The efficacy and application of cause-related marketing techniques

Ralph S. De Simone
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THE EFFICACY AND APPLICATION OF
CAUSE-RELATED MARKETING TECHNIQUES

By
Ralph S. De Simone

A Thesis
Submitted in partial fulfillment of the requirements of the
Master of Arts Degree of the Graduate School
of Rowan University
June 26, 2000

Approved by ____________________________
Professor

Date Approved __________________________
July 6, 2000
This study determined what was the attitude of the general public and public relations practitioners toward three distinctive cause-related marketing techniques (event sponsorship, product sale donations, and licensing). The study required 203 telephone surveys of the general public and 23 interviews via phone, electronic mail, and in-person with public relations and marketing practitioners involved with cause-related marketing. This researcher proved that both the general public and the causal marketing practitioners prefer or favor event sponsorship over licensing and product sale donations, and females favor the three techniques and causal marketing more than males.
MINI-ABSTRACT

Ralph S. De Simone
The Efficacy and Application of Cause-Related Marketing Techniques
2000
Dr. Suzanne Sparks-Fitzgerald
Public Relations

When choosing among the various causal marketing techniques, the general public and causal marketing practitioners prefer using or favor event sponsorship over licensing and product sale donations. The study also showed that females favor the three techniques and casual marketing more than males. While the public in general favors event sponsorship over the other techniques, females are more acceptable of organizations using different techniques in their cause-related marketing strategy.
Acknowledgements

I would like to thank Dr. Suzanne Sparks-Fitzgerald and Dr. Diane Penrod for all their help and support and Laura Litrenta for her time and encouragement. I would also like to thank the public relations practitioners who took the time to respond to my interviews and the students who helped me with my phone survey.
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Chapter 1

Introduction

Cause-related marketing, a technique in which corporations link their products or services to a charitable cause that best suits their overall marketing needs, has grown tremendously in the past 15 years. It has created additional marketing opportunities for corporations and an additional source of revenue for charitable organizations. From credit cards to charity walks, it seems that almost every large company is involved with a non-profit organization. Corporate philanthropy, once utilized to support community organizations and improve a corporation’s image, has evolved into a unique marketing strategy that directly benefits both organizations involved (Mack 1999).

One might remember Ford Motor Company’s sponsorship of the Susan G. Komen Breast Cancer Foundation’s “Race for a Cure” last spring. Some might have seen Ford’s participation as generous and heartfelt. However, what most people do not realize is Ford’s motive of marketing to the female consumer.

By involving itself with a popular woman’s issue like breast cancer, Ford, known for its F-series trucks and Mustang sports car, began to make a connection with the female market and its products. According to an article by Tanya Irwin of Adweek, Ford’s sponsorship of the 5K run/walk increased females’ interest in buying Ford automobiles (1999).

Ford is not the only one. Cause-related marketing (CRM) has become a smart business decision. A 1994 study by Cone, Inc. and Roper Starch Worldwide found that 78 percent of adults would most likely purchase a product connected with their favorite charity (Carringer, 1994). Breast cancer, having the highest rate of incidence among
female cancers, has become a top issue for companies wishing to market to female customers.

Event sponsorship is a long-time practice by many companies who wished to build brand awareness by connecting their name to a sports, music, or charitable event. A type of cause-related marketing, event sponsorship is an exchange of money, services, or in-kind gifts to a particular event in return for recognition of their involvement by the event’s planning organization. College football bowls are famous for incorporating a company’s name into their title such as the *Nokia Sugar Bowl* or the *Southwestern Bell Cotton Bowl*. Besides the advertising money involved with being a title sponsor, Nokia and Southwestern Bell will receive hours of free publicity from sports media programs and news broadcasts covering these events.

As time progressed, marketers realized the potential benefits of linking their products with specific causes and their events. They even took it one step further by donating a portion of their product sales to a specific charity. Recently, General Mills, creator of the famous Cheerios™ cereal, decided to donate a certain percentage of their cereal sales to the American Cancer Society and recruited last year’s Tour de France winner and cancer survivor, Lance Armstrong, as a spokesperson.

Cause-related marketing has become a sound business strategy using different techniques in order to market to different demographics. Sometimes donating a portion of a product’s sale is not as effective as sponsoring events. For instance, Volvo has recently become involved with the world of sailing by sponsoring two key sailing programs in the United States, the *Whitbread Cup*, an around-the-world race, and The Leukemia & Lymphoma Society’s *Leukemia Cup Regatta*. Volvo, looking to gain exposure in the lucrative and wealthy audience of sailing, chose to sponsor events instead
of donating car sale percentages. On the other hand, Ben and Jerry’s Ice Cream has
donated a portion of its profits to charity since its inception.. Many new online websites
such as GreaterGood.com and iCharity.com have integrated the Internet and cause-related
marketing by donating a portion of each product sale to the consumer’s favorite charity.
A person purchasing a DVD player can also donate to the American Red Cross when
visiting these websites.

Licensing, a marketing deal in which a non-profit endorses a product or service in
exchange for a sum of money, is another popular cause-related marketing strategy. Non-
profit organizations such as the American Heart Association, American Cancer Society,
and the Arthritis Foundation have used licensing as an additional source of revenue. In
1996, The American Cancer Society partnered with the Florida Department of Citrus to
allow the department to use its name for a nutritional campaign. In return, the Society
received $1 million a year for three years (Freudenheim 1996). While most non-profits
defend this type of revenue development, Dorothy McDonald of the American Podiatric
Medical Association advises not to overuse licensing in fear of cheapening the
endorsement and the organization (Freudenheim 1996).

