

Is Corporate Advertising with a Social Agenda Altruistic or Primarily a Profit-Making Marketing Strategy? BY JUDITH SCHWARTZ

ONSIDER THIS: Your breakfast cereal has the American Cancer Society logo on its box. Does this mean your cereal will reduce the chance of your getting cancer? 60 percent of consumers think so. The American Heart Association logo is on 700 products from 60 different companies but it's not on your product. Do you think the product doesn't meet AHA standards? The American Heart Association allows manufacturers to put the AHA logo on products for a one-time "contribution" of \$2,500 plus \$650 per year.¹ They give out exclusivity agreements so that no

other companies with similar products can get the logo. Still, these charities claim they don't make product endorsements even though evidence shows otherwise.

Cause-related marketing is a creative strategy that ties a company and its products to a social issue or cause with the goal of improving a weak public image, boosting sales; while providing benefits to a worthwhile charity. Cause marketing is the fastest growing form of sponsorship and is on the rise. In 2000, American business spent over \$700 million on ads and events espousing their commitment to social concerns, \$575 million more than 1990.² A Roper Starch Worldwide poll has concluded that cause marketing influences consumers, their perception of brands and their purchasing decisions.

Socially conscious advertising has affected mainstream corporations as well as companies who are known for their "grass roots values." Corporations seem to have one goal in common—to increase their profits through advertising. Many go one step further—their cause becomes their mission statement. For example, Kenneth Cole is known for its involvement in AIDS awareness. Causes chosen for advertising campaigns tend to be based on universally accepted, non-controversial issues, since the more popular the cause, the higher the profit. For example, the most visible marketing trends of the '90s were those focused on wildlife and nature. Some other "hot" causes that bring in high market shares are women's and children's issues, literacy, homelessness, human rights, AIDS, drug prevention, mental and physical disabilities, and racial harmony.

When asked what she would do with her million dollars, in the final round, Tina Wesson, the winner of the 2001 game show *Survivor* said she would put money into a fund and donate the yearly interest to a worthy cause. It is possible that this influenced voting in her favor. Marketing social responsibility plays to people's emotions and hearts and has caused controversy, negative criticism, and charges of exploitation.

There are those who feel that this type of marketing is in a company's self interest, while others feel that it is a sincere effort to "do good." Ann E. Kaplan, research director of Giving USA, which tracks contributions says, "Companies by their nature are not philanthropic. They are giving to advance their business interests."³ On the other hand, Carol Cone of Cone Communications, a strategic marketing firm in Boston, disagrees, "A good cause-marketing undertaking is a win-win proposition for both parties."⁴ Recent research by Cone Communications has found that nearly two-thirds of American consumers report that they would be likely to switch brands or retailers to one associated with a good cause.

NICHE MARKETERS

Certain companies are at the highest level of corporate conscience — their consumers recognize their brand for being sympathetic to various humanitarian causes. These companies create this niche for themselves. Their company executives are products of the counter culture and baby boom generation; they set up their businesses to reflect their grass roots values and convictions and tend to be idealists. Examples of companies that fall into this category are Ben & Jerry's, The Body Shop, Working Assets, Tom's of Maine. Their products and advertising strategies all coincide with their brand's ethics.

Ben & Jerry's

In addition to ice cream, Ben & Jerry's is best known for bringing sixties values to today's business world. They give a percentage of their pretax profits to charity and support social causes such as rain forest preservation, the peace movement, helping minorities and the disadvantaged.

Lesa Ukman, president of International Events Group, a Chicago-based research firm that tracks sponsorships, called Ben & Jerry's "the quintessential cause marketer." "They've created their own niche, doing things that are radical instead of chic. Instead of supporting a children's hospital, they supported peace,"⁵ she said. In the '80s they introduced a product called "peace pops" as part of a campaign advocating massive reductions in the military budget.

