumer awareness. When prompted with a list of recent CRM programmes, 98% of UK and US consumers were aware of at least one - up from 88% in 2000. And with a growth in awareness comes increased participation - 83% in the UK, up from 68% in 2000. The level of participation in the US is slightly lower, at 73%, but still encouragingly high. These figures also show that companies are becoming better at converting awareness into participation.

Awareness of Cause Related Marketing by a company or brand leads consistently to higher affinity scores. These scores are based on benchmarked statements dealing with the brand's capacity to innovate, the level of trust it inspires, the extent to which it matches the customer's values and the level of endorsement it is seen as receiving. For example, affinity scores for Walkers Snack Foods in the UK reached 70% among consumers who were aware of the its Free Books for Schools programme or its support of Comic Relief - 15% above the scores it gained with unaware consumers.



Benefiting the bottom line

Affinity is an asset to any brand, but we wanted to demonstrate a direct link between Cause Related Marketing and the bottom line for the brands that use it. 7 out of 10 consumers who had participated in a CRM programme reported a positive impact on their behaviour or perceptions. Almost half (48%) said that they had actually switched brands, increased their usage of a brand, trialed or made enquiries about new products as a result of participating. Clearly CRM is a powerful way of reaching out to consumers and engaging them deeply and persuasively.

Courtesy of dunnhumby, Brand Benefits (2003) included an analysis of Tesco Clubcard customers, whose behaviour was tracked over the course of several CRM campaigns. During Persil's partnership with Comic Relief, sales of the brand rose 13% against the previous twelve weeks and 19% up on the same period in the previous year. With a 3% increase in Persil's market share over the partnership's duration, it's a clear demonstration of the power of CRM to deliver immediate bottom line returns as well as longer term brand benefits.



Exploring the benefits

In 2004 we conducted the second, qualitative part of the Brand Benefits study which was kindly sponsored by Tesco. Using consumer groups and accompanied shops, we explored in more depth the impact of Cause Related Marketing on people's perceptions and behaviour. This also involved gauging the real and immediate responses to current CRM programmes.

We found that people remain very enthusiastic about CRM, seeing it as a great way of supporting charities and good causes. The better consumers understand the partnership, the more positive they are and the more the partnership benefits brand equity. CRM can also encourage switching between products, when price, product and quality are equal. As one consumer said, "It wouldn't make me buy Shredded Wheat, because I don't like Shredded Wheat".



Shouting quietly

It's clear that Cause Related Marketing can have a significant impact, but it's not a magic wand: like any other marketing activity it must be planned and implemented well. Charity is a sensitive subject for many consumers - they want to know that a business is helping, not just meddling.

So you have to be very careful about how you promote your CRM programmes - shout too loud and

you'll lose the audience. As one consumer told us, "you don't want them in your face about it - that would make me cynical".

That doesn't mean you shouldn't talk about CRM at all - consumers want to know about your partnerships, they just want you to 'shout quietly'! You need to use difference, not volume, to stand out. And you need to use every part of the marketing mix to promote your CRM programmes effectively.



The four key rules

So how do you get the message across? The study identified a number of key rules to follow.

Ensure the link fits: the partnership must be easy for consumers to understand. The link between the company and cause must make sense and be clear, or the programme may be viewed with suspicion. Customers criticised “arbitrary attempts to come across all touchy-feely”.

Demonstrate the impact: the campaign must be seen to benefit the charity or cause. The people we talked to liked visual evidence of CRM benefits and ‘totalisers’ in stores or on websites to “help bring home the good you are doing”.

Live and breathe the relationship: CRM isn’t a quick-fix. You need ongoing commitment across the whole company. “Because [a programme] is short term it just looks as if it is trying to increase sales”, said one respondent.

Make it easy: “By making it so hard it is like they don’t want you to participate” - if your customers are thinking this your programme is unlikely to be a success. They want to help by doing things they already do, not by changing their everyday behaviour.