Problem Importance

No longer do companies simply use advertising to promote their name and
product. By working with other non-profit organizations, a company can reach a specific
segment of the population and improve its overall image. Large non-profit organizations
such as the American Cancer Society or the American Heart Association have capitalized
on companies eager to associate with their causes and develop relationships with their
constituents.
However, many other non-profit organizations are left behind due to a lack of knowledge or experience with cause-related marketing. Many times, non-profit executives fail to approach the right companies to bolster awareness of their cause. Women’s tennis was once victim to partnering with the wrong company. For a long time cigarette companies sponsored many sporting events such as women’s tennis tournaments to overcome a government ban on cigarette television advertising. When cigarette companies came under fire for marketing to minors, acceptance of sponsorship money was seen as a poor business decision. The tennis association, an organization of many teen athletes, was identified as an organization that values money over responsibility.

It is for this reason non-profits and corporations should always evaluate and research the organizations they link with and choose the right method of giving and recognition. Sale-percentage donations, event sponsorship, and licensing have their advantages and disadvantages. Both organizations should carefully examine and choose the right tactic for their marketing purposes.

**Problem Statement**

If companies and non-profit organizations are to produce an effective partnership and positive image, they must be prepared beforehand to ensure that the proper strategies and tactics fit their objectives. The problem or the challenge for this researcher will be to determine the factors that both organizations use in deciding whether donating a percentage of product sales, licensing, or event sponsorship suits their needs, and how they affect their organization’s public image or reputation. This researcher will also examine which tactic the general public and each gender prefer and the corresponding perception of companies involved with the above-mentioned practices.
The Cone report studied the public acceptability of cause programs, but not specific practices such as event sponsorship or product sale percentages. This research will examine the public attitudes toward these specific practices as opposed to a general assessment of cause-related marketing programs. This researcher will look at the factors that public relations professionals use to decide which technique improves their corporate identity or image.

**Delimitations**

The study of the general public will be limited to 200 respondents and certain areas in the states of Delaware, Pennsylvania and New Jersey due to time and budget constraints. The use of phone lists and directories will also limit the number of people surveyed.

**Hypotheses**

**Hypothesis I** – It is expected that most companies prefer event sponsorship to donating a portion of product sales or licensing. According to the IEG Sponsorship Report, U.S. companies spent over $630 million on charitable events in 1999 with an increase to $700 million forecasted for the year 2000 (1999).

**Hypothesis II** – It is expected that the public’s attitude toward product sale donations will be more positive than toward event sponsorship or licensing.

Spethmann (1999) cites Cone Inc.’s report demonstrating that 83 percent of the public approve of companies involved with causes close to them. Sixty-eight percent of Visa consumers who knew of its 1994 Winter Olympic sponsorship believed their credit card was the best one in the world (Del Prete, 1996). While the general public favors CRM in general, which tactic presents the most drawbacks or advancements towards a company’s overall marketing goals and image?
Hypothesis III – It is expected that females will be more in favor of cause-related marketing than males.

Cone, Inc.’s 1999 Holiday Trend Tracker Fact Sheet, reported that females are more likely than males to consider a company’s reputation of charitable giving when purchasing gifts throughout the year (92% female vs. 84% male). This researcher will survey the general public in order to confirm Cone’s findings.

Definitions of Terms

Cause-related marketing – Marketing technique in which businesses tie-in products or services with charitable issues best suiting their desired marketing needs, i.e. Ford’s support of breast cancer charities to gain female market share.

Product Sale Donations – Practice in which corporations donate a certain percentage of their product’s sales to a specific charitable cause.

Event Sponsorship – Practice in which a company provides money, services, or in-kind gifts for an event in return for some type of recognition or advertising.

In-kind Gifts – Practice in which companies donate products or services to a charitable cause, program, or event.

Licensing – Practice in which non-profits allow their name and logo to be placed on a product, signifying its endorsement, in exchange for a sizable donation.

Methodology

First, this researcher conducted 23 in-depth interviews with professionals from both corporate and non-profit organizations to gain a general understanding of cause-related marketing and to develop questions for the public survey. The professional interviews were conducted by e-mail, phone, and in-person. A phone survey of the
general public in the Greater Delaware Valley (Pennsylvania, New Jersey and Delaware) region was utilized to determine their attitudes toward cause-related marketing and each tactic.
Chapter 2

Literature Review

Cause-Related Marketing (CRM) has existed since the early 1980s when American Express donated a portion of its customers’ purchases to renovate the Statue of Liberty (Stark, 1999). However, serious research of CRM and its effects on the bottom line did not occur until ten years later when Cone, Inc. and Roper Starch Worldwide teamed up to study consumer attitudes toward corporate philanthropy. Since then, numerous case studies and articles have made a case for causal marketing as a bona fide business practice.

Consumer Attitudes Toward Cause-Related Marketing

The 1999 Cone/Roper Cause Related Trends Report should be given serious attention because it is the preeminent study of consumer attitudes toward cause-related marketing. Many of the articles cited in this review have in one way or another responded or expanded upon this report. Since 1993, Cone, Inc. and Roper Starch Worldwide have annually studied American consumer preferences and their attitudes toward a corporation’s charitable efforts. Cone, Inc. is one the leading agencies concerned with cause and strategic philanthropy whose clientele include Avon, Johnson & Johnson, and Reebok.

