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Cause Commerce:
THE CASE FOR ALIGNING CORPORATE AND CONSUMER INTERESTS

Rob Densen

With case studies by:
Robert Finn
Cathleen Stahl

It isn't easy being in business today. Across industries, consumers expect the highest level of ethical behavior, community concern and customer care. The good news? Companies that can meaningfully demonstrate those qualities will win the public's confidence, loyalty and business.

Late in 2002, I informed my then 11-year-old son, Sam, that after 20 years on or associated with Wall Street I planned to start a consulting company that would work with major corporations on implementing "CSR" programs. Sam asked whether I had the necessary medical training.

Good question. A guy could get a hernia trying to budge Corporate America down the road to enlightened self-interest.

Sam's response unwittingly underscored some of the vocabulary issues in this emergent category. There are so many descriptions floating around the doing-well-by-doing-good space — corporate social responsibility (CSR), cause marketing, affinity marketing, cause branding, advocacy marketing, strategic giving — all in search of a common definition. In fact, meetings of cause marketers remind me of our annual family reunion, which brings together four generations and at least as many regional dialects (from New Jersey to Long Island to Latvia). You think you're communicating, but you really can't be sure.

It's not just the confusion of terms that's the problem; it's also the fact that none of the terms in current use adequately describe the true scope, thrust and impact of a well-executed program. These are not small marketing exercises but powerful, cross-functional strategic initiatives that can make a substantial contribution to a business and its reputation.

My son got me thinking: If the terminology is lacking, change it. So at Tiller, we've created a new designation — Cause Commerce™. By identifying and leveraging the social value of a company's products and services, we create programs designed to build a company's business, raise awareness and enhance its brand. Cause Commerce is, we think, a superior description for these programs. The term is active, exhortative and emphasizes the underlying customer and business focus of these programs.

Given what's gone on in the business world of late — from Enron to Martha Stewart, WorldCom to Global Crossing — the time is ripe for Cause Commerce. If you remember nothing else from this article, remember this: In this era of consumer apprehension and cynicism, those corporations that act in their customers' interest with conviction, business

Cause Commerce™ vs. Affinity Marketing

Cause Commerce™ represents a twist on more traditional affinity marketing approaches. Here are the critical ways in which Cause Commerce programs differ:

It's About the Business

Cause Commerce is about business building. In this era of consumer concern and outright skepticism, the best way to grow your business is by being a true and forceful advocate for your customers' interests.

Intrinsic vs. Extrinsic

Affinity marketing programs are associative in nature. They represent the old "Colored Ribbon" approach — find a worthy cause and associate your company with it. Cause Commerce focuses on issues or markets that are intrinsic or central to a company's business.

Advocacy vs. Association

Placing a charity's logo on a product or donating a percentage of revenues is not enough. Cause Commerce goes beyond basic association with a cause. Companies become true advocates, understand and proactively advance the interests of their customers over the long term.

Research as a Differentiator

Cause Commerce programs frequently use thoughtful public opinion polls as their foundation. Why? Because research is the best way to understand marketplace concerns and to credibly and meaningfully associate with an issue. These data provide invaluable market intelligence and provide a foundation for the PR outreach.

Give Smartly

While more and more companies are using their charitable giving budgets to forge an association with a worthy cause, it's critical to go one step further to build focused, proactive, charitable partnerships specifically linked to the Cause Commerce marketing initiative. Doing so allows companies to better advance their business interests. Charities benefit too, because by demonstrating the nexus between business results and charitable giving, Cause Commerce programs can actually increase the corporate appetite for giving.

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smarts and earnest intent will grab attention and market share from those that hide in the shadows.

Mutual Interest

Cause marketing, affinity marketing, advocacy marketing or whatever the discipline may be called is a low priority in most corporations, if it exists at all. Too bad. The truth is, executed smartly and with conviction over time, these programs can have powerful, even transformational brand- and business-building effects. Companies and even whole industries ignore them at their own risk.

