

Social Agenda MarketingSM *Aligning Mission, Margins and Meaning*

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From Social Obligation to Social Opportunity

For many businesses, the triple bottom line – people, planet, and profit – is no longer a mere academic exercise. Rather it has become a deep motivator promising yet another reward, as “social purpose is the new social status.”¹

Regardless of motivation, the broader definition of success is changing the marketplace – from the emergence of social venture capital to the shifting career priorities of recent graduates. The social business is the modern business.

The quest for this new status – or relevance – has turned what once was seen as a social obligation into a social opportunity. Along the way, for-profits have studied and emulated the tactics long used by non-profits to earn their stakeholders’ respect, trust and loyalty. This, as non-profits increasingly study and emulate the management and marketing practices of for-profits.

Seen broadly, for-profits are increasingly employing what our firm calls Social Agenda MarketingSM (SAM). It is the latest evolution of what began as cause-related marketing. It is disruptive to many traditional corporations and essential to newer companies as a differentiator. And consumers are looking for their preferred brands to provide social benefits, not just functional or emotional ones. How did we get here?

The Path to Social Agenda Marketing

In less than 30 years, companies have evolved from cause-related marketing programs to corporate social responsibility (CSR) platforms to SAM. Unlike its precursors, SAM is integrated into an organization’s core business and brand strategy, serving as a key management tool. Done properly, it can align mission, margins and meaning.

Today, companies are building and advancing broad agendas that consumers support in a shared social contract to change a bit of the world. This is, of course, not the typical (or at least intentional) role of business. The social agenda is integral to the very essence of the brand and the business, not just episodically associated with them for marketing purposes.

For example, Haagen Dasz’s [Help the Honey Bees](#) agenda addresses the rapidly disappearing honey bee populations and the devastating effects this has on the food chain, including the potential impact on the company’s ingredients. If the bees succeed, Haagen Dasz succeeds.

Or consider the complete alignment between Patagonia’s outdoor-explorer culture, products and dedication to [environmentalism](#), which results in a true social entrepreneurship: “We believe in using business to inspire solutions to the environmental crisis.” Business is seen as a tool to greater good, not merely an engine for profit that may be shared with an associated cause.

It would be a mistake, though, to think that all social agendas must be environmental in focus. These are just particularly popular and relevant today. Trojan, in a no less relevant example, is championing a more

¹ Mitch Markson, Edelman



“evolved” approach to intimacy, aiming to help Americans mature their social attitudes and commitments to sexual responsibility and health. In the U.K., the large insurer, Brit, sponsors a prestigious design award, since good design helps limit exposure to risk. Unexpectedly smart moves like this demonstrate what inspirational social agendas look like in action.

History shows that each era has had its pioneer. In 1983, American Express raised \$1.7 million for the Statue of Liberty/Ellis Island Restoration Fund through what became the definitive cause-related marketing program. Ben & Jerry’s followed in 1989, being the first to hire a Social Auditor, in order to develop a report for stakeholders that clearly established the company’s impact beyond financial return. Starbucks provided leadership in more advanced notions of CSR, with its focus on employee benefits and sourcing. In the late 1990’s Target began to champion a social agenda for egalitarian good taste with “design for all,” a commitment to a better standard of living also reflected in its “Expect more, pay less” mantra.

The emergence of SAM is not an accident; it is an evolution reflecting business more fully understanding the rewards of pursuing the triple bottom line in intentional, integrated ways. Are such actions quaint, or might they actually change the world? They certainly could. According to a recent publication by University of Notre Dame’s business school, 51 of the world’s largest economies are corporations. And 300 multinational corporations account for 25 percent of the world’s assets. The margins are there; the mission and meaning are starting to move in the right direction.

A Matter of Trust

Despite the welcomed evolution toward SAM, it is important to remember that a few led and others followed – and nearly all of them did so out of a broader social need to address ongoing waves of mistrust, earned or not.

Since the 1960’s, business and government have faced major waves of mistrust at least four times, with the most recent wave washing over the marketplace just last year. With each wave, business practices are put in question, and consumer trust is shaken. Yet, last year’s wave eroded consumer trust in business more severely than ever before in the past century.

Considering consumers’ increasing and broad wariness of corporations, much more than just “goodwill” will be necessary to overcome the ripple effects of this most violent of the four waves. Companies must restore trust equity and prove their integrity to stakeholders again. For those who succeed, that equity will serve as a major competitive advantage, directly tied to the bottom line, with both internal and external benefits. If trust is restored, that will be, in itself, one of the largest successes in SAM thus far.

Since social agenda success is dependent on voluntary, shared social contracts between companies and stakeholders, SAM holds particular value in rebuilding trust. Within this dynamic – one that fosters personal relationships – the seeds of trust can grow again. Real-world client experience reveals six principles to guide SAM efforts:



integration
segmentation
localism
dialogue
connectedness
generosity

Integration

In a 2007 consumer survey, 87 percent of respondents said they wanted a company to support issues based on where its business can have the most social/environmental benefits.² It may sound obvious, but companies must live their values, not just espouse them. Integrating beliefs into operating practice is the first step. The good news: consumers are watching, and will respond. Plus, the effort to align belief and action can result in innovation.

Segmentation

Consumers are no longer interested in mere transactions. Rather, they look for meaningful, rich relationships with the companies they choose. Consumers seek out and champion companies that truly share their convictions and fit their lifestyles. That means understanding consumers at a social level, not just for their purchase behavior.