In its first study in 1993, Cone and Roper reported that 66 percent of Americans approved the business practice of cause programs and “would be likely to switch brands to one associated with a good cause, when price and quality are equal” (Cone, Inc. and Roper Starch Worldwide, 1999). Sixty-two percent would change retailers. The report
also found that 63 percent of Americans feel cause-related marketing should be a standard practice for all businesses. The top concerns that businesses should support were education, crime, and the environment.

The Cone/Roper report also studied the effects cause programs have on a corporation’s image revealing that eight in ten Americans have a “more positive image of companies who support a cause they care about” (Cone and Roper, 1999). Cone and Roper felt that creating trust with customers is critical in today’s marketplace and supporting a cause the customers care about forms that trust.

What is unique, in addition to the study of the American public, is Cone and Roper’s examination of “Influential Americans.” Influential Americans, as defined by Roper and Cone, are individuals who have done three or more of the following: run for political office, written a letter to the editor, made a speech or written an article, worked in a political campaign, been an officer of a civic or fraternal organization, or signed a petition (Cone and Roper, 1999). They believe these individuals play a major role in shaping public opinion. In 1993, 88 percent of these special individuals had a favorable perception of companies committed to a cause.

In the past three years, Roper and Cone have also studied consumer behavior during the holiday season. In 1998, Cone reported that 60 percent of those surveyed “planned to purchase a holiday gift associated with a good cause” and of those 60 percent, 54 percent of them purchased gifts with that intention (Cone News Release-This Holiday Season…, 1999). Although Cone has not reported its 1999 figures yet, it did report that 68 percent of those surveyed planned to buy gifts with a cause in mind.

Since the Cause-Related Trends Report, Cone and Roper have studied American consumers and their perception of cause programs each year. Remarkably as cause-
related marketing has grown, the public's perception has remained the same. Only the
acceptability of cause programs as a standard business practice (66 percent in 1993 to 74
percent in 1998) and the Influential Americans' perception of companies committed to a
cause (88 percent approval in 1993 to 94 percent in 1998) increased (Cone and Roper,
1999). Switching retailers and brands with equal value and quality dropped one percent
(66 percent to 65 percent for brands and 62 percent to 61 percent for retailers).

Although Cone and Roper's report is the most prominent professional study on
causal marketing, the academic field has often overlooked this growing phenomenon.
Many of the articles this researcher found did not come from scholarly journals except for
the Journal of Public Policy and Marketing and the Journal of Applied Business
Research. A 1991 study by the Journal of Applied Business Research found 50 percent
of 225 interview respondents switched brands because of their charitable support.
Women were more in favor toward cause-related marketing than men (Ross and Stutts,
1990).

The Journal of Public Policy and Marketing conducted 44 in-depth interviews of
various age groups, gender, and race. The study specifically dealt with the consumer
perception of cause-related marketing and its influence. It found, in a case-by-case
analysis of the interviews, that most respondents viewed the company more positively.
However, others felt that cause-related marketing did not affect their purchasing behavior,
because they purchase solely on price, quality, or convenience (Webb and Mohr, 1998).
Out of the 44 interviews, approximately eleven responded that cause-related marketing
has a strong effect on their purchasing decisions. Overall, the authors felt that most
people who are highly skeptical about causal marketing will react less positively than
those with less skepticism, and consumer responses to a causal marketing campaign will be affected by the amount of aid the charity receives.

Many of the other articles this researcher found dealt with case studies of various companies and their success with cause-related marketing. Companies such as Master Lock, Proctor & Gamble, and Nestle have improved their corporate image and identity with American consumers since their causal marketing program’s inception. Almost all companies involved with a cause have a success story.

When Master Lock started donating a portion of their padlock sales to the Crime Prevention Council it saw its sales jump 25 percent, and door hardware sales doubled from the previous year (Caudron 1994). In the same article, Polaroid increased its exposure when it started Kid Care ID, a program offering parents a free photograph of their child to be put in a booklet that helps law enforcement agencies recover abducted children. Although Polaroid did not receive a direct benefit from its involvement as Master Lock did, every Kid Care ID product had Polaroid’s name on it.

Many companies are following Polaroid’s strategy of image improvement by focusing on the indirect benefit of image and ethics to profits. According to the article, “Champions of the Cause,” a company’s ethics are just as important as profits and the quality of its products (Bird, 1998). In order for companies to “keep their edge,” they have to show that they are ethically sound as well. The Co-operative Bank in England saw its customer demographic shift to include more middle-class individuals when they made cause-related marketing a major strategy in their business decisions (Bird, 1998). The evidence of using cause-related marketing is clearly a sound investment in increasing product sales and brand recognition.
Gender. Females, in general, tend to favor cause-related marketing more so than
reported that women are more likely to consider a company’s reputation when purchasing
a product than men (92 percent female versus 84 percent male). Females are also more
likely to purchase a product in which a percentage is donated (75 percent versus 61
percent) and are more likely to buy from a retailer associated with a good cause (67
percent versus 58 percent).

Most companies aware of this fact have focused their efforts toward gender-based
issues. Avon, a major cosmetic company and an employer of over 400,000 women,
researched what its consumers supported before establishing the “Avon Breast Cancer
Awareness Crusade” (Cone, 1996). Besides breast cancer, an article by Cyndee Miller
(1993) cited numerous examples of companies such as Liz Claiborne, Jenny Craig, and
Ryka supporting women’s issues such as rape and domestic violence as well as AIDS.

Summary of Consumer Attitudes. Many major journals and trade publications
have avoided the use of quantitative data to support the public’s perception of cause-
related marketing. Cone and Roper are cited the most and considered to be the primary
source of causal research. However, their report avoids any specific CRM tactics. Mainly,
their report deals with general consumer attitudes toward socially responsible companies
and the causes that are most important to them such as crime, education, arts, etc. This
researcher intends to measure the public’s perception of specific cause-related marketing
practices and test the Cone/Roper report’s consumer purchasing behavior.

