

Studies: Cause Marketing Increases Sales

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-By Kenneth Hein



Pier 1 Imports and Payless are likely to get a sales lift from their partnerships with Susan G. Komen during “Breast Cancer Awareness Month.” A series of new studies released today (Oct. 1) show that consumers are more likely to purchase brands that are associated with causes they care about.

The 2008 Cone Cause Evolution Study found that 79% of respondents said they would switch brands (provided price and quality were equal) to the one that is associated with a good cause. Cone, Boston, polled 1,100 adults polled online in August.

Eighty-five percent of respondents said they have a more positive image of a company when it supports a cause they care about. The same percentage said it was acceptable for companies to promote their affiliation with nonprofit organizations in their ads. And, 38% have purchased a product associated with a cause in the last year.

Knowing that consumers are interested in cause-related branding, how can companies make it more effective? Eighty-four percent of those polled wanted to select their own cause, 83% said it must be personally relevant and 80% said the nonprofit associated with the brand matters.

Even though companies are struggling, more than half of respondents (52%) said companies should continue to give to nonprofits. More than a quarter (26%) felt companies should give more.

A separate study, conducted in conjunction with Duke University, sought to see if consumers would put their money where their mouth is. In the “2008 Cone/Duke University Behavioral Cause Study,” 182 consumers were exposed to print ads (cause-related or a typical corporate ad) for one of four focus brands in a regional magazine. They were then sent to shop in a mock store that featured 150 SKUs.

The result was a 74% increase in purchase of shampoo brand that was associated with a cause. A cause-related toothpaste brand saw a 28% lift. The other two categories studied, chips and light bulbs, also saw a moderate increase when linked to a nonprofit organization.

The second phase replicated the study online among 1,000 online consumers. It found consumers spent almost twice as long reading cause-related ads versus generic ads. Toothpaste sales increased 19% and shampoo 5% (light bulbs and chips were excluded from this phase of the study).

Consumers are paying more attention to cause messages, and as a result, are more likely to purchase, said Duke marketing professor Gavan Fitzsimons. "The magnitude of the effect we are finding with cause campaigns are sales lifts of multiple share points which could lead to many millions of dollars in increased revenue...[Without spending a great deal], there are few other levers at marketers' disposal that can achieve that type of results."

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