

# A Closer Look: Retail and Philanthropy

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“Cause-Marketing,” “Philanthropic Retail,” “Corporate Social Responsibility,” and “Buy One, Give One” are some of the messaging ways an increasing number of companies, products, and campaigns are getting the word out to support a charity. Today, charities are experiencing a growing demand for support and consumers are becoming more aware of that demand, while brands continue to search for engaging and authentic stories. In a market plagued by what is called “comparable price” and “comparable quality,” America’s companies are turning to cause-marketing.

In the absence of, or in addition to a unique value proposition, you need a story. Corporate America used to be able to pay a doctor to recommend their cigarettes, make a vehicle that would keep dummies safer in a crash test, or sell it with a reduced fat or 50% bigger label, but in a consumer market that has seen it all, authenticity reigns supreme, and charity is authentic.

In a recent study, a group of Americans were presented with two comparable products. The products were similar in both price and quality, but only one resulted in charitable support. Overwhelmingly, 80% of the Americans presented with the two products made a choice that supported charity. In another study, one group of women was presented with a new, traditional shampoo, and another group of women with a new shampoo that supported charity. 47% of the women presented with the charitable shampoo made a purchase, as compared to the 27% of their counterparts.

Cause marketing is something that nearly every major company in the US is involved in, and its figures are massive. In fact, of the top 10 most charitable companies in the US in 2011, all of them gave over \$100,000,000. The most charitable corporation, Wal-Mart, donated a staggering \$342,350,438. But it’s not just about the amount of the donation; consumers also want to know where those donations are going.

Many corporations have their own charities, such as The Ronald McDonald House, Macy’s Foundation, Box Tops for Education, or The Body Shop Foundation. Other retailers choose to create charitable licensing partnerships like Zales and the ASPCA, Alex & Ani Jewelry and the [National Autism Association](#). Even virtual goods are being licensed by charities, such as in the case of Zynga and Save the Children. Other retailers take it a step further with the “buy one, give one” model. Brands like Warby Parker and Toms donate a reciprocal pair of sunglasses or shoes with the purchase of every pair. Others brands are leaving it up to the customer to decide what charity they’d like to support, because as one study showed, consumers are more likely to make a purchase if the charity being supported was relevant to the product, and more likely to purchase if they themselves got to choose the recipient of their donation.

Products that support charity don’t just sell better, they also create brand evangelicals. One out of three Americans said they have told a friend or family member about a charitable product or brand, and even more encouraging, almost half of young adults said they were more likely to tell

a friend or someone in the family. Supporting charity is a good story, and with cause marketing you can tell a charitable story while telling your brand story.

We've all seen the bad boy athlete, guilty actor, or reckless singer suddenly [donating time](#) and money to their favorite cause after a particularly scandalous incident. This practice is called reputation management. Companies like Wal-Mart, Exxon, and Goldman Sachs can also benefit from the reputation management that comes with their generous philanthropy. In this way every donation and charitable partnership creates a "halo effect" that any brand can access.

Whether trying to gain a competitive edge, repair a reputation, tell a better story, or create brand evangelicals, charitable support has become an integral part of a marketing strategy. Charitable products line the shelves of malls and grocery stores. It's in breakfast cereal that supports humanitarian aid, bananas that protect the environment, and egg beaters that fight hunger. There are eyeglasses that donate to help the visually impaired, shoes that support impoverished children, and jewelry that fights animal cruelty. Products that support charity are just a click away or one row down; its pervasiveness is as much a testament to the generosity of corporate and consumer America, as it is just good business.

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***About the Author:** Kevin Lee, CEO, [We-Care.com](#) has pioneered the technology of Cause Marketing, Social Media and Search Engine Marketing tools since 1995. Kevin's vision for We-Care.com (already generating millions in cause marketing micro-donations for hundreds of causes) is to become a nonprofit cause marketing communication platform meeting the marketing objectives for nonprofits and sponsors. [@kevin\\_lee\\_QED](#)*