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Do Well By Doing Good

A guide for bringing social impact to your brand

2018 Whitepaper



On January 28, 2017, the Trump Administration announced an executive order barring travelers from seven Muslim-majority nations, an act widely known as the Muslim Ban. Over the next few hours, the New York Taxi Workers Alliance sought to show its support for affected immigrants through stopping taxi service at JFK airport. But Uber, the ride hailing service, was seen as trying to undercut the protest by eliminating its surge pricing at the same time.¹ The social media hashtag #DeleteUber took off and, by some estimates, the service lost hundreds of thousands of customers in just a few days. It's not clear that Uber's intent was to break the protest, but its brand perception was already badly tarnished, and it did nothing to help its reputation either before or after the incident. While this could be seen as simple mismanagement of a corporate communications fiasco, the truth is much deeper. It was a highly visible example of the fact the today's consumers overwhelmingly care about the social impact of the brands they support and the products they buy.

1 <https://www.vox.com/policy-and-politics/2017/1/29/14431246/uber-trump-muslim-ban>

WHY SOCIAL IMPACT MATTERS

“One very positive trend I see is a growing recognition that doing good in the world is good for companies. The question is no longer whether the private sector should be participating in social initiatives, but rather how best they should do so... This goes beyond tech across all industries. We’re seeing a generational change taking place that’s driven by a search for meaning.”

David Fischer

VP Business and Marketing Partnerships,
Facebook²

² http://adage.com/article/the-ad-council/facebook-s-david-fischer-talks-fundamental-shift-purpose-driven-marketing/312464/?utm_visit=2219263





We live in a new age of activism. Millennials, the first digital generation, are now the largest living one, and research has shown that they vote for brands that match their social values with their skills, time, attention, and dollars.

A 2017 report by Cone Communications, a Porter Novelli company specializing in social impact marketing, shows that 71% of Millennials have lost faith in other institutions and are looking to companies to take the lead on social issues. Moreover, 89% will choose between comparable brands based on whether one of them supports a good cause.³ Edelman's Earned Brand 2017 report contains similar findings. Both show the steep acceleration of a 25-year trend of consumers considering social impact to be a key part of their purchasing decisions, and related research shows a newer trend of desirable high-skilled workers deciding between employers for the same reason.

It is no longer enough for brands to rest on corporate social responsibility, sustainable practices, good governance, and good corporate citizenship. Consumers want leadership on social and environmental issues, and they want that leadership to be integral to the brands they buy, love, advocate, and promote. These consumers have been called belief-driven consumers, social impact consumers,

and many other things, but since they are now the significant majority, it may be best to simply call them consumers and assume that those who do not yet consider impact in their purchases are the ones that need a special name.

While the concept of cause-based marketing or cause-based affiliation for brands isn't new, it is transforming. The winning brands of the future are those that realize that bringing social impact into their core is no longer niche cause marketing — it's simply marketing that recognizes that the world is changing. Very few messages can cut through the ad blockers on phones or between people's ears. But consumers are still open to hearing about and participating with companies and products that make the world better. Brands are increasingly recognizing this, and the cause marketing industry has grown from \$700 million in 2000 to more than \$2 billion in 2017.⁴ And it is poised to grow even more rapidly as many current trends take hold.

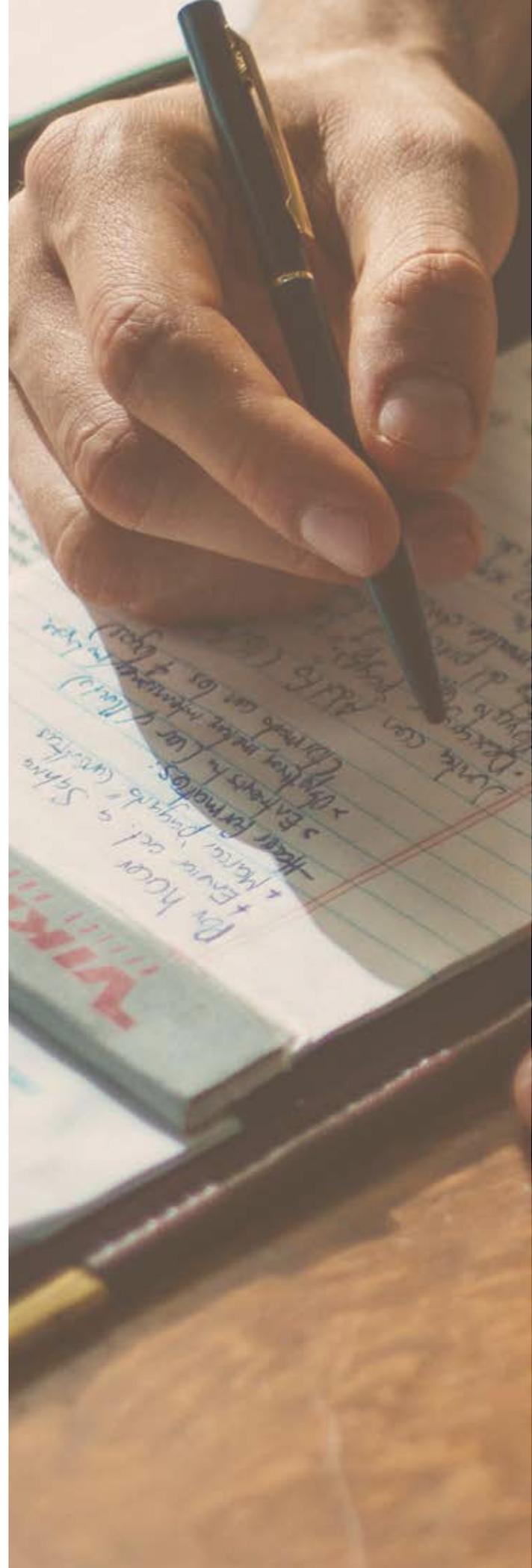
This review seeks to explore this trend and present a kick-start guide for brands trying to navigate this revolution. It is intended for marketers, brand strategists, and other business executives who are actively developing their companies' paths forward on social issues and social impact marketing.

3 <http://www.conecomm.com/research-blog/2017-csr-study>

4 <https://causegood.com/blog/cause-marketing-statistics/>

NOTE ON NOMENCLATURE

In this guide “cause marketing,” “social impact marketing,” and other related terms are used interchangeably. Although each term has its proponents and there may be some differences between them, we think their similarities outweigh potential differences, so this is done for simplicity.





THREE REASONS FOR SOCIAL IMPACT

While many companies have long engaged in some form of social impact out of altruism, very few find that to be a sustainable practice. Ultimately, when there is pressure on growth or profits, those programs are the first to go. And in order to commit substantial resources, executives need to tie social impact activities to the success of their businesses. For that reason (and to develop a successful program), companies should identify which combination of the three primary business purposes their social impact activities serve: attracting and retaining customers, attracting and retaining employees, or providing more reputational resilience in the case of bad news.

"We have entered an era where businesses are expected to lead. The best companies are willing to stand for something, a remarkable evolution from a time when corporations placed profit above all else."

John Battelle,
Co-founder and CEO, NewCo

Attracting and Retaining Customers

One reason for a company to have a social impact program is to attract and retain customers. With the great majority of Americans stating a preference for brands that agree with their values, social impact is increasingly important as a differentiator. It is also one of the most effective ways to move a customer from brand loyalty to brand advocate. According to the Cone report, 81% of people would tell a friend about a company's social impact work. As brands become increasingly reliant on social media as the new word-of-mouth, finding something shareable and conversational is ever more important. Cause marketing represents one of the few ways to actively move people from the loyalty to the advocacy stages of a sales funnel.



Attracting and Retaining Employees

According to the Deloitte Millennial Survey,⁵ "Millennials feel accountable for many issues in both the workplace and the wider world. However, it is primarily in and via the workplace that they feel most able to make an impact." It goes on to show that 45% more Millennials will stay in a job more than five years if that job offers an opportunity to make an impact. Indeed, many large corporations like Johnson & Johnson are using social impact as a recruiting tool for highly talented younger workers.⁶

Reputational Resilience

There are often times when, despite no ill intent, companies end up in bad situations. It may occur through thoughtlessness (as Uber claimed in the Muslim Ban incident), the actions of a few individuals (like the dragging of a passenger off a United Airlines flight⁷), or a preventable disaster (like the Equifax data breach⁸), but in most cases people form an opinion immediately upon hearing the news. A company with a good reputation can be spared the worst in a period of bad publicity, getting the benefit of the doubt from consumers aware of its good reputation. This is particularly important in industries with relatively high reputational risk. According to both Cone and Edelman, approximately 48% of cause-focused consumers say they will defend a brand against critics.