Corporate Attitudes Toward Cause-Related Marketing

While it is apparent the main reason corporate America became involved with
causal marketing was profits, the practice also enhances image. A 1991 causal marketing
survey of 25 Fortune 500 companies and 23 of the largest non-profits in the United States found that 91 percent of the respondents felt the practice enhanced the sponsor’s image (Barnes 1991). Another survey of ten executives felt cause-related marketing “benefits a cause and maximizes good will” (Wagner and Thompson, 1994). A 1996 survey of ten executives reported a majority supported their company’s causal programs and felt it was a great way to enhance customer relationships and corporate image as well as establishing a corporate purpose (“Execs view cause marketing as a way to build relationships,” 1996).

However, cause-related marketing does have its drawbacks in the eye of the sponsor. In the Wagner and Thompson article, their corporate interviewees felt that causal marketing: consumes a lot of time, makes consumers worry the money does not reach the non-profit, is difficult to create excitement, and involves complicated accounting methods. They also noted a lack of appreciation from the non-profit organization itself.

Summary of Corporate Attitudes. What this researcher will try to discover are the factors in partnering with certain charitable organizations and their preferences toward each causal tactic. Additionally, this researcher will ask public relations professionals the type of measurements used to determine the effectiveness of their cause-related marketing campaign on the company’s profit margin and public image.

The Tactics

Sponsoring an event, donating a portion of sales, or paying for the rights to use a charity’s logo or name on a product are the three main tactics companies incorporate in their causal marketing plan. Beyond Cone, Inc.’s annual report, few studies have been
done on the effects of cause-related marketing, and a smaller number have examined event sponsorship, product sale donations, and licensing.

Event sponsorship, probably the oldest and most reliable tactic, has been a major vehicle in connecting a company’s name with a charitable cause. Before cause-related marketing, event sponsorship was done to increase visibility in the community, but now it is an integral part of a company’s marketing strategy. Mava Heffler (1994) of Brandweek stressed the need for companies to measure a sponsorship’s effectiveness and its purpose in their overall marketing scheme. In another study, the authors held that for any company that wishes to sponsor an event it must evaluate beforehand and carefully consider if the event provided opportunity for exposure and value, credible leadership, and a “long and broad-based means of increasing bank visibility” (Rosenberg and Woods, 1995). It was also important for companies to be involved in the marketing and public relations of the event to ensure its success and fulfill their sponsorship needs.

Other than event sponsorship, there is little research conducted on the other two tactics of licensing or sales donations except in general articles involving cause-related marketing. The reason may be the impact event sponsorship provides over the other two tactics in terms of visibility and publicity. Jennifer Mullen (1997) noted that 95 percent of corporate philanthropy is cash donations with $2 billion spent on event sponsorship. She explains while advertising provides visibility, event sponsorship provides a “tangible impact with targeted consumer publics.” Licensing is the most controversial method since it provides an endorsement from a reputable non-profit organization such as the American Heart Association of a retail product or service. Between 1994 and 1997, the American Heart Association certified 636 foods considered low in fat and cholesterol (Raeburn, 1997). Although healthy products such as Wheaties and V-8 Juice are
considered worthy of endorsement by some, products with a high sugar content like Cocoa Frosted Flakes have also been given a seal of endorsement (Raeburn 1997). The Heart Association and the American Cancer Society have been criticized for endorsing specific drug brands such as Bayer and Nicorette in treating their respective health disorders.

Summary of Tactics. This researcher aims to uncover the reasons why one tactic is favored over the other. Why do companies choose to sponsor an event instead of donating a portion of their product’s sales? Why donate a portion of a product’s sales instead of sponsoring an event? Hopefully, this researcher can discover the reasons behind an organization’s preference and develop a basic guideline to follow when deciding which tactic suits their particular need or situation.

Views Concerning Cause-Related Marketing

Proponents of cause-related marketing say its strength is its ability to connect emotionally with customers that most traditional practices do not (Adkins, 1999). It can also help a company break away from its competition in terms of establishing an identity and creating customer loyalty. As previously reported in the Cone and Starch report, a vast majority of consumers would switch brands if the quality and price of the product remained the same. The Harvard Business Review advised that non-profits should find corporate support and must view themselves as partners in the marketing relationship (Andreasen, 1996).

However, some find it hard to measure the effectiveness of cause-related marketing on the bottom line. One author noted that CRM is more like public relations where its effects are difficult to measure (Murphy 1999). Thompson and Wagner found that many past researchers did not view CRM as a fundraising tactic, since there are too
many strings attached. One felt that philanthropy “should be a pillar of society and not a business transaction” (Thompson and Wagner, 1994). Another expert in the same article felt that causal marketing is not a charitable gift, but an unrelated business transaction. Mitchell (1998) noted that companies should be aware of the causes they support. It would be detrimental to a company’s image if they develop a reputation for supporting child issues and yet use child labor in a developing nation.

Although there are drawbacks and concerns with cause-related marketing, the overall tone of the literature suggests that it provides profitability and exposure to both organizations involved.

**Literature Summary**

Overall, cause-related marketing is a serious and beneficial practice to both organizations involved. Consumers overwhelmingly favor the practice, especially females. However, there seems to be little research beyond the Cone and Roper report. Most articles found by this researcher consist of interviews with company executives and case studies of companies involved with causal marketing. In the interviews and case studies, little was found concerning major drawbacks and mistakes as long as both organizations are fully committed and would support the program for a long period of time (Mullen, 1997). Studies concerning the three tactics (event sponsorship, sale donations, and licensing) are few with most of them concentrating on event sponsorship.

