

Why "cause" is the new black

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Luxury brands are aspirational and culture-defining. When they form strategic philanthropic partnerships, they become change leaders as well. With the ubiquity of online communication, luxury brands finally have the opportunity to access and align with influential consumer communities to transform philanthropy for a new generation. And it's the duty of luxury-brand companies to inform and guide new audiences on the real luxury – the luxury of giving.

According to a recent Cone Communications survey, 85 percent of Americans say they have a more positive image of a product or company when it supports a cause they care about. More than half (52 percent) of Americans feel companies should maintain their level of financial support of causes and nonprofit organizations. Twenty-six percent of consumers revealed they continue to have high philanthropic expectations for companies, despite the current economic crisis; and they expect companies to give even more.

The Web continues to change how companies and people communicate. Blogs, texting, social networks and word of mouth empower consumers to publicly share opinions and experiences. These consumers, in turn, become influential opinion leaders who form niche communities and openly share their own perceptions of brands. Online consumer dialogue can build and strengthen brand reputations – or weaken and render them vulnerable. With so many people searching for information online, proactive management of a company's online reputation is no longer elective: It's imperative.

In general, as consumers move online, buying decisions happen online -- ironically, this is true even if the purchase location is a brick-and-mortar store. That's because consumers are increasingly taking advantage of user-friendly online applications to make purchases, review products and now facilitate charitable giving. As a result online giving is exploding – reaching more than \$15 billion in 2008, up from \$4 billion in 2005. A 2008 study by Blackbaud reported the following key information:

- Online giving continues to grow rapidly, even in the absence of major [natural] disasters.
- Online donors are younger and have higher incomes than traditional direct mail donors.
- Over the past few years, online giving has become an increasingly significant source of new donor acquisition.
- Online donors give much larger gifts than offline donors.

So what can we glean from the study findings? Online donors are younger, have higher incomes and give larger gifts. They may also be more engaged and involved in a particular cause, because they can access information about -- and stay connected to -- a cause more readily than can a once-a-year direct-mail donor. And nonprofits are learning this lesson quickly. They're seeking new ways and numerous channels to activate. And in turn, they are benefiting from embracing the digital space. They have enhanced their online reputation, created greater awareness and increased overall donations – even in a down economy.

As demographics change and brands become further immersed online, luxury brand marketers need to communicate their corporate passions – especially those that intersect with consumer passions. Baccarat effectively conveys its passions through the company's longstanding partnership with UNICEF, which includes financial commitments, volunteerism and generous product donations. Baccarat is also looking to the Web to

help current and prospective customers more easily support UNICEF. There are many methods to achieve the desired result, such as co-branded advertising buys, consumer incentives for product with rev-shares that benefit the nonprofit, online advocacy of UNICEF and further alignment with the Baccarat brand site.

Notable online charity integration programs conducted by national brands:

Procter & Gamble's Dawn brand

Dawn dishwashing liquid has been linked to wildlife rescue and animal rehabilitation care throughout its 36-year history. Consumers can now purchase a special edition bottle of Dawn and P&G will donate \$1 to the Marine Mammal Center and the International Bird Rescue Research Center. Consumers must activate their donation online at Dawnsaveswildlife.com by entering a special batch code located on the bottle.

Lee Jeans "Denim Day"

Denim Day began 14 years ago as a workplace program using traditional methods of marketing and communication to spread the word about breast cancer. Today the entire program exists online at DenimDay.com. It allows consumers to form teams, make donations and learn new ways to get engaged in this grassroots cause program.

Marketers can leverage their current philanthropic efforts in the digital space by aligning with these principles:

Principle 1 - Be transparent

Brand research and comparison, due diligence and brand socializing happens on the Web. Corporate ethos and cause alignment ought to be overtly available to the consumer. It is important to be transparent with consumers to establish credibility with the brand.

Principle 2 - Save money, increase the bottom line

As corporate marketing and philanthropy budgets decrease, it is critical to look for efficiencies. Moving more traditional charitable programs, or certain aspects of those programs, to the Web can create incredible cost savings. By going digital, companies can ensure that more funding is available to the recipients of their charitable work.

Principle 3 - Be in it for the long haul. And make sure your nonprofit partner is, too!

Long-term program continuity is vital. It's important to shepherd our charitable giving for an appropriate length of time, in order to ensure its ongoing effectiveness. After all, an inefficient program can't be sustained. Don't be afraid to try new things, but be prepared to course-correct if your corporate expectations aren't being met.

So what's the opportunity?

Top marketers are streamlining giving and pursuing a strategic philanthropy approach, which often includes aligning with smaller, local nonprofits and activating employees as brand and cause ambassadors. Current tools -- like Twitter and Facebook -- are too broad. Most industry specific tools, such as Network for Good, are focused on the top 1 percent of nonprofits and provide partial "consumer-only" solutions. The vast majority of smaller nonprofits are left without adequate communication and operations tools, which creates an opportunity-- one that a smart marketer can leverage and *control*.

Nonprofit partner "fit," and the manner in which the nonprofit communicates, helps to drive program success. By strengthening our nonprofit partners -- and by growing and retaining their constituents -- we can strengthen our investment of time, energy and finances. And we can also reap the benefit of the ripple effect -- more awareness, more media, more customers and increased loyalty.

Evaluate; then iterate:

With every market opportunity comes innovation -- and there is plenty of innovation happening in the online philanthropy space. To learn more about how to cost-effectively leverage your philanthropic spending and cause marketing dollars, go to <http://activecause.com/lmc/vipassessment> to sign up for a complimentary Luxury Marketing Council VIP Assessment.

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Craig Alberino has 20 years of startup and enterprise experience in Consumer Engagement, Online Strategy, and Branding. As an advising consultant to companies like Baccarat, Chanel, and Leiber, he is a frequent speaker on the convergence of luxury, philanthropy, and technology.

Prior to founding ActiveCause, Alberino advised leading companies on interactive strategy and corporate and social responsibility trends, including Ketchum Public Relations, FedEx Office, and Monster.com. He has previously worked as a consultant with the wealth management divisions of Goldman Sachs and UBS. His tenure includes General Electric, IBM, and Accenture.

On July 13th 1985, Alberino was inspired by Sir Bob Geldolf's work to relieve famine in Ethiopia and create Live Aid. His uncle, legendary Record Plant producer and sound engineer, Roy Cicala, facilitated the entire video and sound communications for Live Aid. In Sir Bob Geldolf's own words - "Please remember this day all of your lives. It's important. Remember the day you wanted to help." It is with this spirit that he founded ActiveCause.