



## Corporate Social Responsibility vs. Cause Marketing

At a Reuter's Newsmaker event about Corporate Social Responsibility (CSR), a couple of the panelists drew an important distinction between CSR, cause related marketing and philanthropy.

CSR, in its broadest, is the term describing how each corporation demonstrates social responsibility through the practices and policies that guide their product production, and products and service delivery for which they deliver value to their shareholders. It is how corporations behave towards their people, communities, and natural resources that are involved and affected by the company's existence and operations. "Giving back" may be part of that agenda, but is typically housed in a community relations or foundation department. A company can be socially responsible - or not - before contributing a dollar of its profit to charity.

Cause related marketing, on the other handle, is about leveraging a charitable brand to increase Sales, support product positioning or differentiate from competitors. Those most successful at cause related marketing do so on an ongoing basis, contribute a meaningful donation to the charity to make a real difference to its beneficiaries, and involve a charity that is strategically aligned with products or consumer interests.

### Case Study: Starbucks

A Starbucks brochure states that Corporate Social Responsibility is about how their business is run: Conducting Business Responsibly, Sustaining Coffee Communities, Reducing Environmental Footprint, Embracing Diversity, Providing a Great World Environment, and Being Responsible to Our Communities and Our Customers.

The guiding principles that support their mission statement include:

- Provide a great work environment and treat each other with respect and dignity
- Embrace diversity as an essential component in the way we do business
- Apply the highest standards of excellence to purchasing, roasting and fresh delivery of our coffee
- Contribute positively to our communities and our environment (partial list)

At Starbucks, Key Performance Indicators are measured and monitored for trends year-by-year for Corporate Social Responsibility factors. These KPI categories include: coffee purchasing and production activity, such as coffee and farm equity practices, fair trade certified coffee; community from the perspective of charitable contributions, volunteers; environment by plans and related outlets: greenhouse gas emissions, electricity, water, paper; workplace partner satisfaction and engagement, health and safety of its employees; diversity by race and gender, including diversity of their workforce, with an eye towards both executive and supplier composition.

### Cause Branding

**Endangered Species Chocolate** calls its products *chocolate with a conscience*. The entire line is branded for a cause. The company donates 10% of net profits to help protect endangered species, habitats, and humanity. The brand names and product names, like *Organic Chimp Mints* and *Organic Bug Bites*, promote a cause and lifestyle. Brochures and candy wrappers promote pro-environment, ethical farming and a "Reverence for Life" philosophy. The website provides education on related topics and about the organizations supported, including National Wildlife Federation, Chimp Heaven and the Nigerian Co-Op. And, the site has a blog for like-minded chocolate lovers to swap stories about ways to help these social causes.

**Splendid**, a high-end fashion t-shirt line, has teamed with liveawear™, a nonprofit organization founded in 2005 to inspire activism and build awareness to prevent partner abuse.

Their campaign to eradicate the nickname "wife beater" as a causal description of a tank top, tackles pop-culture vernacular, taking a stand that associates its brand with social consciousness and activism.

Then there are *Cookies with a Cause* produced by **Immaculate Baking Company**. Their brand celebrates the creativity of folk art, which is expressed through their packaging, business practices and community involvement. As described on their website, "Like our approach to baking, folk art is the very definition of handmade: simple, pure, and from the heart." The company helped create the Folk Artist's Foundation and actively support artists and arts programs.