5 <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html>

6 <https://www.jnj.com/about-jnj/jnj-credo>

7 <https://www.cnn.com/2017/04/10/travel/passenger-removed-united-flight-trnd/index.html>

8 <http://money.cnn.com/2018/02/09/pf/equifax-hack-senate-disclosure>



KICKSTARTING CAUSE

Once an organization has made a commitment to making social impact a priority, the next question is how to do it.



When Should an Organization Think About Cause?

The general answer to this is: as early as possible, or ideally at the time an organization achieves product market fit, so it's clearly aware of who its stakeholders are. A brand that embraces cause early builds a company culture that is truly reflective of that cause, whereas one that chooses a cause later can face issues ranging from a lack of buy-in at every level to potential conflict about previous business decisions and policies. While social impact can seem like a nice-to-have for an entrepreneur trying to build a new business or a big corporation launching a new product division, it — like diversity, non-discrimination, or sustainability — is harder to bring into a corporate culture after that culture has formed (though suggestions for how to do this are included under Making the Case for Cause, below.)

The organizations that most successfully embrace social impact are those that make it part of their story from the very beginning. Consider Etsy, Patagonia, or Tom's Shoes. It's nearly impossible to think of any of them without their impact stories. On the other hand, companies that introduce social impact later run the risk of having their work regarded as a "bolt on," added for marketing effect and not bearing any degree of authenticity.

This idea of authenticity comes up frequently in discussions around brand and cause.⁹ In almost all cause-related decisions, it should be the acid test. Is this activity authentic to what the company stands for? Is there a risk of seeming hypocritical or scattered? It's a qualitative assessment, but a very successful one.

What is a Cause?

"Company engagement in social issues is no longer limited to giving or volunteerism, it has evolved to the positive role companies can play in society overall. This now includes addressing issues both related to operational footprint but

also far beyond, ranging from climate change and immigration to gun control and gender-inclusive bathrooms. All stakeholders, especially consumers and employees, are looking to companies to authentically lead on issues that are important to them."

**Alison DaSilva, EVP CSR & Purpose,
Cone Communications**

A cause is a social issue. For centuries, businesses have assigned the work of cause to nonprofit organizations. One pitfall of conflating cause with nonprofits, though, is that there are many things a company can stand for that are not well-represented in the nonprofit world. One way to see this is by looking at the UN's Sustainable Development Goals,¹⁰ a common framework that companies use to think about cause.

Many of those goals do not clearly map to a nonprofit, and brands that use the framework often end up taking on cause-related work themselves.¹¹ For example, Comcast's Internet Essentials program provides highly discounted Internet access for low income households as a way of addressing the Industry, Innovation, and Infrastructure goal, and BNY Mellon is creating gender-lens investment vehicles as part of its work on Gender Equality.¹² A cause is something that is fundamentally pro-social, but cause work is not — and should not be — restricted to nonprofit organizations.

How Should Companies Select a Cause?

What should a company choose to stand for? This decision will be driven in part by which of the three reasons for social impact drove it to want to adopt a cause. Many software companies are constrained by the availability of good engineers, for example, and therefore see cause work as a way of attracting employees. This has led many of them to adopt immigration as a cause, although sometimes clumsily,

9 <http://www.adweek.com/brand-marketing/4-keys-to-creating-cause-marketing-that-benefits-both-brands-and-nonprofits/>

10 <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

11 <http://sdgfinders.org/blog/how-17-companies-are-tackling-sustainable-development-goals-and-your-company-can-too/>

12 https://www.bnymellon.com/us/en/_locale-assets/pdf/csr/return-on-equality-infographic.pdf



as with Mark Zuckerberg’s organization FWD.us.¹³ Shinola, the luxury watchmaker with the “Built in Detroit” tagline, followed an attract-customers strategy by making itself stand for the American heartland, grit, and supporting hard-working Midwestern people. While this isn’t a charitable cause, it’s certainly something Shinola purchasers see as social impact.¹⁴ The aviation industry perhaps best reflects social impact to offset reputational risk. For the most part, it has focused on environmental issues to offset criticism when airlines look for airport concessions or get criticized for noise and pollution.¹⁵

In all cases, authenticity is the critical test. While some cause strategies have performed better than others, all are linked directly to the stances, brand personalities, and value propositions of the companies adopting them. To succeed with a chosen cause, companies must be convinced that their marketing message can be intrinsically linked to it, that the effects of that linking will be desirable, and that they will be comfortable positioning that cause

next to their logo in the public eye.

After a lack of authenticity, the most serious risk in picking a cause is trying to avoid making the choice at all. For example, Amazon Smile generates relatively little actual loyalty, though it does get Amazon some free promotion from nonprofits. Customer-driven programs like grocery store bag refund donations to community-suggested charities experience the same issue. By changing causes constantly, the grocery store’s brand gets a general gloss of good citizenship, but loses the opportunity to gain real benefit from strong and continued association with a specific cause.

Risk and Conflict Avoidance

In one Chicago office building, the management company proudly posted a sign about the money it had raised for cancer research. This placement fails the authenticity test (what does a building management company have to do with cancer?), and so sparks the question as to why the company chose

¹³ <https://en.wikipedia.org/wiki/FWD.us>

¹⁴ <https://www.gq.com/story/shinola-ftc-ruling-made-in-detroit-problem>. Shinola also benefited from the insurance aspect of social impact - even when it became clear that its watch movements were built overseas and the FTC pushed back on its “Built In Detroit” slogan, its Detroit-based factory and story made its fans mostly overlook the controversy and kept it the “Coolest brand in America.” <http://www.adweek.com/brand-marketing/how-shinola-went-shoe-polish-coolest-brand-america-165459/>

¹⁵ <https://www.brookfieldav.com/single-post/2017/02/24/The-Shift-of-the-Airline-Industry-to-Corporate-Social-Responsibility-CSR>

that cause. The reason is most likely risk avoidance.

When companies decide to embrace a cause, they frequently adopt one like fighting hunger or cancer to which no one can reasonably object. Taking corporate stands on more politicized issues like violence, immigration, and climate carry the risk of offending clients, customers, investors, or potential employees that cause activity was meant to attract. But giving a small percentage of revenues to a single, well-established, non-controversial charity may do little for a brand unless that charity is incontrovertibly authentic for that brand. And if the goal is to build brand advocates, it's important to remember that people's positive response is much stronger when a company is perceived as taking a brave rather than a safe stance. It's also often bad for a company to avoid taking a position on controversial issues that affect its core business, since brands can be boycotted for silence as well as for a position. Edelman's data show that 65% of belief-driven buyers will not buy a brand if it stays silent on an issue that they feel it had an obligation to address.

A good example of courage around cause is in REI and Patagonia's response to the US government's decision to greatly reduce the size of two national monuments in Utah.¹⁶ REI used part of its homepage to send the message: "Despite the loss of millions of acres of protected lands this week, REI will continue to advocate for the places we all love." Patagonia, getting straight to the point, went all-in with a takeover banner reading, "The President Stole Your Land." Both of these formulations might be considered reckless, given that the companies were attacking the action of a sitting president who was very popular with his base. In fact, though, both companies got media plaudits and much support, including viral social media reactions, from their customers. Because of their unassailable credibility as brands associated with the outdoors, their bold words read as completely authentic responses and not publicity stunts. Often, as in these cases, a strong stance enthusiastically received by many is better

than a mealy-mouthed response that pleases none or disappoints some.

Find A Cause Where You Can Give More Than Money

Another key thing for a brand to consider when choosing a cause is whether the company can provide support other than just money. If the only contribution is financial, customers often find themselves asking why the company doesn't just reduce its prices and let the customer decide how to give. Examples of more-than-money contributions include expertise, capabilities, and economies of scale. For example, United Airlines provides planes and crews to support relief efforts during natural disasters. Similarly, Lyft has provided evacuation services for people in hurricane zones. And, though sometimes controversial, buy-one-give-one programs like Tom's Shoes seek to take advantage of their manufacturing scale to provide free products to those in need.

