

THE MOUNT · VERNON · REPORT

“Issues Affecting Reputation Management and Strategic Communication”

Brands With A Cause

A researcher would be hard pressed to find a significant number of people who could remember, off the top of their heads, any specific television commercial of the hundreds of advertisements that aired during the recent Winter Olympics.

But a nursing student, a working nurse, health care professionals and individuals who have had positive experiences with nurses would readily recall the upbeat ad from Johnson & Johnson that lauded the important role nurses play in health care delivery, and sought public support for the company’s effort to recruit new nurses.

Johnson & Johnson’s “Campaign for Nursing’s Future” is an example of cause-related marketing, broadly defined as an effort by a commercial enterprise to align itself with a worthy cause in a way that produces mutual benefits for both the enterprise and the cause. More often than not, the primary benefit for the enterprise is improved goodwill for their brand and a stronger association between the brand and the values it represents.

For example, in Johnson & Johnson’s case, the effort to combat the worst-ever shortage of nursing professionals in U.S. history is not only a worthy social goal but also helps positively reinforce the company with female heads of families and health care professionals, the chief consumers of their products. It links Johnson & Johnson to a solution that not only helps the public need, but also assists a critical audience to their company – nurses, hospitals and health care providers.

Cause marketing is the modern embodiment of Don Quixote’s maxim: “Tell me thy company, and I will tell thee what thou art.”

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Personal Perspective

This quarter’s Mount Vernon Report celebrates the power of doing good, and highlights the intangible business benefits that result from those actions. Though our puritan culture may temper our urge to be boastful, active involvement, civic leadership and genuine care and concern for those around us don’t go unnoticed in the business world. Credit comes in due time to those whose actions back up their good works.

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As Corporate Citizens, the Red Sox Hit a Homerun

It’s okay to be a little envious of John Henry, Tom Werner and the new Red Sox owners.

Envious of their ability to raise the largest amount of money ever spent to own a sports team. Envious of the fact that, while they are New England newcomers, they have a job that every New England sports fan has dreamed of at least once in his life. But, while the Boston Red Sox franchise to many is an icon of baseball

glory – Ted Williams, the Green Monster, the ‘76 World Series – long-time team owners Tom and Jean Yawkey created a brand that stretched far beyond the walls of Fenway Park. Pioneering goodwill in baseball through the Yawkey Foundation, this unique family has left its mark on Boston and established a tradition of charity and community outreach that the new owners will want to embrace.

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The Red Sox franchise began building community ties early on in its existence. But when Tom Yawkey bought the team from the last of a long line of failed owners, that activity increased dramatically. Yawkey never did succeed in building a World Series winning club, but he did manage to build a team that became an integral part of Boston – and New England.

In the team's earliest years, Red Sox players visited children in local hospitals and orphanages, starting a tradition followed by every Major League club. Over the next few decades, more and more Red Sox players and staff spent countless hours visiting Boston-area hospitals, schools and Boys Clubs. By 1953, their efforts had made such an impact that the Yawkeys adopted the Dana-Farber Cancer Institute's Jimmy Fund as its official charity. That support has never wavered. Today, Dana-Farber is among the foremost cancer research institutions in the world.

By their own efforts, interests and values, the Yawkeys increased awareness and generated support for causes that had nothing to do with baseball, and everything to do with quality of life.

Although the Yawkeys will never be remembered as embracing diversity – the Red Sox were the last team in the majors to sign an African-American player (Pumpsie Green, 1959) – former Red Sox CEO John Harrington took steps in the 1990s to expand the team's community outreach beyond its traditional school and hospital visits to address the needs of minority neighborhoods in the inner city.

Outreach activities included supporting inner-city youth baseball programs, advancing educational programs, and reaching out to organizations that assisted children and veterans living with physical and mental disabilities and other disadvantages. Last year, the team, along with the Yawkey Foundation, sponsored a walk to raise funds for autism research. They have also sponsored food drives and read-a-thons for

Notable Quotables

The notions of philanthropy and social responsibility are not new. They have been around for thousands of years, as the quotations below remind us. Can you attribute the famous sayings below to their inspirational authors?