On the other hand, there have been lots of bad press when it comes to Ben & Jerry's. Investigative journalist Jon Entine, formerly of *Prime Time Live*, wrote, "This is all about campaigns to create a marketing image for the company. General Motors sells sex to sell their cars, Ben & Jerry's sells idealism to market their ice cream. Ultimately, it's exploitative"⁶

Ben & Jerry's Rainforest Crunch was meant to raise the consciousness of consumers about the destruction of tropical rain forests. Its' label read "money from these nuts will help Brazilian forest peoples start a nut-shelling cooperative." In actuality, they purchased less than 5% of their nuts from the "nut-shelling cooperative" and soon they stopped selling nuts entirely. However, the label remained on ice cream containers claiming that the nuts came from a co-op of "forest peoples" in Brazil, when they were actually being harvested by non-Indian Brazilians. This wasn't resolved until Jon Entine did an exposé in 1994.

It's not hard to be cynical about Ben & Jerry's, as CEO Jerry Greenfield is fully aware, "It's natural when a company is trying to do good things that people will be skeptical. They've been trained by business to think that business is just about self-interest."⁷ Jerry claims the press have always idealized what they were trying to do, and have blown the mistakes out of proportion. In spite of all of the criticism, Ben & Jerry had built a national franchise, spread across 15 countries, of \$174 million in sales by 1997.

The Body Shop

The Body Shop is known for beauty products that use natural ingredients. The company was founded espousing strong ethical principles and is a symbol of corporate responsibility. As founder, Anita Roddick puts it: "Profits are an integral part of the business, but you do something more, beyond your own accumulation of material wealth. You do something more which spiritually enhances you or educates you."⁸

The Body Shop has sponsored everything from tree-planting programs to a Save the Whales campaign with the environmental group Green Peace. They have been active in a crusade to stop the testing of cosmetics on animals as well as being involved in a number of human rights issues through Amnesty International. The Body Shop's advertising campaigns are geared to women, who form 90% of their target market.

This being said, there have been many exposés that have been detrimental to the Body Shop's reputation. In 1992, an NBC documentary questioned the company's policy on animal testing and their sincerity towards environmental and social issues. Anita Roddick sued for libel and won more than \$400,000 in damages.

In 1994, Jon Entine wrote an article in Business Ethics magazine called "Shattered Image" revealing that "The Body Shop sells expensive mediocre products filled with petrochemicals (according to Consumer Reports and other independent journals); has a history of penurious charitable contributions; misrepresents its ethical trading practices; and struggles with troubled employee and franchisee relationships across the world."⁹ After these charges of exploitation, The Body Shop's stocks plunged.

Later, an independent research group concluded that Entine's charges were "broadly unfair,"¹⁰ though other independent research published corroborates many of Entine's conclusions. After keeping a low profile in the United States, in 1995 The Body Shop experimented with print and radio ads geared towards issues such as self-esteem in

women and in 1996, for the first time, the company increased their U.S. promotional budget by 75% to \$7 million and selected Goodby, Silverstein & Partners, San Francisco, to handle their account.

PASSION BRANDERS

Carol Cone, of Cone Communications, calls companies with a long-term commitment to a cause "Passion Branders." They not only raise money, but are deeply involved in their causes."¹¹ McDonald's is an example of a long time passion brander. Ray Kroc, founder of McDonald's, was one of cause marketing's first advocates. "He created a corporate ethos that still stresses things like local scholarships, environmental clean up programs, and Ronald McDonald House, where families of hospitalized children can stay while a child is being treated."¹² McDonald's charities have helped hundreds of organizations dedicated to helping children. Passion Branding goes beyond a marketing program, it defines who the company is and the kind of relationship they have with their consumers.

Avon

Joanne Mazurski, director of Worldwide Communications for Avon Products, says "Passion Branding goes beyond a marketing program. It becomes an umbrella for the kind of company you are and the kind of relationship you have with your consumers and sales reps."¹³ Avon's Breast Cancer Awareness crusade is the largest corporate supporter of breast health programs in America. The creative strategy "Take The Pledge" which has raised over \$100 million worldwide, was designed to educate women about breast cancer and to provide more low-income, minority, and older women access to early detection services. The crusade was promoted through Avon catalogues, television spots, and consumer ads in major women's magazines.

Breast cancer coalitions have expressed concerns that more money should be spent on research and less on corporate images.