Picking a Beneficiary

Although cause and nonprofit organizations are not the same thing, nonprofits still have an important role to play in many cases. They provide expertise, existing programs, and often well-established vehicles for corporate participation. In picking a beneficiary organization, it's important to find one that aligns as much as possible with a brand's values, since a close partnership can come under pressure from both the brand and nonprofit sides. For example, brands that promoted the Red Cross for disaster relief faced pressure when allegations of waste surfaced in the wake of Hurricane Sandy,¹⁷ and brands promoting the Salvation Army came under pressure after it was widely alleged to be anti-gay.¹⁸ Since brands have relatively little power to change perceptions about their nonprofit partners, it's best to do some diligence before tying the knot.

Another reason to choose a cause first and a nonprofit partner second is that most people prefer

¹⁶ https://www.washingtonpost.com/news/morning-mix/wp/2017/12/05/the-president-stole-your-land-patagonia-rei-blast-trump-on-national-monument-rollbacks/?utm_term=.d507d3915e7a

¹⁷ <https://www.propublica.org/article/the-red-cross-secret-disaster>

¹⁸ https://www.huffingtonpost.com/zinnia-jones/the-salvation-armys-histo_b_4422938.html



to give to local organizations that they know and trust. According to the Giving In Chicago survey (one of the largest regional surveys in charitable giving ever conducted in the United States), approximately 67% of people prefer giving locally.¹⁹ Taken in conjunction with growing Millennial distrust of big institutions,²⁰ there's a strong case for supporting a group of regional organizations working on a cause rather than a single national one. This is especially true for smaller companies addressing common cause areas. The handful of big national organizations working on those causes pay little attention to partners who aren't providing millions of dollars per year in support, whereas a smaller organization can often do significant work with several thousand. Additionally, finding employee volunteer opportunities is often easier with smaller, more local organizations.

Managing a group of beneficiaries is not as complex as it sounds. There are now tools for simplifying the task, and (as described in the section on selecting a cause) the ability to choose multiple beneficiaries should not be an excuse for lack of focus in cause selection.

Being a Good Partner

While cause done right can be beneficial to a brand, a brand can also be minimally helpful or even harmful to a partner nonprofit. Nonprofits generally lack the resources of corporate marketing departments, and funders often judge them on the basis of operational

efficiency rather than reach, sentiment, or the other metrics mentioned elsewhere in this guide. For these reasons and others, nonprofits prefer long-term (multi-year) commitments and some degree of predictability. The more straightforward a company can make its expectations, the better.

Once volunteering enters the mix, there are other dimensions to be considered. Few nonprofits have straightforward task needs that don't require screening, training, or regular commitment. They also often lack physical facilities that can absorb lots of additional people on an irregular basis. While days of action play well from a corporate perspective, they are most often a nuisance to a nonprofit. Generally, nonprofits see these events either as prospecting (they hope the employees will donate or return as regular volunteers) or as a service they provide to the brand (team building) and for which they should receive a fee. Continuous engagement is a better model for everyone — employees, participating customers, and nonprofits. It allows corporate managers to plan for their employees' absences and nonprofits to count on regular participation so they can invest in training and oversight, and is also more meaningful for employees who don't feel that their impact is limited to once a year. Continuous engagement can be more challenging and requires implementation of a plan much like marketing a cause, but it is well worth doing.

19 https://philanthropy.iupui.edu/files/file/giving_in_chicago_report.pdf

20 <https://www.vox.com/2016/9/28/13062286/millennials-confidence-in-government>



CAUSES & KPIs

"If you can't measure it, you can't improve it."

Peter Drucker

An all-too-common story is that of a company that wants to orient around cause, has a lot of conversations, generates activity, and possibly even adds a hire or two, but never successfully makes cause a core and contributing part of its brand. This generally happens when cause was not tied directly to the metrics that drive the business. Product teams deciding how to allocate engineering resources, or marketing teams determining how much spend a campaign will get, tend to make those decisions based on whether the outcome will boost the numbers by which their success is measured. “Nice to haves” seldom happen unless they have a tireless internal advocate (usually an executive), and that advocacy is difficult to sustain. But cause is different than direct marketing. Providing a boost to a social impact campaign will probably not result in more immediate buyers, and if a conversion-focused message is included in a cause-based campaign, it often results in backlash. An example of this was Dodge using a Martin Luther King sermon in an ad for trucks during the 2018 Super Bowl.²¹

But if social impact can't be tied to direct sales, what KPIs are relevant in measuring the impact of cause on a brand? There are a lot of new and innovative ideas, and there are also some traditional metrics that offer a place to start.

Net Promoter Score

Net Promoter Score (NPS) is a popular metric for getting a sense of how people feel about a brand overall. Measuring and improving NPS is well worthwhile — according to Bain & Company, the loyalty leader in a given category enjoys more than 200% the cumulative annual growth rate and 15% lower costs than the average company in that category.²² NPS is intended to encapsulate many elements, ranging from service to quality to brand perception. Since NPS is calculated by taking the percentage of brand promoters and subtracting the percentage of brand detractors,²³ it's a core

metric that benefits from a larger number of brand advocates, which is a common and reasonable goal for a cause-based campaign. NPS is a very broad measure, so it takes a sustained effort to move it significantly. However, there is a correlation between those who respond to a cause campaign and those who become advocates. For that reason, a more granular leading indicator is often the number of people who actively connect with a cause-based campaign. There are tools for measuring this as well.

What makes cause relatively unique is that it is one of the only ways to push a campaign that can generate advocates. Other things that tend to generate advocates, like a great customer experience, mostly happen in response to customer interest. Traditional marketing has little impact on NPS (people seldom become promoters as a result of seeing an ad), but because cause can create advocates (45% of people will actively promote a company due to its social impact²⁴), it represents one of the only channels for “pushing” people from the loyalty to advocacy stages of a marketing funnel (i.e. creating brand advocates) and thus does have the ability to move the NPS.

Employee Net Promoter Score or Employee Satisfaction Index

Employee Net Promoter Score (eNPS) and Employee Satisfaction Index (ESI) are analogous to net promoter score, but target employees rather than customers. Since employees are often more patient and engaged when it comes to answering surveys, ESI is composed of three questions and often embedded in a larger survey. Questions directly measuring employee response to cause can be included in such surveys as well. ESI and eNPS are ways of measuring overall workplace satisfaction, and are frequently correlated to employee turnover and productivity. Since the cost of replacing an employee can range up to 40% of their annual salary, improving retention is a big deal. Social impact is also a relatively inexpensive

21 <https://www.nytimes.com/2018/02/05/business/media/mlk-commercial-ram-dodge.html>

22 <https://www.taprootfoundation.org/sites/default/files/imce/260214%20Taproot%20FINAL%20for%20Distribution.pdf>. The cost reduction is presumably due to lower sales and marketing costs, though the study doesn't draw that causal line directly.

23 <https://www.medallia.com/net-promoter-score/>

24 <http://www.conecomm.com/research-blog/2017-csr-study>



way of increasing employee satisfaction relative to increasing salary or benefits, and often just as — or more — effective.²⁵

Impact Net Promoter Score

Because NPS and eNPS are diffuse measures that incorporate many different elements of brand perception, the data science team at Public Good has started using a new measure: the Impact Net Promoter Score or iNPS. Like other NPS measurements, iNPS is based a single question: How likely is it that you would recommend the social impact of our company/product/service to a friend or colleague? iNPS is meant to be used as a leading indicator of a potential change to NPS that zeros in a company's cause-based programs.

Influencer Marketing KPIs

Influencer-based marketing metrics²⁶ also translate well to the world of cause. These include low level metrics like social media mentions and reach as well as higher level metrics like engagement velocity and engagement rate. Like iNPS, these KPIs are leading indicators of a change in brand perception, but they

have the advantage of being measured passively and continuously rather than through user interaction. The disadvantage of influence metrics is that individual social media mentions may need to be analyzed for sentiment. When Pepsi aired an ad accused of trivializing Black Lives Matter, social media users were as likely to share it because it outraged them as because they liked it.²⁷ This resulted in a huge amount of social media activity, much of which looked like this:



While the massive amount of sharing might seem like a success to a marketer using only influencer and brand impression KPIs, erasing a negative image like that takes a very long time.

