



# SUPPORTING the CAUSE

**WHEN** was the last time you checked your company's "reputational capital"? The term — reputational capital — is basically the idea that a company's reputation has worth and can enhance its bottom line. Reputational capital is one phrase that Sharon Lucas, interim CEO of Philanthropy Northwest, says, "labels the current corporate philanthropy missions quite succinctly."

Long gone are the days when corporate philanthropy encompassed little more than writing a check. Today, the focus is on "cause marketing," which means a partnership between a for-profit company and a nonprofit organization that helps the company in some way while raising money and visibility for the cause.

Companies want long-term partnerships with charities or causes that are beneficial to both parties. This relationship can be beneficial to the for-profit firm in a variety of ways, ranging from team-building to branding to even a bit of feel-good publicity. All this can help increase a company's reputational capital.

There is nothing new about corporate giving. But this hybrid form of the process in which charitable acts are part of the corporate strategy is relatively new.

One early example is American Express Co.'s push to help restore the Statue of Liberty in 1983. For every charge on an Amex card and every new card issued, the company donated money toward the statue's restoration.

"American Express was really the first corporation to integrate cause marketing into their business model," says Cheve-

nee Reavis of Cone Inc., a Boston-based cause branding and issue management firm. "They saw a huge increase in card usage and new card issues during the campaign and then a huge drop-off after the campaign ended."

But Lady Liberty was no one-hit wonder. American Express has gone on to other cause marketing efforts, including experiencing a 15-percent rise in fourth-quarter profits with their 1996 Charge Against Hunger campaign.

## HELPING BUSINESSES SUCCEED

Closer to home, the cause marketing concept is being put into action by a number of local charities and corporations.

Children's Home Society of Washington is an example of a charity working to develop such long-term relationships with corporations.

"We never start with how a business can help us. We start with how Children's Home Society of Washington can help a business meet its goals," says Director of Development Jim Laugen. "We partner with companies like Windermere Real Estate, Wendy's International Inc., Schuck's Auto Supply and KIRO Television. Each company

## PHILANTHROPY

By Tracey Campbell Croisier

*"Cause marketing" is a popular way for charities and companies to work together to benefit themselves and the community.*

shares a commitment to helping Washington's children. How each fulfills that commitment is unique," says Laugen.

Unique indeed. Washington state Wendy's International Inc. franchises hold raffles for their customers, who for a \$1 donation get a chance to win an exotic vacation. The proceeds are donated to Children's Home Society. The raffle has been such a success that the agency and the restaurant chain have continued to expand their relationship.

Schuck's Auto Supply, a subsidiary of Phoenix-based CSK Auto Inc., has also been proactive about supporting local causes. The auto parts supply chain, with more than 130 Northwest stores, offers customers a 10-percent discount on their purchases during the summer months if they donate \$1 to support Children's Home Society. The program has been extremely successful, helping the nonprofit and encouraging return customers.

Children's Home Society remains involved with the companies too, visiting each store that takes part, throwing parties for employees and rallying interest for the various campaigns.

Another Schuck's program is its annual automobile calendars that are sold to raise money for the Boys and Girls Clubs of Greater Washington. The proceeds from the calendar sales go to the clubs, and included on each month of the calendar are Schuck's coupons that bring in customers, allowing the promotion to

help both the company and the nonprofit.

Another example of corporate giving can be seen at Windermere Real Estate. Since 1989, the real estate services company has been sponsoring the Windermere Foundation, a nonprofit organization that collects contributions from company agents, employees and the public to be distributed to the homeless and low-income families. In recent years, the fund has collected more than \$1 million annually.

On the soft-dollar side of things, Windermere agents dedicate one day each year to paint and spruce-up Children's Home Society buildings.

### LONGSTANDING PARTNERSHIPS

A different kind of partnership is at work at Seattle's Lighthouse for the Blind.

The group is in a unique niche: a nonprofit organization with \$30 million in sales, 160 employees and a pressing need to raise funds. For decades, Lighthouse has developed a close relationship with The Boeing Co., helping to build the firm's jetliners.