Reebok

Reebok is a Passion Brander that has extended its corporate commitment to a controversial issue—human rights. It began in 1988 with sponsorship of a musical tour featuring pop artists, including Sting and Bruce Springsteen, to raise funds for Amnesty International. The artists wore Reebok athletic shoes on stage and the company incorporated the human rights theme into its "Reebok let UBU" advertising. Reebok's website portrays the company as a promoter of human rights in the Third World. However, they have been criticized for hypocritically employing Indonesian workers for twentyfive cents an hour. Reeboks' contract work overseas is being scrutinized for allowing poor conditions. "The company's contracting factories in Southern China are riddled with wage, hour, and health violations, and Reebok continues to exploit child labor in Pakistan, despite a public pledge to put an end to the practice."¹⁴

Many other clothing and shoe companies have been accused of similar contradictions. Nike has been the target of many boycotts, repeated media investigations, and international protest. Nike's "Let Me Play" award winning campaign by Weiden and Kennedy that portrayed girls in a positive light backfired when women's groups came forward to publicize the exploitation of women and girls in Nike plants in Vietnam, China, Korea, and Indonesia.

Levi Strauss, a company known as being socially responsible, promotes itself as a "people before profits" business. They partnered with the 1998 MTV Video Awards to launch their celebrity Levi's® Original Spin program. The jeans were auctioned off and the proceeds went to "Peace 2000," whose primary objective is to establish internal peace in youth communities everywhere. "Meanwhile, they are running some of the worst sweatshops in the developing world."¹⁵

Benetton

The clothing company Benetton persists in running highly controversial and often offensive ads that portray social and political issues. They have experienced consumer and media boycotts around the world, but continue to run campaigns which earn them sales and free publicity.

Their 'journalistic' campaign style, created by advertising director Olivieri Toscani, has caused controversy since its inception in 1984. Benetton's 1984 campaign began with "The Colors of the World," which consisted of a series of photos of ethnically diverse children playing together. Then came Benetton's International theme, "United Colors of Benetton," which portrays people from all walks of life joining hands. Since then, some themes for Benetton ads have contained images of poverty, photographs of dying AIDS patients, Albanian boat people, and an African gorilla grasping a human bone. As part of their AIDS campaign, on World AIDS day they distributed condoms in collaboration with Act Up (the AIDS activist group). *Colors Magazine* is a visual magazine published by Benetton presenting an atypical perspective of the world focusing on topics such a racism, AIDS, multiculturism, health, and educational issues targeted to young people aged 14-20.

In an article by Hugh Aldersey Williams about *Colors Magazine*, he says, "There are many contradictions in the position Benetton has taken in its publishing and advertising."¹⁶ He goes on to prove that the company fails at following its own advice or living up to its moral ideals. Williams gives examples of Benetton's hypocrisy such as using the image of oil-soaked seabirds and then featuring their involvement with motor-rac-

ing activities in an issue of Colors Magazine.

The advertising world has been extremely critical of Benetton campaigns which has given rise to ongoing debate. According to Jerry Della Femina: "This is desperate advertising." He suspects that the real aim of the Benetton AIDS ad is free publicity. He blasts Benetton ads as "sensationalist garbage."¹⁷

Benetton's ad campaigns have one of the highest international profiles. They spend \$80 million—4% of their annual budget—on advertising to promote themselves world-wide, and do no market research for their ad campaigns.

IMAGE BUILDERS

"Image Builders" are corporations who use marketing strategies to enhance their reputations, to increase profits, and to possibly defuse negative publicity. "Image Builders" support the arts, sponsor events, or donate money to cause-related organizations. There are motives as to why companies participate in cause marketing. Image advertising seeks to show that the corporation has a human side, persuading the public that they care about people and issues.

Denny's

In some instances, corporations that have been sued try to enhance their image through a socially conscious advertising strategy. The restaurant chain Denny's was charged with discriminating against their African-American clientele and in 1997 they paid a \$46 million settlement.

The solution to win back their reputation was a diversity campaign. Denny's restaurants, Spartanburg, South Carolina, launched a \$5 million TV, radio, direct mail and print campaign created by Chisholm-Mingo Group targeting African-Americans. These ads promoted a national dialogue about race: "Diversity. It's About All of us."

