

“Five Best Practices for Transparent Cause Marketing”

by New York Attorney General Eric Schneiderman

New York Attorney General Eric Schneiderman released the “Five Best Practices for Transparent Cause Marketing” for both charities and companies engaged in “cause marketing.” After reviewing questionnaires sent out to 150 different companies last October, AG Schneiderman concluded that “consumers do not have sufficient information to understand how their purchases will benefit charity.”

In response, the Best Practices “are designed to increase the quality and consistency of disclosure to consumers,” the AG said, and participating companies should:

1. **Clearly describe the promotion.** Key terms, such as the name of the charity and its mission, should be clearly presented.
2. **Allow consumers to easily determine donation amount.** “Companies should use a fixed dollar amount – such as 50 cents for every purchase – rather than generic phrases like ‘a portion of proceeds’ will go to charity.”
3. **Be transparent about what is not apparent.** Consumers should be made aware of information that may not be obvious. For example, if a ribbon, color, or logo associated with a charitable cause is used in a campaign, consumers should be advised whether the purchase or use of the product will result in a donation to the charity.
4. **Ensure transparency in social media.** Social media marketing should be as transparent as traditional campaigns and contain clear and prominent disclosures.
5. **Tell the public how much was raised.** Companies should clearly disclose the amount of the charitable donation generated at the conclusion of each campaign.

The guidelines emphasize the need for consumer disclosures. In addition to the name of the charity and its mission, marketers should make clear disclosures about the donation amount the charity will receive per product purchase, any minimum or flat donation amount guaranteed to the charity, the existence of a cap on the total donation, whether consumer action is required for the donation to be made, and the start and end dates of the campaign.

The AG recommends the use of a “donation information” label on product packaging and Web sites – similar to a nutrition label – that identifies this key information about the campaign. The details “should be displayed together in a clear and prominent format and size, and in close proximity to, the text used in marketing the promotion,” preferably in the format of a sample label that was provided for guidance.