My experience in the mutual fund industry provides some worthwhile examples. From the media love-in and asset-accumulating bonanza of the late-1990s to the public slings and arrows of 2003 and 2004, few industries have experienced swings of public acclamation and condemnation like the mutual fund business. Let me offer two examples — one that illustrates the power of programs that successfully align customer and corporate interests and one example of what happens when customer and corporate interests are perceived to be out of alignment.

On September 11, 2001, a heinous terrorist attack brought down the World Trade Center. OppenheimerFunds, one of the nation's leading mutual fund managers, was headquartered in Tower Two. A non-proprietary fund company, OppenheimerFunds does not have its own sales force. It relies on other companies' advisors or brokers to sell its products.

On September 12, 2001, financial advisors faced numerous challenges in counseling their clients, including:

- Geo-political risk: Who knew what would happen next in the world?
- System risk: It wasn't clear when the stock and bond markets would open again and whether they would do so in an orderly manner.
- Market risk: It was very easy to envision a 1987-like market meltdown once the exchanges did re-open. Were investors capable of holding steady?

Advisors with clients in an Oppenheimer fund faced a substantial additional challenge-organizational risk. At the most basic level, it was unknown whether OppenheimerFunds would open its doors again and, if it did,

Case Study: OppenheimerFunds' Women & Investing Program

Cathleen Stahl
Senior Consultant, Tiller LLC

The early 1990s were an important and dynamic time for women in the United States, from the Clarence Thomas/Anita Hill hearings to the U.S. Senate elections of 1990, when an unprecedented six women were elected. Women were an emergent force in the business and political life of this country, yet they were largely ignored by the financial services industry.

In 1991, OppenheimerFunds was a second-tier asset management firm. Based on company research, the firm was eighth in sales among non-proprietary fund companies (firms that don't have their own salesforce and whose products are distributed by other company's financial advisors), with $17 billion in assets under management and no particular public associations or non-product marketing platforms. But the firm did have a female president, many female senior managers and a strong relationship with the financial press. OppenheimerFunds was naturally poised to take a leadership position on an issue dealing with women and investing.

The Issue

Research commissioned by OppenheimerFunds found that nine out of 10 women will be solely responsible for managing their own money at some point in their lives. While women were interested in investing, confident in their abilities and wanted to learn more, few were actively investing ("Women & Investing" survey). It was critical to get women more involved with their finances because economic and demographic factors specific to women posed significant challenges to their financial security: Women generally earn less than men, live longer and are often in and out of the workforce due to childbirth. Moreover, research found that women who were investing tended to be more conservative investors than men. The net effect: more years in retirement, less money earned, less money saved and lower investment returns due to less aggressive portfolio allocations. Getting women to understand and tackle these unique investment challenges became a mission at OppenheimerFunds.

The Strategy

There were three key components to OppenheimerFunds' strategy. First, research was key. We couldn't address the issues without understanding and delineating them first. We also knew we would need research to convince the media and finan-

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how well it would function. Wouldn't the prudent thing be to at least take some money off the table?

But advisors and investors not only kept their assets at OppenheimerFunds, they added to their accounts. In the months after 9/11, OppenheimerFunds experienced some of the best sales in its category and was among a handful of fund companies with net flows. In fact, according to OppenheimerFunds research, in the nine months from September 30, 2001 through June 30, 2002, OppenheimerFunds had greater net long-term fund flows — the amount of money coming into a company's funds minus the money going out — than all but two non-proprietary fund companies.

OppenheimerFunds was hit with a crisis of unimaginable proportions, yet its business remained healthy. Was this some miracle? No. Focus group research among investors in late 2001 showed that the OppenheimerFunds brand represented many of the qualities consumers rewarded post-9/11. Those qualities — a long-term perspective, customer care and concern, and integrity — were implicit in the company's longstanding tagline "The Right Way to Invest." In short, the corporation's interests were perceived to be in alignment with those of its customers.