Lewis Williams, a vice president of Leo Burnett U.S.A. in Chicago stated in an interview that these ads are public relations disguised as advertising. "Denny's is trying to rebuild their public image to the community." His reply when I asked if he thought it was working was, "I don't think so, they don't go in and stay in," alluding to his belief that there is not a deep community involvement. He offers McDonald's as a good example of a company with a long term commitment to their community "way before it was a trend to do so."¹⁸

Denny's diversity efforts received national recognition in March 1998 when the CBS news show, *60 Minutes*, ran a story on Denny's diversity training. The program cited Denny's as a model for other corporations.

Lewis Williams, disagrees: "I think it is a good idea for a company to promote diversity, however in Denny's case, it was a little too late. The timing of such an effort made them look more than suspect. Texaco was put in the same position. These were basically public relations efforts or old fashioned damage control."¹⁹

Chevron

Chevron, the oil company situated in San Francisco, has been involved in and has lost numerous court cases—from being sued by workers in their oil refineries due to poor health conditions, to The San Francisco Public Utilities Commission (PUC) filing a lawsuit against them to force them to move a pipeline for fear that it would split in an earthquake and contaminate drinking water for the 2.5 million Bay Area residents. One day Chevron publically announced that they would move the pipeline, the next day they were in court trying to block San Francisco's attempt to force the removal.

When asked why Chevron had been refusing to budge on the issue, Marion Otsea, chairwoman of the San Francisco Public Utilities Commission replied, "because they're Chevron, and People Do"²⁰—evident sarcasm directed against the semi-documentary style advertising campaign Chevron adopted to promote its environmental record worldwide.

Many advocacy groups have questioned whether Chevron's "People Do" message misrepresents the facts. According to the UCLA program in environmental geography "Chevron did the things it is advertising in the campaign because it was compelled by court action, not altruism"²¹

Jonathan Polansky, the creative director for The Public Media Center, San Francisco, commented about the ads in an interview. "Chevron's "concern" is compelled by federal and state law. Chevron is simply trying to get some PR mileage out of what it must routinely do to ameliorate some of the damage its operations cause in the U.S."²²

Research conducted has shown that the ads have had a positive impact and have resulted in increased sales of Chevron gasoline.

Komen Race for the Cure®

BMW, Buick, Ford, and General Motors have focused on campaigns for breast cancer research and participated in the "Komen Race for the Cure®." Ford Motor Company has participated in this effort for seven years and has donated over \$10 million to the cause. They have publicized their partnership with "The Race" nationally, which enables consumers to see them in a very personal and human way. Research indicates that there has been an increase in female consumers since the breast cancer initiative began.

General Motors has seen a positive shift in consumer opinion of its brand since being involved in fundraising for breast cancer. 30% of consumers are now more likely to consider purchasing a GM vehicle since General Motors became involved in the "Concept Cure" campaign. Meanwhile, socially responsible investors have left companies such as Ford and General Motors off the list of social investing because of their involvement in military contracts or ties to South Africa. General Motors has been noted for poor working conditions in their factories, low wages, and each have been noted for contributing to environmental problems.

Both companies launched advertising campaigns to prove they are responsible caring corporations dedicated to protecting human health, natural resources and the global environment. They have each partnered with various environmental organizations and donated millions of dollars to fund conservation efforts.

Starbucks

Starbucks, the coffee company which originated in Seattle, has been around for over twenty five years. CEO Howard Schultz claims that his company doesn't have political leanings. "Contributing positively to our communities and our environment" has long been part of Starbucks' stated mission. ²³

Starbucks has won industry accolades for its partnership with CARE, an international relief organization that sponsors health, education and other humanitarian aid projects. Jon Entine claims they began the campaign only after an exposé he wrote for the Chicago Tribune stating that Starbucks was buying beans from Guatemalan suppliers who paid workers \$2.50 a day.²⁴

Starbucks launched their partnership with CARE in 1991 and committed to annual donations of \$100,000 as well as integrating CARE into every aspect of Starbucks' business. Starbucks liked the idea of giving back to coffee-origin countries through CARE. They have featured CARE in in-store promotions, articles in their magazine and have organized benefit concerts for the charity. There is a Starbucks brochure entitled "A World of Coffee," with a map of countries from around the world where they buy their coffee. This marketing strategy has been instrumental in Starbucks' success.