This researcher intends to study the attitudes of the public and the organizations involved with CRM toward each technique. Hopefully, this researcher will be able to recommend which tactic should be used for what specific circumstance and audience.
Chapter 3

Methodology

This study is concerned with the effectiveness of cause-related marketing on the image of non-profit and corporate organizations involved with the three types of CRM methods. The study is also interested in the public perception of cause-related marketing and event sponsorship, licensing, and product sale donations. Both qualitative and quantitative methods such as in-depth interviews of cause-related marketing professionals and surveys of the general public were chosen to garner the most accurate and effective results.

Professional Interviews

Twenty-three in-depth interviews were conducted between the months of January and April via phone, electronic mail and in-person. The professionals interviewed consisted of non-profit executives and public relations practitioners to aid in the development of questions for the public survey. The interviewee was asked questions concerning his/her reasons for using one cause-related marketing tactic(s) over another; the factors in choosing a particular cause and charitable organization; and the methods used in measuring their causal marketing campaign’s effect on company reputation and profit margin.

Public Survey

The telephone survey of the general public consisted of questions measuring the respondents’ attitude toward cause-related marketing, event sponsorship, product sale donations, licensing and organizations involved with each technique. The public respondents were also asked whether they have or would switch brands that supported
their favorite charity, and if they would switch to a brand that supported their favorite
cause but was higher in price but equal in quality. The survey was conducted between 6
and 9 p.m. between Monday and Friday in the month of April 2000. Two hundred two
people responded to the survey.

Data Collection

The professional in-depth interviews were conducted by telephone, in-person, and
by e-mail between the months of January and April in order to develop questions for the
public survey. Interviewees were chosen through professional contacts, Internet searches
of public relations agencies that work with cause-related marketing, and the Public
Relations Society of America’s Blue Book: A Directory of PRSA Members.

A phone survey of 202 respondents was conducted in April between 6 and 9 p.m.
during the week to measure the general public’s perception of the three cause-related
marketing methods. Phone surveys of the public were conducted due to time constraints,
budget, and the traditional low response rate of mail.

Data Sample

Systematic random sampling was used for the public survey. The survey sample
was selected by using telephone lists of the 610, 215, 856, 609, and 302 area codes. The
area codes and the first three numbers were selected from various Yellow Book
directories. The last four numbers were chosen using Table A1 of Susanna Hornig-
Priest’s Doing Media Research. With a population over four million, a sample of 202
was collected in order for the survey to have a 95% level of confidence and a ±6.93%
margin of error.

The professional interview respondents were chosen using the Public Relations
Society of America’s Blue Book: A Directory of PRSA Members for e-mail
interviews along with using the PRSA’s and the American Marketing Association’s online listservs. Other interviewees were chosen from this researcher’s own contacts.

Data Analysis

This researcher used SPSS to calculate and compare results.
Chapter 4

Data Analysis

Demographics

Cause-Related Marketing Professionals. Out of the 23 professionals interviewed, most came from consulting agencies that support an organization’s cause-related marketing programs. Only three were in charge of their own organization’s CRM programs.

Public Survey.

Table 1

<table>
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<th>Count</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
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<td>100.0</td>
<td>100.0</td>
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</tr>
</tbody>
</table>

Out of 202 respondents, 43.1 percent were male and 56.4 percent were female. Only one of the respondents did not divulge his/her gender.

Table 2

<table>
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<tr>
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<th>Count</th>
<th>Percent</th>
<th>Valid Percent</th>
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<tbody>
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<td>25.7</td>
<td>25.7</td>
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<td>202</td>
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Along with gender, the respondents were asked to give their age range. Most of the respondents fell in the 18-34 (38.6 percent) and 35-49 (35.1 percent) ranges. The 50
or above made up 25.7 percent of the survey sample with one respondent refusing to divulge his/her age.

General Findings

Beyond asking the respondents which cause-related marketing technique they prefer to use. The researcher asked the reasons why they support a certain charitable cause and organization, and if they have a scientific procedure to measure the effectiveness of their causal programs.

Reasons Behind Charitable Partnership. When asked why they chose to affiliate with a specific charitable cause, a majority of the respondents wanted to link their product with the cause, improve their organization’s image, and promote their product to a certain demographic such as gender, age, race, etc. The employees’ or the Chief Executive Officer’s own preference was not considered a major factor in the decision making process. Additionally, the reputation of a charitable organization and its mission were chosen over the number of constituents or volunteers involved with the organization and the demographic of its constituents.

Measuring the Success of Cause-Related Marketing Programs. Another question this researcher asked was whether or not public relations or marketing professionals had a specific technique to measure their cause-related marketing’s effectiveness with their publics and consumers. Out of five choices provided, the majority used the number of mentions in the local and national media. Some used a combination of media mentions and/or surveys and the number of sales of their product or service after initial involvement. Only one interviewee used focus groups, and none performed in-depth interviews.
Public Survey

In addition to asking the public about their attitude toward event sponsorship, sale donations, or licensing, this researcher asked about their general attitudes and consumer behavior toward cause-related marketing.

Figure 1

What is your attitude toward a company that supports charitable causes?