25 <https://www.forbes.com/sites/karlmoore/2014/10/02/millennials-work-for-purpose-not-paycheck/#4635feb6a51>

26 <https://www.forbes.com/sites/deepatell/2017/04/21/how-to-measure-the-roi-of-an-influencer-marketing-campaign/#4533df2e6348>

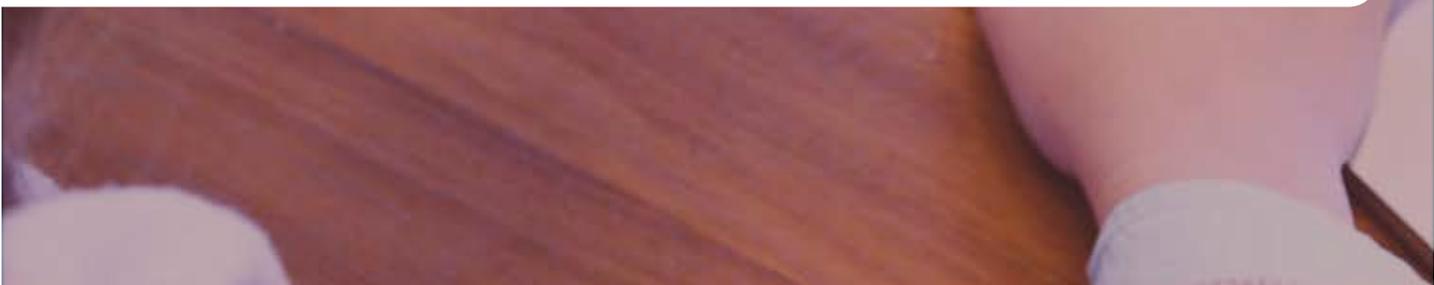
27 <https://www.nytimes.com/2017/04/05/business/kendall-jenner-pepsi-ad.html>



MARKETING CAUSE

"Getting a consumer to take a prosocial action alongside a brand is the holy grail of social impact marketing."

Jay Porter,
President, Edelman Chicago



While cause done right has the potential to build customer and employee advocates, it needs promotion to succeed. This notion can cause deep distress to traditionalists, who may feel uncomfortable promoting a business's social impact because taking credit for charitable work seems improper.²⁸ While there is nothing wrong with anonymous or unpromoted giving, these concepts do not map well to 21st-century brands and companies. Customers want to know where a company stands on issues, and if the company's cause is authentic it is a fundamental part of the brand story. Often, as in the case of Patagonia and REI, the biggest way for a brand to have impact is simply to take a position and broadcast it rather than to attempt to intervene directly. And even if unpromoted giving is morally superior, it's usually unsustainable for many reasons already discussed, resulting in companies abandoning their cause-related efforts at the first whiff of a headwind. Unpromoted cause work runs the risk of being the perfect that's the enemy of the good.

The flip side of this, however, is that cause and direct response marketing can be a dangerous combination. Some campaigns, like the (RED) anti-AIDS program,²⁹ have made shopping for certain products the actual way to achieve impact, but for most cause campaigns people can feel manipulated if the ask to buy something is too close to a brand's messaging about its cause work. This can be a difficult needle to thread. On the one hand, unpromoted cause work is a you-built-it-and-they-didn't-come scenario. On the other, too much self-congratulation or direct product promotion can make cause feel like a stunt rather than genuine. Fortunately, there are good methods of achieving a balance.

Narrative

Generally, the most effective way to promote cause work is through storytelling and narrative. This can include amplifying the stories of individuals affected by a brand's or its partners' work. It can also include stories from employees or customers explaining why the brand's cause work is meaningful to them or fundamental to their experience with the product. More generic, aspirational messaging tends to be less effective.

One company that does this with particular agility is Starbucks.³⁰ They have deftly woven together content about their various cause-related efforts (including green/fair/sustainable products, hiring refugees, and donating surplus food) into the social impact section of their website, and have promoted social impact as a top level category on a par with coffee and tea. They've even developed a distinct Starbucks Channel,³¹ an embodiment of the idea that every brand is now a media company.³²

Another exciting area of development is in sponsored content. While changes in the news industry have made seeking earned media much more difficult, virtually every major publisher offers sponsored content as a marketing tool.³³ Sponsored content allows a "push" platform for cause that can get it in front of a lot more people than a brand's native corporate blog, website, or social feed. Sponsored content also allows for the same optimization and trackability as other forms of digital marketing when combined with state of the art tools. Many channels use the same editorial teams and writers for sponsored content as for native news, and some even use similar journalistic standards (the sponsor can pick what the story is about, but nothing more.) This kind of content can be an extremely effectively way of spreading the word about cause,

28 Such beliefs run deep and are fundamental to many spiritual and cultural traditions. For example, the 12th century Jewish scholar Maimonides formulated an entire hierarchy of giving based in substantial part on whether the giver and recipient are known to each other, and his ideas are still fundamental in Jewish education today (<http://www.jewishvirtuallibrary.org/eight-levels-of-charitable-giving>). Related traditions in American life are explored thoroughly in Dan Pallotta's book *Uncharitable* (<https://www.amazon.com/Uncharitable-Restraints-Nonprofits-Contemporary-Perspectives/dp/1584659556>).

29 <https://red.org/>

30 <https://www.starbucks.com/responsibility>

31 <https://starbuckschannel.com/>

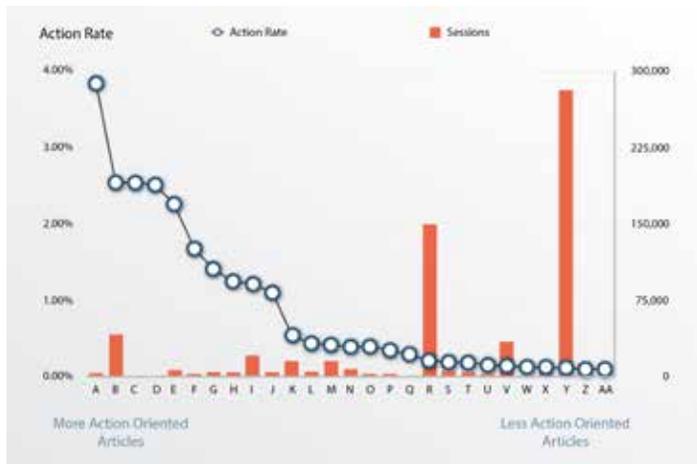
32 <https://www.forbes.com/sites/baldwincunningham/2015/09/09/how-every-brand-became-a-media-company/>

33 <https://contently.com/strategist/2016/04/20/ask-content-guy-whats-difference-sponsored-content-native-advertising/>

and has been used by brands ranging from MINI to Allstate across outlets ranging from The Wall Street Journal to The Atlantic.

Content KPIs

Traditionally, the performance of content marketing is substantially judged by KPIs like clicks, time on site, and completion rates. One Public Good study has shown that those metrics are half the picture at best. In fact, click and completion rates are good trackers of content placement, promotion, and headline writing. They are not great indicators of how well the content resonated with readers. For that, a call to action analogous with a conversion event in direct marketing is necessary.



This chart shows an example of a broad content test sponsored by the Bill & Melinda Gates Foundation and produced/published by Upworthy. All of the content was about food security, but each piece told a different specific story in a different way. The line on the graph represents readership; the bars show the percentage of people who took action. They are very loosely correlated, a trend that has played out in other similar experiments.

Elements that tend to create more powerful narratives include immediacy, empathy, and framing a problem as big enough to be important, but small enough to be addressable. For example, an article on food deserts (big, hard to address) did less well than an article about the health impact of a clean

cookstove for a family in Africa (personal, achievable). In fact, the single clean cookstoves article resulted in readers donating enough money to buy almost 200 cookstoves for families in need. Using conversion data is a good way to test which narratives are effective so they can be more actively promoted.

Conversion to Sales

One frequent mistake (at least where cause is concerned) is to aggressively mix ads and sponsored content. While it can be intuitive to think that wrapping content in a company's logo and blocking competitors from buying ads on that content is a winning tactic, it generally is not. Public Good's data has shown 20-50% reduced interaction rates with content that is too heavily wrapped in ads. If the success of a cause strategy is mapped to direct sales, a better technique is to employ retargeting networks and social media targeting after a user has been exposed to sponsored content. This gets the brand message to a consumer without mixing a commercial and cause message prematurely. These approaches can draw the content into more of a traditional, multi-channel digital marketing campaign.