Post-9/11, advisors and investors stood fast. But why did investors attribute these positive qualities to OppenheimerFunds? It would be a gross overstatement to say that OppenheimerFunds' advocacy marketing programs — most notably Women & Investing™ (see above) — were the reason the company's business held firm post-9/11. The company's longstanding "Right Way to Invest" advertising campaign, superior sales and service organizations and a focus on long-term investment performance clearly kept advisors and investors loyal to the company. But the company's advocacy programs, which had been highly visible and consistently executed over the previous ten years, played a critical role in delivering the company's brand promise and demonstrating to investors and advisors that OppenheimerFunds is a company that cares.

An Industry at Risk

Fast forward to the present. If ever an industry needed to prove it had the interests of its customers at heart, it's the mutual fund business, racked by a seemingly endless string of scandals and perceived self-dealing.

The current fund scandals represent a giant ethical disjuncture, a gaping misalignment between customer interest and industry interest. And some fund companies are paying a fearsome price. As a result of these scandals, financial advisors and their clients — more than at any time in the last three decades — are reassessing which companies they are going to invest with. That judgment has only something to do with performance. It has a lot to do with which fund companies they can trust and which companies they believe have investor interests at heart.

While industry trade groups and mutual fund companies wax eloquent on the underlying economic utility and value of the mutual fund and the benefits it provides, and their abiding concern for investors, you can count on one hand

OppenheimerFunds Case Study continued...

cial advisors of the depth and scope of the problem. OppenheimerFunds was determined to conduct the definitive piece of public-opinion polling on the topic.

Second, financial advisors would have a critical role to play if women were to be successfully engaged. We decided to deploy a push-pull approach — push the women's market to financial advisors and pull advisors toward the women's market.

Finally, we knew that high-level media attention would be critical to our marketing efforts. That's why we decided to give *Money* magazine, the nation's leading personal finance magazine, the first crack at our survey results.

The survey yielded groundbreaking findings, a June 1992 *Money* cover story and a stream of media coverage. A variety of parties emerged to educate, empower and tap into the women's market. Following the *Money* example, a wide variety of media took up the charge by bringing attention to the issue itself. Financial services firms followed suit. A number of public and private advocacy groups formed to focus on the issue of women and their money.

After convincing advisors of the viability of the women's market, Oppenheimer provided the information and sales tools they could use to educate and attract female clients. OppenheimerFunds' "Women & Investing" program — the first of its kind in the mutual fund business — included research, presentations, sales collateral, books, high-profile speaking engagements, Web content and strategic alliances with professional organizations and charities. Importantly, all these marketing activities took place under an umbrella of media coverage. Media coverage of insights from our survey heightened interest in and created demand for our marketing materials. The program was so successful at delineating the opportunity in the women's market that by the end of the '90s, nearly every firm on Wall Street had some sort of program aimed at women.

The Results

The business effects were powerful. Awareness of OppenheimerFunds and of our commitment to the women's market grew exponentially. OppenheimerFunds' number of female shareholders increased at an accelerated rate. OppenheimerFunds, which had little traction, became a top-four distributor among banks, whose customers skewed female, older and risk-averse at a time when banks were desperate for more fee income. Overall, the company's market share of sales more than doubled within a few years based on company research. OppenheimerFunds remained at the forefront of the issue, extending the campaign into the next millennium with a video, five- and ten-year updates of the original research, a book, *A Woman's Guide to Investing* (now in its third edition), and a charitable relationship with Girls Inc., one of the nation's leading advocacy organizations for girls. Today, thanks in part to "Women & Investing," OppenheimerFunds is one of the best-regarded firms on Wall Street and retains a strong association with the women's market. Most importantly, OppenheimerFunds has educated and empowered millions of women to take control of their finances.