In Figure 1, the majority of the 203 respondents favored companies who support charitable causes and more were undecided than unfavorable to the practice.
Table 3

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Fifty-nine and nine-tenths percent of the respondents have knowingly purchased a product that supported a charity. Seven respondents (3.5 percent) chose “Not Applicable” because they were either unsure if they purchased a product supporting a charitable cause or did not wish to answer the question.

Table 4

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When asked this question, only 38.1 percent answered “Yes” and 10 respondents chose “Not Applicable.” A majority, 56.9 percent, said they have never switched to a product that was equal in quality and price to one that supported their favorite charity.
Table 5

Would you purchase a product that was slightly higher in price of other brands, but same quality, if it supported your favorite charity?

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<td>Total</td>
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</table>

While many have never switched brands that were equal in price or quality to ones that supported their favorite charity, 65.8 percent answered they would pay a higher price for another brand with the same quality if it supported their favorite charity.

Summary of General Findings. Most of the public survey respondents are in favor of companies supporting charitable causes and have purchased a product that supported their favorite charity. However, most have never switched to another brand that supported their favorite charity, but over 60 percent said they would consider it and pay slightly more. The professionals who handle cause-related marketing make sure their product links with the charity’s cause and factor in the charity’s overall reputation. The number of constituents or demographics of an organization are not the main factors in deciding which organization to partner with.

Hypothesis I Results

It is expected that most companies prefer event sponsorship to donating a portion of their product’s sale or licensing. All the professional interviewees have used event sponsorship in their cause-related marketing campaigns. Six of the 23 used a combination of event sponsorship and product sale donations. Three used a combination of event sponsorship, product sale donation, and licensing. However, in these cases, the majority of resources and effort went toward event sponsorship. Three of the e-mail
interviews refused to answer the question or none of the techniques pertained to their causal marketing efforts.

As a result of the interviews, event sponsorship is the preferred method in cause-related marketing campaigns and clearly supports this researcher's hypothesis.

Hypothesis II Results

It is expected that the public's attitude toward product sale donations will be more positive than toward event sponsorship or licensing. The respondents of the public survey were asked their overall attitudes towards each technique and then were asked to rank them with 1 being the highest and 3 the lowest.

Event Sponsorship received the highest favorability results with 93.6 percent of the respondents in favor of companies involved with supporting a charitable event (See Figure 2). One and five-tenths percent of the respondents were unfavorable, and 5 percent were undecided. Product sale donations had the second highest with 89.1 percent
in favor of the practice (See Figure 3), and licensing had the lowest with only 53 percent (See Figure 4). Licensing also had the highest "unfavorable" and "undecided" respondents.

Figure 3
Attitude Product Sale Donations
When asked to rank the three causal marketing techniques, event sponsorship was the top choice with 53 percent of the respondents ranking event sponsorship first. Thirty-seven percent ranked product sale donations as their top choice and only 9.9 percent ranked licensing first (See Table 6).

Table 6
First Choice

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<td>Total</td>
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</table>

Product sale donations was the top second choice with 52 percent (See Table 7) followed by event sponsorship with 42.1 percent and licensing with 5.9 percent. Licensing was the top third choice with 83.7 percent (See Table 8).
Summary of Hypothesis II Results. Most of the public survey respondents have a higher favorable attitude toward event sponsorship than product sale donations with most ranking it first or second among the three. The data results are opposite to this researcher's hypothesis.

Hypothesis III Results

It is expected that females will be more in favor of cause-related marketing than males. In Figure 5, females show to have a higher favorable attitude toward companies that support charitable causes.
Figure 5

What is your attitude toward a company that supports charitable causes?

![Bar chart showing attitudes towards companies supporting charitable causes by gender and decision not relevant (DNR).]
Gender and Event Sponsorship, Product Sale Donations, and Licensing.

Figure 6

Gender Attitudes Toward Event Sponsorship

The majority of both males and females have a favorable attitude toward event sponsorship. Ninety-two percent of the 87 males and 94.7 percent of the 114 females surveyed are in favor of event sponsorship. The male and female respondents also have similar unfavorable (2.3 percent male and .9 percent female) and undecided (5.7 percent males and 4.4 percent female) results.
Figure 7

Gender Attitudes Toward Product Sale Donations

The results in Figure 7 show Product Sale Donations showing a 13 percent difference between the two genders with 94.74 percent of females and 81.61 percent of the males favoring product sale donations. In Figure 8, it reveals that females are also decidedly in favor of licensing than males with 58.7 percent to the male’s 44.83 percent. However, both genders are almost the same in the undecided category. 27.59 percent of the males and 27.19 percent of females are undecided regarding the practice of licensing.
Figure 8

Gender Attitudes Toward Licensing

Gender and Purchasing. When asked if they have ever purchased a product that supported their favorite charity, a majority of both genders answered “yes.” Figure 9 shows that 57.47 percent of the males and 61.4 percent of the female respondents have purchased a product that supported their favorite charity.
Figure 9

Have you ever purposely purchased a product from a company that supported your favorite charity?

![Bar chart showing gender distribution for whether respondents have ever purposely purchased a product from a company supporting their favorite charity.]

Figure 10

Gender and Switching Brands

![Bar chart showing gender distribution for whether respondents have ever switched brands because it supported their favorite charity.]