Call to Action

Including a call to action in a narrative and providing a mechanism for a reader to do something (analogous to making a purchase in e-commerce) has the benefits of empowering the reader, earning the right to communicate with them, and having them experience the brand's social impact in a kinesthetic way rather than through passive consumption. It is analogous to consideration and conversion in a traditional marketing funnel. It can also magnify the brand's social impact through enlisting the resources of its customers.

Examples of call to action microsites include State Farm's Neighborhood of Good,³⁴ Allstate's Renewal Project,³⁵ and Patagonia's ActionWorks.³⁶ The challenge of such microsites, though, is that they are ineffective if they don't get traffic and attention, and it can be difficult to get marketing or communications

34 <https://neighborhoodofgood.statefarm.com/>

35 <https://www.therenewalproject.com>

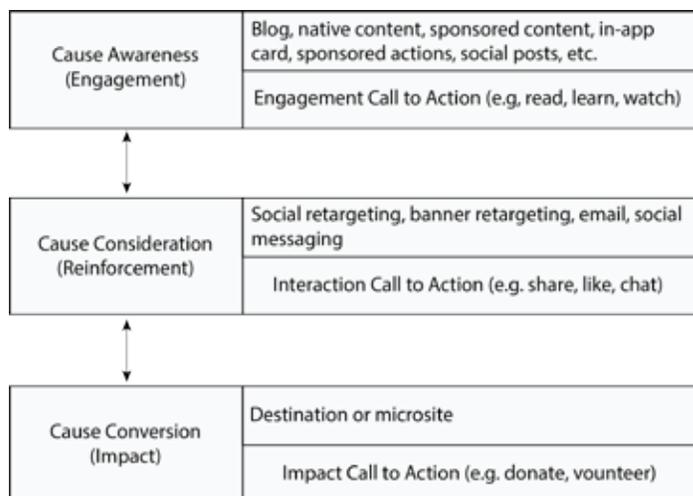
36 <https://www.patagonia.com/actionworks>

resources to promote these projects. One way around this obstacle is to think of them as chains. If a user has just purchased a coat or an insurance policy, rather than simply saying “thank you, see you next time,” brands can say “thank you, and one more [cause-related] thing....” This simple change leverages the opportunity to make a converted customer into an advocate, and is effectively free to do since the opportunity cost of being part of a thank you experience is usually low. It is also among the most under-used strategies in the current marketplace. Even Amazon under-utilizes its thank you experience.

Empowering Others’ Readers

If a brand lacks the resources to generate dedicated content and narrative, or if it wants to augment its existing strategy, one way to do so is to provide actionability on natural content produced by others. This might take the form of an ad on related news content, which is often cheap because product marketing doesn’t tend to perform well in cause-related content. For example, an article about how people struggle in the aftermath of a family member being incarcerated is unlikely to be a good place to sell insurance or most other products, but it’s a very effective place to showcase Allstate’s community renewal work and invite readers to help out. These campaigns can be run through traditional ad networks or through a platform like Public Good’s Take Action, which allows brands to sponsor action campaigns in native news content across dozens of major publishers.

This schematic represents the anatomy of a cause campaign, and is something of a hybrid between a traditional marketing funnel and a ladder of engagement. It gives representational channels for each stage, though there certainly are many others.



Cause Awareness refers to the stage of making a participant (employee, customer, or otherwise) aware of the association between a brand and a cause. It’s usually too early to ask for active participation at this point, so the goal is to get the participant to agree to communicate further (engage). Typical actions include reading more content, taking a quick poll, or signing up for an email newsletter or social network group.

Cause Consideration can also be called reinforcement. Once a participant has been exposed to the initial message, they are exposed to deeper and repeated messaging about the cause and are actively invited to participate. Typical actions include liking something, signing a petition, or participating in an online group or conversation. Retargeting through social media or even traditional networks can be helpful at this stage.

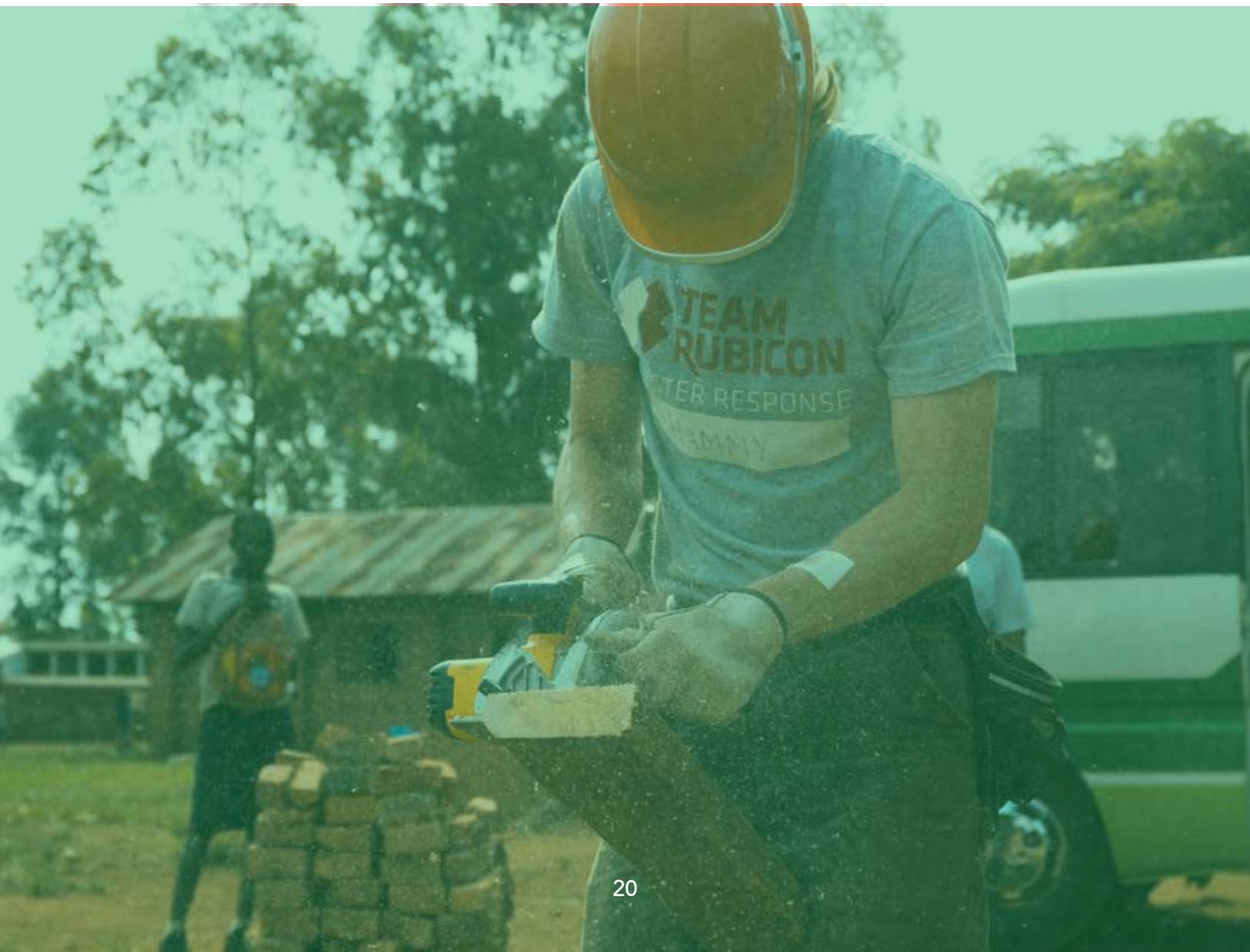
Cause Conversion is when the participant takes an action that has concrete impact. Examples include donating money, volunteering, giving blood, or buying a product with a cause component.

Common missteps include skipping any of these steps (trying to get someone from awareness to conversion immediately), stopping early (getting someone to sign a petition that goes nowhere), and not providing continuity among the steps for those who want to proceed quickly. One other non-obvious aspect of a cause campaign is that participants may skip around among the different components, and that isn’t necessarily a bad thing. For example, sharing is sometimes seen as a lower level action than donating, but a donor should always be invited to

share. Unlike traditional commerce, the best time to ask someone to take another step with respect to a cause is usually immediately after they’ve just taken one.