Notes

OppenheimerFunds' "Women & Investing"™ Survey was conducted in association with The Wirthlin Group. May, 1991. 2,021 adults age 21 over, including 1,018 men and 1,004 men, were surveyed. The margin of error was +/- 2.2% for the total sample and +/- 3.1 for single-gender responses.

the number of mutual fund companies with effective advocacy platforms. In short, the industry has given journalists, legislators and regulators little to focus on beyond performance and corporate mis-steps.

If Not Now, When? If Not You, Who?

It's not just mutual fund companies that have failed to effectively and convincingly align their interests with those of their customers.

Harris Interactive and the Reputation Institute conducted a poll in February 2004 in which three-quarters of Americans described big corporations (their nomenclature, not mine) as "not good" or "terrible." And post-Martha Stewart, Enron, WorldCom, Tyco, Global Crossing, Adelphia and Parmalat, who can blame them?

It's always been true, but it's especially true now: You cannot proclaim your integrity or trustworthiness or concern, you must demonstrate it. It's not enough to walk the walk, you must stride the stride. Take your sword out of its sheath and be a forceful and relentless advocate for consumers on issues that are meaningful to them. If you do that, consumers will reward you with their business. Unfortunately, too many companies view advocacy initiatives as a compliance activity. Their approach is: "What's the least I can do to appear in compliance, both within the law and customer expectations, while keeping the protestors at bay?" It is not, "What can I do to meaningfully and compellingly demonstrate that I care about my customers?"

American business needs to win back customer trust. It is not a competition of words, but of informed actions. In this environment, 30-second product spots or full-page ads won't get companies where they need to go. Companies need to act. Revisions of business policies, practices and procedures are a nice place to start, but they are not the be-all and end-all.

Intrinsic vs. Extrinsic

Building a Cause Commerce program begins with the identification of an issue that is central to a company's business and important to its customers. Research on the public's knowledge, behaviors and attitudes about this issue serves as a foundation for a robust public relations program. An integrated marketing campaign (Web site, collateral, presentations, sales training and, frequently, a charitable giving component) is launched simultaneously with the PR campaign to educate and capture customer interest.

Companies are slowly beginning to understand the wisdom of choosing issues and causes that combine corporate interest and customer need and advancing them smartly and constructively. Sidebars to this article discuss OppenheimerFunds' "Women & Investing" program and a new initiative at Sears, Roebuck directed at women homeowners. There are others, from Coppertone Suncare Products' "Block The Sun, Not The Fun" program conducted in conjunction with Scholastic and The Skin Cancer Foundation to Crest's "Healthy Smiles 2010" initiative with the Boys and Girls Club. All of these are programs that advance customer well-being, while appropriately and contextually highlighting and generating interest in company products and services.

Pogo Was Right:
We've Met the Enemy and It's Us

These programs are the proverbial win-wins. There is a corporate benefit at the same time that a public interest is advanced. You'd think it would be the Golden Age for such programs. It isn't. Yet.

Part of the issue is that Cause Commerce programs constitute a different way of thinking for Corporate America. The notion that a program could make a meaningful contribution to a corporation's reputation and bottom line while helping customers is somehow, well, counterintuitive.

The other part of the issue is that Cause Commerce programs require corporations to act differently. Change is good, but it's also hard. There are formidable challenges to the disposition and ability of many corporations to execute these programs. These programs require:

- A genuine commitment to the issue or market: The public's antennae are up. These can't be empty exercises or crass marketing conceits. Companies need to demonstrate a real

Case Study: Sears' Women Homeowners Program

Robert Finn
Senior Consultant, Tiller LLC
Sears, Roebuck and Co.

In many ways, Sears, Roebuck and Co. is the quintessential American retail success story. Sears began at the end of the 19th century as a watch dealer and quickly transformed into a mail order supplier to rural farmers. Today, Sears is a multi-billion dollar full-line retailer, offering everything from lawnmowers to tools to refrigerators to cable-knit sweaters. The company has several category-leading brands, including Craftsman tools and Kenmore appliances. Lesser known is the fact that the company's Home Services Division is the largest of its kind in the country. Each year, 10,000 repair technicians service over 14 million appliances, lawn equipment and other items regardless of where they were bought.