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| No. 1 | <i>"It is not only for what we do that we are held responsible, but also for what we do not do."</i> | <i>A. Mathatma Gandhi</i> |
| No. 2 | <i>"Well done is better than well said."</i> | <i>B. Ernest Hemingway</i> |
| No. 3 | <i>"Live as if you were to die tomorrow. Learn as if you were to live forever."</i> | <i>C. Confucius</i> |
| No. 4 | <i>"Never mistake motion for action."</i> | <i>D. Benjamin Franklin</i> |
| No. 5 | <i>"The difference between what we do and what we are capable of doing would suffice to solve most of the world's problems."</i> | <i>E. Jean Baptiste Moliere</i> |
| No. 6 | <i>"I hear and I forget. I see and I remember. I do and I understand."</i> | <i>F. Mathatma Gandhi</i> |

children with Multiple Sclerosis, and hosted networking events and partnership programs for minority-owned businesses.

As we gear up for a new season of high expectations for the ball club, we might also stop to reflect upon the passing of a baseball legacy. In baseball, wins and losses are important. They are the yardstick by which performance is measured. But the Yawkeys and Harrington truly succeeded in making the Red Sox an organization that is more than just another corporate entity. By their own efforts, interests and values, they increased awareness and generated support for causes that had nothing to do with baseball, and everything to do with quality of life. Whether through providence or through shrewd market-

ing counsel, they created a sense of goodwill for their team – a feeling of shared hope and the notion that “we were all in it together.” The Yawkeys’ efforts were well rewarded, too. Regardless of the Red Sox record, Boston fans seem to have an eternal sense that this year might be *the year* – and Fenway Park is continually full of patrons ready to provide their support.

With the sale of the Red Sox complete, Harrington will now oversee the Yawkey Foundation, continuing the legacy of goodwill and corporate citizenry started by the Yawkeys. The newcomers to Red Sox Nation will have to demonstrate their commitment to the community that served the Yawkeys and Harrington so well. To some extent, the controversy behind the sale of the team may have

tarnished the image that they created. But the new owners have a rare opportunity to expand upon the solid foundation for corporate citizenry laid out before them. The goodwill that the Red Sox franchise has built will carry the team for a long time. And as recent entrants to the Boston business community, the Henry-Werner Group will want to entrench themselves into its culture, tradition and history. They may have bought into Red Sox Nation, but now they need to become a part of it.

Bringing a World Series championship to Boston would be a good start. But even if that’s not in the Red Sox immediate future, continuing the legacy of community service will always keep fans coming back for more. ❖

Cause-related Marketing – Who’s Doing it and Why?

The history of charitable giving and corporate philanthropy is long and established. Several historical examples of cause-related marketing, along with of the benefits of the programs, are highlighted below.

- When given a choice between buying two products of equal price and quality, 86% of adults said they’d be more likely to buy a product associated with a cause they care about.

Source: “The Wider Benefits Of Backing A Good Cause,” by Sue Adkins, Marketing, September 2, 1999

- 93% of companies surveyed said they engage in cause marketing because it builds relations, compared to 50% response because it increases sales.

Source: “Executive Attitudes Toward Cause Related Marketing/Best Practices,” Cone/Roper, 1996

- The first recorded cause-related marketing campaign was conducted by a New York City candy maker who, in 1902, increased sales by offering to donate a percentage of profits to a local orphanage.

Source: *Good Housekeeping*, September 1995

- One of the first corporate sponsors of the arts, Texaco began supporting the live radio broadcast of the Metropolitan Opera in 1940 with Mozart’s *Le Nozze di Figaro*. Texaco’s partnership with the Met has become the longest continuous national sponsorship in the history of broadcasting.

Source: www.texaco.com

- Microsoft, one of the nation’s leading corporate philanthropists, gave more than \$215 million in cash and software to nonprofit organizations around the world in its last fiscal year.

Source: www.microsoft.com

- It is estimated that U.S. and Canadian consumers buy \$680 million worth of products that generate royalties for nonprofit groups.

Source: *Good Housekeeping*, September 1995

- Fidelity Investments’ 17-year partnership with Reading is Fundamental, the nation’s largest and oldest nonprofit children’s literacy organization, has resulted in the distribution of more than 126,750 books to more than 44,000 children.

Source: www.fidelity.com

- Causes received \$203.45 billion philanthropic dollars in 2000. Corporations donated \$10.86 billion and foundations donated \$24.5 billion.