MAKING THE CASE FOR CAUSE

If an organization doesn't have cause built in from its founding, it can be hard to get broad buy-in from the executive team. Usually the case needs to be made by the CEO, but even then, individuals do the work they are paid and incentivized to do — which often doesn't include cause.





Discussing Cause with Senior Executives

While most executives are aware that cause is becoming more important to consumers, many are surprised to learn that respected consultancies and agencies have done extensive research into this trend. The reports they have produced provide much useful data and are worth reviewing in their entirety. A one-page summary of some key findings is included at the end of this guide.

The other crucial point to make clear is that the goal of adopting cause is to influence core business KPIs. However, it's important to stress that for cause to be successful in driving business change, it requires a long-term commitment and may take several tests to implement successfully. A real commitment to cause can take years, not days or weeks, but the positive change is equally durable once it has been achieved.

How to Institutionalize Cause

For cause to be sustainable within an organization, it needs champions at the highest level. Sometimes, structural changes can also be helpful. Frameworks for doing this include B Corp Certification, formation of a Public Benefit Corporation, and the adoption of best practices from those structures.

Broadly, B Corporations are for-profit companies certified by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency.³⁷ B Corps complete an assessment annually that measures their success in meeting these objectives and allows them to benchmark themselves relative to other purpose-driven companies. Since the B Corp assessment generates a single numerical score, it can be useful

to use as a KPI and tie to employee incentives. The downside of B Corp certification is that it is more focused on driving changes in governance, sustainability, and other aspects of a company's core business than on the brand's social impact in the communities it serves. It also does not take customer or employee perceptions into account. From a cause perspective, the main takeaway is the concept of a single score against which a company can track, benchmark, and incentivize its performance. In this guide, that idea is represented in the idea of an Impact Net Promoter Score.

Public Benefit Corporations are a legal structure that allows a for-profit business to tie itself to a pro-social goal in addition to its profit goals.³⁸ Since it is a legal form and not a certification, statutes vary from state to state, but they share the goal of creating a framework for a cause-driven company to thrive. In most states, benefit corporations complete a self-assessment, but they are given a choice of which assessment to use (they can use the B Corp assessment or another more tailored to their needs.) They are also encouraged to wrap a metric around their mission and to have a designated member of the board of directors advocating for the cause. Even traditional corporations can appoint a board member to this advocacy, creating high level buy-in for cause-based initiatives.

Large companies are already producing reports on their sustainability and corporate social responsibility work. But very few have tied these reports to growth metrics to hold themselves accountable for the overall success of their cause initiatives. Crossing that bridge will make cause fundamental to the corporate mission.

37 <https://www.bcorporation.net/what-are-b-corps>

38 <http://benefitcorp.net/>

CASE STUDIES



**MARCH
FOR OUR
LIVES** 

GIFFORD
COURAGE TO FIGHT

The Parkland Shooting

As this paper was being written, many of its principles were displayed in the aftermath of the shooting at Marjory Stoneman Douglas High School in Parkland, Florida. The student response and public reaction was directed not just at the NRA and public policy, but at major corporations as well. Students began an effective social media campaign encouraging people to boycott brands that supported the NRA. They determined to use their purchasing power to pressure brands to conform to their social values with speed and scale not previously seen. Brands ranging from First National Bank of Omaha (issuer of the NRA credit card) to those that offered NRA members group rates and discounts (most major car rental agencies) began pulling back those programs. One brand that tried to straddle the issue was FedEx, which issued a statement condemning violence and stating that it was against assault rifles, but attempted to cloud the issue of its NRA discount program by referencing common carrier laws. While the jury is still out on the final results of this conversation, Forbes has already dismissed FedEx's statement as "a learning moment for all PR people and brand communicators on WHAT NOT TO DO!"³⁹

Although at the moment of writing none have capitulated, there was also pressure on the major online streaming services to sever their ties with NRA TV. This tweet from Sleeping Giants, an account that seeks to hold marketers accountable for where their ads appear, summed up a lot of popular sentiment pretty well.

Perhaps the most interesting part of

All four streaming services, @amazon @AppleTV @Google and @RokuPlayer should take note:

The first one to say no more to the race-baiting divisive rhetoric of NRA TV gets all of the credit.

The last one is essentially whatever @fedex is right now.



NYT Opinion @nytimesopinion
"New Dick's Sporting Goods has stood up for what decency, morality and conscience demand. Not our elected representatives, who are sworn to protect our citizens, and not our president." #NYT Letters nyt.ms/2P1EaK6
12:18 AM - 1 Mar 2018

this debate came from major firearms retailers like Walmart, Dick's, and LL Bean. All three voluntarily raised their purchasing age for long guns from 18 to 21, and some decided to stop carrying assault rifles. Their actions spoke particularly loudly since those decisions could impact their core businesses, and were not just promotion programs. As Dick's CEO Edward Stack said in his Washington Post Op Ed,⁴⁰ "This issue transcends our company's bottom line. We suspected that speaking out would have a negative impact on our business. But this was about our values and standing up for what we think is right."

So far, this situation has proven to be a case study in Generation Z mobilization, their wish to see corporations take stands on social issues, and how they will reward and punish those that do or do not stand with them.

Data and Democracy

Another story in the news of the moment is that of Facebook and the use of its data during the 2016 presidential election.⁴¹ Broadly, it has become clear that a substantial amount of users' personal data was made available to the firm Cambridge Analytica, which used it to create social media campaigns for its client, the Trump Campaign. As of writing, it is not

entirely clear whether the data was gathered under false pretenses (under the guise of academic research) or just very efficiently mined in ways that are permissible under Facebook's terms of use (even if they are poorly understood by consumers.) For the purposes of this case study, those facts are substantially irrelevant, as is Facebook's uneven and sometimes conflicting public response. What is relevant is how this incident illustrates

39 <https://www.forbes.com/sites/aaronkwittken/2018/02/28/quickly-unpacking-the-fedex-nra-press-statement/>

40 https://www.washingtonpost.com/opinions/i-run-dicks-sporting-goods-its-congress-should-turn-to-do-something-about-guns/2018/03/21/3dd1b040-2c3f-11e8-b0b0-f706877db618_story.html?utm_term=.41f45c2044e4

41 <https://www.nytimes.com/2018/03/19/technology/facebook-cambridge-analytica-explained.html>

that a company may quickly fall victim to very real consequences if consumer sentiment turns against it. In this case, Facebook risks not only regulatory backlash and long-term consumer distrust, but has lost more than \$40 billion in market capitalization in a single day. It is now under investigation by the FTC, and its whole business model is being questioned.⁴²

It is not yet clear how long-lasting the damage will be given Facebook's industry dominance. Also, given that he personally controls the voting majority of Facebook stock, it's virtually certain that CEO Mark Zuckerberg won't suffer the same fate as Equifax CEO Richard Smith, who stepped down following that company's similarly sized data exploit. But the reputational damage is real, and there's little to counter it. Right now, Facebook would ideally be making the case that its product overwhelmingly benefits people relative to the damage alleged in this incident, but it is having trouble framing that argument — because, at least in part, it has wandered from its original path of being a social impact company.

In Facebook's early days, Zuckerberg phrased the company's goal as "to make the world more open and connected," but as the company has increasingly shifted its focus to profitability, it has lost that perception.⁴³ One direct consequence of this move has been the impact on nonprofits, who have lost the organic promotion opportunities Facebook used to offer and now must try to negotiate with paid promotion options.⁴⁴ Early on, Facebook encouraged nonprofits to migrate their online activity to Facebook pages. In just a few months, however, algorithmic changes resulted in these organizations losing 98% or more of their organic reach.⁴⁵ Since only the biggest organizations had budget or marketing expertise to adjust to the change, the shift created widespread chaos and distrust among nonprofits, feelings that linger to this day.