"We manufacture aircraft parts for Boeing with blind and deaf-blind machinists using specially-adapted manufacturing equipment," says Kirk Adams, the Lighthouse's director of resource development. "Our relationship with Boeing has provided high-quality employment for thousands of blind people in our community since the early 1950's."

Adams says, in his experience, the Lighthouse has always been about long-term relationships. That is key for the organization's success because of their employees' special needs.

"We have many expenses other manufacturers do not: special training, sign language interpreters, and expensive Braille computer equipment," says Adams.

For Preston-based Talking Rain Beverage Co., partnering with Costco Wholesale Corp. to help United Way five years ago made perfect sense. Talking Rain's Vice President of Marketing Nina Morrison

says, "when we started the campaign, we did envision a long-term partnership."

Talking Rain, which is known for sponsoring more than 450 sporting, cultural, and educational events each year, has long been a leader in cause marketing in the Northwest. The company has relationships with The American Diabetes Association, The Susan G. Komen Breast Cancer Foundation and the Patrons of Cystic Fibrosis, to name a few.

The company's United Way campaign is strikingly simple: for every case of ICE beverages, a carbonated drink, that is sold at Costco, Talking Rain donates 25 cents to United Way.

"The beauty of the program is that we write checks to the individual chapters [of United Way]. All Costco ICE sales in King County go directly to the King County United Way," says Morrison.

Since 1999, the ICE campaign at Costco has raised more than \$250,000.

"There are minimal costs for us, no costs for Costco and no costs to the consumer. This is a win-win program," says Morrison.

### A NATIONAL MOVEMENT

Talking Rain's success wasn't a fluke. Similar campaigns across the country have reaped rewards.

The Coca-Cola Co., for instance, ran a campaign to raise money for Mothers Against Drunk Driving (MADD). It donated 15 cents to MADD for every case of Coke sold at Wal-Mart Stores Inc. During the campaign, Coca-Cola saw a 490-percent increase in sales at Wal-Mart.

Steve's Homemade Ice Cream Inc. marketed Make-a-Wish ice cream bars

to benefit the Make-a-Wish Foundation. During the campaign, ice cream bar sales rose 78 percent and corporate profits rose 43 percent.

These campaigns reflect a growing consumer desire to vote with their checkbook. According to the 2002 Cone Corporate Citizenship Study, 84 percent of those surveyed said they would be likely to switch brands to one associated with a good cause, assuming price and quality are similar. By contrast, in March 2001, only 54 percent of those polled said they would switch brands to support a cause.

According to another recent survey, a company's reputation for giving can also be a key factor when employees are looking at job offers. The survey, released by Deloitte & Touche USA LLP in October of this year, found that 72 percent of employed Americans would choose to work for a company that supports charitable causes when deciding between two similar jobs.

The survey also found that 92 percent of Americans say it is important for companies to make charitable contributions or donate products and/or services to nonprofit organizations in the community. Some 87 percent of those surveyed say it is important for companies to offer volunteer opportunities to its employees.

The survey's results found that workplace giving and volunteerism improve morale among employees and are important in creating an environment where employees feel they can connect with one another.

### GIVING, THE EASY WAY

Because of the interest among employees, corporate volunteerism and giving programs have been expanding in recent years.

But for those companies not sure how to start, eBay is offering a high-tech answer, with its "Giving Works" program.

Giving Works functions on two levels. First, there is a direct selling model. Nonprofits can sell items on eBay and raise funds directly.

The second option is community-based. Any company can sell an item on eBay and specify the proceeds of the sale go to a nonprofit of their choice. eBay currently has more than 3,500 nonprofits registered in their directory.

EBay's fees are structured no differently than for standard auctions, at 3 percent to 7 percent of the sale price. So far, the program has been a major success.

*Tracey Campbell Croisier is a Seattle-based freelance writer.*



**Lighthouse for the Blind employee Phil Quibodeaux (top) sits at a station in the Lighthouse machine shop measuring the dimensions of a metal part for the Boeing Co. The Lighthouse's Gene Berg (left) works at a modified milling machine that helps visually-impaired workers cut and shape metal parts. On the opposite page, Lighthouse employee Jim Smith works at a computer system.**