The Issue

In 2003, the company conducted research in conjunction with its "American Dream Campaign," a multi-year initiative designed to encourage homeownership among minorities. The research showed that Americans enjoyed taking care of their homes and were actually quite good at it. Eighty percent of American homeowners gave themselves a grade of "B" or better in home maintenance (Sears Homeowners Study, July 2003). But the data also pointed to a gap between men and women in their knowledge, skill and behavior in relation to home maintenance.

This gap was worrisome. As we found out, more than eight in 10 women have been, are or expect to be solely responsible for maintaining a home (Sears Homeowner Study, April 2003). Fannie Mae, the nationwide mortgage lender, projects that households headed by women will total nearly 31 million — or close to 28 percent of all households by 2010. Unfortunately, many women assume sole responsibility for home maintenance in the aftermath of divorce or the death of a spouse — not an ideal time emotionally to be assuming these responsibilities. Since most consider their homes to be the primary financial asset in their households, properly maintaining it is critical to maintaining or increasing its value. The survey also found that women are more than twice as likely as men to use repair and service professionals.

Sears decided to further focus on the issue of women and home maintenance. In March 2004, the company commissioned Tiller and Mathew Greenwald & Associates to conduct a survey of 300 married, co-habiting homeowners and 300 single women homeowners. Some results were encouraging. More than two-thirds of women homeowners considered themselves at least "somewhat handy" and 61 percent said they enjoyed home maintenance. But the research also showed that in 44 percent of married or co-habiting households, the husbands or partners were solely responsible for home maintenance. In addition, 49 percent of single women homeowners and 35 percent of married women were concerned they wouldn't be able to keep up their homes in coming years. And although women were interested in hiring outside repair professionals to assist in maintaining their homes, they had reservations. Ninety-four percent of women were concerned about getting a fair price and nearly two-thirds (63 percent) said they were concerned that they would be charged for more work than needed to be done (Sears Homeowner Study, July 2004).

Our surveys underscored an obligation for those of us in the home-services industry to help women develop a stronger foundation of knowledge about home care.

The Advocacy Program

The need for an advocacy program around the issue of women and home maintenance was clear. Not all homeowners — women and men alike — need to be able get up on the roof or even know how to change the filter on the heating system, but all homeowners need to know when maintenance is required and how to find someone to do it.

The goal is to call women's attention to the need to maintain their homes and to provide them with the education and resources to do so, while creating awareness of Sears' commitment to deliver an exceptional service experience. The program rests on three core components: an active public relations effort, a robust Web site and enhancements to service offerings.

The Outreach

Sears' advocacy outreach is currently unfolding. High-profile media coverage has been key. Our research results were the focus of a column in the July 2004 edition of *Money* magazine and were featured in a week-long series about women and homeownership on NBC's *Today Show*. The research was also the basis of an article in the national Sunday newspaper supplement *USA Weekend* and was the focus of stories in major daily newspapers from Philadelphia to Chicago to San Jose. Tele-

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Sears Case Study continued...

vision stations in many major markets carried reports about the research, as did many leading women's and home improvement magazines.

Sears has focused much of the program around a special Web site (www.SearsHome101.com) created to communicate the importance of timely home maintenance, while providing homeowners with information and resources. The site offers a wealth of information including an interactive home, a checklist of home maintenance items organized by month, a helpful guide for hiring repair professionals, links to other useful sites for homeowners and an "Ask The Expert" feature. The site also includes the "Ultimate Home Quiz," where visitors can test their knowledge, answering many of the same questions asked in the nationwide survey. Early response to the Web site has been encouraging: Thousands of visitors a week spent an average of more than four minutes on the site and visited multiple sections.