This is not to say that Facebook does not do social good. Its Safety Check feature,⁴⁶ which allows people to make sure loved ones are safe after a natural disaster, is a transformative innovation that ought to be lauded. And Zuckerberg's personal commitment to doing good by putting the majority of his fortune in the Chan Zuckerberg Initiative appears to be focused on social impact, though its novel structure and somewhat ambiguous mission statement make it a bit unclear whether it's meant to be a specialty venture fund or a flexible, innovative alternative to a foundation.⁴⁷ In fact, Facebook has moved from being a true social impact company into a more primitive form in the impact evolution — a pure for-profit company with a division focused on impact that sits apart from the core business (in most places, this is called CSR, but Facebook uses the Silicon Valley nomenclature "X for Good" and calls the team Facebook for Good). While this division does great work, it lacks proportionality to Facebook's core business. For example, the social network celebrated the fact that it raised more than \$10 million for Hurricane Harvey relief as well as a \$1 million corporate match.⁴⁸ But given that individual celebrities and media stations using crowdfunding sites raised far more, and the size of the response relative to Facebook's 2017 profits of roughly \$17 billion, this amount seems a lot less impressive. While it's fair to say that hurricane response isn't Facebook's business, so any contribution deserves praise, that equally points to the flaw in its approach. Regardless of scale, hurricane response fails the authenticity test for Facebook, so it doesn't stick in people's minds or make as much of a difference with users.

Anecdotal evidence suggests that users do not see Facebook as furthering social impact any more, and that has led them to be more critical now that the company is under the spotlight. Few if any users are coming to the company's defense in the way they might if it was more associated with authentic

42 <http://money.cnn.com/2018/03/19/technology/business/facebook-data-privacy-crisis/>

43 <https://www.wsj.com/articles/profitable-learning-curve-for-facebook-ceo-mark-zuckerberg-1388975900>

44 <https://nonprofitquarterly.org/2015/02/11/as-organic-facebook-traffic-disappears-nonprofits-pay-the-price/>

45 <https://nonprofitquarterly.org/2014/08/15/facebook-s-new-policy-is-damaging-nonprofits/>

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47 <https://www.chanzuckerberg.com/about>

48 <http://www.adweek.com/digital/facebook-hurricane-harvey-10-million/>



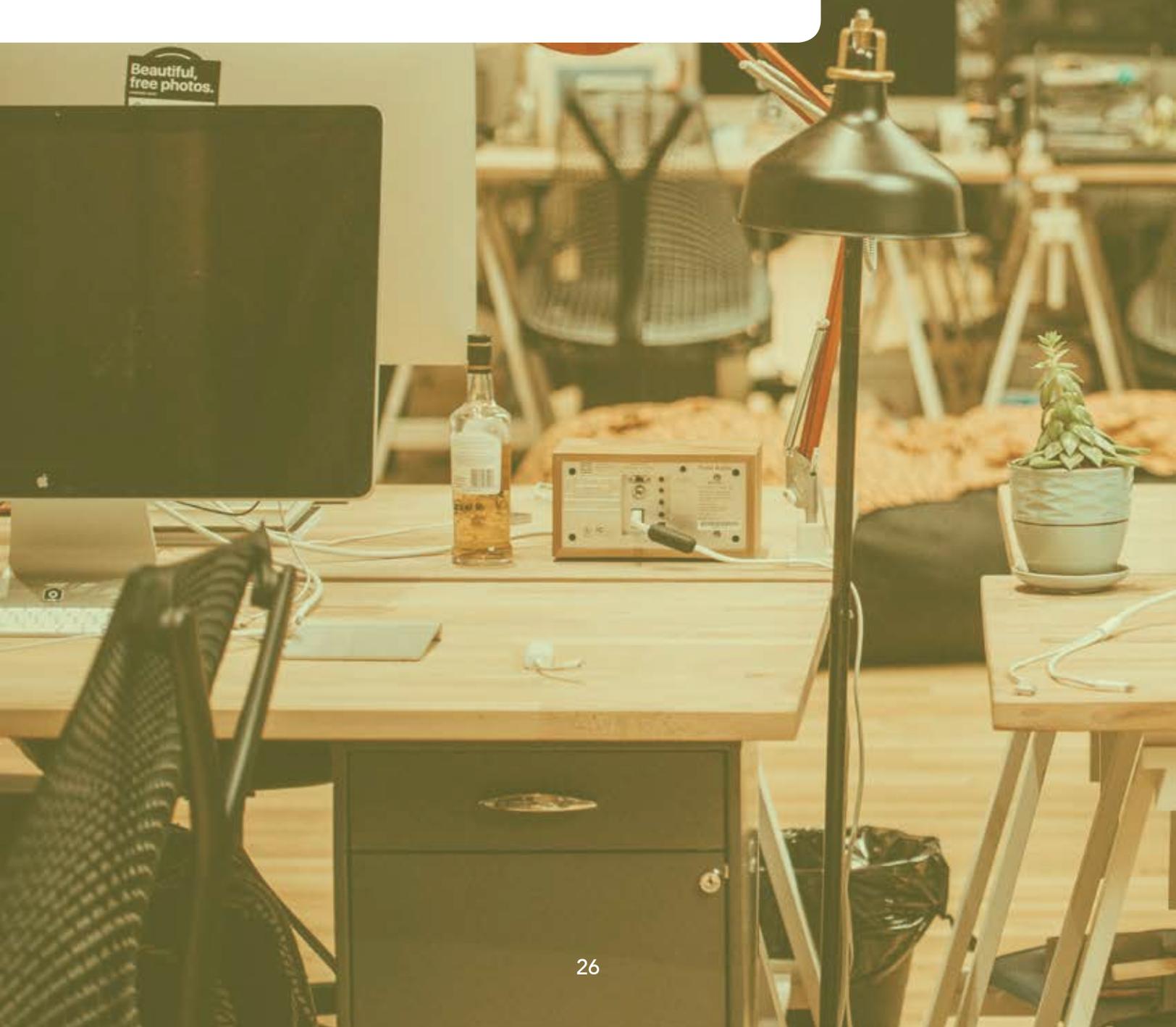
or relevant social causes. As early Facebook investor Roger McNamee put it, "I told them, 'Your business is based on trust, and you're losing trust.' They were treating it as a P.R. problem, when it's a business problem. I couldn't believe these guys I once knew so well had gotten so far off track."⁴⁹ While social impact is not a panacea for all of the company's problems, it could have helped build credibility and resiliency in a time of crisis. Given that, how could Facebook have done better without blocking revenue growth? One example comes from many of the company's own former executives. They founded Common Sense Media, an organization dedicated to helping kids thrive in the age of social media. The organization has hosted conferences to engage with lawmakers and

the public on vital issues relating to social media and society from privacy to democracy, and has created a Digital Citizenship curriculum that's taught by more than 500,000 teachers and provides recommendations for apps and screen time policies.⁵⁰ While the organization is occasionally critical of Facebook and other social platforms, it is not analogous to an anti-smoking organization. It encourages responsible use, not total disengagement. In fact, it is arguably exactly what Facebook for Good ought to look like. If it was, it seems very likely the company wouldn't be so lonely right now.

49 <https://www.nytimes.com/2018/03/19/technology/facebook-alex-stamos.html>

50 <https://www.commonsense.org/education/digital-citizenship>

TOOLS AND RESOURCES





Outreach

Public Good offers a wide range of customizable widgets including chatbots, buttons, and cards that make branded content actionable rather than just something to be passively consumed. For example, a beverages company with a clean water cause can produce posts about water scarcity and use the widgets to empower users to engage (by reading more related content or signing up for a newsletter or social media group) and take impactful actions (such as donating to a clean water charity, sharing the message, volunteering, or even contacting a politician.) In addition, Public Good has partnerships with major media outlets allowing for sponsored widgets on related content that naturally occurs in the news cycle. For example, the beverages company could also sponsor its water widgets on articles about the water shortages in Cape Town. This provides a very cost-effective supplement to branded content and can greatly extend reach. It also gives the brand a way to rapidly respond to the news cycle when an issue related to the brand's cause is top of mind. Using these widgets allows a brand to gather a great deal of useful data that wasn't previously available, including conversion (how the content is resonating.) It also allows the brand to make readers addressable so they can continue the conversation. Sponsored widgets perform between 10x and 1,000x better than traditional ads in terms of engagement rates.

Ongoing Dialogue

A key component of any cause campaign is acknowledging a participant's previous engagement and building a ladder of engagement⁵¹ towards

deeper asks. A more engaged user not only provides greater leverage for a cause campaign (they are more likely to take an impactful action), but is also much more likely to associate the brand with the cause over time. Public Good provides tools for continuing the dialogue through email, Facebook Messenger, and other direct communications channels, as well as through ad retargeting networks and a deepening, personalized experience using our widgets. For example, the first time someone sees a widget about water scarcity, the primary ask is that they read more or spread the word. If they do one of those things, they'll be thanked the next time, and then asked to consider donating money or cutting their own water use. Users can also join social media groups celebrating their work on the causes they care about.