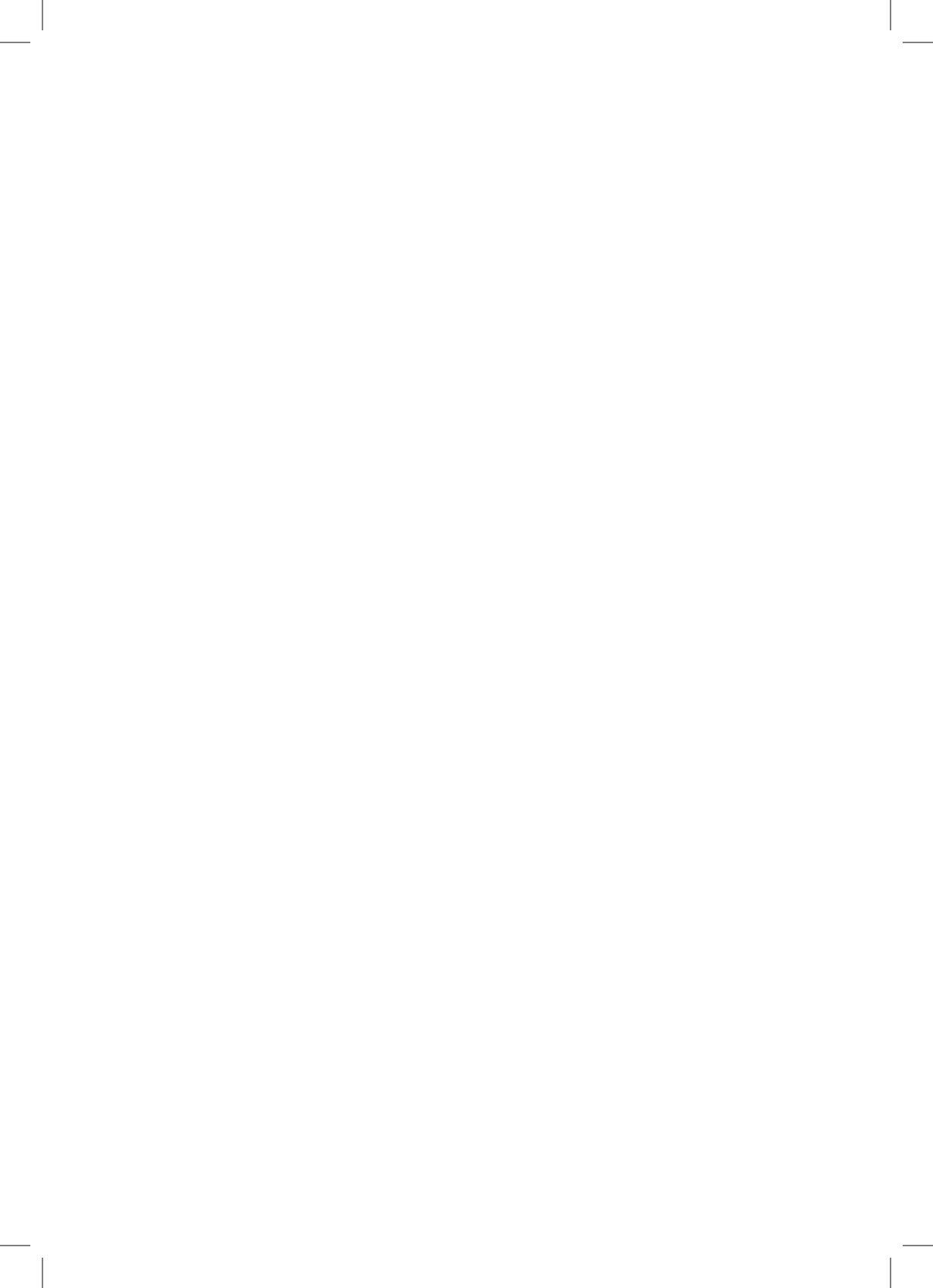
Get it right and consumers will listen and act. The Brand Benefits study shows that the mutual benefit that comes from an effective Cause Related Marketing programme is more than just a theory - it’s a tangible and growing asset to business.



Doing the right thing right

Tesco’s popular Computers For Schools programme, where shoppers collect vouchers to donate to schools, is an excellent example of a campaign that gets the rules of CRM right. The programme lets customers link the supermarket with its local community. By allowing the customers to hand over the vouchers themselves it gives them a sense of hands-on impact. It has been an ongoing commitment, having run since 1992. And it rewards shoppers for doing what they already do - shop. Our respondents agreed: “Tesco’s Computers For Schools is great. Groceries are all about families and children. It is a way that the supermarket can give back to the local community”.





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To find out more about the Brand Benefits (2003 - 04) study, our Cause Related Marketing guidelines, and CRM in general, please contact:

The Cause Related Marketing Campaign at Business in the Community
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or at **info@crm.org.uk**

A comprehensive list of past research and leading case studies is also available online at
www.bitc.org.uk/crm

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Business in the Community is a unique movement of 750+ member companies, with a further 2000+ engaged through out programmes and campaigns. We operate through a local network of 100 + business led partnerships and 60 + global partners.

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