



Angela Eikenberry wants companies to stop hawking products in the name of charity.

BY VADIM LIBERMAN

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Red iPods won't cure AIDS. Pink Everlast boxing gloves will not knock out breast cancer. Indeed, these and other cause-marketing initiatives—which support charities through the promotion of products and services—do more harm than good, says Angela Eikenberry, assistant professor at the University of Nebraska at Omaha's School of Public Administration. "Consumption philanthropy is unsuited to create real social change."

Why condemn a win-win-win situation for businesses, nonprofits, and, well, the kids? Think of the kids! Because when companies partner with charities this way, only one of these groups is a true winner (guess which). We may see red and pink, but all companies see is green, Eikenberry complains.

Drawing on "The Hidden Costs of Cause Marketing," a stinging critique she recently wrote for the *Stanford Social Innovation Review*, Eikenberry, 39, spoke from her home office in Omaha about what's so wrong about a practice that seems so right.

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WHAT'S YOUR BEEF WITH CAUSE MARKETING?

It obscures the links between markets—their firms, products, and services—and the negative impacts they can have on human well-being. It appears that causes are being helped when you purchase certain products, but it's an illusion. Part of the problem is that the amount of money from the purchase price going toward the cause is usually small. We're also finding that people generally don't have any idea how much actually gets donated.

IS THAT BECAUSE COMPANIES DON'T MAKE THAT CLEAR OR BECAUSE PEOPLE FAIL TO READ THE FINE PRINT?

It's probably a combination of both. The United Way did a jewelry fair on campus here, and we surveyed people about how much they purchased and what percentage they thought was going toward the United Way campaign. People had no idea. Their answers were all over the place. The company hired to sell the jewelry did not advertise what percent would be donated, and most people didn't ask.

There is a psychological side to this, where people want an excuse to buy stuff. "Oh, well, I'm doing it for charity," is what they tell themselves to rationalize buying something they otherwise wouldn't have.

THAT MIGHT CLARIFY CONSUMER BEHAVIOR, BUT IT DOESN'T EXPLAIN WHY A COMPANY SHOULDN'T DONATE SOME REVENUE TO A NONPROFIT—ESPECIALLY

IF THE CUSTOMER WOULD HAVE BOUGHT THE PRODUCT ANYWAY.

Well, take American Express, an early pioneer of cause marketing. It recently launched a new iteration of its landmark Member's Project, and as in previous years, the company solicited the help of its online community members to decide which charities will receive a share of the \$4 million they plan to give away. At the same time, according to *Forbes*, American Express is investing an additional \$30 million to promote this new effort. The company is spending more than seven times the amount it's giving away on talking about the charitable act rather than on the act itself.

Just because there might be a charitable aspect to a product doesn't mean that the company or the consumer is doing enough.

ONE CAN EASILY ARGUE THAT AS LONG AS A PROBLEM EXISTS, THERE'S NO SUCH THING AS HAVING DONE ENOUGH, SO ISN'T IT BETTER THAT COMPANIES AND CONSUMERS ARE DOING AT LEAST SOMETHING?

No, not if the something is cause marketing, which distracts our attention and resources away from the most effective interventions and the act of critical questioning itself. There is evidence that mental budgeting goes on in people's minds, where they are thinking that buying cereal to benefit breast-cancer research is enough of a charitable contribution to the cause. One research group has asked people if buying a particular charity-

related product led them to do other things related to the cause. Some people said yes, some said no, and some said they were actually less likely to help the cause. It's a mixed bag, but empirical work by social scientists is leaning toward the notion that cause marketing allows people to think they've done enough.

STILL, YOU DO WRITE THAT MOST CONSUMERS GENERALLY AREN'T INTERESTED IN RIGHTING THE WORLD'S WRONGS. IT SEEMS TO ME THAT CAUSE MARKETING AT LEAST HELPS CAUSES, IRRESPECTIVE OF A CONSUMER'S INTENTIONS OR LACK THEREOF.

But look at the hidden costs. There's a potential for a bad trade-off, where buying the product might help one cause but create worse problems in other areas—like buying a product made by low-wage labor and that negatively impacts the environment.

IS CAUSE MARKETING A DELIBERATE ATTEMPT BY COMPANIES TO DEFLECT ATTENTION AWAY FROM SUCH QUESTIONABLE PRACTICES?