Destinations and Integrations

Often, a brand will want to include its cause work directly in its own consumer marketing, website, or even ecommerce flow. Public Good provides a variety of widgets and APIs that can dramatically speed the development of these sites and flows as well as reduce costs, implement best practices, and provide an analytic framework to ensure success.

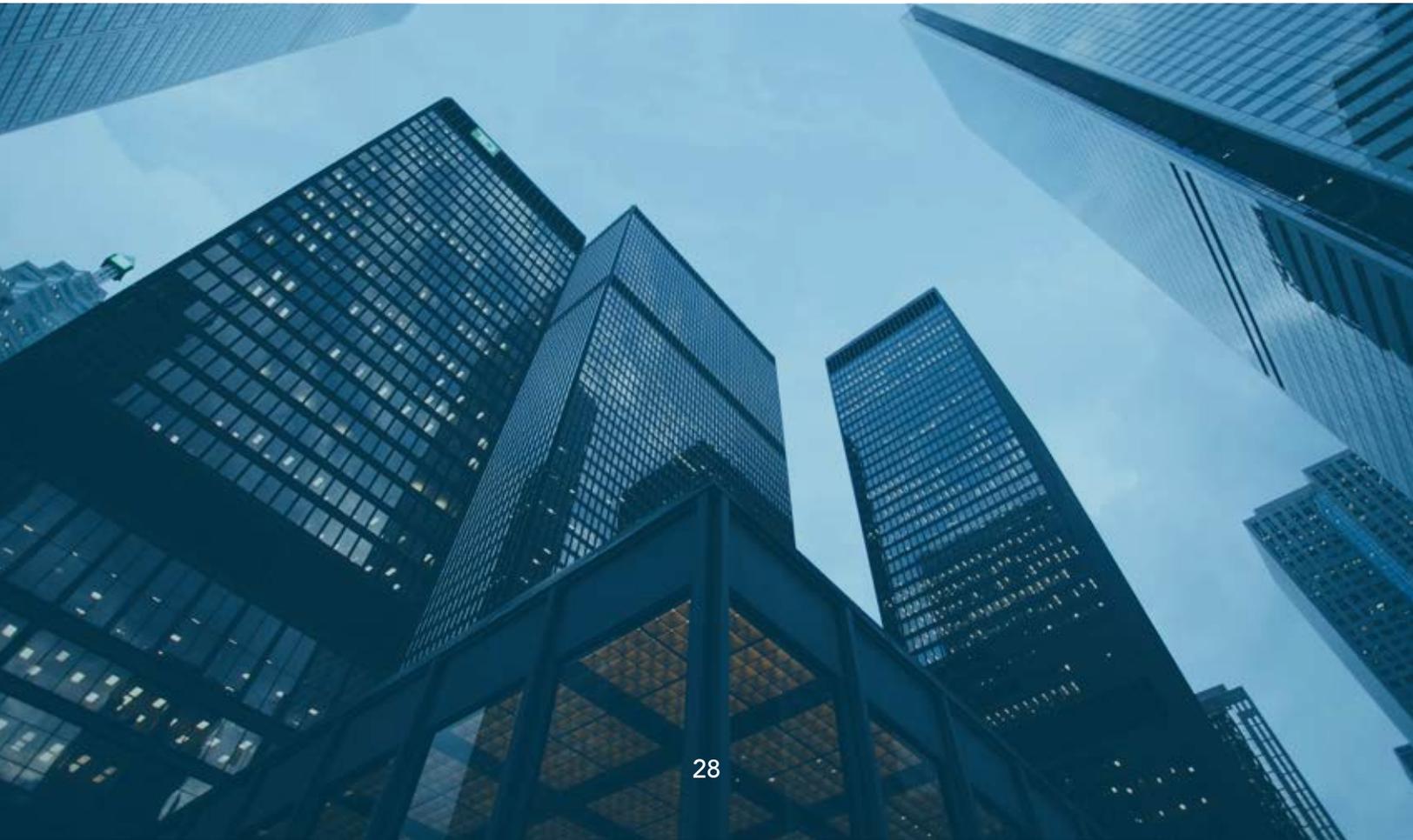
For More Information

Contact info@publicgood.com, follow us @publicgood, or check out some current campaigns at <https://pgs.io/live>. We look forward to hearing from you and helping you develop your cause strategy and campaigns.

51 https://medium.com/@jack_milroy/digital-organizing-101-what-is-a-ladder-of-engagement-and-why-do-i-need-one-c523b5874e16

CLOSING NOTE

Some in the social impact community, including people at corporate foundations, nonprofits, and elsewhere, continue to make the case that social impact should be done for its own sake, because it is the right thing to do. Nothing in this guide disputes that point, but completely altruistic programs are difficult to implement or maintain. Our argument is simply that the amount of resources in corporate foundations and CSR departments will always be dwarfed by the amount dedicated to marketing, so if social good can be married to promotion, it will vastly increase overall corporate impact. That doesn't need to be something to be shy about. It can truly be a way to do well by doing good.





WHY CAUSE MATTERS: THE EMERGING LANDSCAPE

A One-Page Summary for Executives

Impact is rising. More than 89% of Americans and over 57% of global consumers are buying or boycotting a brand based on how it aligns with their social values. This is up 30% from a year ago. The switch is most prevalent in Millennial consumers, with 60% identifying as cause-driven globally. *(2017 Cone Communications CSR Survey / 2017 Edelman Earned Brand study)*

Impact is crucial, not a nice to have. Of belief-driven consumers, 50% have strongly held, passionate beliefs and see their purchasing as a key way for them to be able to express their personal beliefs. *(2017 Edelman Earned Brand Survey)*

Impact-focused consumers are advocates. 48% of belief-driven consumers advocate for their brands and defend them against critics. *(2017 Cone Communications CSR Survey / 2017 Edelman Earned Brand study)*

Non-participation is not an option. 65% of belief-driven buyers will avoid a brand because it stayed silent on an issue they feel it had an obligation to address. *(2017 Edelman Earned Brand Survey)*

Social impact matters to employee loyalty. 45% more Millennials will stay at a job more than 5 years when offered an opportunity to make social impact vs. when they are not. *(2017 Deloitte Millennial Survey)*

Consumers want to help with social impact. They want to donate (82%), volunteer (74%), and advocate for (69%) their brands' causes and doing so makes them more loyal (76%). *(2017 Cone Communications CSR Survey)*

Key Sources

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<http://www.conecomm.com/research-blog/2017-csr-study>

About the Authors



Dan Ratner is a serial entrepreneur, technologist, writer, and impact investor. He's co-founder and CEO of Public Good, the leader in connecting the media and brands with actions people can take to make a difference in the world. He's also co-author of two books on nanotechnology, and an investment committee member of Impact Engine. Previously, he was the Director of Technology at Obama for America 2012 and CTO of Sittercity, America's first and largest service dedicated to finding quality care online. He's a frequent speaker on technology, data science, and cause marketing and he's an advisor on social issues and impact to Digital Hollywood's Influencer Awards. He lives in Chicago with his incredible wife Genevieve Thiers and amazing twin sons Leo and Ari.



Stacy Ratner is the founder of nonprofit social venture Open Books, which serves 5,000 students each year through an array of transformative programs funded by the sale of used books in its two Chicago stores, and of the Chicago Literacy Alliance, whose 125 member organizations provide programs to more than 18 million people annually and which is headquartered at the Literacenter, North America's first nonprofit coworking space dedicated to literacy. Her social impact work has received honors including Chicago Magazine's Chicagoan of the Year, the Social Enterprise Alliance's Innovation prize, the Library of Congress's Best Practices in Literacy award, and a Youn Impact Scholarship at Northwestern University. Stacy holds degrees in law and literature and will receive her MBA from the Kellogg School of Management in 2018.

Acknowledgements

Many thanks to Melissa Anderson, Amelia Chen, and the rest of the team at Public Good who provided insights and data for this guide. Also thanks to the teams at Edelman and Porter Novelli for their leadership, data, engagement, and feedback.

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