Localism

To allow consumers to identify and engage with a social agenda, it must have local and national (or international) appeal. If all politics are local, all SAM is hyperlocal. It is fine to care about and work for big changes, but they must happen on the ground at home. Haagen Dasz brings the honey bee issue to the local counter. Campbell's "seeds" program is another perfect example, as the company leverages a renewed interest in gardening and growing one's own vegetables...from the White House to community and personal gardens. At the same time, Campbell's educates consumers in transparent ways about its own supply chain to clarify that "home-grown" means something very different for a major corporation like Campbell's than for the individual gardener.

Dialogue

As in any relationship, open dialogue is of utmost importance. In 2008, ING recognized this and took action when most other financial institutions fell into utter silence or continued to "talk at" their customers. ING's "We the Savers" agenda offered consumers a range of tangible assistance: it prepared a declaration of financial independence with basic, yet long-forgotten financial advice; it opened cafes selling deeply discounted beverages and books on financial literacy and savings; and it held credit seminars around the country to help consumers ask the right questions and make wiser financial decisions.

Connectedness

Technology also plays a role in SAM, and it is important to acknowledge the role social media has played in networking consumers around causes. There are unprecedented opportunities to spread passion in real-time and across an ecosystem of online properties that mirror a company's actions in the physical space. Social media also supports the method in which many consumers engage with causes – through keyword searches that reflect their passions.

² 2007 Cause Evolution Survey



Generosity

No social agenda is complete without admitting that it will take money and substantial personal commitment. More than one-quarter (26 percent) of Americans have clearly stated who should be stepping up: the companies – and they are expected to give more, not less, in these trying times.³

Continuing the (R)evolution

Initial signs suggest that consumers will be asked to contribute more as well in these mutual, voluntary social contracts for change. As in any functioning relationship, both sides will need to be fully vested. So far, much of the heavy lifting has been on the corporate side with companies growing social responsibility into a \$37 billion industry.⁴

Some concepts, such as Zipcar, already put the responsibility squarely on the consumer by building an entire business around alternative car rental and ownership. Others are following suit, albeit in smaller ways, such as Ikea charging consumers a few pennies extra if they wish to take home their goods in plastic bags; Starbucks taking a dime off each coffee served in a refillable coffee mug; or Levi's adding a new line to its care tag that says: "Donate to Goodwill when no longer needed and care for our planet." SAM doesn't succeed just on the right values or heavy investment; it is a matter of smaller, everyday actions, too.

Consumers are also driving new levels of accountability – ones for which they set the terms. Already new alliances of consumers and non-profits are forming, facilitated by Denver-based Tuggl, among others. The idea is simple, yet effective: consumers and non-profits rate and review local businesses, so that those who display a commitment to both the community and their customers receive the recognition they deserve. Tuggl hopes this will prove to companies that doing good is good for business. Most importantly, consumers are not waiting for official corporate social responsibility reports; they are doing the reporting themselves in real-time.

In the end, SAM blends for- and non-profit strategies and likely the lines will continue to blur and the power dynamics will continue to shift. While none can read the future, one idea surely will only gain in importance: businesses will need to intentionally align their missions, margins and meaning if they intend to benefit from true SAM. Doing so in a marketplace of heightened transparency and deeper relationships with stakeholders will require a new kind of citizenship from corporations, perhaps one capable of changing the world.

³ Past. Present. Future. The 25th Anniversary of Cause Marketing

⁴ CRO Magazine



Social Agenda Marketing: Principles for Practice

1. SAM is integral to, and a reflection of, a company's business and brand strategy as well as its mission, vision and values it champions. The notion of "social" has greatly expanded and no longer strictly applies to the idea of traditional causes. Rather, a company must be in tune with the marketplace and align its mission, margins and meaning.
2. Identifying the most appropriate social agenda requires a keen ear for emerging marketplace conversations as well as sound brand and business strategies to provide the framework for action. If a brand is a single idea or promise that lives in the consumer's mind, then the social agenda helps contextualize the brand for greater relevance and impact. Operations have to deliver on both fronts to build trust.
3. One of the most common inclinations is to "go green." However, as Joel Makower, author of *The Green Consumer* cautions: "Most marketers know just enough about the world of green to be dangerous to themselves and others." This is not to discount "green" and "sustainability" as valid platforms, but it requires marketers to understand how they apply these concepts. A good example is Chipotle Mexican Grill's "Food with Integrity" agenda.
4. SAM is a serious business management tool that requires operational and financial commitment. Properly executed it promises tangible and intangible returns on investment, such as an improved bottom line and growing trust equity. According to the 100 Best Corporate Citizens List® for 2009, the companies who have appeared on the list for the past nine years have out-performed their competitors in three-year total returns by 26 percent, including last year.⁵ As Patagonia's founder put it when discussing sustainability in the July 2009 issue of *Fast Company*: "You have to get away from the idea that it's philanthropy. I look at it as a cost of doing business."
5. Like relationships, SAM takes a lot of work, combined with care and intuition. With SAM and social media going hand-in-hand and both evolving, only one thing is for sure: change.
6. SAM is about deep relationships and heightened transparency, both of which are characteristics traditionally attributed to the non-profit sector. This is no longer the case, as *The McKinsey Quarterly* suggested in its July 2009 issue: "a perfect storm has hit the standing of big business...companies must step up their reputation-management efforts in response."
7. As SAM evolves, it is likely that more companies will seek to redefine the notion of shared responsibility and ask consumers to adopt the principles they have asked the companies to adopt. It also is fair to assume this will produce both incremental and disruptive innovations.
8. The pressure for businesses to be socially responsible will only heighten with Main Street and non-profits forming new kinds of alliances.

For more information on Social Agenda Marketing or other innovative approaches to brand strategy and management, please contact Davis Brand Capital at 404-347-7778.

⁵ www.thecro.com/100best09