More recently Starbucks felt a backlash from nonprofit organizations. A Chicagobased group of Guatemalan labor activists leafleted that coffee workers who were on Starbucks' payroll worked under inhumane conditions and earned only two cents a pound, while Starbucks sells the beans for \$9 a pound.

'Starbucks Commitment to Do Our Part,' was the company's defense outlining their beliefs and aspirations—setting short-term commitments for helping to improve the quality of life in coffee-origin countries. The Starbucks Foundation was set up in 1997 in addition to an Environmental Committee—a group that looked for ways to reduce and recycle waste as well as to contribute to local community environmental efforts.

Starbucks went mainstream with an advertising campaign developed by Goodby, Silverstein & Partners, San Francisco. Scott Bedbury, Starbucks senior VP-marketing believes, "advertising can help address the issue of Starbucks backlash."²⁵

To add more controversy,—Starbucks' has partnered with Phillip Morris. In 1998, Kraft foods (owned by Phillip Morris) and Starbucks announced a licensing agreement to accelerate growth of the Starbucks brand into supermarkets across the United States. Many consumers question buying food from a tobacco company.

PROS AND CONS OF CAUSE MARKETING

• Cause-related marketing proceeds are mainly directed to large, visible causes that appeal to a private-sector constituency. Less "marketable" but equally worthy causes may not benefit.

• There are risks in pursuing cause-related marketing campaigns. If a company supports a particular cause, they risk alienating market segments that oppose the cause.

A nonprofit's credibility could be damaged if alliances aren't chosen wisely.

• Charities have become cynical about corporate support that is "hit and run" and 100% self serving.²⁶ "Insincerity may turn to "causeploitation" just as green marketing for some companies turned into "green scamming," says Carol Cone. (Green scamming is exploitations of environmental marketing)²⁷

• Corporations are looking to "own" causes, by setting up 501(c)3 organizations benefiting themselves tax wise, rather than support existing nonprofit organizations.

• Corporations are "insincere" because they donate such a small fraction they earn from the campaigns. Companies put a cap on the amount they will donate, but they don't tell consumers when the cap is reached.

ALTRUISM OR EXPLOITATION

Is there such a thing as true altruism when it comes to business? From all of the evidence I have gathered, my conclusion is "No."

Evidence shows that companies are doing socially responsible advertising to stand out from the crowded market. For example, a company which is involved in a breast cancer awareness campaign helps to connect them to female consumers. Most marketers admit that by doing so they are creating a brand and that their main interest lies in profit margins. As far are they're concerned, there is everything to gain and nothing to lose.

The consistency of consumer opinions strongly signals that cause programs are not a passing 'fad' but rather have become 'must do' for brands seeking to strengthen relationships with their customers, employees, communities, and business partners.

Some critics feel that cause marketing is opportunistic, a chance for companies to get cheap publicity and the appearance of social responsibility with relatively little investment. Companies are trying to persuade the consumer to buy their products by portraying themselves as having progressive value systems similar to their own.

As Larry Keeley, president of Doblin Group, a Chicago-based design planning firm, puts it, "Companies are using brief philosophical statements which have nothing to do with their products as a means of marketing the company and brand."²⁸ Larry Kelley has coined the term "Philofrags," a term which means fragments that suggest the "company is full of caring, concerned and thoughtful people who have their hearts in the right places."²⁹ Though, companies are taking partnerships to a new level. In many instances the philosophy of the corporation is becoming the brand image rather than just a slogan or "philofrag."

For years, museums have partnered with corporations. Still, examine corporate partners like General Motors, Exxon, or Phillip Morris, and the damage they have done to our environment, the dangers of tobacco, the lawsuits against these companies for their business practices, the controversy surrounding them.

Phillip Morris has sponsored art exhibitions, museum publications, and literacy campaigns. They donate money to "good causes," but does the public really feel any better about them? Instead, people are acutely aware that Philip Morris is a huge capitalist conglomerate dominating force in the tobacco industry.

On the other hand, companies like Chevron and General Motors who are doing this type of marketing to enhance their image—not for altruistic reasons—actually "do good." Society does benefit. The groups they support do benefit.

However, it is ultimately about the bottom line, not trying to raise consciousness or benefit society. In business, no matter how emotionally involved in a particular cause a company might appear, or how loudly they preach about values, in the end the bottom line is profit and self-interest.

NOTES

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