

BE SMART ABOUT DOING GOOD

Karen Di Prima
Business Woman
March 2007

Giving to charity is good for the community and good for your business, but like any business expenditure, charitable support should provide a return on investment to demonstrate value. “Cause marketing” is still marketing, and should be scrutinized as closely as every other item in your marketing budget.

Companies that leverage cause marketing successfully evaluate requests for charitable donations from the perspective of what makes good business sense. To make sure your decisions are in the best interests of your business, follow these five steps:

1. Face facts

Before you know **how** you’re doing, you need to know **what** you’re doing. Make a complete list of the precise amount and to whom you give each year. Answer these questions for each entry on your list:

- What did you receive in return for each contribution? (An ad – how many people saw it? Signage? Where? How many times was your company name mentioned?)
- What connection does your company have to the charity?
- Can you attribute new clients, new business, increased foot traffic, phone calls, or other positive outcomes as a result of your contribution?
- Based on the results obtained, would you sponsor or donate again next year?

Your responses to the above questions may bring some unpleasant truths to light. Possibly your contributions were spread too thin to make an impact on the charity, or to effectively fulfill your marketing objectives. Are you giving money to causes that have no relationship to your business, or worse, may support causes opposed to your corporate mission or work? How many contributions have you made as a result of pressure from clients? Does the work you receive from those clients justify the amount of the donation?

2. Make it make sense

- Determine what amount your business can comfortably afford to give.
- Decide what benefits you want to accomplish with your support, including non-tangibles like corporate credibility, brand awareness/differentiation, client loyalty and employee pride and retention; and tangible goals such as specific publicity and media placements, increased sales and greater company name recognition.
- Select a charity or cause that aligns with your stated marketing goals and that reinforces what your company stands for in the marketplace. Look for natural synergies with your products or services and the audiences you are trying to reach. Align your business with a charity whose mission will resonate emotionally with your target audience. Then make sure your audience is aware of your relationship through public relations strategy and promotional tactics.

3. Don’t be an also-ran

Give as much as your budget allows, but keep your ultimate objectives in mind. To make the best use of your marketing dollars, it is most effective to funnel your total budget or a substantial portion of your budget into one charity, preferably one that is well-regarded and with an established reputation. Strive to attain “headliner” status. Your contribution will not only have a greater impact on the cause, it also will give you greater leverage to negotiate what you want in return (see below).

4. Negotiate to your advantage

Insist on a contract that specifies what your company will receive in exchange for its support, and utilize the contract as a starting point to discuss what else the charity can do to help you meet your marketing objectives. Most nonprofit organizations are very willing to work with you to meet your needs. Savvy organizers will recognize that your demands will provide insight on how to attract other contributors in the future. Depending on the size of your commitment, just about everything can be negotiated, including sponsorship exclusivity, premium ad placements, website banner ads and links and educational seminars.

5. Assign Accountability

Request periodic reports from the charity and make sure you are tracking their progress as well. If you are sponsoring an event, for example, keep tabs on the number of attendees who have signed up, and make sure you are aware of and agree about how the charity is promoting the event. If you have provided mailing lists for invitations, randomly poll the invitees to make sure they have been notified. You should request to receive copies of ads that are placed, to have the opportunity to review proofs of proposed signage, and to be notified as to the schedule of radio or TV promotions. Check the charity’s website to make sure reciprocal links are working. Ask your clients and customers whether they are aware of your sponsorship.

To determine return on investment, calculate how many times your company name and logo will be seen, how many hits your website and the charity’s website receive, whether any media coverage was generated, and what business has resulted.

Giving back should be a win-win for all involved. Make sure that your investment makes a difference to a worthy cause, but also works with your corporate mission and marketing goals.