When asked if they ever switched brands because it supported their favorite charity, 28 of the 87 males (32.2 percent) and 49 of the 114 females (43 percent) said “yes.” When asked if they would pay slightly higher for a product with similar quality,
71.9 percent of the females (82 out of 114) and 57.5 percent of the male respondents (50 out of 87) said “yes” (See figure 11)

Figure 11
Gender and Purchasing Products Higher in Price

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<tr>
<td>N/A</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

Summary of Hypothesis III Results

While females have a greater favorable attitude toward product sale donation and licensing, males have similar attitudes toward general corporate philanthropy and event sponsorship. A majority of both genders have purchased products that support their favorite charity, but 10 percent more females to males have switched brands. Thirteen percent more of the female respondents would also pay slightly higher for a product that supported their favorite charity than males. The data shows that females have a more favorable attitude toward cause-related marketing.
Chapter 5
Summary and Interpretation

Evaluation

Most executives in charge of a cause-related marketing program use event sponsorship as their main technique. None of them used donating a portion of the product’s sale or licensing by themselves in their causal marketing efforts. Over a third said they used a combination of event sponsorship and product donations or all three. However, event sponsorship was clearly the technique most often used or given the most effort among the three.

What this researcher also found is the size of the charitable organization in terms of the number of volunteers or constituents involved or the demographics of those constituents were not the main factors in choosing a charitable partner. Most reasons given were the charity’s reputation and mission of the organization. If a company wished to support cancer research only, then it would choose a partner that overwhelmingly supports that purpose. Most professionals used cause-related marketing to create awareness of their product and improve the image of their company in the community.

This researcher also discovered that most professionals used media mentions as a determinant of a successful campaign. Only a handful used either a survey or focus group. Five of the interviewees did not have any specific measurement device or system to evaluate their efforts.
The public has a very positive perception of the three cause-related marketing techniques. Most survey respondents had a more favorable attitude toward event sponsorship than product sale donations and licensing. When asked to rank the three techniques, most respondents chose event sponsorship, then product sale donations with licensing last. Over half of the respondents have knowingly at one time or another purchased a product that supported their favorite charity. While many have never switched to a brand that supported their favorite charity, given the chance over 60 percent of them said they would purchase a product that was the same quality of another but slightly more expensive if it supported their favorite charity.

When broken down into gender, both male and female closely favor companies supporting charitable causes and event sponsorship. However, females favored product sale donation and licensing more than males. Both also have purchased a product that supported their favorite charity. Ten percent more females than males have switched brands and 13 percent more females would pay a higher price for a product with similar quality if it supported their favorite charity.

Interpretation

**Hypothesis I.** The data shows that most professionals favor event sponsorship over licensing and product sale donations. Most respondents felt this technique can create awareness of a product better than the other two. The results agree with this researcher’s hypothesis.

**Hypothesis II.** The data shows that the public favors event sponsorship over product sale donations and licensing. The data does not support this researcher’s hypothesis.
Hypothesis III. Both males and females favor event sponsorship and corporate philanthropy equally, but females are more favorable toward licensing and product sale donations than males. More females than males also have switched brands and would pay more for a product that supported their favorite charity. Therefore, the data shows that females are more favorable toward cause-related marketing and its practices than males. The data supports this researcher's hypothesis.

Conclusions

When planning a cause-related marketing campaign, public relations professionals should consider numerous factors like how the product or service relates to the charity and the reputation of the charitable partner. One of the professional interviewees remarked that the organization not only has to have a good reputation, but it should also have the same corporate philosophy. Does the charitable organization want to put the same amount of effort or resources into the partnership, and what are the overall goals? The goals and amount of effort put forth toward the partnership depends on its success. While a majority of the interviewees claimed they have specific methods to measure the effectiveness of their campaigns, mention in the local and national media was the most widely used one. Few if any used other research tools such as surveys or focus groups.

Deciding on the proper causal marketing technique depends on the resources available. Most professionals choose to use event sponsorship, because it can create awareness of their products and company to a target audience in a short period of time. Being an event sponsor also provides an opportunity to demonstrate or inform the public about their products and services in a way advertising and websites cannot. Consumers can observe the company's product directly and link the product's company with
charitable giving. Event sponsorship can also create more publicity than licensing and product sale donations.

The reasons product sale donations and licensing are the least favored range from confusing accounting methods and high media scrutiny, especially for licensing. Most of the literature had either a neutral or unfavorable attitude toward licensing, because of the perceived image of paying for an endorsement. While the American Heart Association's fee of $2,500 is nominal, many of the cereals they endorse are low in fat but high in sugar.

This researcher believed the cause-related marketing professionals and the public would prefer different techniques. However, in agreement with the professionals, the public survey respondents favored event sponsorship over licensing and product sale donations. Event sponsorship had higher favorable scores and ranked the highest among the three techniques. Given more time and resources, this researcher would have liked to interview some of these respondents to find out their reasons for this preference.

Another hypothesis was that females would be more in favor of cause-related marketing than males. This researcher discovered both genders were highly in favor of companies supporting charitable causes and event sponsorship, but females had a higher favorable opinion of product sale donations and licensing than males. This could be interpreted as males being more cynical of the other two techniques than females. If an organization wishes to gain favor among a male audience, event sponsorship would be the top recommended choice. Females, for one reason or another, generally accept organizations using all three techniques. They would also be more likely to switch brands that are the same quality and higher in price than males. Therefore, companies like Avon that sell female cosmetic products would benefit greatly from cause-related marketing.
since they can utilize both event sponsorship and product sale donations with little opposition or negative feedback.

Overall, before organizations choose which technique best suits their causal marketing campaign and the organization to partner with, they should examine the attitudes and opinions of their publics. While many organizations both corporate and non-profit might be eager to have a partner, they should consider how long the partnership would last and the resulting reputation. A temporary or brief partnership with a questionable organization could hurt their overall or long-term image.