Sometimes it is. Look at the tobacco industry. They've done a lot to improve image through doing charitable activities. Historically, you can go back to Rockefeller. This has always gone on. People don't think about what kind of environmental or social impact the manufacturing of the product had in the first place. This is especially problematic when

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purchasing some pink trinket—who knows what toxic materials were used to create it? You're buying it to help cancer, and yet we know that many cancers are linked to environmental toxins. There's all this stuff involved in the purchase that people don't think about—and the companies selling these products don't necessarily think about either.

AT THE LEAST, AREN'T THESE INITIATIVES GOOD FOR COMPANIES' BOTTOM LINES? YOU NOTE THAT CORPORATIONS

The Buckets for the Cure campaign raises money for the charity by selling a product that is part of an unhealthy diet. Even proponents of cause marketing are up in arms about this one.

EVEN WHEN THERE IS BETTER ALIGNMENT BETWEEN A NONPROFIT AND A CORPORATION, YOU STILL THINK—

I still think about cause marketing's trade-offs. Yes, it's a way to raise a lot of funds for a charity, but there are opportunity costs to doing this. In fundraising, tradi-

relationship is good and the risks involved. Actually, most charities don't have the resources to measure their practices, and the time involved to do all that is time that they could otherwise spend talking to donors about investments.

If we're really interested in addressing a cause, like ending AIDS in Africa or ending breast cancer, then is cause marketing *really* helping to do that? Is it keeping us from sending the \$10 to the World AIDS Fund rather than spending \$10 or more on a T-shirt with only a few

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BENEFIT IN MANY WAYS: HIGHER SALES, WIDER PUBLICITY, IMPROVED IMAGE, BOOSTED EMPLOYEE MORALE.

The data does show that cause marketing is good for the bottom line, but only in the short term. A growing number of consumers are getting savvier and want to see that firms are sincere in their social and environmental responsibility efforts. If companies are doing cause marketing but hurting the environment, a large part of the population could become disillusioned. That's already happening. Companies would be better off focusing on their responsibilities to their employees through fair wages; healthy and satisfying work conditions; the environment, through more sustainable practices; and global society, through fair-trade practices and loyalty to communities. As a consumer trying to be conscientious, I want to know a company is doing these things.

COMPANIES AREN'T THE ONLY ONES PROFITING FROM CAUSE MARKETING. CHARITIES CAN ALSO MAKE A LOT OF MONEY BY PARTNERING WITH CORPORATIONS.

Yes, but there's a lot of misalignment going on, which is also part of the problem. An example is Susan G. Komen for the Cure's recent partnership with KFC.

tionally, it's all about building and monitoring relationships with donors. That's not going on when someone buys a product from some other company, a for-profit company. Maybe some people will contact the cause and a relationship will develop, but generally, that doesn't happen. There's really no long-term relationship-building opportunity for the charity, and we don't know to what degree people are buying products in lieu of giving directly. Charities need to look at all these costs and benefits. Often they do not.

DOES THAT IMPLY THAT CHARITIES CARE MORE ABOUT RAISING MONEY THAN BEST PRACTICES TO HELP A CAUSE?

I wouldn't say that. I'd say that charities don't think about the question of whether cause marketing has negative impacts overall. They just haven't done the research. There's an assumption that it's all good.

In the nonprofit world, we haven't done a very good job of measuring impact, so there are lots of nonprofits that get into the trap of needing more money to do what they're doing without necessarily knowing if what they're doing is having the impact they want. Komen could probably do a better job of vetting whom they're partnering with, but smaller charities may not have the luxury to spend the time to figure out if a

of those dollars going toward a fund? And what happens when your friends see you and others wearing that T-shirt and think, "Hey, I don't need to send my money since all these other people have bought T-shirts?" Does cause marketing incite us to put pressure on governments to do things differently? I wonder about the teenagers growing up in an environment where buying a Gap T-shirt is a form of activism. It seems really problematic. Companies need to do a better job of providing consumers with a more holistic approach to helping a cause.

HOW?

I don't know how a company can convince people to care, but they can certainly make it easier by being more transparent about their actions and making more information available to consumers about how to get involved with a cause beyond buying their products.

SOME MIGHT SAY INCREASING CIVIC ENGAGEMENT IN SOCIETY IS NOT A COMPANY'S RESPONSIBILITY.

I wouldn't say it is companies' responsibility to educate people to be civically engaged, but I do think it is the responsibility of all institutions not to make things worse—and selling that T-shirt might actually make things worse. ■