

Embracing *the* Cause

Every great consumer brand now has a great cause. Pepsi has its *Refresh Project*; Tide offers *Loads of Hope*; Coca-Cola supports the Boys & Girls Clubs of America through *Open Happiness*; Dawn saves wildlife; and Dove's *Self-Esteem Fund* lead the way.

Of course, every great retailer brand now has a cause, too: Walmart, Target, Starbucks, Macy's, Kroger—all offer several special initiatives where they require active manufacturer participation.

New causes at retail are now as common as new SKUs. Today's cost-conscious shoppers are also cause-conscious consumers. Shopper-marketing research indicates people now care almost as much about brand *values* as brand *value*. In this post-recession time, cause marketing has become the fastest-growing component for building brand equity for both retailers and manufacturers.

When you include Red, the Susan G. Komen Foundation, UNICEF and the World Hunger Association, the argument becomes overwhelming: Philanthropy, social responsibility and good works have moved from the polite periphery to the very center of the purchase decision. Causes increasingly define shopper marketing's moments-of-truth.

But, ironically, retailers and manufacturers find their best intentions to build better brands through "doing good" in conflict with each other. Manufacturers no longer think it sufficient to pay their way into the retailer's program. Grabbing more shelf-space or webpage prominence for participation isn't "good" enough. Manufacturers reasonably believe they have greater opportunity to build their own programs and brands more relevantly and authentically.

RE-THINK THE RELATIONSHIP

For years, manufacturers have borrowed equity from properties in the form of co-marketing and customer promotions to sell their brands at retail.

Both sides benefited from the entertainment property programs that allowed retailers to stack displays high and watch them fly with promises of additional merchandising, exclusivity, and added consumer benefits. The results did not disappoint.

Today, manufacturers are seeking out worthy causes and altruistic programs or partners to sell their brands. Hit movies, pop music artists and pro athletes no longer dominate. Endorsements have passed their purchasing persuasiveness peak. The pink ribbon brigade and Red campaign now overshadow Superman and Madonna.

But something else has changed. Retailers are wielding their power not just at the point-of-purchase, but also as a critical media channel for the first, second and third moments-of-truth. They are as focused on brand-building as their manufacturer partners.

The result? Both retailers and manufacturers increasingly compete and conflict around the very causes they're using to differentiate themselves and build brand equity. That's confusing and inefficient. Even worse, the shopper may grow to ignore or even resent it. What a waste of effort, investment and good intentions.

How do you manage for this new tension between retailers and manufacturers? Isn't offering shoppers more of what they want in value, while satisfying more of what they value, the best path? That can only happen if—once again—retailers and manufacturers rethink their relationship.

Retailers and manufacturers can no longer treat their cause-marketing investments independently. They both need to better "share the shopper" around cause marketing and branding.

Retailers and brands must work together for the shopper's greater good.

Manufacturers must challenge retailers, by leveraging shopper insights based on shopper data from their stores, to co-create customized versions of manufacturer programs for the best result. Simply participating in the retailer's cause initiative limits the brand's ability to build equity as well as drive volume. The brand is thrust into a "push" model versus a "pull" strategy.

NEW BEHAVIORS AND VALUES

Brands are now expected to be less *status quo* and more involved in the "greater good." Manufacturers are increasingly expected to demonstrate they are using the power of their corporate might to get behind and champion a cause that off-sets all of the perils and possible negatives of their products.

The right causes enhance authenticity and believability. That enhances trust. Choosing and creating their own initiative gives manufacturers much more control over how they express their message at retail.

On the shopper's end, the post-crisis economy has created new behaviors and decision-making processes. They're more cautious about their spending. Their own priorities and needs have shifted as they look for ways to get more meaning from life and from their purchases.

Consider Pepsi Refresh: The very idea of "refresh" has deep meaning and relevance for people right now. They are looking for ways to hit "refresh" themselves personally, professionally, and socially. Done well, platforms like the Pepsi Refresh project allow people to engage with the brand in ways never experienced before.

However, the critical connection to make is still at the moment of purchase. If ideas like Pepsi Refresh stop at the store door, both PepsiCo and its retailers are missing a crucial goal in marketing—to sell. To translate this highly inspiring new relationship with the brand into something experienced in-store, is a challenging proposition.

To do so successfully requires early engagement with the retailer to co-create customized programs that serve all three constituents: the store, the manufacturer and the shopper. Recent shopper studies reveal that knowing a portion of a sale is going to

what the individual considers a worthy cause is a compelling reason to choose one brand over another.

At times, it even motivates an unplanned purchase. We must stay maniacally focused on consumers/shoppers' consumption patterns, shifting values, as well as their view of value.

One of the biggest hurdles for manufacturers' marketing efforts is "trust," which comes from authenticity and believability. Retailers should respect this and recognize that healthy brands equal increased sales for them. They should embrace programs that promote trust and loyalty. Both are precursors to increasing sales.

When it comes to engaging the shopper and winning share-of-wallet, manufacturers and retailers need to work together for the cause.

More revealing is the emphasis that retailers put on the localization of cause programs. Manufacturers must also think at the local level, customize programs for retail partners and engage store associates—retail's ambassadors to the community. This is step one in setting the stage for productive collaboration.

Manufacturers and retailers must see these platforms as a chance to co-create and gain greater understanding of each other's needs and how to serve both. Generating consumer dollars for cause programs builds awareness of social issues and develops loyal constituencies for nonprofits and ultimately drive sales for manufacturers and retailers.

While cause marketing at retail is hardly a novel concept, it is still in its infancy. Growth will accelerate as manufacturers and retailers learn to better integrate their efforts. Just as advertising programs are benefiting from a "store-back" approach, so will cause programs. ■



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