Implications On The Field

The major implication of this study for the public relations field would be for an organization to study the attitudes of their community or target audience before they choose a specific technique. Gaining an endorsement from a charitable organization or donating a portion of a product’s sale might appeal more to females. However, males may have a neutral or unfavorable attitude. Additionally, public relations professionals should be aware of the perceived image of their causal-marketing partners.

Further Research

This researcher would have liked to conduct interviews or focus groups of some of the public respondents to gain a deeper understanding of the reasons behind their answers and a broader survey of public relations practitioners. It would also be interesting to examine the public relations efforts of internet donations and websites geared specifically toward product sale donations such as iCharity.com or Greatergood.com. This researcher would have liked to compare the public and corporate’s attitude toward causal marketing and traditional corporate philanthropy as well.
Cause-Related Marketing, in order to become a serious marketing and public relations technique, must be studied in greater detail and examine the effects it has on future trends of corporate philanthropy.
References


Appendix

Survey of Public

Hello, My name is ____________, and I am a college student conducting a study on the attitudes of the general public toward companies involved with certain charitable programs.

1. What is your attitude toward a company that supports charitable causes?
   Favorable  Unfavorable  Undecided

2. What is your attitude toward a company that sponsors a charitable event?
   Favorable  Unfavorable  Undecided

3. What is your attitude toward a company that donates a portion of its sales toward a particular charitable cause such as Cheerios donating $.50 for every purchase to the American Cancer Society?
   Favorable  Unfavorable  Undecided

4. What is your attitude toward a charity allowing their name and logo to be placed on a product in return for a large donation?
   Favorable  Unfavorable  Undecided

5. Among sponsoring a charitable event, gaining charitable endorsement in return for a large donation, or donating a portion of a product’s sale, how would you rank them with “1” being the most favorable practice and “3” the least favorable.
   _____ Sponsoring a charitable event
   _____ Donating a Portion of a Product’s Sale
   _____ Product Endorsement.

For the next set of questions an answer of “yes”, “no”, or “not applicable” will be sufficient.

6. Have you ever purposely purchased a product from a company that supported your favorite charity?
   Yes  No  N/A

7. Have you ever switched product brands, which were equal in quality and price of your favorite brand, because it donated a portion of its sale to your favorite charity?
   Yes  No  N/A
8. Would you purchase a product that was slightly higher in price of other brands, but same quality, if it supported your favorite charity?

   Yes      No      N/A

For the purposes of this survey, may I ask your:

9. Age Range?  18-34  35-49  50 or Above  DNR

10. Gender?    Male    Female    DNR

   (Note to Surveyor-Try to code by voice for 10. If unsure then ask question. “DNR” if you are unsure and the person wishes not to divulge answer)

   Thank you for your time. Your participation has been appreciated.
In-depth Interview

My name is Ralph De Simone, and I am currently a graduate student at Rowan University in New Jersey studying the reasons why companies utilize specific cause-related marketing tactics over others and their reasons in choosing to partner with a specific charitable organization. You can verify this information by contacting Dr. Suzanne Sparks-Fitzgerald at (856) 256-4265. All answers will remain anonymous. Please either reply to this message or send the survey back to desimoner@nj-so.leukemia-lymphoma.org Thank you for your help. Results are available upon request.

If you do not handle your organization’s causal marketing campaigns, please forward to the appropriate party. Your participation is greatly appreciated.

1. **Please rank the following factors in choosing to affiliate with a specific charitable cause with 1 being the highest and 5 the lowest.**

   - To promote product or service to a certain demographic (gender, race, age, etc.)
   - To improve or maintain corporate image
   - Personal involvement of CEO or company ownership
   - Employees’ preference
   - Product or service’s link with cause such as pharmaceutical drug dealing with a particular disease.
   - Other

2. **Please rank the following reasons in determining which charitable organization to partner with (1 the highest and 4 the lowest.)**

   - Reputation of organization
   - Number of constituents involved with organization
   - Cause or mission of charitable organization
   - Demographic of constituents involved with organization such as age, race, gender, etc.
   - Other

3. **Out of the following tactics, list the percentage of involvement your organization puts forth towards each tactic. (For example 70% event sponsorship, 30% sale donations, 0% licensing)**

   - Event Sponsorship
   - Percentage of Sale or Service Donation
   - Licensing (Exchange of money in return for charitable endorsement of product or service.)
4. When choosing among event sponsorship, sales donation, or licensing, what is the reason for using the top choice from question 3 over the other two. Please check all that apply.

_____ Can create awareness of product or service among target community in short period of time
_____ Able to measure the effectiveness of partnership directly to profit margin
_____ Endorsement from charitable organization is vital in selling product or service to the public
_____ Able to demonstrate and/or inform public about the benefits of product and services effectively to target audience.

_____ Other __________________________

5. Do you have a scientific procedure to measure the effectiveness of your cause-related marketing partnership to profit margin and/or corporate image? (Please highlight, bold, or underline answer)

Yes  No

6. If yes to question 5, which of the following procedures do you utilize? Choose all that apply.

_____ Mention in national and local media
_____ Number of sales of product or services after initial announcement of partnership
_____ Focus Groups
_____ In-depth Interviews
_____ Surveys

_____ Other _______

7. What is the size of your organization

_____ Under 10  _____ 11-20  _____ 21-40  _____ 41-60  _____ 61-80

_____ 81-100  _____ Over 100 employees

8. Type of Organization (Please highlight, bold, or underline answer)

_____ Publicly-held Company  _____ Private Company  _____ Agency  _____ Non-Profit

_____ Government  _____ Educational

Thank you for your time and consideration.
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