Furthermore, Sears used the information and insight from the survey results to design the site to better meet the needs of their female customers. For example, women homeowners are generally wary of hiring outside service professionals. As a result, Sears developed a "Sears Service Pledge," a customer "bill of rights" that clearly and specifically articulates what a customer can expect when a Sears repair technician arrives at her home. Survey results also indicated that women are interested in learning more about home maintenance. Therefore, technicians are encouraged to spend more time with customers to explain the reasons for the repair and provide maintenance tips and suggestions. Sears also integrated repair and maintenance advice into advertising, Internet and customer-relationship marketing efforts. Finally, survey results revealed that women are frequently the primary decision-makers when it comes to home repair projects. As a result, Sears is focusing on improving all aspects of customer service, including punctuality, courteousness and scheduling availability.

This is clearly a case study in the making. The program is less than six months old, but this much is certain: Women homeowners are critical to Sears. This "Women's Initiative" is not a short-term, marketing exercise, but an ongoing, enterprise-wide commitment to satisfy customer needs and exceed customer expectations.

References

1. Sears Homeowners Study, conducted in conjunction with Mathew Greenwald & Associates. July 2003.
2. Sears Homeowners Study, conducted in conjunction with Mathew Greenwald & Associates. April 2003. This statistic includes women who participated in the study, as well as those who were screened out because they did not currently own their homes.
3. "Her Home: How Women Homeowners View Home Maintenance". Sears study of 603 single and co-habiting women homeowners, conducted in conjunction with Mathew Greenwald & Associates. July 2004. The survey base included 301 married or cohabiting women and 302 single women homeowners. The margin of error for the total sample is +/- 3.9 percent. The margin of error for the sub-samples of married/co-habiting and single homeowners is +/-5.5 percent.

understanding of customer needs and concerns and a genuine commitment to meaningfully address them over time, including:

- A multi-year perspective: Cause Commerce programs don't work with a quarter-to-quarter mindset. You can't proclaim your advocacy around an issue one day and not be there for your customers the next.
- Integrity: Thomas Carlyle once wrote, "there's nothing more terrible than activity without insight." It's tough to address customer needs and concerns if you don't know what they are, which is why Cause Commerce programs need to be research-based. The problem is, you don't always know where the data will take you. Wherever the data points, you must be prepared to go.
- Organizational alignment: These programs are the ultimate in integrated marketing communications and work best when they are embraced enterprise-wide, with a clear understanding of their relevance and of the benefits to the customer and to the business alike. They frequently require departments to share goals, data,budgets and thinking. And that's not always easy.

Cause Commerce is about active and consistent advocacy and communication in association with socially meaningful business issues. It is designed to create powerful marketplace associations and generate strong interest in a company's products or services. Because Cause Commerce programs are cross-functional and long-term, and require consistency in thought and deed, they can be slow to take hold. But because they align corporate and customers interests in a way that creates real value to a business, they will grow in scope and number.

Then again, there's the perspective of business analyst and social critic, Sam Densen. One night, not long after Tiller had opened its doors, I was tucking Sam in. We hadn't talked for five or six minutes and I was sure he was asleep. I was readying my departure when he rolled back toward me and proclaimed, "You know, Dad, Tiller will never work." Two years later, Sam may just be wrong.

Rob Densen is chief executive officer of Tiller LLC, a leading advocacy marketing and communications company based in New York City. Prior to forming Tiller in February 2003, Rob served for 11 years as senior vice president and director of corporate affairs at OppenheimerFunds Inc. (OFI). At the $150-billion asset manager, he was responsible for advertising and brand management, media relations, employee and executive communications and charitable giving. In addition, Rob instituted and directed OFI's landmark "Women & Investing" program. In March 2003, OppenheimerFunds' public relations team was named the best small PR department in America by *PRWeek* magazine. Rob can be reached at rdensen@tillerllc.com.