Source: American Association of Fundraising Counsel, Trust for Philanthropy, 2001

{ PERSPECTIVE- cont. from pg. 1 }

Corporate altruism must be a sustained mission for a company if the good intentions are to be taken seriously. Companies should consider this standard when they evaluate their collective behavior. Are we doing the right thing? Have we considered the outcomes and how it will affect our customers, employees, shareholders and the community at large?

Progressive companies are sensitive to how they are perceived in society and are constantly seeking ways to improve their public approval rating. They do this not just to be good public citizens, but because a company whose behavior or conduct of business, products and services are viewed favorably by target audiences is usually successful in accomplishing its business goals.

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Even though the phenomenon only gained prominence two decades ago, eight out of 10 corporations and two of every three non-profit organizations are now somehow engaged in cause-related marketing. Dubbed "the fastest growing advertising trend" by *Time* magazine, corporate spending in this field could exceed \$20 billion this year.

Companies engage in cause-related marketing to underscore their mission, reputation, business conduct and their commitment to special or specific social interests. The potential benefits vary based on the duration and type of marketing campaign and cause, as well as how and to whom it is communicated. In general, however, the potential benefits include:

- A claim to leadership in an important field
- Differentiation among competitors
- Improved reputation and brand equity
- Better overall customer relationships
- Improved penetration in niche markets
- Increased overall market share
- Community, stakeholder and shareholder goodwill
- Improved networking and partnerships
- And, increased employee morale and loyalty

Some cause-related marketing campaigns have a brief lifespan and are designed primarily to induce a spike in sales. It's not unusual, for example, for web-based e-commerce sites to donate a portion of the proceeds of purchases to charity during the holiday season.

Other corporate citizenry efforts, such as ConAgra's long-term effort to attack the enduring problem of childhood hunger in America, represent long-term, educational commitments designed largely to build brand awareness, as well as goodwill.

The CBS network affiliate, WBZ-TV in Boston, has become synonymous with the "Wednesday's Child" adoption effort, which has generated a deep, positive relationship between the community, the television station, and the program's chief advocate, anchorman Jack Williams.

Ford Motor Company's partnership with the Susan G. Komen Breast Cancer Foundation, played out primarily through the

You may ask: Is getting credit for your good works, corporate philanthropy, cause or charity in poor taste? No. But that said, try to view your good works from the point of view of the receiver, not just as the giver.

As we begin a new era after September 11, corporate America is taking a new look at charitable giving, and that's a good start. Civilizations, countries, cities, corporations, organizations and individuals will all ultimately be judged successes or failures by the good intentions they acted upon – not the ones they thought about. As Mahatma Gandhi once said, "You must be the change you wish to see in the world." And in the business world, you will typically be rewarded for it. ❖

Foundation's Race for the Cure events, has created improved inroads for the auto giant among female car and truck buyers.

Finding that AIDS was a key issue among the 21 to 34-year-old consumers they hoped to reach, Tanqueray decided to make itself a leader in the effort to raise money for AIDS-related charities.

Sears, Roebuck and Company, seeking to improve its rapport with 25 to 54-year-old women, chose to partner with Gilda's Club, an organization named after comedienne Gilda Radner that provides meeting places for people living with cancer.

The most effective cause-related marketing campaigns are ongoing partnerships with well-established, non-profit organizations, and carry deep and lasting executive and employee support. Such efforts typically "fit" the company's culture, product and reputation, and are delivered to target audiences through a variety of integrated communications vehicles.

The Johnson & Johnson nursing recruitment program meets all of those criteria.

The partners in this campaign are health care leaders and nursing organizations, including the National Student Nurses Association, the National League for Nursing, the American Nurses Association, the American Organization of Nurse Executives, and Sigma Theta Tau International. The purpose of the campaign dovetails perfectly with the Johnson & Johnson credo that "our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. . . ."

The first steps of the long-term effort are the nationwide advertising campaign that debuted during the Salt Lake City games, a comprehensive web site for potential nursing students, and scholarship grants to support nursing students.

By following through on this program and enhancing it over time, Johnson & Johnson stands a good chance of achieving the ultimate strategic goal behind all serious cause marketing programs - building and maintaining a lasting, often emotional connection with key audiences. ❖